

II. ХАЛҚАРО РИВОЖЛАНИШ ТРЕНДЛАРИ
Тренды международного развития
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**INDIA'S STRATEGIC IMPERATIVES FOR ENGAGING CENTRAL
ASIAN STATES¹**

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Abstract: *Central Asia has remained theatre of geopolitical contest throughout the 19th as well as 20th century. But after the collapse of the Soviet Union, the emergence of the Central Asian states on the vast Eurasian landmass has added a new strategic dimension to the Asian as well as world geopolitics. In fact, the dissolution of the Soviet Union not only the international geo-strategic balance but had also created a security vacuum in the Central Asian region. As a result, the region has still witnessed fierce international rivalry and competition to influence these independent states. The weakening of the Russian influence started the new "Great Game". In this changing nature of global and regional rivalry to influence and dominate these states, India cannot be a passive onlooker. Of course, various developments in the first decade of the 21st century and subsequent developments in Afghanistan after the withdrawal of international coalition forces; and formation of the new government under Taliban etc. has compelled Indian policy makers to reinvigorate its strategies towards the region. In this backdrop, the present paper analyses India's strategic imperative to engage Central Asian states.*

Keywords: *India, Central Asia, "Great Game", Afghanistan, International Assistance Security Forces, United States, Russia, China*

Central Asia has remained theatre of geopolitical contest throughout the 19th as well as 20th century. But after the collapse of the Soviet Union, the emergence of the Central Asian states on the vast Eurasian landmass has added a new strategic dimension to the Asian as well as world geopolitics. In fact, the dissolution of the Soviet Union not only altered the international geo-strategic balance but had also created a security vacuum in the Central Asian region. As a result, the region has still witnessed fierce international rivalry and competition to influence these independent states. The weakening of the Russian influence

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started the new "Great Game." In this changing nature of global and regional rivalry to influence and dominate these states, India cannot be a passive onlooker. Of course, various developments in the first decade of the 21st century and subsequent developments in Afghanistan after the withdrawal of international coalition forces; and formation of the new government under Taliban etc. has compelled Indian policy makers to reinvigorate its strategies towards the region. In this backdrop, the present paper analyses India's strategic imperative to engage Central Asian states.

India and the geopolitical Context of Central Asia

Historically, the uninterrupted multifaceted relations between India and Central Asia go back to remote antiquity which predate the arrival of the Turkic tribes in Central Asia and older than the Islamic Arab conquest of the region. The political and socio-cultural links between India and Central Asia forged during the ancient and medieval times continued to flourish till during the Soviet regime.¹

After the dissolution of the Soviet Union, the intensified geo- political and strategic context within three great powers- United States, Russia and China has created a situation of instability. In case of India, during transitional phase of independence of these states, despite historical linkages with the Central Asian region, India was slow in responding to the emerging strategic situation. But after a decade of independence of the Central Asian states, the United States' led war on terrorism in Afghanistan to overthrow Taliban government; subsequent US decisions to reduce the military forces; President Joe Biden decision to completely withdrew the American troops; and finally the formation of the new government under the Taliban in Afghanistan in the wake of withdrawal of entire International Assistance Security Forces (IASF). India has definitely shifted its diplomatic thrust towards the Central Asian region. All these unprecedented developments have forced Indian policy makers to accord high priority and ensure to achieve its strategic objectives in the Central Asian region.

Apart from these new dynamics which were increasingly drawing international attention, the region due to several historical and geopolitical factors, also assumes strategic significance in its own right. The dynamics of change in Central Asia's geo-strategic environment has direct repercussions for India's foreign policy priorities. This change has created new geo-political and geo-economic imperatives for strengthening trade and economic relations as well. As

already mentioned, India has accorded modest rather less priority to Central Asia. But despite limitations of geography, India has still worked to preserve its economic interests in the region. India seeks no clash but a compatibility of interests with Central Asia over the period of last thirty years. Moreover, relations between the two regions have developed in a unique and specific way. During the past thirty years, thrust of India's policy towards Central Asia have been to establish dynamic and multi-faced bilateral economic, political, and strategic relations.

India has been an important player working in the background to preserve stability in Central Asia. The geo-political stability in Central Asia has not only a direct impact on India's economic interests in the region, but also has implications on the ongoing insurgency in the state of Jammu and Kashmir.

It is in India's interest to be an influential player in the emerging security alignments and changes in the geo- strategic balance in the region.

As already mentioned, in the wake of economic dislocation brought by the disintegration of the Soviet Union, Central Asian states has provided immense economic opportunities and potentials for India. Moreover, India's capability to make its economic presence felt in Central Asia need not be underestimated. In fact, all Central Asian states are desperately looking for external buyers for their mineral resources and other finished products for their economic growth. Central Asian people have great opinion of India in the fields of industrial and technical development. Central Asian states can certainly offer several important raw materials. In this regard, abundant, inexpensive, technically skilled local labour force may offer a great advantage to Indian entrepreneurs for setting up joint ventures in Central Asia. Moreover, after September 11; and the Iraq War the geo-strategic developments in the region remained far more conducive to India's active engagement of the region in pursuit of her strategic, economic and security interests. Keeping in view the changing parameters of the strategic environment and India's strategic interests in the region because of the close geographical proximity and its future domestic energy security, India must not only sustain its current diplomatic thrust in the region but reinvigorate it to a far higher level.

Driving Forces for India's Trade and Economic Engagements

To understand the present status of India's relationship with the Central Asian states, it is essential to understand India's major interests in the region. These are as follows:

- Maintaining cordial neighbourly relations and peaceful co-existence while promoting goodwill towards Central Asia; India has never pledged to seek hegemony or power politics in the region but to promote peace and stability.

- Promoting cooperation, mutual benefit and seeking common interest and trade as the important aspect of bilateral relations; India shows its interest to work with Central Asian people constantly to improve the economy, expand the scope and enhance the quality and level of cooperation with mutual benefit.

- While energy reserves of the world are shrinking and the Indian dependency on energy sources especially oil and gas is growing, the vast and untapped resources in Central Asia have attracted India to establish a powerful economic relation in order to ensure its access to Central Asian energy sector.

- Apart from investment in oil and gas explorations and productions, Central Asia can become a huge market for Indian investments and exports in other areas such as agriculture, small scale industrial as well as consumer goods, pharmaceuticals, education, information technology, banking, healthcare, and hotels.

- India's policy towards Central Asia also puts considerable weight to preserve and strengthen its own political and economic interest in the region vis-à-vis other external actors like- China, Russia, Turkey, Iran, and Pakistan, and non-state actors like NATO, IMF, World Bank etc.

- At the same time, Central Asian states also need India's economic assistance and policy guidance for its domestic economic growth; cooperation in the development of small enterprises; and also, assistance in exploration of vast untapped hydrocarbon resources in the region.

Against this backdrop, India is committed to achieve this interest by playing a more active role in Central Asia. Moreover, India has the potential to effectively intervene in the complicated geo-politics of the region. In fact, India has already established multi-faceted and dynamic bilateral and multi-lateral relations with all the Central Asian states to achieve its objectives in the changing strategic and international contest in the region because the region's description as an area of great strategic importance to India has always been a part of India's consciousness.²

Of course, since 1991 volume of India's trade with Central Asian states remained at the insignificant level of \$45 million till 2001 which represents not even 0.5% of the total trade turnover of the Central Asian states.³ But economic

experts have estimated the size of the Central Asian market at \$80 billion annually. Even if India succeeds in getting 5 per cent of the Central Asian market, its exports can amount to \$4 billion. Economic reforms in both India and Central Asia make their economies more open towards each other and improve their financial, technical, and technological infrastructure more efficient to promote bilateral economic relations.

However, to improve bilateral economic and trade relations, India has already adopted several measures. India has offered Central Asian states training in management, consultancy, and construction ventures. To facilitate the connectivity with this region, Government of India has also taken several steps. Now India has air connectivity with all the five Central Asian states. India has already opened new sea and road routes through Iran and Afghanistan, respectively. A trilateral Memorandum of Understanding (MOU) which was signed by India, Iran, and Turkmenistan on 18 April 1995, to provide road and rail access for Indian goods to Central Asia through Iran and vice versa is operational.⁴ India has already constructed and completed 200 kms of in Afghanistan linking Zarang and Delaram. This has reduced the distance from India to Central Asia by 1500kms.⁵

But despite all these efforts, India's trade and economic relations with the Central Asian states have remained unsatisfactory in spite of enormous scope for reciprocally valuable relationship. Moreover, the main commodities being exported from India are pharmaceuticals, tea, readymade garments, leather goods, jute manufactured items, cosmetics, cotton yarn, machinery, machine tools, rice, plastic products, machinery and instruments, electronic goods, and chemicals. Imports from the Central Asian states are restricted to raw cotton, iron and steel, and zinc.

India's Energy Policy and Investment in Central Asian States Economic growth is one of the prime objectives of India's foreign policy makers, which could not be achieved without the sufficient availability of hydrocarbon resources. India's current high rate of economic growth estimated at 7-8 percent with potential to sustain this in the future could be thwarted by energy shortages. This would have a severe impact on national security as well.

To sustain its economic growth, India still needs vast amount of energy resources. Nevertheless, for the short to medium term India will have to rely on an increasing amount of imported oil and gas to meet its energy needs. In this

context, as already mentioned, Central Asia can be future source of energy for India. Undoubtedly, India is a big market for energy and the Indian demand would go up over the years. Presently, India's energy needs are met from the Persian Gulf. Given the present uncertainty in the region, it is important for India to diversify its energy sources. Since Central Asia has abundant energy resources, predominantly a gas-producing region with proven gas reserve amounting to 6.6 trillion cubic meters- 2.9 trillion cubic meters (tcbm) in Turkmenistan, 1.9 tcbm in Uzbekistan, and 1.8 tcbm in Kazakhstan⁶. it could emerge as a viable alternative for India.

Focused on becoming a major player in the world energy market, India is already involved along with other major players in the global energy game. This realization has come after high and constantly rising oil prices in the global energy market. At the same time, India's unprecedented growth levels, lack of energy efficient technologies and reliance on energy heavy industries for its development have largely forced India to involve in the geo-politics of global energy particularly Central Asian-Caspian energy politics. Indian oil company ONGC Videsh Ltd. has already 15 percent holding in Kazakhstan's Alibekmola oil fields and a 10 percent holding in the Kurmangazi oil fields. Moreover, India in partnership with Turkey has acquired a foot hold in a \$4.2 billion pipeline project that will bring the Caspian Sea oil to Mediterranean coast.⁷

There is no doubt that India is continuing to expand its investment in Central Asia. It will further deepen its connections to the area in terms of economics, diplomacy, strategic and defense cooperation.⁸ As a result, India is stepping up energy diplomacy within the South Asian region, Central Asia, Russia, and the Middle East and as far away as Latin America and Africa. But despite these efforts, India's requirement for the energy resources for the next two and half decades, it is estimated that the demand will increase double. In the light of this fast-growing demand the government must search all possible sources that could become available to reach the target.

The supplying of oil and gas from Central Asia to India is one of the critical issues in Indo-Central Asia energy cooperation. However, the quest for energy security is being impeded by India's tense relations with energy suppliers, energy transit countries and regional energy competitors. There is an incredible long-term potential for the oil and gas industry in Central Asia but the major problem is the transportation, a key obstacle to exporting oil and gas from Central Asia to India.

In this regard India has taken its sincere efforts for importing the energy resources from Central Asia to India via various routes.

India-Pakistan Rivalry and its Effect on Indo-Central Asian Economic Relations

The fact is that the Central Asian region has the vast energy resources Kazakhstan with its huge oil reserves, Kyrgyzstan and Tajikistan have the highest hydroelectric resources, Turkmenistan has vast reserves of gas and Uzbekistan is rich in uranium, reserves. The lack of an outlet makes the Central Asian region vulnerable to exporting energy resources to the new markets. The land locked character makes them depend on their immediate neighbour's for access to the markets.

The most dependable and only available energy outlet was through Russia during the Soviet era. The Soviet collapse has rendered it unviable on two counts: it is long, expensive and in addition uncompetitive.⁹ According to Arystan Esentngh, the western markets for Kazakh oil do not offer good prospects, for they are already saturated with petroleum supplies from countries in the West East and Russia. That is why Kazakhstan simultaneously seeks to gain access to markets in Asia. ¹⁰ As India's energy requirements are growing at higher rate annually and are projected to reach a staggeringly high level of 270 million tons by 2025.¹¹ India has been keen to enter into agreements with Central Asian states to meet its future energy needs.

Indo-Pak rivalry and strategic games have limited their ability to orient Central Asia towards trade and economic integration with South Asia. Both India and Pakistan tried to use their influence in Central Asia to advance their interests in relation to the Kashmir dispute. However, some optimists argue that mutual cooperation would herald a new chapter of 'inter-dependency' in India-Pakistan relations.¹²

As already mentioned, neither India nor Pakistan is an immediate neighbour of Central Asia. But both share a common interest in securing uninterrupted access to the region-opening safe trade route into Central Asia and constructing oil and gas pipelines from there. However, both are pursuing the same goal to the exclusion of each other. Absence of political conflicts and cross border tension would ensure peace and stability in the region. This would help both India and Pakistan to tap the natural resources of the Central Asia region. A rich prosperous

and stable Central Asia can be a source of strength to both its South Asian neighbours-India and Pakistan. If they stick to the old stereotypes, they are likely to be marginalized in the emerging international geo-political scenario in Central Asia.

However, after the announcement and subsequent exit of the US military forces from Afghanistan, there is strategic shift of policies on the part of India towards Central Asian states. India's Prime Minister, Shri Narendra Modi's visit to Central Asia in 2015; holding of the national security advisors of the all five Central Asian states in November 2021 in New Delhi; Foreign ministers meeting in December 2021 and their commitment to 'civilizational, cultural, trade and people to people linkages' with India at the third meeting of the India- Central Asia Dialogue; the visit of former Indian President Ram Nath Kovind to Turkmenistan; 13 and the policy of engaging Central Asian states under the framework of '5+1' format; and hosting of first virtual meeting of the India-Central Asia Summit¹⁴ by involving the heads of states; and holding the "the Regional Security Dialogue on Afghanistan"¹⁵ to analyse the fall out of US withdrawal from Afghanistan etc. suggests that India is more concerned about the stability of the Central Asian region. These visits of high-level leaders and interactions with the Central Asian leaders indicate New Delhi's proactive approach towards the region. Undoubtedly, US withdrawal from Afghanistan without restoring peace and establishing a viable government, has also provided important factor for India's commitment to engage with the Central Asian states.

To conclude, after the US led War on Terrorism and military operation in Afghanistan, India has made huge investment in various developmental projects in Afghanistan, but India never felt to engage directly with the Central Asian states as a single group in any other format. But changing regional security paradigm and political environment under the command of the Taliban in Afghanistan has forced India to rethink for securing its North-Western frontier. In fact, this objective was achieved through the presence of the US and International Assistance Security Forces (IASF) in Afghanistan; and bilateral and strong engagement with the previous Afghan regimes. But with the sudden withdrawal of international coalition forces under US command, engaging with Central Asian states has become more imperative for India from strategic, trade and security perspective. In fact, from a Central Asian perspective where economic and military capabilities to counter extremism and terrorism is limited, but any

cooperation and strategic arrangement with India will provide value to security interests of each Central Asian states.

After the Collapse of the Soviet Union, despite various unavoidable impediments and hurdles, the Indo-Central Asian trade and economic relations have been steadily improving. The bilateral trade turnover has been moving upward. Evidently, the volume of trade, for the time being, is quite modest but it is growing. There is a significant volume of trade between India and Kazakhstan, Kyrgyzstan, Uzbekistan and a relatively low with Tajikistan and Turkmenistan. The balance of trade also in favour of India in case of Kazakhstan, Kyrgyzstan, Turkmenistan, and Tajikistan but unfavorable in case of Uzbekistan. Above all, despite problems of direct connectivity with the region, irrespective of few minor fluctuations, the Indo-Central Asian trade and economic relations have been moving towards a smooth and continuous rising curve, which is expected to grow more in near future.

Thus, keeping in view the above changing parameters of the strategic environment and India's strategic interests in the region because of the close geographical proximity; formation of new political regime in Afghanistan and its indifferent attitude towards India; and strengthening of its future bilateral trade and economic relations as well as domestic energy security, India must not only sustain its current diplomatic thrust in the region but also reinvigorate it to a far higher level.

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