

The Geopolitical Game: India's IMEC vs China's BRI in Asia

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Source: WorldRef Insights

Introduction

The global political system is facing some significant changes as the relationships among crucial international actors are shifting rapidly. The increasing competition between certain states to ensure their dominance in specific areas has led to some particular blocs or initiatives taken for countering or balancing against the core competitors. Compared to other continents of the world, Asia is being considered by a substantial number of countries as an area of interest because of the region's strategic location, resourcefulness, military significance and also for several other factors which are continuously making it a more appealing one. Considering all these points, China, among others, became more ambitious to expand its influence in the region. It became prevalent a long ago in 2013 through the commencement of the Belt and Road Initiative (BRI).

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This project was powerful enough to push the Western countries to reshape their outlooks or strategies towards the region to regain their dominance in Asia, which was on the verge of being lost to China. In addition to this, China's BRI 2.0 project is expected to hold the capability to take China's ascendancy over the Asia-Pacific region to a new level. But India, the country which is being considered by many as a regional superpower, declared its avant-garde initiative in the mid-2023 title as India-Middle East-Europe-Economic Corridor (IMEC). This project has provided a range of opportunities not only to India but also to the West, UAE, Saudi Arabia and others to make sure that China's alarming increase of influence in the region does not get out of control.²

Key Distinctions between the Two Initiatives: Indicative of BRI's Advancement

Difference in terms of scope:

BRI is designed to cover multifaceted developmental works such as developing the involved nation's roads, ports, railways along with contributing to facilitating energy projects, agricultural and industrial growth etc.

In contrast, the primary analysis of IMEC reveals that this project's scopes are limited if compared with BRI. The core focus of it is to ensure the advancement of shipping lanes and the frameworks of rail and road. So, in the case of the assessment based on scopes, BRI is currently slightly ahead of IMEC.

Difference in terms of investment:

As BRI is more advanced in terms of scopes, its investment is also very vast as it took over a wide range of projects over the years. A surmised value of BRI is about US\$8 trillion while that of IMEC is only a few billion dollars.³ China has already launched some successful projects

² Kashif Anwar, "The IMEC vs BRI: Taking the cue", Modern Diplomacy, September 29, 2023, <https://modern diplomacy.eu/2023/09/29/the-imec-vs-bri-taking-the-cue/>

³ Shahid H. Raja, "Comparative Analysis of the BRI and the IMEC", Medium, September 21, 2023, <https://shahidhaja.medium.com/comparative-analysis-of-the-bri-and-the-imec-f1b2c69937a6>

along with being criticized for its controversial debt policy. IMEC needs to utilize its small budget and investments in the most effective way possible to overtake BRI.

Difference in terms of geographic reach:



Source: Indian Council of World Affairs

BRI is considered as a more global project as 155 countries are affiliated with it.⁴ On the other hand, IMEC has planned to initially start working with 20 countries centered on the Middle East and Europe.⁵ Though it is sometimes being challenging for China to deal with the demands of so many countries, still this can be a valuable strength to counter IMEC in future if situation demands.

Difference in terms of mode of transportation:

IMEC's primary focus is on sea-based transportation. On the other hand, BRI's transportation is centered on land-based routes, particularly roads and railways. The different means of transportation also highlight the logistical and strategic differences between the two projects.

Difference in terms of Directionality:

BRI is a multi-directional project that is working to link China with Europe, Asia, Africa and even some parts of America. Critics of IMEC think that this will help China to magnify connectivity as well as to build up multiple trade relations, adding more dynamics to the involved countries' trade systems.

⁴ Nedopil & Christoph, "Countries of the Belt and Road Initiative", Green Finance and Development Center, 2022, <https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/>

⁵Shahid H. Raja, "Comparative Analysis of the BRI and the IMEC", Medium.

In comparison to the comprehensive network of BRI, IMEC is going to be a unidirectional project emphasizing on affixing India to Europe. As a result, the trade route is not going to be as diversified as that of BRI.

Prospects Ahead of IMEC to Curtail the Progress of BRI

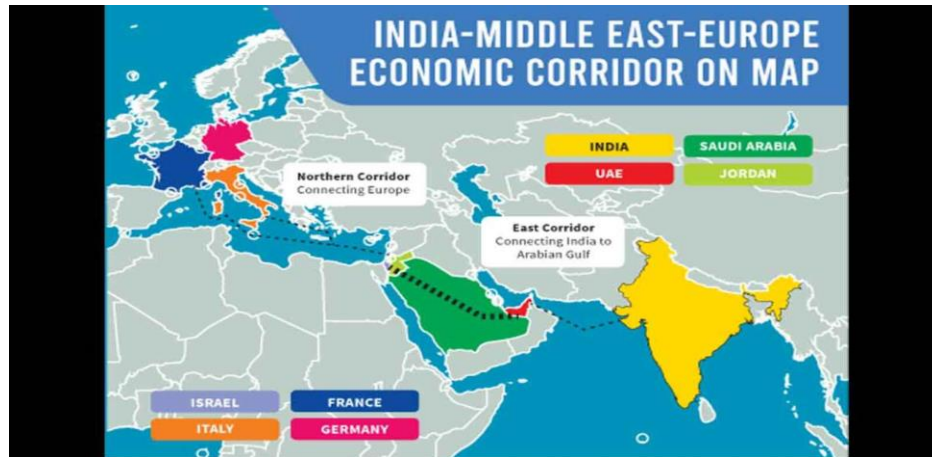
In the previous section, it has been illustrated how BRI is considered superior to IMEC so far both in technical and strategic terms. But this does not put IMEC in a disadvantageous position at all. In fact, this specific project deserves to get some praises as after 10 long years a noteworthy attempt has emerged as a countermeasure to China's pioneering Belt and Road Initiative (BRI). So the scopes for IMEC to surpass be must be explored.



Source: The Cradle

Firstly, one thing very unique about IMEC is that its contribution is not only limited to the development of physical infrastructures such as rail, shipping etc. It is also focusing on enhancing the overall digital and financial connectivity. The IMEC has two parts- one connects India to the Arabian Gulf in the east and the other links the Arabian Gulf to Europe in the north.⁶ According to the White House, the goal is to connect both continents to places where business is done, help clean energy grow and be sold, put cables under the sea to connect energy and communication lines, make sure everyone has reliable electricity, encourage new clean energy ideas, and connect communities by providing safe and secured internet facilities.

⁶ Dipanjan Roy Chaudhury, "India - Middle East - Europe Economic Corridor to stimulate growth", The Economic Times, September 10, 2023, <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-middle-east-europe-economic-corridor-to-stimulate-growth/articleshow/103540025.c>



Source: The Hans India

Secondly, right from the start, the project has been a collaborative effort. Indian Prime Minister Narendra Modi praised it as a symbol of cooperation and innovation, representing a journey of shared aspirations and dreams. The memorandum of understanding (MoU) signed by the participating countries commits them to work together promptly to organize and carry out all aspects of these new transit routes.⁷ It also aims to establish coordinating entities to handle technical, design, financing, legal, and regulatory standards. Importantly, the MoU was the outcome of the primary discussions.

Thirdly, the project is not limited to a single country; instead, it aims to transform the integration of Asia, Europe, and the Middle East. The plan includes laying cables for both electricity and digital connections, along with a pipeline for exporting clean hydrogen. The expected outcomes are increased trade, cost savings, stronger economic collaboration, job creation, reduced greenhouse gas emissions, and more secure supply chains.

Fourthly, the transportation will become much faster with this corridor. Ursula Von der Leyen, the President of the European Commission, mentioned that it will make trade between India and Europe 40% quicker.⁸ This means goods can move more rapidly, cutting down on time and

⁷“MoU signed on India-Middle East-Europe Economic Corridor (IMEC)”, Utkarsh, September 11, 2023, <https://utkarsh.com/current-affairs/mou-signed-on-indiamiddle-easteurope-economic-corridor-imec>

⁸ SD Pradhan, “India-Middle East-Europe economic corridor: Comparison with the BRI”, The Times of India, September 16, 2023, <https://timesofindia.indiatimes.com/blogs/ChanakyaCode/india-middle-east-europe-economic-corridor-comparison-with-the-bri/>

making things cheaper. It not only saves energy but also boosts trade, giving a positive knock to economic growth.

Lastly, this project not only connects India and Europe but also extends to Southeast Asia. India, following its 'Act East Policy,' is actively working on connecting its northeast with countries up to Vietnam. There are collaborative efforts like BIMSTEC for economic development, BBIN (Bangladesh-Bhutan-India and Nepal) Motor Vehicle Agreement for smooth vehicular traffic, MGC (Mekong-Ganga Cooperation) for regional cooperation, and ACMECS (Ayeyarwady-Chao Phraya-Mekong Economic Cooperation Strategy) for balanced sub-regional development. Southeast Asia, particularly with the realization of IMEC, becomes a crucial trade route for India, enhancing its connectivity from the Southeast to Europe. This holds significant geostrategic importance for India.

Factors Perceived as Challenging for BRI

- The BRI is planned by one country, while the IMEC is created through discussions with everyone involved.
- The purpose behind the creation of BRI was mainly centered on assuring China's benefit, while the IMEC is designed to benefit everyone in the region.
- The sole focus of BRI is on creating jobs for Chinese companies, but the IMEC aims to generate jobs for local people of the involved states.
- The BRI does not care much about the independence of nations it passes through, whereas the IMEC respects the sovereignty of nations.
- The BRI gives loans with very high rates, but the IMEC plans to follow internationally acceptable debt practices.

In addition to these points, past experiences indicate that Chinese projects often become unsustainable and in return for financial help, they ask for political favors. Many countries have either abandoned or terminated some BRI projects. Countries unable to repay loans had to make strategic concessions, a Chinese tactic called "debt trap diplomacy"⁹. Considering this, IMEC

⁹ Toshiro Nishizawa, "China's double-edged debt trap", East Asia Forum, September 19, 2023, <https://eastasiaforum.org/2023/09/19/chinas-double-edged-debt-trap/>

will undoubtedly be a better and reliable option for especially those countries which have previously been exploited by BRI's money-grubbing policies.

Can IMEC Really Surpass BRI?



Source: Times Now

Since the declaration of launching IMEC, many analyses have been conducted so far stressing on the possibilities of this project to outdistance BRI. According to experts and savants, BRI will remain in an advantageous position despite IMEC being on the edge of gaining more popularity.

Firstly, BRI is an advanced and mature project, while IMEC is a new initiative with uncertainties about its success. Secondly, BRI operates with a centralized focus, ensuring unity of command, whereas IMEC involves multiple countries, lacking a unified control that might hinder successful implementation. Thirdly, BRI's financing by China guarantees success, whereas IMEC is still working on securing funding from participant countries. Lastly, BRI's commercial viability is well-established, while IMEC faces challenges in proving its commercial feasibility, potentially affecting its future prospects.¹⁰ The uncertainty around IMEC's commercial viability may hinder financing and delay its realization.

¹⁰ Col (r) Ikram Ullah Khan, "IMEC vs BRI", Chitral Today, September 22, 2023, <https://chitraltoday.net/2023/09/22/imec-vs-bri/>

Dilemma in the Middle East and Opportunity for the USA

A compelling situation unfolds in the Middle East as Saudi Arabia and the UAE grapple with a challenging choice between aligning with the US/India or China.¹¹ This decision holds significant economic and political consequences for the region. Both countries find themselves at a crucial juncture, torn between the maturing and successful BRI proposed by China and the nascent stage of the IMEC, which faces an uncertain future.

The launch of IMEC appears to convey a clear message from the USA to China, signaling that China's ambition to replace the US as a global economic powerhouse won't be an effortless transition.¹² The US is determined to maintain its status as a superpower and resists conceding this position to China. With ongoing concerns like the de-dollarization campaign led by BRICS, the US is poised to take decisive actions to safeguard its global standing, signaling a potential struggle for supremacy.

Conclusion

In conclusion, the emergence of the India-Middle East-Europe-Economic Corridor (IMEC) stands as a significant challenge to China's Belt and Road Initiative (BRI). IMEC's focused, collaborative approach, emphasizing digital connectivity and financial integration, presents a captivating alternative. While BRI boasts maturity and centralized control, IMEC's innovative strategy suggests potential success. Challenges faced by BRI, such as a unilateral focus on China's benefit and non-prolonged projects, position IMEC as a reliable and inclusive option. The Middle East faces a crucial decision between BRI and IMEC, reflecting broader global tensions for economic dominance. The unfolding discussion signals a nuanced struggle for influence and power on the world stage.

¹¹ Georgio Cafiero, "The Geopolitics of the India-Middle East-Europe Economic Corridor", Arab Center Washington DC, October 10, 2023, <https://arabcenterdc.org/resource/the-geopolitics-of-the-india-middle-east-europe-economic-corridor/>

¹²"Imec expands its presence in the USA", December 8, 2023, <https://www.imec-int.com/en/press/imec-expands-its-presence-usa>