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Italy Joins Belt & Road Initiative

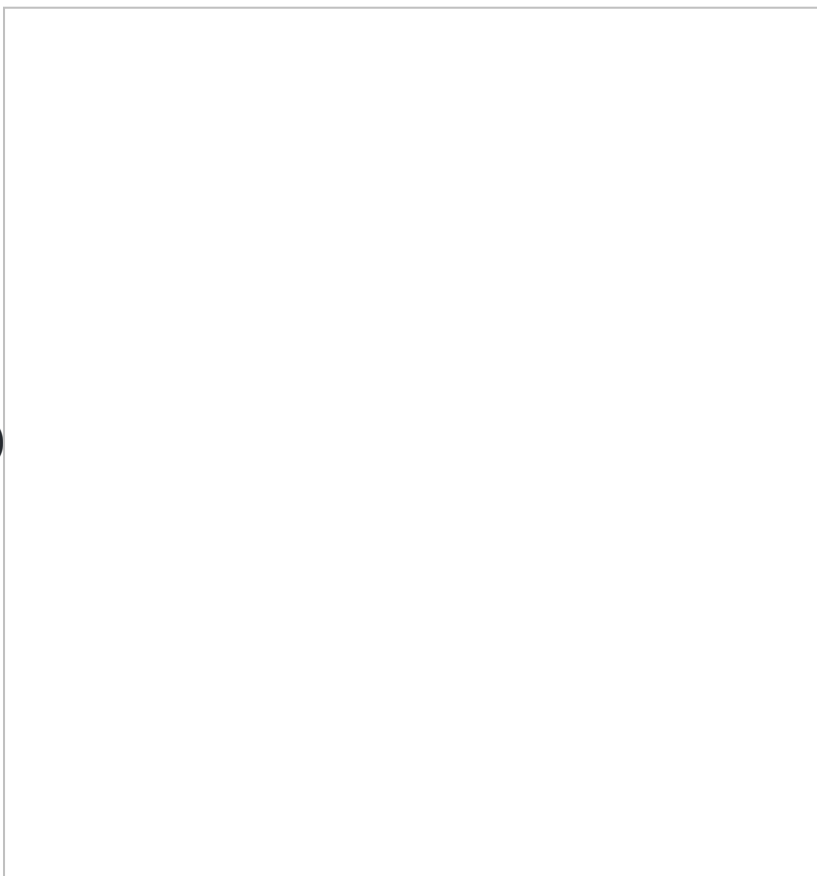
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Italy has become the **first G7 country to join China's Belt & Road Initiative** (previously known as One Belt One Road (OBOR) Initiative).

G7

- The Group of Seven is a group consisting of **Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.**
- These countries, with the seven largest International Monetary Fund (IMF)-described advanced economies in the world, represent 58% of the global net wealth.

Belt & Road Initiative (BRI)



- **Belt & Road Initiative (BRI) is an ambitious project that focuses on connectivity and cooperation among multiple countries spread across the continents of Asia, Africa, and Europe.** BRI spans about 150 countries (China's Claim).
- Initially announced in the year 2013, the project involves **building networks of roadways, railways, maritime ports, power grids, oil and gas pipelines,** and associated infrastructure projects.
- The project covers two parts.
 - **Silk Road Economic Belt:** It is land-based and is expected to connect China with Central Asia, Eastern Europe, and Western Europe.
 - **21st Century Maritime Silk Road:** It is sea-based and is expected to connect China's southern coast to the Mediterranean, Africa, South-East Asia, and Central Asia.

Significance of BRI For China

- The Belt and Road Initiative (BRI) is the most emblematic of **China's economic and industrial might, as of its ambitions for global, political and strategic influence.**
- As infrastructure spending at home became less sustainable, **China has shifted the emphasis to boost the global competitiveness of domestic businesses.**
- The large infrastructure investments in the least developed and developing countries have **enabled China to leverage its influence around the world,** potentially altering the established rules of the global order and challenging western powers.
- BRI will **strengthen China's presence in the Eurasian region** and puts it in a commanding position over Asia's heartland.

Criticism of BRI

- Western critics have attacked the initiative as **new colonialism, or Marshal Plan for the 21st century.**
- BRI is also being seen as a part of **China's debt trap policy,** wherein China intentionally extends excessive credit to another country with the intention of extracting economic or political concessions from the debtor country.

Significance of Italy joining BRI

- Italy's **endorsement of the BRI is a potential game changer** as it is one of the major economies in the world.
- **Other major economies may follow Italy's lead** in joining BRI.

Why India has not joined?

- **China Pakistan Economic Corridor (CPEC)** is one of the flagship projects of BRI

which is seen by **India as infringing its sovereignty.**

- China is building roads and infrastructure in the **disputed territory of Gilgit-Baltistan**, which is under Pakistan's control but which India claims as a part of Jammu and Kashmir.
- If the CPEC project gets implemented successfully, this would **hamper India's strategic interests in the South Asian region.** It will serve Beijing's strategic ambition to encircle India.
- **CPEC can aid Pakistan's legitimacy in the Kashmir dispute.**
- China's increasing **footprints in the South Asian region is detrimental to India's strategic hold e.g. construction of the Hambantota Port in Sri Lanka** provided China critical strategic location in the Indian Ocean.