



## **One Belt One Road: A Political Economy Perspective**

**Speaker:** Mr. Atul Bhardwaj, Senior Fellow, Indian Council of Social Science Research

**Chair:** M.V.Rappai, Honorary Fellow, Institute of Chinese Studies

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Atul Bhardwaj's presentation was an interesting endeavor to analyse China's One Belt One Road (OBOR) initiative from a political economy perspective. At the outset, the speaker highlighted the weakness of the phrase 'ancient silk route' as according to him the prefix 'ancient' restricts the capacity of the silk route in improving contemporary trade relations in the Eurasian region. He referred to a point made by Prof. Khojamakhmad Umarov during an earlier presentation at ICS, where he had argued for the possibility of India importing grapes from Tajikistan in a short time owing to the development of infrastructure.

The speaker then shifted his focus to the benefits of OBOR for the countries involved. In his view, the OBOR's basic objective was to enhance trade while compressing time and space. For instance, a train from Madrid to Shanghai can cover the journey in just 28 days passing through five countries. Whereas, trade through sea-lanes takes place without actually touching any of the borders en route. In that sense, for him, OBOR would pierce borders, which in effect would give rise to a new form of globalization, one that is not centered on ports and coasts. Additionally, transportation via sea lanes benefits only the dominant naval countries such as the United States, while land routes will open up business opportunities for every country that it traverses.

Delving deep into the main theme of the presentation, the speaker examined China's intentions behind the OBOR project. He fervently justified China's objectives and dismissed all discussions that hinted otherwise. For instance, China's OBOR has been seen as a part of its expansionist designs and as the Chinese version of the Marshall Plan and the Monroe Doctrine. For the speaker, the Marshall Plan, the Monroe Doctrine and the expansionist designs were completely different strategies that existed in entirely different historical contexts. In spite of being the biggest consumer goods buyer, China has very little say regarding the commodity flows and prices. Moreover, China has to pay huge rents in the form of insurance in order to ply along the Sea Lines of Communication (SLOCS). As such China, does not feel safe using the sea lanes that are under the control of the US and Britain. Hence, the reason why China is lobbying for land routes with such great enthusiasm is to 'break the Anglo-Saxon grip' on the sea lanes.

The speaker then moved on to compare the OBOR initiative with past American and British models of development. In that, the only tangible model of development that the US gave to the world was the Tennessee Valley Authority (TVA), the Chinese version of which was the Yangtze Valley Corporation and the Indian version was the Damodar Valley Corporation. He further explained that the British monopoly in manufacturing was lost by the middle of the 19<sup>th</sup> century owing to which, they invested their accumulated capital in maritime trade. By 1914, the Lloyds of London were providing insurance to every ship at sea. Throughout the presentation, it was mentioned a number of times that China does not want to confront the US directly.

In conclusion, the speaker argued that the reason why China is building surface ships and submarines is purely for diplomatic purposes, as it wants to make its presence felt. This strategy is again not new but exactly the one used by the US to undermine the British vanity years ago.

### **Discussion**

In the ensuing discussion, a number of questions were raised regarding India's stand on OBOR, China's real intentions behind the venture, and the myths related to the power of railways. Regarding India's stand, the speaker outlined two options before: one is to maintain the status quo and the other is to help China break the US hegemony in the coasts and thereby strive for a multipolar world. A relevant discussion also took place on the Trans-Siberian rail route, which is one of the oldest railway projects. Having said that, the speaker opined that the distinction between sea and land is a false one since they share a symbiotic relation.

*Report prepared by Prekshashree Chhetri, Research Assistant, Institute of Chinese Studies.*

### **About the Speaker**

Lt. Cdr. Atul Bhardwaj is currently a Senior Fellow of the Indian Council of Social Science Research attached to the Institute of Chinese Studies, Delhi. His research relates to National Maritime Strategy. He is an ex- Indian Naval Aviator, with Master's in War Studies from King's College, London. He holds a diploma in International Law and Diplomacy. He has also been a Research Fellow at the Institute of Defence Studies and analyses, New Delhi and has published in Indian and foreign journals. He is completing his PhD from School of Liberal Studies Ambedkar University, Delhi. His research is on 'American Encounters in India between two wars – 1940-1962'. The topic deals with Diplomatic history of the period. He writes a regular quarterly column on strategic affairs in the *Economic and Political Weekly*. His research interests also include History of Indian connections to the Tibetan problem. One of his enduring interests is in the privatization of national security.

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