In South Asia, we have three dimensions of history. One that is taught in Pakistan, another that is taught in India (or for that matter Bangladesh vis-à-vis Pakistan), and the other that is neither taught here nor there, and that is the history of masses - the truth unfolded. It is not only about history; one can say the same about three sets of heroes, two geographies, two maps, etc.

**Belt Road Initiative (BRI)**

A latest addition in this list is China’s Belt Road Initiative (BRI) of which China Pakistan Economic Corridor (CPEC) is an important part. While many in Pakistan look at BRI’s potential of infrastructural and economic integration as an unprecedented opportunity for regional transformation, many in India are sceptic about Chinese agenda of transcontinental and transoceanic extension and perceives it as China’s tool for economic dominance.

BRI has two major nodes in South Asia. The first one is CPEC, and the second is China, Bangladesh, Myanmar, India Economic Corridor (CBMI). While there is fervour about CPEC in Pakistan, India has still not formally participated in China’s initiative due to certain concerns.

**Indian Concerns over BRI**

BSome of the concerns highlighted by the Indian intelligentsia are based on the chequered relations between India and China. For instance, Chinese quest to “overtake” major ports in Indian Ocean (Through 21st Century Maritime Silk Road) is perceived as a direct threat to Indian security. There is a concern that CPEC has more geo-political dimensions (against India) and does not make an economic sense. Chinese investment in a “disputed territory” is among India’s major concerns. It is now being perceived that all projects under CPEC are funded by soft loans that Pakistan will not be paying back. Indian economists think that neither India can ignore BRI, nor can BRI ignore India.
China – a common denominator

To me, most of these concerns are based on perceptions and not on evidences. Looking at China’s interest and investment in Iran, Afghanistan, Bangladesh, Pakistan, Nepal, Sri Lanka and India, it is obvious that China is becoming a common denominator in the region and would have the potential to reduce tension among neighbours owing to its economic interests in the region.

One has to be mindful of the fact that economic decisions are subservient to geo-political and geo-strategic realities and so should be CPEC. However, it would be wrong to say that “CPEC does not make economic sense”. The current maritime distance between Persian Gulf and Tianjin port near Beijing is 12,900 km. One has to add another 4,000 km if the shipment is to be transported from Beijing to China’s western parts such as Kashgar. The distance between Gwadar and Kashgar is 2,500 km. Thus, it makes perfect economic sense to use Gwadar Port for supplies to China’s western parts.

Cost Sharing Formula

As regards India’s concern about China’s investment in “disputed territories”, one must look at cost sharing formula in different CPEC projects. Almost 68 per cent ($33.8 billion) CPEC constitutes energy related projects, where Pakistan’s domestic share is 20-50 per cent (50 per cent in case of hydel projects). In road projects, China’s share is $5.9 billion, whereas Pakistan’s domestic share is 80 per cent ($4.7 bn). To save its diplomatic relations with India, China can very easily say that investment in disputed area of Pakistan is made through Pakistan’s domestic resources and nothing to do with the Chinese money.

On the perception that Pakistan would not be paying back CPEC loan, I wish it was true. Being a sovereign country, Pakistan is bound to pay back its loans. However, one needs to see how much of the CPEC money would be “loan” and how much would be “investment” from private sector (most probably through Chinese EXIM bank). My hunch is that most of the energy projects (that make the bulk of CPEC) would be funded by private sector.

Power tariff already negotiated

As per my information, the government of Pakistan has already negotiated tariff, number of units of electricity, and a time period with different power generation companies willing to install power plants under CPEC. This is a secured and safest investment as private investors have already got assured buyers.

The perception that ‘Pakistan would not be able to pay back loans under CPEC’ may be taken seriously if Pakistan has ever in the past showed any such trend. My worry is that the tariff and number of units’ formula may not recall us our experiences of the 90s. However, I am hopeful that our policymakers must have learnt some lessons from Independent Power Producers (IPPs) saga and have thought of safeguard clauses while negotiating with generation companies under CPEC. I too have concerns on climatic aspects of coal powered electricity generation, but I am still looking for more details on environmental friendliness of super-critical coal plants under CPEC.
Nothing is indispensable

As regards their last concern that “neither India can ignore BRI, nor can BRI ignore India”, one should keep in mind that nothing is indispensable in this world. The world is changing too fast and those who do not read the pulse of time lose out. Pakistan did not want to be part of motor vehicle transport agreement in the last SAARC summit. Bangladesh, Bhutan, India, and Nepal signed BBIN motor vehicle transport agreement leaving Pakistan out (Maldives and Sri Lanka are islands, while Afghanistan cannot be part of BBIN as it requires transit through Pakistan).

Likewise, Afghanistan did not want to give transit to Pakistan to Central Asia and thus tried to restrict CPEC. However, Gwadar-Urumqi-Almaty-Astana-Moscow route would eliminate the need for Pakistan to seek transit from Afghanistan in order to reach Central Asia and beyond. Though India cannot ignore BRI, BRI can do well without India.

RECP-BRI Integration sooner or later

We should keep in mind that President Trump’s ‘U-turn’ on Trans Pacific Partnership agreement with East Asian and Pacific economies have provided a room for China to offer Regional Comprehensive Economic Partnership (RECP) to the Association of Southeast Asian Nations (ASEAN) and Pacific countries. India also has a free trade agreement with ASEAN and can play a role in RECP, otherwise it would be letting ASEAN to be economically influenced by China. I foresee that RECP would be integrated with BRI sooner or later.

Thus, India has to make a rationale choice whether it wants to play a responsible role in the region by being part of BRI and CPEC. It is time for India to overcome the hurdles posed by its difficult history with Pakistan and China by not resisting CPEC and integrating in BRI which has the potential to bring peace in the region.