

China's Belt and Road Initiative: Implications for India's Strategic Interests

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Abstract: This research paper explores the ways in which China's Belt and Road Initiative (BRI) is reshaping India's strategic landscape in South Asia and the wider Indian Ocean Region. It investigates how Chinese-led corridors, port developments, and financing practices influence India's security calculus, regional economic role, and leadership in connectivity initiatives. Employing a mixed-methods approach, the study combines process-tracing of key cases—such as Pakistan's CPEC, Sri Lanka's Hambantota and Colombo projects, Myanmar's Kyaukpyu, Bangladesh's Payra, Nepal's cross-border infrastructure, and the Maldives' urban and transport schemes—with quantitative measures including trade flows, foreign invest, debt vulnerability, port activity, maritime routes, and defence cooperation patterns. The analysis engages theoretical perspectives from realism, geopolitics, and complex interdependence. It also evaluates India's strategic toolkit—Neighbourhood First, SAGAR, Act East, BIMSTEC, QUAD, IMEEC, Chabahar, and development partnerships. The study ultimately seeks to identify the conditions under which BRI projects grant China lasting strategic influence, when host-state choices dilute such leverage, and how India can refine its policy instruments to safeguard its interests.

Keywords: Economic Corridor, Maritime Silk Route, Geopolitics, Regional Connectivity

Introduction

The balance of international security is shifting from Western dominance toward Asia, propelled by the fast-growing influence of China and India. China's Belt and Road Initiative (BRI), introduced in 2013 under President Xi Jinping, represents a flagship foreign policy and development agenda aimed at strengthening international connectivity. The initiative rests on two major pillars: the Silk Road Economic Belt, focused on land-based transport and trade corridors, and the 21st-Century Maritime Silk Road, cantered on sea-based routes. Together, these frameworks are designed to streamline trade, ease infrastructure bottlenecks, and deepen economic linkages across regions (Mobley, 2019). Over time, its scope has broadened beyond

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physical infrastructure to include financial integration, cultural exchanges, and green development. The BRI's evolution reflects China's ambition to integrate economies, enhance trade, and shape global connectivity in the 21st century. The BRI is deeply rooted in the legacy of the ancient Silk Road, which for centuries served as a vital network connecting Asia, Europe, and parts of Africa (Chellaney, 2006). The BRI is not confined to economic goals alone; it also carries significant strategic dimensions. For Beijing, the projects ensure access to vital resources, overseas markets, and critical maritime routes, while simultaneously promoting its development model and widening its geopolitical footprint (Daulet Singh, 2020).

The Silk Route was a vast network of trade and cultural links that connected Asia, Europe, and parts of Africa between the 2nd century BCE and the 15th century CE. Beginning in China, it enabled the movement of silk, spices, precious metals, and other commodities, while also serving as a channel for the spread of knowledge, technologies, religions, and cultural practices. It was not merely a trade route but also a channel for cultural, technological, and political exchanges, shaping civilizations across continents (Christian, 2000). The Maritime Silk Route was the oceanic counterpart of the overland Silk Road, linking China with Southeast Asia, South Asia, the Middle East, Africa, and Europe. Emerging around the 2nd century BCE, it thrived through important port cities and sea lanes stretching across the South China Sea, the Indian Ocean, and the Red Sea. The Maritime Silk Route strengthened diplomatic relations and promoted cultural exchanges between distant regions and civilizations (Lendon & McCarthy, 02Sep 2023).

India, strategically positioned in the Indian Ocean and bordering several BRI-participating countries, remains wary of the initiative. Projects such as the China–Pakistan Economic Corridor (CPEC), which passes through Pakistan-occupied Kashmir, along with Chinese-backed port infrastructure in Sri Lanka, Bangladesh, and Myanmar, are viewed in New Delhi as narrowing India's strategic room for manoeuvre. The BRI's financing patterns further raise alarms, as debt-dependent states in South Asia may drift into China's strategic orbit, undermining India's ability to shape the regional balance of power (Siddiqui, 2017).

Economic Rationale of BRI

The economic foundations of China's Belt and Road Initiative (BRI) lie in its dual objectives of sustaining domestic growth and reshaping global trade dynamics. At home, China faces industrial overcapacity in sectors such as steel, cement, and construction, which the BRI helps absorb through large-scale overseas infrastructure projects. It also supports the economic development of interior provinces like Xinjiang and Yunnan by connecting them with international markets, while simultaneously strengthening China's long-



term energy security by diversifying supply routes beyond vulnerable chokepoints such as the Malacca Strait. Globally, the BRI expands markets for Chinese exports, integrates supply chains across Asia, Africa, and Europe, and encourages the use of the yuan in trade settlements, thereby promoting its internationalization. A crucial driver of the BRI is the involvement of Chinese state-owned enterprises (SOEs) and financial institutions. SOEs undertake construction and management of projects, while major banks such as the Export-Import Bank of China, China Development Bank, and the Silk Road Fund provide concessional loans and funding. These institutions ensure that China maintains both financial and operational control over BRI ventures (Kurin, 2018).

Through roads, railways, pipelines, ports, and digital infrastructure, China seeks to position itself as the hub of new trade and investment networks. This economic strategy not only facilitates access to natural resources and emerging markets but also reinforces Beijing's central role in global financial and logistical systems, giving the BRI both developmental and strategic significance (Smith, 2021). Beyond its immediate role in boosting trade and infrastructure, the BRI also serves as a long-term mechanism for reshaping patterns of global economic governance. By financing and building projects across Asia, Africa, Europe, and Latin America, China positions itself as a key provider of development capital, offering an alternative to Western-led institutions like the World Bank and IMF. Additionally, the initiative facilitates digital and technological expansion, often called the "Digital Silk Road," which allows China to export telecom infrastructure, 5G networks, e-commerce platforms, and fintech services, thereby deepening technological interdependence with partner states (Yang, 2024).

Furthermore, the BRI serves as a vehicle for exporting Chinese technical standards in telecommunications, railways, and energy systems, thereby embedding Chinese norms into global infrastructure development. Beyond industry and technology, the initiative secures access to vital agricultural products, minerals, and energy resources, ensuring stable supply chains for China's population and industrial economy. Enhanced connectivity also stimulates tourism, education, and cultural exchanges, which generate service-sector revenues while reinforcing China's economic presence abroad. At the same time, the creation of new urban centres and economic corridors fosters industrial clustering that situates China at the heart of emerging trade networks (Daly, 2018).

Regional Implications of the BRI

The regional implications of the Belt and Road Initiative are profound, reshaping economic, political, and strategic dynamics across Asia, Africa, and Europe. Economically, the initiative has stimulated regional



connectivity by creating new trade corridors, industrial hubs, and infrastructure networks that enhance cross-border flows of goods, services, and capital. This integration promises growth opportunities for developing countries, yet also raises concerns about debt sustainability, dependency on Chinese financing, and the erosion of local industries (Gokhale, 2021). Politically, the BRI enables China to consolidate influence within regional organizations and foster strategic partnerships, often reorienting countries' foreign policies toward closer alignment with Beijing. Strategically, investments in ports, railways, and logistics hubs across South Asia, the Indian Ocean, and Central Asia create dual-use infrastructure with potential military value, shifting regional security balances and heightening competition with powers such as India, Japan, and the United States (Sahakyan, 2024).

The Kyaukpyu project in Myanmar, a flagship component of China's Belt and Road Initiative (BRI), represents both strategic ambition and economic opportunity. Located in Rakhine State along the Bay of Bengal, the project consists of a deep-sea port and a special economic zone (SEZ), developed primarily by China's state-owned CITIC Group in collaboration with the Myanmar government. For China, Kyaukpyu is central to addressing its long-term energy security concerns. Through oil and gas pipelines already linking the port to Yunnan province, Beijing secures a direct overland energy corridor, reducing its reliance on the vulnerable Malacca Strait. The deep-sea port further enhances China's access to the Indian Ocean, strengthening its geopolitical presence in South Asia and the wider Indo-Pacific. China's BRI has also played a central role in reshaping the Maldives' urban and transport infrastructure. The most notable achievement is the China–Maldives Friendship Bridge, inaugurated in 2018, which links Malé with Hulhulé and Hulhumalé, easing congestion and improving access to the international airport. Strategically, they extend China's influence in the Indian Ocean, where the Maldives holds significant maritime importance (Raja Mohan, 2013).

A further regional Implication of the Belt and Road Initiative is its capacity to reshape existing patterns of integration by prioritizing China-led networks over established multilateral frameworks. In many cases, BRI corridors operate outside the influence of regional bodies such as ASEAN or SAARC, thereby diminishing their ability to set collective agendas. This shift produces unequal power relations, as smaller states grow increasingly dependent on Beijing and, in turn, show less willingness to align with regional competitors. Moreover, the BRI has intensified geopolitical competition, prompting responses such as the EU's Global Gateway and the U.S.-backed Indo-Pacific Economic Framework, which offer alternative development pathways and further complicate regional rivalries (Daly, 2018).

Geopolitical Dimensions of the BRI

The Belt and Road Initiative (BRI) extend far beyond economics, functioning as a crucial geopolitical tool that reflects China's wider strategic objectives. Fundamentally, it seeks to open new markets, diversify trade corridors, and reduce exposure to strategic vulnerabilities such as the Malacca Strait. At the same time, it allows Beijing to extend its influence across Asia, Africa, and Europe, merging infrastructure connectivity with its ambition of positioning itself as a leading global power. This shift in influence often strengthens China's strategic weight, particularly in regions such as South Asia, Central Asia, and the Indian Ocean, where many smaller states increasingly rely on Chinese capital and support for their economic advancement (Shepherd, 2020).

The Belt and Road Initiative (BRI) has become a key instrument for China to reshape its global role, pursuing objectives that extend well beyond trade and investment. A central aim is to build long-term political influence by tying participating countries into networks of infrastructure, commerce, and finance. Through large-scale funding, Beijing fosters forms of dependency that can be leveraged for diplomatic backing on sensitive matters, ranging from territorial disputes to global governance reforms (Malik, 2019). From a global standpoint, the BRI is frequently interpreted as China's effort to reconfigure the international system around its own priorities. Through mechanisms like the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund, Beijing promotes alternative financial structures that reduce dependence on Western-dominated institutions. At the same time, major world powers express concern that the vast scale of the initiative weakens multilateral cooperation and advances a globalization model centered primarily on Chinese interests (Smith, 2021).

Beyond concerns of debt, governance, and strategic dependence, the BRI is often critiqued for the uneven power dynamics it creates within global diplomacy. By linking infrastructure financing with political concessions, China has been able to secure support from many developing countries on issues ranging from human rights debates at the United Nations to disputes in the South China Sea. Another global concern lies in the erosion of established international standards. Many BRI projects are negotiated bilaterally with minimal involvement of multilateral institutions, which traditionally ensure environmental, social, and financial safeguards. This bypassing of international norms creates a fragmented global order where Chinese preferences dominate project design, procurement rules, and dispute resolution mechanisms (Moblely, 2019).



The geopolitical aspect of the Belt and Road Initiative (BRI) underscores that it is not merely an economic development plan but a deliberate mechanism for expanding China's global influence. By constructing vast infrastructure networks, trade corridors, and financial linkages, Beijing has established itself as a vital partner for many developing states. At the same time, institutions such as the Asian Infrastructure Investment Bank (AIIB) reflect Beijing's push to challenge Western-dominated frameworks and build an alternative global order aligned with its preferences (Yu, November 2017).

Policy Implications for India

The Belt and Road Initiative (BRI) carry far-reaching policy implications for India, shaping its diplomatic, economic, and security strategies. At the core, India views the BRI as both a challenge and a test of its regional influence. The China–Pakistan Economic Corridor (CPEC), passing through contested territory, compels India to adopt a firm policy of non-participation, reaffirming its stance on sovereignty and territorial rights. This decision has positioned India as one of the few major powers openly rejecting the initiative, which also influences its broader diplomatic posture toward China. This dynamic challenges India's traditional sphere of influence, particularly as neighbours like Nepal, Sri Lanka, and Bangladesh deepen economic engagement with China through BRI-linked projects (Daulet Singh, 2020).

Economically, the BRI forces India to rethink its connectivity strategy. To counterbalance Chinese investments in South Asia and the Indian Ocean, New Delhi has advanced alternatives such as the International North-South Transport Corridor (INSTC), the Chabahar Port project with Iran, and participation in Indo-Pacific frameworks like the Quad. These policies aim to enhance India's role as a hub of regional connectivity while avoiding dependency on Chinese-led infrastructure. India is wary of the debt diplomacy associated with BRI, where developing nations risk falling into financial dependency on China. The example of Sri Lanka's Hambantota Port, leased to China after loan defaults, reinforces India's fears of encirclement under the so-called "String of Pearls" strategy (Lendon & McCarthy, 02 Sep 2023).

Beyond debt diplomacy, India is equally concerned about the strategic leverage China acquires when financially distressed states concede control over critical infrastructure. Such arrangements not only enhance Beijing's economic influence but also create potential platforms for dual-use facilities, heightening India's security anxieties in the Indian Ocean Region. Furthermore, India perceives that BRI's economic entanglements may gradually limit the strategic autonomy of its neighbours, making them more receptive to Chinese political positions in international forums, thereby diluting New Delhi's regional leadership. Another worry arises from the lack of transparency in BRI agreements, which often bypass competitive

bidding or public scrutiny, fuelling suspicions of backdoor political bargains. India also views BRI's financial architecture as a challenge to established norms of sustainable development financing promoted by multilateral institutions (Saran, 2022).

India also worries that the Belt and Road Initiative could undermine connectivity norms and sovereignty principles by legitimizing projects that cross disputed territories, thereby setting precedents unfavourable to its own territorial claims. The initiative's emphasis on Chinese capital and companies often side-lines local industries, leading to economic asymmetry that may weaken domestic capacities in neighbouring states and limit India's ability to promote regional development partnerships (Malik, 2019). Finally, India perceives that the cultural and educational outreach embedded in BRI—often framed as “people-to-people connectivity”—serves as a form of soft power projection, gradually reshaping narratives and public opinion in ways that diminish India's historical influence across South East Asia. Consequently, India's policy has emphasized strengthening naval capabilities, deepening ties with ASEAN, and forging partnerships with like-minded democracies to preserve a balance of power in Asia (Kumar, 2022).

India's Strategic Response

India has reacted to China's Belt and Road Initiative (BRI) with measured scepticism and strategic restraint. Unlike several nations that regard the project as a chance for economic growth and improved infrastructure, India interprets it as carrying serious geopolitical risks. The foremost issue arises from the China–Pakistan Economic Corridor (CPEC), a major BRI component that traverses Gilgit-Baltistan, a region India claims as its own. The CPEC, launched in 2013, represents a joint initiative between China and Pakistan aimed at advancing a wide range of infrastructure projects across Pakistan. Currently estimated at a value of around US\$62 billion (Siddiqui, 2017), the initiative primarily encompasses two key sectors—energy and infrastructure—with the overall completion target set for 2030 (Global Capital, 2016).

India's Neighbourhood First Policy emphasizes building strong ties with its immediate neighbours through economic cooperation, connectivity, and security partnerships, ensuring stability in South Asia. It seeks to position India as a trusted regional partner by prioritizing mutual development and resolving issues through dialogue. The Act East Policy extends India's engagement toward Southeast Asia and the wider Asia-Pacific, focusing on trade, investment, cultural exchanges, and strategic cooperation. Together, these policies reinforce India's role as a regional leader by deepening integration with neighbours and enhancing its influence in the Indo-Pacific's evolving geopolitical and economic landscape (Murugatham, 2011).

SAGAR (Security and Growth for All in the Region) is India's strategic vision for the Indian Ocean, articulated in 2015. It highlights the importance of a safe, secure, and stable maritime environment to ensure regional prosperity. The policy emphasizes cooperative measures such as maritime security, sustainable resource management, disaster response, and freedom of navigation. It positions India as a responsible maritime stakeholder committed to ensuring collective stability and inclusive development across the wider Indo-Pacific region (Chellaney, 2006). India has been actively promoting alternative connectivity corridors to counterbalance China's BRI and secure its own strategic and economic interests. The Chabahar Port in Iran provides India direct access to Afghanistan and Central Asia, bypassing Pakistan, while also serving as a vital hub for trade with landlocked regions. By building transparent and sustainable alternatives, India aspires to position itself as a credible partner in regional connectivity while reducing dependence on China-centric infrastructure networks (Jaishankar, 2020).

India leverages strategic partnerships such as the Quadrilateral Security Dialogue (QUAD) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) to strengthen its regional and global standing. The QUAD, comprising India, the United States, Japan, and Australia, focuses on promoting a free, open, and rules-based Indo-Pacific. It emphasizes cooperation in maritime security, supply chains, critical technologies, and disaster resilience, thereby balancing China's growing influence. On the other hand, BIMSTEC connects South Asia with Southeast Asia, bringing together seven littoral and adjacent countries of the Bay of Bengal (Times of India, 2017).

Critiques and Challenges of the BRI

One of the most persistent criticisms of the Belt and Road Initiative (BRI) concerns debt dependency and financial vulnerability. Many participating nations have secured substantial loans from Chinese financial institutions to support massive infrastructure projects. Although these investments are projected to foster long-term growth, they frequently impose unsustainable debt burdens on fragile economies. The case of Sri Lanka's Hambantota Port—handed over to China after loan defaults—has come to symbolize this problem. Observers contend that such outcomes expand Beijing's geopolitical influence while eroding the economic autonomy of the borrowing states (Neuman, 2025).

The environmental and social repercussions of BRI projects are equally significant. The construction of roads, ports, rail networks, and energy corridors often traverses environmentally sensitive regions, leading to deforestation, displacement of local populations, and damage to ecosystems. With limited enforcement of environmental safeguards, these ventures have also heightened carbon emissions and long-term



ecological stress. The distribution of benefits in BRI projects are unequal. Although participating states receive new infrastructure, a large share of the economic returns—such as construction contracts, supply chains, and employment opportunities—tends to revert to Chinese firms and labour. As a result, host countries often gain little in terms of sustainable capacity-building and continue to rely heavily on China for technology, expertise, and financial support (Wood, 2004).

Beyond concerns of debt, environmental impact, and opaque governance, the Belt and Road Initiative (BRI) has attracted wider global criticism tied to its geopolitical implications, unequal benefits, and strategic dependence. By financing and controlling key infrastructure across Asia, Africa, and Europe, Beijing positions itself as the central hub of global trade and connectivity. This has allowed China to extend its political influence far beyond its borders, potentially challenging existing multilateral institutions such as the World Bank or Asian Development Bank, and undermining the established norms of international cooperation (Yu, 2016). Taken together, these criticisms underscore the multifaceted challenges surrounding the BRI. While it holds potential to enhance global connectivity and infrastructure development, unresolved financial, environmental, and governance issues call into question the sustainability and equity of China's flagship initiative.

Conclusion

China's Belt and Road Initiative (BRI) has significantly transformed global patterns of connectivity and development finance, particularly across Asia and the wider Indian Ocean. Although it offers many states new infrastructure, trade opportunities, and investment flows, it also generates concerns about unsustainable debt, strategic vulnerability, and political influence. For India, the challenge is especially sharp. The China–Pakistan Economic Corridor (CPEC) undermines its sovereignty, while Chinese-funded port and logistics projects in Sri Lanka, Bangladesh, and Myanmar are perceived as steps toward regional encirclement (Kumar, 2022). At the same time, India must remain mindful of the development demands of its neighbours, who often turn to BRI due to limited financial options. A forward-looking strategy involves advancing alternative routes like Chabahar Port, the INSTC, and IMEEC, while deepening cooperation through QUAD, BIMSTEC, and India–Japan initiatives. India can present a credible alternative to China's model by promoting infrastructure that is transparent, sustainable, and inclusive.

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