

# The Impact of One Belt One Road on India's Imperative Maritime Policy: Counterbalancing Efforts in Restricting China's Influence

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**Abstract:** India, which also seeks to improve its economic and military capabilities in an international constellation, is threatened by China's aggressiveness. The Chinese policy related to One Belt One Road that connects Asia and Europe through Indian Ocean, threatens the position of India. The current Chinese potential to be a rival for the major power such as the United States, has pushed India to develop counterbalancing policy in the Asian region by partnering with Japan. This is for maintain its influence in the Indo-Pacific. In this case, the use of the level of analysis of international systems by Valerie Hudson was chosen to explain the conditions that represent interactions of countries at the global level. In addition, with Long Cycles Theory it was found that this Chinese appearance threatened the position of the United States, which is an alliance of India. The authors argue that this counterbalancing policy shows India's fear of China's aggressiveness, in addition to limit the dominance indirectly.

## 1 INTRODUCTION

Relations between India and China are often contested. This is also supported by India's closeness with the United States in a cooperation called IOZOP (Indian Ocean Zone Of Peace) in the 1980s in the Indian Ocean. This partnership is a reward from India because the United States has supplied limited technology in its defense field, and the United States is promoting India as a regional security provider. It can be seen from Indian intervention in the conflict in Sri Lanka in 1987 and the Maldives of 1988 (Brewster, 2015). Moreover, in the economic field, India which occupies the sixth position as a country with 6% GDP rate increase per year shows that India has the capability in international competition (IMF, 2017). By initiating the formation of the IOR-ARC (Indian Ocean Rim Association Regional Cooperation) in 1997, India then sought to play an active role in regional security (Kalegama, 2009). However, the Indian effort has little to do with China's initiative in building Maritime Silk Road or China's One Belt One Road. The trade route that China was trying to build to connect East Asia to mainland Europe then considered as a threat by India (Brar, 2014). So under the leadership of Narmenda Moodi, India seeks to protect its position in South

Asia by issuing a policy to engage Japan in counterbalancing China's efforts.

The Indian economy, despite have a significant increase of 6% per year by 2017, not been able to compete with China's nominal economy of US\$8,123 per year in 2016 and India only 1US\$,709 (World Bank, 2017). The Rising economy of China not only shocked India but also the United States. This ultimately led India to be wary of its policy towards China's One Belt One Road.

In this case the author seeks to use the international system level of analysis approach to explain how the influence of the current international system can induce India to issue a joint counterbalancing policy with Japan. The systematic of writing that will be presented is, first about how the dynamics and transitions that affect the current international system. In this case the author uses the methods of Valerie Hudson and Long Cycles Theory to explain the foreign policy caused by the changing international system. Second, briefly describe the new challenger in the international system and its impact. In this case China is considered a threat through its One Belt One Road initiative. Third, the analysis of India's counterbalancing policy involving Japan in an attempt to stem the massive influence of Chinese trade dominance.

## 2 TRANSITION OF THE INTERNATIONAL SYSTEM AND THE DYNAMICS OF A COUNTRY POLICY

International systems become important when confronted with their influence on state action in response to an issue. The development of a world that is no longer bipolar and tends to be unipolar when the United States triumphs, in fact raises a new question that leads to a multipolar international system. Related to this, the international system is an external factor that capable of influencing the state in its foreign policy formulation (Singer, 1961). In a policy formulation, countries will be realistic about what policies will be adopted based on international environmental considerations. Policymakers should be able to see opportunities, especially those that can secure their national interests in the international political constellation (Breuning, 2007). In addition, Laura Neack (2008) in her article *The New Foreign Policy: Power Seeking in a Globalized Era* states that when in reviewing foreign policy, using international system as tool of analysis focuses on state versus state studies, geostrategy of countries in the region, and also countries behavior in international organizations. The international system has considerable influence to the exemplary country at the end of the Cold War with the collapse of the Soviet Union. This condition ultimately led the countries that originally taking side to the Soviet Union to do rearrangement towards their foreign policy.

According to Valerie Hudson (2007), international system is a level of analysis consisting of national attributes system and its application utilize system theory. There are at least six attributes in international system variables that can affect interactions at the global level. 1) Number of actors, this affects a policy when the interaction created involves many or few countries. The fewer countries involved will be easier to analyze, and vice versa. 2) the distribution of forces, usually to know the classification of the capabilities of each country. 3) the sum of the major powers involved, on an issue in the international environment will be easily analyzed when the major countries involved are powerful nations, thus demonstrating the policy issued will be bargaining at the international level. 4) the level of state compliance, when a major state make a foreign policy, this system will affect its compliance or make other international actors comply to the system. 5) the presence or absence of supranational organizations, and 6) the number of issues that are debated. These points can determine whether a country's policies are caused by the international environment. Breuning (2007) explains at least three categories of countries that also play a role in the international system, namely great power, emerging power, and small power. Great power are countries that have sufficient capabilities to affect the international system and affects other countries. Middle power are countries that have not been able to directly influence the international system, but have the potential to make changes. Finally, small power are countries that has limited ability to influence both regional and international systems (Breuning, 2007).

Table 1: Modelski's Long Cycles. Sumber: Modelski, 1981 dalam Hudson, 2007.

Year	Phase	Military Buildups	World Economy	Main Actors
1763-1792	Deconcentration	Rising	Expanding	France as Main Challenger
1792-1815	Global War	Depleting	Scarcity	The Defeat of France, UK stayed
1815-1848	World Power	Rising	Expanding	UK as Global Power
1848-1873	Delegitimation	Depleting	Scarcity	German-US Rise, UK Stagnant
1874-1913	Deconcentration	Rising	Expanding	Germany as Main Challenger, UK Decline
1913-1946	Global War	Depleting	Scarcity	Defeat of Germany, Fall of UK, US Replaced UK
1946-1973	World Power	Rising	Expanding	US as Global Power
1973-2001	Delegitimation	Depleting	Scarcity	Decline of US? Rise of Multi-Actors?
2001-2030	Deconcentration	Rising	Expanding	China as Challenger?
2030-2060	Global War	Depleting	Scarcity	China as Global Power?

In this case, the author also uses the Long Cycles Theory by Georg Modelski (1981) to find out a transition that taking place in the international system. In his argument, a system undergoes dynamics and transitions every 120 years. When associated with the current international system, the United States that won the Cold War did not rule out the possibility of being shifted by other countries that have the potential and actual power in rival the position of the United States. In the table below described the cycle according to long cycles theory.

Associated with the table, Georg Modelski (1981) has seen that China can be a major contender in the current international system. Modelski (1981) also describes there are at least four phases in the international system, the Global War and the emergence of the new Great Power, World Power, Delegitimization of the World Power, and Deconcentration of Power to Other Actors. In the case of China's One Belt One Road and India's response, it is found that this existence of China is quite threatening especially for the country which initially holds the status quo of the United States. This will affect India and its territory will be affected by China's influence, but the United States, which is an ally of India's declining performance, has also provoked fears from India when the United States could not compete with China and its attempt to become a leader in the Asian region will eventually failed. The author also argue that India's counterbalancing policy involving Japan in relation to the deconcentrated phase of great power states and in this case Japan is one of the world's major navies and regional power (Thompson, 1990). Thus, efforts to contain China's influence especially in the Indo-Pacific region can go smoothly with the help of Japan.

Although in some statements, India has said it supports One Belt One Road policy by visiting China but the authors believe that the decision to choosing counterbalancing strategy is used to suppress China's influence because of the bad history of their relationship in the past. India that seeks to build its international capabilities often undergoes contestation. In the Cold War era, the policy of Look East which sought to be developed during the leadership of Jawaharlal Nehru seeks to draw closer to China and other Asian countries in equally contrary to the West. This move began in 1939 when Nehru visited China to approach each other (Jaffrelot, 2003). In 1947, when India gained its independence from Britain, through Vijaya Lakshmi Pandit at the United Nations First Conference in San Francisco, India will assure itself as a leader for Asia. However, at the Asian-African Conference, it is highlighted by China.

His efforts in becoming a leader in the Asian region are experiencing a contest which India and China both want to attract the attention of countries in Asia. In addition, the border dispute between India and China in the Tibetan region in 1959 and the Sino-India war of 1962 made their relationship worse. The feud both lasted long enough especially when India finally tried to get closer to the United States (Jaffrelot, 2003).

### 3 INDIA'S RESPONSES RELATED TO THE TRANSITION IN INTERNATIONAL SYSTEM: CHINA'S DOMINATION IN ONE BELT ONE ROAD POLICY

China stole international attention when the United States experienced an economic malaise that use by China to exploit the situation to spread its influence globally (Chow, 2014). The open economic and policy reforms adopted by China in 1978. This openness was then developed by becoming a country with exporters of cheap goods to all countries resulting from overproduction in the country. In addition, China is increasingly taken into account in addition to rising economically, but other achievements are with its membership in the WTO in 2001. Furthermore, in 2002 to 2008 it experienced an increase in terms of exports by 27.3%. Bijun Wang and Xiang Li From World Factory to World Investor: The New Way of China Integrating Into The World (2017) explains that China's influence globally is the acceleration of its economy, especially exports and investments. In terms of exports, China has experienced a recession in its exports but ODI (outward direct investment) can actually close the decline of exports experienced by China.

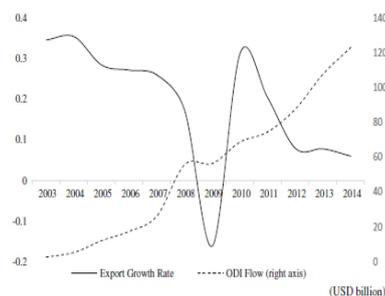


Figure 1: Chinese exports grow at lower speed and ODI increases.

Source: Wang and Li, 2017

This ODI is a step taken by China by spreading its influence beyond their boundaries which is one of its initiatives is One Belt One Road. In 2012, China became the third largest investor country after the United States and Japan. Then, in 2015, this ODI flow reaches the non-financial sector which reaches 118.0 billion US dollars while FDI in the same sector only touches 111.3 billion US dollars (Wang and Li, 2017). China's progress also challenged the United States' position in Asia and made the United States issued a pivot policy to Asia to draw attention back in the region. China according to many experts will achieve a position as global power just like the United States early in the 19th century. The Indian Ocean then became an area of contestation and expansion of Chinese influence which then confronted India's maritime imperatives policy. China is trying to

approach countries in the Indian Ocean coast such as Pakistan, Sri Lanka, Thailand and Myanmar, as well as build several docks and send naval vessels to fight piracy at sea (Pan, 2014).

India who has ambitions in leading Asia, is in a confusing situation. The development of One Belt One Road threatens India's position within the Indo-Pacific. The Chinese initiative create open access through Pakistan to the wharf of Gwandar through Karakoram makes India. On the one hand, China does not feel India a threat, but India considers China a threat. Below, will show the success of India compared to China based on IMF data (2017). It was explained that the imbalance that exists, especially the economic aggressiveness of China enough to threaten the position of India, especially as a dominant country in South Asia.

Table 2: China and India Economic Achievement

Country	Subject Description	Units	Scale	2015	2016	2017
<b>China</b>	GDP, Current Prices	U.S. Dollars	Billions	11,226.186	11,232.108	11,937.562
	Total Investments	Percent of GDP		44.748	44.181	44.048
	Volume of exports of goods and services	Percent change		-2.216	1.077	4.700
<b>India</b>	GDP, Current Prices	U.S. Dollars	Billions	2,089.867	2,263.792	2,439.008
	Total Investments	Percent of GDP		32.904	30.376	29.938
	Volume of exports of goods and services	Percent change		-4.481	6.621	7.500

Source: IMF World Economy Outlook 2017

From the data above, although the export volume of goods and services from China is outdone by India, but the total GDP from current prices of Chinese revenues with India is quite unbalanced. By 2017, China is able to reach about 11.937 billion US dollars compared with India which only reached 2.439 billion US dollars. The distance between the two ranged from 9,000 billion US dollars. Here the author

see that India's response to counterbalance policy because it is caused by China's economic power is not impossible also will develop things other than trade, but also in the military. Based on Global Fire Power (2017) the ranking of the Chinese Navy is in 2nd place with 714 fleets, while India is in position 5 with a total of 295.

India's relations with China had suffered a tension that India's "make in India" policy was a response to support China's One Belt One Road policy. In this case both India and China visit each other. However, this support subsequently stagnated when China was unable to provide clarity with respect to the details of the OBOR roadmap. India then launched a naval communications satellite that could cover the entire

Indian Ocean region (Gokhale, 2013 in Hornat, 2015). In addition, India is also building port facilities in Chabahar, Iran, monitoring stations in Madagascar, and closer to Southeast Asian countries as part of the Look East policy. In addition, the policy of counterbalancing with Japan (Hornat, 2015). The author then sees this counterbalancing policy aimed because of China's closer relations with Pakistan, which Pakistan is the enemy of India, attempting to be equated with choosing Japan which in fact is China's rival in East Asia.

#### 4 INDIA'S COUNTERBALANCE POLICY: RESPONSE TO CHINA'S ONE BELT ONE ROAD

The Indian tendency in the Indo-Pacific region, especially in the One Belt One Road policy, shows that the international order is shifting which China emerges as one of the global challengers. This change ultimately also led to policy evaluations from countries directly concerned with China's economic rise. When discussing India's One Belt One Road policy, using Valerie Hudson's international system attributes (2007) there are several points that can be covered and some not. First, regarding the number of actors involved. India's counterbalancing policy involves several state actors. In this policy there is an effort by India to get closer to Japan and the United States which indirectly also regard China as a new threat (Hornat, 2015). However, this Indian policy is still less able to affect other countries considering the economic level of India itself has not been able to compete with China.

Second, related to the distribution of power. The conditions of the world that currently undergo a transition from unipolar to multipolar makes the power no longer centralized, makes the countries have their respective roles. China's defeat as a global challenger as described in the Long Cycles theory is in fact consistent with current conditions. For countries with interests opposed to China, China will consider China a threat, in which case India considers

China's presence in the Indo-Pacific to shift India's position as a security provider. Third, due to the degree of compliance caused by the involvement of major power, the Indian policy has not been able to balance the policies of the Chinese that have attracted the attention of international actors. India is only able to control the cooperation of IORA, but basically India also can't fully guarantee the compliance of countries to actively engage (Kalegama, 2009). Its policy of focusing on ASEAN also has not been fully successful which Indonesia has supported the policy of China's One belt One Road. In addition, the degree of compliance from another countries are caused by the investment of China to the world. Even based on data HKTDC Research (2016) India is actually countries that receive ODI from China.

**China's FDI Flows to Belt and Road Countries and Regions 2015**

	FDI Outflows in 2015		Outward FDI Stock at 2015 Year End	
	US\$ Million	Share	US\$ Million	Share
Total	18,929	100.0%	115,879	100.0%
Singapore	10,452	55.2%	31,985	27.6%
Russia	2,961	15.6%	14,020	12.1%
Indonesia	1,411	7.7%	8,125	7.0%
United Arab Emirates	1,268	6.7%	4,003	3.5%
India	705	3.7%	3,770	3.3%
Turkey	628	3.3%	1,329	1.1%
Vietnam	500	3.0%	3,374	2.9%
Iran	517	2.7%	4,842	4.2%
Malaysia	459	2.0%	2,231	1.9%
Cambodia	420	2.2%	3,676	3.2%
Thailand	407	2.2%	3,440	3.0%
Saudi Arabia	405	2.1%	2,434	2.1%
Myanmar	333	1.8%	4,259	3.7%
Tajikistan	321	1.7%	6,036	5.2%
Israel	230	1.2%	317	0.3%

Source: Statistical Bulletin on China's Outward Foreign Direct Investment 2015

Figure 2.

From the data above, obtained that India entered as one of the recipients of ODI with a total of 4.603 million US dollars. The policies taken by India are often fluctuating, on the one hand favoring or even rejecting it. Fourth, the existence of supranational organizations in this case does not appear at all. Because the intention is still classified as a policy without involving direct force so that the participation of supranational organizations in this case is not found. Fifth, the contentious issue is related to maritime domination. This is demonstrated by one belt one road which then indirectly has the potential to weaken India's maritime imperatives policy. This policy then feared could derail India's ambitions.

According to long cycles theory by Georg Modelski (1981), the current world conditions are multipolar. China's progress as a country with a fast growth rate has finally made the countries of the world begin to consider China's position. Especially the condition of the world that is currently deconcentrated ultimately exploited China to expand its influence through One Belt One Road. India as one of the countries that also experienced significant GDP growth, in fact also felt the needed to do reevaluation in their policy.



Figure 3: India vs China GDP Growth.

From the data above, it is found that although both of them are emerging economies, China's GDP level is still far above India. In this regard, despite China's declining GDP figures, the average decline is still above the Indian GDP. This is then feared by India, that with such stability, it is not impossible for China to advance as a hegemonic country. The more hegemonic China then India indirectly will experience stagnation and made other countries will try to get closer to China. So then the author found that the logical policy taken was balancing by looking for alliances as well as sending a diplomatic signal (Mearsheimer, 2001). India in this case invites Japan to cooperate in improving its infrastructure in the Indo-Pacific region in order to maintain its position. Japan has been one of the largest investors in India since 2003-2004 through ODA (Official Development Assistance) which continued until 2014, Japanese Prime Minister Shinzo Abe visited India and supported the construction of infrastructure in the region by providing assistance around 35 US billion dollars in various sectors over a five-year period (Sahoo and Bishoni, 2016). In this case the author found that India tried to hold Japan in counterbalancing business is due to the proximity that has been going on for quite a long time and the similarity of interest in efforts to limit the influence of China. Particularly in history, there is an unfavorable relationship between the two that has lasted long enough between Japan and China. In accordance with the long cycles theory, India and Japan cooperation efforts did not rule out the possibility of a global war. The deconcentrated international system has finally triggered the intentions of the state to dominate, one of which is to form alliances such as India and Japan, although it has not led to joint-military cooperation.

## 5 CONCLUSION

From the above explanation it can be concluded that there are indications that the international system ultimately influenced India's foreign policy. This refers to a shift from unipolar to a more multipolar system. The emergence of new actors such as China is ultimately considered a potential threat to the position of the United States as a global force today. However, not only the United States, but India also experienced the impact of China's aggressiveness, especially in China's One Belt One Road policy. The initiative try to connect China with countries in the Middle East and Europe through countries such as Pakistan, Saudi Arabia and others, including the Indian Ocean. This location is quite crucial for India because India has ambitions to become the leader of Asia and trying to dominate the Indo-Pacific maritime especially the Indian Ocean. The Indians are affected by the argument of Alfred Thayer Mahan who says that when the country is able to rule the Indian Ocean it will be able to dominate the world. This is agreed by India by trying to realize maritime imperatives policy by inviting coastal countries to engage in IORA (Indian Ocean Rim Association).

However, the One Belt One Road policy considered more interesting than the policies made by India, and that makes India feel threatened by China. There is evidenced by the development of ports in Gwadar, Pakistan by China that ignites disappointment from India, especially Pakistan as the strategic competitor from India. In addition, evidence that China's significant economic acceleration will be successful in its initiative. With the ODI that China throws at the non-formal sector indirectly raises the interdependence of the receiving countries, so that there is a tendency towards China. India sees this as a threat, threatened when its GDP levels are not able to compete with China entirely so they decided to seek friends by involving Japan. This common purpose then creates a balancing policy election. In accordance with the international system level of analysis, it is found that the Indian policy is not as influential in the international political constellation.

But the emergence of China as a global challenger has enough impact on decision making in India that decided to do counterbalancing with Japan. In addition, the involvement of major power such as the United States, is actually seen implicitly which India and Japan as partners of the United States have also helped to push its involvement in the Indo-Pacific forum. But the role of supranational organizations is not found in this case since what seen today are the tendencies of states to contest that able to disturb the

world stability. The issue that discussed more here in this regard is the maritime affairs which are the focus of India so that with substantial Chinese revenues and investments eventually reduces its position in the region. Although there has been no official statement by India stating that One Belt One Road policy in the future will harm the Indian economy, but this anticipation step is enough to show India's efforts in limiting the dominance of China in the region, especially the Indian Ocean and South Asia.

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