

# Is BRI a Catalyst to Propel Social Transformation and Economic Development in the South Asia ?

*Shradha Khanal\** & *Pranjali Kanel\*\**

## Abstract

*South Asia, home to early human civilization, is one of the richest regions with the diversity it holds; diverse in terms of culture, government system, environment, and their belief of statehood. Despite its diversity in South Asia, it faces a common set of problems that can be rooted back to the fracture in acceptance of differences among the South Asian countries that was the consequence of the common history of colonialism. The lingering effect of colonialism, internal conflict post-independence, and the ineffectiveness of democracy continue to hinder the social transformation and economic development of the South Asian region. The failure of SAARC has questioned the interconnectivity inside and outside South Asia for economic development and uplifting the living standard of people in South Asia. China with the principle of policy coordination, infrastructure connectivity, unimpeded trade, financial integration, close people to people ties and industrial cooperation proposed the concept of One Belt One Road Initiative later renamed to Belt and Road Initiative, is the model of development with the view of making Asia a community or building block transnational connectivity and the idea of connecting this region with infrastructural connectivity. While BRI proposes to integrate various parts of the world including South Asia bringing forth economic and social prosperity, this paper dwells upon the question if BRI can be a potential model to follow to propel social transformation and economic development in South Asia when South Asian countries lack trust within trust themselves. Can it be a catalyst when it is feared that BRI could be a potential foreign strategy to fulfill the aim of Chinese regional hegemony? The paper will be arguing whether it is most significant initiative taken by a state for international cooperation after the establishment of the United Nations, World Bank, or rolling out of Marshall Plan by the USA or is it just a strategy of a rising power to have hegemony. This paper will also assert the idea that political cooperation and social transformation is not possible without achieving economic prosperity.*

## Introduction

One Belt and One Road initiative is an ambitious, diplomatic, and development project

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\* Shradha Khanal is a BALLB 4th Year student at Kathmandu School of Law. She can be reached at [sshradha.kkhanal@gmail.com](mailto:sshradha.kkhanal@gmail.com).

\*\* Pranjali Kanel is a BALLB 3rd Year student at Kathmandu School of Law. She can be reached at [pranjalikanel98@gmail.com](mailto:pranjalikanel98@gmail.com).

for the comprehensive upliftment of people in Asia. These Asian states led initiative is taken as a driving factor for the swift of world order and leadership from being western-centric to Asian centric. Some experts understand BRI could be the manifestation of a replicated Chinese economy, however, the major focal point of this project is based on regional connectivity, political, and wellbeing of people in Asia.

BRI initiative concentrates the largest cooperation plan and integration of projects around Asia to fulfill the ultimate mission of regional prosperity and to make the Asian Century into reality. On the other hand, however, the initiative has brought many questions at the forefront over the period. Questions like, why was BRI launched? Are there, if any, ulterior intentions behind it? What is the possible effect of it in the regional geopolitics and geo-economics? What are the benefits and the challenges in implementation that the state partners have to deal with?

Collectively, BRI is the opportunity for the largest investments to connect the world's largest population centers and to initiate the new era i.e. revised new Silk Road era.<sup>1</sup> Initially understood as the sole “Chinese dream”, BRI is considered as a “game-changing initiative” and “umbrella initiative” for reviving the ancient Silk Road that includes two trade routes and six trade corridors.<sup>2</sup>

Once a forgotten region of the world, Asia now holds the world's fastest-growing economy, 10 billion population, largest banks, foreign exchange reserves, industrial and technological companies, biggest armies. Even countries like Russia and Turkey who have made the Asian region the second priority of their policies have inclined towards this region for cooperation in recent days.<sup>3</sup> The hub of the world's economy Asia represents 50% of the global GDP and two-thirds of global economic growth. Asia spending sufficiently estimated \$30 trillion in middle-class consumption growth between 2015 and 2030.<sup>4</sup>

According to the 2019 update of the World Bank Group, South Asia is considered the fastest-growing region in 2019 with a setup of 7% in 2019 with a target of 7.1 percent in 2020 and 2021.<sup>5</sup> When the western states are going through economic decline and uncertainty, South Asian countries instead of going backward are moving forward with the fastest growing economies states.

The South Asian region holds very diverse geography having coastal, island, and landlocked states. The region is also divided into developing and underdeveloped states. In the context of the BRI partnership, each South Asian State has a different equation with China. This aspect is very important because the trust and cooperation needed for economic transformation cannot be undermined. Principally, BRI is a

<sup>1</sup> Prayag Raj Khanna, 'Why we're living in the 'Asian Century'', 8 March 2019, *World Economic Forum* available at <https://www.weforum.org/agenda/2019/03/why-were-living-in-the-asian-century>, accessed on 24 February 2019.

<sup>2</sup> Profulla C. Sarkar, 'One Belt One Road Project is a Driving Force for Holistic Development of Eurasian Region: Challenges to Bangladesh' in Md. Nazrul Islam Editor (ed), *Silk Road to Belt Road: Reinventing the Past and Shaping the Future*, 1<sup>st</sup> edition, Springer, New York, p. 280.

<sup>3</sup> Prayag Raj Khanna, *The future is Asia: The commerce, conflict and culture in 21<sup>st</sup> century*, Simon & Schuster, 2014.

<sup>4</sup> Sarkar (n 2).

<sup>5</sup> 'The World Bank in South Asia', 11 October 2019, *World Bank Group Official Website* available at <https://www.worldbank.org/en/region/sar/overview#3>, accessed on 28 February 2019.

pivotal opportunity for making participation of all countries and making South Asia an inclusive trading hub. The biggest challenge in the case of South Asia is to integrate the states, which are in unique geographical positions, diverse populations, and are far from interconnectivity due to the lack of economic and infrastructural development.

BRI is a vital initiative in the South Asian Region to cooperate and achieve the results of building connectivity, mutual interdependence, creating a situation in which if every nation fell in dispute that will be resolved by settling disputes. Most importantly, such interdependence for collaboration leading to the economic rise of everyone can bring nations into trusted connectivity, thus contributing to avoid hegemonic attitudes of any partner nations.

### Concept and Foundational Principles of BRI

“The term one belt refers to an area consisting of either a region or a group of countries, at least two agreeing to work in partnership, forming a broader socio-economic development zone and the term one road refers to a thread of transportation link of the members engaged in partnership within that belt.”<sup>6</sup> BRI is for open, inclusive, and international cooperation. This is a model of economic development, which is based on partnership, collaborative investment, and ensures development benefits. It initiated engagement of dialogue among the nations of diverse civilization into a common ground sharing and benefitting from the resources and strengths of each state. The prospect of this initiation is peaceful coexistence, socio-economic development between the states. BRI is principally an initiation of peaceful coexistence, inclusive, and harmonious approach.<sup>7</sup>

The BRI project is based upon five principles of *Communication, Infrastructure development, and linkage, unimpeded trade, a financial system ensuring a state of smooth monetary circulation, and people to people exchange*.<sup>8</sup> The Foundational principle for OBOR has been inspired by Chinese philosophy “*TaoTe Ching*” that manifests a belief that *Tao* gave birth to the one and gave birth successively too many. It connotes a project, which is limited to one project”.<sup>9</sup> “*Tianxia* the Chinese philosophical concept refutes to recognize aggression, colonization, and confrontational practices as legitimate affairs of international relations. Tangibly, it has multiple interconnected networks with the shared benefits to all the stakeholders.”<sup>10</sup>

BRI propounds economic development with cooperation driven by the principle of sovereign equality of partner nations. Each state contributes to the development of the region with its unique characteristics. For example, Nepal can play a vital position for interconnectivity to provide hydropower energy, raw materials benefit to the other

<sup>6</sup> Yubaraj Sangroula, *South Asia China Geopolitics*, Lex & Juris Publication, Kathmandu, 2018.

<sup>7</sup> Ashish Adhikari, “Belt and Road Initiative and Nepal’s perspective: Regionality and Specificity”, vol. 6, no.1, *Kathmandu School of Law Review (KSLR)*, 2018, p. 44.

<sup>8</sup> Ibid.

<sup>9</sup> Sangroula (n 6), pp. 477-480.

<sup>10</sup> Ibid, p. 478.

states. Engaged states can play a vital role for building everlasting trust among nations and peace around the world.<sup>11</sup>

The BRI has been based on the principles of *extensive consultation, joint contribution, and shared benefits*.<sup>12</sup> Even though the history and partnership are based in the oriental part of the world, the BRI initiative has been open for partnership. The idea of BRI was proposed by the Belt and Road initiative issued by the National Development and Reform Commission, Ministry of foreign affairs, and Ministry of Commerce of the Peoples' Republic of China.<sup>13</sup> In the second belt and road forum for International Cooperation Chinese President *Xi Jinping* has indicated that a polar shift in the global strategic balance has indeed become a reality. Also, the silk road spirit which is peace and cooperation of openness and inclusivity through mutual learning and benefitting makes it possible to break this homogenous model of development narrative brought by the Western powers".<sup>14</sup>

### South Asian Perspective on BRI

According to the World Bank, South Asia is the fastest-growing region in the world with a rate of 7% in 2019.<sup>15</sup> Each state in the South Asian region has its priority for example; the priority of Sri Lanka has been the climate-related hazards. If we try to draw the same line then we can find that sustainable development is the ultimate goal of the South Asian states. To examine the BRI projects as the model project for South Asian cooperation and China and see its future we have to look into South Asia's country-based perspective regarding the matter:

- **India**

Indian viewpoint towards BRI was always about the larger political and strategic implications of the project rather than the economic development objective that it depicts on the surface.<sup>16</sup> The Indian Ministry of External Affairs in response to the absence of India in the BRI forum in Beijing, 2017 issued a statement, which majorly highlighted the issue for India's reluctance is based upon core concerns of sovereignty and territorial integrity of India. Similarly, the other highlighted issues for India are transparency, fairgrounds, debt burden for communities, lack of balanced ecological and environmental protection preservation standards, lack of transparent assessment of project costs and skill and technology transfer

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<sup>11</sup> National Development and Reform Commission, Ministry of Commerce of the People's Republic of China, 'Action plan on the Belt and Road Initiative', 28 March 2015 available at [http://english.www.gov.cn/archive/publications/2015/03/30/content\\_281475080249035.htm](http://english.www.gov.cn/archive/publications/2015/03/30/content_281475080249035.htm), accessed on 24 February 2019; Sangroula (n 6).

<sup>12</sup> Sangroula (n 6), p. 479.

<sup>13</sup> National Development and Reform Commission of PRC (n 11).

<sup>14</sup> Ibid.

<sup>15</sup> World Bank Group (n 5).

<sup>16</sup> Bhumitra Chakma, 'The BRI and India's Neighborhood', *Strategic Analysis*, 2019 available at <https://www.tandfonline.com/doi/full/10.1080/09700161.2019.1607030>, accessed on 24 February 2019.

to help long term running and maintenance of the assets created by local communities.<sup>17</sup>

The skepticism of India has been existing primarily with the unpredictable nature of the BRI initiative due to the ‘security dilemma’<sup>18</sup> prevalent between China and India. Besides this issue, its regional investment in Nepal, Bangladesh, Bhutan, Sri Lanka depicts India’s enthusiasm for regional connectivity. Similarly, with its participation in SAARC, BIMSTEC, Asian Infrastructure Investment Bank (AIIB) and BRICS depict the same. The idea of cooperation between these two rising powers i.e. India and China is one of the major issue if we want to make Asian Century a reality.

The overall response of India in the BRI projects can be analyzed in the ongoing 3 major mega projects in South Asia i.e. China-Pakistan Economic Corridor (CPEC), Bangladesh-China-India- Myanmar (BCIM), and 21<sup>st</sup> century Maritime Silk road.<sup>19</sup> In the BCIM corridor project, it is willing to be part of, but in the second CPEC, India is not willing to trust the initiative due to the reasons for sovereignty, security, and the debt trap of the project.

In regards to reconsidering the position of India in BRI, it is stated that there is no need to rethink India’s part because BRI lacks sovereignty and lacks transparency.<sup>20</sup> The minister’s statement came at the moment of the recent development of dispute regarding the Line of Actual Control (LAC) at *Pangong Lake* in the eastern *Ladakh* area in early September this year.

Three kinds of responses could be seen from the Indian side in response to the BRI project, which are:<sup>21</sup>

*Firstly*, India is concerned for its internal infrastructural development within its borders,

*Secondly*, India is concerned to extend its development project with the competition with China within the south Asian nations,

*Thirdly*, India instead of engaging in making its western neighbors move away from its neighborhood it is coordinating with western powers like the USA to

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<sup>17</sup> Jabin T. Jacob, ‘China’s Belt and Road Initiative and its implications for India’, 25 February 2019, *Heinrich Boll Stiftung* available at <https://in.boell.org/en/2019/02/25/chinas-belt-and-road-initiative-and-its-implications-india>, accessed on 25 February 2019.

<sup>18</sup> The security dilemma is a “political concept based on the assumption that due to the anarchical structure of international system states compete for defensive and offensive security to be secure and maintain order”; Martin Griffiths & Terry O’Callaghan, *International Relations: The Key Concepts*, 1<sup>st</sup> edition, Routledge, London, 2002, pp. 291-292.

<sup>19</sup> M. Baruah & C. Raja Mohan, ‘Connectivity and Regional Integration: Prospects for Sino-Indian Cooperation’ in Maximilian Mayer (eds), *Rethinking the Silk Road: China’s Belt and Road Initiative and Emerging Eurasian Relations*, Palgrave Macmillan springer, New York, 2004, p. 87.

<sup>20</sup> Dipanjan Roy Chaudhury, ‘India not changing its Belt & Road position: S Jaishankar’, *The Economic Times*, New Delhi, 2019 available at <https://economictimes.indiatimes.com/news/politics-and-nation/no-rethink-on-indias-position-on-belt-and-road-initiative-s-jaishankar/articleshow/71178098.cms>, accessed on 23 February 2019.

<sup>21</sup> Baruah & Mohan (n 19), p. 94.

give China a competition in the region. If India is to opt for the other way around for the benefit of the region and without compromising the security of the state it can collaborate with the BRI projects like in BCIM and turn it into its benefits.

- **Sri Lanka**

Sri Lanka is geographically close to India but China holds a greater influence especially economically in the country. Sri Lanka's geographical location in South Asia has made it a perfect trade hub of the region with Central Asia, Africa, and Southeast Asia bringing huge investment. The BRI project has been initiated in Sri Lanka from its launch with the underlining maritime connectivity strategy. China has invested in large-scale projects, which include seaports, the *Norochcholai* Coal Power Plant, *Mattala* Airport, Colombo-*Katunayake* Expressway, *Moragabakanda* Dam Project, and the Southern Expressway.<sup>22</sup>

The wide scope of the BRI projects includes geographical reach, financial investment and green infrastructural development as a major concern today when the entire world is targeted towards sustainable development and low carbon-oriented development. The aim of BRI is sustainable development.

BRI is guided by an “ecological civilization philosophy” for sustainable development, which includes goals such as resource efficiency and environmental protection. However, the commitment to green energy development has shown contrary in practice.<sup>23</sup>

The immediate need of Sri Lanka is to be domesticating the international standards in its national system as green port policies to prevent and control pollution in shipping and port. For example, countries like Singapore have adopted the standards in their domestic policies like having energy efficiency, financial incentives for the reduction of emission of air pollutants, a discount of 25% in port dues for the reduction in the carbon and non-carbon emissions. It has limited the use of Sulphur in the cause of acid rain and encourages the local maritime companies to opt for green technology.

The major concern of BRI projects in Sri Lanka is about environmental sustainability and energy efficiency. Air pollution and Water Pollutions are the major concerns of Sri Lanka. If there has been coordination and inclusion of green policies in the national system as a common objective of BRI connecting states then it can become the most efficient, green and sustainable project of the 21<sup>st</sup> century.

The major challenges with the BRI projects in Sri Lanka are<sup>24</sup>

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<sup>22</sup> Divya Hundlani, 'Navigating a Green BRI in Sri Lanka' cited in Md.Nazur Islam (ed), *Silk Road to Belt Road Reinventing the Past and Shaping the Future*, Springer, 2019, Chapter 13.

<sup>23</sup> Ibid, p. 217.

<sup>24</sup> Ibid, p. 227.

Firstly, due to poor institutional capacity and good governance, the challenges in the ad hoc level and individual implementation of BRI green policies.

Secondly, the increasing promotion for the development of infrastructure for fossil fuel resources which goes contrary to the environmental sustainability objective of the BRI initiative.

Thirdly, the lack of technological and financial structures to introduce and implement the green policies in Sri-Lanka.<sup>25</sup>

In the current scenario, Sri Lanka is governed by over 20 laws related to environmental protection which includes the 1980 National Environmental Act, 1981, Marine Pollution Prevention Act, 1981, Coastal Conservation Act, General anti-pollution rules, standards for emissions, water pollution including legislation to deter oil spills and oil dumping from ships. However, the national legislation has not been effective in relation to the multiple ongoing projects in Sri-Lanka.

- **Bangladesh:**

For the regional economic transformation, sub-regional economic cooperation is very important. Bangladesh-China-India-Myanmar is a very important corridor for South Asia's economic transformation. This has been an important project for the opportunity for Bangladeshi products, duty-free access to 22 products.<sup>26</sup> Due to the geopolitical location of Bangladesh between two rising states it can be benefited from trade. However, the bigger question is whether Bangladesh is prepared to invite this mega project investment of the BRI initiative.

The major obstacles are Bangladesh lacks the well-functioning financial system to deal with this huge investment, the unclear framework of granting loans and its long term effect, the transparency and corruption problem, the *Robingya* refugee problem between Bangladesh and Myanmar and the rivalry relationship between China and India would also affect Bangladesh to obtain the benefits from BRI initiative.<sup>27</sup>

- **Pakistan**

As a BRI project, the China-Pakistan corridor has under controversial cooperation in the region that opens doors in the Arabian Sea. The more India has been positive about the BCIM project in the region the more it has been skeptic about the China and Pakistan corridor and China's maritime investment in Pakistan, which has put *Gwadar* transforming it into an economic and commercial hub connecting the rest of Pakistan with a new highway.

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<sup>25</sup> Ibid.

<sup>26</sup> Sarkar (n 2), p. 282.

<sup>27</sup> Ibid, p. 289.

There has been a huge investment of China in Pakistan. In 2015, during *Xi Jinping's* state visit to Pakistan, China agreed to finance US\$46 billion of projects across Pakistan, including US\$11 billion to upgrade Gwadar port and build new roads and a railway. The “China–Pakistan Economic Corridor” will run from *Gwadar*, over the 4,700-metre-high *Khunjerab* Pass on the Chinese border, to *Kashgar* in the region of Xinjiang. A further US\$34 billion was allocated to energy projects, presumably including the cost of building oil and gas pipelines alongside the expanded Karakoram Highway.<sup>28</sup> Strategically some consider the corridor has the major two objectives, “which are to open up an alternative route for oil imports from the Middle East and to persuade Pakistan to do more to combat violent extremism seeping over its border.”<sup>29</sup>

However, the investment on the projects in Pakistan has three major challenges, which are terrorist attacks, the security of the huge investments, and immigrants. Over the 15 years, Chinese engineers and workers have been the regular targets of the Taliban and the other militant groups.<sup>30</sup> Due to the location of *Gwader* in Balochistan province where the members of these groups are rebelling against the immigrants and outsiders who could exploit the mineral, fuels, and natural resources of this region.

- **Nepal:**

After the six years of commitment to BRI, Nepal is yet to experience the benefit of the BRI projects in the country. The reasons for this delay had been the change in commitment with the change of government, lack of vision and framework to get benefit from the huge investment that BRI brings in, pressure from the western countries, and the inefficient bureaucratic structures and institutions.<sup>31</sup> Former Prime Minister *Pushpa Kamal Dahal* signed the MOU with China in 2017 in five major areas of policy exchange, financial integration as well as infrastructures, trade, and people-to-people connectivity.

In an event, *Surendra Pandey*, Former finance minister stated that the top Chinese officials often complain to Nepal for asking support without even clearly communicating priorities. In this situation, Nepal should have a clear national policy to develop the country.<sup>32</sup> In addition to that, the Chinese officials are skeptical about the commitment of Nepal towards BRI. The reasons behind it are the “Nepal’s strategy to balance between India and China, frequent change of guard in *Singha Durbar*, the slow pace of implementation of the agreed project.”<sup>33</sup>

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<sup>28</sup> Tom Miller, ‘A String of Pearls: Fear and Loathing in The Indian Ocean’, *China’s Asian Dream: Empire Building Along the New Silk Road*, Zed Books, London, 2017, Chapter 5.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> Kamal Dev Bhattarai, ‘Nepal’s BRI journey heavy on promises light on substance’, *Annapurna express*, 2019.

<sup>32</sup> ‘Ruling NCP leaders stress capitalizing on China’s rising influence in world order’, *Republica*, Kathmandu, 2019 available at <https://myrepublica.nagariknetwork.com/amp/ruling-ncp-leaders-stress-capitalizing-on-china-s-rising-influence-in-world-order/>, accessed on 10 January 2020.

<sup>33</sup> Subhash Ghimire, ‘Chinese experts skeptical of Nepal’s commitment to BRI’, *My Republica*, Beijing, 4



Under the Trans Himalayan connectivity project, the Nepal-China cross border railway is one of the significant projects in BRI. The Kerung-Kathmandu railway line to be constructed has its difficulties primarily the difficulty of typography. Despite the agreement, the major debate between the two countries is to determine whether the projects under BRI should be loan or grant-based. Nepali side has been asking for the projects to be grant-based whereas the Chinese are stating that the project should be loan based.<sup>34</sup> However, some scholars are taking this as a debt trap strategy of China which she completely denied.

According to agencies such as Nepal Institute of International and Strategic Studies, Nepal to make BRI projects successful in Nepal isn't possible without engaging India in line as Nepal shares long and open borders with India. Nepal should adopt a balanced approach to take India into confidence because this global initiative involves wide geopolitical consideration.<sup>35</sup>

- **Bhutan:**

Bhutan has not boarded into the BRI initiative because like India it has boycotted the second BRI forum held in 2017. In recent days, Bhutan has reiterated a position to understand the project and choose to understand what Bhutan can get benefits from it. The special bilateral relations that it shares with India and no diplomatic relations with China there is whole pressure in the state not to extend the cooperation in terms of infrastructural connectivity and possible hydropower projects. As lots of special assistance in terms of transitional trade and hydropower projects of 10,000 MW it has been getting from the Indian side, it is very hard to decide to join BRI on reasonable grounds.<sup>36</sup>

- **Maldives**

Maldives was among the first countries in South Asia who has extended their hands for cooperation in BRI projects for the economic transformation of the country. The geographical location of Maldives has been significant for the shipping route for the supply of the oil between the Middle East and Asia. However, over the years it has been struggling to deal with the Chinese debt "most of which is in the form of sovereign guarantees on Chinese loans to Companies".<sup>37</sup>

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September 2017 available at <https://myrepublica.nagariknetwork.com/news/chinese-experts-skeptical-of-nepals-commitment-to-bri/>, accessed on 25 February 2019.

<sup>34</sup> Ibid.

<sup>35</sup> Kamal Dev Bhattarai, Nepal's BRI journey: Heavy on promises, light on substance, *The Annapurna Express*, Kathmandu, 2 June 2019 available at <https://theannapurnaexpress.com/news/nepals-bri-journey-heavy-on-promises-light-on-substance-1600>, accessed on 26 February 2019.

<sup>36</sup> Nihar R Nayak, 'Bhutan says no to BRI', *Air world service*, 2019 available at <http://airworldservice.org/english/archives/94585>, accessed on 26 February 2019.

<sup>37</sup> Simon Mundy & Kathrin Hille, 'The Maldives counts the cost of its debts to China', *Financial times*, Taipei, 11 February 2019 available at <https://www.ft.com/content/c8da1c8a-2a19-11e9-88a4-c32129756dd8>,

The current government of Maldives has rather a darker view towards BRI that claims that the overall cost of the project, the loans that funded them have inflated with the surplus inflowing to the pocket of the corrupt male officials.

- **Afghanistan**

From the beginning, Afghanistan had shown keen interest to be part of OBOR and China- Pakistan Energy Corridor (CPEC). Holding the historical significance as a foundational location for the ancient Silk Road to promote regionalism is the major core of Afghan foreign policy.<sup>38</sup>

To be part of the CPEC which holds the four major components such as: -“Transit and trade, infrastructure, energy cooperation and economic integration “Afghanistan needs to a renewal of the expired Afghanistan-Pakistan Transit Trade Agreement (APTTA), build the trans-Hindukush motorway, and Railway line to Central Asia. With the huge potential of producing energy from hydropower, solar, and wind energy, investment in these sectors can help in the trade deficit of the country.<sup>39</sup>

## Challenges

The grand vision of the BRI initiative which is ‘development and prosperity through connectivity’ after 6 years of its proposal has brought regions together, especially Asian states together. This can be supported by the data that in 2019, 125 countries and 29 international organizations have signed an agreement with China to be part of the BRI initiative.<sup>40</sup> However, as the BRI projects have continued to progress over the region, certain concerns have surfaced. These concerns pose as reasons, which are why it is inferred that South Asian states would fall behind to fulfill their commitment towards this initiative.

- **BRI as a debt trap**

One of the major concerns raised in regards to BRI is that it is said to be part of their foreign policy strategy: debt-trap diplomacy. While this project lends money for infrastructural development, it also leaves many with unsustainable debt. Eyes have been raised over the model opted by China, the ‘obsolescing bargain model’, in which the more China invests in a host country, the receiving state has less bargaining power. This would increase the demand for renegotiation.<sup>41</sup> It is

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accessed on 27 February 2019.

<sup>38</sup> Ahmad Bilal Khalil, ‘Linking Kabul to both the China-Pakistan Energy Corridor and OBOR could go a long way in bringing the region together’, *The Diplomat*, 24 April 2017 available at <https://thediplomat.com/2017/04/linking-afghanistan-to-chinas-belt-and-road/>, accessed on 25 February 2019.

<sup>39</sup> Ibid.

<sup>40</sup> ‘Why Belt and Road Initiative is anything but debt trap’, *China daily*, Xinhua, 2019 available at <http://www.chinadaily.com.cn/a/201904/14/WS5cb26c77a3104842260b60d7.html>, accessed on 24 February 2019.

<sup>41</sup> Brook Larmer, ‘What the World’s Emptiest International Airport Says About China’s Influence’, *The New York Times*, 2017 available at <https://www.nytimes.com/2017/09/13/magazine/what-the-worlds-emptiest-international-airport-says-about-chinas-influence.html>, accessed on 21 February 2019.

said that the loan offered in cases like this is like a drug addiction which would in turn trap the states in debt servitude.<sup>42</sup> There are also concerns surrounding low-income countries which may be borrowing excessive and unsustainable amounts in the non-transparent deal from China and private creditors.<sup>43</sup> It is also important to note that BRI has been enshrined into China's constitution which puts a subtle pressure on state companies and officials to continue lending.<sup>44</sup>

For example, Sri Lanka in 2017 was unable to repay China for a loan used to build a new port in the city of *Hambantota*. As a result, it signed over to China a 99-year lease for its use, which has been suspected of being used for the Chinese strategic base for its navy.<sup>45</sup> Other examples are Djibouti where public debt has risen to roughly 80% of the country's GDP, which has placed the country at high risk of debt distress.<sup>46</sup>

Center for Development Report identified 68 countries that fall under the scope of BRI based on reports from Chinese quasi-official organizations along with BRI's geographical location.<sup>47</sup> The report also pointed out eight countries: Djibouti, the Kyrgyz Republic (Kyrgyzstan), Lao People's Democratic Republic (Laos), the Maldives, Mongolia, Montenegro, Pakistan, and Tajikistan, which are at the highest risk of suffering debt distress due to BRI related financing.<sup>48</sup> IMF has previously raised concerns regards to the countries inclined to BRI projects with already higher public debts<sup>49</sup>. The added debt from BRI projects would lead to the engaged states' unsustainable debt situation.

The Report of Joint Communique of the Leaders' Roundtable chaired by *Xi Jinping* in the second Belt and Road Forum for International Cooperation themed on Belt and Road Cooperation in 2019 addressed the issue of debt. It stated "The parties should collaborate among national and international financial institutions to provide diversified and sustainable financial support for projects. Also, encourage local currency financing, the mutual establishment of financial

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<sup>42</sup> Ibid.

<sup>43</sup> Murray Heibert, 'Southeast Asia Financial Integration and Infrastructure Investment: What Role for the United States?', *Center For Strategic and International Studies Brief*, 25 January 2018 available at <https://www.csis.org/analysis/southeast-asia-financial-integration-and-infrastructure-investment-what-role-united-states>, accessed on 1 February 2019.

<sup>44</sup> Dylan Gerstel, 'It's a (Debt) Trap! Managing China-IMF Cooperation across The Belt Road', *Center For Strategic and International Studies* available at <https://www.csis.org/npfp/its-debt-trap-managing-china-imf-cooperation-across-belt-and-road>, accessed on 1 February 2019.

<sup>45</sup> Mark green, 'How Belt and Road threatens countries' ability to achieve self-reliance', *Foreign policy*, 2019 available at <https://foreignpolicy.com/2019/04/25/chinas-debt-diplomacy/>, accessed on 26 February 2019.

<sup>46</sup> Ibid.

<sup>47</sup> John Hurley, Scott Morris & Gailyn Portelence, 'Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective', *CDG Policy Paper 121*, March 2018 available at <https://www.cgdev.org/publication/examining-debt-implications-belt-and-road-initiative-a-policy-perspective>, accessed on 24 January 2019.

<sup>48</sup> Ibid.

<sup>49</sup> Murray Heibert, 'Southeast Asia Financial Integration and Infrastructure Investment: What Role for the United States?', *Center For Strategic and International Studies Brief*, 25 May 2018 available at <https://www.csis.org/analysis/southeast-asia-financial-integration-and-infrastructure-investment-what-role-united-states>, accessed on 1 February 2019.

institutions, and a greater role of development finance in line with respective national priorities, laws, regulations, international commitments, and the agreed principles by the UNGA on debt sustainability. To encourage multilateral development banks and other international financial institutions to reinforce their support to connectivity projects in fiscally sustainable ways as well as the mobilization of private capital into projects in line with local needs.”<sup>50</sup>

In response to this concern, China in its Debt Sustainability Framework for Participating Countries of the Belt and Road Initiative has emphasized financial connectivity. For sustainable and inclusive growth debt sustainability needs to be taken into account when mobilizing funds to finance the BRI cooperation. The BRI-DSF is used for debt sustainability analysis (DSA) of BRI to low-income countries. Low-income countries are eligible for concessional loans from the Poverty Reduction and Growth Trust and the International Development Association and eligible for IDA grants. BRI-DSF will deal with the following aspects, which are:<sup>51</sup>

- (i) Debt coverage
- (ii) Macroeconomic Projections
- (iii) Realism tools
- (iv) Country Classification and Debt Carrying Capacity
- (v) Stress Tests
- (vi) Risk Signals
- (vii) The Use of Judgment
- (viii) The Final Risk Ratings
- (ix) The DSA Write Up’s mentioned in the framework

The particular framework was “based on the IMF/World Bank Debt Sustainability Framework for Low-Income Countries (hereinafter referred to as LIC-DSF), as well as the national conditions and development stages of BRI countries.”<sup>52</sup>

“Any external debt contracted by the central bank on behalf of the government would constitute public debt (for instance, borrowing from the IMF). In contrast, in BRI-DSF central bank issuance or foreign exchange swaps for monetary policy or reserves management are excluded from external public debt.”<sup>53</sup> For the credible assessment of debt sustainability, the BRI-DSF includes three realism tools which are Drivers of debt dynamic, Relationship between public

<sup>50</sup> ‘Joint Communique of the Leaders’ Roundtable of the 2nd Belt and Road Forum for International Cooperation’, 27 April 2019, *Ministry of Foreign Affairs of People’s Republic of China* available at [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1658766.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1658766.shtml), accessed on 25 February 2019.

<sup>51</sup> ‘Debt Sustainability Framework for Participating Countries of the Belt and Road Initiative’, *Ministry of Finance of People’s Republic of China*, 25 April 2019 available at <http://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/201904/P020190425513990982189.pdf>, accessed on 26 February 2019.

<sup>52</sup> *Ibid.*

<sup>53</sup> *Ministry of Finance of People’s Republic of China (n 51).*

investment and growth, Relationship between fiscal adjustment and growth.<sup>54</sup>

● **BRI deteriorating environmental sustainability sustainable development**

The monitoring bodies on the environmental impact such as WWF have put out a report on the adverse effect of the BRI project in the environment. The expected infrastructural development includes the oil and gas pipelines to Russia, Kazakhstan. and Myanmar, a railroad network to the Netherlands, a high-speed railway to Singapore, a highway linking Peshawar and Karachi in Pakistan, the recently inaugurated railway between Nairobi and Mombasa and the first fully electrify railway linking Addis Ababa to Djibouti.<sup>55</sup>

The immediate problems would be the extinction of species, poaching, wildlife mortality, pollution, restrictions of animal movement. According to the WWF briefing paper, 2017 on BRI the threat has been categorized as:<sup>56</sup>

- a) A BRI corridor threatens the 265 species, which includes 39 critically endangered species and 81 endangered species.
- b) A BRI corridor overlaps with 1,739 important bird areas/key biodiversity areas and 46 biodiversity hotspots.
- c) BRI projects impact 32% of the total area of all protected areas in the country
- d) The destruction has an effect on having huge floods.
- e) The BRI project has a huge impact on the wilderness characteristics of biodiversity.
- f) The major concern of the BRI project is the sustainable development characteristics of the BRI.

Further, the initiative has been accused of extraditing excessive raw materials such as sand and limestone for the production of concrete, sand, cement, and fossil fuels affecting river deltas and coastal and marine ecosystems. China being responsible for one-third of greenhouse gas emissions environmental sustainability is a crucial question to be dealt with at initials.<sup>57</sup> This invites the application of Strategic Environmental and Social Assessments (SEAS) and credible Environmental Impact Assessments (EIAs), the environmental assessment that China has been using since the 1990s of the BRI along each major economic corridor that provides a systematic evaluation of the environmental

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<sup>54</sup> Ibid.

<sup>55</sup> Fernando Ascensão & Lenore Fahrig, 'Environmental challenges for the Belt and Road Initiative', *Nature Sustainability*, vol. 1, 2018 available at <http://www.fennerfoundation.org.au/wp-content/uploads/2018/06/Ascencao-et-al.-2018-BRI.pdf>, accessed on 24 February 2019.

<sup>56</sup> WWF, 'THE BELT AND ROAD INITIATIVE: WWF Recommendations and Spatial Analysis', *WWF briefing paper*, 2017 available at [http://awsassets.panda.org/downloads/the\\_belt\\_and\\_road\\_initiative\\_\\_\\_wwf\\_recommendations\\_and\\_spatial\\_analysis\\_\\_\\_may\\_2017.pdf](http://awsassets.panda.org/downloads/the_belt_and_road_initiative___wwf_recommendations_and_spatial_analysis___may_2017.pdf), accessed on 26 February 2019.

<sup>57</sup> Ibid, p. 3.

consequences of proposed policies, plans, and programs.<sup>58</sup> EIAs and SEASs can however become complex when infrastructure projects are trans-boundary like that of the BRI projects and funded by a mix of international, national, and private funds.<sup>59</sup> It is also important to note that given the projects of BRI, it would be divided into sub-regions and sub-projects as per the division of project which would mean more concise and up-close EIAs and SEASs which would be under the supervision of the concerned states engaged in the subprojects.

*Xi Jinping* addressed the issue of environmental sustainability at the opening ceremony of the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC). He encouraged pursuing green, low-carbon, circular and sustainable development approaches to protect the environment and ecology.<sup>60</sup>

However, 'Energy consumption, carbon dioxide emission, economic growth, foreign trade and urbanization are cointegrated.'<sup>61</sup> Rapid economic growth leads to an increase in energy use. This leads to higher energy consumption which harms the environment.<sup>62</sup> BRI focuses on projects that are integral to infrastructural development. Transport infrastructure integration is one of the core objectives of BRI which would incorporate its five principles through enabling the free flow of economic benefits and efficient resource allocation along with the deep integration of markets.<sup>63</sup> BRI economies make up 42.8% of world energy consumption and these economies require energy to start mega-projects, like that of transport infrastructure integration which increases air pollutants and environmental degradation.<sup>64</sup> There are close ties between BRI objectives and SDGs.<sup>65</sup> Rapidly growing energy consumption and the energy market is one of the prime hurdles to achieving BRI goals.<sup>66</sup>

Report of Joint Communique of the Leaders' Roundtable chaired by *Xi Jinping* in the second Belt and Road Forum for International Cooperation themed on Belt and Road Cooperation in 2019 addressed the issue of environmental sustainability by incorporating the input to be put by the engaged countries in the BRI projects. It stressed for 'open, green and clean' cooperation by work

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<sup>58</sup> Ibid.

<sup>59</sup> Ascensão (n 55), pp. 206-209.

<sup>60</sup> 'Full text of Chinese President Xi Jinping's speech at opening ceremony of 2018 FOCAC Beijing Summit', *Xinhua net*, Beijing, 9 March 2018 available at <http://www.xinhuanet.com/english/2018-09/03/c129946189.html>, accessed on 24 February 2019.

<sup>61</sup> Sharif Hossain, 'An Econometric Analysis for CO2 Emissions, Energy Consumption, Economic Growth, Foreign Trade and Urbanization of Japan', *Low Carbon Economy*, 2012 available at [https://www.scirp.org/pdf/LCE20122300004\\_83494145.pdf](https://www.scirp.org/pdf/LCE20122300004_83494145.pdf), accessed on 3 March 2019.

<sup>62</sup> Ibid.

<sup>63</sup> 'The Belt and Road Initiative: 65 Countries and Beyond', 2016, *Fung Business Intelligence Centre* available at <https://www.fbicgroup.com/?q=reports&page=4>, accessed on 10 January 2020.

<sup>64</sup> Muhammad Hafeez et al., 'Evaluating the Energy Consumption Inequalities in the One Belt and One Road Region: Implications for the Environment', *Energies*, 2019.

<sup>65</sup> Paul D et al., 'CCIED 2019 Highlights', *CCIED Bulletin*, vol. 208, no. 32, June 2019, IISD Reporting Services available at <https://enb.iisd.org/ccied/agm/2019/html/enbplus208num32e.html>, accessed on 24 February 2019.

<sup>66</sup> Ibid.

together for bringing national legislation, regulatory frameworks, international obligations, applicable international norms and standards. It also emphasized the development of green finance including the issuance of green bonds as well as the development of green technology. It also urged all the interested parties to support the implementation of the UN resolution on the Midterm Comprehensive Review of the International Decade for Action, “Water for Sustainable Development”.<sup>67</sup> The steps which are brought forthwith suggest China wanting to work together, following international standards to mitigate any implication brought by the BRI projects to the environment and its sustainability. Furthermore, the debate between development and the environment is ongoing for a very long time. In such an instance, instead of succumbing to the debate it would be wise for the South Asian countries to cooperate and work together by implicating best practices taking forward both development and environment simultaneously.

- **BRI as propaganda for Sino hegemony and to have a wider influence in the region**

The trust towards BRI has been divided into two parts i.e. one side of states believing that through multilateral and bilateralism approach BRI is the ultimate project of interconnectivity to address the global challenges and trans-border issues. On the other side, BRI is speculated as a grand strategy of China to gain influence across the Eurasian continent where the “world’s economic centers and natural resources” lies.

On one hand, China’s “Silk Road spirit” is highlighted while tracing the historical roots of the BRI which is still perceived as valuable nowadays. It denotes the spirit of “peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit” conveying a message to the world that China is not only constructive power but also a responsible and peace-loving actor in international society.<sup>68</sup>

China through BRI in Asia, unlike that of the US, has extended its grip by huge investment in infrastructures and overland routes through Myanmar and Pakistan to connect its mainland to local seas. The amount of investment of China in the eastern rimland as a major geostrategic location surpasses that of the US, which is going to challenge the existing influence of Eastern Asia. Even though the present American government focuses on America’s first policy, it is triggered by slight communication among China and South Asian states. With the number of rising powers from Asia, it is not hard to accept the fact that there is a multipolarity of power and not unipolar influence of a single state.

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<sup>67</sup> Joint Communique of the Leaders’ Roundtable of the 2nd Belt and Road Forum for International Cooperation, 27 April 2019, Beijing, China, *Ministry of Foreign Affairs, the People’s Republic of China Official Website* available at [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1658766.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1658766.shtml), accessed on 25 February 2019.

<sup>68</sup> Haiqing Huang, ‘China’s image in the Belt and Road Initiative: case study of Pakistan and India’, *Lund University, Centre For East and South-East Asian Studies*, 2018.

However, it is also important to note that one authoritative Chinese document states that the economic corridors help facilitate “an efficient and smooth Eurasian market,” and create opportunities for the development of Eurasia’s “hinterland.”<sup>69</sup> China, using soft power, is said to have to publicize its Chinese characteristic of political values through the discourse of a new international system, BRI, and promote China’s values and ideals to the world.<sup>70</sup> Infrastructural development along the BRI countries would grow, thus, causing an increment in the demand for Chinese goods and services. Most of the countries engaged in BRI projects already share good economic and trade relations with China, mostly in the form of exports of raw materials and natural resources in exchange for the import of manufactured goods. Therefore, reducing trade barriers and opening new trade routes, or simply reviving the ancient route would likely increase bilateral trade with China.<sup>71</sup> This would be economically beneficial to the countries in the bilateral trade with China, but this is also analyzed as a way of China promoting its culture and thinking and implementing it through the means of economy and trade.<sup>72</sup> This would create a feasible way for China to gain influence in the Eurasian region while simultaneously challenging the US hegemony over the world economy.

BRI has thus been analyzed as a way for China to simultaneously achieve two geopolitical objectives: amassing strategic influence in Eurasia’s heartland while deftly avoiding direct competition with the United States.<sup>73</sup>

China’s involvement in addressing that development is the fundamental way to solve the *Rakhine* issue while establishing a China-Myanmar-Bangladesh Group mechanism to be responsible for the concrete implementation of reparation-related work shows the grasp and influence of China and BRI project over South Asia. This has shown a positive response to solve the *Robingya* problem between Bangladesh and Myanmar and also hints towards the steps towards the success of regional cooperation.<sup>74</sup>

- **Transparency and corruption**

The lack of transparency has led the economy of the developing countries more

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<sup>69</sup> Joel Wuthnow, ‘Chinese Perspectives on the Belt Road Initiative: Strategic Rationales, Risks, and Implications’, *Center for the Study of Chinese Military Affairs Institute for National Strategic Studies China Strategic Perspectives*, No. 12, 2017.

<sup>70</sup> Haiqing Huang (n 68)

<sup>71</sup> Alessia Amighini, ‘Towards a New Geography of Trade?’ cited in Alessia Amighini (ed), *China’s Belt and Road: a Game Changer?*, *Istituto Per Click Stuck Di Political Internazionale (ISPI)*, 2017, p. 121 available at <https://www.ispionline.it/it/pubblicazione/chinas-belt-and-road-game-changer-16775>, accessed on 24 February 2019.

<sup>72</sup> CCIED Bulletin (n 65).

<sup>73</sup> Wuthnow (n 69).

<sup>74</sup> Andrew Korybko, ‘Will China’s Belt and Road (BRI) Diplomacy Facilitate a Rapprochement between Myanmar and Bangladesh?’, *Global Research*, 2019 available at <https://www.globalresearch.ca/will-chinas-belt-and-road-bri-diplomacy-facilitate-a-rapprochement-between-myanmar-and-bangladesh/5690233>, accessed on 24 February 2019.



vulnerable and made the poor country suffer more who are already suffering from financial or fiscal distress. That when the developing nations fail to pay the loan, they suffer from the economic hurdle and that can also lead to losing sovereignty.<sup>75</sup>

BRI investments and projects in infrastructure and manufacturing have the potential to drive economic development but these projects can also be the source of real economic concerns, not least undeveloped local markets being swamped with cheap Chinese manufactures. A lack of transparency or consultation and perceived lack of benefits to local communities, including the use of imported Chinese workers, has led to public backlashes against projects in Myanmar (the *Myitsone* dam project) and Sri Lanka (Colombo Port project).<sup>76</sup>

- **Relativity and inclusivity among the South Asian countries**

South Asian countries, despite being in one sub-continent, are relative in terms of their government, the foreign policies that they adhere to, and even the context of their existence as a state. In such circumstances, it has not always been easy to create a situation of inclusivity among the South Asian countries. The post-colonial scenario in the case of South Asia has been a major reason for the lack of trust among the states.<sup>77</sup>

However, in South Asia, BRI has been seen as one of the main drives for infrastructure construction in a region that must bridge the ever-growing gap between its economic potential and the realities of its insufficient infrastructure. China and its policymakers are offering the same through BRI to the South Asian countries.<sup>78</sup>

BRI so far has been drawing international support due to the willingness of the Chinese leadership to be engaging in inclusiveness and providing an even platform for all the countries that the current world order has failed to provide.<sup>79</sup>

The China-Pakistan Economic Corridor and the Bangladesh-China-India-Myanmar Economic Corridor under the BRI could play an instrumental role

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<sup>75</sup> Mark green, 'How Belt and Road threatens countries' ability to achieve self-reliance', *Foreign policy*, 2019 available at <https://foreignpolicy.com/2019/04/25/chinas-debt-diplomacy/>, accessed on 26 February 2019.

<sup>76</sup> David Brewster, 'Dangers of China Building The Belt and Road into South Asia', *Macdonald Laurier Institute*, January 2018 available at <https://www.macdonaldlaurier.ca/dangers-china-building-belt-road-south-asia-david-brewster-inside-policy/>, accessed on 10 January 2020.

<sup>77</sup> Ajay Pratap Singh & Vivek Sugandh, 'Colonial Legacy: An Impediment to Regional Integration in South Asia', *Vivekananda International Foundation*, 2019 available at <https://www.vifindia.org/article/2019/january/25/colonial-legacy-an-impediment-to-regional-integration-in-south-asia> accessed on 24 February 2019.

<sup>78</sup> Toumert AI, 'BRI creates new Asian paradigm for global economic integration and inclusiveness', *Global Times*, 15 April 2019 available at <http://www.globaltimes.cn/content/1146030.shtml>, accessed on 24 February 2019.

<sup>79</sup> Huaxia, 'BRI set to spearhead Asian century through integration, connectivity: former Malaysian minister', *Xinhua Net*, 16 August 2019 available at [http://www.xinhuanet.com/english/2019-08/16/c\\_138313246.htm](http://www.xinhuanet.com/english/2019-08/16/c_138313246.htm), accessed on 24 February 2019.

in boosting connectivity in the region but it will only be a success if the South Asian countries can achieve inclusiveness amongst its relativity. India's consistent resistance towards CPEC citing reasons relating to the project as violating India's sovereignty possesses a major challenge with the implementation of BRI projects.<sup>80</sup>

Challenges such as the lingering fear of BRI investment turning into a debt trap, the concerns regarding environmental sustainability and energy efficiency have been pointed by some of the South Asian countries. India's continuous reluctance towards the BRI projects citing lack of transparency and challenge to her sovereignty<sup>81</sup> is also proving a challenge for the formulation of South Asian consensus towards BRI projects where other South Asian countries are more inclined to BRI projects than of India. Although China has stepped up in terms of addressing the *Rohingya* refugee problem<sup>82</sup> the fear of the problem escalating and the position of distrust amongst nations remain. To top it off, the lack of SAARC operation and inaugural of its summit, whose schedule has now become long overdue have put the relativity and inclusivity of the South Asian region in terms of cooperation in question.

### **Final Comment: BRI success in South Asian context amongst foreshadowed skepticism**

In recent years, the world has witnessed the growth of India and China as a rapidly growing economy.<sup>83</sup> This rapid growth of the economy has been able to fulfill the gap in the world economy which was created when the western economy fell. This fulfillment of the gap in the world economy has woven the path to the Asian century.<sup>84</sup> Asian century has opened the vast amount of opportunities to address the socio-economic problems that arose with the Western connotation of Asia and their colonial rule, which Asia continues to face to date.

The colonial legacy in South Asia continues to hinder regional cooperation which is evident with the ineffectiveness of SAARC itself. With the variation of industries that this region shares, it too shares common problems like that of corruption, political unrest, security threat along with the effect of a colonial legacy. This accumulation of similar problems in the South Asian countries have not only resulted in the lack of

<sup>80</sup> Adrein Morin, 'South Asia: A Major Security Threat to China's Belt and Road Initiative', *The Foreign Analyst*, 15 January 2018 available at <https://theforeignanalyst.com/south-asia-a-major-security-threat-to-chinas-belt-and-road-initiative/>, accessed on 24 February 2019.

<sup>81</sup> Ibid.

<sup>82</sup> Korybko (n 74).

<sup>83</sup> John Ross, 'Why Are China and India Growing So Fast? State Investment', *Huffpost*, 6 December 2017 available at [https://www.huffpost.com/entry/china-india-growth\\_b\\_11655472](https://www.huffpost.com/entry/china-india-growth_b_11655472), accessed on 29 February 2019.

<sup>84</sup> Asian Development Bank, *Asia 2050: Realizing the Asian Century (Executive Summary)*, Asian Development Bank, 2011 available at <https://www.adb.org/publications/asia-2050-realizing-asian-century>, accessed on 24 February 2019.

trust to form a regional alliance but as a consequence of distrust among themselves, South Asia has lagged behind social transformation that it aspires to achieve which is only possible through economic development of the region. South Asia is one of the most dynamic regions in the world and it has more than 1.6 billion people living in it with very little formal trade i.e. less than that of 5% between them.<sup>85</sup> There lies the need for interconnectedness of Asia to realize the Asian century and the advantage that it has put forth to address the existing problems and finding solutions to mitigate those problems.

In light of possibilities and problems in South Asia, Asia led projects: BRI, for Asians by the Asians brings an array of probability to propel social transformation and economic development. Communication, infrastructure development and linkage, unimpeded trade, a financial system ensuring a state of smooth monetary circulation and people to people exchange<sup>86</sup> are principles that are core to BRI. The concerns from the stakeholders are expected and pose questions regarding the effectiveness of BRI which would help the concerned parties to take note and improve the risk at stakes. However, when we take note of the challenges that would hinder the implementation of BRI in the South Asian region we cannot overlook the connectivity and the prospect of economic prosperity that the project brings. We cannot take out BRI from its root of ancient Silk Road aligned with the Chinese philosophy of *Tianxia* which connotes the value of everyone living under the same heaven.<sup>87</sup> BRI has, through its project, tried to bring everyone together through shared economic prosperity. Greater acceptance of the market economy will allow improved integration of South Asian markets. The integration would touch many industries which would mean that many people living in the region would be able to take advantage of fostering investment in different industries.<sup>88</sup> This would provide a chance for feasible economic development in the region.

BRI project would integrate culture, commerce and connectivity. Meaning it would tie a better integration knot between South Asian countries. However, over time it has been noted that political cooperation or lack of it, therefore, has hindered regional integration. It is important to note that political cooperation in the current era of globalization would not triumph if not for economic prosperity. BRI brings forth the prospect of economic prosperity which would help political cooperation. Chinese President's visit to India and Nepal in the first week of October 2019 would only suggest that political cooperation is necessary for better integration of the rising powers of Asia. The visit could also mark a significant initiative that has been taken to start steps towards the betterment of the relations of the power giants in Asia for better economic cooperation.

Given China's willingness to mend ties and solve issues like that of the *Robingya* issue

<sup>85</sup> Sujeev Shakya, 'Unleashing South Asia' cited in Nishchal N. Pandey (ed), *Realizing the Vision of a South Asian Union*, Modern Printing Place, Kathmandu, 2014, p. 205 available at [https://www.cosatt.org/publication/index.php?pub\\_id=11](https://www.cosatt.org/publication/index.php?pub_id=11), accessed on 24 February 2019.

<sup>86</sup> Adhikari (n 7).

<sup>87</sup> Sangroula (n 6), p. 477-480.

<sup>88</sup> Shakya (n 85).

forming a committee itself suggests that China is looking for proper cooperation among all the nations involved, including South Asia. China taking on South Asian issues on the head and working to soothe relations between it and countries that have been reluctant to take on the BRI project suggests that it does not want to leave anyone behind. India-China cooperation would not only mean a great step for BRI and its implementation but it would also mean a rise in the Asian Century. It would lead to shared prosperity, which is the major focus of the BRI project which would undoubtedly help South Asian countries propel social transformation and economic development. BRI projects through commerce, culture and connectivity would create a greater sense of being Asians among everyone spread across the region. Economic development is an aid towards the betterment of the South Asian societies which are in dire need of it. Given the sense, we can conclude that BRI is indeed a catalyst to propel social transformation and economic development in South Asia.