

GLOBALISATION AND PROSPECT FOR INDIA'S "CONNECT CENTRAL POLICY"

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Abstract: *This paper seeks to understand the approach and pattern of India's engagement with Central Asian Republics (CARs). It examines the contemporary approaches and debates surrounding India's policy towards the region of Central Asia and found them unhelpful in exploring the multipronged engagement of India towards the region. Contrary to the wide perception of disappointment and policy deficit which one encountered over India's Connect Central Policy in the academia, it argues that despite the absence of physical connectivity, the high degree of the non-cooperative attitude of Pakistan and 'de-stabilized' Afghanistan, India has succeeded in carving a political and economic role in the region with a potential to deepen its relationship in future.*

Keywords: *Central Asia, Regional Development, India, Foreign Policy, Connectivity, Afghanistan, Regional Security*

Introduction: The Issue of Approach and Perspectives

What has been the trajectory of India's 'Connect Central Asia Policy' (CCAP) since 2012, when this policy was officially articulated and endorsed? Is there any growing 'convergence of interest' between Central Asian Republics (CARs) and India that could bind the two for a long term? Will India succeed in establishing a robust economic and political presence in the region? What are the constraints and challenges that limit the potential for cooperation between the two? These are old questions and have been vigorously debated among the Indian academia, think tanks and policy makers.

There are two large discourses with which India's engagement with (CARs) in general and the above specific questions in particular has been deliberated. First, most analysts saw the growing political willingness on the part of India and (CARs) to forge closer relationships but certain 'structural constraints' prevented the relationship between the two to grow beyond a 'low level of political and economic engagement'. Important among these structural constraints are India's

lack of physical/land connectivity with the region, the fragile and de-stabilized Afghan scenario, the existence of hostile neighbors, i.e. Pakistan and the landlocked geography of most of CARS (except Kazakhstan and Turkmenistan-both have some access to the Caspian Sea).

Thus, Manoj Joshi, a fellow with ORF, for these structural constraints, finds the Indian involvement in Central Asia a fruitless exercise and cautioned that 'India would be better off deploying its already scarce resources to shoring up its ties with countries in the South Asian or Indian Ocean Region'.

There is no denying that these structural factors do constrain the policy options and efforts of both India and CARS to optimize their potential multi-level cooperation. However, they are not specific to the Indo-CARS relationship but most countries face a set of structural barriers in pursuance of their foreign policy objectives and most of them are 'Prisoners of Geography'². Nations with a combination of strong soft power (ability to influence other nations through economic assistance, aid, loans, and grants, knowledge industry, democratic governance, technology, export, trade entertainment industry, etc.) and hard power (military) have managed to overcome such barriers. Israel (a middle power) is one good example that has successfully broken with such structural barriers'- both physical and mental- and managed to grow steadily.

Second, the paradigm of 'Great Game Theory' has dominantly shaped the intellectual discourse related to the understanding of Central Asia. This theory posits the region was once a 'chess field' of such dominant powers as Imperial Britain and Czarist Russia in the 19th century. The former treated the land mass of Central Asia and adjoining West Asia as 'a buffer zone' to protect its 'Indian possession' from the 'Russian threat'. To secure this goal Imperial Britain entered into a web of treaties and agreements with multiple powers in the region. With attraction of natural resources-particularly oil and gas³ and its geo- strategic location, this scenario is expected to be enacted again in the region by such global powers as USA, Russia, and China. However, none of these three powers are today in the position of 19th century Imperial Britain, Czarist Russia, or Imperial France to carve out their 'permanent pockets of influences' or 'territorial concession' in most parts of the world including CAR nations. The 'American

fiasco' in Afghanistan and Iraq testifies the limit of physical intervention of superior powers in late twentieth and twenty-first century. Similarly, it is difficult to visualize (CARs) as 'backyard' of such regional powers as Russia, China, Iran, and Turkey. The implication of uncritical acceptance of 'Great Game.

Theory' is that India cannot play any significant role in Central Asia, given the active presence of USA, Russia, China, European Union, Turkey, Iran, and Saudi Arabia too.

A part of the problem with such paradigm is that it treats 'Central Asia' as 'one monolithic block', which conceals its rich political, cultural, linguistic, historical, economic, and religious diversities, and denies the 'autonomy' to these five Central Asian Republics (CARs).

A cursory political observation would reveal how each of these five CARS contains multiple ethnic groups and inter-ethnic rivalry has dominantly shaped their inter-state relationship. Incidents such as Tajik civil war in the 1990s; riots and significant protests in many parts of Kyrgyzstan (2005, 2010, 2022), the popular uprising in Uzbekistan (Andizhan, 2005), and massive protests across Kazakhstan (Jan-Feb 2022) have mostly been shaped through inter and intra-ethnic politics. Moreover, there exists a political leadership rivalry between Kazakhstan and Uzbekistan to dominate the region. In fact, most nations hardly conduct its foreign policy on the idea of 'monolithic treatment of a region'. Rather, foreign policy is transactional in nature and takes into consideration of political sensibilities of the concerned nation, while advancing their economic and political interest in the region.

The dominance of the above two perspectives, despite its inherent problematics, among a large number of Indian intellectuals, area experts and strategic community has cast a 'permanent doubt' on the potential of India to play an effective and constructive role in the region of Central Asia. Such assessment of India's role in the region is deeply problematic and contrary to a good progress that India has made in building a robust political relationship, if not a robust economic engagement, despite the complexity of multiple factors that exists on each side and obstructs the faster growth between the two.

Reasons for Low-Level Interaction During the 1990s

India was one of the first countries to extend the political recognition to the independence of all five Central Asian Republics (CARS) viz Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan and Kyrgyzstan between 1991-1992. The collapse of cold war structure freed many nations including India and newly formed CARS from ideological polarity of international system, which allow them to pursue economy centered foreign policy with relative autonomy. Though the phenomenon of globalization did offer 'numerous advantages' in terms of political, economic and social developments, the relationship between CARS and India could not progress significantly despite a high level of political exchanges (Appendix 1) during the entire 1990s due to the five important reasons:-

All five CAR nations throughout the greater parts of 1990s had been more focused on issues related to security challenges including the threat of Islamicist terrorist groups, building state institutions, protection and strengthening of national independence, settling the issue of border, and engaging and negotiating with external powers and companies to invest, explore and market their natural resources, particularly in the field of oil and gas.

The disintegration of the USSR (Union of Soviet Socialist Republic) also terminated the direct and indirect traditional Soviet subsidy to these former Soviet republics, leaving all newly independent CARS in serious economic crisis.

All CARs were dependent upon the Soviet built infrastructure including pipelines, roads, communication, and security structure. Russian infrastructure continues to constitute the main basis for exporting the Central Asian oil and gas to world market despite a steady penetration by the Chinese and European Union. For instance, outside its extensive rail network Kazakhstan has been able to use the pipeline from Uzen and Atyrau to Samara, its first and main outlet in Russia until 2001. Since then, a second line, the CPC pipeline, has been operating from Tengiz and Atyrau to Novorossiysk and has become the country's major export route, with transport capacities initially twice higher than the former line. As for Turkmenistan, it is connected to Russia through Uzbekistan and Kazakhstan by the Central Asia-Centre (CAC) gas pipeline. Hence almost 90% of Turkmen gas

was sent to Ukraine via Russia until the mid-2000s. For both economic and political reasons, the Russian Northern routes have long remained essential to Caspian states' export capacities.

The foreign policy of CARS is much more oriented towards Russia, China, and European Union due to their geographical proximity, security structure and influx of capital, which makes them to accord a low priority in investing into relationship with India.

On the other hand, India, throughout the major parts of 1990s, itself was struggling with its massive economic crisis in the backdrop of Gulf crisis (which even saw the Indian government mortgaging 46.91 tonnes of gold to Bank of England and Bank of Japan to raise 400 million \$ in July 1991), process of unleashing the liberalising the Indian economy and the development of Islamist militancy in the Indian state of Jammu and Kashmir and Taliban in Afghanistan. As a result, during 1990s India lacks sufficient capital-both political and economic- to offer anything concrete to CARS except maintaining a low-level political engagement. India was hardly looked upon by the outside world including CARS as model of development except a civilisational entity with a relatively good record of functioning democracy.

Regional Grouping and Economic Churning within CARs

It is only with the gradual integration of CARS (except Turkmenistan) and India in the global market during the first decade of twenty first century that both developed a framework of 'convergence of interest' and 'cooperation' to deepen their interaction. While the much debate took place on various aspects of globalisation-connectivity, interdependency, FDI, information technology, mobility, less attention has been paid to the emerging regionalisation of politics and regional economic block, which has proved to be crucial to accelerate the process of development in various regions of the world: EU in Europe, ECOWAS in Africa, ASEAN in South East Asia and more recently the formation of SCO. It is to underline that process of economic regionalization is taking place more robustly in Asia minus Gulf region and South Asia than other parts of the world. Thus, 60 percent of goods traded by Asian economies are within the region (the

highest intra- regional share of any region apart from Europe), 71 percent of Asian investment in start-ups and 59 percent of foreign direct investment (FDI) is intra-regional, and 74 percent of Asian air travellers travel within the region.

Central Asian Republics too witnessed the formation of many economic, political and security regional blocks beginning with formation of Commonwealth of Independent States (CIS) in 1991 on account of its untapped natural resources as well as geo strategic location. The CIS continued the Soviet era free trade and visa free movement of people for limited period among themselves. In addition to this and membership in WTO (Khazakstan, Tajikistan, and Kyrgyzstan), three factors have intensified the process of formation of regional blocking within Central Asia. First, the Chinese's OBOR (One Belt One Road)-the road and sea link-that supposedly aims at linking China with World in all direction -North, South, East and West-all passes through CARS⁵ and is at the heart of China's 'new Silk Road' strategy.

Second, the European Union has intensified its economic linkage and infrastructure projects within CARS with a view to diversify its imports of oil and gas in order to reduce its dependence upon the Russian oil and gas. According to a source, 'about 75% of Kazakh oil exports were travelling around or across the Caspian Sea to Europe, primarily to Germany, France, Italy, Greece, and Austria. By using the CPC pipeline via Russia, the BTC, and the Baku-Novorossiysk pipelines through Azerbaijan, Kazakhstan provided almost 7% of EU's oil import needs in 2016⁶. This infrastructural project is at the heart of Southern Gas Corridor of European energy security strategy. Third, the Russian Federation continues to retain its supremacy in security and economic market of CARS, even while allowing other powers to build infrastructure.

One consequence of growing economic competition and strategic cooperation among external players (Russia, China, EU, Turkey, and Iran) is the mushrooming of regional economic, security and political block in addition to many bilateral and multilateral oil and gas pipe line agreements including TAPI. A few examples of this trend are: SCO (2001) led by China and Russia, the Eurasian Economic Union led by Russia, Central Asia Regional Economic Cooperation programme (CAREC), led by the Asian Development Bank with the

support of China, and the intergovernmental Economic Cooperation Organization (ECO) and EU led Partnership and Cooperation Agreements (PCAs) with each of five Central Asian countries.

As a consequence of multi prong economic activity, the inflow of remittances, mostly from Russia and in view of global commodity boom (2000-2008), the GDP per capita in current international dollars in PPP terms has systematically increased in all Central Asian countries. Indeed, during the 2000s CARS had emerged as one of the most dynamic economic regions in the world with average growth rates of 8-10%⁷. They re-established growing trade links with each other, with their big neighbours and with the rest of the world and intraregional trade between Central Asian countries grew five- fold during 2000-2008⁸. Though the global economic meltdown in 2008 did hit the Central Asian economies like many economies of the world; however, they continue to grow at relatively slower pace compared to 2000-2008 despite the decline in global commodity price in 2014. This resulted in the drastic reduction of absolute poverty (even surpassing to China and Turkey) and creation of Sovereign Wealth in most of CAR nation. Thus, as per available data, in Kazakhstan the poverty head count at the rate of \$1.90 and \$3.10 a day decline from 6% and 23.1% in 1993 to 0.0 % and 0.3% in 2013 respectively. Figure for Kyrgyzstan indicates for the same period at the rate of \$1.90 and \$3.10 a day reflects a decline in poverty from 44.3% to 3.3% and 63.9% to 23.0% respectively. According to the same source, Tajikistan registered a decline in the poverty head count at the above respective rates from 54.4% in 1998 to 22.6% in 2013 and 86.1% in 1998 to 60.8% in 2013⁹. There is a lack of data with regard to Uzbekistan and Turkmenistan; though it is widely believed that both countries have a good record of growth. Similarly, all CARS countries witnessed significant improvement in life expectancy and educational output. Over the years the five CARS have not only regained the new political identity but has acquired a new economic and political capital as a part of process of development of 'rest of the world', which gave them a new identity, confidence, and capacity to play an autonomous role in the world affairs.

India: Pro Active Phase

India too has paced up its economic growth since early 2000 and today it has emerged as fifth largest economy of the world on nominal GDP level, leaving behind United Kingdom and third largest economy on PPP basis. It is these economic transformation within India and the region of Central Asia, which is bringing the two together. Central Asian nations have also been looking for viable markets, particularly in economic and security sectors. Along with China, India has emerged as third largest market of hydrocarbon products in the world. On the other hand, India increasingly came to recognise that its future growth is contingent upon the stability of Central Asia- transit route to the European market and an important source of hydrocarbon products. Thus, Shri Narendra Modi, the Indian Prime Minister launched a serious with CARS since 2015 when he visited CAR countries, even though diplomatic etiquette and political communication between the two has been alive since the rebirth of CARS in 1991 and the policy of Connect Central Asia was officially launched in 2012. The Modi government had invited the Head of State of all five CAR countries as 'State Guest on Republic Day' (26th January 2022), which does reflect a deep political commitment on the part of Indian government to engage with CARS. However, due to COVID, the event was transformed into a virtual meeting on 27th January 2022. The novelty in the approach of the Modi government towards the region of Central Asia is that unlike in past it does not view CARS through "Russian lens", despite recognising the latter's dominance in regional security order. The Indian government is deeply aware of the ongoing subtle process of 'de-Russainisation' with varying degree in most all CAR nations, which is making them more independent and autonomous in dealing with other nations. It is therefore not surprising that most of CARS nation remained neutral vis a vis Russian invasion of Ukraine neither actively supporting nor opposing; rather critical segments within CARS see the Ukraine crisis as an 'opportunity' to free themselves from the Russian domination.

Over the years the Indian government's pro-active approach towards the region has led to develop a 'convergence of interest' and *convergence of

perspective' over the issues of common concerns. This includes the issue of regional security, counter terrorism, economic cooperation, joint military operations, strategic partnership, and connectivity. The CARS have remarkable sensitivity to these common concerns, which has been gradually institutionalised into Indo-Central Asia Dialogue at the Ministry level since 2019. This 'structured dialogue' has proved to very productive in developing mutual confidence and trust between CARs and India. Today both India and CARS (particularly, Uzbekistan, Khazakstan and Turkmenistan) has developed a 'shared perspective' on the issue of stabilisation of Afghanistan, which includes even 'dialogue with Taliban' and mobilising the humanitarian assistance to help people of Afghanistan'. Earlier in late 1990s India had sought a close military collaboration with Tajikistan as a part of Northern Alliance against Taliban in Afghanistan., which even led India for the first time develop a small military base at Ayni on Tajikistan-Afghanistan border since 2002. The return of Taliban in Afghanistan in the backdrop of withdrawal of US troops in August 2021 has re-centred the agenda of terrorism in the region and in the world; despite the liquidation of most of infrastructure of al Qaida, ISIS, and other terrorist outfits. However, Taliban's declaration of not allowing any group to use Afghanistan for the purpose of 'terrorist activity' is a welcome sign and there is an emerging regional and global consensus of the need to 'dialogue and engage' with Taliban on a set of conditions; lest its political isolation further breed terrorism. India and most of CARS nations are a part of this emerging consensus, which led India to open dialogue with Taliban and reopen its Embassy in Kabul. The Joint Statement of Third Indo-Central Asia Dialogue, which took place on 17-18 December 2021 at New Delhi, underlined this approach:

"the formation of a truly representative and inclusive government, combating terrorism and drug trafficking, central role of the UN. providing immediate humanitarian assistance for the Afghan people and preserving the rights of women, children and other national ethnic groups. "

It further reiterated the strategic significance of UNSC Resolution 2593 (2021), "which unequivocally demands that Afghan territory not be used for sheltering, training, planning or financing terrorist acts and called for concerted action against all terrorist groups".

Further, India has entered into a soft military agreement with Kyrgyzstan and Kazakhstan to strengthen the regional security. It conducted its first ever joint military exercise with Kyrgyzstan at Khanjar in 2011, which is now an annual affair. In 2016, India also held its first joint army exercise with Kazakhstan at Prabal Dostyk. However, India has avoided any 'military alliance' like US led NATO or Russia led CSTO and confined itself in the region to joint military exercise, training, education, infrastructure assistance, counter terror cooperation construction of field hospital.

There are two specific challenges that obstruct the joint coordination and efforts of India and CARS countries to stabilise Afghanistan and to strengthen the regional security. One sets of challenges comes from Pakistan and another from Turkey under the Erdogan regime.

Pakistan wants to deprive India from conducting any meaningful engagement with Afghanistan, Central Asia and West Asia in particular and Muslim World in general. It does not hesitate in using terrorism as an instrument of foreign policy to secure this nefarious anti India goal. On the other hand, Turkey under the Erdogan regime, at least since 2012, has displayed its 'Pan Turism' approach towards the central Asia on account of its Islamist mooring and linguistic-cultural affinity with Azerbaijan, Turkmenistan, Kazakhstan, Kyrgyzstan, and Uzbekistan. The Erdogan regime now harbours an 'Islamist vision' to compete with Saudi Arabia and Iran for the leadership of the Muslim world. Its' dealing Islamicist terrorist groups including ISIS and other political Islamist groups (particularly in South Asia) in order to achieve the leadership of Muslim world is well documented. Such states often increase the life of terrorism by providing direct and indirect support to terrorist groups. It is, however, a measure of satisfaction that all five CAR nations on account of their strong secular statist tradition have been vehemently opposed to any form of Islamic radicalisation and Islamicist terrorism and has not hesitated in brutally suppressing the same in their respective countries. Kazakhstan and Uzbekistan have repatriated 231 and 156 citizens respectively from the Syrian conflict zones. Both along with other Central Asian nations have taken a series of measures against the 'threat of fleeing ISIS terrorists', a good number of which belong to

Central Asian countries, or their possible regrouping in Afghanistan in view of return of Taliban in power. Given its experience in successfully tracking down and limiting the influence of the IS domestically, India's agenda in Central Asia includes cooperation to tackle terrorism and radicalization.

It may be noted here that the foreign ministers of the five republics had skipped the OIC meeting in Islamabad to attend the Dialogue in New Delhi in December 2021. Earlier, the National Security Advisors of all these five countries attended the regional meeting on the situation in Afghanistan that India hosted in November 2021. The Third Indo- Central Asia Dialogue strongly emphasised non-interference in internal affairs of Afghanistan and respect for its territorial integrity and sovereignty as brought out in UNSC Resolution of 2593 (2021). This indicates a subtle shift in CARS' approach towards Pakistan, whereby it does not want to give a 'free hand' to Pakistan to play its mischief in Afghanistan in its 'anti- India tirade' and destabilise the region. There is a growing perception within the critical segments of CARS that Pakistan's anti India polemics has potential to jeopardise the prospect of economic gains of Central Asia, which will be accrued to them due to the cooperation of India in South Asia as well as in South East Asia. This partly explains the growing political distancing of CARS vis a vis Pakistan. For the same reason, CARS, except Turkmenistan, has maintained a safe political distance vis a vis the Erdogan regime.

It is a measure of success that both India and CARS have succeeded in insulating their Muslim population from Islamicist terror ideology, notwithstanding the participation of a few citizens from these countries in the global Islamicist terror activities. Moreover, unlike the West, Russia, and China, both India and CARS avoided the mixing up Islam and terrorism in their counter-terror strategies.

In the field of economic cooperation India has not registered, unlike China, a significant trade relationship with CARS. The trade volume remained confined to US \$ 2billion, unlike China's US \$100 billion trade with CARS. 80-85% of this US \$ 2 billion trade deals involves imports of uranium, oil, and gas from Kazakhstan¹⁰. Earlier this year, India also signed a uranium supply agreement with Uzbekistan. Many considers India's low volume of trade with CARS a failure

in view of China's growing trade volume and investment in the region. However, such comparison is erroneous. Unlike India, China's geographical proximity and land connectivity with CARS provides it a strategic advantage.

Conclusion: High Prospect

Over the years India has secured a good footing in Central Asia through the instrument of Customs Convention on International Transport of Goods under cover of TIR Carnets (2017) and Ashgabat Agreement (2018) on International Transport and Transit Corridor (ITTC) and building up Chabahar and Bandarabas-the two Iranian ports to connect International North- South Transport Corridor (INSTC) and to enhance the road and rail connectivity between India and the Central Asian countries. Towards this goal, the Indian government further announced the grant of \$1b Line of Credit during the Third Indo-Central Asia Dialogue in December 2021. The Dialogue even sought to activate the India-Central Asia Business Council (ICABC), established in 2020, to undertake projects related to connectivity. India remained engaged with the process of implementation of the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, though the progress is slow. Uzbekistan has also pushed ahead for a joint plan with India and Iran to enhance connectivity through the Chabahar Port. Once fully operationalized, the INSTC corridor route would be shorter than Suez and the Mediterranean Sea and therefore would be a boon to India's industry, overland routes to rich resources of Russia and the Middle East, and significant energy supplies at relatively short distances

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2. Tim Marshall, Prisoner of Geography, Elliott & Thompson Limited 2015.

3. On the whole, they account for more than 2% of the world's oil reserves, and over 10% of gas reserves - relatively small numbers when compared to neighboring or Middle Eastern countries.

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5. Three major belts/roads have been proposed: North, Central and South. The North Belt will go through Kazakhstan and Russia to Europe. The Central Belt will go through Central Asia, Western Asia, the Persian Gulf, and the Mediterranean. Finally, the South Road will stretch from China to Southeast Asia, South
6. Asia and the Indian Ocean. 6. Annie Jafalian, Globalisation Through Oil and Gas Central Asia Predicament, Nueva Época - año 13, núm. 47- octubre 2019 / marzo 2020, available at <https://www.scielo.org.mx/pdf/tla/v13n47/2594-0716-tla-13-47-368.pdf>, accessed on 12.09.2022, p. 381, 369-392.
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9. Uuriintuya Batsaikhan and Marek Dabrowski, 'Central Asia twenty- five years after the breakup of the USSR', Russian Journal of Economics 3 (2017) 296-320, Table 5, p. 315, available at <https://www.sciencedirect.com/science/article/pii/S2405473917300429>, accessed on 10.09.2022.
10. In 2008, Kazakhstan supported India in obtaining India-specific exemption to allow civil nuclear cooperation with the Nuclear Suppliers Group (NSG) countries. The following year, India and Kazakhstan signed an agreement for the supply of 2,100 tonnes of uranium to India until 2014. Two years later, during Prime Minister Manmohan Singh's visit to Kazakhstan, they signed an agreement for 'Cooperation in the Field of Peaceful Uses of Atomic Energy'. Further, to secure its energy interests, India has also expanded civil nuclear cooperation with the region. In 2015, with their earlier deal having expired, India and Kazakhstan signed a new agreement for the purchase of 5000 tonnes of Kazakh Uranium until the end of 2019. Currently, both sides are negotiating a third agreement, as part of which Kazakhstan is planning to increase its supplies to India to 7500-10000 tonnes.