

**CHINA'S BELT AND ROAD INITIATIVE:
ANALYZING THE GEOPOLITICAL INFLUENCE VIS-
A-VIS PAKISTAN AND SRI LANKA**



BY

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**NATIONAL UNIVERSITY OF MODERN LANGUAGES
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**China's Belt and Road Initiative:
Analyzing the Geopolitical Influence vis-a-vis Pakistan and
Sri Lanka**

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DEDICATION

I dedicate this thesis to my parents and my wife who have been my constant source of love and encouragement in my academic pursuits. Their unwavering support and belief in me have kept me motivated during the most challenging times.

ABSTRACT

This thesis examines BRI's geopolitical significance in relation to Pakistan and Sri Lanka, two South Asian countries. The study tries to comprehend the topic via the lens of neorealism. Neorealism holds that the factors that determine the international system have an impact on states' foreign policies. The study uses a qualitative approach, looking at primary and secondary data through content analysis research methodologies. Both deductive and inductive reasoning are incorporated into its explanatory research approach. The paper makes the case that China's geopolitical influence has grown in several South Asian countries, particularly Pakistan and Sri Lanka, because of its economic rise. In Pakistan's case, China has attracted policy shifts in the economic domains to support its Belt and Road Initiative (BRI) through the China-Pakistan Economic Corridor (CPEC). The study has found mega-uplifting in the economic projects in Pakistan. For China, Pakistan's acceptance of the BRI has increased its political, security, and economic influence. In the case of Sri Lanka, the study finds that China has impacted the country's decisions to support BRI. Empirical evidence supports the argument that many projects in the country, such as the Hambantota Port project, reveal the Chinese influence in the country.

Key Words: China, Pakistan, Sri Lanka, CPEC, BRI, geopolitical & geostrategic

INTRODUCTION

When Xi Jinping assumed the presidency of China in 2013, he introduced two significant initiatives aimed at expanding China's global connectivity and influence. The first, the Silk Road Economic Belt, envisioned a network of land routes linking China with Central and South Asia, the Middle East, and Europe. The second, the "21st Century Maritime Silk Road," aimed to establish a series of maritime trade routes connecting China with Southeast Asia, the Middle East, Africa, and Europe. These two proposals collectively became known as the Belt and Road Initiative (BRI), often described by Xi as "a project of the century." The initiative has since become the centerpiece of China's foreign policy and remains officially referred to in China as "One Belt, One Road."

Under the current global system, which has facilitated China's remarkable economic rise, Beijing has adopted a more pragmatic and assertive approach to global governance. The BRI's core objectives align with this vision, focusing on enhancing global financial integration, liberalizing trade, and developing infrastructure connectivity across participating regions.

The BRI is often compared to the Marshall Plan, which saw the United States lead efforts to rebuild war-torn Europe and establish the liberal international order. Similarly, the BRI reflects China's ambitions to shape the global order. Through this initiative, China seeks to assert global leadership by leveraging international legal frameworks to advance its development agenda. To date, China has signed over 120 agreements with countries and international organizations, integrating them into its global infrastructure development strategy.

By fostering stronger international partnerships and promoting coordinated economic growth, the BRI underscores China's outward-facing economic diplomacy. This approach carries substantial geopolitical implications, highlighting China's vision of global leadership and its role within the international system. The governance strategies employed in the BRI offer insights into China's broader aspirations for global influence, as Beijing seeks to project

its voice and leadership in international affairs while occasionally employing unconventional governance practices to achieve its objectives.

China's leaders expect that the Belt and Road Initiative's expanded trade routes and more effective transportation networks will shift international trade away from the other superpowers and toward China. They think that by fostering economic growth in China's impoverished and frequently unruly western and southwestern provinces, the Belt and Road Initiative (BRI) could improve political stability at home. China is gaining leverage by becoming a major creditor to the developing world, which could allow it to pressure BRI countries to not question its stance on human rights, strategic issues, or domestic politics. Additionally, BRI gives China access to ports and other facilities abroad, which is crucial for China's global outreach.

In order to further its geostrategic objectives, China, a rising state, wishes to demonstrate its diplomatic might at pivotal points in world affairs. China takes advantage of its strong position in regional multilateral venues and uses its ingenuity to negotiate bilateral agreements. As a result, Beijing is seeing benefits from China's multi-layered BRI governance strategy. Beijing's quasi-multilateral policy indicates that China is eager for its voice to serve as a directive in international affairs and is at ease participating in initiatives and projects such as the Belt and Road Initiative to achieve these goals.

Statement of the Problem

Many people believe that the Belt and Road plan is primarily a geopolitical endeavor. China hopes to further its geopolitical objectives through the BRI. Many Chinese analysts view China's Belt and Road Initiative (BRI) as the country's new geopolitical policy, which aims to expand its sphere of influence and establish new standards for international economic cooperation. The Belt and Road Initiative is a geopolitical and economic plan to increase China's influence in the world. Therefore, China's attempts to understand the potential and difficulties arising from its geopolitical hybridity are closely linked to the Belt and Road Initiative. China wants to create a beneficial strategic balance through the BRI. According to American scholars, the main goal of the Belt and Road Initiative is to counterbalance major countries through geopolitical means. The impact on the states linked with BRI and the potential increase of Chinese influence provide support for scholars to evaluate the BRI as an external policy tool rather than a pure trade-enhancing initiative.

Since BRI has significant progress in a number of countries, its geopolitical impact can be studied empirically. Among the countries where BRI has seen significant development, Pakistan and Sri Lanka can be taken as case studies. The flagship project of BRI CPEC started in 2013 between Pakistan and China. As of 2020, the CPEC projects are worth \$62 billion, up from their initial valuation of \$47 billion. Investment in the energy sector, the construction and modernization of communication infrastructure, the creation of special economic/industrial zones, and Gwadar port projects are the four primary pillars of CPEC. Short-term (2015–2020), medium-term (2021–2025), and long-term (2026–2030) are the three stages of CPEC. The primary focus of the early harvest initiatives was on the necessary infrastructure, which was a requirement for the nation's industrial recovery. Pakistan has thus begun the second phase of construction of the Gwadar port, roads, and energy projects.

Relations between Sri Lanka-China have grown exponentially during the last decade. China and Sri Lanka became significant partners; the Belt and Road initiative is closely connected with this. BRI presents both challenges and opportunities for Sri Lanka. Sri Lanka-China relations reached another milestone under BRI. The current regime of Sri Lanka tries to balance its relations with India and China, but they have expressed their willingness to participate actively in BRI and leverage Sri Lanka's geographical position with China. Sri Lanka is walking on the tight rope, seeking benefit from China while maintaining relations with its rivals. BRI has raised concerns about China's intentions in the Indian Ocean, given the ambitions of the plan. BRI investment coming from China raises concerns for Sri Lanka over debt burden and loss of sovereignty. China's takeover of the Hambantota port raised questions about the loss of sovereignty. Consequently, BRI is considered the geopolitical strategy of China.

Therefore, these two countries offer an opportunity to study the geopolitical impact of BRI. This study attempts to analyze the geopolitical relevance of China's BRI vis-à-vis Pakistan and Sri Lanka as case studies. While China has extended BRI to Pakistan and Sri Lanka, it has implications for these states. China has more influence on Pakistan and Sri Lanka in the political, economic, and security domains. In this study, China's influence vis-à-vis Pakistan and Sri Lanka is unfolded.

Objectives of the study

This study seeks the following research objectives:

- To assess relevance of China's Belt and Road Initiative to its international geopolitical influence.
- To analyze the geopolitical influence of Belt and Road Initiative vis-a-vis Pakistan.
- To unearth the geopolitical influence of Belt and Road Initiative vis-à-vis Sri Lanka.

Research Questions

1. How can China achieve geopolitical influence through Belt and Road Initiative?
2. How does China's engagement in Pakistan under Belt and Road Initiative result in geopolitical initiative?
3. How does Chinese involvement in Sri Lanka through Belt and Road Initiative translate into geopolitical influence?

Literature Review

In 2013, China under the leadership of President Xi Jinping inaugurated the Belt and Road Initiative (BRI). Since its launch it has achieved attention across the world. Scholars are of the view that it may have a lasting effect on the social and economic development of host countries. Western world interprets it as part of China's hidden geopolitical strategy to ultimately assume the world leadership. Chinese leaders see it as its international cooperation strategy.

Very few authors have conducted comprehensive research on all the aspects of the BRI project. Nayyer Iqbal and Umbreen Javed, while analyzing the impact of BRI on regional countries, stated in their article published in the *Global Political Review* that the relations between China and the US were already not in their best condition. BRI has made them even worse¹. Using Pakistan as an example, they said that US authorities had fully aligned Pakistan with China due to CPEC, a significant pilot project under the BRI. The article goes on to say that Pakistan-US relations are in danger because the BRI poses a serious threat to the US and CPEC is its flagship project. According to Hafeez-Ullah Khan's essay in the *Journal of International Politics*, Pakistan's partnership with China has implications for Washington-Islamabad ties. The author went on to say that Pakistan's best course of action is not to associate itself with China. This is because the situation is comparable to the Cold War era, when

¹ Nayyer, Iqbal, and Umbreen Javaid. "CPEC: The US Stance and its Impact on Pakistan-US Relations." *Global Political Review* 5, no. 1 (2020): 145-154.

Pakistan was virtually cut off from the USSR and provided unwavering support for the US. The US-Pakistan relationship during the War on Terror following 9/11 is also examined in this article.² However, mostly because to China's economic might, the CPEC has forced Pakistan to back its all-weather ally, China. The relationship between the US and Pakistan may deteriorate as a result of this. According to structural analysis, any nation that joins the Chinese camp may find this to be counterproductive. In his piece that was published in *The Diplomat*, Hanan Zafar examined another viewpoint about whether the project is truly advantageous or detrimental to both states. The initiative is now more of a boon, he said, acknowledging the uncertainty regarding the debt-trap approach and its comparison to the Sri Lankan situation. This is due to the fact that by 2050, it could strengthen the Third World's economy. The author also added that ultimately the future will be concluded by how the projects work out for the regional countries with the passage of time³.

Kenneth B. and Anne H. H. Pyle in their scholarly work on BRI published in the *Journal of The National Bureau of Asian Research* also highlighted the military and security implications for the region. They have made an argument related to the China's expanding interests and its effect on military and security calculus. The United States likely response to threat and its foreign policy and national security interests. They have also highlighted the volatility of regional security situation, territorial disputes and spillovers being generated by the conflicts in Afghanistan, Syria among others⁴.

In his book *Belt and Road: A Chinese World Order*, Bruno Maçães discusses the Belt and Road Initiative (BRI) as a shift towards a more proactive foreign policy, aimed at actively shaping China's external environment rather than simply responding to it⁵ e further highlights the internationalization of the renminbi as a crucial element of China's strategy, noting that nations often face a dilemma when striving to promote their currency's global use when alternatives are limited⁶. The Belt and Road Initiative symbolizes China's evolution from a regional power to a global one. President Xi Jinping unveiled the initiative in two speeches in September and October of 2013, referencing a time before European dominance and drawing

² Hafeez Ullah Khan, China, the emerging economic power: options and repercussions for Pak-US relations." *International Politics* (2020): 1-26.

³ Zafar, H. "CPEC: Boon or Bane for Pakistan?" *The Diplomat*, November 16, 2016.

⁴ Kenneth B. Anne H. H. Pyle. "China's Belt Road Initiative: Military and security Implications," *NBR*, March 27, 2017.

⁵ Macaes, B, *Belt and Road a Chinese World Order*. (London: Oxford University Press, 2019).

⁶ Ibid.

upon the legacy of the ancient Silk Road—a vast network of trade routes linking Europe, Asia, and Africa. The historical Silk Road serves as a metaphor for global interconnectedness, with China's Belt and Road ambitions potentially reflecting a return to a time when China was at the heart of the global economy. Far from being a singular project, the Belt and Road represents a comprehensive strategy, an evolving concept, and a broader vision of China's aspirations for global leadership.

"China as a state is a priority concern for the US," said Sam Parker and Gabrielle Chefitz in their paper *Debtbook Diplomacy*, which examined China's strategic leverage and its effects on the US.⁷ It is clear that China is focused on giving emerging nations the financial incentives they require and expanding its influence in those nations. This has significant ramifications for the US-China competition. The paper outlines how Pakistan is steadily sinking into China's debt trap and how the US will eventually lose all control over Pakistan. This demonstrates that the Belt and Road Initiative (BRI) has consequences from the international system's great power political conflict in addition to its domestic and regional impacts.

According to Nazrul Islam's research, "Russia, Europe, the 16+1, and even the UK can benefit from the initiative, which is about mutual connectivity to help developing countries access international division of labor." According to Albert Einstein, Europe and China will be connected in the future via Eurasia."⁸ . The Chinese leadership's geopolitical and geoeconomic goal is the Belt and Road Initiative. Additionally, he makes the case that "the Belt and Road initiative can be traced back to the ancient Silk Road 2000 years ago." Richthofen, a German professor at Friedrich Wilhelm University in Berlin, was the one who first proposed the phrase "Silk Road." A Swede named Sven Hadin was one of his students. In his 1936 book, he made the prediction that China will revive the ancient Silk Road, which would mark the start of a significant revitalization of the Chinese people."⁹

The current Chinese administration is attempting to influence both China's and the world's destiny through the Belt and Road initiative. China hopes to create a new economic

⁷ Parker, S., & Chefitz, G. *Debtbook Diplomacy*. Belfer Center for Science and International Affairs. May, 2018, May. <https://www.belfercenter.org/publication/debtbook-diplomacy>

⁸ Muhammad. Afzaal, "Silk Road to Belt Road: reinventing the past and shaping the future: edited by Md. Nazrul Islam, Singapore, Springer, 2019, xiii+ 404 pp., RRP£ 100 (hardback), ISBN 978-9-81132-997-5." (2020): 104-107.

⁹ Nazrul Islam, *Silk Road to Belt Road: Reinventing the Past and Shaping the Future* (Singapore: Springer Nature Singapore, 2019)

order system with this endeavor. China aims to create a new kind of political-economic hegemony over the participating nations and the world at large as part of its geopolitical vision under the BRI. Because of this, some analysts believe that China's main tool for achieving global dominance is the Belt and Road Initiative. Studying the Belt and Road Initiative (BRI) is essential to comprehending Beijing's global leadership capabilities and goals.

According to a 2021 report by the independent think tank Council on Foreign Relations, "China is willing to use economic leverage for political advantages through this BRI, and this strategy predates that it is not limited to BRI countries, the initiative gives China greater leverage in more places." By using economic inducements to persuade nations to support China's favored stances, China might use the BRI's economic clout to punish those nations that adopt policies that conflict with its objectives. With this kind of influence over BRI nations, China might be more able to influence debates over divisive topics pertaining to its foreign and domestic policy.”¹⁰

One of the main components of Chinese foreign policy is the Belt and Road Initiative (BRI), which is regarded as a major step in China's efforts to increase its influence in international affairs. Roads, railroads, power plants, ports, smart cities, telecommunication, information technology, and e-commerce platforms are just a few of the many infrastructure projects that China has financed and constructed worldwide. By doing this, China is establishing its global influence and providing for the needs of other developing nations. China's leaders expect that the Belt and Road Initiative's expanded trade routes and more effective transportation networks will shift global trade away from the United States and West and toward China. BRI can make China the global leader and enhances the likelihood that China will have an impact on international affairs. Although China is accused of utilizing the Belt and Road Initiative as a "debt trap," this is a planned attempt by Beijing to encumber nations with unmanageable debt to leverage its power and obtain political concessions. BRI initiatives have a powerful signaling effect, supporting the idea in host nations that close ties with Beijing are essential to their future growth. Thus, the Belt and Road Initiative (BRI) can be viewed as a crucial component of a larger plan to strengthen China's geopolitical power and global stature by expanding its

¹⁰ Jennifer Hillman, David Sacks, Jacob J. Lew, and Gary Roughead. *China's Belt and Road: Implications for the United States* (New York: Council on Foreign Relations, 2021).

There is debate over the current state of the world order. Compared to international institutions, the balance of power is shifting more quickly. China is currently a superpower that uses its diplomatic might to take advantage of pivotal moments in world affairs in order to further its geostrategic objectives. China takes advantage of its strong position in regional multilateral venues for policy wins and uses its ingenuity to negotiate disproportionately large bilateral accords. As a result, Beijing is benefiting from China's multi-layered BRI governance model, but the balance of the free economic system is being severely harmed.

According to China's White Paper issued in March 2015¹¹, Establishing and strengthening partnerships among the nations along the Belt and Road, creating multi-tiered, all-dimensional, and composite connectivity networks, and achieving diversified, independent, balanced, and sustainable development in these nations are the objectives of the Belt and Road Initiative (BRI).

An article published in the OECD, "China's BRI initiative in the global trade and finance landscape" provided the statistical analysis of the project highlighting the global infrastructure needs and the financing of connectivity projects within the BRI. This article has also tried to translate the motivations behind the project and while analyzing the global consequences. It states that the BRI is affecting the global trade, investments and finance landscape in significant ways. This article provides a comprehensive statistical data-based analysis of the BRI and draws mostly on the positive outcomes of the project thus conflicting with the pre-established and perceived outcomes of the project¹².

Dr Yu Jie¹³ in his paper published in *The Royal institute of International Affairs*, critically evaluated the China's motive behind BRI and its intentions to rule out US influence in Asia Pacific. He argued that why the world democracies have been slow and uncoordinated in their response to the BRI. He argued that Western Democracies believe this initiative is largely against the interest of the west and characterize largely in terms of debt trap diplomacy.

¹¹ "China's National defence in the New Era" 2015. The State Council the People's Republic of China. Xinhua, 2015.

¹² OECD, "China's BRI in the global trade, investments and finance landscape" OECD Business and Finance outlook 2018.

¹³ Dr Yu Jie. *Explaining China's motives for the BRI, perception of the initiative internationally, and how the belt and road may evolve in the Future*. The Royal institute of international studies. 13 September 2021.

While highlighting the Future of BRI, Dr Yu Jie has stated that China's commitment to reduce CO2 emissions although it is continuously investing in coal related energy infrastructure.

In his paper "The Belt and Road Initiative: China's new Geopolitical Strategy," Zhang Zhexin claims that five years after its inception, the BRI has emerged as China's primary international cooperation plan to support its economic growth. China has so far inked agreements for cooperation with more than 100 nations and international organizations. More significantly, the Belt and Road Initiative has contributed to the economic and social advancement of both China and its cooperating nations through tangible and consistent progress in infrastructure development, trade and investment promotion, cooperative construction of industrial parks and free trade zones, financial cooperation, and cultural exchange.¹⁴

"Then, does the BRI have any geopolitical weight?" he adds in this study. The answer is unquestionably yes. As was previously said, a key factor in its proposal is to reduce tensions and foster mutual trust with neighbors in order to guarantee a tranquil atmosphere for China's growth. Because stronger people-to-people and economic relationships are thought to foster security cooperation and reduce animosity. The BRI helps to preserve a strategic area that is advantageous for China's long-term growth in this regard.

In the same article, he argues that by 2015, China's international strategy under President Xi had fully developed, showcasing five key shifts from previous decades:

1. Taking a more proactive approach to promoting regional peace and stability, with increased investment in resources.
2. Striving to build a new type of major-power relations through more pragmatic efforts.
3. Making neighboring diplomacy the central focus of its global strategy.
4. Strengthening its role in contributing to global public goods, demonstrating a greater sense of international responsibility.
5. Defending its core interests with greater resolve and more forceful actions.

Overall, this new foreign policy reflects a more confident and assertive China, determined to protect its perceived core interests and actively pursuing the long-term goal of

¹⁴ Zhexin Zhang, "The belt and road initiative: China's new geopolitical strategy?" *China Quarterly of International Strategic Studies* 4, no. 03 (2018): 327-343.

"the great rejuvenation of the Chinese nation." At the same time, it underscores China's commitment to playing a more active and responsible role in ensuring international peace and stability, while also promoting regional economic integration."¹⁵

For the first time in its recent history, China is making an effort to export its growth model, which depends on significant domestic and international investments in ports, railroads, roads, and infrastructure to boost industrial development across the area. Through the BRI and AIIB, China is attempting to establish a bargaining coalition in order to change the current international system and redefine global governance in a manner that is consistent with its principles. Some academics debated whether China is questioning the current system of global governance and has used its institutional strength to do so. A Chinese model's implications and difficulties were examined by Yin (Yin, 2019).¹⁶

Richard Ghiasy penned down his work on BRI stating that it has been driven by a range of factors that comprises Chinese security, diplomatic, ideational and geo-political interests and aims at fostering Chinese \$12 trillion economy. Thus, by doing so China aims to mitigate international security threats for its domestic policies and shape an international order that is less likely to be unpredictable. He further argues that BRI is not entirely self-serving. In fact, it will result in boosting domestic and regional development, integration, and cooperation¹⁷.

Roie Yellinek, writes in his PhD thesis about the more possible outcomes of the project. He argues that this project is expected to bring some significant challenges as well, like many other large-scale projects, there are many externalities & a very major ones could be on the environment. Some projects of the BRI are passing through the ecologically critical areas. Those areas lack adequate protection and are exposed to these projects. This entails a wide range of risks to the local environment and society. He further highlights the complications of economic calculus and says it can be more complicated than it seems to be. This new economic integration will Result into sheer foreign competition and will not only threatens the local job pool but industries at large. Yellinek further evaluated the project critically by stating the most

¹⁵ Zhixin, Z. The Belt and Road Initiative: China's New Geopolitical Strategy? [15] Zhixin Zhang, "The Belt and Road Initiative: China's New Geopolitical Strategy?" (swp-berlin. German Institute fInternational and Security Affairs, 2018).

¹⁶ Yin, W. Implications and challenges of a Chinese models for belt and road court and "one-stop" mechanism. *Hong Kong Law J.* (2019):635–663.

¹⁷ Richard Ghiasy, "China's Belt and Road Initiative; Security implications and ways forward for the EU". *Stockholm international peace research institute.*

perceived threat of the BRI, the Debt Trap. Mentioning the case of Sri Lanka, Yellinek witnessed the threat¹⁸.

In his article, *The Asian Infrastructure Investment Bank and the One Belt One Road: Beijing's New Geopolitical and Geoeconomic Strategy*, Kevin G. Cai discusses the origins and significance of the Asian Infrastructure Investment Bank (AIIB). President Xi Jinping proposed the AIIB in October 2014 as a development bank focused on financing infrastructure projects across Asia, aiming to create an alternative financial framework that would rival Western-dominated institutions. Officially launched in December 2015, the AIIB is often referred to as China's equivalent of the "World Bank" for the Asia-Pacific region. This initiative reflects Beijing's efforts to reshape the international order in alignment with its growing global influence. China, as the largest financial contributor to the bank, holds the most voting power, underscoring its leadership role. This development marks a pivotal moment in China's strategy to assume a more influential position in global governance.¹⁹

Research Gap

Although the BRI's rising impact has led to a large rise in research, the majority of the literature now in publication focuses on its implementation and risk assessment. As a result, interdisciplinary viewpoints on the main forces propelling the BRI are lacking in recent study. The BRI is largely regarded by analysts as either a great power strategy or as China's trade promotion strategy. Western views of the BRI are frequently more negative, viewing it less as an economic initiative built on win-win collaboration, while Chinese researchers define it as a "integrative economic project" that is separate from a grand plan with geopolitical aims. They view the BRI as a plot to subvert Western interests and values, or at the very least, as a geopolitical strategy of a rising China with imperial ambitions. It is one of the major points of criticism that BRI massively depends on the institutional strength of Chinese government, which limits the employment of Chinese influence in the world. This study adds new insights to understand the BRI geopolitical influence on Pakistan and Sri Lanka in a South Asian context. As the case studies are both developing states, it signifies that BRI influences more Pakistan and Sri Lanka

¹⁸ Roie Yellinek, "the impact of China's Belt and Road Initiative on Central Asia and South Caucasus". *Journal of International Relations*.

¹⁹ G., K. The One Belt One Road and the Asian Infrastructure Investment Bank: Beijing's New Strategy of Geoeconomics and Geopolitics. *Journal of Contemporary China* (July 2018), 47.

Theoretical Framework

The rise of China as a global power presents crucial questions for analysts and policymakers seeking to comprehend its international ambitions, the strategies it employs, and the broader implications of its ascent. A key area of debate surrounds whether China's rise will ultimately reshape the structure of the international system.²⁰ Many scholars contend that China's Belt and Road Initiative (BRI) reflects a combination of strategic goals, fueling discussions about its geopolitical motivations. Researchers argue that the BRI aims to: (1) expand China's geopolitical influence, (2) reduce regional tensions, and (3) secure long-term access to energy and resources.

Neorealism provides a robust framework for understanding China's actions and its outward-oriented policies. This theory highlights the significance of the distribution of capabilities within the international system. States differ primarily in terms of their relative power, and shifts in the system's structure occur when these distributions change. Neorealism, also known as structural realism, emphasizes the enduring role of power politics, viewing competition and conflict as inherent features of the anarchic international system. The theory identifies three key elements: the anarchic nature of the system, the state as the principal unit, and the distribution of capabilities as a determinant of system dynamics.

Within this framework, states leverage various strategies and initiatives to enhance their power and influence. The BRI exemplifies China's application of neorealism's core principles, as the initiative seeks to translate economic capabilities into geopolitical influence. According to this perspective, great powers are instrumental in driving systemic changes. China's BRI, therefore, serves as a mechanism for pursuing geopolitical objectives, such as expanding its influence in regions with weaker economies. Investments under the BRI are often directed toward economically vulnerable states, which may struggle to repay the substantial loans, potentially leading to geopolitical concessions such as strategic port leases—a phenomenon commonly referred to as “debt-trap diplomacy.”

Analyzing China's international behavior through neorealism provides insights into both the motivations behind the BRI and the broader systemic context. The initiative underscores China's intent to maximize its global presence and influence while advancing its

²⁰ Evan Medeiros, *China's International Behavior: Activism, Opportunism, and Diversification* (Santa Monica, CA: Rand Corporation, 2009), viii.12

geoeconomic and geopolitical goals. This approach aligns with the theory's assertion that states aim to enhance their relative power, constrained by the broader balance of power in the international system.

Neorealism further explains how states address the "security dilemma" by adopting strategies of internal and external balancing. Internal balancing involves strengthening domestic capabilities, such as fostering economic growth, while external balancing entails forming alliances to counterbalance powerful states or coalitions. China's BRI exemplifies a blend of both approaches, as it simultaneously builds domestic economic strength and engages with partner nations to extend its geopolitical reach and counteract rival powers. Through the neorealist lens, the BRI represents a calculated effort by China to assert itself as a dominant force in the global order.

Research Methodology

This study employs a descriptive method for data analysis. Descriptive analysis is a research approach used to explain, summarize, or illustrate data in a way that allows patterns and trends to surface, meeting the specific requirements of the data. By examining both historical and contemporary data, this method helps identify connections and recurring themes. Often regarded as the foundation of data analysis, descriptive analysis focuses on recognizing patterns and relationships without extending into predictive or inferential conclusions.

This thesis will be based upon a qualitative approach with both primary and secondary data collection methods. The primary data will be collected through policy papers and governmental reports, and secondary data will be collected through different books, journal articles, government publications, and reports. Data can be clearly divided into three categories. The first category will be the data that explains the Western/US perspective; the second category will be the data that describes the Chinese perspective; and the third category will be the data that elucidates the Pakistani and Sri Lankan perspectives. Collected data will be analyzed through both qualitative and quantitative techniques of data analysis. The study employed the use of case study design. The case study approach was selected in the sense that it places more emphasis on a full contextual analysis of fewer events or conditions and their interrelations.

The primary objective of the research work is to explore the geopolitical influence of the Belt and Road initiative for China through the prism of case studies of Pakistan and Sri Lanka. To address the research questions properly and adequately, a two-fold approach is

needed. Comprehensive theoretical application is needed to conceptualize and analyze the geopolitical impact of the Belt and Road initiative vis-à-vis Pakistan and Sri Lanka. We will seek to verify our main findings empirically through a case study approach. Which will be more helpful to dig out the basic reasons and will confer us with deep knowledge and understanding. That serves the basic purpose of this research work.

Significance of Study

This research will study the geopolitical influence of Belt and Road initiative. China's BRI project is considered as key for serving the geopolitical influence of China as per the American perspective. The international role of China is not only very pivotal for China but for the world order as well. This research will look into geopolitical impact of China through the prism of BRI. China seems to play a significant role in politics and international relations via BRI. China through BRI can facilitate better economic cooperation, infrastructure development, and prosperity, international economic and political integration. China's Belt and Road Initiative (BRI), introduced in 2013 and also referred to as "One Belt, One Road" (OBOR), is widely seen as a strategic effort by China to expand its influence, establish new frameworks for international economic cooperation, and shape a revised global order. The initiative reflects a combination of geopolitical and economic objectives. President Xi Jinping has championed a vision of a more assertive China on the global stage, while challenges such as slowing domestic economic growth and strained trade relations with the United States have driven the need to access new markets for Chinese goods. This study examines China's geopolitical motivations for the BRI, focusing on case studies of Pakistan and Sri Lanka to provide a deeper understanding of its strategic implications.

By analyzing the Belt and Road Initiative the study sheds light on expanding influence in south Asia particularly in strategically significant regions. It examines how Chinese investment through infrastructure projects like CPEC and Hambantota port in Sri Lanka create economic dependencies that can translate into strategic leverage for China and it may use as a debt trap tool of its foreign policy objectives. This study provides an insight into how the BRI alters South Asia's geopolitical landscape, impacting relationship with other regional and global powers, including India and United States.

It also provides policy recommendations for Pakistan and Sri Lanka to balance their economic needs with strategic autonomy and optimize benefits while minimizing risks associated with BRI. The findings of the study can serve as a model for understanding China's

engagement strategies in other developing nations involved in BRI, contributing to broader geopolitical discourse.

Delimitation

This study is limited to explore the Geo-Political Influence of Belt and Road Initiative through the lens of case studies of Pakistan and Sri Lanka. It will not deal with BRI itself but its impact giving rise to the role of China in international politics. As explained in objectives of research that BRI provides an opportunity to China to extend her geopolitical interests. So study will focus on those geopolitical influences.

Organization of study

This research will explain the importance of BRI and its implications for the rise of global role of China. China's ascent to global prominence and its absorption into the world order. The potential and difficulties facing China in the context of the Belt and Road Initiative will be covered in this study. The BRI is a broad effort that includes several projects aimed at advancing China's influence and position in the world. BRI gives China the chance to expand her global reach by using her significant economic resources. BRI leverage for major international relations benefits in terms of politics, economy, strategy, and diplomacy.

Chapter 1: Objective and Scope of Belt and Road Initiative

This chapter will describe objectives and scope of Belt and Road initiative as Chinese greater plans of developing a global connectivity through trading networks reflects the Beijing's plan for security an influential position in the region. This chapter's central theme will underline the key objectives of China in introducing its developmental trading agenda and its emerging collaborations with the third world. In this way, this chapter will formally introduce this research's main theme through adopting a descriptive approach.

Chapter 2: The Geopolitical Dimension of Belt and Road Initiative

This Chapter will explain an overview of the geopolitical significance of BRI. It will also focus on the historical context of BRI. China as initiator of BRI has strategic designs that give rise to geopolitical importance of BRI. China is highly centralized state and want to integrate herself in world affairs and BRI has its significance in the context. This chapter will explain the BRI and its geopolitical dimension.

Chapter 3: Geopolitical influence of Belt and road Initiative vis-a-vis Pakistan

Chapter two will delve into the geopolitical implications of the China-Pakistan Economic Corridor (CPEC), a flagship initiative under China's Belt and Road Initiative (BRI). The BRI plays a pivotal role in enhancing China's position in global politics. Through its partnership with Pakistan, China aims to develop extensive transportation and energy infrastructure, potentially boosting Pakistan's economy and serving as a model for other BRI participants. A key strategic goal is to establish a direct link between China and the Indian Ocean via Gwadar Port. On a broader scale, China's geopolitical ambitions extend well beyond its immediate region. The substantial investment in CPEC underscores Beijing's view of Pakistan as a vital ally in achieving its far-reaching economic and political objectives.

Chapter 4: Geopolitical Influence of Belt and Road Initiative vis-a-vis Sri Lanka

This chapter will deal with role of BRI and its role for Chinese role in global affairs. It will study the different dimensions of BRI and its role with the help of case study of Sri Lanka, as tool for enhancing Chinese influence and domination. This chapter will elucidate how BRI works as an umbrella initiative spanning a multitude of projects designed to promote the Chinese role and her geopolitical impact.

Chapter 1

The Nature and Scope of the Belt and Road Initiative (BRI)

The central theme of the first chapter revolves around the main idea of Chinese global geo-economic calculations under the Belt and Road Initiative (henceforth BRI), as it has been accepted internationally that the role of China's BRI is strictly attached to international power politics among great powers. The BRI has proved to be a Chinese jump in the existing power competition of great powers in the international system while pushing other great powers at disadvantageous positions through its global trading plans. The launching of BRI has sent a clear message to the whole international community that China has started pursuing ambitious trade goals by signing various trade agreements with different countries located in diverse regions. China's trade strategy primarily focuses on those states that are neither significant in the global economy nor vital to China's export sector because the countries facing severe economic conditions could support China in the international arena by luring them with the help of Beijing's economic support. This objective of China has let the Chinese state officials come up with a plan for global economic development and launched BRI. The "Belt" in BRI refers to the land-based "Economic Belt of the New Silk Road," while "Road" refers to "the 21st Century Maritime Silk Road". In other words, the BRI is the combination of the two objectives which are structured in its idea that the "Belt", refers to a land-based route that stretches from China to Europe via Central Asia while the "Road" refers to its sea-based equivalent that passes through Southeast Asia, Africa, and the Middle East on its way to Venice, Italy. The combination of both features of BRI has made this project a global geopolitical planning of China which focuses on the economic interests of China and the will of Beijing for creating a global trade network.

The BRI project aims to improve connectivity and cooperation on a transcontinental scale by building a network of transportation, energy, and telecommunication infrastructure, as well as promoting trade and investment among states along the route. As Chinese President Xi Jinping mentioned in his speech in 2021 the importance of the BRI is promoting international cooperation and economic development which cannot be marginalized.²¹ The BRI covers more

²¹ "What has Xi Jinping said on Belt and Road Initiative?", *CGTN*, November 18, 2021, <https://news.cgtn.com/news/2021-11-18/What-has-Xi-Jinping-said-on-Belt-and-Road-Initiative--15hrErmAlna/index.html>

than 60% of the world's population and 1/3 of world trade and GDP, making it one of the largest infrastructure projects in history. Thus, the BRI is a centerpiece of China's foreign policy, aimed at promoting economic development, trade, and investment in countries along the routes. The launching of BRI has alarmed Western security bells and created many challenges for Beijing which are undeniable realities and cannot be ignored in the contemporary international system, however, these challenges remain inefficient in undermining the main objective of China's introduction of the BRI. Apart from having various undeniable challenges in the international system to the BRI, this part of the research mainly focuses on the nature of BRI and its role in the contemporary international system. While considering an appropriate understanding of the BRI as an essential prerequisite to explain the main argument of this research, the main purpose of this chapter explains the nature and scope of BRI. The central theme of this chapter mainly attempts to provide a comprehensive understanding of the BRI project of China and its various features to explain its nature and scope.

1.1 What is the Belt and Road Initiative (BRI)?

China's Belt and Road Initiative (BRI), also known as One Belt One Road (OBOR), is a massive infrastructure development strategy adopted by the Chinese government in 2013 to invest in more than various countries and international organizations. The BRI was proposed by China in 2013 as a means of improving connectivity and cooperation on a transcontinental scale parallel to generating an international network of global trade. The BRI consists of a multitude of projects designed to promote the flow of goods, investment, and people across the globe. It is China's way of managing trade across the globe under the shadows of its global trading aspirations. The initiative does include a network of highways, railways, ports, and other infrastructure projects connecting Asia, Europe, and Africa. Apart from these regions, this global project has an ambition to involve more and more states from different regions. This mega trading plan of China involves the construction of infrastructure, including railways, highways, ports, and energy pipelines, to improve trade and economic ties between participating countries.²² The initiative is seen as a means of boosting China's economic leadership and increasing its global influence in the international system while gaining extensive economic benefits from the global economic markets. The launching of BRI in the international arena has sent a loud and clear message to the whole world about the economic rise of China through creating a global network of various trading routes. The mainstream

²² S. Muhammad Ali, *China's Belt and Road Vision: Geoeconomics and Geopolitics* (London: Palgrave MacMillan, 2020), 167-170.

designs of Chinese foreign policy have aligned the multifaceted Chinese trading policies with the BRI and created a new outlook on Beijing's standing in global politics. In this way, the BRI has become an essential dimension of China's foreign policy. China's foreign policy has had a significant impact on global trade, and over the last decade, the country's trade policies have undergone significant changes. The decision to launch a global trading network reflects that the Chinese government has adopted an active engagement in the world consisting of multilateral cooperation with different nations, which in turn, is a pure nature of Beijing's foreign relations with the outside world.

The Belt and Road Initiative (BRI) primarily focuses on extending China's economic and strategic influence by partnering with countries across various regions. While there is no official list of participating nations, numerous independent research institutions provide varying surveys and lists of countries involved. By August 2022, 52 African nations had signed agreements or understandings to join the BRI, highlighting Africa's strategic importance due to its potential for developing rail, road, and energy infrastructure. Among these, 38 countries are in Sub-Saharan Africa. The initiative also includes 35 countries in Europe and Central Asia, with 18 European Union (EU) member states participating. Additionally, 25 nations are part of the BRI in East Asia and the Pacific, 20 in Latin America and the Caribbean, and 17 in the Middle East and North Africa. Globally, the BRI is acknowledged as a significant initiative for international economic cooperation, attracting interest from governments worldwide. Participating countries range from close geopolitical allies of China, such as Cambodia, to U.S. allies and partners, including Greece, Italy, Saudi Arabia, and the United Arab Emirates. Notably, over two-thirds of EU member states are involved in the BRI. Among the prominent projects is China's investment in renovating the port of Piraeus in Greece, demonstrating the BRI's influence in reshaping global infrastructure and fostering international economic ties.

The BRI is a broader Chinese project that includes both a land-based "Belt" and a sea-based "Road" for the trading objectives. The formulation of trade networking features of BRI has attached this Chinese plan of international expansion to the territorial and maritime affairs of the international system. It has instructed the Chinese government to focus on the creation of a greater trading global infrastructure, which in turn, let Beijing secure an advantageous position in contemporary global politics. This factor has created a new political game in the international system as the leading Western policy-making circles have considered the BRI a Chinese way of keeping the whole international system in Beijing's favor. In this way, the global intellectual circles have marked BRI as a mega Chinese project formally linked with the Chinese global

plans of emergence through developing a global network of territorial and maritime trading routes. As this plan was launched in 2013, it can be said that the year 2013 has turned the international system towards China because the announcement of BRI by the Chinese president alarmed the security bells of Western powers. The leaders of the great powers started thinking about China's position in the international system with its worldwide trading plans.

1.2 The Launching of BRI

The genesis of BRI can be traced to the year 2013 when the Chinese government decided to announce its global plans for developing a China-centric international network of different trading routes. The Belt and Road Initiative is sometimes referred to as "One Belt, One Road" (OBOR), but the official translation became "Belt and Road Initiative" (BRI) in 2016. The BRI was announced by Chinese President Xi Jinping in 2013 as an ambitious plan to restore overland trade routes from China to Europe and Africa and to develop new trade routes connecting China with the rest of the world, through creating a global web of trading connections with various other nations. This Chinese mega-economic project aims to connect Asia, Europe, and Africa by land and sea, through the development of two main trade routes, the Silk Road Economic Belt, and the Maritime Silk Road.

The BRI involves a vast network of transportation infrastructure projects for enhanced trading connections with different nations. These trade routes consist of railways, highways, ports, airports, and pipelines, as well as industrial parks, energy projects, and telecommunications networks. The academic survey of Jeremy Garlick *Reconfiguring the China-Pakistan Corridor: Geo-Economic Pipe Dreams Versus Geopolitical Realities* focused on the launching of BRI which has introduced various economic projects for the different regions where the CPEC is for South Asia. It has aligned closely the markets of China and Pakistan with each other.²³

The BRI's ultimate goal is to create a more interconnected and interdependent market for China and to expand China's economic and political power with the belief that the China-centric global trading network could let Beijing expand its trade in the international trading markets. The BRI project has invested in more than 150 countries with multilevel development plans. These countries are located across the globe in different regions. The economic potential of BRI has been accepted and acknowledged by different global financial institutions such as

²³ Jeremy Garlick, *Reconfiguring China-Pakistan Corridor: Geo-Economic Pipe Dreams Versus Geopolitical Realities* (New York: Routledge, 2022), 105-110.

the International Monetary Fund (IMF). A co-authored study by the IMF *Why Is China Growing So Fast* accepted the economic rise of China in the world through various trading networking plans.²⁴ Thus, The BRI's ambitious plan emphasizes developing two new trade routes connecting China with the rest of the world, growing China's economic and political power, and to create the right conditions for China to build a highly interdependent market, lastly, making an effort to establish an expanded interdependent market for China. Both conceptions of trading routes are strictly linked to the Chinese greater plans of economic cooperation under the BRI.

The trading initiative introduced by China under the BRI not only concentrates on the infrastructure but also on developing economic, diplomatic, and strategic ties with partner countries. The BRI has become a significant and ambitious strategic initiative of the twenty-first century and has emerged as "the most significant and ambitious strategic initiative of the twenty-first century so far". The BRI is a centerpiece of China's foreign policy, with Chinese leaders framing it as a "win-win" cooperation focused on promoting the development of many countries around the world. This win-win cooperation has ensured the international community that the bilateral trading models of China are strictly aligned with greater cooperation. It is estimated that China has signed 197 BRI cooperation documents with 137 nations and 30 international organizations, emphasizing the importance of international cooperation for the success of the initiative.²⁵ While the success and ultimate impact of the BRI on international trading cooperation is yet to be seen, moreover, the initiative represents a significant effort by China to expand its economic and political influence on a global scale. The involvement of more and more countries in the BRI is not merely limited to the economic domain. The BRI emphasizes policy, infrastructure, trade, financial and people-to-people connectivity, and China is willing to maintain and strengthen trade relations with its trading partners, including BRI countries.

Despite various critical arguments from across the globe visualizing BRI as the Chinese method of keeping the international system under its influence, the BRI remains China's main international cooperation and economic strategy, known as "One Belt One Road" (OBOR), the "Silk Road Economic Belt and the 21st-century Maritime Silk Road," or just the "New Silk Road". This idea of the Silk Road has introduced the Chinese trading strategy for the world

²⁴ Zuli Hu and Mohsin S. Khan, "Why Is China Growing So Fast", *International Monetary Fund (IMF)*, <https://www.imf.org/external/pubs/ft/issues8/index.htm>.

²⁵ Hong Yu, "China's Belt and Road Initiative and its Implications for Southeast Asia," *Asia Policy* 24 (July 2017), 120.

which has been analyzed by several multilateral frameworks of the international community. A recent report published by the United Nations Conference on Trade and Business (UNCTAD) on *China's Structural Transformation* has focused on the transformation of Beijing's traditional trading methods and upgraded them objectively. This report has categorically focused on the idea of the Silk Road which is linked to Beijing's global geo-economics calculations.²⁶

The Silk Road was established and protected by the Chinese Empire, although it was formerly a route used by traders and merchants to transport goods. This road served to advance local trade and the spread of same culture throughout the region. China is currently spearheading the construction of the road through the BRI. The Chinese government has gone one step further and expanded this to include the sea, connecting land roadways with maritime channels. It has, for instance, linked Africa and Eurasia. Trade integration resulted from these roads' ability to link local, regional, and global trade in the past and present. Food, love stocks, spices, jewelry, and other goods are traded through these channels. Similar to how it was traded in the past, Sogdians, for instance, did this to supply artisans and interpreters in addition to being dealers.

While the ancient Silk Road was created and developed by merchants, the BRI or New Silk Road is a modern infrastructure and trade development project proposed by the Chinese government. The BRI was proposed by the Chinese government to connect the world through modernized trade routes and cooperative technology. It is one of President Xi's most ambitious foreign and economic policies that aims to strengthen Beijing's economic leadership through a vast program of infrastructure building throughout China's neighboring regions. The BRI aims to revive the historic Silk Road trade route that runs between China and Europe by creating two new trade corridors, one overland and the other by sea, which will connect China with its neighbors in the West, including Central Asia, the Middle East, and Europe.

A survey of the Center for International Knowledge and Development from China in *China's Progress Report 2021* has provided a brief detail of all projects that are going on under the Silk Road conception of Chinese trade.²⁷ Therefore, while the Silk Road was created by merchants and traders, the BRI, or the New Silk Road was a government-led initiative. The

²⁶ "China's Structural Transformation: What can Developing Countries Learn?," United Nations Conference on Trade and Development, 2022, https://unctad.org/system/files/official-document/gds2022d1_en.pdf

²⁷ "China's Progress Report: On Implementation of the 2030 Agenda for Sustainable Development (2021)", Center for International Knowledge on Development, https://www.fimprc.gov.cn/mfa_eng/topics_665678/2030kcxzfzyc/202109/P020211019152754484797.pdf

BRI aims to deliver win-win outcomes and common development, jointly meet various challenges and risks confronting mankind, and enhance practical cooperation.²⁸ This feature of BRI has facilitated the Chinese government to enhance its cooperation with different states with peaceful attentions. These peaceful attentions have created a peaceful global economic order in which the states from different regions are determined to develop a multidimensional trading collaboration with China.

1.3 Aims and Objectives of BRI

The main goals of the Belt and Road Initiative (BRI) are to enhance the economic prosperity of countries along its route, foster regional economic cooperation, and address the development gap between China's coastal regions and its more landlocked inland provinces. These objectives have resonated with many nations, drawing them towards China and convincing governments of the significant economic opportunities China offers on the global stage. At the heart of the BRI is its aim to connect Asia, Europe, and Africa through five key routes. These include the Silk Road Economic Belt, which links China to Europe via Central Asia and Russia, connects China to the Middle East through Central Asia, and unites China with Southeast Asia, South Asia, and the Gulf region.

Several reports published by several organizations have reported the involvement of various countries from diverse regions in the BRI which is a greater support to Beijing's inter-connectivity plans. An edited report of the Organization for Economic Cooperation and Development (OECD) China's Belt and Road Initiative in the Global Trade, Investment and Finance Landscape listed the details of the project China has introduced for the states of different regions.²⁹ This vision of connectivity showed the Chinese potential to provide significant advantages to China in economic, geopolitical, and military areas in the international system.

The BRI is significant for several reasons. First, it is having a massive investment in the infrastructure that has the potential to transform the economies of the countries involved. Second, it is a way for China to expand its global influence and increase its soft power by creating economic ties with other countries. In addition to these two reasons, the BRI has the

²⁸ Arjun Gargeyas, "China's 2035 Standards Quest to Dominate Global Standard-Setting," *Hinrich Foundation*, February 21, 2023, <https://www.hinrichfoundation.com/research/article/tech/china-2035-standards-project-restructure-global-economy/>

²⁹ "China's Belt and Road Initiative in the Global Trade, Investment and Finance Landscape", OECD Business and Finance Outlook 2018, <https://www.oecd.org/finance/Chinas-Belt-and-Road-Initiative-in-the-global-trade-investment-and-finance-landscape.pdf>

potential to shift power within and among states by creating new economic connections and relationships. It is a Chinese project that has connected the global trading markets with Chinese domestic industry and let the governments of other nations become active partners in Chinese global economic networking. This networking is primarily based on a win-win model for the making of economic collaborations at the bilaterally collaborative levels with the help of various trading agreements and business deals in different domains. In this way, the multidimensional interaction of Beijing with other trading partners has let the governments of other nations explore their trading avenues in diverse fields.³⁰ The explorations of untapped potential in diverse fields across the globe have facilitated the local industry of China to cultivate potential business platforms across the globe.

The leading state officials of China have made BRI a broader policy agenda at the national level as well with the belief that the national level support to the BRI will let the Chinese government achieve the desired goals of their geopolitical thinking. The national-level economic plans of China consist of Made in China 2025, China Standards 2035, and Digital Silk Road. In addition to the broader plans of BRI, these domestic plans of China have produced various supportive grounds for the completion of China's broader worldwide economic networking. The Made in China 2025 is a strategic plan to transform China into a high-tech manufacturing powerhouse by upgrading its industry, reducing its reliance on foreign technology, and improving the quality of its products.³¹ The objectives of this project include fostering innovation, achieving self-sufficiency in key high-tech industries, and becoming a world leader in the various advanced manufacturing industries. China Standards 2035 is a national strategy to establish China's dominance in setting global standards for emerging technologies, such as artificial intelligence, 5G, and the Internet of Things. A report published by the Chinese embassy of Islamabad has cited a detail of all these projects in a report and formally mentioned the details of Beijing's trading potential and its contribution to the world economy.³² The objectives of the specific project include strengthening China's role in the global standard-setting process, protecting national security and intellectual property, and promoting the internationalization of Chinese standards. In addition to Made in China 2025 and China Standards 2035, the Digital Silk Road is a supporting component of the BRI that

³⁰ Moritz Roudolf, *Belt and Road Initiative, The: Implications for the International Order* (Singapore: World Scientific Publishing, 2021), 211.

³¹ Srikanth Thaliyakkattil, *China's Achilles' Heel: The Belt and Road Initiative and its Indian Discontents* (London: Palgrave MacMillan, 2019), 55-60.

³² "China's Contribution to World Economy," *China Embassy*, October 23, 2021, http://np.china-embassy.gov.cn/eng/78085/bd/200410/t20041027_1998103.html

aims to expand China's digital influence and promote the internationalization of Chinese technology companies. The mainstream objectives of this project include building digital infrastructure, facilitating cross-border e-commerce and digital trade, and promoting digital innovation and entrepreneurship. Another important plan for the support of China's global economic rise is the Global China 2049 initiative. This initiative aims to provide an in-depth assessment of China's ideas, approaches, and investments.³³

Last, but not the least, the objective is to project China's economic influence abroad, bolstering its standing as a global power. All these economic plans of China are mainly designed to support the greater vision of China becoming a global power which can be studied under the concept of peripheral diplomacy. The notion of peripheral diplomacy is fundamentally designed by Beijing to increase the Chinese trading connections with the neighboring countries.³⁴ The economic rise of Beijing in the world is strictly linked with the greater diplomatic values of China, along with the promotion of these values across the world. The advancement of these diplomatic values in Chinese foreign policy has diverted the mainstream framework of Beijing's foreign relations towards the conception of periphery diplomacy.

1.4 China's "Periphery Diplomacy":

The conception of periphery diplomacy refers to China's foreign policy approach towards countries with which it shares borders, or mainly it refers to Beijing's approach for making peacefully cooperative ties in the economic domain with the territorial adjoining nations. The term Periphery Diplomacy emphasizes a set of foreign affairs activities practiced by China's leaders, aimed at maintaining stability and promoting economic development in its neighboring regions while formulating various formats of cooperative engagement with the neighbors. This approach has been a priority in Chinese foreign policy since at least 2006, with recent meetings specifically focusing on periphery diplomacy. Chinese state officials have described periphery diplomacy as a core priority of Chinese diplomacy while having a strong relevance to the mainstream foreign policy mechanism of China. It instructs the Chinese leaders to maintain a peaceful and stable periphery being crucial for China's reform, development, and stability. The periphery diplomacy is a concept that has led China towards

³³ Yi Wu, "China Standards in 2035 Strategy: Recent Developments and Implications for Foreign Companies", *China Briefing*, July 26, 2022, <https://www.china-briefing.com/news/china-standards-2035-strategy-recent-developments-and-their-implications-foreign-companies/>

³⁴ Chen Jimin, "Challenges in China's Peripheral Diplomacy," *China on Focus*, June 24, 2021, <https://www.chinausfocus.com/foreign-policy/challenges-in-chinas-peripheral-diplomacy>

signing cooperative trading connections with the nearby smaller and middle-range states from different regions such as East Asia, Russia, Central Asia, South Asia, and Southeast Asia.³⁵

The main tools used in periphery diplomacy include economic aid, trade, military cooperation, cultural exchanges, and political dialogue. The intellectual circles across the world have marked that periphery diplomacy is a significant aspect of China's foreign policy and is characterized by a proactive approach toward neighboring countries, aimed at maintaining peace, and stability and promoting economic development in the region to expand its economic interests in the world. There are several reports published by different Western scholars on the critical aspects of Chinese peripheral diplomacy as it is viewed by Westerners as a Chinese imperialist approach that is fundamentally structured to undermine the status of other great powers in the international system. The United States Institute of Peace in the report *China's Peripheral Diplomacy: Implications for Peace and Security in Asia* has made several points on the increasing influence of the Chinese economic network in the world under the broader theme of BRI while calling it a kind of cooperative diplomacy.³⁶ The report says that economic collaboration with other states has undoubtedly strategic implications for the Asian power balance. Another report was prepared by a Carnegie research fellow Michael D. Swaine on critical lines and called the BRI as Beijing's grand strategy for the whole international system in which the strategic implications of the Chinese economic connections are intended to alter the conventional power politics of the international system.³⁷

The BRI is a key aspect of China's "periphery diplomacy," which aims to expand China's influence in the region and beyond through developing various trading connections with other nations. BRI investments are viewed as a way to facilitate this diplomacy by promoting trade and infrastructure partnerships with the countries along this enormous land border. In other words, Belt and Road investments are viewed as a way to facilitate China's "periphery diplomacy" - trade and infrastructure partnerships with the countries along this enormous land border. The main concept of "periphery diplomacy" has been highlighted by

³⁵ Sanjeev Kumar, *China's BRI in Different Regions of the World: Cooperation, Contradictions and Concerns* (New York: Routledge, 2023), 110.

³⁶ Jacob Stokes, "China's Periphery Diplomacy: Implications for Peace and Security in Asia," *Special Report* 467 (May 2020), https://www.usip.org/sites/default/files/2020-05/20200520-sr_467-chinas_periphery_diplomacy_implications_for_peace_and_security_in_asia-sr.pdf

³⁷ Michael D. Swaine, "Chinese Views and Commentary on Periphery Diplomacy," *China Leadership Monitor*, July 28, 2014, <https://carnegieendowment.org/2014/07/28/chinese-views-and-commentary-on-periphery-diplomacy-pub-56306>

Chinese state officials on various occasions while discussing the greater economic vision of China for the whole world.

All the statements showed the determination of the Chinese government to uphold the idea of BRI in the world by creating various supportive channels. These developments have been reported by various state media channels in Beijing such as *The State Council Information Office* has made different statements highlighting the vision of President Xi for the betterment of the whole international system.³⁸ The intellectual communities from around the globe have started believing that peripheral diplomacy and the Belt and Road Initiative are intertwined strategies that are part of China's foreign policy aimed at consolidating its influence in Southeast Asia, improving domestic development, and expanding its global economic reach. The United States has expressed her concerns about BRI's potential to promote debt-trap diplomacy, and Beijing engages with neighboring countries using a variety of tools, including economic aid, cultural exchanges, and military diplomacy. However, BRI has also faced criticism, with some experts warning that its debt burdens could put China at risk. China's periphery diplomacy in BRI involves improving political relations, strengthening economic ties, deepening security cooperation, and fostering closer humanitarian ties with neighboring areas.³⁹ The initiative has been promoted as a means of creating a China-led block in opposition to the US, although this view is not necessarily accurate. Therefore, the ongoing analysis on the BRI and its position in the international system cannot be spared from the global opposition which has become a major challenge for the Chinese government.

1.5 Global Opposition to BRI

There have also been concerns raised about the potential negative environmental impact of the project. Furthermore, the critical standings of the states on the BRI have pointed out that the project has yet to materialize on the ground as promised but still lacks transparency, and the Chinese government has been accused of obfuscation and lack of transparency regarding the details of the project. Additionally, there have been concerns about corruption and the lack of adherence to environmental and social standards during the implementation of the project which has been highlighted by Western scholars, mostly from the United States. The US-based

³⁸ “Xi Jinping on Belt and Road Initiative,” The State Council Information Office – The People’s Republic of China, September 08, 2020, http://english.scio.gov.cn/topnews/2020-09/08/content_76680846.htm

³⁹ Bijan Omrani, *Great Potential, Many Pitfalls: Understanding China’s Belt and Road Initiative* (New York: Routledge, 2021), 112.

critical arguments of the policy-making and intellectual communities are persistently multiplying their concerns about China's BRI.⁴⁰

One major criticism leveled against BRI is that it pushes countries into debt traps. It is argued that Beijing issues expensive loans to host countries, and when they are unable to pay back these loans, as expected, China takes control of the assets via a debt-equity swap, leading to a loss of sovereignty for the host countries. Others argue that the BRI is a corruption bonanza, where the process of building infrastructure in other countries is fraught with official approvals, feasibility studies, stakeholder engagement, and other bothersome procedures. Chinese officials claim that the BRI includes six economic corridors that will carry goods, people, and data across the Eurasian supercontinent, a statistical analysis of 173 infrastructure projects finds that the initiative has yet to materialize on the ground as promised.⁴¹

Despite these criticisms emerging from different directions, the proponents of the BRI believe that the BRI presents a unique opportunity to improve the investment climate in developing countries and to foster economic cooperation between China and other countries. Moreover, some suggest that criticisms of the BRI are based on misinformation and that the initiative could serve as a way to step back from the brink it would serve no one's interests to cross. It is observed internationally that the periphery diplomacy is aimed at expanding China's regional influence and countering the United States' presence in the region which is the critical side of China's emerging role in world politics. The BRI's core strategy is to use large-scale infrastructure loans to export China's surplus industrial capacity, technology, and engineering expertise, potentially contributing to increased trade, foreign investment, and better living conditions in the participating countries. However, critical positions of the states argue that the BRI may result in unsustainable debt burdens for some participating countries and potentially lead to geopolitical and strategic challenges for the United States and its allies. The BRI poses a significant challenge to U.S. economic, political, climate change, security, and global health interests, and it should not simply be assessed by looking at the benefits of individual projects, but rather the overall strategic implications of the initiative.⁴²

⁴⁰ Y. Y. Chang, "Understanding the Belt and Road Initiative (BRI)," *European Journal of East Asian Studies* 18, no. 01 (2019), 10.

⁴¹ Florian Schneider, *Global Perspectives on China's Belt and Road Initiative: Asserting Agency Through Regional Connectivity* (Netherlands: Amsterdam University Press, 2020), 88.

⁴² Mehdi Parvizi Amineh, *The China-Led Belt and Road Initiative and its Reflections: The Crisis of Hegemony and Changing Global Orders* (New York: Routledge, 2022), 118.

1.6 India's Opposition to BRI

A project of this size is certain to have a major geopolitical and geo-economics impact. BRI holds the potential to transform current Asian structural arrangements if it is able to carry out its plan. The likelihood of this happening has scared off a number of regional and international powers, as seen by their responses to the BRI. The Chinese effort has received support from a number of nations, including Russia, but it has also faced opposition from a number of powerful nations, including the US, Japan, India, the European Union, Australia, and others. The worry they all share is that China wants to become more powerful in international affairs and wants to change the current political, economic, and strategic frameworks in order to further its objectives at their expense.

Indian officials are against the BRI because they believe China is misrepresenting the program. India's sovereignty and territorial integrity are allegedly violated by the BRI, which has the CPEC as its centerpiece project, according to New Delhi. Connectivity projects, in our opinion, should be undertaken in a way that respects territorial integrity and sovereignty, and they should be grounded in globally accepted international principles, good governance, the rule of law, openness, transparency, and equality.⁴³ India's government's lackadaisical attitude towards the Belt and Road Initiative (BRI) is interpreted by analysts as a sign of their misgivings about the initiative due to its vagueness, lack of openness, lack of stakeholder involvement, and China's expanding military might in the Indian Ocean region..⁴⁴ As a result, New Delhi is concerned that the BRI projects could cause its neighborhood to become unsustainably debt-ridden, corrupt, and politically unstable.⁴⁵

The idea of the BRI forming a China-led block in opposition to the US is not necessarily accurate. The BRI has faced criticism, but China has responded by making efforts to address these concerns, and the project has emerged as the boldest expression yet of China's global economic ambitions. In a recent speech at the 100th anniversary of the Chinese Communist Party (CCP), the Chinese President sent a message to the whole world that the Chinese government is determined to uphold the vision of economic development with a clear approach

⁴³ 'Official Spokesperson's response to a query on participation of India in OBOR/BRI Forum', May 13, 2017,

⁴⁴ Montgomery Blah, 'China's Belt and Road Initiative and India's Concerns', *Strategic Analysis*, 42 (4), 2018, pp. 313–332

⁴⁵ ulshan Sachdeva, 'Indian Perceptions of the Chinese Belt and Road Initiative', *International Studies*, 55 (4), 2018, pp. 285–296

and unambiguous policy frameworks because the economic prosperity is the central point of Chinese politics.⁴⁶ The Chinese government is determined to avert the rising criticisms from diverse directions with the belief that the Chinese foreign policy has aligned in the domains of economic statecraft, non-military coercion, and maritime governance has been analyzed by experts, including its impact on global trade flows.

China's Belt and Road Initiative is a massive infrastructure development strategy that aims to improve connectivity and cooperation on a transcontinental scale. This initiative of China has let the whole world realize Beijing's potential in global power politics while it is believed that this project can bring significant economic benefits and infrastructure development to the participating countries. The main framework of this project aims to enhance the global outreach of China in the contemporary international system. The initiative involves the construction of infrastructure, including railways, highways, ports, and energy pipelines, to improve trade and economic ties among the participating countries. The construction of these trading routes mainly consists of roads and maritime trading pathways that endeavor to establish an interconnection between Beijing and the global world. It is widely believed that the BRI was primarily developed to promote international cooperation and economic development on one hand. On the other hand, it has been critically examined by certain states where the government has translated BRI as a Chinese way of managing international power politics with the help of economic development. This trend has marked the BRI as Beijing's plan for ensuring China's active and influential role in world politics. The critical circles of global powers have started calling it a disturbing expansion of Chinese power and influence in the world because the BRI has introduced various models of cooperative bilateralism between China and other states from across the globe.⁴⁷ The critics have raised concerns over the lack of transparency and sustainability of some BRI projects, as well as the potential for debt traps and negative environmental and social impacts. In other words, the critical arguments emerged from different directions that have treated the BRI as a Chinese way of creating its dominance in the international system through developing a strong trading network.

Based on the above-mentioned features of the BRI and its growing global appreciation parallel to having a brief layer of opposition emerging from specific power centers, it can be said that the BRI has received mixed reactions from analysts and policymakers of different

⁴⁶ "Full Text of XI Jinping's Speech on the CCP's 100th Anniversary," *Nikkei Asia*, July 01, 2021, <https://asia.nikkei.com/Politics/Full-text-of-Xi-Jinping-s-speech-on-the-CCP-s-100th-anniversary>

⁴⁷ Lei Zou, *The Political Economy of China's Belt and Road Initiative* (Singapore: World Scientific Publishing, 2018), 173.

regions. It has been viewed as the disturbing expansion of Chinese power without overlooking its positive dimensions which calls it a golden opportunity for economic growth and cooperation. Chinese state authorities have also many times mentioned the vision of BRI in various statements. Apart from having economic potential for the world across the globe, the BRI has faced significant criticism, including accusations of debt-trap diplomacy, corruption, and a lack of transparency. As President Xi Jinping stated in a speech in 2023 the US opposition cannot determine the status of BRI and its progress in diverse ways.⁴⁸ Additionally, the Chinese state authorities address the international community that the issue of the debt trap will be addressed objectively which will be in favor of developing countries because the Chinese plans of economic development are free from political pressures, and these plans are purely for development purposes.⁴⁹ Despite having varying levels of critical points emerging from different directions, it is widely believed that the initiative presents a unique opportunity for economic cooperation and development.

⁴⁸ Laura He, “Xi Jinping Hits out at US as he Urges China’s Private Firms to ‘Fight’ Alongside Communist Party,” *CNN*, March 08, 2023, <https://edition.cnn.com/2023/03/07/economy/china-two-sessions-xi-jinping-speech-us-challenges-intl-hnk/index.html>.

⁴⁹ Ibid.

Chapter 2

The Geopolitical Dimension of BRI and its Impact

This chapter argues that the Chinese Belt and Road Initiative (BRI) has implications for the nations involved. China's BRI project fundamentally consists of two elements, the Maritime Silk Road Initiative (MSRI) and the Silk Road Economic Belt (SREB). The broader framework of BRI based on the MSRI and SREB formally announced in 2013 to alter the existing trading patterns of international system and their exclusive projection under Chinese vision. This vision aimed to create a transnational network of various trading route compromises of ports, railways, highways, and pipelines. As will be discussed in the parts, several countries, notably China, have used the BRI for geopolitical goals. In this context, the chapter is divided into the following sections. First understating what is BRI. Second, the BRI connections with South Asia, and finally the study would concentrate on the major argument, especially the geopolitical implications in the context of this chapter.

The trading ambitions of China in the contemporary international system cannot be ignored because the Chinese government has unleashed its global plans for increasing influence in the world with the help of its growing trading engagements with other states. The launching of the Belt and Road Initiative (BRI) has let the international community realize the growing role of China in the world through creating an international network of territorial and maritime trading routes with the belief that these trading routes would let Beijing utilize the untapped trading potential of various states located in different regions. The launching of the grand project of Beijing is an attempt for China to become a leading superpower in the economic domain because the emerging global trading networks of the great powers have become an undeniable reality of contemporary great power politics.

The Chinese state officials believe that the launching of Beijing's global plans of economic emergence has sent a loud message to the whole international community that the Chinese government has unleashed its global plans for securing an influential role in contemporary world politics.⁵⁰ The global aspirations of Beijing for developing a China-centric international trading network are inherited in the BRI which generally refers to the New Silk Road thinking of Beijing with the belief that this infrastructural project will be beneficial for

⁵⁰ Florian Schneider, *Global Perspectives on China's Belt and Road Initiative: Asserting Agency through Regional Connectivity* (Amsterdam: Amsterdam University Press, 2021), 220.

the whole international community. The increasing appreciation of states for the Chinese global plans started in 2013 when President Xi Jinping announced a Beijing-sponsored global infrastructural development project, and this project involved various states in the plan. This plan originally presented an inter-continental connection between the states of different regions while encouraging their respective governments to sign different levels of trading collaborations with other nations. The inter-regional connections are primarily designed to create a vast collection of developmental projects cemented in investment initiatives covering areas from Asia to Europe, and Africa. The development of inter-regional trading linkages laid the foundations of the Chinese notion of inter-regional connectivity and its appropriate implementation across the world.

Witnessing the expanding nature of China's rising great power status and its message to the other great powers Beijing has activated its global planning for securing an influential role in world politics. The role of Beijing's launched global connectivity plans has alarmed the security bells of the West because the Western powers have translated the role of China in the international system as a new emerging power in the international arena against the existing balance of power mechanisms of great powers. The existing Western power centers of the world started raising their critical walls around the Chinese global plans for developing cooperative and collaborative designs based on bilateral and multilateral trade agreements.⁵¹ The critical walls of the international community have been constructed by the United States because the US policymakers have perceived China as a serious security threat for Washington and it contains substantial potential for converting the international system into Chinese favor. The United States observed that the Chinese reformed or revised foreign policy based on President Jinping's vision has proved to be a major development in the world that could not be ruled out in strategic terms. The American state officials have introduced their plans of countering the BRI's expanding role around the globe. While keeping the mind the international responses of the US to the Chinese developmental projects, the main focus of this chapter is on the connection between Chinese BRI and contemporary world politics. The mainstream framework of this chapter tried to highlight the nature of Chinese BRI and its international nature which intended to involve more states in the reformed foreign policy under the instructions of President Xi Jinping. Before going into the details of global power politics

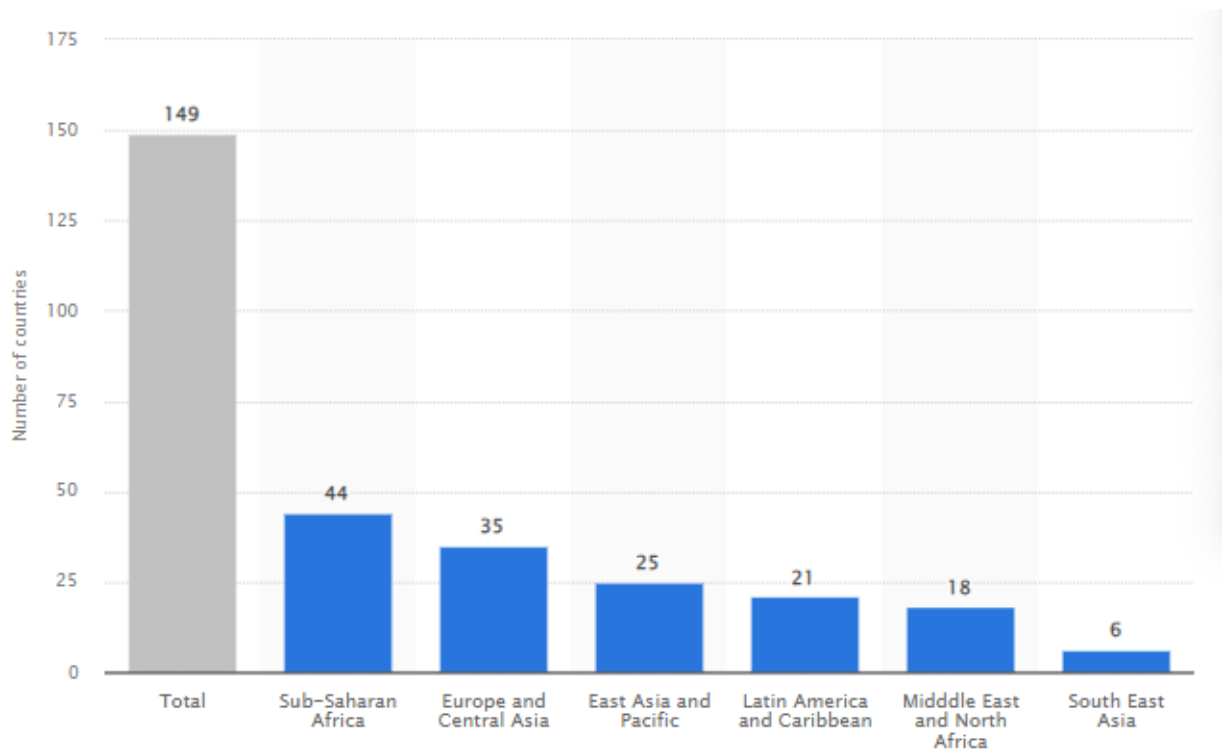
⁵¹ Jennifer Hillman and David Sacks, *China's Belt and Road: Implications for the United States* (Washington: Council on Foreign Relations, 2021), 107.

and its shifts under the BRI, it is essential to understand the nature of BRI and its various characteristics in contemporary world politics

2.1 Geographic Expansion of BRI

According to official Chinese pronouncements, as of April 2023, 149 nations—including China—had signed agreements to become a part of China's BRI, which is approximately nine more countries than in January 2021.⁵² The detail of geographic expansion in different regions and countries is shown in the figures.

Figure 1. Number of countries that have joined China's BRI as of July 2023, by continent.



Source: <https://www.statista.com/statistics/1347393/china-number-of-bri-partner-countries-by-region/#statisticContainer>

⁵² Sacks, David. "Countries in China's Belt and Road Initiative: Who's in and who's out." *Council on foreign Relations* 24 (2021).

Figure 2. The BRI Country Wise Connection



Source: <https://www.worldbank.org/en/topic/regional-integration/brief/belt-and-road-initiative>

A long list of countries could be maintained to study the worldwide expansion of BRI and its proposed and finalized projects of bilateral and multilateral natures. There are several Memorandum of Understanding (MoUs) have also been concluded between Xi Jinping's government and other countries which shows the increasing appreciation of the BRI in the international system and states' growing reliance on Beijing's future trading plans. The Chinese government has taken various steps to ensure the proper implementation of the BRI in its desired directions because the launching of the plan has some practical applications in cultivating a broader trading network that could be supported by following institutional developments.

2.2 Asian Infrastructure Investment Bank:

This avenue was first proposed by Chinese state officials in 2013 with the dedication of bringing more investments in the target areas under the broader rubric of BRI's investments. In 2013, the Bank was suggested based on specific developmental objectives, but the proper application of this project was started in 2015 when the Jinping government declared the allocation of funding related to the proposed infrastructural- projects to address the financial needs of the ongoing and proposed developmental projects across the Asian region. The

proposed Bank is mainly based on the objectives of bringing economic integration, promoting trading values, and introducing developmental projects for upholding the notion of human development through improved economic means.⁵³ The Bank plan proved to be a multilateral and intergovernmental financial institutional framework to improve the collection of economic and social features of the Asian continent. Regarding Asian power politics, the proposed Bank is the second-largest bank in the world with multilateral infrastructural development institutions. The headquarters of the Bank is located in Beijing and cultivated the memberships of 106 nations of which 42 nations from the Asian continent, 26 from the European region, and 21 from Africa subscribed to the Bank. Additionally, 8 states from Oceania and 8 from Latin America became members of the Chinese proposed developmental bank. The reaction of the international community generally, and the Western intergovernmental organizations particularly showed their anxieties about the institutional developments of Beijing under the BRI project. On the launching of this multi-state initiative, the United Nations praised the Chinese effort in such fields whereas the critical circles of the international community have translated the Asian Infrastructure Investment Bank as the potential challenger and an effective alternative to the International Monetary Fund (IMF).

2.3 Silk Road Fund:

Akin to the Asian Infrastructure Investment Bank, the Silk Road Fund is also a multi-state initiative of China to increase the chances of multi-dimensional investment in the states under the BRI. This Fund was primarily a start of the Chinese Funding policy from the Eurasian region in 2014. This is the only sovereign fund of China to bring more trade under the broader geo-economic interests of Beijing.⁵⁴ The Fund is primarily based on President Jinping's policies of highlighting China's economic interests with an exclusive focus on the infrastructure, resources development, inter-regional connectivity, and the reformed industrial capacities of the member states of the BRI. The Chinese government has highlighted the importance of this Fund to the international community on various occasions such as the international Beijing's effort from the Forum on China-Africa Cooperation (FOCAC).⁵⁵ This Fund exclusively focuses on the African region where the states lack adequate capabilities for

⁵³ Will Doing, *High Doing: High-Speed Empire: Chinese Expansion and the Future of Southeast Asia* (New York: Columbia University Press, 2018), 18.

⁵⁴ Subramanyam Raju, *South Asia and China: Engagement in the Twenty-First Century* (New York: Routledge, 2021), 55.

⁵⁵ Siegfried O. Wolf, *The China-Pakistan Economic Corridor of the Belt and Road Initiative: Concept, Context and Assessment* (London: Palgrave MacMillan, 2020), 67.

addressing their economic issues. To help the African nations overcome serious economic problems, President Jinping showed the determination of his country to improve the socio-economic positions of the states located in the underdeveloped areas of the world.

2.4 China Investment Cooperation:

This forum was created in 2007 for the effective management of China's foreign exchange reserves, and the internationally recognized as the sovereign wealth fund of Beijing with the start of US \$ 200 billion of reserve assets. The members of this Investment Cooperation are primarily convinced of the promotion of Chinese national interests in geo-economic terms.⁵⁶ The focus of this Cooperation is on institutional investments for the support and promotion of Beijing's bilateral and multilateral economic engagements in different regions. The Investment Cooperation is the actual orientation of President Jinping's economic aspirations for the world and the translation of these aspirations into practical measures. The government of China has preferred to involve more states in this Investment Cooperation to maximize the geo-economic interests of the country across the world. The creation of this financial platform internationally and the promotion of its trading mechanism in different regions represents Beijing's way of managing its cooperative trading ties with other nations beyond the conventional visualizations of the states against each other or for each other in the international system.

2.5 Forum on China-Africa Cooperation:

The Forum on China-Africa Cooperation (FOCAC) is an official Chinese-sponsored forum to develop a harmonious platform for trading purposes between different states of the African region and Beijing. The Chinese state authorities, under the broader framework of BRI, decided to explore the economic potential of African states in 2018 by providing them with a trading avenue in the form of FOCAC. It is a multilateral state-centric coordination mechanism between Beijing and the leaders of different African nations. The African nations have accepted this China-centric platform for the promotion of their regional and national level trading interests.

It is widely believed that African countries are highly aspirants of enhancing their business ties with other nations which are now fifty-three. The inclusion of fifty-three states in the Chinese BRI has let Beijing provide a realization to the African countries for the

⁵⁶ Jin Toby, "Great Powers and China in the World of Competing Economies," *Indonesian Political Affairs*, Vol. 18 (Winter 2020), 18.

advancement of their trading ties with the great powers.⁵⁷ Additionally, the untapped economic resources of the African nations are the prime focus of Beijing, according to Western sources. The Africa-based process of China-Africa trading collaboration was started initially in 2012 when the BRI started intensifying its extended business collaborations with other nations located in different regions.

2.6 China-Arab States Cooperation Forum:

This forum is internationally recognized as the first initial forum of China for the promotion of its trading interests in the Arab region with the states of the Arab League. The business-specific trade communication between Beijing and the members of the Arab League commenced in 2004 and was fostered with time or with the revelation of Chinese plans to focus on the states of energy-rich regions.⁵⁸ Akin to African states, the focus on the Arab states formed the China-Arab States Cooperation Forum (CASCAF) by defining its purpose of focusing on the exploration of various trading opportunities and a proper application of these opportunities in the targeted dimensions.⁵⁹ The global critical circles of the international community have started raising their objections to the creation of CASCAF and its deepening nature between China and its Arab partners. The Western power centers have called it a China-specific regional forum for intensifying the role of Beijing in the region of Arab states which are already divided on the issue of Palestine.⁶⁰ The division of Arab states on the Palestine issue has gained the support of China because the Chinese government is against the unresolved status of the Palestine issue which has hindered the trading capacities of the energy-rich Arab region. In response to the rising Western apprehensions about the creation of CASCAF, the Chinese government is determined to focus on the trading values of the Arab region rather than jumping into the great power politics of the Arab region.

Certain gathering of states under the US leadership have started criticizing the nature of BRI and the vision of President Xi Jinping in announcing his plan to connect the domestic industry of China with the global markets. A recent analysis of the Economist called the BRI a massive investment project to ensure that all the trading roads will be led by Beijing because of Beijing's central role in the emerging trading connections of the world. The global circles

⁵⁷ Alfred Gerstl and Ute Wallanbock, *China's Belt and Road Initiative: Strategic and Economic Impacts on Central Asia, Southeast Asia, and Central Eastern Europe* (New York: Routledge, 2022), 78.

⁵⁸ Tom Herbert, "Asia and the BRI," *Asian Survey* 18, No. 10 (Summer 2020), 18-20.

⁵⁹ Mehran Haghiri and Luciano Zaccara, *China's Economic and Political Presence in the Middle East and South Asia* (New York: Routledge, 2023), 58-57.

⁶⁰ Yu Jie and Jon Wallance, "China's Belt and Road Initiative (BRI)," *Chatham House*, September 18, 2021, <https://www.chathamhouse.org/2021/09/what-chinas-belt-and-road-initiative-bri>

of intellectual communities have called the BRI an outcome of President Xi Jinping's craft foreign policy and its promotion around the globe with the help of a new diplomatic framework.⁶¹ This diplomatic framework is based on the 'Major Country Diplomacy' of China and its unprecedented growth in different regions. The unique combination of refined foreign policy and revised diplomatic framework of Beijing has cleared to the international community that China is going to secure a status of economic power which could presently be dubbed as China's rising power.

2.7 President Xi Jinping's Foreign Policy

The change of Chinese foreign policy on economic lines during President Xi Jinping's leadership proved that the revised patterns of Beijing's trading engagement with the outside world have become an unavoidable demand of the time. The foreign policy under President Xi articulated the nationalistic agenda of the country rooted in global economic networking for making China more assertive and influential in trading terms.⁶² This agenda has upgraded the domestic industries of China and multiplied their growth with different new avenues. Projecting China on the larger world stage is the reflection of the new model of diplomacy consisting of multidimensional collaboration for business purposes. This agenda is promotion of Chinese economic diplomacy in the world because it has integrated the role of the local business community in the mainstream interests of the state.⁶³ The involvement of the local business community and then the promotion of this community in foreign policy have resulted in the heavy investments of China in different regions for example. In Brazil, Latin America, Caribbean and beyond.⁶⁴

These regions have become the prime focus of Beijing due to President Jinping's aim of collaborating closely with the states of high trading significance in the world as well. There are three main objectives behind Jinping's version of foreign policy; the promotion of Chinese soft power in the world, the persuasion of economic interests in the world, and the integration of the domestic manufacturing industry of China with the whole world.⁶⁵ The first objective is

⁶¹ Nadege Rolland, *China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative* (New York: Routledge, 2017), 25.

⁶² Kumar Ranjeet, "China – United States – India and the Future of World under Jinping," *Pacific Survey* 12, No. 08 (Summer 2015), 18-19.

⁶³ Kalyan Raj Sharma, *Belt and Road Initiative and South Asia* (New York: Routledge, 2023), 68.

⁶⁴ Chhabra, Tarun, Rush Doshi, Ryan Hass, and Emilie Kimball. "Global China: Regional influence and strategy." *Washington DC* (2020).

⁶⁵ George Freedman, "China's Jinping and the Changing World Order," *Strategic Analysis* 15, No. 04 (Spring 2017), 22.

the representation of Chinese soft power across the world by promoting Chinese culture and languages in the different states. The states involved in close trading collaboration with Beijing have started receiving high cultural promotional financial assistance under their broader economic relations. There are certain examples to validate that the world is going through emerging influences of Chinese culture due to the spread of Confucius institutions in the world for the promotion of Chinese social, cultural, and historical values across the world.⁶⁶ The allocation of various funding and aid packages for the states involved in close business partnerships with Beijing is also a reflection of increasing Chinese cultural values in the contemporary international system. It is pertinent to mention here the increasing number of international students across the Chinese institution and the spread of Chinese-acquired knowledge across the world are important factors in this regard. This factor has also been recognized by the Chinese government as an important instrument of BRI.

The second objective is the pursuit of economic interests which is the fundamental point of attraction in the multiplying Beijing's trading collaborations with other states. Contrasting from the other great powers' global engagements across the world strictly cementing the prime strategic objectives, Beijing is strictly active in calculating its growing business connection across the world. The focus on the economic objective has convinced the leading policy-making circles of China to keep the strategic interest always the second most serious priority of the state.⁶⁷ A pure focus on economic interests has kept China away from the interstate and intrastate security matters of the states. It has been formally recognized by President Jinping's government that Chinese business interests would not be harmed by the complex security issues of the international system.⁶⁸ In this way, the states signing multileveled trading agreements with other nations always remained safer from the Chinese involvement in domestic and regional security affairs of the states.⁶⁹ The recent developments in the international system have witnessed the role of China in the interstate conflicts of the states like the Chinese-brokered Saudi-Iranian diplomatic rapprochement. This rapprochement between two main hostile states of the Muslim world has slightly changed the Chinese standing in the world beyond economic affairs. It is a supporting point to Beijing's international reputation as an

⁶⁶ Andrew Chatzky, "China's Massive Belt and Road Initiative," *Council on Foreign Relations*, August 28, 2020, <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative>

⁶⁷ Bill Morgan, "Traditional Nature of BRI and Its Role in the World," *Foreign Affairs* 12, No. 06 (February-March 2014), 17.

⁶⁸ Bruno Macaes, *Belt and Road: A Chinese World Order* (London: C. Hurst US & Co., 2020), 110-111.

⁶⁹ Sanjeev Kumar (ed.), *China's BRI in Different Regions of the World: Cooperation, Contradictions and Concerns* (New York: Routledge, 2023), 220.

economic power because of its expanding purely trading interactions with other states.⁷⁰ The deal signed between both contestants of the Muslim world has introduced the increasing role of Chinese economic diplomacy and its promotion between the traditionally conflicting states of the world.⁷¹ The improvement of the bilateral ties between the two contesting regional powers of the Muslim world is an important development of the contemporary international system where China has started adopting economic-driven diplomatic relations with the outside world.

The third objective of President Xi Jinping's foreign policy is the integration of the domestic manufacturing industry with the international markets. It is decided by the Chinese government under the leadership of Jinping to upgrade the status of Chinese domestic industry according to the emerging challenges of the international system in which the geo-economic priorities of the states have become the key drivers of international power politics. The changing nature of international or the transformation of international systems from the geo-strategic to geo-economic dimensions has let the great power alter their conventional ways of managing their foreign relations with other nations. The pursuit of becoming an influential player in the changing nature of the international system has convinced the leaders of great powers to upgrade their standings in the broader framework of international power politics. In this debate, China has taken the lead in introducing its economic policy and adopted a visible policy of promoting economic interests across the globe.⁷² The government of President Jinping has changed the main course of Beijing's foreign engagement and made its trading partners capable of overcoming their economic problems. Certain critical circles of the international community have called the BRI and its spreading trading connections with other nations as the Chinese launched the Marshall Plan in the world which is more inclined to developing trading connections rather than building strategic connections with the outside world. Apart from having such criticisms emerging from different corners of the world, the Chinese government is committed to completing the foreign policy vision of President Xi Jinping.

In November 2014, Xi Jinping said, "We will never give up our legitimate rights and interests or allow China's core interests to be undermined while we pursue peaceful development." In addition to correctly handling territorial and island issues, we should

⁷⁰ Richard Gate, "BRI and its Changing Perceptions in the West," *Washington Quarterly* 18, No. 16 (September 2022), 88.

⁷¹ Jonathan E. Hillman, *The Emperor's New World: China and Project of the Country* (New Haven: Yale University Press, 2020), 220.

⁷² Tom Robert, "China and the Great Powers in the World," *Asian Survey* 28, No. 04 (July 2020), 18.

steadfastly defend China's territorial sovereignty, maritime rights and interests, and national unity.⁷³ The influence of Chinese foreign actions on the region has grown in tandem with China's remarkable rise in political, economic, and military might. Assertiveness in international politics, according to Alastair Iain Johnston, is "a form of assertive diplomacy that explicitly threatens to impose costs on another actor that are higher than before".⁷⁴ Observers have been using terms like "abrasive," "muscular," or "assertive" to describe Chinese foreign policy behavior since 2010. However, the Impeccable incident in March 2009 marked the beginning of China's far greater willingness to rely on coercive diplomacy, or the simultaneous use of diplomacy and limited use of force to attain one's objectives. In this instance, the US Navy Ship Impeccable was dangerously approached by five Chinese warships that were following and maneuvering aggressively close to it. Experts have projected that China will change course in the coming time due to regional retaliation. Rather, there has been an increase in the number of incidents when Chinese platforms have acted in an unsafe or unprofessional manner. Regarding territorial conflicts, Xi Jinping has personally stated more rigid policies and China's aggression has intensified under his leadership.⁷⁵

For the first time, at the highest level of Chinese political leadership, Xi convened the whole Politburo in September 2016 to discuss matters about global governance. Beijing's changing strategy was evident when Xi said that China should take a more active part in global governance. Xi praised China's important role in the UN and the modest improvements China has made to its standing in the IMF and World Bank in recent years, but he also stressed that China needs to take the lead in influencing international regulations on new global issues like cyber security, space exploration, maritime affairs, nuclear safety, polar issues, anti-corruption, and climate change.⁷⁶

This self-assurance and assertiveness are even more apparent in the Asia-Pacific area, which China views as its "backyard" and whose stability is essential to the country's future development. China has committed significant resources to reshaping the regional economic system since Xi assumed leadership. China, for instance, has been waging a fresh "charm offensive" throughout the Asia-Pacific area. A Silk Road Fund was established with US\$40

⁷³ Sinaga, Lidya C. "China's assertive foreign policy in South China sea under Xi Jinping: Its impact on United States and Australian foreign policy." *Journal of ASEAN Studies* 3, no. 2 (2015): 133-149.

⁷⁴ Chen, Dingding, Xiaoyu Pu, and Alastair Iain Johnston. "Debating China's assertiveness." *International Security* 38, no. 3 (2013): 176-183.

⁷⁵ Mastro, Oriana Skylar. "Why Chinese assertiveness is here to stay." *The Washington Quarterly* 37, no. 4 (2014): 151-170.

⁷⁶ "Jiaqiang hezuo tuidong quanqiu zhili tixi biange [Enhancing cooperation for reforming global governance]," *People's Daily*, September 29, 2016

billion from China with the goal of "strengthening connectivity and improving cooperation in [China's] neighborhood".⁷⁷ It is anticipated that this will increase maritime connectivity and present significant investment opportunities for Chinese and international businesses, particularly in the industrial, services, and infrastructure development sectors. China's push for the Free Trade Area of Asia-Pacific (FTAAP), which is widely viewed as a direct threat to the Trans-Pacific Partnership (TPP), which is currently on hold, has also irritated US policymakers under the Obama administration. They feared that FTAAP would divert focus away from the TPP negotiations, which have been beset with issues from the beginning. Economic research that was widely cited predicted that the FTAAP would gain roughly eight times as much as the TPP.⁷⁸

2.8 The Divisions of BRI

A glimpse of President Xi Jinping's foreign policy defined in economic terms is sufficient to understand the worldwide expansion of BRI and its multidimensional economic projects. These developments in different regions proved that the nature of BRI is not as simple as it is stated in the formal version of BRI issued by the Chinese government. The existing literature on Beijing's global networking plans has proved that the role of China in the international system is increasing through the creation of an international network of various trading routes, and the strategic implications of these China-centric trading routes cannot overlooked in the contemporary international system, the changing attributes of the global power politics has confirmed the acceptance of China in the global power politics which could be dubbed as the economic rise of China with the support of BRI. This BRI project is geographically divided into the following parts:

2.9 China–Central Asia–West Asia Economic Corridor (CCAWECC):

The CCAWECC is a main part of the BRI based on economic cooperation and transportation collaboration for the achievement of global economic connectivity and its worldwide spread. One of the few prominent trading inter-regional linkages of Beijing was designed by President Xi Jinping's government for the achievement of its objective of global connectivity. The formal status of the CCAWECC came into being in 2015 consisting of various

⁷⁷ China Pledges 40 bln USD for Silk Road Fund," *Xinhua News*, November 8, 2015. Available at http://news.xinhuanet.com/english/china/2014-11/08/c_133774993.htm.

⁷⁸ "TPP or FTAAP: What it Means for US and the Asia Pacific Region," November 25, 2014. Available at <http://www.chinausfocus.com/finance-economy/tpp-or-ftaap-what-it-means-for-us-and-the-asia-pacific-region/>.

states from the Central Asian, Caucasian, Middle Eastern, and Balkan regions.⁷⁹ Various published reports of the Chinese government have cleared the nature of the purpose of this corridor by providing different lists of states that agreed to become part of BRI. The support of these states to BRI has let Beijing construct more trading linkages across the world under its formal approach to global trading connectivity. Through CCAWEC, Beijing tried to cover various geographical areas for business purposes such as the Baku-Tbilisi-Karas railway project. This railway route passes through the areas of Azerbaijan, Turkey, and Georgia and allows the other regional states to define this railway connectivity in varying terms. The Turkish government has called it the Iron Silk Road. Based on the formal explanations of the participating states of the CCAWEC about its multilateral nature, it can be said that this corridor provides China with an alternative land-based trading route to access European markets while avoiding Russian geographies.⁸⁰

2.10 China-Indochina Peninsula Economic Corridor (CICPEC):

The CICPEC is one of the leading corridors of the BRI which were finalized in the initial days of the BRI's launch. The vision of Beijing for developing the CICPEC was to connect Southern China with the key players of the Southeast Asian regions such as Vietnam, Laos, Cambodia, Thailand, Malaysia, and Singapore. These states are internationally recognized as the emerging economies of the world due to their reformed economic systems and multiple sources of business with the outside world. The CICPEC is also known as the Nanning-Singapore Economic Corridor comprising of different connecting roads, transporting railways, and supplying pipelines.⁸¹ The combination of these three factors led Beijing to implement its policy of involving the states of the Association of Southeast Asian Nations (ASEAN) region in the BRI. This extension of BRI towards Southeast Asia is inherited in the multilateral framework of the ASEAN-China Free Trade Area.

2.11 Trans-Himalayan Multi-Dimensional Connectivity Network (HMCN):

The THMCN is also known internationally as the Trans-Himalayan Network of Business Routes to establish a trading connection between China and Nepal. It has added Kathmandu to the Beijing-sponsored global development plan for allowing China to access the

⁷⁹ Richard T. Griffiths, *The Maritime Silk Road: China's Belt at Sea* (Washington: International Institute for Asian Studies, 2020), 23-24.

⁸⁰ Terry Mobley, "The Belt and Road Initiative Insight from China's Backyard," *Strategic Studies Quarterly* 13, No. 03 (Fall 2019), 28.

⁸¹ Robert Gates, *China and New Silk Road: Opportunities and Challenges* (London: Palgrave MacMillan, 2020), 28.

various regions for the achievement of its geo-economic interests. This corridor was signed and announced in 2019 during a formal visit of President Xi Jinping to Kathmandu when the Chinese government converted Nepal from a landlocked country to a land-linked country.⁸² This project has started the construction of several flagship projects such as the China-Nepal railway project for the easy transportation of economic goods and people-to-people connectivity. The establishment of people-to-people contact was considered by the governments of both states as an important factor in improving the chances of Foreign Direct Investment in each other's markets. This project has increased the interest of China in the South Asian region where India is a great challenger to the BRI and inter-regional growth across the globe.⁸³ To keep it a safer way of accessing the South Asian markets, the Chinese government has introduced various projects in Nepal at the domestic level. These projects are mainly designed to empower the internal infrastructure with the support of different developmental projects.

2.12 China–Pakistan Economic Corridor (CPEC):

One of the important projects of the BRI is the CPEC which is internationally known as the main gravitational point of Beijing's global networking planning. It is the central project of the BRI based on a 3000km Beijing infrastructure planning consisting of various economic development programs and the construction of infrastructure networks through Pakistan. These Chinese-sponsored projects consist of several maritime and territorial based territorial trading routes under a single corridor. This corridor has the objective of securing the mainstream trading lines of the region which allows Beijing to access the waters of the Arabian Sea for trading purposes. The objective of assessing the port of Pakistan is a main part of Beijing's idea of reducing the cost of transportation for accessing the international markets. The access to international markets through Pakistan's port is intended to serve the geo-economic interests of China aligning with Islamabad's geo-economic calculations.⁸⁴ The signing of the mega corridor project in the South Asian region is a reflection of Beijing's increasing reliance on the markets of neighboring countries with the belief that access to foreign markets could empower Beijing's cooperative ties with other nations without having any critical development on the shared economic interest two neighboring countries.

⁸² Y.-Y. Chang, "Understanding the Belt and Road Initiative (BRI)," *European Journal of East Asian Studies* 18, No. 01 (2019), 22.

⁸³ R. James Ferguson, *Greeting China's New Silk Roads: The Sustainable Governance of the Belt and Road* (Cheltenham: New Horizons in East Asian Politics, 2021), 33.

⁸⁴ Michael Clarke, "The Belt and Road Initiative," *Asia Policy* 24 (July 2017), 18.

2.13 BRI and South Asia

Because the inclusion of the South Asian region in the Belt and Road Initiative (BRI) has increased the significance of Beijing's growing trading role in the world, the debate surrounding the signing of the mega economic corridor project between Pakistan and China has expanded the scope of Chinese increasing economic interests in the international system. The South Asian extension of BRI is the representation of President Xi Jinping's vision for connecting the world through the Pakistani port of Gwadar. The Port project is primarily a pathway for China to access the international business markets which will be an effective way for Beijing to promote its economic interests in the world.⁸⁵ As a result of Pakistan signing a mega corridor project for economic reasons and becoming an active partner of China in the development of global trade networking, Pakistan has emerged as the leading actor from South Asia.

The economic dimension of BRI in the international system has various strategic implications cemented in the economic interests of Beijing. The continued developments of the Pakistan-China economic corridor are causing great anxiety for Indian and American policy officials, as their extraordinary developments in several areas have brought up many key concerns. The BRI strengthens the strategic partnership between China and Pakistan as it is opined that Chinese influence in the South Asian region has been enhanced due to its increasing economic ties. China has been considered as an offshore balancer in the region where she usually gives diplomatic and financial support to its allies. In the South Asian region, China has Pakistan as its most trustworthy ally which is also a pivotal member of BRI. Other than, Pakistan, the key member of BRI is Sri Lanka which has been one of the core beneficiaries of economic aid that are related to the BRI. Chapters three and four will thoroughly examine the pros and cons of this partnership of South Asian states with China and why China is striving to hold its hegemony in the South Asian region. In the next section, the study will focus on the geopolitical influence of BRI.

2.14 Impact of BRI in Terms of Geopolitical Influence

2.14.1 Political Implications

Utilizing the BRI, certain states have attempted to gain more influence over major regional players, such as Australia in Oceania, the EU in Europe, and India in South Asia. In

⁸⁵ Daniel Wagner, *The Chinese Vortex: The Belt and Road Initiative and its Impact on the World* (London: Palgrave MacMillan, 2020), 220.

Europe, Serbia and Hungary have had some success negotiating with the EU by leveraging their membership in the BRI. The EU was forced to declare an Economic and Investment Plan for the Western Balkans by 2020, guaranteeing investments of €20 billion (US\$24 billion at the time of the announcement) by 2027.⁸⁶

States are attempting more and more to strike a balance in their interactions with China, the US, and other regional players. Since the BRI's dangerous geopolitics have always been known in Southeast Asia, the majority of the region's governments have viewed the project cautiously. By strengthening their security links to the United States and its allies, a number of them have counterbalanced their expanding economic ties to China. Pakistan, another country in South Asia, has carefully weighed its economic connections with China and India. It has taken some time for other nations to realize that their relationships with the West, particularly the US, could be strained by overzealous acceptance of the BRI.⁸⁷

Russia is now more directly involved in the BRI as a result of its conflict in Ukraine and its self-inflicted isolation from the West. Initially, Moscow was concerned that the BRI would undermine its hegemony over Central Asia. However, due to Western sanctions that have been in place since 2014, Moscow has been forced to resort to Chinese funding for significant new projects. The BRI's influence on Russian infrastructure development is probably going to increase once Russia invades Ukraine in 2022.⁸⁸

Following the global energy crisis and the coronavirus outbreak, China will find itself embroiled in several challenging loan renegotiations as further BRI partners experience financial difficulties. China is still outside the Paris Club of creditor nations and engages in separate debt negotiations. It also demands that its loan arrangements remain confidential. Beijing will come under increasing pressure from BRI partners to take part in multilateral renegotiations as other creditors are apprehensive that Chinese policy banks would emerge from the talks with improved terms. This is because Beijing fears that Chinese loans could otherwise provide a significant barrier to prompt debt relief.⁸⁹

Given the high levels of debt in the BRI countries, Public Private Partnership (PPPs)—are probably going to be a more common way for Chinese companies to finance infrastructure

⁸⁶ European Commission, 'An Economic and Investment Plan for the Western Balkans', COM(2020) 641 Final, 6 October 2020, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0641>.

⁸⁷ Small, Andrew. "First movement: Pakistan and the Belt and Road initiative." *Asia policy* 24, no. 1 (2017): 80-87.

⁸⁸ Mendez, Alvaro, Francisco Javier Forcadell, and Kateryna Horiachko. "Russia–Ukraine crisis: China's Belt Road Initiative at the crossroads." *Asian Business & Management* 21, no. 4 (2022): 488-496.

⁸⁹ Yu, Kaho. *China's Energy Security in the Twenty-First Century: The Role of Global Governance and Climate Change*. Vol. 2. Hong Kong University Press, 2023.

projects. Through the use of special-purpose corporations to take on debt, governments can avoid directly taking on huge loans for turnkey projects by utilizing the PPP model. To enhance economic relations between the West and BRI nations, trade agreements hold equal significance to loan and investment packages. It is unclear that this will alter, though, as neither the US nor the EU have recently pursued aggressive trade agreements with emerging and developing nations. The core of the Biden administration's Indo-Pacific plan is the 2022 announcement of the Indo-Pacific Economic Framework for Prosperity, which excludes trade.⁹⁰

Beijing's aspirations for developing an international BRI-specific multi-state network are an endeavor to make sure that Chinese renewable technology businesses surpass all of their rivals globally. Some of the top renewable energy businesses in the world are already based in China: in wind power, Envision, Goldwind, and Shanghai Electric; in photovoltaics, Jinko Solar, JA Solar, Trina Solar, and Longi; and lithium batteries, CALT, BYD, and Sunwoda. Similarly, it will be critical for Western governments to balance their loan, and investment offers to the rest of the globe with their green industrial aspirations.⁹¹

2.14.2 Economic Implications

In this section, the geopolitical effects of BRI can be assessed using geo-economic and geostrategic elements. First, the BRI has evolved into a "global grand strategy" that promotes enhancing regional development, bolstering the physical infrastructure, restructuring economic operations, and rearranging contacts with neighboring states. The BRI started in China and spans across Eurasia, bridging the economies of Asia and the West by building a synthesized connectivity network across more than 65 states. These countries accounted for 30% of global GDP, 35% of global trade, 39% of global land, 64% of global population, 54% of global CO2 emissions, and 50% of global energy consumption.⁹² Therefore, when viewed in the context of geopolitics, the Belt and Road Initiative (BRI) has a variety of effects in several areas, including the establishment and strengthening of partnerships between the countries along the BRI and the creation of these countries' diversified, independent, balanced, and sustainable economies through the creation of multidimensional, multitiered, composite connection networks.⁹³

⁹⁰ Dinwiddie, August. "China's Belt and Road Initiative: An Examination of Project Financing Issues and Alternatives." *Brook. J. Int'l L.* 45 (2019): 745.

⁹¹ Umbach, Frank. "China's belt and road initiative and its energy-security dimensions." (2019).

⁹² Sattar, Abdul, Muhammad Noshab Hussain, and Muhammad Ilyas. "An impact evaluation of belt and road initiative (BRI) on environmental degradation." *Sage Open* 12, no. 1 (2022), 1.

⁹³ Framework, I. I. I. "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road." (2015).

The Belt and Road Initiative (BRI) has emerged as a cornerstone of China's international cooperation strategy, aimed at bolstering its economic growth since its inception. Over the years, China has entered into numerous cooperative agreements with over 100 countries and international organizations. More significantly, the BRI has played a transformative role in advancing economic and societal development both within China and among participating nations. This progress is evident in areas such as infrastructure development, trade and investment facilitation, joint establishment of industrial parks and free trade zones, financial collaboration, and cultural exchange initiatives.⁹⁴ As the first global economic cooperation initiative proposed by a developing nation, the BRI reflects China's commitment to ushering in a new era of reform and opening up. It highlights the country's efforts to integrate more deeply into the global economy while simultaneously solidifying its economic and political standing on the world stage.

The empirics further have revealed that approximately 100 nations and international organizations have backed this project over the last four years. It is mentioned in a few UN Security Council and General Assembly resolutions. Between 2014 and 2016, China's total trade and investment with other Belt and Road nations exceeded US\$3 trillion, and US\$50 billion was invested in these nations. Chinese businesses have established about 60 economic cooperation zones in 20 nations, creating almost 180,000 jobs and more than \$1 billion in tax revenue for these nations.⁹⁵

2.14.3 Impact on Soft Power

Beyond geo-economics, China's Belt and Road Initiative (BRI), a vast worldwide development program, influences how its soft power is viewed globally. According to one study, China's outflows of Overseas Direct Investment (ODI) have a major beneficial influence on the country's soft power, as demonstrated by the country's ODI statistics. The study does, however, suggest that contrary to expectations, the BRI did not increase China's soft power throughout the BRI countries in comparison to the non-BRI countries after 2013. This stands in stark contrast to the widespread belief that the massive investments and economic gains brought forth by the BRI will improve China's image. It is argued that negative factors, such as the belief that Chinese labor inflows could displace local workers, the loss of local identities and autonomies, the possibility of individual BRI projects being

⁹⁴ Zhang, Zhixin. "The belt and road initiative: China's new geopolitical strategy?." *China Quarterly of International Strategic Studies* 4, no. 03 (2018): 327-343.

⁹⁵ Rana, Kishan S. "China's belt and road initiative (bri): implications, prospects & consequences: impact on india & its china diplomacy." *ICS Occasional Paper* 16 (2017),7.

mismanaged, and the perception of Chinese competition pressure, could offset the positive effects on China's soft power resulting from the massive trade expansions and infrastructure building in BRI countries.⁹⁶

2.14.4 Impact on Military Sector

Apart from the economic component of the BRI, which is referred to as its "geopolitical impact" here, the military aspect of the initiative also has an impact. For example, an intriguing dichotomy in the BRI study has been brought up by the global discussion regarding the nature of the BRI. Chinese academics essentially emphasize the initiative's observable economic benefits, while their international counterparts mostly concentrate on the BRI's revisionist conclusion (Here it refers to the Western perspective on BRI). This contradiction in the BRI study truly reflects a security conundrum that is a part of the geopolitical game of chicken between the Washington and Beijing—What China views as its rightful international economic endeavors are perceived as threats to American global leadership and must be countered, if necessary, with force. Additionally, this conundrum stems from the United States' propensity to employ military force as a potent instrument of foreign policy against its enemies while maintaining an advantage.⁹⁷

The impact of BRI is what scholars have argued has inherent military-security ramifications due to the rising major security issues Beijing. It is an international Chinese attempt for redefining the existing inter-continental trading connections between different states. The state accepting Chinese trading collaborations are having formal inclinations for joining Beijing-sponsored security and defence cooperation. The growing collaboration between Beijing and its key trading partners has augmented the position of China in the world of emerging trading realities. The 2019 Chinese Defense White Paper marks a significant shift in policy by officially supporting the People's Liberation Army's (PLA) pursuit of logistical support points beyond China's borders. This move departs from China's long-standing practice of refraining from stationing troops overseas. The policy change is partly a response to the growing need to safeguard Belt and Road Initiative (BRI) projects located in regions prone to instability. Even Chinese strategists now acknowledge the geostrategic and military

⁹⁶ Voon, Jan P., and Xinpeng Xu. "Impact of the Belt and Road Initiative on China's soft power: Preliminary evidence." *Asia-Pacific Journal of Accounting & Economics* 27, no. 1 (2020): 132.

⁹⁷ Wu, Xiangning, and You Ji. "The military drivers of China's Belt and Road endeavor." *China Review* 20, no. 4 (2020): 225.

implications—whether intentional or incidental—arising from the implementation of the BRI.⁹⁸

⁹⁸ Ibid.,239.

Chapter 03

The Geopolitical Influence of the Belt and Road Initiative (BRI) on Pakistan

China's influence via economic strategy is said to be reshaping its geopolitical order in the context of South Asia. The chapter argues that BRI has a substantial impact on Pakistan's relations with China via the China-Pakistan-Economic-Corridor (CPEC) especially in the economic sector. In this regard, the study is divided into different sections. First, understating CPEC. Second, it debates Pakistan's relations in the shadow of CPEC such as the Gwadar Port Project, Special Economic Zones (SEZs), the Advancement in IT Culture, Critical Viewpoints, and BRI Implications on Pakistan. The implications on Pakistan would be substantiated by empirical evidence.

China's global plan for creating an international network of various trade routes through territorial and maritime business connections has become an international reality which has let Beijing create a global influence on China. This plan formally known as the Belt and Road Initiative (BRI) (formerly known as the One Belt, One Road (OBOR) has inaugurated a new debate in the contemporary international system because the Chinese plan for creating an international network of various business connections has convinced the leading intellectual circles of the international community to focus on the new dimensions of international politics. This dimension of world politics has changed the conventional wisdom attached to the nature of the international system where the unipolar foundations of international system were linked with the US's influential role in world politics. Chinese global networking plans under the BRI have created this change with its launching in 2013 during President Xi Jinping's formal announcement. This announcement aims to promote Beijing's vision for creating international cooperative trading connections under the broader framework of trans-regional connectivity.⁹⁹ This trans-regional connectivity is based on connecting China with Europe, Central Asia, and Middle East regions. The African countries have also significance in the BRI and its global promotion. In this way, the Chinese global designs launched in 2013 have become an undeniable reality and an irrefutable truth in the contemporary international system through

⁹⁹ Arlen Clemens, *China Pakistan Economic Corridor Needs a Counter Strategy of India* (New York: Routledge, 2018), 108.

developing a combination of territorial and maritime trading connections with other nations. The combination of bilateral and multilateral engagements of China across the globe is intended to challenge the conventional nature of the international system through constructing different economic corridors which have been briefly discussed in chapter two. One of the important corridors of the BRI is the China-Pakistan Economic Corridor (CPEC).¹⁰⁰

The CPEC is the South Asian extension of BRI which is mainly consisting of China-Pakistan economic cooperation and its multidimensional growth in various domains. The geo-economic significance of CPEC is primarily inherited in Beijing's focus on the Arabian Sea and its trading potential. The trading potential of the Arabian Sea has led Beijing to access the international trading markets with the support of Pakistan due to the strong trading connections between Beijing and Islamabad. The Chinese geo-economic interests have launched a plan for accessing the Arabian Sea through Gwadar Port which is a mega trading project between Beijing and Islamabad. The location of Gwadar Port has enhanced the geo-strategic importance of the Baluchistan province of Pakistan in the broader geo-economic global designs of China. In this way, this chapter is primarily designed to explore the geo-economic connections between BRI and CPEC which is mainly supported by the historical cooperative China-Pakistan connections. The cooperative ties between the two countries are the fundamental point of attraction between the governments of both states. Thus, this chapter also focuses on the changing nature of Pakistan-China relations and this unprecedented growth under the BRI plan. The previous chapter has already provided a glimpse of BRI and global promotion, parallel to explaining the increasing international appreciation of the Chinese BRI project. This chapter mainly emphasizes the CPEC and its growth under the Chinese recently launched BRI to access the markets of various regions.

3.1 What is CPEC?

Akin to various other China-centric trading routes consisting of different roads, railways, and ports, the CPEC is one of the essential parts of Beijing's BRI plan. CPEC is inherited in the Sino-Pak cooperative decades-long relations and their multidirectional growth in diverse domains. This interstate framework of economic cooperation is an attempt of both states to create a bilateral model of regional connectivity by inviting the Iranian and Afghan governments with the belief that the inclusion of Tehran and Kabul in the broader Beijing-

¹⁰⁰ Jawad Syed and Yung-Hsiang Ying, *China's Belt and Road Initiative in a Global Context: The China Pakistan Economic Corridor and its Implications for Business* (London: Palgrave MacMillan, 2020), 86.

sponsored CPEC will make Chinese Central Asian access easy and convenient.¹⁰¹ This project has initiated a trading journey between Beijing and Islamabad to ensure economic regionalization in contemporary world politics. This extension of CPEC beyond the South Asian region seeks to expand the scope of CPEC by creating trading partnerships with other nations is primarily inherited in President Xi Jinping's global connectivity vision. This vision was formally announced by the Chinese government in 2015 during a visit of President Jinping to Pakistan called a historical fate-changing visit. This visit let the international intellectual community dubbed the newly shaped trading connections between Beijing and Islamabad such as the Iron-brothers and All-Weather-Friends. After the Chinese president visited Islamabad, a brief series of government-to-government visits was started between both governments and the two-sided business communities started interacting and formulating various areas of trading collaboration. This scenario increased the trading incentives for both nations in the official and semi-official partnerships of the Chinese and Pakistan governments and resulted in a public-private partnership between Beijing and Islamabad. The public-private partnership under the CPEC directly promoted the chances of Foreign Direct Investment (FDI) in both states and led their respective societies to widen their interstate cooperation by exploring various avenues of business and investment. These business and investment avenues have started serving the geo-economic interests of China and Pakistan.

The development of CPEC between the two governments is significant in improving their existing economic standing in regional and global affairs. The former is associated with Pakistan because the government of Pakistan is ambitious to overcome its mainstream economic hurdles with the help of China through CPEC whereas the latter is linked with China due to Beijing's increasing reliance on the Gwadar Port of Pakistan. The Gwadar will allow China to transport its products in international markets. Access to the international markets will promote Chinese products around the globe and empower China's standings in Asian regional and extra-regional affairs. This project showed that the Chinese quest for accessing the waters of the Indian Ocean through the Arabian Sea and Pakistan's involvement in it introduced a new framework of trading cooperation between China and Pakistan. The leaders of both states are determined to carry out their planning under the CPEC while believing that cooperation under the BRI will let both states secure their respective economic interests.¹⁰² The history of CPEC

¹⁰¹ Shabir Choudhry, *Is CPEC Economic Corridor or a Strategic Game Plan?* (London: Author House, 2017), 112.

¹⁰² Robert Gate, *The CPEC and Pakistan's Fate in the International System: A Game-Changer or a Fate-Changer* (Routledge, 2020), 70.

is the evidence of this argument because the historical roots of the Pakistan-China corridor cooperation started in the 1950s when the governments of both states agreed to construct a trading transport project the Karakoram Highway. This project laid the foundations of the Pakistan-China friendship during the initial days of the Cold War and the leaders of both states decided to focus on the infrastructural development in their emerging interstate cooperation. The subsequent years of the Karakoram Highway project witnessed a smooth improvement in Islamabad-Beijing friendship and the political, diplomatic, and intellectual communities of both states started calling this bilateral cooperative matrix between two neighbors an exceptional development of world politics. In this way, the signing of the corridor project between China and Pakistan has a long history of Pakistan-China relations and the signing of various projects between both states under their mutual economic interests.

When Chinese President Xi Jinping visited Pakistan in April 2015, he pledged to invest US\$46 billion (CPEC projects will be valued at US\$87 billion by 2020) in creating the China-Pakistan Economic Corridor, a complex network. Since the CPEC project is a main route linking the Silk Road Economic Belt in the north with the Maritime Silk Road of the twenty-first century in the south, Foreign Ministry Spokesperson Hong Les claims that it is the centerpiece of the One Belt, One Road concept. Construction of a network of pipelines, roads, and trains is part of the CPEC project, which aims to link the Chinese city of Kashgar in land locked Xinjiang with the port city of Gwadar in Pakistan's Baluchistan province. It necessitates modernizing Pakistan's antiquated road network, pipelines, ports, energy generation, and railway system in addition to stabilizing Islamabad's security situation. The CPEC project is expected to cost over US \$46 billion in total throughout construction, with US \$33.8 billion going towards various energy projects and US \$11.8 billion going towards infrastructure projects spread over a 15-year period.¹⁰³

3.2 Pakistan-China Relations

The roots of CPEC can be traced to the decades-long Pakistan-China cooperation in diverse fields, and the formulation of close economic cooperation between Islamabad and Beijing provided principle support to the corridor project of the two states. The formal political authorities of both states have decided to improve their cooperation in the persistently changing

¹⁰³ Javed, Hafez Muhammad, and Muhammad Ismail. "CPEC and Pakistan: Its economic benefits, energy security and regional trade and economic integration." *Chinese Political Science Review* 6, no. 2 (2021): 207-227.

regional and global political landscape.¹⁰⁴ The developments at the regional and international levels compel the Pakistani and Chinese leaders to sign a mega corridor project with the support of their trust-building relationship. The history of Pakistan-China cooperation is rooted in the 1950s when the initial leadership of Pakistan decided to start cooperative ties with the support of their geographical proximity. This geographical proximity convinced the Pakistani and Chinese governments to empathize with their cooperation against the prevailing threats of bipolar divisions of the world under Cold War politics. The change in regional and international politics remained potential forces remained ineffective in disturbing the cooperative matrix of Pakistan-China bilateral relations. With time, the reciprocal bilateral visits of two-sided state officials and the consistent diplomatic support to each other in different matters proved to be a solid base for strengthening Beijing's relations with Islamabad. Thus, the cooperative two-sided ties were called the special relationship by the leaders living in the world's capitals. The intellectual and academic communities from around the globe also considered this cooperative China-Pakistan relation as a symbol of interstate increase relationship.¹⁰⁵ The state-level meetings empowered the two-sided state authorities in exploring various areas of cooperation such as economy, information technology, and strategic assistance in the peaceful domains. The strategic assistance in the peaceful domain created a civil nuclear agreement between Beijing and China and made Islamabad a recipient of Chinese civil nuclear energy. Akin to energy, various other dimensions of bilateral cooperation were explored by the governments of China and Pakistan, and the regular political communication between the formal state authorities of both states also constructed the infrastructural development collaboration between Beijing and Islamabad. In the debate on infrastructural development cooperation, the status of Karakoram Highway was the first mega-development project launched by the Chinese government in Pakistan.¹⁰⁶

The Karakoram Highway, commonly known by the optimistic intellectual communities as the Friendship Highway, has facilitated the governments of both states to cooperate in wider terms. The decision to construe the Highway appeared in 1959 when the formal authorities of both states agreed to begin formally the development projects in their cooperative relations. In the Highway construction project, the interests of China were geo-economic and mainly were

¹⁰⁴ Madhumanti Debnath, *Strategic Implications of the China-Pakistan Economic Corridor* (London: Grin Verlag, 2017), 88.

¹⁰⁵ Bia Gao and Zhihong Zhen, *The Political Economy of the China-Pakistan Economic Corridor* (London: Palgrave MacMillan, 2023), 88.

¹⁰⁶ Joseph Mario Ritvik, *Whose Land, Which Law? Legal Issues and Implications of the China Pakistan Economic Corridor* (New Delhi: K W Publishers, 2022), 77-81.

dependent on the deep-water harbor of Pakistan in the Baluchistan province at the point of Gwadar.¹⁰⁷ The actual progress at Gwadar point started in 2002 during the Musharraf government in Pakistan due to the broader economic reform agenda of the Musharraf government for improving the traditional trading infrastructure of the state. The Musharraf government was convinced of the changing nature of international politics due to the unavoidable emergence of a US-led global system in the post-9/11 scenario. American launching of the global war on terror and Islamabad's decision to join the US-led global war on terror raised various questions on the economic capabilities of Pakistan because the US government started exerting pressure on Pakistan to actively participate in its global counter-terror campaign. Further developments in the war on terror augmented pressures on Pakistan and increased the financial challenges of Pakistan.¹⁰⁸ The emergence of the US-specific challenges pushed Pakistan towards China and led the Pakistani authorities to enhance their trading connections with China to overcome the economic challenges posed by the US-sponsored war on terror. The quest for keeping economic development high in the leading state's priorities and the heavy cost of the war on terror were the fundamental factors constructing strong economic ties between Islamabad and Beijing. Thus, the ongoing cooperative matrix between the two states emphasized their on-going developmental projects while considering the Karakoram Highway a potential project for reconstructing Pakistan-China relations and fostering the ongoing multileveled developments. The pursuit of keeping bilateral cooperation high in diverse fields started with the construction of Gwadar Port in 2002 with the mission of completing the Port Project in 2006. Further developments during the time of President Asif Ali Zardari and President Mamnoon Hussain, the government of Pakistan arranged a certain state-level meeting between the presidents of both countries and tried to revolutionize their bilateral cooperative ties.¹⁰⁹

3.3 Conceptual Understanding of CPEC

The building of trading connections through highways, roads, and railways is primarily rooted in Beijing's vision of giving China easy access to international markets with the help of efficient transport networks. The transportation infrastructure is the central theme of CPEC with the belief that the advancement in the trading routes will facilitate China accessing the global trading markets. The building of transportation infrastructure has started serving the

¹⁰⁷ Hasan Yasir Malik, *Gwadar Dominating Blue Diplomacy* (London: Austin Macauley Publishers, 2021), 68.

¹⁰⁸ Salman Rashid, *Gwadar: Song of the Sea Wind* (Lahore: Sang-e-Meel Publications, 2021), 78.

¹⁰⁹ Pervaiz Asghar, *The Sister Ports of Gwadar and Chabahar in a Cooperative and Competitive Environment* (New York: Routledge, 2021), 78.

developmental needs of Pakistan while providing Pakistan with various incentives such as the construction of multiple power plants to fulfill the energy needs of the country. Apart from emerging collaboration in the energy sector, the wider framework of CPEC is envisioned to cover various other areas of China-Pakistan trading cooperation.¹¹⁰ This economic cooperation has different Chinese policies for improving the position of Pakistan in the contemporary wave of economic crisis. The ongoing economic politics has objectives of increasing investments in Pakistan through state-to-state multidimensional trading connections without ignoring the positions of local communities in the broader trading projects of two neighboring states. The trading projects have greater significance for Pakistan due to exploring various employment opportunities for Pakistani society through creating multiple jobs in state-to-state partnerships. The developments of multileveled partnerships aim to increase the trade efficiency between two trading neighbors and the objective of enhancing trade efficiency depends on the fast transportation networks.¹¹¹ For the creation of fast transportation connections, the agreed framework between Beijing and Islamabad resulted in a corridor project. The corridor project is a combined effort of both trading partners for the assurance of a level of trading connectivity between both neighboring nations. The geographical locations of both nations in two different regions, South Asia and East Asia, communicated to the world the shared vision of China and Pakistan for constructing trans-regional connectivity. This trans-regional connectivity is structured to serve the geo-economic interests of both states, and it has let the respective governments of the two states realize the trading potentials of each other.¹¹²

For China, access to the Gwadar Port is intended to facilitate Beijing in securing a fast route for trading goods that could travel from China to international markets whereas Pakistan is ambitious to bring infrastructural and economic development for the improvement of its domestic economic infrastructure. In this way, the signing of CPEC is intended to provide economic benefits to China and Pakistan parallel to encouraging the governments of both nations to strengthen their political coordination and diplomatic support to each other on various international issues.¹¹³ The formal decision-makers of both states are highly motivated to support each other against the potential security threats emerging from different directions.

¹¹⁰ Matthew McCartney, *The Dragon from the Mountains: The China-Pakistan Economic Corridor from Kashgar to Gwadar* (Cambridge: Cambridge University Press, 2021), 25-27.

¹¹¹ Amarjit Singh, *Hard Realities: India, Pakistan, China in an Emerging New World* (New York: Lancer Publications, 2019), 88-90.

¹¹² Bijan Omrani, *Great Potential, Many Pitfalls: Understanding China's Belt and Road Initiative* (New York: Routledge, 2021), 78-81.

¹¹³ Filippo Boni, *Sino-Pakistani Relations: Politics, Military and Regional Dynamics* (New York: Routledge, 2020), 25-26.

These security challenges appeared from diverse directions in the form of anti-BRI and anti-CPEC sentiments of the international community which is mainly based on American critical visualization of Pakistan-China trading cooperation. Despite having multileveled criticism emanating from anti-Chinese gatherings of the states, the Chinese and Pakistani leaders are determined to fulfill their trading commitments signed under CPEC.¹¹⁴ Thus, the broader framework of CPEC could be comprehended with the help of its multilateral economic engagements in Beijing and Islamabad. This engagement of two neighboring trade partners could be measured on the following lines.

3.4 Energy Cooperation

These energy needs of Pakistan such as electricity generation are helpful for Pakistan to address its increasing energy demands, as it is proved that Pakistan is passing through critical circumstances due to the shortage of energy. The cooperation in energy domain has made this interstate economic cooperation energy corridor where the acute energy demands of Pakistan are the central point of attraction for Beijing and Islamabad. With the help of this energy corridor, the government of Pakistan intends to get benefits from natural energy sources such as coal plants, solar farms, and hydroelectric dams.¹¹⁵ These sources of energy are improving in Pakistan with the financial and technical support of China and the cooperative behaviors of Beijing and Islamabad. The leaders of both states agreed on the construction of coal-fired plants, and these plants have aimed to provide Pakistani nation with a significant amount of electricity. This production of electricity from these coal-fired plants has already started providing power to Pakistan's national grid stations. In this way, the Chinese assistance has enabled Islamabad to overcome the shortcomings of its ability in managing problem of energy shortage with the support of China under the CPEC. The support of China is also emphasizing the wind and solar sources of energy because the formal decision makers of both states have recognized the natural energy sources such as wind, solar, oil, and natural as the appropriate ways of addressing energy shortage problems.¹¹⁶

Pakistan, a country grappling with severe electricity shortages, has sought to address its energy crisis by constructing several power plants under the China-Pakistan Economic

¹¹⁴ A Z Hilali, "China-Pakistan Economic Corridor and Dynamics of Regional Connectivity: Prospects and Challenges," *Strategic Studies* 39, No. 04 (Winter 2019), 90.

¹¹⁵ Lowell Dittmer, *South Asia's Nuclear Security Dilemma: India, Pakistan, and China* (New York: Routledge, 2017), 88.

¹¹⁶ Moonis Ahmar, "Strategic Meaning of the China-Pakistan Economic Corridor," *Strategic Studies* 34/35, no. 01 (Winter and Spring 2015), 38.

Corridor (CPEC) framework. Initially, in November 2014, agreements were made for 11 early harvest projects with a total capacity of 10,400 MW. This list was later revised to include 15 priority projects, increasing the planned installed capacity to 11,110 MW. Notable projects in this list include the Hubco Coal Power Plant (1,320 MW), Oracle coal power plants (1,320 MW), and the Three Gorges Pakistan Second and Third Wind Power Projects (50 MW each). However, recent reports indicate that three energy projects totaling 1,250 MW, initially part of the priority list, have been shelved. These include the Zonergy solar farm, the Salt Range coal-powered plant, and the China Sunec wind power project. The shelving of these projects highlights the challenges in implementing large-scale energy initiatives under CPEC.¹¹⁷

3.5. Gwadar Port Project

The Chinese commitments to enabling Pakistan to overcome its increasing energy demands are the responses of Beijing to accessing the Gwadar Port of Pakistan. The government of Pakistan has agreed with its Chinese counterparts to let Beijing benefit from the oceanic waters of Pakistan, parallel to helping the Pakistani government in its severe economic conditions. The Gwadar has its geo-economic importance for both states and its geo-economic significance cannot be separated from geo-strategic aspects of the broader Indian Ocean Region because the geographical location of Gwadar Port makes it one of the key oil shipping routes of the world. It has the potential to offer China an alternative energy route. Through this Port, the Chinese industry will be able to import energy for the smooth running of its massive production capabilities. The connection of China with Gwadar Port will enable Beijing to increase its economic growth by exporting a massive amount of products to international markets while overcoming the ongoing structural economic problems of the world.¹¹⁸ These features will enhance the international values of Gwadar Port and it will make it a commercial hub for global multifaceted trading activities, parallel to highlighting the role of Pakistan in the international economic landscape. The geo-strategic significance of Gwadar Port has communicated to the whole world the role of this deep-sea port in creating trans-regional connectivity between South and East Asian states. The vision of connectivity between Beijing and Islamabad has gone beyond the Gwadar Port and the Pakistan and Chinese officials have explored various other aspects of trading connectivity. The construction of roads and railways has been considered an important element making the Chinese access to Gwadar Port

¹¹⁷ Dadwal, Shebonti Ray, and Chithra Purushothaman. "CPEC in Pakistan's quest for energy security." *Strategic Analysis* 41, no. 5 (2017): 515-524.

¹¹⁸ Bill Nelson and Robert Nelson, *Pakistan, CPEC, and the Future Vision of Pakistan-China Cooperation* (New York: Routledge, 2021), 77.

efficient.¹¹⁹ The geo-strategic significance of Gwadar Port has also made Pakistan's oceanic borders the central point of international power politics. So, the leading intellectual circles of the international community have started calling Gwadar Port as one of the contemporary points of global power politics.

3.6 Special Economic Zones (SEZs)

The Chinese and Pakistan governments have agreed to develop various Special Economic Zones (SEZs) for the promotion of industrial development in Pakistan. This industrial development envisions creating several economic opportunities for Pakistan in which the creation of jobs for the local people and exploration of various employment opportunities for Pakistan society is the central theme of the SEZs.¹²⁰ There is a brief list of SEZs to turn the dream of trade connectivity between Islamabad and Beijing into a reality while serving the economic interests of both states. The SEZs in Pakistan are divided into two main groups: under construction projects and in-pipeline projects. The under-construction projects are Rashakai Special Economic Zone, Dhabaji Special Economic Zone, Allama Iqbal Industrial City, and Bostan Special Economic Zone whereas the in-pipeline projects are ICT Model Industrial Zone, Industrial Park on Pakistan Steel Mill Land, Mirpur Industrial Zone, Mohmand Marble City, and Moqpondass Special Economic Zone. These projects are well-planned and well-structured for the improvement of China-Pakistan trade connections and the ensuring a high degree of business activities under the signed corridor project between both states. The SEZ projects focus on the improvement of different industries such as textiles, manufacturing, IT, and agriculture. The leaders of both nations have developed a consensus on the improvement of these industries with the belief that the developments in these industries will increase the investment avenues for the business communities of both states.¹²¹ These SEZs will help the Chinese and Pakistan governments to smoothly function in their designed regional connectivity plan. Consistent progress in these projects across Pakistan has started investments through various business activities.

¹¹⁹ Robert Nilson, *CPEC and the 21st Century: Challenges, Opportunities and Warforwards* (London: Palgrave MacMillan, 2020), 34.

¹²⁰ Jimmy Carlon, *Pakistan and the Vision of Special Economic Zones: Myths & Realities* (Haryana: Penguin Publishing, 2019), 22-23.

¹²¹ Sheena Rathore, *CPEC and the Economic Development in Pakistan: Development and Cooperation* (Cambridge: Cambridge University Press, 2021), 22-28.

3.7 The Advancement in IT Culture

The CPEC is intended to facilitate Pakistan in various fields beyond traditional business connections in which the agreement of both states on the promotion of IT culture in the two-sided societies has become an important dimension of Pakistan-China cooperation. The widening areas of trading collaborations between Beijing and Islamabad have started exploring different dimensions of cooperation to explore the untapped potential of each other in diverse directions.¹²² The most important factor in this regard is the ongoing intentions of both states to build close cooperation in the domain of information communication technology. It is pertinent to mention here that the Chinese leading IT companies have already started investing in various fields where the telecommunication industry is an important element.¹²³ Based on Chinese investment in the telecom sector of Pakistan has started encouraging the two-sided policymakers to start widening the bilateral cooperation in the IT sector with the belief that the advancement in the formation of technology will help China achieve its trading and investment targets under the broader framework of CPEC. Thus, the ongoing engagement of IT industry between Beijing and Islamabad has adopted various policies for strengthening their combined vision of E-commerce.¹²⁴ The IT collaboration has objective of making the CEPC agreement a multidimensional and dynamic for China and Pakistan because the leading state authorizes of both states have accepted the emergence of digital trade in the contemporary world politics. It is widely believed that between China and Pakistan the role of cyberspace could hamper their trading progress by creating various cyber security threats. In response to the emerging challenges of cyber security threats, the Chinese and Pakistani leader under the broader framework of CPEC have decided to take appropriate measure in the IT sector through introducing various skill development programs as well. Therefore, the cooperation in the cyberspace has become one of the leading areas of China-Pakistan collaboration under the CPEC.

3.8. Critical Viewpoints

The CPEC project cannot be separated from the critical circles of international community with diverse backgrounds because the anti-Chinese groupings of states have started

¹²² Martin Joseph, *Development and Progress through CPEC: China and Pakistan in the Changing Global Landscape* (London: Oxford University Press, 2020), 41.

¹²³ James Lankmon, *China-Pakistan and Vision of Economic Development in South Asia* (New York: Routledge, 2019), 22-24.

¹²⁴ Daniel Drezner and Zhao Huasheng, *South Asia under the Shadows of CPEC: Challenges for Pakistan* (Cambridge: Cambridge University Press, 2020), 30.

developing negative visualizations of the Pakistan-China bilateral cooperation under CPEC. A comprehensive survey of the existing critical debates of international community has revealed that four main groups are having their negative viewpoints concerning China-Pakistan corridor project.¹²⁵ The first group considers the CPEC as a debt trap for Pakistan and in future it will not only undermine the position of Pakistan in the regional and extra-regional affairs, but it will also weaken the formal economic structure of Pakistan. It has been recognized internationally as a debt trap for Pakistan and making Pakistan vulnerable before another superpower. Thus, the second group of critical thoughts explained that the CPEC has proved to be a game-changer for Pakistan, and it is hard to call it a fate-changer for Pakistan due to the rise of various security challenges to the Gwadar Port project and the inception of Indian anti-Pakistan naval improvements in the Arabian Sea.¹²⁶ The debate on the game-changer and fate-changer was emerged in the initial days of CPEC when the two-sided state authorities signed the corridor project and showed their determination for addressing and countering any form of security challenges. The critical circles of international community widely believe that the decision of Pakistan for joining the CPEC has placed Pakistan under the Chinese influences of debt diplomacy which will damage the conventional foundations of Pakistan-China cooperation. Thus, the future of cooperation between China and Pakistan will determine the progress of CPEC due to the increasing dependency of Beijing and Pakistan in the corridor project and making it a gravitational point of their bilateral cooperation.

The BRI of China has inaugurated a new debate in the leading intellectual circles of international community because it has become a cornerstone of cooperative relations between China and Pakistan. The nature of this interstate cooperative project has changed the cooperative China-Pakistan ties which have now gone beyond the traditional trading domain. The widening areas of this project are comprising of economic growth, transportation connectivity, and societal interaction between Chinese and Pakistan nations. The improvements of bilateral relations at the societal level have provided an additional supporting factor to the broader state level economic cooperation. The improvements in the societal relations between both states have resulted in a wide range of people-to-people contacts, and these societal connections directly increased the scope of FDI in the Chinese and Pakistani business communities. The governments of both states have also recognized the potential of

¹²⁵ Thomas Fingar, *The New Great Game: China and South and Central Asia in the Era of Reform* (California: Stanford University Press, 2016), 43.

¹²⁶ Muhammad Zahid Ullah Khan and Minhas Majeed Khan, "China-Pakistan Economic Corridor: Opportunities and Challenges," *Strategic Studies* 39, No. 02 (Summer 2019), 28.

their societal cooperation under the formal pathways of Beijing and Islamabad.¹²⁷ The leading state authorities are engaged in deepening the people-to-people contacts between the academic communities of both states while accepting the wider cultural gaps between Confucius and Islamic civilizations. The cultural and ideological gaps in societies in the interstate relations have been identified by the two-sided decision makers, and it has resulted in the integration of cultural aspects in the mainstream foreign relations. This argument can be validated with the support of rising strengths of Pakistani students in China and Chinese students in Pakistan. For example, according to official data, China has emerged as Pakistani students preferred educational destination. 28,023 Pakistanis were enrolled at Chinese universities in 2019. Pakistan came in third place among Chinese overseas students. The China-Pakistan Economic Corridor (CPEC), a pilot project of the Belt and Road Initiative, was launched, and the Chinese government gave several preferential policies that led to increase in the number of students from Pakistan.¹²⁸

The growing number of scholarships to the student communities of both states has added further values to the people-to-people contacts of both states. This factor has provided a realization to the formal decision makers of both states for upholding the societal soft images in the foreign relations while believing that it will create a high degree of cultural understanding between two different communities. The understanding at the societal level has direct impacts on the bilateral China-Pakistan trade volume due to the dependency of both states on their public-private enterprises. Moreover, the role of soft image and promotion of cultural values are also important factors in understanding the efforts of two-sided governments for overcoming their cultural and ideological gaps. The promotion of national values cemented in specific cultural patterns of both states has presently convinced the governments of both states to empower their societal communication linkages.¹²⁹ The adaptation of multileveled languages course in the leading institution of both states has become a vibrant trend of contemporary Pakistan-China bilateral relations.

Based on this scenario, it can be maintained that the scope of CPEC is heavily dependent on the nature of Pakistan-China cooperative relations. The two-sided leading state officials are engaged in diversifying and multiplying the existing matrix of Beijing-Islamabad cooperative ties where an asymmetric cultural and trading imbalance has started prevailing

¹²⁷ Alessandri Rippa, *Borderland Infrastructures: Trade, Development, and Control in Western China* (Amsterdam: Amsterdam University Press, 2020), 22-25.

¹²⁸ "Pakistan, China advancing collaboration in higher education," *The Nation*, August 10, 2023.

¹²⁹ Rajshree Jetly, *Pakistan in Regional and Global Politics* (New York: Routledge, 2021), 55.

between both states whereas the anti-Chinese standings of regional and international players are the potential challenges. In the debate of anti-Chinese actors in the Asian regional and international power politics, the status of India cannot be overlooked because of the Indian government's overt anti-Chinese planning. The formal security architectures from New Delhi have introduced various anti-China initiatives, in addition to joining the US-led anti-Chinese gatherings of states under different strategic slogans. The role of India is a response of New Delhi to the economic rise of China but its implications on the South Asian regional politics cannot be ignored due to the CPEC.¹³⁰ The Chinese decision for considering Pakistan as an appropriate state for accessing the Indian Ocean Regions through Gwadar Port has forced New Delhi get strategic support of anti-Chinese forces from across the world and making it a potential anti-CPEC or anti-BRI alliance different states. In this way, the government of China and Pakistan are required to multiply their existing bilateral trading initiatives with several new forms by understanding the regional and international compulsions of power politics.

3.9 BRI Implications for Pakistan

3.9.1 Economic Implications

There is a famous aphorism, "Pakistan is China's Israel."¹³¹ Many scholars who have opined either in the favor or opposition of the aphorism. Notwithstanding, there is one thing on which both sides concur i.e. Pakistan has received significant number of investments in the infrastructure projects, peculiarly, CPEC. The rationale of having infrastructure projects is to bring improvement in the sectors that are contributing to economic development, energy, transportation, and industrial sectors.

Other than economic development, the BRI has consolidated the strategic partnership between Sino-Pak. Moreover, it is observed that Chinese influence in the region has been enhanced owing to its growing economic ties. China has embraced a plan of action of offshore balancing to weaken US influence in the Middle East and North Africa (MENA)¹³², so China is striving to hold its hegemony in the South Asian region too.

The strategic partnership between Sino-Pak has been consolidated with the aligning of their strategic and economic interests. However, this course of action has left implications for

¹³⁰ Amitendu Palit, *China-India Economics: Challenges, Competition and Collaboration* (New York: Routledge, 2012), 35.

¹³¹ Paal, Douglas H. "China and the East Asian security environment: Complementarity and competition." *Living with China: US/China Relations in the Twenty-First Century* (1997): 97.

¹³² Ghiselli, Andrea, and Maria Grazia Erika Giuffrida. "China as an offshore balancer in the Middle East and North Africa." *The RUSI Journal* 165, no. 7 (2020): 10-20.

the region, as a corollary, the alliances are being reshaped. Beyond Pakistan, Bangladesh, Afghanistan, India, Sri Lanka, and Nepal have also aspired for getting the benefits of the Chinese-sponsored trading projects in South Asia.¹³³ The rising appreciation to the Chinese trading potential in the South Asian region is intended to expand its networking by involving more states.

The governments of China and Pakistan have accepted each other in their foreign relations as reliable economic partners while having common security problems in the region. The problems emerge in the form of critical visualization of anti-BRI states and their perceptions for the completion of BRI through Pakistan's deep seaport.

Even though CPEC is a flagship project of China, and for long been reckoned as a "Game Changer", yet there are a few hindrances in the way of completion of CPEC. The following obstructs the CPEC completion; Political instability in Pakistan, resurgence of militancy, delayed decision making in few projects, etc.¹³⁴ Pakistani province of Baluchistan has security challenges related to BRI projects. The resurgence of militancy is a grave matter of concern between Sino-Pak as multiple attacks on the projects related to CPEC have not only slackened the workflow but has contributed to upsetting the workforce. The security of workforce and infrastructure is highly critical, if both states want to see the successful implementation of these projects.

3.9.2 Security Implications

It is quite evident that the security of the projects has become the formidable task generally, and Baluchistan in particularly —the home of the Gwadar Port. Pakistan has long-time combating militancy in the Baluchistan, now the point of grave concern for Pakistan is, there are news coming that different militant factions are now considering to be united under one militant outlet BRAS. Baluchistan Liberation Front (BLF), a banned militant organization headed by Dr. Allah Nazar, could likely merge into the Baluchistan Liberation Army (BLA) which is another banned, but a brutal militant organization.¹³⁵ This possible yet potential merger could enhance the Baluch's militant presence throughout the Baluchistan.

¹³³ David Shambaugh, *Where Great Powers Meet: America and China in Southeast Asia* (Oxford: Oxford University Press, 2021), 21.

¹³⁴ Rafiq, A. (2021). *The China-Pakistan Economic Corridor: Slower may be better*. Middle East Institute. Washington: Middle East Institute, from <https://www.mei.edu/publications/china-pakistan-economic-corridor-slower-may-bebetter>

¹³⁵ "Possible Merger of Baloch Militant Groups Threatens Pakistani and Chinese Interests." Jamestown. December 1, 2023. <https://jamestown.org/program/possible-merger-of-baloch-militant-groups-threatens-pakistani-and-chinese-interests/>.

Both China and Pakistan are aware of the internal as well as external apprehensions regarding the CPEC, and they have been striving for every possible effort to avert any such kind of misadventure. Pakistan has constituted the force named as Special Security Division to guarantee the security of the infrastructure, and personnel related to the CPEC.¹³⁶ Moreover, both states have opted to engage in sharing of intelligence reports which helps identify the potential security threats to CPEC. The engagement of intelligence cooperation ensures proactive measures to securitize CPEC against several security challenges. The engagement between Pakistan and China over the security issues is highly critical for the successful completion of CPEC, and this will further enhance the strategic partnership between both states.

3.9.2 Political Implications

Despite the economic prospects that CPEC may yield to Pakistan, there are some geo-political challenges which are interlinked with the BRI and CPEC. Pakistan must be vigilant while navigating such challenges as the geo-political dynamics of the region is getting evolved overtime. India has been expressing her concerns since the inception of the project, her claim is the CPEC has been routed via the disputed territory of Kashmir i.e. Gilghit Baltistan. Moreover, USA can ill-afford to ignore even a slight opportunity of containing China, so did USA jump into the region. USA's strategic alignment with India and forming of QUAD (officially Quadrilateral Security Dialogue, a group of 4 states; USA, India, Japan, and Australia) in the Indo-Pacific region are the continuity of containing China policies. The Indo-US alliance aims to contain China, which in turn, will create solemn security challenges for Pakistan.¹³⁷

The core issue of India is the strategic partnership between Sino-Pak.¹³⁸ India sees any strategic or economic gain for Pakistan as loss to India, which makes it a zero-sum game. Furthermore, India views China as the sole competitor in the region which can dominate the Indian economic and strategic capabilities. India sees South Asia as its strategic backyard and coupled with the Chinese stakes in the region. Since USA wants to confine China to a particular region, so it is all up to support India in the way to contain China, thus this shows the probability of friction and competition in the South Asia.

¹³⁶ "Pak Army's Special Security Division (SSD) – A Response to CPEC Security Challenges." Hilal Publications

¹³⁷ Shafqat, Saeed, and S. Shahid. "Changing Dynamics of China-India Relations: CPEC and Prospects for Pakistan." (2020).

¹³⁸ Einhorn, Robert, and Waheguru Pal Singh Sidhu. *The Strategic Chain Linking Pakistan, India, China, and the United States*. Brookings Institution, 2017.

The containment strategies will have severe implications for Pakistan and may put Pakistan into unforeseen troubles. Pakistan, now, needs to adapt the strategies that will ensure geo-political challenges are met, and avail opportunities that may come from evolving geo-political landscapes. Engaging actively with the international and regional organizations to acquire support for CPEC is pivotal, the project ensures regional economic development and integration, the more it nullifies the concerns of adversaries.

3.10 Geopolitical Impacts of BRI on Pakistan

Chinese growing geopolitics interests in the world are purely inherited in Beijing's larger geopolitics interests and their association with the Chinese mainstream foreign relations with the outside world. The leading state officials from Beijing have translated the key foreign policy priorities of China in its cooperative connections with the outside world which has provided adequate place to China in the changing dynamics of global power politics.¹³⁹ These foreign relations have led Beijing to exclusively emphasize the formulation of cooperative trading connections with the state suffering from acute economic crisis and financial hurdles. It reflects the determination of Chinese leaders for empowering the standing of Beijing in the broader Asian power politics where the emerging counterbalancing forces have become the undeniable realities for China. These counterbalancing forces are fundamentally opposing emerging trading collaborations of China with the outside world generally, and the state located in different regions.¹⁴⁰ The nations from different regions are developing strong association with Chinese trading global designs which are emerging now around the globe. It has further convinced the leaders of different nations to formulate close interactions with the emerging diplomatic forces of China in the world parallel to accepting the altering power dynamics of international power politics.¹⁴¹

The Chinese-led "String of Pearls" campaign in the Indian Ocean has seen Pakistan as a model state. China, on the other hand, responded to the US adoption of the isolationist stance by building six routes. China included Pakistan in its counterstrategy against the US, recognizing that both countries share security worries from India and the US. This was a wise move on China's part. Chinese policy has been extended to Bangladesh and Sri Lanka in

¹³⁹ Blanchard, Jean-Marc F., and Colin Flint. "The geopolitics of China's maritime silk road initiative." *Geopolitics* 22, no. 2 (2017): 223-245.

¹⁴⁰ Callahan, William A. "China's "Asia Dream" the belt road initiative and the new regional order." *Asian Journal of Comparative Politics* 1, no. 3 (2016): 226-243.

¹⁴¹ Small, Andrew. *Returning to the Shadows: China, Pakistan, and the Fate of CPEC*. German Marshall Fund of the United States., 2020.

addition to Pakistan. China has made investments in these countries, primarily through MOUs and undertaking agreements. In contrast, the countries might face security challenges including terrorist attacks and other difficult geographical situations. reimbursed China for the loans that were taken out.

The BRI and South Asian extension has shocked the entire politics of nuclearized subcontinent in which the Indian and Pakistan leaders have historical disagreements over various points. These disagreements have shaken the security of entire region and let the extra-regional powers to activate their South Asian engagement with New Delhi and Islamabad. The BRI has activated Chinese South Asian interests and facilitated the Beijing-based government officials to connect Chinese trading designs with the Indian Ocean where India and Pakistan are already having multileveled conflicts. The increasing interests of China in the India Ocean Region are fundamentally a reflection of Beijing's geopolitical interests in the Gwadar Port which is going to make Pakistan a regional trading hub. Moreover, the increasing connection with Sri Lanka on the functioning of its port in favor of China further solidifies the growing interests of China in the global oceanic politics. This scenario has convinced Chinese leaders to empower the naval forces for the protection of their wider interests in the region. The growing interests of China in the oceanic politics have resulted in the formation of various maritime alliances between Beijing and other states linked with Chinese BRI.

Since Pakistan and China has experienced political cooperation in critical time, the relations between them have entered a strategic interdependence in the economic milieu in the twenty first century.¹⁴² In this section, the CPEC is one example of empirical evidence. Through this corridor, a new age of diplomatic relations, economic prosperity, and regional integration is being built. China has proposed the BRI to improve connectivity with its economic partners along the Silk Road Economic Belt and the 21st Century Maritime Silk Road, to foster international cooperation and stimulate regional growth. According to Chinese President Xi Jinping, the BRI will provide 52 nations with investments valued at an estimated \$5 trillion (CPIC 2020). This master plan will change the associated regions' economic geography.¹⁴³

¹⁴² Gul, Azeem, Muhammad Munir, Muhammad Shafiq, and Sameera Imran. "Contours of China-Pakistan strategic cooperation: Implications for India and its counter-strategies." *Journal of Public Affairs* 22, no. 4 (2022): e2599.

¹⁴³ For information see, CPIC (China Pakistan Investment Corporation). 2020. "China-Pakistan Economic Corridor." <https://www.cpicglobal.com/pakistan-overview/cpec/>, Bird, Julia, Mathilde Lebrand, and Anthony J. Venables. "The belt and road initiative: Reshaping economic geography in Central Asia?." *Journal of*

The main pillars of the BRI are intended to be six corridors, each of which will get significant funding to advance the development of infrastructure. The CPEC is one of the six corridors' main attractions. Its goal is to raise the standard of living for Pakistani citizens by promoting infrastructure development, trade, investment, people-to-people interaction, and mutual connection. The BRI has considerably accelerated Pakistani infrastructure development because of the CPEC. Several initiatives operating under the CPEC framework aim to yield results immediately. For instance, Pakistan went through a serious power outage in 2011–2012. Usually, there were ten to sixteen hours of power disruptions per day.¹⁴⁴

Nineteen power plants were agreed to be built within the CPEC framework, with a total investment of US\$35 billion already invested or planned. From 101.0 TWh in 2013 to 137.5 TWh in 2018, there was an increase in electricity production, and this growth is anticipated to continue. Enhancing Pakistan's electrical infrastructure not only raises living standards but also improves the nation's overall economic climate, which has a continuing knock-on impact to draw in foreign investment. However, many initiatives have the unintended consequence of taking years to complete. For instance, it's anticipated that the ten Special Economic Zones now under development will generate over one million employments over the next ten years.¹⁴⁵

In addition, several notable infrastructure projects will soon be finished. The port of Gwadar is the most important one. By 2023, Gwadar is expected to be one of South Asia's busiest trading hubs thanks to an estimated US\$4.8 billion investment, which might result in the creation of 50,000 high-paying jobs. The Quaid-e-Azam Solar Power Park in Bahawalpur, which intends to construct 100MW of renewable energy capacity, is another similar project. A 2,000-kilometer rail network from China's Xinjiang province to the Gwadar port and 820-kilometer fiber optic cabling inside a 4G network are two other significant infrastructure investment projects under the CPEC framework.¹⁴⁶

In term of future impacts, the BRI will be the turning point for the entire South Asian area and can be crucial for Pakistan's economic growth because of the CPEC. It is anticipated

Development Economics 144 (2020): 102441, and De Soyres, François, Alen Mulabdic, and Michele Ruta. "Common transport infrastructure: A quantitative model and estimates from the Belt and Road Initiative." *Journal of Development Economics* 143 (2020): 102415.

¹⁴⁴ For information see, Choudri, Sheheryar Zafar. 2019. "Investment Opportunities & Risk Assessment for Chinese Power Sector Enterprises in Pakistan." Master's dissertation. North China Electric Power University, Beijing, Iqbal, Nasir. 2020. "CPEC: Phases and Challenges." <https://www.thenews.com.pk/print/592658-check-phases-and-challenges>

¹⁴⁵ BP. 2023. "The Energy Institute (EI) Statistical Review of World Energy." https://www.energyinst.org/_data/assets/pdf_file/0004/1055542/EI_Stat_Review_PDF_single_3.pdf

¹⁴⁶ CPIC (China Pakistan Investment Corporation). 2020. "China–Pakistan Economic Corridor."

that infrastructure investment will have a major influence on Pakistan despite the lack of quantitative proof. To substantiate the impacts more realistically, the study conducted by Chen et al in terms of macroeconomic impact of the BRI on Pakistan's GDP per capita provides empirical evidence for the justification of the study argumentation.¹⁴⁷ To simulate what Pakistan would have gone through if the BRI had not been implemented, a synthetic Pakistan is created by averaging 42 non-BRI nations. According to the findings, the BRI raised Pakistan's per capita GDP in 2018 by Int\$545, or 10.85%, from a projected level of Int\$5,022 to 12Z. CHEN ET AL. Int\$5,567. Concurrently, the BRI raised Pakistan's yearly per capita GDP growth rate from 3.04% to 4.69% between 2013 and 2018. Chen et al has further argued that the results of the dropping sample test, in-place placebo test, and in-time placebo test corroborate the BRI's beneficial effects on Pakistan.

The in-time placebo test verifies that the fictitious 2008 intervention year does not have the statistically significant effect that our baseline modelling predicted. According to the in-place placebo test, when compared to the donor countries, Pakistan's treatment impact is noticeably larger. Furthermore, the falling sample test indicates that Pakistan continues to benefit from the BRI despite a smaller donor pool offering a different synthetic scenario. This analysis demonstrates that Pakistan's macroeconomic situation is improved by the BRI. Subsequent research endeavors should delve more into the structural effect, which refers to the varied effects experienced by various areas, sectors, and income groups,¹⁴⁸ can be carried out to offer a more complete image of the impact of this long-term master plan.

¹⁴⁷ Chen, Zhanming, Yasir Amin, Ruiping Jiang, Shan Guo, Yuyuan Wen, and Xinye Zheng. "Impact of the Belt and Road Initiative: The case of Pakistan." *Economic and Political Studies* (2023): 1-15.

¹⁴⁸ Lall, Somik V., and Mathilde Lebrand. "Who wins, who loses? Understanding the spatially differentiated effects of the Belt and road initiative." *Journal of Development Economics* 146 (2020): 102496.

Chapter 04

Geopolitical Influence of Belt and Road Initiative vis-a-vis Sri Lanka

The chapter argues that Sri Lanka holds a prominent position within the Belt and Road Initiative (BRI) due to Sri Lanka as a geographically part of China's political sphere. According to naval strategist to Alfred Mahan, “Whoever controls the Indian Ocean will govern Asia; the world's fate would be sealed on its waters”. In this context, the chapter has been debated in the following sections. First, understanding BRI in the Sri Lankan case. Second, the impact of BRI various sectors of Sri Lanka that would reflect China’s deepening political footprints in the country.

4.1 The Belt and Road Initiative (BRI) and Sri Lanka

The BRI of China has South Asian extension through creating multileveled cooperation with the South Asian states where the positions of Pakistan and Sri Lanka are important with a lot of trading significance for China. The nature of BRI is to develop a cooperative trading connection with the states located in different regions beyond their geographical proximities. The Chinese government is purely focusing on the economic development of China through various bilateral trading engagements with the states located in different regions. The South Asian extension of Chinese BRI has not only considered neighboring Pakistan as a close trading partner but it has highlighted Pakistan internationally as a close trading ally and an essential economic partner, parallel to various other states such as Sri Lanka.¹⁴⁹ The Colombo-based leading decision makers of the government have decided to accept China as a reliable trading partner and a cooperative partner in supporting and upholding Sri Lankan vision of economic prosperity and societal well-being.¹⁵⁰ The geo-economic significance of Sri Lanka has let China realize the trading potential of Colombo in its broader BRI designs and the vision of Beijing for creating a global trading network with the support of several ports. The construction of ports in different states has become a prominent feature of Chinese BRI because the Chinese state officials believe that the construction of trading ports at various locations will

¹⁴⁹ Shantanu Roy-Chaudhury, *The China Factor: Beijing’s Expanding Engagement in Sri Lanka* (New York: Routledge, 2023), 25.

¹⁵⁰ Asanga Abeyagoonasekera, *Tear drop Diplomacy: China’s Sri Lanka Foray* (New Delhi: Bloomsbury Publishing, 2023), 55-59.

let Beijing to complete its BRI project. In this way, the Chinese state authorities have selected Sri Lanka as one of the valuable points of international trading markets and they have included Colombo in Beijing's broader geo-economic plans. The Sri Lankan government has also accepted Chinese BRI as an important element of contemporary world politics which could provide multiple business opportunities to China. This factor has increased Chinese investments in Sri Lanka and the led the leaders of both states to agree on a joint project of port construction.¹⁵¹

Chinese government has sponsored various developmental projects in Sri Lanka covering a wide range of areas such as infrastructure, highways, ports and other facilities making both states capable of running smoothly their trading cooperation. The Hambantota Port is an important factor in the evolving Sri Lankan-Chinese trading collaboration under the BRI. The status of this Port has recently been changed due to the upsetting business matters between Beijing and Colombo. The inability of Colombo for repaying the Chinese loans and the incapable performance of Sri Lankan government for serving appropriately the Chinese financial interests has altered the status of Hambantota Port. The changed status of the Sri Lankan Port has increased the influence of China on Sri Lanka through Colombo's decision for leasing its Port to China and allowing Chinese Merchants Port Holdings Company to take the control of Hambantota Port for the 99 years.¹⁵² The Port issue has raised various critical questions on the evolving trading cooperation between Beijing and Colombo parallel to witnessing the high business volumes between China and Sri Lanka in various fields. Despite having serious trade disagreements on the Port issue, the governments of both states have not let the Port issue damage the broader framework of their cooperative ties which were started in the first phase of Cold War politics. In 1957, Colombo and Beijing were willing to establish their cooperative bilateral ties which witnessed a smooth growth of interstate economic cooperation between Sri Lanka and China. The persistent growth of bilateral cooperation between Sri Lanka and China encouraged the governments of both states cooperate under the BRI.¹⁵³ In this way, the central theme of this chapter revolves around the Chinese close trading cooperation with Sri Lanka under the BRI. It is an academic endeavor to continue the debate of Chinese BRI and South Asian extension.

¹⁵¹ Umesh Moramudali, "The Hambantota Port Deal: Myths and Realities," *The Diplomat*, January 01, 2020, <https://thediplomat.com/2020/01/the-hambantota-port-deal-myths-and-realities/>

¹⁵² Sithara Ferando, *United States-China-India Strategic Triangle in the Indian Ocean Region: Challenges and Opportunities* (New Delhi: John Kotelawala Defence University, 2015), 110.

¹⁵³ Tom Miller, *China's Asian Dream: Empire Building along the New Silk Road* (London: Zed Books Publishers, 2017), 88.

4.2 Sri Lanka and the BRI

The on-going cooperative interaction between Beijing and Colombo is mainly dependent on the decades-long brief trading Sri Lanka-China collaboration. Both states has a brief history of their cooperative interaction in diverse fields which provided several supporting points to the presently evolving interstate collaboration between both states under the BRI. The broader project of BRI has emphasized various states for the construction of their bilateral interaction for the completion of Chinese envisioned global plans for creating an international China-centric trading network.¹⁵⁴ The initial efforts of Colombo for becoming an active part of BRI started when Sri Lankan government paid substantial attention for the improvement of their bilateral engagement with Beijing because the two-sided state officials were agreed to cooperate under the BRI.¹⁵⁵ The mainstream support for the BRI received from the active diplomatic cooperation and political coordination between Colombo and Beijing due to the history of the cooperative interstate China-Sri Lanka relations. The genesis of the cooperative ties between both states started in 1957 with the establishment of formal China-Sri Lanka diplomatic interaction and an era of diplomatic communicates started between two governments.

The major turning point occurred in 1996 after the end of Cold War politics when the creation of a Soviet-less international system forced various states located in diverse regions to alter their foreign relations. The changes of post-Cold War international system altered the positions of various states in their regional and global affairs where Sri Lanka was one of the leading countries aligning its foreign policy with the new realities of the world. Thus, the change in foreign policy convinced Colombo on boosting bilateral ties with great powers such as China. The role of President Mahinda Rajapaksa is important in this regard because the Sri Lankan foreign policy towards China mainly improved during the decade-long stay of Rajapaksa in the Sri Lankan government as the President.¹⁵⁶ The leadership of the Rajapaksa preferred China as a reliable partner for upholding and supporting the economic vision of Colombo and the plans of Sri Lanka for achieving the high trading targets. The decision to join

¹⁵⁴ Jervis Kate, *BRI and China with India in the Trading Game: South Asia and Southeast Asia* (New York: Routledge, 2019), 12.

¹⁵⁵ Johan Stark and Christopher Gate, *Colombo and its China Policy: An Analysis and Explanation* (London: Oxford University Press, 2018), 89-91.

¹⁵⁶ Robert Nolan, *China and Sri Lanka: Friends of Difficult Times* (Cambridge: Cambridge University Press, 2020), 114.

Chinese BRI brought massive investments across Sri Lanka and let China to invest heavily in multiple areas of Sri Lankan economy.

4.3 Colombo-Beijing Cooperative Ties

The history of Sri Lanka-China bilateral relations is the fundamental elements supporting the cooperation of both states under the BRI and the determinations of their respective governments on launching their shared economic values. The history of two-sided cooperation started in the 4th Century AD during a formal visit of Chinese monk Faxian to Sri Lanka which conveyed the message of friendship to Sri Lanka and a persistent growth of interstate collaboration started between both states. Ancient history remained ineffective in witnessing major developments of the Colombo-Beijing cooperation, but the major developments in their bilateral interaction started after the end of World War II.¹⁵⁷ The start of Cold War's confrontational politics intensified the security environments of various regions parallel to upsetting the positions of different states located at different regions. Akin to various other states, Sri Lanka emerged as one of the leading players in revising and improving its mainstream foreign policy and structured cooperative ties with China in 1950. Colombo's formal recognition of People's Republic of China in January 1950 sent a message of friendship to China and the two-sided governments laid the foundations of bilateral interstate ties and started supporting each other at various international forums.

There are several important factors which changed the nature of cooperative ties between two countries and let them boost their interstate interaction in diverse fields. The China-Ceylon Rice Rubber Pact signed in 1952 was an important agreement improving their trading ties and proved to be an important Pact due to Chinese decision for adding a non-communist country in its trading partners.¹⁵⁸ The Rice-Rubber agreement proved to be critical development later when Sri Lankan nation was affected badly with the emergence of global rice crisis and the shortage of rice and the high prices of rubber due to the invention of synthetic rubber.

In 1962, the relation for the infrastructural development initiated and the Chinese government offered the cultural ties to Colombo. The Sri Lanka government accepted Chinese offer and laid the foundations of cultural ties with Beijing and China gifted Bandaranaike Memorial International Conference Hall (BMICH) to Sri Lanka. The BMICH is located in

¹⁵⁷ Evelyn Goh, *Rising China's Influence in Developing Asia* (Oxford: Oxford University Press, 2016), 38.

¹⁵⁸ Yin Yeping, "Sri Lanka Welcomes More Cooperation with China, Rejects, 'debt trap' claims," *Global Times*, January 29, 2023, <https://www.globaltimes.cn/page/202306/1293376.shtml>

Colombo completed from 1970 to 1973 and become a convention center because it was the Chinese gift in the memory of Solomon Ridgeway Dias Bandaranaike.¹⁵⁹ The construction of this Convention Center let the Chinese and Sri Lanka workforce to building collaborative values at the societal level.¹⁶⁰ The continuation of Chinese-sponsored infrastructure to Colombo resumed the collaborative interaction of workforce in 1998 during the construction of small Exhibition Centre the Sirimavo Bandaranaike Memorial Exhibition Centre. These societal level initiatives increased the vision of ensuring people-to-people contacts between both nations. The developments in the business sector formulated a maritime-specific commercial agreement between Colombo and Beijing in 1963. This agreement was aimed to achieve milestone developments in the domains of business and trade, parallel to increasing the chances of high investments in Sri Lanka.¹⁶¹

The quest of Colombo for securing the support of extra-regional players has been considered a critical development for the South Asian other players such as India. Witnessing from a brief border clash with China in 1962 over Tibet, the post-war developments in Indian strategic thinking inflicted a sense of insecurity and forced the New Delhi-based policymakers to keep a deep eye on the evolving foreign relations of China with other nations in the broader Asian power balance. Thus, the Indian leaders viewed the maritime agreement of Colombo with Beijing as a critical development in the South Asian regional politics which contains serious implications for Indian position in the surrounding oceanic politics.¹⁶² The creation of China-Sri Lanka Joint Trade Committee in 1982 was another major development in the two-sided cooperative ties between both states because the Committee has an objective of multiplying various avenues of trade and investment with several new commercial initiatives.

4.4 China-Sri Lanka Joint Trade Committee

While keeping in mind the ongoing cooperative bilateralism between Beijing and Colombo, it is essential to understand the nature of China-Sri Lanka Joint Trade Committee and its main support to the business collaboration of both states under the BRI. The Committee was created in 1982 with multiple objectives like the creating trading facilitation mechanisms

¹⁵⁹ Zhen Wang and Feng Ye, "China-Sri Lanka Relations in the Context of the 21st Century Maritime Silk Road: Motives, Challenges, and Prospects," *Project Muse* 43, No. 03 (Summer 2019), <https://muse.jhu.edu/article/732223>

¹⁶⁰ "Sri Lanka and China Agree to Deepen their Strategic Cooperative Partnership," Ministry of Foreign Affairs Sri Lanka, September 16, 2014, <https://mfa.gov.lk/sri-lanka-and-china-agree-to-deepen-their-strategic-cooperative-partnership/>

¹⁶¹ Gunjan Singh, *Evolution of China-Sri Lanka Relations* (New Delhi: Vivekananda International Foundation, 2018), 13.

¹⁶² Saurabh Singh, "China's Strategic Relations with Sri Lanka," *South Asian Voices*, July 10, 2020, <https://southasianvoices.org/chinas-strategic-relations-with-sri-lanka/>

for boosting and simplifying trade between both nations because the Joint Trade Committee has enabled the governments of both states to introduce various investment avenues for the people of both nations.¹⁶³ This Committee mainly emphasizes the reduction of trade barriers and increasing trade incentives for the people of both nations. The reduction of trade barriers like tariffs, quotas, and other commercial restrictions engaged the two-sided policymaking circles for the promotion of investment opportunities.¹⁶⁴ This forum engaged the formal legislative circles of both states to address their trade-centric challenges mainly related to the changing nature of international trading environment. The quest for addressing the investment problems made this Committee an interstate framework of dispute resolution forum which could encourage the leading state authorities of both nations for bossing their trading connection. Additionally, the mutual discussion of two-sided government officials enabled the governments of both nations to craft productive economic policies for the smooth coordination of China-Sri Lanka trading partnership.

The continuation of bilateral meetings at the governmental level under the Committee's framework has led the political leadership of both states to realize the potential of BRI and its increasing appreciation around the globe. The creation of the joint committee started functioning in the post-1982 scenario when the two opposing powers of the Cold War entered in the last phase of their decades-long global confrontation.¹⁶⁵ The first agreement of the Committee appeared between both states in 1984, the Agreement on Economic and Trade Cooperation. This agreement attempted to foster the trading connections of both states beyond their conventional domains of collaborations because the two-sided governments developed a consensus on the mutual trading interests.

4.5 Sri Lankan-Chinese Joint Commission

Another major step towards strengthening of bilateral trading collaboration between Colombo and Beijing came into being in 1991 with the creation of Sri Lankan-Chinese Joint Commission. The purpose of this Commission was to expand the areas of loan facilities for the commencement of several developmental projects while recognizing the potentials of untapped

¹⁶³ "China, Sri Lanka Vow to Further Promote Cooperation, Ties," Consulate-General of the People's Republic of China in Lagos, January 14, 2020, http://lagos.china-consulate.gov.cn/eng/zgyw/202001/t20200115_7146716.htm

¹⁶⁴ Jenny Christopher, *BRI and its South Asian Connections: Pakistan and Sri Lanka in China's Global Plans* (New York: Routledge, 2021), 29.

¹⁶⁵ Raviprasad Narayanan, *Decision Making in Foreign Policy & India-China Bilateral Relations* (New Delhi: SAGE Publications, 2022), 39.

business platforms.¹⁶⁶ For the promotion of trading opportunities and advancement of trading engagement in various sectors such as trade and investment, science and technology, and culture and education, the two-sided leaders were agreed to work together against the rising geo-economic challenges of the post-Cold War international system. This Commission was designed to provide an official mechanism of bilateral trading discussion and political coordination for the improvement of their bilateral economic collaboration. An active engagement of Chinese and Sri Lankan leaders in the form of Commission resulted in a wide range of agreements on the issues of economic and technical collaborations parallel to enabling the formal political authorities of both nations for working on their shared areas of interests with mutual consultations.¹⁶⁷ It is believed that the functioning of Commission in diverse areas could be beneficial for both states and the mutual benefits of Commission could ensure the high rate of economic developments.¹⁶⁸ The formulation of this Commission has been identified as an area of immense importance for Colombo and Beijing because the political coordination of two-sided governments has added values to the scope of Sri Lanka-China bilateral trade.

4.6 Sri Lanka-China Business Cooperation Council

This Council was created in 1994 to promote trade, investment, and high rate of economic collaboration between both states through connecting their respective business communities. The establishment of communication connections between their business communities facilitated the policymakers of China and Sri Lanka to emphasize the investment platform for the active collaborations of two-sided business communities.¹⁶⁹ The governments of both states showed their determination from the platform of joint Business Cooperation Council started focusing on the advancement of trade, creating investment-centric networking of business communities, and playing the role of an advisory body between Colombo and Beijing.

The promotion of trade was linked with the creation of a business-oriented environment by arranging multileveled economic activities in the form of trade fairs, business exhibitions,

¹⁶⁶ Christopher J. Pehson, *Strings of Pearls: Meeting the Challenge of China's Rising Power Across the Asian Littoral* (London: Creative Media Publishers, 2015), 28.

¹⁶⁷ Bruce A. Elleman, *The Making of the Modern Chinese Navy: Special Historical Characteristics* (New York: Anthem Press, 2019), 21-23.

¹⁶⁸ James Ruthrok, *The Maritime Sri Lanka: Opportunities and Challenges* (Singapore: Academic View Publishers, 2018), 43.

¹⁶⁹ Jenny James, *BRI and Colombo-China in the World: Changing Patterns of Power Politics* (New York: Westview Publishers, 2020), 15-18.

and assisting business communities in investing their potential in the markets. The networking started facilitating the investors of both states in obtaining accurate information about the changing investment patterns parallel to establishing business-centric partnerships. However, the advisory role of the Council started determining the issues of business regulatory environment, explaining customs procedures, and providing logistical supports to the mainstream business activities of Colombo and Beijing.¹⁷⁰ This Council played important role in defining and shaping the trading connections between both states with the belief that the Council could address the critical points of two governments for enhancing their economic relationship.

These bilateral initiatives showed the commitments of two states in structuring and solidifying the conventional foundations of their cooperative ties. The cooperative relationship between Colombo and Beijing provides a realization to the mainstream leaderships of both states to empower their bilateral interaction for the achievement of greater geo-economic interests. For Sri Lanka, the need for overcoming country's multifaceted financial hurdles was the main objective behind Sri Lankan's government's cooperating China policy whereas the Chinese formal state economist emphasized the geo-economic significance of Sri Lanka as an island nation which could let Beijing get financial benefits from Sri Lankan ports.¹⁷¹

Moreover, the Sri Lankan government was ambitious to empower its economic muscles with the support of extra-regional powers and selected China as a reliable trading partner which could support the position of Colombo on various issues of regional and international politics. The support in global power politics has been resulted in the form of their political coordination on the multilateral economic initiatives such as the WTO. Sri Lankan government provided its support to Chinese entry in the WTO because the projection of Chinese economic rise in the world compelled Chinese leadership to become an active player of international trading platforms. The Sri Lankan government realized the vision of China in becoming an influential player of the emerging geo-economic competition of the international system where the support of trading partners leaves positive impacts on the position of China in the world politics.¹⁷²

¹⁷⁰ Attiq ur Rehman, "Maritime Politics in South Asia and Naval Compulsions of CPEC for Pakistan," *Policy Perspective* 15, No. 01 (2018), 16.

¹⁷¹ Lee Jones and Shahar Hamei, "Debunking the Myth of 'Debt-Trap Diplomacy,'" *Chatham House*, August 19, 2020, <https://www.chathamhouse.org/2020/08/debunking-myth-debt-trap-diplomacy/4-sri-lanka-and-bri>

¹⁷² Asanga Abeyagoonasekera, "The Trap: China's Debt Restructuring and Strategic Manipulation in Sri Lanka," *Institute for Security & Development Policy*, August 08, 2022, <https://www.isdp.eu/the-trap-chinas-debt-restructuring-and-strategic-manipulation-in-sri-lanka/>

4.7 Modern History of Colombo-Beijing Cooperation

The modern history of Sri Lanka China relations can be traced in the strong political communications of both states through arranging regular visit. The visit of Sri Lankan President Rajapaksa in 2007 was an important factor in defining the bilateral foundations of their bilateral cooperative ties between Colombo and Beijing. This visit was a landmark development in the modern history of two states' relations because the meeting of Rajapaksa with the Chinese state officials conveyed the economic vision of his country for China.¹⁷³ In response, the Chinese government appreciated the Sri Lanka's China policy in which the Chinese nation has a valuable position due to the Chinese massive support to Sri Lankan economy. Beijing-based policymakers admired the Sri Lanka's support for China and concluded 8 bilateral agreements including several Memorandum of Understandings (MoUs). These agreements and MoUs covered diverse investment areas for supporting Sri Lanka's struggling economy in the age of twenty-first century. These signed business initiatives between two governments visited Rajapaksa, a turning point of Colombo-Beijing business relationship. The year 2007 was the year of golden jubilee celebrations of diplomatic cooperation between Sri Lanka and China, and the governmental level meetings of two-sided leaderships. These meetings witnessed the discussion of two-sided formal state representatives for widening their areas of collaborations beyond conventional domains.

The visit of Sri Lankan president to China witnessed several major developments during the first decade of twenty-first century because the governments of two states accepted the overwhelming wave of non-traditional security challenges in the world politics.¹⁷⁴ In the debate of non-traditional security threats, the emerging wave of economic challenges around the globe forced the Chinese and Sri Lankan state officials take substantial policy measures for achieving their combined geo-economic interests. The combined geo-economic interests of both states have also resulted in the development of several financial institutions. The financial institutional collaboration between both states connected their central banks in a closed trading collaboration. The China Development Bank and the Central Bank of Sri Lanka started communication for the improvement of their bilateral collaboration to serve the greater economic interests of their respective governments. The communication in the banking sector

¹⁷³ Nilanthi Samaranayake, "Chinese Belt and Road Investment: Isn't All Bad – or Good," *Foreign Policy*, March 02, 2021, <https://foreignpolicy.com/2021/03/02/sri-lanka-china-bri-investment-debt-trap/>

¹⁷⁴ V Suryanarayan, *Conflict Over Fisheries in The Palk Bay Region* (New Delhi: Lancer Publishers, 2020), 21.

provided a certain level of confidence in the mainstream leaderships of two governments for strengthening their bilateral pleasant relations.¹⁷⁵

The visit of President Rajapaksa to China in 2013 again conveyed the cooperative vision of Colombo to Beijing with the belief that the regular visits increased the existing frameworks of political coordination between various states. The visit of Sri Lankan President let the Chinese government to conduct a visit of Colombo on reciprocal basis, and in 2014 President Xi Jinping conducted a formal visit of Sri Lanka and shared his vision of creating global trading network through territorial and maritime linkages.¹⁷⁶ The Chinese-sponsored global trade networking plan resulted in various official formal visit of President Jinping for the cultivation of broader international support to the BRI project, because the BRI's main focus was on the creation of multifaceted bilateral collaborations with other nations which have greater geo-strategic importance in the world. Further visit of Chinese state officials were welcomed by the seventh Sri Lankan President Maithripala Sirisena.¹⁷⁷ The Sirisena's regime introduced various policy reforms at the national and international levels without upsetting the core values of Colombo's foreign relations in which China remained same for the Sri Lankan government. Colombo's quest for enhancing its trading ties with other nations extended the scope of Sri Lankan trading ties with other states and added Japan, India, and Pakistan in the list of its close trading partners.

The formulation of close ties with India and the decision to sign a nuclear energy deal with New Delhi did not upset the bilateral multileveled collaboration of Colombo with Islamabad and Beijing.¹⁷⁸ The growing diplomatic and political closeness between New Delhi and Colombo remained ineffective in denting the multileveled trade-specific collaboration between Sri Lanka and China. Even the governments of both countries celebrated the 60th anniversary of their diplomatic interaction in 2017 and led their respective policymakers evaluate the history of their bilateral cooperation with China parallel to designing the future targets. The consensus of two-sided leaders on the future of their shared economic vision treated BRI as the gravitational point of their future trading ties.

¹⁷⁵ Somasiri Devendra and Rasika Muthucumarana, "Maritime Archaeology and Sri Lanka: Globalization, Immigration, and Transforming in the Underwater Archaeological Record," *Historical Archaeology* 47, No. 01 (2013), 52-53.

¹⁷⁶ "Sri Lanka Leader on China Visit," *BBC*, May 28, 2013, <https://www.bbc.com/news/av/business-22685289>

¹⁷⁷ Waruna Karunatilake, "Sri Lanka's Rajapaksa Draws Country Closer to China After Summit," *Reuters*, October 09, 2020, <https://www.reuters.com/article/sri-lanka-china-idINKBN26U20A>

¹⁷⁸ Patrick Mendis, "Will China Subdue the United States without Fight to Dominate the Indian Ocean," *Harvard International Review*, July 11, 2020, <https://hir.harvard.edu/president-xis-art-of-war-in-sri-lanka/>

In this way, the consensus of both states' leaders on supporting the BRI has resulted in various infrastructural developments which could be measured with the help of ongoing Chinese supported projects in Sri Lanka. Apart from Hambantota Port, the constructions of Mattala International Airport and Colombo-Katunayake Expressway are the appropriate validations to the Colombo-Beijing infrastructural collaboration. Additionally, the Narocholai Coal Power, Morabakanda Multipurpose Development Project, Matara-Kataragama Railway Line and Colombo International Financial City have strengthened the bilateral collaboration in the domain of infrastructural development between Colombo and Beijing.¹⁷⁹ The collaboration of both states extended to the areas of humanitarian assistance and made Sri Lanka a recipient of Chinese medical assistance during the hard time. Chinese medical aid to Sri Lanka during the global health emergency in the form of corona crisis added Colombo in the list of Beijing's vaccine diplomacy. The medical assistance of China also sponsored the few hospitals in Sri Lanka, in addition to assisting Sri Lankan hospitals in upgrading of its existing infrastructures such as the infrastructural support to National Hospital of Colombo.¹⁸⁰

4.8 Strategic Implications

The Indian Ocean region attracts Chinese government due to its immense trading potential and its gigantic potential of controlling international business activities between different states. Chinese attraction has resulted in the formulation close business connections of Beijing with Islamabad and Colombo.¹⁸¹ Another key player of BRI in South Asia, other than Pakistan, is Sri Lanka. In the theory of international relations, small states have been objects, not the subjects of the study.¹⁸² However, at times some small states becomes significant due to their geo-political and geo-strategical positioning. Such has been the case of Sri Lanka, who as a small or weaker state invited the China into the South Asian Balance of power.

The trading connection between Colombo and Beijing is the result of longstanding cooperative ties between two states in the wider areas beyond business and trade. The addition of South Asia generally and Pakistan, Sri Lanka specifically enhanced the scope of Chinese

¹⁷⁹ Mansi Mishra and Vivek Kumar Mishra, "China's Belt and Road Initiatives: Examining Debt Trap Diplomacy for Regional Supremacy in the Context of Sri Lanka," *World Affairs* 25, No. 01 (Spring 2021), 124.

¹⁸⁰ Shantanu Roy-Chaudhury, "China, the Belt and Road Initiative, and the Hambantota Port Project," *St Antony's International Review* 15, No. 01 (May 2019), 160.

¹⁸¹ Robert D. Kaplan, 29 June 2012, on China's port expansion in the Indian Ocean (Agenda), Stratfor interview

¹⁸² Neumann, Iver B and Sieglind Gstoehl, Jessica Beyer, and Thies. 2006. International Relations, Law, and Organizations - Small States in International Relations. *Perspectives on Political Science* 35 (4): 235

maritime-specific trading connection mainly depending on the construction of trading ports in Pakistan and Sri Lanka. Chinese-sponsored port projects in both states made the Gwadar and Hambantota Ports of Pakistan and Sri Lanka as the key points of BRI in the South Asian region. The construction of both ports has enabled China to add South Asian region in its global trading designs under BRI.¹⁸³ The island has had Chinese hefty investments which in turn has brought betterment in the maritime infrastructure particularly. Sri Lanka's strategical positioning in the Indian Ocean is viewed as an ideal site to make BRI a reality.

The growing security concerns of anti-Chinese gatherings of states as mentioned earlier have forced the Chinese and Sri Lankan leaders intensify their existing collaboration in security and defense. In the debate of bilateral security cooperation, the role of China cannot be marginalized due to the Chinese increasing strategic support to Sri Lanka. The supply of Chinese advanced military equipment to Sri Lanka and the transfer of Chinese modern warfare technologies to the Sri Lankan regular armed forces remain an important strategic development between two states.¹⁸⁴ Chinese strategic supplies have already helped Colombo a lot during its civil war between the formal Sri Lankan government and the informal Tamil militant. The objective of improving the conventional war-fighting capabilities of regular Sri Lankan armed forces has been resulted military-to-military collaboration of Colombo with Beijing. Presently, the Chinese National Aero Technology Import-Export Corporation is assisting Sri Lankan government in developing an Aircraft Maintenance Center. The armed forces collaboration both states has also established a maritime cooperation to empower Sri Lankan naval forces in protecting its positions in the oceanic politics of surrounding waters.¹⁸⁵ For this purpose Chinese nuclear submarine has conducting few visits of Sri Lankan in 2014 which received an aggressive reaction of Indian government. In other words, the Chinese-Sri Lankan collaboration in the military-to-military ties has caused Indian serious apprehensions about Beijing's increasing influence in the South Asian region.

Despite having Indian multileveled criticism on Chinese strategic collaboration with Sri Lanka, the Chinese and Sri Lankan state officials are determined in continuing their bilateral engagements in the security and defense. A recent survey of strategic collaboration between

¹⁸³ Somasiri Devedra, "Sri Lankan Ships in China Revisited: A Critical Review of A Note on a Passage in a Chinese Literacy Work from the Period of the T'ang Empire by R.A.L.H. Gunawardena and Yumio Sakurai," *Journal of the Royal Asiatic Society of Sri Lanka* 63, No. 01 (2018), 105.

¹⁸⁴ Rajni Gamage, "Bay of Bengal: What Implications for ASEAN," *ASEAN and the Indian Ocean: The Key Maritime Links*, July, 01, 2017, 63.

¹⁸⁵ Jayanath Colombage, "India-Sri Lanka Relations," *Indian Foreign Affairs Journal* 14, No. 01 (January-March 2019), 24.

Colombo and Beijing has revealed that the formal decision-making circles of both states have created various new avenues for their shared vision of security and defense. In 2016, Beijing's announced plan for providing advanced weapon systems and latest military equipment to Sri Lanka renewed their strategic bilateral bonds and it has communicated to whole international community that the two-sided leadership is highly motivated in upholding each other against the common security issues.¹⁸⁶

The addition of Sri Lanka in the broader Chinese designs of BRI is an essential component of Maritime Silk Road which has its roots in the ancient concept of Silk Road connecting China with the Southeast Asian region. The geographical location of Sri Lanka matters a lot in this regard because Sri Lanka provides an easy way to Chinese for its Southeast Asian entry parallel to threatening India in its anti-Chinese planning in the South China Sea. The port of Hambantota is the central point of Chinese vision for resuming its trading efforts in the form of Maritime Silk Road strategy. This strategy has objective of connecting East Asian economies to China while allowing Beijing to access the European Markets as well.

The above-mentioned bilateral cooperative initiatives of Colombo and Beijing provide a glimpse of Sri Lanka-China trading collaboration in diverse fields. There are various other developments between two nations for the achievement of their shared vision of economic development and societal prosperity, and both objectives have diverted the geo-economic interests of both states towards each other. The reciprocal visits of high profile state authorities is an important element in this regard because the governments of both nations regularly conduct their state-level visits for effective political communications. This communication has witnessed a brief layer of reciprocal visits in the twenty-first century.

The era of non-traditional security threats in the age of globalization has made the twenty-first century the century of competing geo-economic interests which has resulted in the conflicting and cooperating behaviors of states located in different regions. In this debate, the status of China and Sri Lanka provides an appropriate case-study because the Chinese and Sri Lankan leaders are committed to support each other in the changing nature of international system consisting of various geo-economic competitions of the states. The states suffering from the economic challenges are the prime targets of Chinese trade diplomacy which could not be separated from the common ideological foundations of Sri Lanka and China. These ideological

¹⁸⁶ Rajiv Ranjan and Asantha Senevirathna, "Sri Lanka-China Relations: Analyzing Sri Lankan, Chinese, and India Perspectives," *Economic & Political Weekly* 57, Issue 37 (September 10, 2022), <https://www.epw.in/journal/2022/37/insight/sri-lanka%E2%80%93china-relations.html>

connections are inherited in the common Buddhist ideology while supporting the trading collaboration between two countries. The support of ideological foundations to the mainstream relations of both states has made Sri Lanka a close state to China in its broader BRI project and convinced Chinese leaders to support Sri Lanka at various international forums.

BRI aspires to take Sri Lanka's connectivity and trade potential to the high extent with the prospective economic opportunities. Nonetheless, the Chinese-sponsored ports projects have alarmed the security of entire South Asian region where the anti-Chinese regional forces are persistently penetrating to outset the economic rise of China. The development of maritime infrastructure has irked the western powers too regarding the China's rising influence. Sri Lanka, usually, tries to achieve a balance among the rivalries of great powers. The island with the vulnerable economy can ill-afford to be in a position where she has to align herself with either side. Sri Lanka cannot bear to miss any prospective economic opportunities that may help the island come out of economic crises. Now is the time the island needs a balancing move to manage relations with the great powers. The vigilant approach is direly needed that would make sure the benefits are inclusive and leading to the consolidated economic growth.

Apart from great power politics, another concerning thing for Sri Lanka is the debt repayment challenges. The island has come across solemn challenges in repaying of the debt taken for the infrastructure of Hambantota port. Sri Lanka had loans from Chinese banks to lay the foundation of the port construction. But, the terms of the loans turned out to be a disaster for the island as the high interest rate, added with the short payment period have raised severe concerns over the ability of repaying the debts.

The BRI skeptics could not help sharing their viewpoints, on the leasing of Hambantota port to a Chinese company for a period of 99 years, they have termed it as "Chinese Imperialism". Even the voices within Sri Lanka raised concerns regarding the state's sovereignty and control over the very port. Deliberations between both states on the dire situation are in-process, however, the current plight urges the significance of sustainable financing plans that should help Sri Lanka meet the debt challenge. Implementing economic reforms must be prerequisite to broaden the gross economic performance. The reforms must contain business-oriented environment, moving to the cashless economy (like e-payments), investing in the growth potential sectors, etc.

4.9. Chinese Geopolitical interests in Sri Lanka

Sri Lanka is geographically part of China's political sphere. Whoever controls the Indian Ocean will govern Asia; the world's fate would be sealed on its waters, according to naval strategist Alfred Mahan.¹⁸⁷ Development projects are being undertaken in Sri Lanka, which has a strategic location in the Indian Ocean, by China, which wants to gain control of the region. An effort to maintain stronger diplomatic connections with South Asian nations has given rise to the proposed 21st century Silk Route, which would use Sri Lanka as its base to connect Africa and Asia. China is thus progressively achieving its goal of establishing a Sinocentric Asia through strategic cooperation partnerships with other Asian states.

In terms of purchasing power parity, China has the greatest economy in the world and is also the world's biggest trader. China is poised to become the next major state to challenge the US's hegemony. Additionally, their economic status is extreme. They are required to emphasize the growth and exploration of business and trading opportunities which is due to Beijing's longstanding economic collaboration with ongoing Chinese economic progress. The land route and the maritime Silk Road for the twenty-first century are China's two principal ambitions. A significant portion of this maritime silk route will pass through Sri Lanka. As a result, it is crucial to Sri Lanka since it provides many opportunities. August 2012 saw a low-key visit to Sri Lanka by General Liang Guanglie, China's Minister of Defence. The Chinese press announcement regarding the visit was somewhat more detailed, though. General Liang was reported as stating that the two nations' political trust has grown as a result of the swift growth of their exchanges and cooperation in several spheres. He expressed the hope that both parties would keep up their hard work to uphold their cordial and friendly relationship, enhance communication and collaboration in non-traditional security, and enhance their capacity to respond to crises jointly, all of which will support peace, stability, and development in the region.¹⁸⁸

4.10. Geopolitics impacts of BRI on Sri Lanka

Sri Lanka was among the first nations to adopt the BRI and include it into their overall growth plan. President Mahinda Rajapaksa and his counterpart signed the eight bilateral

¹⁸⁷ Jones, Bruce. *To Rule the Waves: How Control of the World's Oceans Shapes the Fate of the Superpowers*. Simon and Schuster, 2022.

¹⁸⁸ Seneviratne, A., W. Nalawatta, and S. Weeraratn. "Sri Lanka between Geopolitical Interests of China and India." (2017).

agreements and memorandums of understanding during their 2007 official visit to China.¹⁸⁹ China is the main source of foreign direct investment (FDI) in Sri Lanka, funding infrastructure projects like the nation's first four-lane highway, the new national theatre, the new Colombo Port Terminal, Hambantota Harbour, and anti-rebellion operations equipment. Between 2005 and 2017, China invested almost \$15 billion in various domestic initiatives.

Figure.1 Economic Cooperation between Sri Lanka and China



Source: Daily Mirror, 2018

China has also contributed significantly to Sri Lanka's efforts to advance its economy. China has promised to provide grants and loans to Sri Lanka for important economic projects. The Hambantota Port, the Mattala International Airport, the Colombo-Katunayake Motorway, the Narocholai Coal Power Plant, the Moragahakanda Multipurpose Development Project (which deals with irrigation, drinking water and electricity), the Matara-Kataragama Railway Line and the Colombo International Financial City are just a few of the current projects that have been or are being built with Chinese assistance. Additionally, China is helping the National Hospital in Colombo construct an outpatients' building and a specialized hospital for kidney disease.¹⁹⁰

Table.1 Main BRI Projects in Sri Lanka– Amounts and Statues

¹⁸⁹ Wijayasiri J. and Nuwanthi S., (2018,) "China's Belt and Road Initiative (BRI) and Sri Lanka," <https://archivos.juridicas.unam.mx/www/bjv/libros/12/5550/19.pdf>

¹⁹⁰ Samaranayake, Nilanthi. "Are Sri Lanka's relations with China deepening? An analysis of economic, military, and diplomatic data." *Asian Security* 7, no. 2 (2011): 119-146.

Project/Purpose	Sector	Year started	Amount/Loan (in US\$)	Status
Colombo International Financial City	Finance	2014	1.4 billion (1st phase) 13 billion (2nd phase)	Under construction, completion by 2030
Hambantota Port and adjoining industrial estate	Shipping	2008	1.1 billion	Operational
Colombo Port extension	Shipping	2002	1.1 billion	Operational
Mattala Rajapaksha International Airport	Aviation	2009	190 million	Operational
Narochcholai Coal power plant	Energy	2006	460 million	Operational
Colombo-Katunayake expressway	Infrastructure	2013	250 million	Operational
Central Expressway	Infrastructure	2016	1.1 billion	Under construction
Moragakhakanda Dam project	Energy	2017	370 million	Operational
Southern Railway project	Infrastructure	2012	278 million	Operational

Source: (Nayak, 2021)

4.11 Roads and expressways

The main subsectors in which Chinese investment is concentrated in Sri Lanka are roads and motorways. China has contributed investments of 116.1 km, or 68% of all Sri Lankan motorways, since 2009. This investment has helped three significant motorway projects: The Colombo–Katunayake Motorway, the Southern Motorway, and the Colombo Outer Circular Highway. Travel times have decreased, road safety has increased, and national road connection has improved dramatically as a result of these infrastructural developments. Hausmann (2017) With these improvements, Sri Lanka can eventually have highways of the same caliber as other upper-middle-income countries, such as Malaysia.¹⁹¹ For instance, the 126-kilometer Southern Motorway, which connects Colombo to the main cities of Galle and Matara, has increased road safety, opened up southern Sri Lanka, and cut the travel time from Colombo to Galle in half, taking only 1.5 hours. Start-up loans from the Asian Development Bank (ADB) and the Japan Bank for International Cooperation were supplemented with four loans totaling \$1.6 billion from the Export-Import Bank of China (EXIM Bank China) between 2014 and 2017¹⁰. Thus, China Harbour Engineering Company, China State Construction Engineering Corporation, and China Aviation International Engineering Company built the Chinese-financed portions of the Southern Motorway.

¹⁹¹ Nayak S, (2021). The BRI Quandary in Nepal and Sri Lanka, Harsh V Pant and Premesha Saha (Editors), Mapping the Belt and Road Initiative: Reach, Implications, Consequences, Observer Research Foundation.

4.12 Ports

Chinese investment in port infrastructure is a major focus of its global economic strategy, with significant projects including the development of the Hambantota Port in southern Sri Lanka and the addition of a fourth terminal at the Port of Colombo. These investments have enabled Sri Lanka to leverage its strategic location in the Indian Ocean, positioning itself as a hub for regional trade and facilitating the handling of containerized cargo from large container ships. In the early 2000s, the Hambantota Port was projected to become the nation's second-largest port, potentially surpassing the Colombo Port in importance. The project was financed through three fixed-interest loans totaling \$1.4 billion from the Export-Import (EXIM) Bank of China. Construction was undertaken by two Chinese state-owned enterprises (SOEs), Sinohydro Corporation and China Harbour Engineering. By 2018, approximately 79% of Colombo Port's throughput was attributed to transshipment, driven primarily by the growing demand from the Indian market, underscoring the significance of Sri Lanka's port infrastructure in regional trade dynamics.¹⁹² Moreover, China and Sri Lanka have inked a \$1.1 billion (£837 million) agreement for control and development of the southern deep-water port of Hambantota. The plan calls for a 99-year lease on the port and approximately 15,000 acres adjacent for an industrial zone to be owned by a state-run Chinese enterprise.

China Merchant Port Holdings Company's \$500 million first investment in the CICT in 2011 was a major factor in the Colombo port's development. With the capacity to handle over 20,000 twenty-foot-equivalent-unit (TEU) boats or ultra-large container carriers (ULCC), this is the only state-of-the-art deep-water terminal in South Asia. In Sri Lanka, the start of CICT operations in 2014 was crucial in strengthening the country's position in the previous few years of trans-shipment trade in the area. The Colombo port is now the eleventh best-connected port in the world thanks to CICT's geographic coverage and frequent mainline liner service connections.¹⁹³

Xi Jinping's major foreign policy project, China's "Belt and Road," has garnered significant attention from throughout the world. Concerns have also been raised about the

¹⁹² Ge, Y., Chen, Y., Jia, Y., Guo, X. and Hu, S., (2018). Dynamic monitoring the infrastructure of major ports in Sri Lanka by using multi-temporal high spatial resolution remote sensing images. *Journal of Geographical Sciences*, 28(7), pp.973-984.

¹⁹³ Kumara, Y. G., & Weerakoon, K. G. (2014). Review of Port City as a Place; Port City in Hambantota, Sri Lanka. *Eur Aca Res*, 2(2), 2350-70.

project, which is linked to up to \$1 trillion in infrastructure investment, growing China's influence in the global economy, and contributing to debt or poor governance, particularly in developing nations. Politically, the United States has vehemently opposed the Belt and Road Initiative (BRI), while China has placed a high value on its success and included it in the Chinese Communist Party's charter. The ties China forges with participating states will determine the impact of the BRI. Approximately two-thirds of the world's governments, or 141 countries, have formally joined the project as of 2021.¹⁹⁴

This means that partner nations' participation will be essential to realizing any of the BRI's global goals, no matter how specific they may be. According to most widely accepted views, Beijing will have more influence over recipient governments as a result of the BRI because "it is based on relations of dependence, it cannot but reproduce relations of power and yet, not everything will go Beijing's way, even though it looks to have the upper hand because that hand has the money. Major port projects in Greece, Tanzania, and Sri Lanka. The tale of Hambantota, which involves local politicians pursuing their agendas, must also be viewed in light of Sri Lanka's exposure to external debt from other foreign creditors in the wake of the 2008 financial crisis. The agreement on the planned construction of the Bagamoyo port in Tanzania is a less well-known case. And even though the Greek government was occasionally criticized for giving up too much for too little, the third port, Piraeus in Greece, has seen considerable commercial success. The fluctuations of Piraeus correspond to Greece's political shifts and the ups and downs of its sovereign debt crisis.¹⁹⁵

¹⁹⁴ Deng, Yong. "How China builds the credibility of the belt and road initiative." *Journal of Contemporary China* 30, no. 131 (2021): 734-750.

¹⁹⁵ Hall, Todd H., and Alanna Krolikowski. "Making Sense of China's Belt and Road Initiative: A Review Essay." (2022): 333.

Conclusion

The thesis addressed the geopolitical influence of BRI vis-à-vis Pakistan and Sri Lanka as case studies. These Chinese influences are evident that both Pakistan and Sri Lanka have shifted their political, security, and economic policies in China's directions. Interest in BRI has not abated, especially given its widely discussed capability to change the ongoing trading structure of international system in support of China. In this way, the fundamental objective of China for developing an international market reflects Beijing's objective of supporting its mainstream trading partners with the multileveled developmental projects. Examining the findings indicate the political and economic environments of Pakistan and Sri Lanka have had a notable influence on these two case studies. Because the Chinese government has started building a network of different trade routes, it is perceived that China's economic rise in the modern world arena is an indisputable fact. China's actions have upended the traditional pillars of Chinese foreign policy and ushered in a new era of bilateral interactions worldwide, with an emphasis on the large nations that hold significant promise for furthering China's geo-economic objectives.

The Belt and Road Initiative has significantly increased connectivity between China and participating countries. This fosters regional cooperation but also reinforces China's strategic presence in South Asia. The BRI enables China to exert significant geopolitical influence in the region. Both Pakistan and Sri Lanka have benefited from infrastructure investment under BRI, however these countries face such as debt dependency, limited local employment and domestic concerns including political instability, environmental impacts, social discontent, and sovereignty risks tied to Chinese loan and investment.

Pakistan and Sri Lanka should seek diversified international partnership to reduce over reliance on China. Engaging with global powers and multilateral institutions can ensure balanced growth and sustainability. Both nations should prioritize transparency in their agreements with China ensuring fair terms and avoidance of debt traps. Investment under BRI should focus on inclusive growth by emphasizing local job creation, skill development and community participation. Both countries should focus on prudent debt management, prioritizing projects with clear economic returns and aligning investments with national development priorities. They can utilize strategic infrastructure for balanced diplomacy using them as tool for cooperation with multiple global players. By adopting these strategies Pakistan

and Sri Lanka can maximize the benefits of Belt and Road Initiative while minimizing its risks, ensuring long term development and sovereignty.

The Case of Pakistan:

Pakistan's understanding of its geopolitical position in the region—the threat posed by India and the declining US-Pakistan relationship—led to warmly embracing the BRI and effectively support the country's public perception of China as a strategically significant ally. The CPEC is the mainstay of BRI initiatives in Pakistan and the BRI's flagship project overall. CPEC, which was initiated in 2015 and has a \$62 billion budget, aims to link Pakistan and Southwest China.

When BRI impact is viewed in the economic dimension, Pakistan looked to China as a replacement for the foreign aid and support that the United States had historically given. Ultimately, the BRI and CPEC offer to close Pakistan's infrastructure gap, deliver vital energy supplies, increase industrial productivity, and create jobs—all things that Pakistan sorely needs to foster economic progress. Regarding the changing geopolitical environment, Pakistan's perceptions of its geopolitical environment and perceived threats resulted in almost total support for the BRI. It is no little achievement that Pakistan has welcomed Chinese investment, the BRI, and the CPEC. For example, public opinion of the United States and U.S.-led projects in Pakistan did not significantly improve despite decades of U.S. foreign aid. Studies have shown that 72% of Pakistanis thought that Pakistan would gain from CPEC. Owing to these skewed perceptions, China and the BRI have undoubtedly been well-received by the general population, whereas the US has not been successful in fostering significant support and goodwill inside the nation. If all the CPEC projects were completed, China would acquire a strong and durable strategic foothold in South Asia, especially through the Gwadar port, and Pakistan would be guaranteed a strong Chinese presence acting as a buffer against Indian predominance in the region.

The Chinese-led "String of Pearls" campaign in the Indian Ocean has seen Pakistan as a model state. China, on the other hand, responded to the US adoption of the isolationist stance by building six routes. China included Pakistan in its counterstrategy against the US, recognizing that both countries share security worries from India and the US. This was a wise move on China's part. Chinese policy has been extended to Bangladesh and Sri Lanka in addition to Pakistan. China has made investments in these countries, primarily through MOUs

and undertaking agreements. In contrast, the countries might face security challenges, including terrorist attacks and other difficult geographical situations. reimbursed China for the loans that were taken out.

The Case of Sri Lanka:

The study finds the Sri Lanka as the second case. In this context, Sri Lanka was among the first nations to adopt the BRI and include it in their overall growth plan. President Mahinda Rajapaksa and his counterpart signed the eight bilateral agreements and memoranda of understanding during their 2007 official visit to China. China is the main source of foreign direct investment (FDI) in Sri Lanka, funding infrastructure projects like the nation's first four-lane highway, the new national theatre, the new Colombo Port Terminal, Hambantota Harbour, and anti-rebellion operations equipment. Between 2005 and 2017, China invested almost \$15 billion in various domestic initiatives.

Sri Lanka's economic security is severely impacted by its financial problems. Paying off debts can plunge a state's financial stability into an endless debt cycle, which would then have an impact on long-term security. Thus, the terms must be changed, as doing so will enable Sri Lanka to overcome its debt repayment difficulties. The Hambantota port's strategic location has long been seen as an indicator of the complex interactions between geopolitical awareness, economic development, and strategic goals, among other factors. The port of Hambantota is unquestionably significant from a geopolitical standpoint, and it has the power to influence future regional affairs.

The route offers opportunities for ships, changing the landscape of marine logistics, all of which would undoubtedly have a cascading effect on patterns of both regional and international trade. The port, which is an essential component of the BRI, speaks volumes about China's goals and the idea of shared destiny. Sri Lanka must now strike a balance in the politics of large powers. The island cannot afford to continue to be isolated from other countries while receiving financial investments from China. Sri Lanka must maintain its alertness and pursue a balanced foreign policy since putting all its eggs in one basket will only lead to the island nation becoming entangled in a maze.

Beijing's growing involvement in managing its foreign relations based on the country's basic geo-economic interests has led to China adopting the BRI as a worldwide plan to challenge the modern structure of international power politics. The reason the Chinese leaders are significant in this context is that the advent of President Xi Jinping changed Beijing's

foreign policy and brought Beijing's core objectives into line with the shifting dynamics of global power politics, in which the US has continued to play a significant role. China has unveiled a global plan led by President Xi Jinping to offset America's hegemonic position in the world. The Chinese goal of counterbalancing the US was initially inspired by Beijing's strategy for maintaining its sway in international affairs, where the US hegemony has produced a unipolar global environment.

By establishing an international network of bilateral interactions focused on trade with prospective states worldwide, the BRI aims to displace the US as the leading global actor. Because both the Pakistani and Sri Lankan governments have a strong incentive to maintain China as a close diplomatically and dependable trade partner, Sri Lanka plays a significant role in this discussion, which might be examined in conjunction with Pakistan. Under the BRI, China's goals for international trade are currently being supported by Pakistan's and Sri Lanka's cooperative links with the country. Because of its solid cooperation relations with Pakistan and Sri Lanka and the fact that both South Asian governments support China's Belt and Road Initiative, the BRI's South Asian extension has become a difficult undertaking for China. Chinese influence can be seen in South Asian regional politics because of Beijing's trade ties with Islamabad and Colombo. Because of this, more South Asian nations are becoming interested in China and its plans for global networking.

India's stance in the discussion over the BRI's South Asian extension cannot be disregarded due to the government's intentions to oppose China's economic expansion throughout the Asian continent in general and its sub-regions in particular. Beijing's primary areas of attention now include the Asian sub-regions because states are beginning to recognize China as a long-term and dependable trading partner in several fields. As China's geo-economic interests are promoted globally, South and Southeast Asia have emerged as key regions. The security of western power centers has been concerned by China's ambitions to accept South and Southeast Asia as possible areas of economic expansion. This is because Western leaders have begun to pay close attention to China's growing influence in the world. While China was not a significant rival or player, the South Asian version of China's Belt and Road Initiative (BRI) has allowed other extra-regional countries in the region, such as the United States, to change the traditional underpinnings of its South Asian policy. China chose to use the ports in Pakistan and Sri Lanka as key geostrategic locations to get access to global markets for the execution of the Belt and Road Initiative.

The successful execution of the BRI in the South Asian region has sparked concerns among Indians in the region due to its confrontational foreign policy approaches towards China. Thus, the anti-Chinese foreign policy designs of India have transformed the character of regional politics in South Asia, where Indian geostrategic designs have faced Chinese-sponsored geo-economic designs. The geopolitical and geoeconomic aspects of Sino-Indo relations exacerbate the security climate in the South Asian area by engulfing all of regional politics in the shadow of world power politics. This study has focused on the intricate relationship between regional and global powers, with a particular emphasis on the roles played by China and the United States as external actors in the South Asian region. These external factors are the main sources of regional states' role in the South Asian region, and the increasing connections of regional powers, Pakistan, India, and Sri Lanka, with the United States and China create a complex political framework of states.

Several reasons have been used in this study to assess the claim that the benefits of peace and stability in the South Asian region are primarily determined by the role of the Belt and Road Initiative (BRI). China's expansion into South Asia is made possible by the BRI project, which serves as a conduit for China's geo-economic objectives. With the assistance of India, the appreciative responses of other regional governments have enlarged the representation of China's geo-economic interests in the South Asian region, activating the positions of other great powers like the United governments. Washington's South Asian geostrategic interests are in line with New Delhi thanks to the anti-Chinese stance of India.

These initiatives have strengthened China's standing within the larger context of US South Asian policy, where US-India relations are primarily influenced by anti-Chinese sentiment. Thus, this study suggests that by fostering cooperative ties between Pakistan, China, and the US, the BRI has brought about an alliance politics in the South Asian region. The scope of peace and stability in the nuclearized subcontinent is hampered by these cooperative ties between two regional and two world powers, which also strengthen South Asia's regional security environment. The goal of maintaining these partnerships is to increase the major countries' current levels of engagement in the South Asian region. Therefore, the BRI project of China is intended to intensify the Chinese vision of increasing trading collaboration with Pakistan and Sri Lanka, which have been considered by India as an attempt by Beijing to encircle New Delhi.

In summary, there is little doubt that being part of the BRI has greatly benefitted Sri Lanka and Pakistan's economies, but there are drawbacks as well, including issues with debt,

security, and geopolitics. Pakistan places high value on the security of the BRI project, its staff, and its infrastructure, and the effective completion of the initiative itself depends on protecting these elements. If Pakistan is truly interested in seeing the CPEC succeed, the most important issue is the proactive control of the possible security risks. Since economic and political policies have a significant impact on regional politics, Pakistan must take these changing geopolitical variables into account when formulating their approaches. The prerequisite for Pakistan is to achieve a solid balance between the western powers and China.

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