

## European and Indian Perceptions of the Belt and Road Initiative

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It is becoming clear that China's ambitious One Belt One Road (OBOR) or Belt and Road Initiative (BRI) linking Asia and Africa with Europe through a network of various transportation corridors could fundamentally reshape the geo-economics and geopolitics of the whole Eurasian region and beyond. These developments have huge implications both for the European Union (EU) and for India. The BRI is not a formal policy but a broad evolving geopolitical strategic framework with wider economic, foreign policy and cultural implications. Although the scope of the BRI is still taking shape, it has already started affecting many countries in Europe and Asia. As a result, the BRI has also attracted attention during bilateral discussions between Indian and European policy makers and academia.<sup>1</sup>

The main focus of this paper is to capture evolving European and Indian perceptions of China's BRI. The findings of the paper are based on desk research, discussions, as well as a series of in-depth interviews held both in Europe and in India. The paper covers wider perceptions, which go much beyond official narratives. As the EU and India are close strategic partners, this understanding may help in formulating possible responses and avenues for cooperation.

In the context of changing scope of the BRI, perceptions are evolving. Until 2017, European perceptions were mainly shaped by national views. Since then a more coordinated European approach is evolving. These perceptions have been partly shaped by the importance of the EU-China bilateral relationship as well as European plans towards Asian connectivity. Europe's developing strategic approach towards Eurasia has also affected these views. The EU greatly welcomes Chinese initiatives of increasing investments in cross-border infrastructure with the view that it should adhere to market rules, international financial and environmental norms.

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<sup>1</sup> The paper was finalised before the publication of the document by the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy, *EU-China – A Strategic Outlook* (JOIN/2019/5), 12 March 2019.

Through BRI, China has focused more on Central and Eastern Europe and the Mediterranean region. Some of the projects have led to concerns over the possibility of diluting European political unity or investments rules. There is, however, much room for greater political coordination amongst European countries, notably by being more proactive in promoting for example the infrastructure projects which the EU has already financed in Central and Eastern Europe and by generally seeking to promote the EU-Asia connectivity plans.

The sovereignty related issues concerning the China-Pakistan Economic Corridor (CPEC) and broader geopolitical implications within the Indian Ocean region have overshadowed other aspects of the BRI in the Indian narrative. Despite a major BRI focus on Europe and Central Asia, there is a relatively little Indian assessment of developmental implications within this wider region.

Broader India-China ties have affected BRI discussions. A broad consensus seems to have emerged that the BRI is primarily a Chinese initiative and that it is difficult for New Delhi to endorse the CPEC. India's participation in the AIIB, SCO and BRICS had relatively little impact on New Delhi's perception of the BRI. In fact, the Bangladesh, China, India and Myanmar (BCIM) Economic Corridor, which was graduated to Track I in 2013 has rather become victim of the BRI geopolitics. Although a large number of independent analysts have argued for a selective participation in the BRI, this has hardly been reflected in government policy.

As the BRI progresses, the Indian focus is more on perusing its own connectivity plans (individually or with other partners) and also on showing how some of the BRI projects are creating difficulties for recipient countries. From earlier geopolitical and developmental aspects of the initiative, the focus is now shifting towards a political economy analysis of participating countries. Increasing difficulties faced by BRI projects in terms of debt trap, corruption, political controversies, negative environmental implications and overall sustainability of projects are also being analysed in India.

Overall, both European and Indian perceptions have shown the importance of BRI connectivity projects and their relevance in understanding economic opportunities and strategic challenges. Initially, Europeans focused more on the developmental aspect of the initiative, as integration and connectivity have been major objectives of the European integration project itself. In contrast, Indian policy makers have been very cautious towards the initiative from the beginning.

Compared to Europe, official Indian narrative on the BRI is still largely negative. Wider Indian perceptions, however, favour some selective engagement. These developments indicate possibilities of a meaningful common understanding between the EU and India through wider consultations on the subject.

