

Putin's Wholehearted Defense of China's Belt and Road Puts Him at Serious Odds with India's PM Modi

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The Russian leader's wholehearted defense of China's Belt & Road Initiative at last week's yearly forum on this global series of megaprojects stands in stark contrast to the position of India's Prime Minister, thus reinforcing the notion that Putin and Modi are at serious odds with one another when it comes to BRI irrespective of their Great Powers' mutually beneficial and highly lucrative transactional relationship with one another.

Indian Intransigence

President Putin's press conference at last week's <u>Belt & Road Initiative</u> (BRI) Forum in Beijing was a well articulated masterclass in defense of this global series of megaprojects that has come under <u>increasingly sharp criticism</u> from China's geopolitical rivals. One of the most outspoken countries vehemently opposed to BRI is India because of its maximalist approach to the <u>Kashmir Conflict</u> by which it claims the entirety of the <u>global pivot state</u> of Pakistan's Gilgit-Baltistan region through which the Silk Road's flagship investment of the China-Pakistan Economic Corridor (<u>CPEC</u>) traverses. India is also tacitly opposed to BRI in principle because it understands that this is the vehicle for the <u>Chinese-driven Multipolar World Order</u> to spread across the planet, a scenario that decision makers in New Delhi deeply fear because they're afraid that it'll relegate their country to becoming "junior partner" of the People's Republic. This in turn has made them all the more receptive to the US' manipulatively tantalizing promises that a military-strategic partnership with America is the best way to promote India's 21st-century interests, an emerging development which is actually destabilizing Eurasia to Washington's divide-and-rule gain.

Russian Reservations

That explains why Russia's Deputy Foreign Minister called out the US for <u>using India to</u> <u>"contain" China</u> at the end of last year and also why Foreign Minister Lavrov said that his country regards the "Indo-Pacific Region" nomenclature that New Delhi is so fond of as an <u>"artificially imposed" pro-American concept</u>. Furthermore, awareness of these two interconnected policy positions by Russia allows one to better understand the "balancing" modalities of Moscow's "Return to South Asia", which is the diversification of this Great Power's previous regional strategic dependence on India and its recent embrace of Pakistan as described in detail by Valdai Club programme director Oleg Barabanov in his visionary piece earlier this year about "Russia and the Search for Balance Between India and Pakistan". Despite the dynamics of Russia and India gradually moving closer to one another's geopolitical adversaries of the US and China & Pakistan respectively, the Russian-Indian Strategic Partnership is still mutually beneficial and highly lucrative for both even if it's become mostly transactional in recent years as a result of these developments.

BRI Might Break The Russian-Indian Bond

Still, both Great Powers' polar opposite approaches to BRI are a serious cause for concern since they hold with it the possibility that this growing strategic divergence will inevitably lead to the worsening of their relations in the future, especially in the event that India decides to politicize what might by then be Russia's de-facto participation in its South Asian component through N-CPEC+. After all, President Putin declared during his keynote speech at last week's event that Russia will merge its Eurasian Economic Union integration platform with China's much larger BRI one, with the unstated implication being that Moscow will ultimately cooperate in some capacity or another with BRI's flagship investment of CPEC, thus leading to a "strategic security dilemma" with its decades-long Indian partner that is obsessively opposed to that project. It might only a matter of time before this fault line provokes problems in the Russian-Indian Strategic Partnership, especially after President Putin's wholehearted defense of BRI last week put him at serious odds with Modi.

Putin Is A True Believer In BRI

To accentuate that point, the analysis will close with a republication of <u>President Putin's enthusiastically supportive remarks on BRI</u> that he made in response to a loaded question doubting its benefits for Russia, proving that the Russian President is a true believer in everything that BRI stands for and that he's therefore bound to clash with the Indian Prime Minister whose views on this issue are the complete opposite of his own even if the two keep their heated disagreements behind closed doors in order to continue milking their countries' mutually beneficial and highly lucrative transactional relationship with one another:

(boldened text is the author's own and done to draw attention to important passages)

"Question: Good afternoon. The Belt and Road is a very ambitious project – to the extent that it raises concerns in some. China is not a country that makes plans only for years ahead – it makes plans for decades proceeding not from billions but from trillions of dollars. This leads to the question, is this China's project or is it beneficial for other participants? Is it beneficial for Russia?

Vladimir Putin: China is a vast country. I have mentioned that according to open sources and IMF data, China is the world's top economy as regards purchasing power parity. It is considerably lower per capita than, say, in the United States, but the volume is higher. Therefore, of course, China has plans for its development, and they are immense and ambitious; when China implements anything it uses a highly pragmatic approach to achieve its tasks.

China is our strategic partner; this is obvious from all indicators and parameters. China is Russia's top trading partner. Our aim in 2018 was to reach the volume of \$100 billion, and we exceed that, at \$108 billion. And we have good prospects for development.

When the country's leadership and President Xi Jinping formulate these plans and set development tasks for themselves and for the country – this is a very pragmatic approach. Just like us or any other country, they are governed by their national interests. This is normal.

China implements this in a civilised and delicate way, making sure proposals for common development meet the interests of the vast majority of

international participants, if not all. Generally speaking, China has offered nothing new; what it is doing is actually making attempts to reaffirm the principles set out by the World Trade Organisation and the International Monetary Fund, and many of our colleagues are mentioning this backstage like they did at the last meeting. What is China's goal? Stability.

What is the reason for this? China's economy is immense, and the domestic market is growing. But today, what China produces is basically oriented towards foreign markets.

Of course, domestic consumption will gradually increase with the overall growth of people's incomes. Today China is interested in pushing its products to foreign markets, which is a natural aspiration for any country. For example, the Swedish economy is almost entirely focused on exports, and the same applies to the German economy. China simply has more products to offer. So how should China respond when it faces certain restrictions and attempts by some countries to stop its development? What should China do? It must strengthen the fundamental tenets of global economic relations, and create conditions for promoting its products. How can this be done? By developing transport infrastructure, port facilities, air, rail and motor transport, and building roads. This is exactly what China is doing. This was how it all started, but later it became obvious both in terms of China's growth and for us as well, that this would not be enough. We needed to strengthen the fundamental tenets of international economic relations.

Is Russia interested in this? Of course, it is. Considering the high volume of trade and the fact that it is growing, we are certainly interested in benefiting from the transit potential of the Trans-Siberian Railway and Baikal-Amur Mainline, and we intend to invest heavily in them, as well as in motor transport and roads. We have earmarked trillions of rubles for infrastructure development. Why are we doing this? In order to make effective use of our country's transit potential and to be able to engage in mutual import and export operations.

China acts in a highly civilised manner. For many years, we have been raising the issue of the need to increase the share of engineering goods in our trade. This is now beginning to materialise, which is attributable among other things to the position adopted by China's leadership. I am very grateful to President Xi Jinping and Prime Minister Li Keqiang for their consistent efforts to improve China's trade patterns with Russia.

Does this meet our interests? Absolutely. I think that this initiative has a very bright future ahead of it, since almost all of us are interested in this, as I have already said. No one wants to face any restrictions, no one wants any trade wars, maybe with the exception of those who are behind these processes. In any case, an overwhelming majority, nearly 100 percent strongly believe that these restrictions and wars undermine the global economy and its development. As strange as it may sound, the global economy as a whole needs the liberal values that China currently champions.

It is for this reason that I believe that this initiative will develop further, which can also be explained by Chinese philosophy: they advance with extreme caution and not only seek to take into consideration the interests of their partners, but actually do so in their political and practical activities. The world has a very positive view of these developments."

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Andrew Korybko is an American Moscow-based political analyst specializing in the relationship between the US strategy in Afro-Eurasia, China's One Belt One Road global vision of New Silk Road connectivity, and Hybrid Warfare. He is a frequent contributor to Global Research.

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