

Modi's "Issue-by-Issue" Diplomacy with China: Prospects of India's Participation in BRI

Ye Hailin*

Abstract

This paper reviews the manifestations and achievements of Modi government's "Issue-by-Issue" diplomacy with China since 2016. It discusses the causes and development of India's attitude towards China and analyses India's thinking behind its diplomacy with China. In this paper, an attempt has been made to find out the thinking's influence on India's attitude towards its participation in the Belt and Road Initiatives (BRI). Based on these discussions and analyses, the study concludes that India is suspicious of the BRI. Moreover, whether China can dispel India's suspicion actually does not depend on China's policy orientation towards India and its effects, rather it depends on the specific dividends that the BRI can achieve in other countries in South Asia.

Keywords: India, China, Issue-by-Issue Diplomacy, BRI, South Asia.

Introduction

Over the recent years, issue specific diplomacy has become more apparent in the Indian Prime Minister Narendra Modi's foreign policy towards China. India has been regularly raising bilateral, regional and international issues that exist in its relations with China. By raising these specific issues, India has been trying to find out China's real attitude towards itself. To achieve concrete foreign diplomatic dividends, India adopts such a diplomatic strategy because it is doubtful whether China is willing to establish and maintain an equal major power relations with India. Although India has a clear understanding about the comprehensive national strength gap between India and China. There is still a long way to go for India.

* The Author is Editorial Chief of Center South Asia Studies, National Institute of International Strategy, Chinese Academy of Social Sciences (NISS, CASS) and Chief of Center for South Asia Studies, CASS.

India is confident about the future development of its strength against China. As a effect of such thoughts, if one compares Manmohan Singh's period with Modi's, it is quiet clear that latter's issue-by-issue diplomacy has made some breakthrough. However, there is also something common in it. Modi's issue specific diplomacy tends to be more aggressive and it challenges the existing consensus between the India and China. India plays an important role in the joint implementation of the BRI and Modi's attitude towards China constitutes the psychological base for India's formulation of the policies regarding the BRI. The complexity of Modi's mindset results in some self-contradictory parts in India's attitude towards the BRI. Consequently, India's foreign policy response to the BRI is swinging.

Manifestations of Modi's "Issue-by-Issue Diplomacy" with China

The so called "Issue-by-Issue" diplomacy refers to the diplomatic strategy that the Indian government adopted towards China in the recent years. Specifically, the Indian government has deconstructed China-India relations into many specific issues and it regularly raises its demands regarding these issues with China. India considers these issues as a criterion to judge the nature and direction of China-India relations. These responses are a means to measure China's respect for India and the significance that China assigns to the China-India relations. Different from the convention of the Chinese diplomacy, India's strategy does not emphasise the overall condition of the bilateral relations i.e., strategic partnership. India's foreign policy with China stresses more on the specific problems that exist between the two countries. In 2015, the Indian Prime Minister Modi once said in a speech that there exist problems between India and China, and there exist not only one, but many problems. Since 2016, it has become increasingly clear that the Indian government tries to measure China-India relations by defining the nature of the relations and seek to achieve specific interests, by the means of raising "issues" with China.

Issue of Masood Azhar

Maulana Masood Azhar is the leader of the Pakistani banned militant organisation Jaish-e-Mohammad. India suspected that the organisation planned the Pathankot airbase shooting in January 2016. Therefore, the Indian government asked the Pakistani government to take measures against Azhar. It also asked the United Nations Security Council (UNSC) to include

Azhar in the sanctions list of the UNSC No.1267.¹ As a permanent member of the UNSC, China conducted several rounds of technical shelving of the listing that India asked for. As of early 2017, no breakthrough has been made on this issue yet. In the spring of 2017, some western countries, including the US, proposed to include Azhar in the sanctions list, but the listing was again shelved by China.

India expressed strong discontent with China's repeated shelving of the listing, accusing it of adopting "double standards" on the anti-terrorism issue. India believes that this is a manifestation of the fact that China's foreign policy regarding South Asia is not balanced and neutral. The Indian Ambassador to China, Vijay Gokhale, while talking to the Chinese scholars, clearly stressed that, India considers the issue of Azhar, a key indicator to measure China-India relations. China stressed that the issue of Azhar, firstly is a bilateral issue between India and Pakistan and India needs to conduct negotiation with Pakistan on this particular matter.

China's attitude has caused counter measures from the Indian government and public. The event about boycotting the Chinese luminaries that happened during the Diwali festival is a response from India's business sector was directly related to the issue of Azhar. While, since the luminaries that China exported to India had been delivered long before, India's boycott of the Chinese luminaries actually did not affect China's export to India in 2016. In a worst case scenario, this can only reduce the expected trade volume between the two countries in this area.

Issue of India's Application to the Nuclear Supplier Group (NSG)

While Masood Azhar's case is still in an impasse, a diplomatic dispute broke out between China and India over India's status as a nuclear supplier country. In June 2016, with support of the US and other Western countries, India applied to join the NSG as an equal member. In the annual meeting of NSG, held in Seoul, South Korea, China did not support India's application,

¹ The full name of the UN Security Council No. 1267 committee is the "UNSC Committee Responsible for Sanctions on Al-Qaeda and Taliban." This committee was established according to the UNSC Resolution No.1267 (1999).The resolution was passed by the UNSC's the 4051st meeting on October 15, 1999, and it is responsible for conducting sanction on those terroristic organisations that are included in the list.

citing the following two major reasons: Firstly, so far, the group's agenda has never included any specific subject about "the joining of a non-Nuclear Non-Proliferation Treaty (NPT) signatory country," and this annual meeting did not include similar subjects either. Secondly, the group has clear requirements on accepting new members, which should fulfil five criteria, including technological as well as political and legal aspects. The most important criterion involves the NPT, specifically; the applicant country must have signed the NPT. This is a "must meet criterion," and it is not set by China but it is a criterion widely accepted by the international community.² So far, India has not signed the NPT.

Besides the reasons that China enlisted, regarding China-India relations in the present international order, there may be the third-party factor involved. India announced in a high-profile way before the annual meeting that, India has obtained support of the US, Russia and other countries for its equal membership qualification for the NSG. And also that it has been trying to apply diplomatic pressure on China, and force it to make compromise in the face of the majority opinion of the international community. This strategy actually may bring an effect just to the opposite of what India desires.

The reason is similar to the reason why India has been asking China to support its application for the permanent membership of the UNSC, saying all other permanent council members have given their support. From the perspective of the strategy that China adopts in China-India engagement, the more India tries to apply pressure on China the less likely it is that China will satisfy India's demand. It is that if China gives India a positive response, it is absolutely impossible that China will get goodwill feedback from India. On the contrary, this may be interpreted by India as if China has conceded to the Indian demands, giving the impression of China's concession as a diplomatic success.

Kashmir Dispute and China-Pakistan Economic Corridor (CPEC)

Nearly one month after the dispute between China and India over India's membership in the NSG, the Indian security force, stationed in the Indian Occupied Kashmir (IOK), killed Burhan Wani, one of the leaders of

² China.com, <http://military.china.com/news/568/20160624/22932663.html>

Hizbul Mujahideen. Soon after, a massive riot broke out in the IOK and India declared a curfew in Kashmir. On September 18, 2016, the camp of the Indian army stationed in Kashmir was attacked and 17 soldiers were killed. India accused Pakistan of funding and even planning this attack. The Indian Home Affairs Minister, Rajnath Singh, called Pakistan a “terrorist state.” He tweeted that “there are definite and conclusive indications that the perpetrators of Uri attack were highly trained, heavily armed and specially equipped.” India was “deeply disappointed with Pakistan’s continued and direct support to terrorism and terrorist groups.”³

India-Pakistan military relations suddenly got very strained. India swore to retaliate, and according to the US media, a high-ranking Indian officer admitted that the Indian troops had crossed the Line of Control (LoC) by foot, attacked the militant bases and crossed back into the Indian territory.⁴ Then, with its geopolitical advantage, India enforced a diplomatic blockade on Pakistan. It sabotaged the South Asian Association for Regional Cooperation (SAARC) Summit, which was originally planned to be held in Pakistan. Soon, the spill-over effect of the India-Pakistan divergence was felt on China-India-Pakistan relations, particularly in the CPEC, India openly expressed its opposition to the CPEC by alleging that the CPEC violates India’s sovereignty. The Indian Ministry of External Affairs spokesman, Vikas Swarup, expressed India’s concern over the Chinese activities in the Pakistan administered Jammu and Kashmir (J&K) which have also been taken up with the Chinese high officials. Swarup stated, Jammu and Kashmir is an integral part of India... We have asked them to cease all activities (there).⁵

India not only spread similar arguments by media but it also repeatedly and strongly expressed its stance during the first and second track of its communications with China. India linked this stance with its attitude towards the BRI. In May 2017, China hosted the BRI forum, while, India

³ “Militants Attack Indian Army Base in Kashmir ‘Killing 17,’” *BBC*, September 18, 2016, <http://www.bbc.com/news/world-asia-india-37399969>

⁴ “Dueling Truths Follow Indian Raid in Pakistani Kashmir,” *Fox News*, September 30, 2016, <http://www.foxnews.com/world/2016/09/30/dueling-truths-follow-indian-raid-in-pakistani-kashmir.print.html>

⁵ “India Asks China to Shut Shop in Pakistani Kashmir,” *Hi India*, May 20, 2016, <https://hiindia.com/india-asks-china-to-shut-shop-in-pakistani-kashmir/>

has publicly announced that it had refused to attend the forum citing three major concerns: sovereignty, procedures and leadership. India cited that the CPEC, which passes through the PoK as the main reason for not participating in the summit.⁶

Issue of the 14th Dalai Lama's Separation Activities and South Tibet Territorial Dispute

The 14th Dalai Lama and South Tibet issue is not one of the "diplomatic issues" that India's Modi government raised to China. It is only a retaliation measure that New Delhi often takes when China-India relations experiences setbacks. In 2016, India repeatedly broke the convention that was maintained by the two countries for many years on the 14th Dalai Lama and the South Tibet territorial dispute issue. India encouraged the US Ambassador to India to visit South Tibet and encouraged the US president to openly meet the 14th Dalai Lama. In April 2017, India gave a high-profile passage way to the 14th Dalai Lama to go to South Tibet. Moreover, it is not rare for India to play the Tibet card and the Dalai Lama card in dealing with the issues involving China. Previously, at times, when India was governed by the Manmohan Singh of the Congress Party, New Delhi always considered the 14th Dalai Lama's activity in India, instrumental in undermining China's position. However, since Modi came to power, he behaved more aggressively and provocatively on the 14th Dalai Lama issue, which shows that Modi has a stronger confidence and a clearer purpose in this aspect.

Since 2016, Modi government's foreign policy with China has gotten tougher. He has raised more 'issues' and more clearly stated that to properly solve the above 'issues' is a condition for maintaining stable China-India relations. Modi's tough stance has many reasons. While, whether in pushing forward development of China-India relations, or in meeting India's expectation for specific "issues," the actual effect of Modi's diplomacy is relatively limited. Its output may even not reach the level that was achieved during the Singh era.

⁶ "Why India Refused to Participate in China-led OBOR Summit," *Financial Express*, May 15, 2017, <http://www.financialexpress.com/world-news/why-india-refused-to-participate-in-china-led-obor-summit/669062/>

Modi's Issue-by-Issue Diplomacy: Psychological Basis and Diplomatic Dividends

The aforementioned 'issues' that India raised in with China in 2016, have not brought much diplomatic dividends. There are evidences that these issues will continue to beset China-India relations. Over the past one year of Modi's foreign policy towards China displays the following characteristics:

Firstly, India's foreign policy does not give much consideration to the basic condition of the bilateral relations between China and India, such as the long-term consensus between China and India.

Secondly, it is not worried about its aggressive attitude, which may cause retaliation from China and it continues to use oppressive diplomatic language against China.

Third, it is not concerned about the reciprocal nature of the bilateral relations, and does not consider that if China also conducts 'issue-by-issue' diplomacy with India, China also can raise the corresponding issues and can ask India to make clarification or commitment.

Fourth, China makes efforts not to escalate the tensions on specific issues, since for the many demands India raised to China. China basically gives no positive response. India does not take actions that may escalate the tensions either, but it does choose to rapidly change direction, and pick new 'issues' to conduct diplomatic offense against China.

Why does India adopt above mentioned attitude in its foreign policy approach towards China? The fundamental reason may be that India has made the following judgments regarding the present China-India relations and its future development trend:

- i. India has a clear understanding about the comparison of China and India's strength. It is also aware of the fact that it is not realistic to seek or make breakthroughs in all the areas of its foreign diplomacy with China. Despite that India's economic growth rate overtook China's in 2015, for the first time in the history. China became the

large-scale economy growing the fastest in the world, while, so far, India's economic scale is still just 1/5 of China's. India and China are not of the equal strength in terms of military and advancement in science and technology. In such a situation, considering its comprehensive national strength, it is not possible for India to get commitments from China that are satisfactory to it in all aspects.

- ii. India and China's positioning of each other in their foreign strategy is different. China's determination and will to invest resources in its dealing with other countries is comparatively higher than India. At present, China is superior to India in terms of overall strength but India is not the main subject of China's diplomatic strategy. China does not want to invest too much diplomatic, economic and military resources in India or South Asia. Reduction of cost is an important factor that China considers in formulating its foreign policy regarding India. China would not mobilise all resources that can overwhelm India to conduct all-around confrontation with India. The reason is that even if China invests a large quantity of resources to conduct all-around containment of India, it will not bring significant favourable change into the international environment. At best, it can only get temporary stability in the southwest part of Asia. This means that although China is superior to India in overall strength, its investment of power in dealing with India is not necessarily bigger than India. On the contrary, for India, China is the most important external risk for its expected rise at this stage. To "solve" the issues with China means improvement of India's international environment and space. Therefore, India, which is more eager to achieve fruits in its diplomatic engagement with China, surely will be more determined than China and will invest more resources in its diplomatic engagement with China.
- iii. The present international environment is more favourable to India. Even if India provokes China, it is not likely to cause strong counter measures from China. Therefore, it is of a low risk for India to adopt an opportunistic strategy. It is partly because India is not a main challenger of the current international system and its relations with the dominant countries are well developed as compared to China. In addition, India enjoys a geographic advantage and a dominant position in the South Asian region. Basically, it faces no challenge.

India can be a partner of the countries, which dominate the current world system and maintain its status as the dominant country in its own region, at the same time. India is certain about its behaviour of challenging China will get support or at least acquiescing of the countries, which currently dominate the international system. While, China's counter measures will be considered by these countries to be regional hegemonic behaviour. In such a context, as long as China still scruples about the US's reaction, India will assume that China will not take counter measures against India in response to India's continuous challenging behaviour; at worst, China may not give India a positive response, and India shall not pay additional price for this.

- iv. India is more optimistic about the growth of its strength and believes that time is on the side of India. Compared with Manmohan Singh, Modi is much more optimistic about India's future development prospect. In early 2015, many Western financial institutions predicted that India's growth rate will overtake China's,⁷ which greatly encourages the Indian government and gives Modi government the confidence to conduct long-term dealing with China. It results in boosting of Modi government's aims of setting the short-term diplomacy targets. During the Singh period, although India also regularly raised issues with China, India preferred to maintain the stability of the basic condition. While, with its growing strength, Modi is more ready to take more aggressive approach towards many sensitive issues that exist in China_India relations.

In spite of the above mentioned assumptions, if measured objectively, India's issue-by-issue diplomacy with China only achieved very limited dividends in 2016. Regarding international affairs, in 2016, India raised the issue of Masood Azhar and India's qualification for membership in the NSG. In raising the demands, India's determination was very strong and its attitude was very commanding. While the ostensible imitativeness and aggressiveness of India cannot hide the huge gap that exists between India and China on their international status. Regarding the two issues that India

⁷ Malini Bhupta, "India's GDP Growth will Overtake China's Over 2016-18: Goldman Sachs," *Business Standard*, December 5, 2014, http://www.business-standard.com/article/economy-policy/india-s-economic-growth-will-overtake-china-s-over-2016-18-goldman-sachs-114120400588_1.html

raised, China has the capacity to tackle them with effectively by vetoing the issue and shelving it for a considerable period of time.

Moreover, with its status as a permanent member of the UNSC and a big nuclear power, China can obstruct India's demands without paying nearly any price, or even needs not to give a special response. India's hope and disappointment on the issue of Masood Azhar and India's NSG membership actually can be interpreted as a process that India, as a newly rising power, made a challenge to China. On these two issues, India suffered a failure on account of its miscalculations of China's strengths as a major actor in the international system and implementer of the international order.

At the regional level, the dispute that India raised about the CPEC did not get a positive response from China. Although China has been always holding an expectation for India's participation in the BRI, apparently, China does not accept India's logic that the CPEC is an obstacle to India's participation in the BRI. Regarding international law and diplomatic stance, China's stance is that the Kashmir issue is a historical issue between India and Pakistan. And also that it should be properly resolved by India and Pakistan through dialogue and negotiation. The CPEC will not affect China's stance on the Kashmir issue.⁸ China's stance is based on the UNSC Resolution 80, which was passed in 1950.

This resolution actually confirms India and Pakistan's governing right in their respective military controlled areas and the existence of a military demarcation line. Obviously, India does not accept the reason that China gives. However, to the great dismay of India, on March 17, 2017, the UNSC unanimously passed the Resolution 2344 on the Afghanistan issue, calling for strengthening regional economic cooperation by building the BRI and for providing security guarantee for the project.⁹ India declared that this resolution does not mean that as a major component of the BRI, the CPEC has obtained its international legitimacy. By whatever means, it is apparent that India cannot persuade against nor it can delay the progress of the CPEC, by any means that complies with the international rules and norms.

At the bilateral level, it should be noted that, over the past year, the "issues" which India raised at bilateral level are different from the ones that

⁸ http://m.guancha.cn/neighbors/2017_03_17_399296.shtml

⁹ <http://sh.people.com.cn/gb/n2/2017/0320/c138654-29879863.html>

were raised at regional and international level. The issues raised at the regional and international levels focus more on getting concessions from China, while those raised at bilateral level tend to be retaliation measures that India takes when its expectations are not met. Whether it is India's boycott of the Chinese products after the Diwali festival, or its conniving of the separation activities of the 14th Dalai Lama, the actual harm that India's counter measures have caused on China is very insignificant. In fact, it were the Indian importers who suffered the most. Regarding the activity of the 14th Dalai Lama, India's policy may get China feel embarrassed for the issue at the most, rather than cause any real damage to China. India's actions cannot cause any disputes over the sovereignty of Tibet and Modi can never cause some big disputes simply by some simple actions, like Trump simply making some calls. More than that Modi is also incapable of causing significant change in the security environment in the Tibet Autonomous Region or even the areas where Tibetan people reside in the four provinces neighbouring the autonomous region. What India can do is just show its actual control over the South Tibet area, but China would never recognise such actual control.

To sum up, Modi's issue-by-issue diplomacy, which has a very assertive outlook, failed to achieve the purpose of making India dominant in its overall diplomacy with China. It also failed to get actual benefits for India on specific issues. Modi's repeated test of the two countries' diplomatic understanding has resulted in growing distrust in China with regards to Modi's diplomatic idea and approach any more. After several rounds of issue based repulses between the two countries in 2016, differences between China and India grew farther. Regarding the specific diplomatic agenda, the two countries' stances did not get aligned but the distance between them got bigger. In April 2017, the 14th Dalai Lama went to south Tibet to conduct his spiritual activities. This, undoubtedly, will result in increasing reluctance and distrust on the Chinese side, affecting even the reasonable issue.

Besides the two countries' asymmetric strengths, the diplomatic strategies that the two countries adopt in dealing with each other are not on the same track. It is another reason why India's foreign diplomacy with China has not achieved satisfactory results. Out of consideration of its interest, India prefers to start from specific issue based diplomacy to test China's overall positioning of India in its foreign strategy. China is more willing to work within the overall framework of China-India relations.

China's this approach is in line with its traditions of foreign diplomacy. China stresses a holistic approach because it will facilitate averting conflicts over specific issues. Furthermore, it would be more favourable for China to maintain its relations with the strongest neighbour at the southern foot of the Himalayas. Moreover, according to the tradition of China's foreign policy, China tends to define its relations with its main subjects of foreign diplomacy from an overall perspective, rather than making judgment about the rights and wrongs on specific issues and the possible exchange of interest.

Considering China's diplomatic tradition, Modi's issue-by-issue diplomacy with China not only failed to achieve positive responses, but it will also lead China suspecting that Modi attempts to fundamentally change the present understanding about the nature of China-India relations. There is a huge gap between the two countries' understanding about the means of issue-by-issue diplomacy. The negative impacts that this divergence may have on the two countries' bilateral relations actually will be far greater than the negative impacts of their conflicts over specific issues. In conducting exchange with each other on certain cases, the impact of intentions of both the countries for each other may be bigger than the calculation and effect of the actual policies.

Modi's Approach towards the BRI and China's Response

So far, India has adopted an issue-based diplomacy with China and it is the lens with which it has developed an overall understanding of Beijing. On the contrary, China has preferred to maintain an overall stable state of the bilateral relations with India. However, this does not mean that China does not have specific demands from India. It also does not imply that China only hopes to maintain a so-called strategic cooperation partnership purely out of a consideration of saving cost. At present, China's main objective for India are two folds: First is to bring India in the closer ambit of the BRI and second is to take advantage of Modi's eagerness to push forward economic reform in India, so as to participate in India's infrastructure building and industrialisation process.

A considerable number of Chinese scholars believe that India's participation will have a very significant impact on the BRI and its overall

success in South Asia.¹⁰ Of course, there are also some scholars who are of the opinion that there are some significant differences between the regional development strategies that China and India have adopted. Therefore, they believe that it is unrealistic to expect a strategic coordination between the two countries. Considering its own industrial development, regional strategy, and foreign policy with China, India is unlikely to seriously participate in the BRI.

It should be noted that the Modi government's approach towards the BRI witnessed a process of development and change, and now, the attitude is still in a process of adjustment. It is still too early to make a judgment about whether Modi will participate or not, in the BRI. When Modi was elected as India's Prime Minister, he was relatively cautious in expressing his approach towards the BRI initiative. At that time, his basic strategy was to observe and evaluate. In 2016, India publicly stated that it refuses to participate in the BRI. The rationale it provided that the CPEC, as a flagship project of the BRI, runs through the Kashmir region, which India claims it owns, and it violates India's sovereignty. India cannot participate in the BRI in such a context¹¹.

Regarding this situation, a common opinion in China's academia and media is that India is just expressing its discontent with China by raising the CPEC issue as a reason. In fact, it is but one part of the strategy for dealing with China. Its aim may be: to force China to make dissection between the BRI and CPEC and further squeeze Pakistan; or to raise the asking price and force China to offer India a bigger concession in the BRI; or to achieve a hedge and force China to accept India's "Look East" policy and accept India's increasingly active role in Southeast Asia. These analyses seem valid in their respective perspectives but, before discussing why India refused to participate in the BRI citing the CPEC as a reason, there is need to discuss how China should deal with it.

¹⁰ The first essay focusing on India and its role in BRI was published in 2014, till now 718 papers have been published by various academic journals, most of them are positive or very positive to India's potential role in BRI and prospect of the cooperation between China and India in the framework of BRI.

¹¹ "Why India Refused to Participate in China-led OBOR Summit," *Financial Express*, May 15, 2017, <http://www.financialexpress.com/world-news/why-india-refused-to-participate-in-china-led-obor-summit/669062/>

Firstly, is India's refusal to participate in the BRI is a part of its distrust with regards to the CPEC or a crafty diplomatic instrument? The dispute and fight between India and Pakistan over Kashmir have been going on since half of the last century. The cause of further intensification of the dispute in 2016 was India's "long-range raids" carried out in Kashmir. The aggravating of the confrontation is due to that a cycle of escalating deterrence, which has long been existing between India and Pakistan. This has no direct connection with China or its project, the CPEC. What's interesting is that after India-Pakistan relations suddenly got strained in September 2016, India continued to express discontent with the CPEC in a high-profile way. It reasoned that the CPEC runs through the Kashmir region and that China started carrying out construction project in PoK without a prior communication with India. This method of building infrastructure violates India's sovereignty and contradicts China's stance over the issue of Kashmir.

Theoretically, if these reasons constitute India's stance over the issue, India should have clearly stated its stance when the CPEC was firstly proposed. However, when China and Pakistan began to push forward the CPEC in as early as 2014, India did not give any strong reaction. This may mean that at the start of implementation of the CPEC, India did not believe that this cooperation plan may achieve significant results, so it is not necessary to obstruct it; or it may mean that India's opposition to the CPEC does not constitute a diplomatic principle, but a diplomatic instrument, of India. Whatever it is the psychological motive behind the fact that India only gave some weak reaction when the CPEC was launched. However, now, it displays an increasingly stronger opposition, China must see that, since the moment when India officially raised sovereignty dispute as the reason why it opposed the CPEC. It has become impossible for India to participate in the BRI, on the condition that India accepts the CPEC, and the CPEC is considered a flagship project of the BRI initiative. Whether India uses the CPEC issue as a diplomatic stance or a diplomatic instrument, it now has constrained India's policy choice.

Secondly, regarding the inextricable link between the CPEC and BRI, is it possible for China to find alternative expression of "Flagship" or just exclude the CPEC from the BRI to satisfy India? China made a diplomatic and official explanation several years ago, stating that the CPEC is a

flagship project in the BRI.¹² At least, the following three conditions should be met for the CPEC to be a flagship project of the BRI:

- i. The CPEC should succeed and the conditions for achieving success should be replicated to other participating countries or regions of the BRI.
- ii. The positive spill-over effect brought by the CPEC should be helpful to promote economic integration and regional economic development in the Middle and South Asia regions, and should be able to generate regional overall benefit that exceeds the sum of the benefits for China and Pakistan.
- iii. Thirdly, the spill-over effect of the CPEC should be not so big as to affect the overall pushing forward of the BRI.

Only when the above three conditions are met at the same time, the CPEC can be worthy of its status as a flagship project of the BRI. India's obstruction actually affects the third level of the CPEC. If India succeeds in obstructing the project, or China cares too much about India's feeling and makes adjustment to its description of the relations between the CPEC and the BRI, it is likely that the former two of the three conditions cannot be achieved; and that China's diplomacy's credibility and the seriousness of its diplomatic discourse will be severely reduced. Therefore, it is unlikely for China to try to bring India in the BRI by changing the very description of the relations between the CPEC and BRI.

Thirdly, considering from the perspective of India's own interest, is it really necessary for it to participate in the BRI? While discussing India's participation in building of the BRI, the Chinese scholars tend to stress the economic cooperation between India and China,¹³ and China's comparative advantage in the area of building infrastructures. These are all factors that really exist, but China must take another very important issue into consideration: India can find substitutes for nearly all that China can offer

¹² In April 2015, Mr. Hong Lei, the then spokesman of the Ministry of Foreign Affairs of China, gave the view at the eve of President Xi Jinping's visit to Pakistan.

¹³ Wang Xiaowen and Li Baojun, "Reality Dilemma in Sino-India Relations: Cause and Prospect Analysis," *International Forum* 16, no. 2 (March 2014): 38-43.

under the framework of the BRI.¹⁴ Even if India's economic growth is really related to China-India economic cooperation, this relation is not generated under the framework of the BRI. In other words, without the BRI framework, China would still be able to maintain a very close cooperative relation with India.

Then, in such a situation, what is the point for India to be a part of the BRI? Lastly, since the inception of the BRI, the trade surpluses between China and most participating countries of the initiative have all been expanding. India is very sensitive to the trade imbalance between China and India therefore, such a situation undoubtedly will get India suspect the real effect of the BRI. The above mentioned reasons result in that in striving to persuade India to participate in building of the BRI, China not only needs to get round of the diplomatic dilemma that is caused by the CPEC. However, it also needs to persuade India, that if it participates in the BRI, India can get a return that is more attractive than the return India can get from the current China-India economic cooperation. This means that China must offer India some special preferential treatments that are more favourable than those for other participating countries of the initiative, at least, the other participating countries in South Asia. And these preferential treatments should not get India - its self-confidence and self-esteem is continuously strengthening, but as a token of good will. For China, this is basically a task that cannot be completed.

Fourthly, is India's participation a necessary condition for the BRI to succeed? This last question requires careful consideration on China's part. Does India's participation really play an irreplaceable role in building of the BRI and is it of an important strategic value? Theoretically speaking, India's participation will bring the following positive effects:

- i. To include an additional billion people in the initiative's market space will bring great market potential in the BRI.
- ii. This can help prevent India from obstructing the BRI in South Asia and achieve regional economic integration under leadership of China in South Asia.

¹⁴ For example, China could provide its most sophisticated High-Speed Railway System, CRH to India, but India could also get the similar technology from Japan.

- iii. It can provide a cooperation-based economic base for long-term stability of China-India relations and create conditions for solving of other issues in the bilateral relations.
- iv. It can provide more favourable conditions for globalisation of economy and establishment of the new global economic order in the post-Trans-Pacific-Partnership (TPP) era.

Undoubtedly, these effects are all that China desires. However, the question is: will these positive effects certainly occur if only India participated in the BRI? A simple counter question is: China-India bilateral economic relations play a much bigger role on China's economic development than the economic exchange between China and Pakistan. However, when it comes to the CPEC, China will refuse the demand from India - China's largest trading partner and the most important market in South Asia, without any hesitation. Then, what reason does China have to believe that India will provide coordination with China's diplomatic actions, or even handle the issue of bilateral relations according to China's wish, for the sake of market?

Moreover, China should take into account that India tried to obstruct the BRI since its inception in 2013. India has been always compelling Nepal to have contact with China and it takes a hostile view of China's port building activities in Sri Lanka. It has also publicly denounced the CPEC. The cooperation between China and the aforesaid countries are all achieving positive fruits. After the big earthquake occurred in Nepal, India imposed an effective blockade on Nepal, which resulted in that Nepal's sense of closeness to China is further strengthened. The change of regime in Sri Lanka resulted in some setbacks in the Colombo City Port, but other projects are being pushed forward smoothly and the port city project went back to construction one year later. As for Pakistan, the CPEC did not experience disruptions. Indeed, the cooperation between China and the medium and small-sized countries in South Asia does not always go very smoothly. Regarding the root cause, do these setbacks occur due to obstruction of India or due to some obstacles that necessarily will be encountered during the cooperation between China and these countries are not properly handled? This is a question that China must carefully consider during pushing forward the BRI.

China should know that, the key to success of the BRI is China's conduct in bilateral or small scale multilateral cooperation with the countries which are going to undertake the specific projects, on a mutually trusting and mutually beneficiary basis. And China should see that many problems arise under the framework of bilateral relations, for example, the security problem of the CPEC and the problem of the environment evaluation of the Colombo City Port project. To attribute all these problems to India's obstruction does not conform to the reality. Even if it does not underestimate India's bottom line: India may handle the BRI related issues based on a zero-sum game thinking, it overestimates India's capability of causing trouble to China in the South Asia region.

Ultimately, the success of the BRI will not be significantly affected by the obstruction from major powers from inside and outside of the region, but it depends on whether the specific fruits of the cooperation between China and participating countries can persuade more countries to have confidence with the BRI. Therefore, China should not insist on trying to persuade India to participate in the BRI, but should wait for India make its own choice and allow India to evaluate the nature and role of the initiative.