

BRI in South Asia: Strategic Implications and Challenges

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Abstract

The Belt and Road Initiative (BRI), initiated in 2013 is China's flagship transcontinental infrastructure development project. The BRI, with total projected investment of \$8 trillion, involves two connectivity segments: first, the land based Silk Road Economic Belt in Central Asia and Eurasia; and second the 21st Century Maritime Silk Road, passing through the Indian Ocean and South Asia. According to official outline, the BRI aims to '*promote the connectivity of Asian, European and African continents and their adjacent seas, establish and strengthen partnerships among the countries along the Belt and Road, set up all dimensional, multi-tiered and composite connectivity networks, and realize diversified, independent, balanced and sustainable development in these countries*' (BRI: 2021).¹ Apparently benign in nature, however, the BRI has been also viewed as a tool of China's strategic interests in Asia and beyond. Though the BRI is a transcontinental project, the region of South Asia surrounded by the Indian Ocean is a very crucial link in this project. It is the Indian Ocean which links the Pacific Ocean with the Mediterranean and the rest of the Europe. The Indian Ocean, encircling South Asia is China's gateway to the external world for trade and energy supply. Thus, the South Asia and the Indian Ocean have deep strategic implications for South Asia, which cannot be missed. The paper is divided into three parts: the first part analyzes China's grand strategy and the BRI as its strategic tool; the second part explains the nature and extent of BRI in South Asia and its strategic implications; and third part analyzes the challenges of BRI in South Asia and its future course.

Keywords: Rise of China; BRI; China Dream; Grand Strategy; Malacca Dilemma; CPEC.

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INTRODUCTION

PART-I

Rise of China and its Grand Strategy

China as a nation in the present form took shape in 1949, following the communist revolution. Communist Party of China, which is the ruling regime in China, has completed 100 years in July,

2021. If we broadly analyze the seven decade long history of Communist China, it can be divided into three distinct phases:

The First Phase (1949-1976)

This phase of the communist regime was steered by the founder leader Mao Tse Tung and lasted till his death in 1976. The main spirit of this era was the consolidation of Communist regime by eliminating its opponents and rooting down the communist ideology to the ground level.

The Second Phase (1978-2012)

China's national evolution began in 1978 under the leadership of Deng Xiaoping, which laid the foundation of modern China by his 'Open Door Policy'. The focus on this era was China's rapid economic development by selective adoption of capitalist principles and integrating China's moribund economy with global economy. During this phase, China's gross domestic product has surged from less than \$150 billion in 1978 to \$8.2 trillion in 2012.¹⁵ However, China's political ambitions remained subdued as it followed the dictum of 'peaceful rise of China'.

The Third Phase (2012 till date)

In this phase, China's national evolution marks a distinct change in China's economic and political strategy as well as its external engagement. The 18th National Congress of Communist Party of China (CPC) held on 08-14 November, 2012, ignored the call for political reforms and elected Xi Jinping as the new general Secretary of the CPC. In 2013 he became the new President of China (Liu: 2012).⁷

Xi Jinping's China Dream and Grand Strategy

It was during this period that China articulated its Grand National strategy under the leadership of Xi Jinping. This grand strategy is encapsulated in Xi's 'China Dream', which was used by him for the first time during November 2012 Party Congress. He further elaborated it during his first address to the nation as head of state on 17 March, 2013, 'We must make persistent efforts, press ahead with indomitable will, continue to push forward the great cause of socialism with Chinese characteristics, and strive to achieve the Chinese dream of great rejuvenation of the Chinese nation (BBC:2013).

The use of the term 'Dream' (meng) is entirely new by a Chinese leader, but it has deeper political ramifications. It links China's present rise with

her historical consciousness when China enjoyed dominance in the region during imperial era but was humiliated during the century of humiliation (1839-1949) by colonial powers. Now the time comes to restore China's past position and glory in the world with national efforts (Chai and Chai:2013).³ In fact the idea of China dream is shaped by the two important factors: **First**, the rise of China as an economic and military power in last four decades; and **Second**, China's collective perception of its historical consciousness including addressing the century of humiliation. Thus, the interplay between the Chinese history, Chinese nation, and its economic and military power give shape to Xi Jinping's China Dream.

As Xi Jinping further unveiled his Chinese dream in his report submitted to the 19th party Congress on 18 October, 2017. He outlined two centenary goals for China to be realized by China in two stages:

First, during first stage from 2020 to 2035, China would achieve the status of a moderately prosperous society in all respects.

Second, during the second stage from 2035 to 2049, China will have become 'fully developed nation and a global leader in terms of comprehensive national power and international influence.' This is the second centenary goal to be achieved by the year 1949 when China completes 100 years of Communist Revolution. Xi further hinted that the international order is changing with increasing trend towards multipolarity and tilting of balance of forces in its favour (Funairole:2017).⁵

RBI AND CHINA'S GRAND STRATEGY

China's grand strategy aims at making China as the fully developed society as well as dominant world power by the year 2049. Now Xi is no more constrained with Deng's advice to hide the claws and bide the time. The projection of Chinese power at regional and global level is the requirement for realizing the goal of making China as dominant power by the three pronged strategy: **Strengthening** defence and economic capabilities, **increasing** assertiveness of China's position and **Expanding** economic and strategic influence across the region and the globe. The BRI as a flagship infrastructure programme is third element of China's strategy above strategy realize her global ambition. The BRI needs to be analyzed and viewed as such.

The BRI is a grand project with two major

segments:

A. The Silk Road Economic Belt

The Silk Road Economic Belt is the land based segment of the BRI, which provides for the infrastructural development, connectivity and economic cooperation in Eurasia and Central Asia. It consists of the six development corridors linking China to Europe through Central Asia and Eurasia.

B. The 21st Century Maritime Silk Road

The second segment of the BRI is known as the 21st Century Maritime Silk Road, which connects China to Southeast Asia, Indonesia, South Asia, the Arabian Peninsula, Somalia, Egypt and Europe. It encompasses important water bodies of the Indo-Pacific region like the South China Sea, Strait of Malacca, Indian Ocean, Gulf of Bengal, Arabian Sea, Persian Gulf and the Red Sea. Both these segments meet at Venice in Italy as per the initial proposals. It is this segment, which are implemented South Asia and the Indian Ocean.

PART-II

BRI IN SOUTH ASIA

South Asia consists of eight member states of South Asian Association for regional Cooperation (SAARC): India, Afghanistan, Pakistan, Maldives, Sri Lanka, Bangladesh, Nepal and Bhutan. The region of South Asia is surrounded by the Indian Ocean, which in the East is connected with the Western Pacific Ocean through Malacca Strait and in west linked to the Mediterranean Sea through the Gulf of Aden, Red Sea and Suez Canal. Thus, the Indian Ocean lies at the heart of the 21st Century Maritime Silk Route which the second segment of the BRI. China has made considerable investment in the development of connectivity infrastructure and ports in this region. The regional actors are also attracted to China's easy investment funds for their development. Except India and Bhutan, all other countries of the region have given their consent to join the BRI. The status of RBI in South Asia can be gauged from the implementation of various projects in different countries.

Pakistan

China and Pakistan claim to be 'all weather friends' with close ties spanning for more than six decades. Their tensions with India are the shared concern for their close strategic partnership. The

major BRI project in Pakistan is the China-Pakistan Economic Corridor (CPEC), which is technically part of the Silk Road Economic Belt, the land based segment of the BRI. The CPEC was launched on 20 April 20, 2015 when Chinese President Xi Jinping visited Islamabad and both countries signed 51 agreements and MoUs valued at \$46 billion. Later the cost of CPEC was upgraded to \$64 billion. The goal of CPEC is both to transform Pakistan's economy by modernizing its transportation systems and to connect the deep sea Pakistani ports of Gwadar and Karachi to China's Kashgar town in the Xinjiang province.

The CPEC basically involves three kinds of projects: 3000 kms Connectivity infrastructure including highways and railways; Special Economic Zone for manufacturing; and energy infrastructure. The major connectivity infrastructure projects are: development of Gwadar port and surrounding free trade area and international airport; Highways linking Kashgar (Xinjiang, China) with Gwadar (Baluchistan, Pakistan with three alignments (Western, Eastern and Central Alignment); Railway up gradation and extension projects: overhaul of 1687 kms Main Line-I between Peshawar and Karachi, covering 70 percent of Pakistan's rail transport (total cost of 6.8 billion), up gradation of 1254 kms Main Line -2 between Kotri in Sind to Attock in northern Punjab, construction of 560kms long Main Line-3 between Boston near Quetta city to Kotla Jam near Dera Ismail Khan (provide access to southern Afghanistan); and Pakistan-China Fiber Optics Project. The major energy projects include 16 electricity projects of both conventional and non-convention type with the generation capacity of 10400 MW. The CPEC also envisages setting up of five Special Economic zones: at Boston near Quetta, Islamabad, Faisalabad, Dhabeji and Nowshera (Ramchandran: 2015; Pakistan CPEC Authority:2020).^{6,17}

Pakistan is the ardent supporter of BRI in South Asia. It considers CPEC as a 'game changer' for her economy and development. China maintained that these investments will bring political stability and economic resilience to Pakistan, will create around 2.3 million jobs in Pakistan by 2030 and will provide an alternative pathway for exports and energy imports Gwadar port (Wani: 2020).²¹ The major success of the project has been the operationalization of Gwadar-Kashgar highway through western alignment on 13 November, 2016.

The implementation of other projects has been very tardy since 2018 and riddled with many problems. According to Pak CPEC Authority, by the

year 2020, only 17 projects worth \$13 billion have been completed while another 21 projects of \$12 billion are under implementation.¹³ Construction of Gwadar Port, Eastbay Expressway, Thakot-Raikot section of Karakoram Highway is facing delays due to lack of co-ordination among responsible agencies from both countries. Despite high decibel publicity by Pakistan, China is dragging feet from the Special Economic Zones and railway projects. Chinese workers involved in the implementation of the project have reduced the prospects of local job creation (Baussart: 2021). Many scholars (Ramchndran: 2015; Wani: 2020; Notezai: 2021; Ghouri: 2015) have expressed apprehensions on the full success of the project on account of incompetency of Pakistan agencies and lack of co-ordination, rampant corruption, concerns over loans, debt trap and reduced capacity of Pakistan for repayment of loans, China's preference for the low hanging fruits and profitable projects, rising security challenges due to terrorist attacks mainly in Baluchistan. Chinese officials expect that about eighty percent of investments in the CPEC are lost to corruption.^{11, 16, 17}

Sri Lanka

After Pakistan, Sri Lanka is the most vocal supporter and eager participant in the China's BRI project in South Asia. Sri Lanka's pro-China tilt became evident two decade back, following the differences between India and Sri Lanka over the Tamil issue. It was in this background that China and Sri Lanka developed close economic and strategic ties. The present phase of deep strategic ties between Sri Lanka and China was consolidated during the first Sinhala nationalist Rajapaksa Regime (2005-2015). Both countries signed a declaration in 2005 for expanding strategic partnership. Though Sri Lanka formally acceded to BRI regime in May, 2017, Sri Lanka agreed to participate in China sponsored 21st Century New maritime Silk Route project during Chinese President's visit to China in September, 2014.

During the first Rajapaksa regime, the total Chinese investment in Sri Lanka reached nearly \$6 billion. However, the cumulative value of Chinese infrastructure investment to Sri Lanka amounted to \$12.1 billion between 2006 and July 2019 (Wingaraja:2020).²² The significant infrastructure projects undertaken by China in Sri Lanka include Hambantota port, Katunayake-Colombo Expressway, the Norochcholai Coal Power Project, Maththala Airport, Colombo port city Project, 661 room Shangri La hotel and the Center for

Performing Arts in Colombo. Of these, Hambantota port and \$1.3 billion Colombo Port city projects are strategically more important. The Hambantota would allow China to have dominance over a vast area of the Indian Ocean. China has mixed economic and strategic motives in BRI projects as they are implemented by state controlled Chinese companies.

In 2015 elections, Rajapaksa regime was defeated and a new coalition government was formed. But China's strategic reach in Sri Lanka remained intact as the new government finally approved the controversial Colombo Port City project in 2015 and handed over the Hambantota port to China on 99 year lease in 2017 in lieu of repayments of loans. Sri Lanka's debt from China is \$4.5 billion in 2020, which is nearly 6 percent of her GDP.

Gotbaya Rajapaksa became the President of Sri Lanka after victory in November, 2019 elections. It was a new opportunity for China in waiting. Chinese President Xi said that he looks forward to starting a "new chapter" in the China-Sri Lanka Strategic Cooperative Partnership. Sri Lanka has scrapped the Eastern Container Terminal Project in Colombo port on 01 February, 2020, to be jointly undertaken by India and Japan, on the pretext of opposition by the Sri Lankan workers and the Indian firm not accepting the new terms of the deal. This tripartite deal was signed in June, 2019 by the previous Sri Lankan government. But at the same time, the government has continued with the Colombo Port City project awarded to China, in spite of serious environmental issues.

Like in other countries, China's BRI faces some major concerns in Sri Lanka also. A Research Study commissioned by the Chatham House (Wingaraja: 2020)²² finds that the pattern of Chinese investment in Sri Lanka reveals a nuanced picture of benefits and costs. The Colombo port city project has been beneficial to country's development. However, it identifies some concerns like Sri Lanka being stuck in a 'debt trap', displacement of its local workers by both legal and illegal Chinese labour, environmental damage, and increased security risks for Sri Lanka due to India-China rivalry in the region. Recently, Sri Lanka passed the Port City Economic Commission Bill on 20 May, 2021, which gave China authority in the management of Colombo Port City. The opposition parties raised the issue of sovereignty as Colombo Port City would be like a Chinese enclave in Sri Lanka. Thus, the second Rajapaksa regime in Sri Lanka is under

the greater sway of Chinese strategic influence.

Maldives

Maldives, a group of Islands, is strategically located in the Arabian Sea on the East-West Sea routes of the Indian Ocean. In spite of close Indo-Maldives ties, China has succeeded in making deep economic and strategic inroads in Maldives in recent years. The domestic political developments in Maldives also facilitated this drift. The new government led by Abdullah Yameen since February, 2021 became closer to China. It received fresh impetus after the visit of Chinese President Xi Jinping historic visit in September, 2014. As per the report of the Center for Global Development, the largest Chinese investment projects are an \$830 million project to upgrade the airport, including a 1.3-mile bridge (Called Friendship Bridge) to link the Hulhule Island with the capital Male. The Chinese are also building a hospital and a 1,000 apartment housing project on Hulhumale, a suburb built on reclaimed land (Ramchandran: 2018).¹⁷

Yameen amended the Constitution in 2015 to allow foreign ownership of land in projects with investments of more than \$1 billion, which facilitated land grab by China in Maldives. The Maldives has leased an uninhabited Island called Feydhoo Finolhu to a Chinese company in \$ 04 million rent for 50 years to develop infrastructure for tourism. Opposition leaders of Maldives have accused Maldivian President Abdulla Yameen of allowing a Chinese land grab of 16 islands and of inflating the costs for personal gain (Manning: 2018).⁹ China has invested nearly \$3 billion in Maldives since 2012 in various projects of strategic significance. The Chinese loans have placed high debt trap, \$92 million a year in payments to China, roughly 20 percent of the entire budget (Pararajasingham: 2017).¹⁴ However, the change of government in Male in September 2018 has turned the table against China's BRI in Maldives.

Nepal

India and Nepal have developed special relationship on the basis of 1950 Treaty of peace and friendship. Nepal has displayed unusual tendency since 2015 to develop close strategic ties with China. Nepal's Communist regime since 2015 made a decisive pro-China shift. During Nepali Prime Minister K P Sharma Oli's visit to China in March 2016, both countries signed historic Trade and Transit Treaty, ending India's monopoly on Nepal's transit routes. It became operational in

2018 with Nepal's right to use four Chinese ports Tianjin, Shenzhen, Lianyungang, and Zhanjiang and three dry ports located at Lanzhou, Lhasa, and Xigatse.

Nepal formally acceded to the BRI on 15 May, 2017 during the BRI Summit called by China in Beijing on 14-15 May, 2017. The Main BRI project in Nepal is the Trans-Himalayan Multi-dimensional Connectivity Network (THMCN), which was originally proposed by the Chinese President in 2014. During a state visit to Nepal in October 2019, the first-ever by a Chinese President since 1996, the corridor was hailed by Xi Jinping as changing Nepal 'from a landlocked to a land linked country'.

The THMCN consists of several transportation infrastructure projects: the China-Nepal Railway project; restoration of Zhangmu/Khasa port; highway projects like upgrading of the Araniko Highway (built by China in 1960s) between Kodari and Zhangmu, transport infrastructure for three north-south corridors-Koshi Economic Corridor, Gandaki Economic Corridor and Karnali Economic Corridor. It should be noted that the China-Nepal railways proposals also include the Kathmandu-Pokhara-Lumbini extension, very near to the Indo-Nepal border. (Rana: 2015; Baruah: 2017; Panda: 2019).^{2, 12, 18}

China's BRI projects in Nepal also face problems: concern over debt trap, Nepal's demand for grants rather than loans for BRI projects, and volatile nature of Nepal's politics. China has succeeded in gaining strategic foothold in Nepal during Maoists rule. People in China jealously guard their independence from China and India both. The communist regime led by Oli was replaced by a coalition government in 2021. The new government is maintaining a balanced approach towards both China and India.

Bangladesh

In the post-cold war era, China and Bangladesh have close ties in the field of trade, investment, connectivity, energy and development. Bangladesh agreed to participate in the 'Belt and Road Initiative', on October 15, 2016, during Chinese President Xi Jinping's visit to Dhaka. During this visit, both countries also agreed to promote their relations to the level of '*strategic partnership*'. Further during the visit of Sheikh Hasina, the Bangladesh PM to Beijing (03-04 July, 2019), both countries agreed to enhance cooperation under the BRI with China promising to harmonize BRI projects with development needs of Bangladesh.

The major RBI project in Bangladesh proposed by Xi Jinping in 2013 was the BCIM (Bangladesh, China, India, Myanmar) The 2800 km BCIM corridor proposes to link Kunming in China's Yunnan province with Kolkata (India), passing through nodes such as Mandalay in Myanmar and Dhaka in Bangladesh before heading to Kolkata. But the project could not take off as India is not participating in the BRI.

However, China has emerged as the major investor in Bangladesh with \$31 billion investment in various projects energy, domestic connectivity, ports and others. Bangladesh received a net FDI of US \$1.159 billion in 2019 from China, making it one of the largest recipients in South Asia. The energy sector has been the largest recipient of Chinese investment in recent years. At least 12 dual fuel power plants and one 310 MW solar plant have been planned, out of which, the three 1,320 megawatt plants are near completion. China is also implementing \$1.32 billion power grid strengthening project in Bangladesh. China signed a deal with Bangladesh in 2017, whereby Chinese companies have bought three gas fields, accounting for half of the total gas production of Bangladesh. China is also financing building of 220 kms oil pipeline with single mooring point near Chittagong refinery from where oil may be exported to China (Samsani: 2021).¹⁹ China is also building bridges and railway lines to boost domestic connectivity in Bangladesh.

China's strategic presence in Bangladesh has further increased with her investment in Port development in Bangladesh. China has financed the construction of Payra deep sea port with investment of \$15 billion. The port, third largest in the country has become operational in 2016. In 2019, Bangladesh gave China access to two of its important ports-Chittagong and Mongla along with deal to develop Mongla port. China also signed deal to develop Sonadia deep Sea port very near to Indian coast, but Bangladesh cancelled the project in October, 2020 on environmental grounds (Samsani: 2021).¹⁹

However, in view of close relations with India Bangladesh has been a reluctant player in China's BRI game. Bangladesh has been careful not to fall into debt trap diplomacy of China as it has insisted on joint implementation of projects and giving preference of grants than loans from China. Also Bangladesh is selected carefully the projects for China's financial investment. It did not allow China to develop Sonadia deep sea port with possibility of future Chinese naval presence, but instead allowed

China to develop Pyara Port, which is approachable only through a 75 kms long canal and not suitable for naval presence. Bangladesh has also rebuffed China in 2021 for its warning not to join QUAD by reiterating independence of her foreign policy.

Myanmar

Though Myanmar technically is not part of South Asia but it is located on the north-eastern end of the Indian Ocean. Myanmar holds a strategic location as it is very close to the major international shipping lanes from rest of the world to the East Asia through Malacca Strait. In recent years China has made inroads in Myanmar through the BRI projects. China is developing China-Myanmar Economic Corridor (CMEC) with the total investment of nearly \$21 billion. The CMEC will upgrade the deep water port at Kyaukphyu and connect it to Yunnan with an extensive infrastructure network, as well as several large scale energy projects (Myers: 2020).¹⁰

Kyaukphyu is a deep sea port located in the Western Coast of Myanmar in the Rakhine Province. It holds strategic importance for India as it faces India's Bay of Bengal in the Indian Ocean. China and Myanmar have signed an agreement in November, 2018 whereby China will develop this port with the investment of \$1.3 billion. China has already constructed gas and oil pipe line between the Kyaukphyu port and Kunming in China's Yunnan province. Chinese President Xi made two day (17-18 January, 2020) visit to Myanmar, the first by a Chinese President in last 20 years. Both countries have signed 33 agreements including 13 on the infrastructure development. Xi termed Myanmar a 'Trusted Friend' and the beginning of a 'new era' in the bilateral relationship. Kyaukphyu port provides an alternative access to China to reach the Indian Ocean. This is the real strategic importance of this port.

China's Strategic Motives

The two main drivers of expansion of BRI in South Asia are China's strategic push and the attraction of host countries to gain easy investments for their development. *China's BRI push in South Asia is motivated by the following strategic objectives:*

1. To secure the regional transport routes in South Asian and the Indian Ocean for its trade and energy supply. In addition it would fuel growth in China's Western and Southern regions.
2. To gain alternative access to the Indian Ocean through Gwadar and Kyaukphyu ports

to overcome its '*Malacca Dilemma*' (fear of narrow Malacca Strait being choked by China's opponents for her trade and energy supply).

3. To balance India's strategic influence in South Asia and the Indian Ocean as a part of strategic rivalry between the two.
4. To use BRI as strategic tool in South Asia to spread her global and regional influence as a part of her grand strategy to emerge as a global power.

PART-III

Challenges of RBI and Its future in South Asia

Though BRI, a project of economic nationalism and strategic expansion has received positive response in some South Asia countries, yet it faces insurmountable challenges due to its basic alignment against the rule based global order. A Policy Report by the AIDDATA (Malik et al:2021) reviewed China's 13,427 investment projects worth \$843 billion across 165 countries in every major world region over an 18-year period.⁸ The Report finds that 35 percent of the BRI infrastructure project portfolio has encountered major implementation problems such as corruption scandals, labor violations, environmental hazards, and public protests. An Academic Paper by the China Institute of International Study notes three core challenges to BRI in South Asia (Singh :2019):²⁰

First, the intensifying strategic imbalance in the Pak-China balancing game, caused by close Indo-US ties.

Second, host countries' perception about Chinese loan cum investment as 'debt trap diplomacy' or 'predatory diplomacy'. But China argues that the problem of debt in South Asian countries is historical and not because of China.

Third, rising security threats, mainly in the Afghanistan-Pakistan region due to terrorism and extremism.

The real challenges to the BRI in South Asia arise at Three Levels:

A. Global Challenges

South Asia and the Indian Ocean are part of the larger Indo-Pacific region, which is under global scanner now. The US led Indo-Pacific Strategy has wide support in the region as well as in European Union as it seeks to ensure a free and open Indo-Pacific and a rule based order in the region. The US

Indo Pacific strategy has three main components: Political/Strategic, Security and Economic. Strategically, it counters China's influence in the region through instruments like QUAD, consisting of the US Japan, India and Australia. The QUAD, among other things, is in search of alternative ways for infrastructure development, resilient supply chain etc, which make dent on the China's BRI programme. The US, Britain, and Australia have concluded a tripartite security alliance AUKUS on 15 September, 2021 for the Indo-Pacific region.

The economic component of US Indo-Pacific strategy aims to devise new instruments for infrastructure development in the Indo-Pacific region, which is in tune with the global norms. The US grant programme known as Millennium Challenge Corporation (MCC) was created in 2004. This agency distributes the grant \$500 million to the developing countries to reduce poverty through economic growth. In South Asia, Sri Lanka and Nepal have also signed the MCC compact in 2017. So far 29 countries have signed 37 MCC compacts worth \$13 billion. Since it is based on grants, there is no fear of debt trap like the BRI. In order to maintain transparency in infrastructure investments, Blue Dot Network (BDN) initiative was announced in 2019. It is a three member global initiative led by America. Other two members are: Japan and Australia. The BDN is an evaluative mechanism for the infrastructure development projects funded by external agencies in the Indo-Pacific region. The BDN evaluates the infrastructure projects and awards them 'Blue Dot' if they meet the global standards in terms of loan and investment transparency, labour and environment norms etc. The BDN was initiated in response to China's BRI which adopted predatory investment practices in the host country.

B. Regional Challenge

The regional challenge to BRI in South Asia arises due to India's non-participation in the BRI. India is not only the net security provider in the Indian Ocean but also maintains historical close ties with the regional actors which take part in the BRI. In fact, India is involved in the strategic rivalry with China for strategic influence in this region. In view of China's increasing strategic inroads in South Asia, many scholars have predicted the intensification of maritime rivalry between India and China in IOR/ Pacific Ocean due to their overlapping interests and conflicting ambitions. In the condition of such rivalry, India has adopted strategy of hedging China in South Asia by joining QUAD, expanding

its defence capabilities and improving relations with regional countries. Because of India's efforts countries like Bangladesh, Maldives and Nepal are now reluctant players in BRI game.

C. Internal Challenges

The internal challenges of BRI are inherent either in the BRI approach or arise in the host countries. The BRI infrastructure projects are accused of lack of transparency, disregard to territorial sovereignty of nations, environmental concerns, unfair terms and conditions of loan and over control of China in the execution of the projects, resulting in some cases land grab in some host countries by China (Hambantota in Sri Lanka in 2017). A Report of the US Think Tank (the Centre for Global Development) has noted in November, 2020 that 23 of the 68 countries benefitting from the BRI are significantly under the debt distress. It notes that eight countries Djibouti, Kyrgyzstan, Laos, Mongolia, Montenegro, the Maldives, Pakistan and Tajikistan are facing the risk of debt trap (Dar: 2020).⁴ Sri Lanka has also slipped into the Chinese debt trap as its total debt liability stands 69 percent of the GDP, in which China has the largest share. India has raised the concern about the violation of territorial integrity at various levels as the CPEC passes through the Pak Occupied Kashmir region, which is claimed by India. In Pakistan, RBI faces serious security threat from terrorists groups and Baloch extremists.

CONCLUSION

The BRI is China's flagship strategic tool to realize her goal of increasing her economic and strategic influence leading to her global power ambitions. This is the symbol of China's rising economic nationalism. The region of South Asia and the Indian Ocean hold the key for the success of the BRI. China has made deep strategic and economic inroads in South Asia under her BRI programme in last decade. But, the BRI has some inherent flaws as it disregards many global norms like transparency, respect to territorial integrity of nations and development needs of the host countries, labour norms and environmental concerns. By this time, the BRI has been exposed as the representation of China's predatory economic diplomacy. The path of BRI in south Asia is not smooth. It faces the global challenges in the form of US led Indo-Pacific strategy of democratic countries, regional challenges from India and adverse reaction to its debt trap diplomacy. Gradually, the host countries have lost initial enthusiasm towards BRI due to

these factors. Except in China and Sri Lanka, the BRI does not have a bright future in South Asia at this juncture.

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