

China's Scattered Pearls

How the Belt and Road Initiative Is Reclaiming the “String of Pearls” and More

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In 2004, a report by the US consultancy Firm Booz Allen Hamilton titled “Energy Futures in Asia” coined the term “String of Pearls.”¹ It stated that China will expand its naval presence in South Asia by building maritime infrastructure in friendly countries across the region to ensure an unhindered flow of energy through the Indian Ocean region. In 2013, Chinese president Xi Jinping unveiled the Belt and Road Initiative (BRI), effectively reclaiming the Western narrative of a strategic string of pearls and, thereby, legitimizing China’s global connectivity project of the century. Since then, Beijing has made headlines with its significant investments in maritime infrastructure spanning from the controversial Hambantota Port in Sri Lanka to China’s naval base in Djibouti.

A closer look at China’s increasing ties with Indian Ocean littoral and island states indicates that China has not stopped at investing in the Maritime Silk Route projects in its quest for dominance in the Indian Ocean region. Rather, Beijing has gone a step further by building and financing other key infrastructure in the region through Chinese state-owned enterprises and other Chinese entities. China has also boosted political and economic ties with periodic high-level visits, meetings, and trade agreements. Beijing has adopted a soft-power approach, ranging from extensive development aid, cultural and people-to-people ties, and, most recently, vaccine diplomacy in the strategically significant region.² While the rest of world was debating about China’s debt-trap diplomacy, China has been sending teams of doctors to Madagascar,³ delivering an experimental drug to eliminate malaria in Comoros,⁴ and conducting joint naval drills with Pakistan in the Arabian Sea.⁵ With all these measures and more, Beijing is winning over governments and influencing people to expand China’s presence even beyond what was envisioned as the String of Pearls in the Indian Ocean region.

Western media has focused on the negative perceptions of Chinese expansionism in the Indo-Pacific and has labelled Chinese investments in the Global South as a “debt trap.” By doing so, the Western governments and media often fail to acknowledge the nuance that some Chinese involvements in the Global South have in fact made positive contributions in many Indian Ocean countries. While these narratives influence how the developing world perceives China, it has not

stopped the countries of the Global South from strengthening their ties with China. Until China's nonregional competitors see beyond their own narrative of a China that is engaged in "checkbook diplomacy," the West will be unprepared to counter the rapidly growing Chinese presence in the Indian Ocean region.

The countries that were originally considered to be part of the String of Pearls quite easily fit into the BRI with their strategic naval outposts. When one takes a closer look at Chinese engagement in the Indian Ocean, it is evident that China's involvement in the region is not limited to strategic locations or high-risk investments, but it also extends to securing long-term strategic ties with governments and people of these countries. Therefore, one could argue that, particularly under the BRI, Beijing has gone beyond what was initially perceived as a few strategic outposts in the Indian Ocean to secure China's trade and energy supply routes to a grander vision of being a global power that can project power in countries on the other side of the globe. Therefore, one could argue that China's interest in the Indo-Pacific goes beyond merely securing trade routes or even ensuring a strategic presence. If the West continues with the narrative of a debt trap and fails to take the growing expansionism in China seriously, the developing nations of the Global South will find "an all-weather friend" and "a preferred development partner" in China. What China would get in return ranges from strategic outposts to growing markets and an ever-increasing people-to-people ties, which would pose a threat to the current global order that the West and its allies want to maintain. The following case studies, ranging from Myanmar in Southeast Asia to Djibouti in East Africa, merely skim the surface of growing Chinese involvement in the region to elaborate China's deepening engagement in the Indo-Pacific.

Cambodia

In 2019, a *Wall Street Journal* article raised concerns about a secret agreement between China and Cambodia that allows China to use the strategically located Ream Naval Base in the Gulf of Thailand for 30 years, with automatic renewals every year thereafter.⁶ The Cambodian government has vehemently denied the claims of a secret deal with China, yet claiming to expand the naval base, it has demolished parts of the facility that were previously built with American funding.⁷ The renovations and expansion of the Ream Naval Base are reportedly supported by China.⁸ The Cambodian prime minister has stated that the Cambodian constitution does not allow foreign military basing in the country,⁹ and that China would not have exclusive access to the Ream Naval Base.¹⁰ However, given China's involvement in expanding the military base,¹¹ regional powers fear that Ream has the potential to become a dual-use facility for China, meaning a port that is used for both civilian and military purposes.

Myanmar

In Myanmar, while China significantly stepped up its engagement during the past decade, under the leadership of recently ousted State Counsellor Aung San Suu Kyi, bilateral ties saw a rapid increase, albeit amid challenges.¹² In January 2020, President Xi visited Myanmar to mark 70 years of diplomatic ties between the two countries. It was the first visit by a Chinese president to the southern neighbor in nearly two decades and saw the two sides enter into a record 33 memoranda of understanding (MOU) and agreements on infrastructure development, industrial and power projects, railways, trade, investment, and human resources, among others.¹³

As of March 2020, China has made \$21 billion dollars of foreign direct investments (FDI) in Myanmar.¹⁴ In November 2020, Myanmar also became part of the Regional Comprehensive Economic Partnership (RCEP), which is a free trade agreement (FTA) among 15 Indo-Pacific nations. It is a major geopolitical victory for Beijing, as the RCEP will help China reap the benefits of greater economic integration of the region.¹⁵

One of the most significant agreements entered into between the two countries during the visit of President Xi last year was the agreement for the Kyaukphyu Special Economic Zone and deep seaport project, which is expected to provide China a backdoor to the Indian Ocean. Under the BRI, the China–Myanmar Economic Corridor will connect China’s Yunnan Province to the Indian Ocean through Kyaukphyu deep seaport.¹⁶ In August 2020, the government of Myanmar approved a Chinese joint venture company to implement the Kyaukphyu deep-water port project. With China’s CITIC Myanmar Port Investment Limited holding a 70-percent stake in the joint venture, there are concerns that Kyaukphyu could become a dual-use facility for China in the Bay of Bengal.¹⁷

Bangladesh

Bangladesh established diplomatic ties with China in 1975. Though China refused to recognize Bangladesh as an independent state at first, relations between the two countries have gradually strengthened and “today, there are hardly any anti-Chinese in Bangladesh, which is a remarkable development,” says Prof. Imtiaz Ahmed, an international relations academic from Bangladesh.¹⁸

Like many other countries’ services in the region, Bangladesh’s air force flies Chinese fighter jets, its army uses Chinese tanks, and its navy sails Chinese frigates.¹⁹ China provided two submarines to Bangladesh in 2016. Now China is helping Bangladesh to construct its first submarine base in Cox’s Bazar and to train Bangladeshi personnel to operate the submarines and the base.²⁰ Interest-

ingly, Bangladeshi officials have stated that China does not intend to use the base.²¹ In addition to the increasing naval infrastructure, in 2019, China extended loans to the amount of \$1.7 billion for Bangladesh's power sector alone. China is among Bangladesh's top trading partners, with annual bilateral trade amounting to approximately \$12 billion.

In December 2016, Bangladesh entered into several BRI agreements. A key project among these was the expansion and development of the Payra Port at a cost of \$600 million. In 2020, China State Shipbuilding Corporation secured a project to develop the Payra Port into a major deep seaport at the cost of \$120 million.²² Further, in 2019 Bangladesh prime minister Sheikh Hasina stated that in addition to India, Bangladesh would welcome it if the southwestern provinces of China were interested in using Chittagong and Mongla—the two largest ports in the country.²³ Thus, Bangladesh has effectively opened the doors of all its strategic ports to China.

Sri Lanka

Perhaps no other country has received the kind of global criticism that Sri Lanka has attracted for its deepening ties with China. Contemporary China–Sri Lanka relations date back more than half a century. Sri Lanka was one of the first countries to recognize the Chinese Communist Party's (CCP) government in 1950, and two years later the two countries signed the historic Rubber–Rice Pact.²⁴ This agreement helped break the blockade and embargo that Western nations had imposed on China. Colombo and Beijing have had strong cultural, economic, military, and technical ties for more than 60 years.²⁵ China played a crucial role ending the civil war in Sri Lanka in 2009 by supplying the Sri Lankan government with aircraft, ships, weapons, ammunition, and rockets for money or for soft loans during the war, when many countries had imposed sanctions on supplying military assistance to Sri Lanka.²⁶

When President Xi visited Sri Lanka in 2014, the two countries entered as many as 20 bilateral agreements in the power sector, industry, sea reclamation, and water-supply sectors, among others. China has been Sri Lanka's largest development partner, with projects on highways, roads, airports, ports, and other key infrastructure. By the end of 2018, Chinese FDI in Sri Lanka had surpassed \$7.3 billion.²⁷ China continues to be one of Colombo's key trading partners, annually amounting to approximately \$4 billion in trade, and was the main source of imports of Sri Lanka in 2019.²⁸ In October 2020, in what was considered the first outbound visit by a top Chinese official to South Asia post–COVID-19, Yang Jiechi, a CCP politburo member and a former foreign minister visited Sri Lanka, indicating the

importance China places on Sri Lanka and announcing a \$90 million grant for medical care, education, and water supplies in the country's rural areas.²⁹

In the maritime sphere, just next to the Colombo Port, which is considered to be one of South Asia's best connected ports, China Harbor Engineering Company, which has links to the Chinese state, is building a \$1.4 billion Port City on 269 hectares of reclaimed land in return for rights to share some of the land.³⁰ It will expand Sri Lanka's commercial capital, Colombo, and will be under a separate legal framework, including attractive tax concessions that are said to be conducive for investments and commercial activities.³¹ Further, at the Colombo Port, one of its most successful terminals—Colombo International Container Terminal (CICT)—is controlled by China Merchants Port Holdings Company, with an 85-percent stake.³² With a draft of 18 meters, it is the only deepwater terminal in South Asia that is capable of handling the largest ships in the world.³³ In 2019, CICT handled up to 40 percent of the total volume of the Colombo Port.³⁴

Sri Lanka's Hambantota Port, which was originally rejected by India and the United States, was later built with Chinese financing.³⁵ It was widely criticized both locally and internationally as one of former Pres. Mahinda Rajapaksa's white elephant projects³⁶ and as the poster child of China's debt-trap diplomacy.³⁷ The port was built with staggering Chinese loans. A 15-year commercial loan for \$306 million³⁸ at 6.3-percent interest financed the first phase, while the Exim Bank of China provided a loan of \$600 million and a Chinese Government Concessional Loan of Renminbi Yuan 1 billion financed the second phase of the project.³⁹ When the port failed to provide the expected return on investments and Sri Lanka could no longer service the debt, in 2017, the port was leased to China Merchants Port Holdings Company for \$1.1 billion with a 70-percent stake for 99 years.⁴⁰

For China, Hambantota is of strategic interest. Sri Lanka is equidistant from the eastern coast of Africa to Indonesia.⁴¹ Hambantota Port is less than 20 nautical miles away from one of the world's busiest shipping routes, with approximately 275 ships passing by on a daily basis.⁴² China also transports large amounts of bulk energy and other supplies from Africa to China; thus, the need to secure China's sea lanes of communication (SLOC) is of paramount importance, and Hambantota is a linchpin in that equation.

Former Sri Lankan prime minister Ranil Wickremesinghe, under whose government Sri Lanka leased the Hambantota Port to a Chinese company, has reiterated that operations and security of the Hambantota Port is controlled by Sri Lanka and that there is no possibility for it to become a Chinese forward military base.⁴³ To allay the concerns raised by India, the United States, and Japan, in 2018, the Sri Lankan government shifted a Sri Lanka Navy contingent to the Hambantota Port.⁴⁴ Despite these assurances from the Sri Lankan government,

the 2014 incident of the People's Liberation Army Navy (PLAN) warship *Chang Xing Dao* and Han-class submarine *Changzheng-2*'s visit to the Colombo Port left India and other regional powers fearing for future potential for Sri Lankan ports being used for Chinese military purposes.⁴⁵ A Chinese-controlled strategic port in the south of the island and a highly successful terminal in Colombo Port have amplified those concerns.

Maldives

In the archipelagic islands of the Maldives, which used to be better known as a honeymoon destination than a strategic location, President Xi became the first Chinese head of state to visit the country in 2014, soon after announcing the BRI a year earlier. Since then, China's involvement in the Maldives has seen a rapid increase and resulted in significant Chinese infrastructure investments such as the expansion of the Velana International Airport and the prominent China Maldives Friendship Bridge, also known as the Sinamale Bridge, built at a cost of \$200 million. It was the first cross-sea bridge in the archipelagic country and connects the islands of Hulhulé and Hulhumalé to the capital city of Malé.

There are also reports that in Maldives' southern Laamu atoll, the inhabitants of its Gaadhoo island were resettled to the nearby Fonadhoo island to make way for China to build the Gaadhoo Port,⁴⁶ located next to what is known as the "One and Half Degree Channel," which separates the northern and central atolls of Maldives from the southern atolls and is situated in close proximity to the SLOCs between Africa and Asia. In 2014, the PLAN ship *Chang Xing Dao* called on the port of Malé, bringing fresh water during a plant collapse, and in 2017, three Chinese warships conducted a five-day goodwill visit to the Maldives.⁴⁷

In 2020, China completed a social housing construction project of 16 residential buildings with as many as 7,000 apartment units in Maldives, providing housing for nearly 30,000 people of the country's 540,000 population.⁴⁸ Last year, China also agreed to erase \$25 million from the \$100 million in official debt the Maldives had to settle to China. Further, several Chinese companies have leased Maldivian islands to build resorts, as Maldives receives around 300,000 Chinese tourists every year.⁴⁹

Irrespective of whether China manages to create a physical foothold in the Maldives in the form of a port, with Beijing's increasing engagement with the Maldives, it will not be a challenge for the PLAN to find a port of call in Maldives if the need arises.

Pakistan

Pakistan recognized the People's Republic of China in 1951, and ever since, the two countries consider their strong relationship to an "iron brotherhood."⁵⁰ China has provided Pakistan with considerable economic, military, and technical assistance, which has resulted in a strategic partnership between the two countries.

In January 2020, the Pakistani and Chinese navies completed a nine-day joint naval drill in the Arabian Sea. It was the sixth such joint exercise. In December 2020, China's defense minister, General Wei Fenghe, visited Pakistan, during which the two parties signed an MOU to deepen cooperation.⁵¹ For the past decade, China has been Pakistan's largest defense supplier.⁵²

Similar to Myanmar, which connects southern China to the Indian Ocean, Pakistan is geographically important to connect the western Chinese regions through Xinjiang to the oil-rich Middle East through Gwadar Port, which can cut transportation costs and distance for shipping commodities overland through Pakistan. In the long term, there are also plans to connect Gwadar Port to the Central Asian states, which possess vast energy and gas resources.⁵³

Located near the Strait of Hormuz, Pakistan's Gwadar Port, in the remote Balochistan region, is yet another strategic pearl for China. Though the port is owned by Pakistan's government-owned *Gwadar Port Authority*, it is operated by Chinese Overseas Port Holdings Limited. China financed more than 80 percent of the \$248 million development cost of the Gwadar Port, which forms an integral part of the \$62 billion China–Pakistan Economic Corridor (CPEC) that links Pakistan to Xinjiang. The CPEC also includes plans to create road, rail, and oil pipeline links to improve connectivity between China and the Middle East.

While China's increasing ties with Southeast and South Asian countries such as Cambodia, Myanmar, Pakistan, Bangladesh, Sri Lanka, and Maldives are often highlighted in Western media in particular, scant attention is paid to China's growing presence in the Indian Ocean island nations off the East African coast. These islands are strategically important for China to secure the SLOCs not only between Africa and Asia but also in the narrow Hormuz Strait and Bab-el-Mandeb strait, despite China's presence in Djibouti. Especially in the past decade, China has been aggressively expanding its ties with these Indian Ocean islands.

Seychelles

China–Seychelles diplomatic ties go back 45 years, and the two countries have seen a growth in bilateral relations on economic, trade, education, and cultural issues.⁵⁴ China has provided financing and grants to build many infrastructure projects in the country, such as the National Swimming Pool, the National As-

sembly Building, Palais de Justice, the Anse Royale Hospital, and the Glacis Primary School and Crèche, among others.⁵⁵

Among China's key projects in the country are the La Gogue Dam Project, which is constructed by Sinohydro Group Limited and aims to improve water security in the country, and the Seychelles Broadcasting Corporation building, *which is* financed by a grant from the Chinese government.⁵⁶ In January, during the visit of the Chinese state councilor and foreign minister Wang Yi, he reiterated China's willingness to jointly promote the construction of BRI projects with Seychelles.⁵⁷ During the visit, the Chinese foreign minister announced grants amounting to \$11 million, which included \$4.6 million for a renewable energy project. During the COVID-19 pandemic, China also provided several batches of anti-epidemic materials to Seychelles, which played an important role in Seychelles' fight against the pandemic.

China has trained Seychelles' People's Defence Forces soldiers, and Chinese naval vessels have a history of calling on Seychelle's Victoria Port. Additionally, PLAN personnel even participated in Seychelle's national parade in 2013, which was a first for the PLAN.⁵⁸ As far back as 2011, the then foreign affairs minister, Jean-Paul Adam, stated that his country had invited China to set up a military base in Mahé to fight against piracy.⁵⁹ Though China did not accept the offer, the Chinese Ministry of Defense has decided to seek supply facilities at appropriate harbors in the Seychelles according to escort needs and the needs of other long-range missions.⁶⁰ Thus, ports in Seychelles need not be Chinese military bases for China to gain dual-use of them.⁶¹

Mauritius

Since 1972, China has made significant investments in Mauritius, mainly for infrastructure development. As early as 2009, during his historic first official visit to Mauritius, former Chinese president Hu Jintao proposed the modernization of Port Louis airport and the creation of a special economic zone, which resulted in the Jin Fei Smart City project and special economic zone.⁶² China also built the Bagatelle Dam, located south of Port Louis, at a cost of \$188 million, and is expected to help Port Louis and its surrounding areas to meet their long-term water needs.⁶³ In 2019, China helped the Mauritian government build a multisports complex in St. Pierre for the Indian Ocean Islands Games.⁶⁴

On 1 January 2021 China's FTA with Mauritius came into effect, representing the first Chinese FTA with an African country.⁶⁵ With this FTA, Mauritius aims to become the middleman between China and mainland Africa. For China, Mauritius could be the strategic entry point to the vast African continent.⁶⁶ China is also the largest importer for Mauritius, accounting for 16.7 percent of imports to

the country in 2019.⁶⁷ While the trade balance is in favor of China, what is even more important for Beijing is the strategic foothold China gains by closer economic ties with the Indian Ocean island nation of Mauritius.⁶⁸

Comoros

In Comoros, China's involvement is relatively different compared to other Indian Ocean states. In this island nation, malaria is the number one cause of death across all populations. In 2007, China began the implementation of the first phase of the Fast Elimination of Malaria by Source Eradication (FEMSE) project, providing an experimental malaria drug to the whole country. Today, the project is considered as China's most successful health project in Africa.⁶⁹

China is also involved in building hospitals and a proposed airport and, among other things, provided a duty-free market of 1.4 billion people for goods made in Comoros.⁷⁰ Most recently, in January 2021, China sent 48 doctors, virologists, and specialists to Comoros and Niger for an 18-month period to handle the rising COVID-19 situation, and China has also assigned 139 Guangxi hospital services staff to Comoros.⁷¹

China was the first country to recognize the independence of Comoros and establish diplomatic relations in 1975. Since then, China's investments in everything from Comoros' schools, hospitals, and mosques to large-scale infrastructure projects such as airports have made significant effects on the everyday lives of the Comorians.⁷² With a nation that is so grateful for what China has provided them, Comoros is effectively a strategic pearl for China.

Madagascar

China also enjoys historical people-to-people ties with Madagascar, dating back to the mid-1800s, when Chinese immigrants arrived in Madagascar as laborers in French colonial projects.⁷³ As a result, there have been intermarriages, and there is a significant Sino-Malagasy population in the country.

China–Madagascar diplomatic relations started in 1972, and from the beginning China has sent several medical delegations to Madagascar. However, in the 1980s and 1990s China expanded its involvement in the largest island off the African continent to infrastructure development.

In 2017, during former Malagasy president Hery Rajaonarimampianina's state visit to Beijing, the two countries signed several agreements to accelerate Chinese investment in energy, aviation, transportation, ports, and airport construction.⁷⁴ Madagascar was among the first group of African countries to enter an MOU on the BRI, and the two countries established a comprehensive partner-

ship. China has been Madagascar's largest source of imports, its biggest trading partner, and the fourth-largest export destination for years.⁷⁵

China is funding the construction of 240-kilometer-long highway between Antananarivo and the country's eastern coast port Toamasina (Tamatave), which is the country's gateway to the Indian Ocean.⁷⁶ China has also announced the construction of the Narinda Bay deepwater port on the eastern coast of Madagascar.⁷⁷ China is also involved in various renovation projects in Ambodifotatra Port.⁷⁸

Djibouti

In 2017, China opened its first overseas military base in Djibouti which Beijing dubs a facility to provide "logistical support" during counterpiracy and escorting activities in the region.⁷⁹ Though a number of other countries such as the United States and France also have a military presence in the Horn of Africa, for China, having a naval presence in the region is crucial for several reasons: China's increasing trade, investment, and aid in Africa; the vital trade and energy supply routes connecting Africa, Europe, and the Middle East that pass through the narrow Bab-el-Mandeb strait; the maritime and security challenges in the region such as piracy off the coast of Somalia; and the political instability in Yemen.

Like China's investments in other strategic locations across the Indian Ocean, in Djibouti too China's strategic investments are massive. It has funded the Dolareh Port, which is an extension of the Port of Djibouti, located at the intersection of global shipping lines that connect Asia, Africa, and Europe. However, much like China's large investments in ports elsewhere, this multipurpose port is also located in a sparsely populated, less commercially active, yet strategically important location with potential.⁸⁰ Another significant Chinese investment in Djibouti is the modernization of the 756-kilometre-long Ethiopia-Djibouti Railway, which was constructed by China Railway Group and China Civil Engineering Construction China Railway Group and China Civil Engineering Construction Corporation and has received as much as 70 percent of financing from China for landlocked Ethiopia's part of the railway.⁸¹

China's strategic partnership with Djibouti has been growing since the early 2000s, and in addition to ports, railways, and free trade zones, the countries share close commercial and diplomatic ties.⁸² Djiboutian president Ismail Omar Guelleh has visited China three times in the past three years, and Chinese foreign minister Wang Yi visited most recently in 2020.

With an expansive naval base in Djibouti that would have the capacity to accommodate large warships and China's new aircraft carriers, China has easy ac-

cess to the Red Sea, the Suez Canal, the Persian Gulf, the Arabian Sea, and the farthest corner of the Indian Ocean.⁸³

Conclusion

China has adopted a proactive foreign policy and constantly engages with all these Indian Ocean states with high-profile political visits and diplomatic engagements, generous grants, and donations including COVID-19 medical assistance and vaccinations.⁸⁴ To bridge the language and the cultural gap China has set up Confucius Institutes or classrooms in all these countries. While Confucius Institutes are a controversial subject in the West, in some African countries in particular, these centers provide Mandarin and martial arts classes—quite similar to what the American Centers, British Councils, or *Alliance Française* do with English and French and aspects of Western culture. In some cases, such as Comoros, they also have other skill development courses including engineering and information technology. Thousands of students from these countries have received scholarships to study at leading Chinese universities, creating goodwill⁸⁵ for China and a next generation of Sinophiles.⁸⁶

Infrastructure projects do not merely mean building ports, roads, airports, and other facilities but also connecting people, improving their lives, and facilitating livelihoods. Though the media focus has often been on the less successful projects or the problems concerning Chinese investments, there are also many successful Chinese investments across the Indian Ocean region such as the Sinamale Bridge⁸⁷ in the Maldives, the Colombo International Container Terminal, or the Southern Expressway that has connected Colombo to southern Sri Lanka,⁸⁸ and millions of people who are grateful and whose governments and leaders consider China an all-weather friend.⁸⁹

The above discussion is not intended to deny that there are significant concerns regarding China's growing political, economic, and sociocultural relations in these countries from Cambodia to Madagascar. Nor is it a comprehensive study of bilateral relations between China and any of these countries. Moreover, in none of these countries has Chinese presence been without protest or criticism. There are allegations against China for human and labor rights violations,⁹⁰ excessive natural resource extraction,⁹¹ environmental degradation,⁹² supporting corrupt officials,⁹³ manipulating local politics in other countries,⁹⁴ and giving kickbacks to politicians.⁹⁵ In Madagascar, despite China being the country's largest trading partner, there have been violent protests against many Chinese investments such as a gold mining operation in Soamahamanina⁹⁶ and a sugar plant in Morondava.⁹⁷ In Pakistan, as recently as December 2020, Balochistan's provincial govern-

ment started to fence off 24 square kilometers of the city, which is at the center of the CPEC project as Chinese presence is opposed by Baloch separatist groups.⁹⁸

Notwithstanding these criticisms, many Indian Ocean states perceive China, as a reliable friend and a development partner for several reasons. Beijing's no-strings-attached policy toward loans does not require changes in governance structures, democratization, or other international best practices that are often preconditions for traditional donors.⁹⁹ As a result, China has become the partner of choice for countries in South Asia and Africa.¹⁰⁰ These countries reach out for Chinese financing mainly to achieve local development goals¹⁰¹ and regional power balancing.¹⁰² Years of strong relations based on friendship and equality¹⁰³ and China's trademark policy of non-interference,¹⁰⁴ which is rather the norm though there have been exceptions make China a preferred partner for many of these governments.¹⁰⁵ Flush with cash and hungry for strategic assets,¹⁰⁶ China is ever willing to extend assistance in numerous forms, ranging from grants and loans to joint ventures, to friendly countries in geopolitically important locations.

While its rivals were criticizing China for its unconventional diplomacy, with its BRI, and many other projects outside the BRI, China has gone above and beyond what the authors of the Booz Allen Hamilton report propounded. China has not stopped at building a naval base in Djibouti but is also in the process of developing maritime facilities such as Ream in Cambodia, Kyaukphyu in Myanmar, Hambantota in Sri Lanka, and Gwadar in Pakistan—all of which have the potential to become dual-use facilities in the future. Further, China has considerably increased its presence in strategically significant island nations across the Indian Ocean region such as Comoros, Madagascar, Maldives, Mauritius, and Seychelles. The close commercial and diplomatic ties with host countries have the potential to translate into secret agreements to allow PLAN access to these facilities in a conflict.¹⁰⁷ Rather than harping on about China's "debt-trap diplomacy" narrative, the United States and its allies must step up their engagements with the small but strategically significant Indian Ocean states as a matter of priority to have an effective control over the Indo-Pacific. While it is only Djibouti that has actually become a Chinese military base so far, with growing ties and deepening relations whether any of these other naval facilities would eventually become a Chinese military base or a dual-use facility is anybody's guess. They are China's scattered pearls in the Indian Ocean, carefully harvested over many decades. The actions, or rather the inactions of the West and its allies will determine whether China's scattered pearls will one day be strung into China's String of Pearls. ❀

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