# POST-SOVIET DYNAMICS IN CENTRAL ASIA: INDIA'S PERCEPTIONS AND POLICIES

UGC Sponsored Major Research Project [Ref. No. F. 5-325/2014 (HRP)]

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### **Statement**

This is to state that the UGC Sponsored Major Research Project, sanctioned vide letter No.F.-325/2014 (HRP), dated 17.08.2015, entitled: POST-SOVIET DYNAMICS IN CENTRAL ASIA: INDIA'S PERCEPTIONS AND POLICIES has been carried out by me as its Principal Investigator.

Further to state that the work has not been submitted earlier for the award of any degree or diploma of any kind. Whatever information and data have been collected from various primary and secondary sources have been clearly indicated along with the sources of information in the references and bibliography sections.

This is also to state that I take entire responsibility for any errors and lapses of any kind in the work.

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Dr. Raj Kumar Kothari Principal Investigator of the Research Project

## **Preface**

Central Asia in the post-Soviet years has emerged as an independent entity. Over a long period, the region had been under the indirect or direct influences of Moscow. Today the region consists of the five independent states namely, Turkmenistan, Kazakhstan, Uzbekistan, Tajikistan and Kirgizstan. Today, from India's foreign policy perspective, the region is viewed as New Delhi's extended neighbourhood. Central Asian region is extremely critical to India's economic and security interests. In fact, India's strategic concerns are tied up with Central Asia bordering its north and north-west. It is therefore important to add that New Delhi has a vital interests in the security and political stability of the region. The irony is that India - during the early 1990s when Central Asia emerged as an independent region - did not pay much attention towards it. Only the diplomatic ties were established and some limited economic transactions took place with different Central Asian states. Thus towards the beginning India's relations with the region have in general lacked much needed economic thrust in the 1990s.

In the early part of the first decade of the new millennium, two important developments changed New Delhi's approach towards Central Asia as a whole; (a) in November 2003, the then Indian Prime Minister visited Tajikistan whereby a decision was taken to upgrade the *Ayni* air base was initiated; (b) in August 2005, ONGC, the Indian state owned company made a serious effort to acquire energy assets in Kazakhstan.

President Nazarbaev from Kazakhstan was invited as the chief guest at the Republic Day celebrations on January 26, 2009 in New Delhi. The visit exemplified India's proactiveness towards Central Asia. Thereafter, a landmark development in respect of India's expanding engagement with Central Asia took place in the year June 2012 in the form of 'Connect Central Asia Policy'. This policy focused on setting up information

technology centres, an e-network in telemedicine, joint commercial ventures, hospitals etc. The policy also aimed at improving air connectivity to facilitate trade and tourism between India and Central Asia. The both sides also agreed to promote strategic partnership – especially with Kazakhstan, Uzbekistan and Tajikistan - in the fields of defence and security matters. On the whole, India's rise as a global economic power during last two decades or so enabled it to play an active role in Central Asia. However, the biggest problem in enhancing bilateral commercial exchanges from India's perspective is the absence of land connectivity and direct land access between India and Central Asia.

In fact, Central Asia's emergence on the geopolitical scene in the post-Soviet period has created many interesting discourses, and 'New Great Game' is one of them. Regional and extra-regional players like China, Russia, and the United States have taken keen interests in the region for a variety of reasons resulting in new security challenges. External Powers have been instrumental in establishing inclusive organisations to promote cooperation with Central Asian countries. Russia for example is the leading force behind the creation of CIS in security and economic terms. SCO, backed and promoted by China, has been moving towards greater cooperation with CSTO and the EAEU. In the process, strategic options of the Central Asian states have increased considerably. In this backdrop, the present study has extensively dealt with India's perceptions and policies towards Central Asia in the post-Soviet years.

## List of Abbreviations

ADB Asian Development Bank

BIS Bureau of Indian Standards

CACO Central Asian Cooperation Organisation

CAEC Central Asian Economic Community

CAEU Central Asian Economic Union

CAREC Central Asia Regional Economic Cooperation

CARs Central Asian Republics

CECA Comprehensive Economic Cooperation Agreement

CEPA Comprehensive Economic Partnership Agreement

CICA Confidence Building Measures in Asia

CIS Commonwealth of Independent States

CNPC China National petroleum Corporation

CNODC China National Oil and Gas Exploration and Development

CNOOC China National Offshore Oil Corporation

CPC Caspian Pipeline Consortium

CPEC China-Pakistan Economic Corridor

CST Collective Security Treaty

CSTO Collective Security Treaty Organisation

EBRD European Bank for Reconstruction and Development

EEC Eurasian Economic Community

EEU Eurasian Economic Union

GCA Greater Central Asia

GCAP Greater Central Asia Partnership

GDP Gross Domestic Product

ICBM Intercontinental Ballistic Missile

IEEJ Institute of Energy Economics Japan

IGC Inter-Governmental commission

IMF International Monetary Fund

INSTC International North-South Transport Corridor

IT Information Technology

ITEC Indian Technical and Economic Cooperation

MMSCMD Million Standard Cubic Metres A Day

MoU Memorandum of Understanding

MT Metric tons

MTOE Million Tones Oil Equivalent

NV Note Verbale

ONGC Oil and Natural Gas Cooperation

OVL ONGC Videsh Limited

PATRIP Pakistan, Afghanistan and Tajikistan Regional Integration Program

POC Programme of Cooperation

RECCA Regional Economic Cooperation in Afghanistan

SCO Shanghai Cooperation Organisation

SINOPEC China National Petrochemical corporation

SPECA Special Program for Economies of Central Asia

TAPI Turkmenistan-Afghanistan-Pakistan-India

TDAPL Turkmen Derman Ajanta Pharma Limited

TSSR Tajik Soviet Socialist Republic

UN United Nations

USSR Union of Soviet Socialist Republics

WTO World Trade Organisation

#### Chapter- I

#### INTRODUCTION: A CONCEPTUAL FRAMEWORK

#### Introduction

After the disintegration of Soviet Union in 1991, the five Central Asian states (namely Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) gained independence in a vastly changed regional environment. Domestically, the challenges for the young states were to overcome the Soviet legacy and replace it with a new system. Dismantling the old system and replacing it with a new one in the absence of adequate experience and expertise was a monumental task. Their immediate concern was to prevent an economic collapse and ensure security in an increasingly volatile region. Geopolitics and energy security pushed the Central Asian states into the vortex of international politics. The beginning of the war on terror and the military presence of western forces led by the US further enhanced their geopolitical significance.

Central Asia's importance for India can be judged from three perspectives: historical-cultural; geopolitical; and economic. The historical and cultural contacts between India and Central Asia date back to the very dawn of history. Historically, since 1991, Central Asian countries and India have established strong bilateral relations in such fields as pharmaceutical sector, textiles, metallurgy, chemicals, hydrocarbons, mining, mineral processing, construction and industrial production. Geopolitically, Central Asia has become an arena for competition between three big players- Russia, China, and the United States through its presence in Afghanistan – and three middle-tier players – Turkey, Iran, and Pakistan. In this setting, and especially in view of china and Pakistan's aversion to India's active involvement in the region, it is very difficult for New Delhi to directly exert influence in Central Asia. This feeling of isolation accentuates India's need

to develop a new and cohesive strategy (Pandey 2012: 3). Economically, India has significant economic interests in Central Asia. Central Asia provides a market for India's emerging export industries. New Delhi intends to ensure reliable access to oil and gas sources originating in Central Asia and increase its trade and investment in the region. India wants to cooperation with the energy exporting states of Central Asia, particularly Kazakhstan, Uzbekistan, and Turkmenistan (Pandey 2012: 7). Central Asian countries have been one of the largest beneficiaries under the ITEC programme and we have been offering human resource development training. India's experience in food production and modernizing agro-techniques could be relevant for Central Asia. In this context, India's perceptions and politics towards Central Asia are extremely relevant (Rakhimov 2013: 27-28).

Central Asia continues to be a developing region, characterised by a high share in agricultural production, low industrialization, mass unemployment and a high population growth. With the standard of living considerably below the Soviet average it was very dependent on subsidies from the centre. The disintegration of the Soviet Union meant the beginning of a new process of nation building in the region and the redefinition of political and cultural identities. It also witnessed the emergence of a new international water basin, the Aral, with all consequences for the political, ethnic and economic relations among the states themselves. The entire political geography changed and onceshared natural resources that were controlled by the central directions became the "national wealth" of the newly independent states (Sengupta 2014: 13).

#### Statement of the problem

The present study aims to focus on some important common aspects. All five Central Asian republics are the product of seventy years of Soviet oversight and influence. Although at the crossroads of Eurasia, they are isolated from the rest of the world in terms

of infrastructure and technological developments. They are not in the best of neighborhoods, although this 'neighborhood effect' differs significantly among the five countries (Kazakhstan's border with Russia and China give it access to important markets for its energy resources: Tajikistan's border with Afghanistan connects it with one of the world's most unstable and volatile countries). These common factors influence each republic's "business environment', but country-specific effects dominate (Tray 2011: 101).

#### Objective of the study

The objectives of the study are as follows:

- a) To study the course of developments in Central Asia after the disintegration of the Soviet Union;
- b) To study the geo-strategic importance of Central Asia for India in the post-Soviet years;
- c) To study the evolution of India's foreign policy perceptions towards Central Asia;
- d) To identify the areas of convergence between India and Central Asia;
- e) To study the role of external players Russia, China and the USA in Central Asia;
- f) To study the role of the SCO (Shanghai Cooperation Organization), that affects India-Central Asia relations; and
- g) To identify the challenges and opportunities that exist in the sphere of India-Central Asia relations.

#### **Research Hypotheses**

The research study involves the following *hypotheses*:

- India's growing energy needs can largely be met through strengthening its bilateral relations with Central Asia;
- The presence of key external players the USA, Russia and China in Central Asia affect India's national interests in a big way;

 India's Central Asia policy have been largely shaped by the geo-strategic location of Pakistan and Afghanistan.

#### **Research Questions**

The study involves the following research/key questions:

- a) How far India's Connect Central Asia Policy has been productive?
- b) Why Central Asia is geo-strategically important in India's foreign policy framework?
- c) How Central Asia as a region gradually strategized its policy towards external players after the disintegration of the Soviet Union?
- d) What are the factors that motivate India to step up its engagements with Central Asia?
- e) What are the main hindrances and opportunities exist in India-Central Asia relations?

#### **Review of Literature**

Literature dealing with conceptual aspects of Central Asia's geographical and geopolitical position in the present world, area of problems faced by Central Asia after the collapse of Soviet union, geo-strategic significance of Central Asian countries before India, India's strategic policy towards Central Asian region, role of external players (such as Russia, China, USA), growing challenges facing by India, such governmental documents etc. helped to improve the research work. Few books and articles in this context have been referred below:

The book *India and Central Asia: Redefining Energy and Trade Links* (2010) written by Angira Sen Sarma deals with energy and trade cooperation between India and Central Asia which categorized in seven sections, out of which some sections are focuses on energy

scenario in the Central Asian region, India's bilateral cooperation with each Central Asian countries, trade route linkages between India and CARs. Emerging new area of geopolitics centering crude oil and natural gas in the Central Asian region also highlighted in this book.

The book *Eurasian Security Matters* (2010) edited by K. Santhanam mainly focuses on traditional and non-traditional security threats in Eurasian region. Some chapters highlighted the evolution of security threats in Eurasia. Discussions on great power competition in the Central Asian region, trans-boundary water problem in Central Asia, Central Asia's security policy have helped to understand the region in depth.

The book edited by Nirmala Joshi entitled: 'Reconnecting India and Central Asia: Emerging Security and Economic Dimensions' (2011) deals with multidimensional aspects of India-Central Asian relations that includes regional economic linkages and non-traditional security threats before India and Central Asia. The volume also highlights areas of cooperation in the field of information technology, service industries, infrastructure trade, education, health and technology through which New Delhi aims to reconnect with the Central Asian states.

The book edited by P. L. Dash on 'India and Central Asia: Two Decades of Transition' (2012) focuses on the importance of Central Asian states before India in the fields of energy and security. The book also focuses on wide-ranging areas like the importance of silk route, role of Shanghai Cooperation Organisation, the process of nation building etc.

The book *Central Asia and Regional Security* (2014) edited by P.L.Dash, Anita Sengupta, Murat M. Bakhadirov basically focuses on various aspects of security in the Central Asian

region. The role playing by Russia, China, USA, SCO in Central Asia have been explained in this book. The last chapter written by Ashok Sajjanhar, former India's Ambassador to Kazakhstan gives a unique dimension in this book.

The book *Asia in Transition* (2016) edited by Arpita Basu Roy, Anita Sen Gupta, Suchandana Chatterjee and Priya Singh focuses on such significant articles which indicates that the discussion on the subject of power, identity, economic cooperation, education etc. has gradually shifted from the West. The role of Central Asian countries in the Asian region is also highlighted in this book.

The book titled as *Central Asia: Geopolitics, Security and Stability* (2016) authored by Ajay Patnaik focuses on the relations between the Central Asia and the external powers. It shows how these nations have kept the fragile geopolitics of the region free of the so-called New Great Game. The volume evaluates the roles of major powers such as Russia, the United States, China, Iran and Turkey, as well as India and its 'Silk Road' strategy. It also compares the regional geopolitics of Central Asia with its neighbour Caucasus. The study indicates how, despite limited interstate cooperation, the region has prevented conflicts and wars, due to which these states have been able to enjoy greater strategic autonomy in their dealings with other countries.

The article 'Central Asian Energy in India's Quest for Energy Security' (2017, *World Focus*) by Ajay Pratap Singh and Sanjay Kumar Pandey highlights the importance of Central Asia before India in the field of energy security. This article deals with Central Asia's energy potentials which could be utilized to meet India's growing energy deficits. The article also deals with the implications of India's presence in Central Asia's energy market.

#### Research Gap(s)

Though, a number of research works on India's policies towards Central Asian countries have already been done and some of them have tried to progress this research work. But these works have not much focused on the developments of Central Asian countries after the disintegration of Soviet Union which is needed to be study. The present study tries to focus on these areas, though in a very limited way.

#### Significance of the Study

The research project is significant in more than one way. It would be helpful to the foreign policy makers in New Delhi to examine the nitty-gritty of India's foreign policy directions towards the five Central Asian states. Research scholars in the field would benefit out of the project by way of getting familiar with the recent developments in India's Central Asia policy.

#### Methodology of the Study

Methodology of the study is based on desk research and information gathered from various sources, such as governmental documents (primary sources), books, articles, journals, newspapers (secondary sources). Internet access also has been gave a valuable source of information. The dissertation has been largely prepared on the basis of descriptive and analytical methods. The theoretical and methodological perspective of the study is located in normative and inductive approaches. The present study is on descriptive cum exploratory in nature.

#### Chapterisation(s)

The present research deals with the Post-Soviet developments in Central Asian region and also focuses on the evolution of India's perceptions towards the region through its policies.

The entire work has been divided into *five chapters*. Details are as follows:

*Chapter one* provides the conceptual framework;

Chapter two focuses on the post-Soviet developments in Central Asia;

*Chapter three* throws light on the geo-strategic importance of Central Asia from Indian perspective;

*Chapter four* highlights on the implications of India's 'Connect Central Asia' Policy; and *Chapter five* portrays the research findings/ conclusion.

#### Chapter- II

#### POST-SOVIET DEVELOPMENTS IN CENTRAL ASIA

The post-cold war world is qualitatively different and more profound than the aftermath of the Second World War. The disintegration of the USSR and the collapse of the east European Communist regimes signaled the end of the Yalta system that came into existence in the post-1945 period (Kothari 1994: 01). In the process, Central Asia emerged as an independent region, comprised of about 65 million people and more than three million square kilometers of area. By virtue of the fact that the region is endowed with huge amount of oil and natural gases, Central Asia has drawn attention of the whole world. Geopolitical competition among the important players - mainly Russia, China, the US and Europe – has been prominently visible in the energy sector. Very naturally India in the post-Soviet years have renewed its interests in the Central Asian region.

#### **Historical Background**

Since the ancient period, India and Central Asia have been politically engaged, historically linked, culturally mingled and commercially connected. The geographical location of Central Asia is of utmost importance in the sense that it acts as a land bridge between Asia and Europe. Silk Route served as a commercial link between India and Central Asia. In fact, the deeper engagement between India and the Central Asia continue even till today. It was only during the nineteenth and the twentieth centuries that the engagement between the two sides got restricted due to extension of European empires in Asia resulting in bilateral rivalry between the British Empire and the Russian Empire, which later came to be known as the Soviet Union. During these two centuries, India was put under the colonial rule of Britain and Central Asia under Russian domination.

Historically, India was closely linked to Central Asia through trading routes as well as successive invasions of the subcontinent which swept down from the North-West.

In the post-Second World war period, foreign policies of all states were formulated and shaped by the two broad-ranging developments that took place in the international arena – one is the emergence of 'bipolarity' under the leadership of two global superpowers, the United States and the Soviet Union; and the other is the threat of thermo-nuclear war. While framing its foreign policy no state could afford to ignore the importance of these two developments (Kothari 1994: 02). New Delhi's relations with Central Asia in the post-1947 period were shaped by India's closeness with the Soviet Union, especially after the Sino-Indian conflict of 1962. Constrained by its ties to the Soviet Union, New Delhi's presence in Central Asia was mostly confined to cultural exchanges. The demise of the USSR in the early 1990s prompted a shift in India's foreign policy towards a more pragmatic approach.

The disintegration of the Soviet Union, decided at the December 1991 Minsk Agreement by the Presidents of the three "Slavic brothers" – Russia, Ukraine, and Belarus – in complete secrecy, isolated the Muslim republics of Central Asia. This decision profoundly offended their (Central Asia) 'national dignity' and it was an eye-opener for the leaders of the Central Asian Republics of their assigned place in relation to their Slavic brothers as determinants of the future entity of the Union of Soviet Socialist Republics. The resulting resentment notwithstanding, the Central Asian leaders acceded to the Almaty agreement of 21st December, 1991, along with others, to end the USSR and to create the Commonwealth of Independent States (CIS) (Ganguli 2013: 11). Thus their emergence as sovereign states was the result of the collapse of the Soviet state. The irony was that the large mass of the people of these states was not required to wage any struggle for a separate neighbourhood (Sharma 2007: 124).



(Source: <a href="https://www.researchgate.net/figure/Political-Map-of-the-Caucasus-and-Central-Asia-2008-Source-Wikimedia-Commons\_fig1\_272503591">https://www.researchgate.net/figure/Political-Map-of-the-Caucasus-and-Central-Asia-2008-Source-Wikimedia-Commons\_fig1\_272503591</a>)

The whole of Central Asia region became an area of social, political and economic instability, with a security vacuum that followed the breakup of the Soviet Union. All the five independent republics found themselves in a deep economic crisis and crises of their societies, ruled by authoritarian presidents who held on to their positions from the Soviet Era. The countries that were once under in Soviet Republics now they had their own internal borders, which were curved up in Moscow during the Stalin era, and had

deliberately left large ethnic groups, especially the Uzbeks, outside the administrative borders of their republic. (Kurecic 2010: 26).

In the early years, the break-up of the Soviet Union hit the Central Asian region badly for many reasons. Trade and transit was interrupted due to sudden collapse of the traditional market mechanism. Functioning of the existing enterprises were affected due to loss of subsidies for existing enterprises. There was also loss of administrative structures and skilled labour as traditional Soviet administration collapsed and many Russians left the region. These developments resulted in negative economic growth for Central Asia at least for initial couple of years.

The Central Asian countries suffered a steep decline in GDP per capita in the first half of the 1990s. The main reasons was the loss of traditional markets and complete unpreparedness for a market economy. The economic transition was a heavy blow to the Central Asian economies. In the second part of the 1990s, GDP per capita started to rise (with the exception of Tajikistan, which had a GDP per capita at about half of the value from1990). The rise of GDP per capita was a characteristic in 2009 as well, but only Kazakhstan and Turkmenistan managed to raise their GDP per capita above the 1990 value (Kurecic 2010: 27). The developments in Central Asia in the first half of the 1990s showed that the region was left in a sort of security vacuum after the Soviet Union broke up. Russian influence was too weak to stabilize the region.

By and large the Central Asian states were physically and mentally unprepared to deal with the situation in immediate post-Soviet years. They had confronted series of challenges and difficulties to deal with. Apart from the difficult process of building a nation state, the new governments of five Central Asian countries faced three large and interconnected negative economic shocks: (a) the abrupt end of Central planning in the

late 1980s led to a transitional recession; (b) the dissolution of the USSR exacerbated the process of recession as the new national borders disrupted demand and supply links, inherited from the integrated Soviet economy; and (c) the high rate of inflation towards the late 1980s had turned into hyper-inflation in 1992 because of the inappropriate institutions of the *ruble* zone (Pomfret 2003: 8). This apart, the impact of Soviet disintegration was far reaching in the sense that the military and industrial complexes located in Central Asia - earlier controlled by the USSR - were handed over to the respective independent states (Kapur 2016: 70).

The resultant abrupt exposure of the Central Asian Republics (CARs) to the outside world, at the threshold of a 'tectonic shift' in post-Cold War world affairs, virtually confounded their leaders with the realities of their independent identities and status that thrust upon them hard tasks: managing their own economies, creating their own armies, interacting with the international financial institutions and building diplomatic relations with the outside countries (Ganguli 2013: 11). In other words, the dissolution of the Soviet Union in December 1991 was a huge unanticipated shock to Central Asia. The following decade was dominated by nation-building and the transition from central planning to market-based economy. All of the Central Asian countries experienced falling output and increasing inequality and poverty. The region also went through a decade of disintegration as border crossing posts were erected along frontiers. Gradually, transport infrastructure generally deteriorated, with road and railway building often focusing on nationalizing networks rather than improving the regional network (Pomfret 2011: 43). The Central Asian Republics (CARs) also witnessed a period of prolonged slow and negative growth and rising incidence of poverty. In a nut shell, the transition phase had met with enormous difficulties: disruption in production and marketing relations; end of economic support from the former Soviet union; a nascent private sector; the lack of capital markets; lack of adequate institutions required for proper functioning of market economy and gaps in infrastructure (Kothari 2016: 107-108).

After the Soviet disintegration, the present five Central Asian republics which were used to receiving help, and directions, from Moscow were now on their own with a whole host of economic, political and ethnic problems. The political elite tried to generate a belief that the road to their salvation must run directly to the outside world and not to Moscow. They took a few years to learn that a closer economic union with Russia, as well as other Commonwealth of Independent States (CIS) was essential to control the growing crises. The republics were overflowing with several political problems. It is well known that there is a great deal of "democracy deficit" in all the Central Asian republics. Their political regimes are devoid of legitimacy as well long term political and strategic vision. The fragile character of the political system in these countries is largely due to 'façade democracies' which have been instituted in these countries in accordance with the minimal principles of democracy, namely the so-called elections. Obviously, it has limited the efficiency and efficacy of the political structure. The lack of elite-mass linkages and socio-political dialogue not only retards socio-economic development, but also encourages traditionalist-conservative formations. It certainly pushes back the formation of a healthy civil society. The façade democracy is 'static and fragile', and it invariably brings wide ranging instability and insecurity for itself, and most of all for its neighbours. This is exactly the outcome of existing situation in Central Asia. Political scientist have identified two democratic values, which are recognised as 'twin pillars' in the democratic value system: Competition and Participation. The noted political scientist Robert Dhal regards them as "the two theoretical dimensions of democratization". By competition, he means, "competition of elites", and participation implies "the participation of the whole population in the political processes". If we apply Robert Dhal's model of democratic values to the countries of Central Asia, we can see that the Central and West Asian countries represent an outstanding model of tyrannical, façade democracies (Sharma 2007: 125).

In order to ensure efficient socio-economic development of the region, the Central Asian states went ahead with the creation of regional association. The first step in this direction was the creation of uniform economic space between the Republics of Kazakhstan, Kyrgyzstan and Uzbekistan on April 30, 1994. Tajikistan followed suit and joined the group on March 26, 1998. Thus the Central Asian Economic community (CAEC) came into being. Another parallel development was the fact that all the Central Asian states became members of the World Trade Organisation (WTO) and they entered free trade zone agreements with China. Noteworthy, Beijing is the primary trading partner of all Central Asian countries (Kothari 2016: 107-108).

After Soviet disintegration, the evolutionary trends in Central Asia can be examined from three perspectives – national, regional and external. The greatest challenge for the region is at the national level. The Republics have only been independent for two and a half decades and the process of state building is yet to be over. The umbrella protection extended by the former Soviet Union and its legacy has by now disappeared. Nationalism and the growing adherence to Islam are the two important developments that have gained prominence in recent years. At the regional level, there has been little cooperation among the five Central Asian countries due to lack of trust among leaders of respective countries. Regional disintegration is more likely than countries seeking joint solutions for their shared problems. As far as foreign relations (external factor) are concerned, the Central Asian countries are inexperienced in the field. All five Central Asian states are rich in energy resources and therefore external players like Russia, China and the United States have already spread their influence to a significant level. This apart Europe, India and Turkey have also taken keen interest in the region (Kothari 2016: 90-91). In this

context, part of the Central Asian argued that close economic ties with Russia is a form of Russian colonialism and an instrument for exploiting Central Asia's huge natural resources. Some Central Asian experts pleaded that economic cooperation with countries other than Russia would bring more economic dividends for their countries, and the natural resources of their countries were enough to provide a high standard of living to their citizens. In the backdrop of lack of Russian interest in Central Asia after 1991, other foreign powers successfully tried to fill the vacuum created by voluntary Russian withdrawal. Central Asian leaders felt exited when they were accorded red-carpet reception in other countries (Mohanty 2014: 76).

Central Asia, in the post-Soviet years, however emerged as the epicenter of numerous conflicts and emerging challenges like: (a) there arose the need to dismantle the former communist power structures and implant a new one; (b) Islamic fundamentalism became increasingly prominent; (c) there was the urgent need for modernisation and the task of safeguarding stability; (d) Construction of a nation-state and the preservation of society's poly-ethnic culture; and (e) there was the need to maintain distance from Russia but at the same time the need for Moscow's assistance in rebuilding the society, economy and polity.

Initial euphoria over independence placed high hopes on the fascinating prospects of the region to attract outside investors which died down within a short period for lack of experience of the political elite to maintain relationship with the various pillars of the global economy. Broadly, the CARs have been recipients of three types of economics support since 1991: (a) From direct investments by foreign companies, mostly working in the energy sector and mineral exploitation; (b) from individual countries in forms of credit, cheap loans and investments in specific sectors; (c) and from the World Bank, the IMF, the European Bank for Reconstruction and Development (EBRD) and the Asian

Development Bank (ADB), providing stabilization and development aid. (Ganguli 2013: 12). However, all the five republics had to confront multidimensional problems/challenges from within and outside the region, which have been discussed at length below. However, the five Central Asian countries have not faced any major social turmoil or political dislocation after attaining independence in 1991. Tajikistan is, of course, an exception. The top most leaders of Uzbekistan, Turkmenistan, Kazakhstan and Kyrgyzstan are unchanged and still control the reins of power.

Kazakhstan: The dissolution of the USSR had a severe negative economic and social impact on Kazakhstan. Demand and supply networks based on free transport quickly collapsed in the early 1990s. While the shift to market prices for natural resources was theoretically beneficial to Kazakhstan and other energy exporters, the country was unable to benefit immediately from changed economic circumstances as a result of its heavy dependence on Russian pipelines. In fact, Russia exploited its monopoly by regulating flows and levying high tariffs on Kazakh exports. Routes for Kazakh oil and gas did not substantially change in the first decade following independence, with only small quantities of oil shipped across the Caspian Sea; most continued to be exported through Russia. Noteworthy, after independence, Kazakhstan experienced a serious brain drain that also impacted its economic performance. Highly qualified minorities, including Germans and many educated Russians, chose to leave the country. By the end of the 1990s, almost 1.5 million people had left Kazakhstan – more than 10 % of its population during Soviet times (Bendini 2013: 4). In the context of economy, Kazakhstan experienced deep recessions in the first half of the 1990s. The country then recovered slightly in 1995-97, before being hit again by the 1998 Russian crisis. Since 2000, Kazakhstan's economy has grown rapidly, led by exports and stimulated by currency depreciation. Oil and other commodities revenues have boomed.

In the field of security and defence, after the breakup of the Soviet Union, Kazakhstan which emerged as a quasi-nuclear power was a most important concerns for great game players. In Soviet regime, Kazakhstan was a nuclear missile bridgehead, the premier site for nuclear testing, and an important source of fissile uranium deposits. At the disintegration of the Soviet Union, Kazakhstan inherited part of the Soviet nuclear structure and arsenal which included 104 ICBM (Intercontinental Ballistic Missile) SS-18 long-range ballistic missiles with carrying 10 warheads each (1,040 warheads total); 40 strategic bombers with 320 nuclear charges; and 650 units of tactical nuclear weapons. Apart from these strategic weapons, Kazakhstan also hosted two strategic missiles launch site at Derzhavinsk and Zhangiz-tobe, one nuclear reactor in Aktau, and one strategic bomber airbase with 40 Tu-95 *Besar* bombers station there. Moreover, in late 1991 and early 1992, it was rumored that Kazakhstan could or had just begun to trade in nuclear raw materials, technological components, missiles, and nuclear warheads. But in January 1992, all tactical nuclear weapons were shifted to Russia from Kazakhstan (Alam 2006: 216-217).

#### **Kyrgyzstan and Uzbekistan:**

Since independence, the Kyrgyz Republic has undergone a difficult period of economic, social, and political transition. Despite enduring political tension, the Kyrgyz republic has been able to make progress, achieving macroeconomic stability. In the mid-1990s, to accelerate economic growth, the country began to pursue more liberal economic policies than its neighbours. Foreign trade was liberalized and a systemic reforms were introduced to establish the platform for a market economy. This appears to have paid off because the country had enjoyed average yearly gross domestic product (GDP) growth of nearly 4.9 % since 1996, capped by 8.2 % GDP growth in 2007 (Central Asia Atlas 2010: 34-35).

Since the late 1990s, an upturn in agriculture was visible in the non-oil exporting countries of the region, particularly Kyrgyzstan and Uzbekistan – arising mainly out of agricultural reforms along with high world prices for cotton and wheat. With regard to agricultural reforms, Kyrgyzstan focused on privatization of collective farms. Prices and quantity controls were largely removed, public monopoly dismantled and public investment in the irrigation system was increased. Uzbekistan, however, introduced limited agricultural reform. In order to strengthen food security, small garden plots to grow fruits and vegetables were granted to peasants in the early 1990s through Presidential Decree. Towards the late 1990s, privatization took the form of replacing agricultural co-operatives – 'shirkats'- with individual farmers who receive land leases which are conditional on using the land in accordance with state order. State controls remain pervasive in Uzbekistan in the areas of agricultural purchasing, pricing, subsidies and distribution (Kothari 2016: 109-110).

During the last three decades, the economic gap among the five Central Asian states, which was already very acute in 1990, widened further. GDP per capita in Kyrgyzstan and Tajikistan in 1990 amounted to 35.6 percent and 41.8 percent of the GDP per capita in Kazakhstan in the same year. In 2011, Kyrgyzstan's GDP per capita was 18.3 percent of that of Kazakhstan. There seems to be no indication to suggest that this trend will reverse in the coming years. Besides it, the Central Asian economies remain heavily dependent on one or two export items. In fact, the widening gap in economic development is reflected in the increasing number of labour migrants from Tajikistan, Kyrgyzstan and Uzbekistan. According to one recent report, 208 remittances from migrant labour comprised 49 percent of GDP of Tajikistan, 27 percent of Kyrgyzstan and 13 percent from Uzbekistan. The discrepancy between energy rich economies and more vulnerable economies would continue to widen in the coming decades which would have

a negative impact on public services such as education and healthcare, as well as labour migration. (Kothari: 2016.107-108).

Uzbekistan in fact enjoys a very unique geopolitical situation at the heart of Central Asia. Through its past historical tradition, it has played a key role in the dissemination of Islamic thought and culture in Asia. It was through the Soviet national delimitation of 1924 that Uzbekistan Soviet Socialist Republic was curved out of the historically known and distinctly Uzbek strongholds in Central Asia thus consolidating the Uzbeks within the territory where they formed the majority. Tashkent, the capital city of Uzbekistan became the seat of Central Asian Muslim Directorate during the Soviet period. As a result of the Soviet policies of development, large cities like Tashkent, Samarqand, Andijan etc. developed as modern industrial centres, more particularly due to their proximity to the surrounding cotton belt. Gorbachev's policy of perestroika and glasnost ushered in a new era of press freedom, political democratization and decentralization of decision making process in Uzbekistan. This gave the people of Uzbekistan a new confidence to assert their national and religious identity and to openly air their grievances and feelings that had remained suppressed for long due to press censorship and party-cum-bureaucratic control (Warikoo 2006: 331-332). Demographic dynamism and political assertion by the Uzbeks, they being the titular nationality in independent Uzbekistan, and the simultaneous decrease in the ratio of Slavic population due to out-migration, has altered the power equation in favour of the Uzbeks in Uzbekistan. Since independence, the subject of inter-ethnic conflict, corruption, crime, drug trafficking, arms smuggling, terrorism and religious extremism are seen to be the new challenges to national security in Uzbekistan. President Islam Karimov while cautioning the people of his country to be watchful against these threats, exhorts them to invoke their "inner immunity and high morality', which can be imbibed through moral education in family, school, mass media, the clergy, etc. Even though, concerted efforts have been made to build up the nationhood

in the post-Soviet Uzbekistan on the basis of its ethno-cultural and national identity, self-identification on the basis of region or clan persists (Warikoo 2006: 335).

After the collapse of the Soviet Union, Central Asian Republics tried to form new bilateral and multilateral relations. Central Asian Republics have been co-founders of regional organisations including CACO (Central Asian Cooperation Organisation), EurAsEC (Eurasian economic Community), CIS (Commonwealth of Independent States) and SCO (Shanghai Cooperation organisation) (Rakhimov 2013: 22).

From the beginning of the 1990s the Central Asian states have sought a new model of development and integration. The countries of the region have common social, economic, environmental and political problems and cooperation is necessary to solve these problems. The process of Central Asian inter-state cooperation began in January 1994. At a meeting in Nukus, Uzbekistan, the presidents of Kazakhstan and Uzbekistan signed a treaty creating a common economic space between the two countries. Later, Kyrgyzstan and Tajikistan joined them, and in 1998 this cooperation was named the Central Asia Economic Forum. In February 2002, the Central Asia Cooperation Organisation was officially created at the meeting of the Presidents of Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan (Rakhimov 2013: 23).

**Tajikistan:** Tajikistan faces severe structural and political impediments to economic reforms than either Uzbekistan or Kyrgyzstan. Its economy – the weakest in all the Soviet republics and Post-Soviet states – has been devastated by five years of civil war (1992 – 1997), followed by the Russia's financial crisis in 1998, and a series of floods and then droughts during 1998-2000. Tajikistan is also the poorest<sup>2</sup> of all the Soviet successor states with the greatest degree of dependence on the former Soviet economy. At the time of the Soviet Union's collapse, the Tajik Soviet Socialist Republic (TSSR) received nearly 50

percent of its budget from Moscow, most of which were spent on social welfare. The country had also suffered immensely due to its dependence on other republics for raw materials and energy supplies, and exhibited the highest levels of social distress based on indicators such as high birth rates and infant mortality rates. Thus the economic and social conditions worsened after independence and further after the civil war that followed (Luong 2003: 27). Industrial and agricultural productions declined sharply which led to widespread poverty.

Weak linkages between different spheres of the domestic economy led to a situation in which industrial production had to compete outside the domestic market, but where quality was simply not competitive. As a result most industrial plants were pushed out of the market and became obsolete. Effectively, since independence, domestic industry has stopped creating jobs for the native labour force. These apart, the over-dependence on cotton and aluminium continued to hinder economic diversification and opportunities for the creation of new jobs (Jones, Black & Skeldon 2007: 5).

**Turkmenistan:** With the collapse of the central power in Moscow and the declaration of independence of the other Soviet Republics, Turkmenistan found itself more or less unprepared for the developments to come. Highest priority for the new government was to secure its power both domestically and internationally. At the domestic level, the country focused on consolidation of political power, and at the international level, it focused on determining its position regarding foreign policy issues, particularly in respect of the Commonwealth of Independent States. (Schmid & Langbein 69).

The vulnerability of Turkmenistan's economy to external shocks was made dramatically clear in 1997 when the suspension of gas shipments and a sharp decline in cotton fiber exports reduced total exports by 55 percent to a post-independence low of USD 759

million or 41 percent GDP. Imports also declined considerably. There was, moreover, a sharp deterioration in the services account associated with payments to foreign companies for construction services. During 1997, Turkmenistan normalized its relations with foreign creditors by eliminating remaining arrears on the servicing of its foreign debt and refrained from incurring new arrears. Trade ties with members of the Economic Cooperation Organisation (ECO) – which promoted regional trade, investment and economic cooperation – were further developed, although regional trade remained relatively small, Turkmenistan played an increasing role as a transit country, especially in trade to and from the Persian Gulf. This was in part spurred by the opening of new communication routes, such as a rail link with the Islamic Republic of Iran in late 1996 and the Korpedzhe-Kurdkui gas pipeline in December in 1997. Also, a 715 km fiber optics cable was completed with the Islamic Republic of Iran (Turkmenistan: Recent Economics 1998: 48).

#### **Conclusion:**

As far as the post-Soviet developments in Central Asia is concerned, the decade of 1990s had been marked by change and uncertainty. It was during this period the Central Asian states independently framed their domestic policies and perspectives, as well as their approaches to international politics, trade, commerce, diplomacy, cultural values, security and defence related issues.

In the post-Soviet years, Central Asia's emergence on the geopolitical scene has created many important and interesting discourses, including the 'New Great Game'. Though the region was initially ignored, very soon it came into international limelight with the discovery of Caspian energy as well as the coming to power of the Taliban regime in neighbouring Afghanistan. Interesting enough to note that Russia initially in the

immediate post-Soviet years was not much interested in seriously engaging with the newly independent Central Asian states. However, gradually as other external players like China, the United States made inroads into the region, Russia became concerned and conscious about Central Asia. It was at this time, India started to develop its political and economic engagements with the five Central Asian states, which has been discussed at length in the subsequent chapter. Thus the strategic options of the Central Asian states have increased over the years, while their autonomy remained intact.

#### **Endnotes:**

- 1. The Central Asian Cooperation Organization (CACO) was initially created under the name of Central Asian Economic Union (CAEC) in 1994, by Kazakhstan, Kyrgyzstan and Uzbekistan. Tajikistan joined the group in 1998 and Russia in 2004. On February, 2002, the CAEC was transformed into the Central Asian Cooperation Organization. CACO aims at the enhancing the development of the economic integration in the region, the perfection of the forms and mechanisms of expansion of the political, social, scientific-technical, cultural and educational relations between member states. (For details see *Central Asian Cooperation Organization*.

  From <a href="https://www3.nd.edu/~ggoertz/rei/reidevon.dtBase2/Files.noindex/pdf/3/caco-info.pdf">https://www3.nd.edu/~ggoertz/rei/reidevon.dtBase2/Files.noindex/pdf/3/caco-info.pdf</a>).
- **2.** According to the *Economist* Magazine, Tajikistan's GDP per capita placed it at par with the poorest non-African country in the world in 2001. (For details see Jones, Larissa., Black Richard & Skeldon, Ronald. (2007, February). Working paper C11, <a href="http://www.migrationdrc.org/publications/working\_papers/WP-C11.pdf">http://www.migrationdrc.org/publications/working\_papers/WP-C11.pdf</a>).

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#### Chapter- III

## GEO-STRATEGIC IMPORTANCE OF CENTRAL ASIA IN INDIAN FOREIGN POLICY FRAMEWORK

The end of the cold war, following the sudden and swift collapse of the Soviet Union, had largely compelled the policy makers to reconceptualise India's foreign policy in a very significant way. The breakup of the former USSR led to the emergence of five Central Asian states - Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan – with which India started developing bilateral relations afresh leaving behind the Soviet days. Central Asia was now referred to as 'our near abroad' (Campbell: 1) and New Delhi began to develop bilateral relations with the five new Republics.

Recently, most of the geopolitical ideas and attempts to construct a mega-region in the national interests of the individual states have led to a number of projects, such as the 'Greater Middle East', 'Greater Central Asia', 'Greater South Asia', etc. In this regard, Central Asia might be considered as a region of security and unstructured minicomplexes, acting as an isolator among the East Asian, South Asian and Middle Eastern regional security networks. Supporters of this principle underline the following factors:

- weakness of the Central Asian states gives ground for external actors' invasion;
- weakness of the Central Asian states leads to securitisation of issues such as migration, drug trafficking and crime;
- obscure boundaries of Central Asia and the possibility of external transformation does not clearly distinguish it from the neighbouring regional security complexes (Bainazarova 2016: 65).

Bainazarova, Elnara. (2016). Central Asia as a Crucial Sub-Region of the Asia-Pacific: Prospects and Challenges. In Arpita Basu Roy, Anita Sengupta, Suchandana Chatterjee, Priya Singh (Eds.), Asia in Transition (pp. 63-81). New Delhi: KW Publishers Pvt Ltd.

# **India-Central Asia Relations in Retrospect**

A closer look into the past shows that much of India's political history was shaped by events and developments in Central Asia. The region had been a staging ground for invasions into India. In fact the genesis of Central Asian dynamics in the Indian strategic thought has been mentioned in Kautilya's *Arthashastra*. Central Asia had been a bridge for promoting Indian commerce and culture across Asia through the Silk Route. Therefore, both the regions share an exceedingly superb bonding (Pradhan).

The point to be noted is that India's ties with Central Asia were never consistent. Following the consolidation of the British Indian Empire around the mid-nineteenth century, the relations were faded. Even though relations were revived after India's independence in 1947, they failed to acquire any depth or intensity. After its independence in 1947, the India pursued the policy of non-alignment. This however did not mean that New Delhi had no relations with the superpowers only that it took no sides in the global conflict that continued in the name of cold war. The first Indian Prime Minister, Jawaharlal Nehru, expressed interests in Central Asia and expressed his intention to visit the Central Asia region. (Kaushik: 326) In 1955, the Indian Prime Minister visited the Soviet Union and during this trip he went to Kazakhstan, Turkmenistan and many other cities which resulted in setting up of several consulates and cultural exchanges with the region. (Dietl: 135) This apart, India's presence in Central Asia were determined by its closeness to the then Soviet Union, particularly after the 1962 India-China border conflict. Under the Indo-Soviet Friendship Treaty of 1971, India got a cultural anchor in Central Asia. However, New Delhi's presence in the region during the

period remained insignificant. With the collapse of the USSR in 1991, things stated moving in a different direction. The sudden disintegration of the country left the Indian political establishment in a state of shock and surprise. It was only in the post-Soviet years, India moved away from Nehruvian idealist foreign policy and tilted towards realism and pragmatism (Pradhan).

After the fall of the USSR in 1991, the Central Asia region became independent from Russia. This led to some form of a revival of Islam in Central Asia. Mosques were reopened and the region got reconnected with the Islamic world. The point to be noted here is that the Central Asia's connectivity with the Islamic world varied from country to country. For example, Uzbekistan, Tajikistan and Afghanistan have a strong Islamic tradition than Kazakhstan. Moreover, there are different faces of Islam within several Central Asian region which compete with each other over dominance and influence. (Singh Roy: 53)

In view of changing geo-strategic and geo-economic dynamics in the Central Asian landscape, India started recognizing the region as an area of strategic importance. 'Look North Policy' of India in the 1990s was the outcome of changing realities (Pradhan). During a visit to Turkmenistan in September 1995, the then Prime Minister, P.V. Narasimha Rao, made it clear that the entire Central Asia was an area of high priority for India (Muni: 110). It is however quite disturbing to note that India did not carry forward the 'Look North Policy' initiatives after the end of Narasimha Rao's tenure. So much so that at present hardly anybody in the foreign policy establishment talks about the said initiatives. This reflects India's least strategic priority towards the region in the 1990s and immediately thereafter. In the words of Ramakrushna Pradhan, "---When the world powers positively remained engaged in the CAR, India – a strategic neighbour – chose to

stay away from the region under the guise of domestic compulsions in Kashmir and economic downturn facing the nation." (Pradhan)

India's attention towards Central Asia in the post-Soviet years has been spurred on by a need to realize New Delhi's interests in several areas. The most important one is to give New Delhi a substantial footprint on the hydrocarbon map of the region which would enable India to diversify and secure energy sources vital to carry on with her growth momentum. It is also important to keep a tab on drug trafficking and potential weapons proliferation in this geo-strategically important region. Geo-strategy refers to India's long term strategic management of its geopolitical interests, influences and involvement in Central Asia. Central Asia is a region that is adjacent to two nuclear powers – Russia and China – and it is also the place of intersection of major geopolitical massifs: the Eurasian, Islamic, Chinese and Indian. (Upadhyaya: 4) China, India, Turkey, Iran and Pakistan have substantial political, energy, and economic interests in Central Asia.

## **Drug Trafficking**

Drug trafficking poses a major security threat to India and the entire region of South Asia and Central Asia. According to World Drug Report, 2011, Afghanistan has been the largest opium producer of the world (World Drug Report, 2011) Central Asia, because of its geographical proximity to Afghanistan, has become a hub of drugs and narcotics transportation. Tajikistan is the gateway for Afghan drugs to Central Asia. It has been reported that about one third of Afghanistan's opium crop passed through Tajikistan and Kazakhstan. Central Asia therefore has been affected by growing spread of drug addiction in a major way that led to the funding of extremist Islamist terror networks which in turn is used against India. (Pradhan) New Delhi therefore needs to pay greater attention to restrict the growing menace of drug trafficking.

## **Energy Security**

Energy is prerequisite for growth and development. Traditionally the Middle East and Africa enjoy great importance in the global energy landscape. Together these two regions account for about 52 percent of global oil reserves and 50 percent of global natural gas reserves (Sharma and Janardan: 6). Central Asia is the third important region after Middle East and Africa as a potential supplier of energy. Traditionally, Russia has been playing a key role in the energy sector in the Central Asian region mainly due to its Soviet era ties. Today in the absence of the Soviet Union, Central Asia has emerged as the important supplier of oil and gas.

Uninterrupted supply of energy is critical for running India's economic growth momentum. India's dependence on imported oil is projected to increase from the current level of 83.5 percent as of June 2012 to more than 90 percent by 2030. Central Asia has an estimated 4 percent of the world's gas reserves. (ICG: 12) Central Asia's oil reserves are pegged at 2.7 percent of the world. (Sharma: 4) It is therefore natural that the energy resources of Central Asia and the Caspian Sea region would play an important role in India's energy strategy. Another factor is that Central Asia is relatively more stable than the Middle East and African energy rich countries.

#### **Enriched Uranium**

Kazakhstan, Uzbekistan and Tajikistan have high quality of uranium reserves with the potential for its enrichment, while Kyrgyzstan has substantial amounts of nuclear waste. (Pradhan)

#### **Trade and Commerce**

In the field of trade and commerce, India-Central Asia relations are far from satisfactory. New Delhi has somewhat meagre presence in the Central Asian energy sector and growing presence in the field of pharmaceuticals. Trade in consumer goods with Turkmenistan and Uzbekistan has been constrained by economic barriers. The Government of India has set up intergovernmental commissions for trade, economic, scientific and technical cooperation with all the Central Asian countries, and these have been meeting regularly. Relations have been further institutionalized through setting up joint working groups in various fields, such as, information technology, science and technology, hydrocarbons, military-technical cooperation, etc. (Pradhan)

In order to understand the importance of Central Asia before India, it is necessary to focus on the natural resource potentiality of each Central Asian states in the region. Central Asia's vast oil and gas resources and its strategic location meant that very soon the region's foreign policies became associated with great power competition, or as Marlene Laruelle and Sebastien Peyrouse put it in their book *Mapping Central Asia: Indian Perceptions and Strategies* (2011), "the media theme of the 'new Great Game' <sup>1</sup> (Cummings 2014: 481).

**Table 1: Energy Potentials of Central Asian countries** 

	Kazak	Kyrgyzsta	Tajikista	Turkmen	Uzbekist	Total	Share
	hstan	n	n	istan	an		of
							Central
							Asiain
							World
							Reserv
							es (%)
Oil	30.000	0.040	0.012	0.600	0.594	31.246	2.37
(billion							
barrels)							

Natural	100	-	-	100	65	265	4.28
gas							
(trillion							
cubic							
feet)							
Coal	34,502	895	-	-	3,307	38,704	4.16
(million							
short							
tons)							
Uraniu	817	-	-	-	111	928	17.00
m							
(thousa							
nd tons							
U)							
Hydrop	317	99	27	15	2	460	-
ower							
(billion							
tons							
kilowatt							
-							
hours/y							
ear)							

(Sources: Asian Development Bank 2010: 51)

Proven oil reserve estimates in the Central Asian region vary between 15 to 40 billion barrels, representing 1.5 per cent to 4 per cent of the world's proven oil reserves. According to the estimate of International Energy Agency (IEA), the proven gas reserves range from 6.7 to 9.2 trillion cubic meters, with perhaps 8 trillion cubic meters of additional reserves. This represents approximately 6-7 per cent of the world gas reserves. Kazakhstan is the second largest oil reserve country in CIS and fifth largest in the world (3.2 per cent of the world's proven oil reserves). It is reported that Turkmenistan, Uzbekistan and Kazakhstan have almost 300 trillion cubic feet of gas and 90 to 200 billion barrels of oil. Turkmenistan possesses world's third – largest reserves of natural gas. Uzbekistan is one of the 10 top natural gas producers in the world. Kyrgyzstan and

Tajikistan have rich potentiality of hydroelectric energy. Turkmenistan has 4.3 per cent of the world gas reserves (Behera 2016: 9-10). Being geographically close to the region, India wants to capitalize on these energy reservoirs for its own energy needs.

Kazakhstan: Kazakhstan, the largest proven oil reserves in the Central Asian region and three of the world's richest hydrocarbon fields is by far the jewel in the central Asian crown. Its size, higher GDP (USD 200 billion, almost USD 12,000 per capita, and double digit annual GDP growth level for most of the last ten years), and its important hydrocarbon resources represent both outstanding economic and geopolitical assets and increase interests from its neighbours. In the field of energy, Most oil deposits are located in the Caspian Sea region, with the Kashagan field estimated to contain the world's fifth largest oil reserves (Asian Development Bank 2010: 31). It's noteworthy that production of crude oil and Natural gas from the Kashagen, Tengiz and Karachaganak fields amounted to 79.2 million tons in 2012, up from 51.2 million tons in 2003. Kazakhstan also has large quantities of uranium, coal, chromite, lead, zinc etc. In 2005, Kazakhstan's production of ferrous minerals included bauxite, chromite, copper, iron, lead, manganese and Zinc ores: its metallurgical sector produced such metals as beryllium, bismuth, cadmium, copper, ferroalloys, magnesium, steel, titanium (Asian Development Bank 2010: 63). Industrial mineral and nonferrous mineral products included alumina, uranium, arsenic, gold, phosphate rock, tungsten etc.

The oil and hydrocarbon reserves of Kazakhstan are of prime importance to India's energy security policy formulation. In the first decade of the twenty first century, the international branch of the Indian state-owned ONGC Videsh Limited (Oil and Natural Gas Corporation) has begun investing in oilfields in Central Asia. ONGC has picked up a 15 per cent stake in the Alibekmola oilfield and is slated to invest to the tune of USD 1.5 billion in the Kurmangazy oil field in the Caspian Sea – both of which are located in

Kazakhstan (Sharma 2009: 4). Of late, India has been increasingly focusing on generation of nuclear power and in this context Kazakhstan is the most attractive and permanent market for New Delhi to buy enriched uranium. This arrangement is in line with the Kazakh government's intentions to boost its uranium exports to become the world's leading producer, with Astana planning to increase output nearly 400 percent over the next decade (Pandey 2013: 90). This apart, Kazakhstan is the largest economy in Central Asiathe second largest after the Russian Federation amongst the commonwealth of Independent states. The State has adopted a very ambitious plans to transform the country to one of the most competitive economies of the world (Sajjanhar 2013).

**Kyrgyzstan:** Though, Kyrgyzstan is a landlocked mountainous country with limited transportation, energy infrastructure, and air service. The country ranked second in the world in mercury production in 2013, accounting for 14% of world production. Gold remained the primary mineral (in terms of value) mined in Kyrgyzstan. As of 2013, Kyrgyzstan had 68 known gold deposits with combined resources of 565 ton of gold. Only a few of the deposits have been mined so far. The country ranked second in the world in mercury production in 2013, accounting for 14 percent of world production (Renaud 2016: 26.1). Other mineral commodities mined in the country were clay, coal, gypsum, lime, natural gas, petroleum, sands, sand and gravel, and silver. Kyrgyzstan has other mineral deposits, such as bauxite, copper, iron ore, lead, rare-earths, sulfur, tin, tungsten, zinc etc. (Renaud 2016: 26.1).

**Tajikistan:** Among the five Central Asian Republics, Tajikistan is just 20 kilometers away from Greater Kashmir of India. From this perspective, Tajikistan can serve as a useful foothold for New Delhi in the entire Central Asia region. Through Tajikistan, New Delhi can fulfill its energy needs and can expand its influence further into Central Asia and Afghanistan (Hussain 2014: 179). Tajikistan is rich in mineral resources, including gold, silver, and uranium. As with the Kyrgyz Republic, however, water may be its great

resource asset. The country's hydro capacity places it among the top ten nations in the world for hydropower potential. Hydropower provides virtually all of the country's electricity needs, yet only a tiny percentage of estimated capacity is used (Central Asia Atlas 2010: 40). This apart, Tajikistan holds one of the largest aluminum reserves. In fact, aluminum and cotton are the two key products of Tajik economy, though cotton is now losing its priority and in its place fruits and horticultural products occupy a major share of its economy. (Central Asia atlas 2010: 39).

Turkmenistan: Turkmenistan, the second largest Central Asian country, having abundant natural resources in the field of hydrocarbons. Reserves of gas, estimated in 2008 at 9 trillion cubic meters, are the fifth largest in the world. Reserves of oil are estimated at 500 million barrels. Turkmenistan is a major exporter of natural gas, oil, and electricity, mostly to the Russian Federation and Ukraine (Central Asia atlas 2010: 43). According to the International Monetary Fund estimate, the GDP in Turkmenistan has been growing at 7.5 percent per year (Central Asia Atlas 2010: 43). This apart, Turkmenistan has more than 200 identified mineral deposits, including copper, coal, gypsum, lead, marble, potash, salt, sand and gravel, sulfur etc. (Renaud 2016: 46.1).

**Uzbekistan:** Uzbekistan represents an interesting case of a transition economy that remains reliant on an abundance of primary commodities to drive its economic growth. In the field of nuclear energy, Uzbekistan holds the position with 2 % of world reserves and eighth among world leaders (Asian Development Bank).

Uzbekistan, another country in Central Asia is important due to its landlocked geographical location by other Central Asian countries. It is Central Asia's only country that shares boundaries with each other nation in the region, bordering Kazakhstan to the north, the Kyrgyz Republic to the east, Tajikistan to the Southeast, Turkmenistan to the

southwest, and Afghanistan to the South. In Uzbekistan, resources like coal, natural gas, cotton gold, uranium etc. have made the country famous in international arena. It is noteworthy in this context during the 1960s and 1970s Uzbekistan became one of the world's biggest cotton producers and the owner of the largest irrigated area in the former Soviet Union (Kulchik, Fadin & Sergeev 1996: 10)<sup>2</sup>. Before the 1917 revolution out of these natural resources cotton growing became the dominant activity in central Asia, and under Soviet system cotton became the monoculture in the densely populated areas in Central Asia (Kulchik, Fadin & Sergeev 1996: 10). India has lot more to gain out of cotton cultivation in Central Asia.

The crisis-driven economies of Central Asia largely depend upon outside powers to transport their abundant energy resources. Thus, the Central Asian region has added a new strategic dimension to the geopolitics of the whole of Asia and more so, for the countries located in its immediate neighbourhood. Central Asia lies at the strategic junction between two nuclear powers, Russia and China, and at the interface between Russia and the Islamic world. It shares borders with Afghanistan, which is a major source of spreading religious extremism in the region. India has a vital interest in the security and political stability of this region. Obviously given the Kashmir angle, India cannot be walled off from the political developments which take place in the Central Asian region. Any advance by Islamic extremist groups in the CARs could invigorate similar elements active in Kashmir. For reasons dictated by geography, India's strategic concerns are tied up with the regions bordering its north and northwest. Pakistan in its northwest continues to be antagonistic towards India. Pakistan is already sponsoring cross-border terrorism in Kashmir. For India, Kashmir issue pertains not to four million Muslims living in Kashmir Valley alone, but to the peace and security of 130 million Muslims elsewhere in India. Therefore, for India the geostrategic importance of CARs is of utmost importance. Under no circumstance can India ignore this region (Roy).

The Central Asian trade corridor - both road and pipelines – is already underway and when it comes up would facilitate the flow of goods from the region to India to include for instance from Kazakhstan, precious minerals as lead, zinc, copper, titanium, gold and rare earth metals apart from other manufactured goods from Kyrgyzstan. Geographically endowed with a strategic location in the midst of the Asian energy and economic giants, Central Asia and East and South-East Asia, India is well poised to harness this advantage in the years ahead by being a security anchor for the energy flows. Central Asia is the matrix of Indian culture and heritage of the medieval ages, deepening roots with this region can be attained through a non-mercantilist view of trade by promoting maximum inflow from the area to the country. Thus, India can effectively leverage its markets and location to advantage in building viable relationship (Bhonsle 2013: 116).

The growth of the Indian economy creates an ever-growing demand for energy and natural resources to fuel and maintain the momentum of India's growth. There had been a steady increase in India's energy consumption since 1990, when it was a mere 319 mtoe (million tones oil equivalent). In 2012, India emerged as the world's third largest energy consumer, after China and the USA. According to the Institute of Energy Economics Japan (IEEJ), India's energy consumption in 2040 will rise to 1814 mtoe (Ahmad 2014: 351). The discovery of large reserves of hydrocarbons and other resources needed for sustaining economic growth makes the Central Asian region immensely attractive for forging a mutually beneficial cooperative relationship (Sahgal & Anand 2011: 19).

India's energy interests in Central Asia are substantial, and it will seek to maximize its power and influence in the region to the extent possible in the years to come. New Delhi's major concerns include energy security, Islamic fundamentalism and new export markets. However, its prospects are fluid and subject to relations with other powers and

regions. India, to the extent possible, would like to be a balancer in the Central Asian region (Pandey 2012: 9).

Agro-processing industries have considerable scope since Kazakhstan, Tajikistan, and the Kyrgyz republics produce a wide range of good quality fruits such as apples, grapes, dates etc. More than one-third of the population is engaged and dependent on agricultural sector and hence cooperation can benefit if this sector expands its base and if new modern technology of processing, packaging and transportation are encouraged. Even during the Soviet era, Uzbekistan, Tajikistan were supplying many of these fruits and vegetables to other parts of the country including Russia, Ukraine etc. India can benefit immensely through extending financial support to this region in view of the fact that New Delhi has been importing fruits from distant countries including New Zealand. (Gidadhubli 2013: 48).

With a total population of 92 million, near universal literacy and abundant energy resources, Central Asia is an attractive destination for investment and trade. The region is strategically located at the crossroads of Europe and Asia, and surrounded by some of the world's fastest growing economies such as Russia, India and China, who are increasingly investing in the region. It is noteworthy that from 2000 to 2009, foreign direct investment flows into Central Asia increased almost nine-fold, while the region's gross domestic product grew on average by 8.2 percent annually (Gidadhubli 2013: 48).

As one of the fastest growing economies of Asia, India's human resources can also be useful to Central Asia for their economic rebuilding. Similarly in the IT sector also India can play a vital role. Besides, India's technical and skilled labour forces are playing an important role in the different sectors of the Central Asian economy like in the construction sector, oil and gas industry, steel, etc. Though the Indian government has

not taken an 'assertive' role in the field of economic relations, like China, Russia and other western countries, still, it has the potential to play a constructive role (Mohapatra 2016: 47).

# **Security Interests**

India's security is closely tied to the instability in the region between Afghanistan and Pakistan. The unholy nexus between the Taliban and Pakistan has resulted in terrorist activities against India on several occasions. A number of terrorist groups – Lashkar-e-Toyyaba, Jaish-e-Mohammed supported and sponsored by Pakistan - has been active the Kashmir valley received military training in Afghan camps alongside Central Asian militant groups like the Islamic Movement of Uzbekistan and Tajik and Uighur militants. (Rohde: 30) The Islamic Movement of Uzbekistan (IMU) has close nexus with the Taliban and Pakistan's ISI. (Blank: 141) India has been countering these developments through promoting cooperative security arrangements with Tajikistan, Uzbekistan, Kyrgyzstan and Kazakhstan. (Rohde: 30)

The geo-strategic location of Central Asia is very much important from India's foreign policy and domestic policy point of view. According to foreign policy scholars, the basic structure of foreign policy of any country is the extended version of state's domestic policy. Geo-politically Central Asia has been described as 'one of the world's most strategic zones, between Russia, China and a troubled Middle East – a region coveted both by its larger neighbours and major world powers' (Bal 2004: 38). Central Asia's rich natural resources, including significant reserves of oil and natural gas as well as such commodities like cotton, gold, copper, aluminum, iron etc. and its geographical location in the centre of Eurasia has attracted immense global attention.

Energy wealth of Central Asia is seen as one of the most important new resource bases for growing Indian economy but rivalry for tapping the resources of the region is increasingly becoming intense and China has the leading role. India's increasing attention towards the region has been stimulated by a need to realize New Delhi's interests in the following broad areas. The most important one is to give India a substantial footprint on the hydrocarbon map of the region which would enable it to diversify and secure energy sources vital to her growth momentum. Therefore from security perspective it is vital for India to keep a tab on drug trafficking and potential weapons proliferation in this geostrategically important region.

For many years, India has been battling with the surge in terrorism driven by religious extremism. The Central Asian Republics (CARs) have also began to feel the impact of an overflow of terrorism linked activities into their countries. Militant groups in these republics have been influenced by the religious extremism spreading outward from this region. The growing threat of violence has led the CARs not only to cooperate among themselves but also to seek the help of like-minded countries so as to evolve a framework of cooperation to contain the movement of terrorists as well as arms. Therefore, on the issue of terrorism, there exists good potential for India and Central Asia cooperate among themselves. (Mann 2001: 2036).

In fact, India's Central Asia policy needs to consider two major aspects of national interest, security and development. A peaceful Central Asian region is very important for durable peace and security in South Asia. Thus from the security perspective Central Asia is very significant to India. As long as Pakistan and Afghanistan remain as the epicentre of global terrorism, the horizontal proliferation of terrorism need to be checked. Thus, the existence of grave non-traditional security concerns in the adjoining Pakistan and Afghanistan makes Central Asia vulnerable. Greater coordination between India and

Central Asia would be required to restrict the unaccounted growth of terrorism. (R 2016: 123).

Therefore, in the field of security, Central Asia is of vital importance to India not just in terms of energy security but also for reasons of national security. As a buffer, the usefulness of Central Asia for India is very much important in the way to prevent the creation of an 'Islamic belt' allied to Pakistan, to forestall encirclement by either China or the USA, and finally insulate India from narcotic terrorism which now plagues its northern borders. This security dimension has driven Indian investment in Afghanistan and military cooperation with Tajikistan (Pandey 2012: 5).

In the field of drug trafficking, three of the Central Asian countries (namely Turkmenistan, Uzbekistan, and Tajikistan) have common borders with northern Afghanistan. Large quantities of drugs are smuggles through these countries which is a very dangerous threat before India. Also added with these, the Panj river between Afghanistan, Tajikistan and Uzbekistan is also used for smuggling of drugs in Central Asia. The river is generally used at night to ferry drug shipments (Dutt 2010: 14).

India sees the region as a source of religious extremism and is concerned to check the rise of radical Islamist groups which may present a terrorist threat. Since the demise of the Soviet Union, Central Asia has become a fertile recruiting ground for such groups and there are reportedly scores of jihadist groups based in the region. The transnational nature of these groups, including links with the Taliban and other militant groups in neighbouring countries has generated a high degree of insecurity for India. The fear is that if the emergences of jihadist groups are not restricted, they might eventually pose a serious threat to India's security, especially in the state of Kashmir (Maurya 2015: 14583-14584).

To arrive at possible conclusions for India's security relationship with central Asia some factors need to be highlighted. These are lack of geographic contiguity between states of the region and India, emerging global security interests and impact of adversarial forces. Therefore, India will have to calibrate relationship with Central Asia based on sensitivity of the interposing states, namely, Afghanistan and Pakistan on one hand and Iran on the other. Another factor is the common boundary shared by China with three Central Asian states provide it considerable, influence especially being an upper riparian state in some cases as Kazakhstan (Bhonsle 2016: 62). Some of the possible advantages by which India would be accrued through military diplomacy and building a strategic relationship with each Central Asian country are summarized below (Bhonsle 2016: 71):

- a) Establish extended Indian influence in the region spanning Northern Afghanistan and Central Asian states. This could alter the regional strategic relationship with China as well as Pakistan.
- b) Fructification of important energy chains, Turkmenistan-Afghanistan-Pakistan and India.
- c) Isolation of fundamentalist forces would substantially benefit India's battle against terrorism due to overall marginalisation of dissenting Islamic fighters.
- d) Expansion of defence arms, equipment and systems including arrangements for maintenance.
- e) Purchase of defence equipment: the procurement of IL 78<sup>2</sup> refuelling tankers from Uzbekistan is a pointer in this case.

At the strategic front, India is trying to strengthen its presence in this region. The Ayini Air Base which India has established is playing a pivotal role in promoting India's security interest in the region. Realising the strategic significance of this base, even Russia

took keen interest in entering into cooperation with India over this base (Mahapatra 2016: 47).

# **Military Cooperation**

Military has a very weak presence in Central Asia. Among the Central Asian Republics, the Tajik-Indian relations are crucial in establishing India's military presence in the entire region. The Ayni air base, which would have been India's first military base, was delayed and then cancelled due to Russian instigation. The Ayni air base is located near the Tajik-Afghan border that could potentially be the key to securing Indian interests in Afghanistan. In 2001, India had set up military hospitals that treated the Northern Alliance leaders during their fight against the Taliban forces. What is more important to note is that India's only border with Central Asia near Kashmir is separated by a narrow strip of Afghan land that is occupied by Pakistan, the Tajik air base could have been of immense significance. This apart, Indian Army Chief visited Kazakhstan and Uzbekistan in November 2011 which indicate the seriousness with which India is at present look at reengaging with the region. (Pradhan)

To conclude, India's engagement with Central Asia in the post-Soviet years began late and thus its presence remained below expectations. India's attempted re-engagement in Central Asia over the last three decades has been spurred on by a need to realise its national interests in four broad areas. These are: (a) to give India a footprint on the hydrocarbon map of the region to diversify and secure energy sources vital to India's growth momentum; (b) following the Soviet collapse and in view of Pakistan's agenda, India's security interests demanded a need to check the rise of radical Islam as a political force in Central Asia; (c) It was vital to keep a tab on drug trafficking and potential weapons proliferation in this geo-strategically important region; and (d) to promote interest in the commercial arena (Sharma 2009: 5). From economical point of view, India's

economic interests in Central Asia is two-fold: (a) to ensure the imports of natural energy resources (like crude oil and natural gas) from Central Asian countries to India and (b) to ensure a foothold in the region with the help of India's trade and investment policy into the region. Central Asia in fact provides a huge market for India's emerging export industries. In this context, the geostrategic and regional importance of Central Asia is very much significant before India to emerge as a global player in the international arena. Geo-strategically, though, India's presence is very limited and restricted compared to other great players in the CARs region, New Delhi has initiated some steps in harnessing the region's energy potential through several policies.

### **Endnotes**

- 1. The New Great Game model of actors in Central Asia is an actor-centered agency-driven model that accentuates the importance of great powers in the foreign and economic security policies of these states. Central Asia's relevance to broader Asian security has often been coined in these terms of great power competition.
- 2. Beginning in the 1930s, the communist power used repressive command methods to enforce the monoculture status of cotton. On the other hand Moscow viewed cotton as a strategic resource and its production was financed generally. By the help of USSR's multi-billion investment in this field, one type of cotton monoculture developed in Central Asia in the Soviet Period. (For details see Kulchik, Yuriy., Fadin, Andrey & Sergeev, Victor. (1996). Central Asia after the Empire. London: Pluto Press).
- 3. The IL 78 airplane is an updated version of IL 76 airplane, is designated for inflight refueling of airplanes of various purposes. Approximately there 45 IL- 78 tankers were produced at Uzbekistan's Tashkent Chkalov Aircraft Association. The cost of one airplane with delivery for export is estimated approximately at 25-35 million dollars (for more details see <a href="http://www.globalsecurity.org/military/world/russia/il-78.htm">http://www.globalsecurity.org/military/world/russia/il-78.htm</a> ).

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## Chapter- IV

# IMPLICATIONS OF INDIA'S 'CONNECT CENTRAL ASIA POLICY'

India has paced up its engagement with the CARs in a much more focused ways with a vision to build a long-term cooperative partnership with each one of the countries in the region. Since 1991, India has constantly worked towards building strong political ties with all Central Asian countries.

The end of the cold war drastically changed the foreign policy landscape for India. Eventually, India's position evolved from that of a poor developing nation to an emerging power (albeit one with serous poverty and inequality within its borders). Since the 1990s, owing to its enhanced economic power, overall political stability, and new international significance, India's stature within global governance institutions has risen. India's engagement with them, however, has been inconsistent and its results disappointing. India has continued to advance its interests primarily through bilateral channels wherever possible and championed the creation of several new groupings, including of emerging states (Chitalkar & Malone 2015: 581).

Historically, India and Central Asia were connected through the silk route through which trade and commercial activities took place. Then during Soviet days India's engagement with Central Asia was limited due to the fact that the region was integral part of the USSR. Trade and commercial activities took place directly with the Soviet Union itself. Therefore, India's engagements with the five Central Asian countries started developing only after the demise of the Soviet Union in 1991 which got a fresh momentum in the twenty first century, more specifically from 2012 with the initiation of 'Connect central Asia Policy. Since 2012, New Delhi has stepped up its engagement with the Central Asian

Republics in a big way with an aim of building long-term partnership, both bilaterally and multilaterally. The high level visits from both sides - Kazakh President Nursultan Nazarbayev's visit to Delhi and President Pratibha Patil's visit to Tajikistan in 2009; Prime Minister Manmohan Singh's visit to Kazakhstan in 2011¹ and Uzbek President Islam Karimov's visit to India in May 2011; Tajik President Emomali Rahmon's visit to India in September 2012, and India's vice-President Hamid Ansari's visit to Tajikistan in April 2013; India's External Affairs Minister Salman Khurshid's visit to Kyrgyzstan and Uzbekistan in September 2013; Prime Minister Narendra Modi's visit to Central Asia in 2015 – reflect the growing political, economic and defence ties between the two sides (Roy 2013: 303) Bilateral understanding and cooperation through these visits have consolidated that brought the two sides further closer.

The first India-Central Asia Dialogue, a Track-II initiative organised on 12-13 June, 2012 in Bishkek, Kyrgyzstan, was an important step towards building a long-term partnership with the region. The objective behind this regional conference was to start a regular annual dialogue forum among academics, scholars, government officials and business representatives between India and the CARs, with the aim of providing inputs to governments on both sides (Kothari 2014: 241). The policy calls for setting up universities, hospitals, information technology (IT) centers, and e-networks in tele-medicine connecting India with the CARs. (Pradhan 2016: 19-20). The policy also focuses on joint commercial ventures, improving air connectivity to boost trade and tourism, joint scientific research and strategic partnerships in defense and security affairs and so on

Meena Singh Roy in her article 'India's 'Connect Central Asia' Policy: Building Cooperative Partnership' has pointed out few important elements of India's 'Connect Central Asia Policy' which are as follows:

Political	Build strong political ties through high-level exchange and				
<b>Cooperation</b> interaction between leaders at bilateral and multilateral lev					
Economic	Develop long term partnership in energy and natural resources;				
Cooperation	cooperate in production of profitable crops with value addition;				
	participation in construction sector; India to help set up several				
	medium size industries; to help increase trade and investment				
	Indian banks to expand their presence in Central Asia				
Strategic Strengthen strategic and security cooperation with focus					
Cooperation	training, joint research, counterterrorism coordination and close				
	consultations on Afghanistan.				
Connectivity	To address the problem of connectivity work jointly to reactivate the				
with the Region	International North South Transport Corridor (INSTC) with focus				
	on.				
<b>Information</b> Working on setting up a Central Asia e-network linking					
Technology	Central Asian states with its hub in India to provide tele-education				
	and tele-medicines connectivity				
Cooperation in	Setting up of a Central Asian University in Bishkek to provide				
Education	world-class education in areas like IT, Management, Philosophy and				
	languages.				
People to	Exchange between youth and future leaders of India and Central				
<b>People Contact</b>	Asia. Greater interactions between scholars, academics and civil				
	society.				
Cooperation in					
Medical Area	Setting up of civil hospital/clinics in Central Asia.				
Cooperation in	Boost multilateral cooperation through regional institutions like the				
Regional	SCO, Eurasian Economic Community (EEC) and Custom Union.				
groupings					

The growth of India–Central Asia trade from 2010 to 2015 is tabulated below:

Country	2010-11	2011-12	2012-13	2013-14	2014-15
[USD in Million]					
Kazakhstan	310.59	436.25	426.22	917.84	952.35
Kyrgyzstan	26.98	31.44	37.07	35.18	38.53
Tajikistan	41.33	30.13	48.01	55.13	58.09

Turkmenistan	35.89	63.1	78.25	87.73	105.03
Uzbekistan	81.05	126.43	156.75	145.56	226.31

(Source: Department of Commerce, Export Import Data Bank, Government of India, Accessed at <a href="http://commerce.nic.in/eidb/Default.asp">http://commerce.nic.in/eidb/Default.asp</a>)

Prime Minister, Narendra Modi's visit to five Central Asian countries from 6<sup>th</sup> to 13<sup>th</sup> July, 2015 has been a landmark development in the process of building strategic partnership between the two sides. Many important treaties had been signed between the two sides after the visit of Narendra Modi to CARs. Some of the notable developments are: Kazakhstan president Nursultan Nazarbayev's daring decision to sign a major contract for a renewed long term supply of 5,000 Metric tons (MT) of uranium to India during the next five years is the most significant takeaway of the Prime Minister's visit. According to Stobdan, this development is more promising than achievements on the hydrocarbons side. Added with this India's ONGC-Videsh Ltd (OVL) has finally made its first breakthrough when Prime Minister Narendra Modi launched the drilling operations for oil exploration in the Satpayev block on 7th July 2015 (Stobdan 2015).

Ramakrushna Pradhan in his article entitled: "India's Soft Power in Central Asia: Why it Must Act on the Look North Policy" has stated that Prime Minister Narendra Modi's visit to all the five Central Asian countries in July 2015 had been of paramount importance to both sides for several reasons (Pradhan): first, to give India a substantial footprint on the hydrocarbon map of the region; second, to restrict and counter Pakistan's strident Islamic agenda against India; third, to keep a tag on drug trafficking and potential weapon proliferation in Central Asia; fourth, to promote New Delhi's interests in the commercial arena and to garner support for the country's emerging regional/global power status; fifth, India's permanent membership of the UN Security Council; and sixth, to provide

India a grand stage alongside the US, Russia and China to play a greater role in the Asian regional dynamics.

Narendra Modi's visit to all Central Asian countries, as stated above, is noteworthy in more than one respect. Firstly, Prime Minister Modi's visit to **Kazakhstan** on 8<sup>th</sup> July, 2015 has been an important step forward. The talks between two sides were held in a spirit of mutual understanding and on good faith. Some of the flash points of the visits are as follows (Tej Kadam 2015):

- Prime Minister Modi's highly appreciated the institutionalization of the Conference on Interaction and Confidence Building Measures in Asia (CICA)<sup>2</sup> and supported Kazakhstan's efforts on transformation of the CICA to the organisation on security and development in Asia. Kazakh President Nursultan Nazarbayev also expressed gratitude for India's continued support toward CICA and other international initiatives undertaken by Kazakhstan including Expo-2017<sup>3</sup>.
- The two leaders welcomed the signing of an Agreement on defence and military-technical cooperation which would further widen the scope of bilateral defence cooperation including regular exchange of visits, consultations, training of military personnel, military-technical cooperation, joint exercises, special forces exchanges and cooperation in the area of UN peacekeeping operations.
- Through this visit, Prime Minister Modi initiated several economic programmes in Kazakhstan, including the 'Make in India' initiative to transform India into a manufacturing hub.
- The 12<sup>th</sup> meeting of the Kazakhstan-India Inter-Governmental Commission (IGC) on trade, economic, scientific, technological, and cultural cooperation in New Delhi on 16<sup>th</sup>-17<sup>th</sup> June, 2015 was highlighted in this talk.

• Leaders of India and Kazakhstan agreed to collaborate closely in the framework of the INSTC (International North-South Transport Corridors) as well as through bilateral initiatives to improve surface connectivity between two countries and the wider region. They also welcomed signing of Memorandum on Mutual Understanding on Technical Cooperation in the sphere of railways between the NC "Kazakhstan Temir Zholy" JSC and the Ministry of Railways of India.

Narendra Modi's visit to Turkmenistan on 11<sup>th</sup> July, 2015 has also been important. A number of agreements had been signed between the two sides, mentioned below (list of Agreements...2015: July 11).

- 1. Memorandum of understanding on supply of chemical products between the Indian Public Sector Undertaking 'Rashtriya Chemicals and Fertilizers Limited' and the Turkmen State concern 'Turkmenhimiya'.
- 2. Memorandum of Understanding between the Foreign Service Institute of the Ministry of External Affairs of India and the Institute of International Relations of the Ministry of Foreign Affairs of Turkmenistan.
- 3. Memorandum of Understanding between the Government of India and Government of Turkmenistan on cooperation in the field of tourism, yoga, defence, Science and Technology, traditional medicine and sports.

Prime Minister Modi's visit to Tajikistan on July 12-13, 2015 has been remarkable in many ways, which includes (List of Agreements...2015: July 12-13):

- i. Programme of cooperation (POC) between Minister of Culture of India and Tajikistan in the field of culture for the years 2016-2018.
- ii. Exchange of Notes on setting up of computer labs in 37 schools in Tajikistan.

Narendra Modi's visit to Kyrgyzstan on July 12 has been an important step forward which includes (List of Agreements...2015: July 12):

- i) Agreement on defence cooperation which includes military education and training, conduct of joint military exercises, exchange of military instructors and observers etc.;
- ii) Mou between Ministry of Economy of Kyrgyzstan and Bureau of Indian Standards (BIS) on cooperation in the fields of standardisation, conformity assessment, mutual trade through exchanging necessary information; and
- iii) Agreement on cooperation in the field of culture.

Prime Minister Modi's visit to Uzbekistan on 6<sup>th</sup>-7<sup>th</sup> July, 2015 has paved the path of development through various agreements on cooperation in the field of tourism, culture etc. (List of Agreements...2015: July 6-7).

Prime Minister Narendra Modi's visit to five Central Asian countries was followed by the return visits of the President of Tajikistan Mr. Emomali Rahmon and Mr. Almazbek Atambayev, the president of Kyrgyzstan, to India in December 2016. During the visit of Tajik President, some notable agreements had been signed (List of Agreements...2016: December 17). These were:

- a. Protocol on amending the agreement between India and Tajikistan for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income;
- b. Memorandum of understanding between the Committee of television and radio under the Government of Tajikistan and the Prasar Bharati, India for cooperation on Broadcasting in Exchange of Audio Visual Programs;
- c. MoU between financial Intelligence Unit of India and the Financial Monitoring Department under the National Bank of Tajikistan concerning cooperation in the

exchange of financial intelligence related to money laundering, related crimes and financing of terrorism. And

d. Announcement of initiation of bilateral investment treaty between the two sides.

The President of Kyrgyzstan Mr. Almazbek Atambayev's state visit to India in 2016 culminated through the signing of agreements/MOU between India and Kyrgyzstan. Some of these agreements are tabulated below: (List of agreements...2016: December 20).

- MoU on cooperation in the field of tourism between the Ministry of Tourism of India and the Ministry of Culture, Information and Tourism of the Government of Kyrgyz Republic.
- 2. Agreement on cooperation in the field of agriculture and food industry.
- 3. MoU on cooperation between Foreign Service Institute, MEA, New Delhi and diplomatic Academy of MOFA of Kyrgyz Republic.
- 4. MoU in the field of cooperation in youth exchange between NCC of India and Military Lyceum of Kyrgyz Republic. And
- 5. MoU on bilateral investment treaty.

As far as Turkmenistan is concerned, a joint venture between India's Ajanta Pharma and the Ministry of Health in Turkmenistan, named Turkmen Derman Ajanta Pharma Limited (TDAPL), meets approximately fifty percent of the pharmaceutical needs of the country. This apart, India has widened information exchange programmes with Turkmenistan, establishing the USD 0.5 million Turkmen-Indian Industrial Training Centre as a gift to train Turkmenistan citizens in the manufacture of tools and components, in business practices for small and medium enterprises, and to provide

financial, computer, and language training through its Indian Technical and Economic Cooperation (ITEC) programme (Pradhan 2016:17).

In an attempt to boost up oil and gas imports, the government of India has been trying to get a strong foothold in Central Asian region. The TAPI (Turkmenistan-Afghanistan-Pakistan-India) gas pipeline project could be said one of the most important developments. Since 2002 there has been a lot of discussion on the Turkmenistan-Afghanistan-Pakistan-India gas pipeline. There had been some uncertainties over gas reserves in Turkmenistan, over the security situation in Afghanistan, and over the endemic strained relations between India and Pakistan. Still, all parties have considered the proposal very seriously (Sachdeva 2011:54). On 13th December, 2015, the Vice President of India Mr. Hamid Ansari and Pakistan's Prime Minister Nawaz Sharif and leaders from Turkmenistan and Afghanistan broke the ground for the ambitious USD 7.6 billion TAPI pipeline project which would provide gas to energy-hungry India to run its power plants. After signing this agreement, Turkmenistan president Gurbanguly Berdimuhamedow expressed the view that the project would get operationalised by December 2019. The 1800 kilometers long TAPI (Turkmenistan-Afghanistan-Pakistan-India) gas pipeline will have a capacity to carry 90 million standard cubic meters a day (mmscmd) gas for a 30-year period. India and Pakistan would get 38 mmscmd each, while the remaining 14 mmscmd will be supplied to Afghanistan (TAPI gas pipeline...). The moot point is that the feasibility of the TAPI project remains in question due to the unresolved Kashmir issue which has bedeviled relations between India and Pakistan and in the process it became one of the key hindrances towards promoting closer ties with Central Asia.

### **Investment Potential**

To facilitate trade and investment with this region, Indian policy-makers in the last decade have created an institutional framework. The government has set up intergovernmental commissions for trade, economic, scientific and technical cooperation with all the CARs, and these have been meeting regularly. These relations have been further institutionalised through joint working groups in various fields, such as information technology, science and technology, hydrocarbons, military-technical cooperation, etc. The Indian Government also extends small lines of credit to the CARs to enable Indian exporters to export to these markets without payment risk. In this scheme, about 15 to 20 per cent of the contract value is paid as advance by the importers; the balance contract value is disbursed by India's EXIM Bank upon the shipment of goods. EXIM Bank oversees the recovery of credit. To promote and facilitate trade, double taxation avoidance agreements have also been signed. (Pradhan)

Furthermore, there have been improvements in terms of cooperation in the banking sector. The Canara Bank has links with the Commercial Bank for Foreign Economic Affairs of Tajikistan. The State Bank of India has links with the Turan-Alem Bank of Kazakhstan, the Commercial Bank of Kyrgyzstan, the National Bank of Tajikistan, the State Bank for Foreign Economic Affairs of Turkmenistan and the National Bank for Foreign Economic Activity of Uzbekistan. In 2003, the Indian Ministry of Commerce launched a programme named Focus CIS. The first phase focused on the five CARs plus Azerbaijan and Ukraine. Other CIS countries have also been included in the programme, which aims to promote business-to-business linkages, support trade fairs and different

promotional meetings and seminars. (Pradhan) In 2012, India's Minister for External Affairs, S.M. Krishna, used the phrase "Connect Central Asia" based on the premise of four Cs: commerce, connectivity, consular and community, (Pradhan) which seems to be taking the bilateral relations between the two Asian neighbours to a higher level.

India has also signed many agreements with these countries for technical and economic Cooperation under the ITEC. Thus far, thousands of candidates from Central Asia have come to India under the programme in such disciplines as diplomacy, banking, finance, trade, management and small industry promotion. Potential sectors for collaboration between India and the CARs are broadly: food sector and agribusiness: processing agro products, machinery and equipment, packaging, fertilizers, irrigation; pharmaceuticals and healthcare: medicines, formulations, medical devices, hospitals; ICT: telecom, technology parks, e-governance, IT training, business processes; textiles: machinery, garments; and energy: power generation and transmission, oil refining, petrochemicals.

### **Involvement of External Powers**

As already stated, Central Asia's geo-strategic location along with its richness in oil and gas reserves has made this region a strong player at the international market. Three important countries namely, Russia, China and the United States have taken keen interests in the region. The common goal of these powers are the same and i.e. to secure access to the potential wealth of Central Asia. Access includes entry to the potentially lucrative energy sectors and other economic areas. However, the external powers have used various methods to promote interactions with Central Asia (Pirro 2015: 115).

**Russia:** Till the late 1990s Russia was unable to strengthen its position in Central Asia and fill the so-called 'geopolitical vacuum' which happened due to the sudden demise of the USSR. Initially for a couple of years due to its internal difficulties, Russia did not pay

much attention towards Central Asia. Russia immediately after 1991 started facing numerous social and political challenges including conflicts in Chechnya. As a result, during the 1990s Russia's trade and economic relations with Central Asian republics declined sharply. However, a qualitative change in Russia's Central Asia policy was brought about under the presidency of Vladimir Putin towards late 1990s. In the process, Central Asia gained prominence in Russia's foreign policy framework. It was around this time that Russia achieved modest economic growth which was supplemented by rising trend in the international price for oil and natural gas. Moreover, as the energy issue was gaining critical significance in the global market, Russia's interest was getting stronger in Central Asia's energy sector. In this regard, it is important to note that being a major producer and exporter of energy to global markets, Russia was not dependent upon Central Asia for energy resources rather the energy sector of Central Asia became important for Russia in order to increase its own control over energy resources, which in the process enhanced Russia's global status as an energy super power. (Gidadhubli 2013: 87-88).

The Central Asian countries - because of their landlocked status - were in a disadvantageous position for exporting oil and natural gas to world markets. During the Soviet era, exploitation and supply of oil and natural gas were supervised and controlled directly from Moscow and therefore the Central Asian states did not have any role to play. But after the Soviet break-up, although Russia permitted Kazakhstan to export oil through the Caspian Pipeline Consortium (CPC) from Tengiz oilfield to Novorussik on the Black Sea, there were constraints and difficulties. Russia apart other major players like China and the USA also started taking keen interests in the entire Central Asia region through enhancing their share. Thus in the process a new 'great game' started taking shape. (Gidadhubli 2013: 88). As far as Russia was concerned, it preferred to increase its base in Central Asia through making direct bilateral arrangements with each one of the

countries. GAZPROM and other agencies from Russia promoted joint ventures with various companies in Central Asia. LUKOIL, another Russian company, has seven onshore and three offshore projects in Kazakhstan involving about forty percent of Kazakh reserves. GAZPROM and LUKOIL have 20 percent of Uzbek gas products and they have been further developing their production capabilities. Russia has invested in a number of sectors including transport, mining, construction, telecommunications, military industry and also imports-exports a wide range of goods (Pirro 2015: 120). This apart, Russia's largest military base outside its territory is in Tajikistan. Moscow has secured the extension of lease of its bases in the country for another 49 years through an agreement with Dushanbe (Zafar 2013: 125). In other words, Russia's interests/presence in Central Asia are more varied than those of other partners.

China: China has long term military and economic interests in Central Asia. Its objective has been to gradually reorient all the five Central Asian Republics towards closer to Beijing's economic as well as security preferences. The Chinese are clearly seeking economic advantages in all of the Central Asian nations. Apart from exploitation of natural resources, China has been using these countries as a market place for Chinese exports. It is noteworthy that most of the Chinese aids to Central Asia is comprised of loans rather than grants. Further, these loans are linked to the purchase of Chinese materials and the utilisation of Chinese facilities and experts (Pirro 2015: 121-123). Meanwhile, China has made huge investments and laid pipelines linking oil fields of Turkmenistan, Uzbekistan and Kazakhstan with the western region of China. Being contiguous to Kazakhstan and Kyrgyz states, China has the advantage of unilateral decisions that take the Central Asian leaders into confidence (Gidadhubli 2013: 42). This apart, China has been a major exporter of a wide range of consumer goods to Central Asia.

Much of Beijing's engagement with five Central Asian states has focused on securing their shared frontiers, settling outstanding border disputes, cooperating against the spread of radical Islamism and developing Sino-Central Asian economic, infrastructure, and trade links (Clarke 2013: 3). Michael Clarke in one of his articles entitled: "China's Strategy in "Greater Central Asia: *Is Afghanistan the Missing Link?*" (2013) has pointed out that Chinese policy in Afghanistan has three primary goals that mirror toward the states in GCA (Greater Central Asia). These have been: (a) to ensure the security of Xinjiang; (b) to secure the development of greater economic links, including investment in natural resources; and (c) to combat the influence of the United States and India (Clarke 2013: 3).

**The USA:** Since the emergence of the Central Asian states, the United States always took very keen interest towards the Central Asian region. Though, having geographical distance, the United States has developed the trade relations between Central Asia and USA in energy sector. The Caspian region is emerging as a notable source of oil and gas for world markets. The U.S. Energy Information Administration has estimated that gas exports from the region could account for 11 percent of global gas export sales by 2035. US interest and activities in Central Asia clash with Russia and China's interests as well as their pro-activism in the region. As stated above, China and Russia are vigorously involved in Central Asia and at any cost they are ready to thwart US interests and influence (Baidya 2013:101). The US involvement in Central Asia chiefly revolves around security. During the Afghan conflict, the US maintained two defence bases, one for a short time in Uzbekistan, and the other for a longer period in Kyrgyzstan. The US still uses Termez in Uzbekistan as a depot for supplying Afghanistan. The US has provided Uzbekistan USD 120 million to build a rail link between Termez and Mazar-e-Shans in Afghanistan (Pirro 2015: 121-125). To combat drug trafficking, the US Bureau of International narcotics and Law Enforcement Affairs created the Central Asian Counter Narcotics Initiative in 2011. In other words, the involvement of the United States in

Central Asia has been multidimensional and during last about two decades the US has been paying far greater attention towards the region.

**Afghanistan:** Given the strategic location of Afghanistan, its link with the Middle East, Central Asia and South Asia makes it crucial for peace and security in Asia. Afghanistan and Central Asia share a common history and have significant ethnic, cultural and linguistic links. Three of the five Central Asian states - Turkmenistan, Uzbekistan and Tajikistan - share a common border with Afghanistan that stretches over 2,000km. Transport and connectivity between the two sides are however limited, despite the fact that northern Afghanistan is connected to the Central Asian republics through some roads, rail links, and bridges (Afghanistan and Central Asia: 27). Scholars have argued that as infrastructure linkages improve, trade routes will become more accessible and attractive, placing Afghanistan at the centre of Central and South Asian trade routes. By providing landlocked Central Asian countries with access to trans-Afghan transport corridors that connect to seaports in Karachi in Pakistan, and Bandar-Abbas in Iran, Afghanistan benefits from both direct and transit trade (Afghanistan and Central Asia: 29-30). In this context, a number of major regional frameworks currently support regional cooperation between Afghanistan and Central Asia. These include: SPECA (the UN Special Program for Economies of Central Asia); RECCA (Regional Economic Cooperation Conference on Afghanistan), and CAREC (Central Asia Regional Economic Cooperation Program).

Afghanistan's link to Middle East, Central and South Asia makes it crucial for peace and security in Asia including India. Mohammad Iqbal, Pakistan's national poet, once called Afghanistan 'the beating heart of Asia' (Safi 2016: 58). Afghanistan also happens to be a part of the Asian regional conflict complex which includes the neighboring countries of Pakistan, Iran and the five Central Asian states. All these states have strong transnational

linkages with Afghanistan. Political, religious, and socio-economic networks connect them with various conflict stakeholders inside Afghanistan. The key to securing Afghanistan is therefore developing a plan to align neighbouring countries politically and economically. As far as India's engagement with Central Asia is concerned, the geostrategic location of Afghanistan is very significant. Afghanistan is in fact a bridge for India to Central Asia. Kabul can become a conduit in expanding this engagement between India and Central Asia.

Although several initiatives have been taken to expand the trade and economic linkages, New Delhi is primarily looking to increase the energy partnership with Central Asian countries to meet its growing energy demands. It believes that multilateral engagement in the regional projects, which is economically beneficial for all stakeholders, would be less risky and its success would create interdependence and more opportunities in the future. However, the future of the initiatives would depend on how political and security scenarios unfolds in Afghanistan in the coming years (Zafar and Upadhyay 2016: 239). It is important to add that the present government in Delhi under Narendra Modi has taken keen interests in promoting friendship and cooperation with Afghanistan.

Pakistan: Pakistan's objectives in Central Asia are determined by its political and security imperatives. It has been Pakistan's desire to be an energy transit-corridor in South-Asia and Asia-Pacific region. Pakistan has always wanted to expand its influence in Afghanistan and beyond and Central Asia is seen as an area of natural expansion for Pakistan. The driving forces of Pakistan's Central Asian policy are numerous. The emergence of the CARs was perceived by Islamabad as an opportunity to form the World's biggest Islamic regional grouping stretching from the Arabian Sea in the South to the Black Sea in the West, and based on a common religion and offering a huge political and economic benefit to Pakistan (Roy 2011: 171).

India's late engagement with the Central Asian region and with delayed initiation of economic reforms was a huge loss when compared with China. The lack of economic engagement with Central Asia in the immediate post-Soviet years show that Central Asia's share in Indian exports and imports is dismal in comparison with other major players. (Sharma 2009: 11). A comparative analysis of trade flows prove that the total trade between China and Central Asia in the year 2008 was 18 billion euros; whereas between India and Central Asia was only 247 million euros. In the process, India ranked as the sixteenth trading partner for Uzbekistan and twenty second for Tajikistan, whereas China was on the topper side with Russia and the European Union. China became the largest trading partner of Kyrgyzstan, the second largest of Uzbekistan and Tajikistan, third for Kazakhstan, and seventh for Turkmenistan (Peyrouse 2010: 155). In fact, the physical presence of China and India in Central Asia really differs. In economic terms, the presence of China and India in Central Asia really differs. Beijing is a global power, increasingly present in all sectors, whether by its imports, its exports, or its ability to offer cheap technology; while India is a minor economic player which lacks total reach. A number of companies from China have made inroads into Central Asia. To name a few, the China National petroleum Corporation (CNPC) and its affiliates, such as the China National Offshore Oil Corporation (CNOOC) specializing in foreign investment, the National Oil and Gas Exploration and Development Corporation (CNODC), and the firm Sinopec (China National Petrochemical corporation) etc. For India, they are the Oil and Natural Gas Company (ONGC), India Oil Corporation (ICO), the national gas company Gail, and Mittal etc. (Peyrouse 2010: 157). Areas where India can compete with China, such as knowledge technologies, are still relatively underdeveloped in central Asia.

**The SCO factor**: The growing interests of both Russia and China in Central Asian energy supplies have prompted Moscow to advance the idea of forming an energy club within

the Shanghai Co-operation Organisation (SCO).<sup>4</sup> The objective has been to harmonise the energy strategies of Russia, China and Central Asian countries. However, the diversity of energy agendas and the economic standings of SCO members would make energy cooperation under one umbrella problematic for different reasons: First, China has shown that it has the upper hand over Russia in terms of its financial strength and the effective implementation of large-scale projects; Second, China is an energy consumer, whereas Russia, and SCO's Central Asian members, are energy producers; Third, Moscow views Central Asian gas as a back-up source for external markets and a small share of its domestic market, whereas Beijing considers it a vital component of China's economic growth and prosperity (Russia's Role in... 2014: 6). This apart, Central Asian nations are preoccupied with their future role in the global economy that is going to be largely dominated by China and the Asia-Pacific region (Yenikeyeff 2011: 74). The Central Asian countries views India's permanent membership in SCO from various perspectives. Kazakhstan's analysts note that one of the purposes of participation of India in SCO has not only been the promotion of its own security but also to play a more active role in internal affairs in Central Asia (Ulbolsyn 2011: 3).

## Conclusion

Energy security has taken centre-stage in India's foreign policy. The moot point is that a proper energy policy can spur economic growth through a spill-over effect on other sectors. With the continuous rise in demand for oil and gas, India has been attempting to diversify its energy import and Central Asia is viewed as a potential source.

Despite the high sounding pronouncements from New Delhi, as far as India's engagements with Central Asia is concerned, there has been very little tangible outcome. India's interactions with the Central Asian states tend to demonstrate that India's external outreach lacks the capacity to project a consistent vision of world order that would

distinguish it from the other participants in the regional 'new great game'. The point to be noted here is that India's Connect Central Asia Policy does not provide any meaningful alternative to Chinese engagement with the region. Therefore, the dialogue between India and Central Asia needs to be continued at all levels and bilateral problems between two or more states should not be allowed to deviate from the central objective, i.e. India's constructive engagement with Central Asia.

#### **Endnotes:**

- 1. On15-16 April 2011, Indian Prime Minister Manmohan Singh and Kazakh President Nursultan Nazarbayev adopted a 'Road Map' for 2011-2014 to strengthen the strategic partnership between the two countries, signing seven agreements in areas as diverse as energy, cyber-security, space exploration, education, and development of technology etc. (For details see Pandey, Sanjay Kumar. (2013). Energy Cooperation between India and Kazakhstan. In Rashmi Doraiswamy (Ed.) Energy Security: India, Central Asia and the Neighbourhood, pp.86-93. New Delhi: Manak Publications Pvt. Ltd.).
- 2. The Conference on Interaction and Confidence Building Measures in Asia (CICA) has emerged as an important organisation strengthening peace, stability and security in Asia.
- 3. Expo-2017 is an international Exposition scheduled to take place between June 10 and September 10, 2017 in Astana, Kazakhstan. Expo is a large international exhibition designed to showcase achievements of nations. The Expo-2017 is going to focus on the theme 'Future Energy' and is aimed to concentrate on innovative and practical energy solutions and their impacts.
- 4. The Shanghai Cooperation Organisation is an international intergovernmental organisation founded on June 15, 2001, by Russia, China and four Central Asian states Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The SCO differs significantly from other international organisations that emerged in Eurasia after the collapse of the Soviet Union. Unlike other organisations, the SCO was created by a bottom-up approach to regional cooperation resulting from the evolution of bilateral ties between its founding members. The SCO has its roots in a series of bilateral negotiations between Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan over the demarcation of borders in Central Asia after the Soviet Union's disintegration. In the 1990s, SCO members moved gradually toward a joint multilateral structure and gained experience settling key issues related to

state sovereignty and territorial integrity. The present members present an excellent example of confidence-building among neighbours through settlement of border disputes and demilitarisation of borders. The expansion of SCO can enhance the sense of security among the current members of the organisation (For details see Russia's Role in the SCO and Central Asia: Challenges and Opportunities. (2014, December). *Valdai Discussion Club Grantees Report*. From <a href="http://vid-1.rian.ru/ig/valdai/SCO\_eng.pdf">http://vid-1.rian.ru/ig/valdai/SCO\_eng.pdf</a> . And Patnaik, Ajay. (2016). *Central Asia: Geopolitics, Security and Stability*. London: Routledge).

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## Chapter- V

## CONCLUSION

Geopolitically, Central Asia, in the post-Soviet years, is considered to be the core region of Asia, expanse of which spreads from Caspian Sea in the West to China in the East, Russia in the North to Afghanistan in the South. Central Asia has become an arena for competition between three big players - Russia, China, and the United States – and three middle-tier players – Turkey, Iran, and Pakistan. The region is richly endowed with minerals and hydroelectric resources that draws attention of the whole world. Way back in 1904, Halford J. Mackinder developed 'Heartland' theory - that was revised later stage - recognised the importance of Eurasia. Zbigniew Brezezinski in his book "The Grand Chessboard: American Primacy and Its Geostrategic Imperatives" (1997) dealt with geo-strategic importance of Central Asia in a post-Soviet environment. Brezezinski used the analogy of the 'grand chessboard' which referred to Eurasia and the game was hegemony. In the grand chessboard he postulated that the Eurasian continent was the key to global primacy, meaning that if the US could sustain control over the region, then it would be able to sustain global primacy well into the 21st century. This theorization emphasized the geo-strategic and geo-political importance of Central Asia in world politics.

Central Asia's emergence on the geopolitical scene in the post-Soviet space has created many interesting discourses, including the so-called New Great Game. Ignored initially, this region came into international limelight with the discovery of Caspian energy and the coming to power of the Taliban in neighbouring Afghanistan. Central Asia's geostrategic importance is due to its rich energy reserves, existence of gas, and oil pipelines connecting China, Russia, Europe Caucasus, and the Trans-Caspian region. Energy wealth of Central Asia is seen as a new resource base for growing Indian economy but

rivalry for tapping the resources of the region is intense with the presence of other external key players – USA, China, and Russia - in the region.

Over a long period particularly during the Soviet days, the Central Asia had been under the indirect or direct influences of Moscow. Today the region consists of the five independent states namely, Turkmenistan, Kazakhstan, Uzbekistan, Tajikistan and Kirgizstan. From India's foreign policy perspective, the region is viewed as New Delhi's extended neighbourhood. For different reasons, the Central Asian region is extremely critical to India's economic and security interests. In fact, India's strategic concerns are tied up with Central Asia bordering its north and north-west. It is therefore important to add that New Delhi has a vital interests in the security and political stability of the region.

Relations between India and Central Asia are, however, ancient and civilisational. India has been connected closely with the region through the Silk Route from the 3rd century BC till 15th century AD, when the sea route from Europe to India was discovered. The Silk Route connected India with Central Asia not only for transportation of goods and wares like silk, textiles, spices etc. but was an effective channel of exchange of thoughts, ideas, religion and philosophy. *Buddhism* travelled over this route from India to Central Asia.

During the Soviet era, India's relations with the five Central Asian republics were routed through Moscow and hence very limited exchange took place. Immediately after the post-Soviet years, India and the Central Asia had established bilateral relations, though in a very limited way. India was in fact very slow to react to swift changes in the Central Asian region. Only diplomatic ties were established and some limited economic transactions took place with different Central Asian states in such fields as

pharmaceutical sector, textiles, metallurgy, chemicals, hydrocarbons, mining, mineral processing, construction and industrial production.

However, the 21<sup>st</sup> century has brought a new aroma in India-Central Asia relationship despite the fact that bilateral and multilateral engagements between both the two are far from satisfactory. India lacks strategic clarity to forge and foster economic integration and political cooperation with the Central Asian countries. India must step up its engagements in Central Asia and rejuvenate its policy initiatives towards the region due to a number of factors: (a) to gain substantial footprint on the hydrocarbon map of the region; (b) to check the rise of radical Islamic agenda of Pakistan to hinder India's security interests; (c) to keep a watch on drug trafficking and potential weapon proliferation seriously afflicting India's security interests; and (d) to promote India's interests in the commercial sector.

With energy increasingly being viewed as important component of India's national security, cultivating alternative sources of energy and reducing dependence on the volatile Middle East region has become a vital concern for India. Uninterrupted and consistent supply of energy is critical for keeping India's economic engine in motion. Study shows that New Delhi's dependence on imported oil is projected to skyrocket from the current level of 72 percent to 83 percent by 2030. This is one of the important reasons why India should think for greater engagement with Central Asia energy sector. In view of India's unprecedented energy requirement and stupendous foreign dependence, the energy resources of Central Asia including the Caspian Sea region will play an important role in India's energy strategy. In this context, it is important to note that Central Asian oil and gas are high quality, largely untapped, and there is plenty of investment opportunities. As the producing countries consume less, major chunk of this resources are meant for export. These are the driving factor for any country for any country in

general and India in particular to look towards the Central Asian energy hub. Supply of gas through construction of Turkmenistan-Afghanistan-Pakistan-India pipelines is the very important because this will physically connect Central Asia and South Asia. However, the pipeline construction plans have faced serious challenges. The terrain that links India with Central Asia is considered as geographically difficult and economically expensive. This apart, considering the fact that security situation in Pakistan and Afghanistan are vulnerable, concerns have been raised about the security of the pipeline. Therefore, India and Central Asia will have to jointly face the challenges taking into account their respective concerns and interests.

Economically, India has significant economic interests in Central Asia. Central Asia provides a market for India's emerging export industries. New Delhi intends to ensure reliable access to oil and gas sources originating in Central Asia and increase its trade and investment in the region. India's full membership in Shanghai Cooperation Organization (SCO) could help advance cooperation between India and Central Asia to a new height.

India uses the instrumentality of soft power and its ready acceptability in Central Asia to promote bilateral ties. There is immense interests in Indian classical dance, music, Bollywood films, yoga, literature etc. in these countries. India regularly and frequently arranges cultural events in these countries and also provides scholarships to students and scholars from the region for study in India.

Tourism is one important area where Central Asia needs to work on. Tourism industry is yet to be nurtured in the region. The natural beauty of Central Asia, e.g. Fergana Valley, Lake Issyk Kul (in Kyrgyzstan), many more, and the splendor architecture of Central Asia and its linkages with India, as well as its cuisines, folk culture are still not known well enough to the peoples of both sides, sports culture can be encouraged as well. For this to

happen what is necessary is to ease visa facilities between India and Central Asia. (Khan 2016: 12).

In June 2012, India launched a new 'Connect Central Asia' policy which signaled that New Delhi would seek to build stronger political relations and strengthen strategic and security cooperation with the region. India expressed its desire to step up India's engagement in the SCO and the establishment of a new Comprehensive Economic Cooperation Agreement to integrate its markets with those of Central Asia. In order to strengthen its economic links with the region, India has been consistently focusing on developing new air connectivity, and the development of IT banking, and pharmaceutical industries.

Research Findings: Strengthening of relations between India and Central Asia is to mutual benefit of all countries involved. It is not directed at countering China's presence in the region. India is interested in expanding its ties with the region as it will promote security, stability, economic growth and development of all countries. Similarly, from the Central Asian perspective, good relations with India will provide an assured market to these countries for their energy, raw materials, oil and gas, uranium, minerals, hydro-electric power etc. India is the fastest growing economy in the world today and can be a stable, assured, expanding market for these countries. On the whole, stronger relations between them will contribute to increased security and prosperity of these countries and the world.

What is noteworthy in this context is that despite the fact that India has traditionally attached great importance to its relations with Central Asia, unfortunately the relationship has not progressed to the desired extent. The key constraint India faces is the lack of direct access to Central Asia. The unstable situation in Afghanistan and

a highly problematic India-Pakistan relations have deprived New Delhi from the benefit of relations with Central Asia. The Turkmenistan-Afghanistan-Pakistan-India Pipeline (TAPI) would be a game-changer when it materializes.

Another significant reason for the apathetic state of bilateral ties is that India does not share physical borders with any of the Central Asian states. This is a huge bottleneck in promoting and expanding economic, commercial, energy, tourist links etc. with them. No direct route from India to these countries is available as Pakistan does not permit goods, cargo or people to move through its territory to Afghanistan and Central Asia. Trade has been conducted with Central Asia through China. This is both time consuming and expensive. Alternatively cargo has to be sent to by sea to Northern Europe from where it is transported by rail and road through Russia and other adjacent countries. Recently India has registered significant progress by way of signing a trilateral agreement for renovation of *Chabahar* port. The port is now ready for use. This apart, New Delhi would be required to be more pro-active at the multilateral forums like the SCO. India's membership of Shanghai Cooperation Organization (SCO) as also of the Eurasian Economic Union (EEU) should go a considerable way in bridging this gap.

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## **APPENDICES**



#### Annexure - I

Keynote address by MOS Shri E. Ahamed at First India-Central Asia Dialogue

June 12, 2012 India's 'Connect Central Asia' Policy

Excellency Madame Roza Otunbaeva, Excellency Madame Dinara Kemelova, Deputy Foreign Minister of Kyrgyz Republic, Distinguished scholars and academics from Central Asia and India, Excellencies, Ladies and Gentlemen

It is an honour and privilege for me to speak to such a distinguished audience of scholars, experts and business leaders, in the beautiful city of Bishkek. I congratulate the Indian Council of World Affairs on putting together this pioneering dialogue forum and thank our friends in the Kyrgyz Republic for being gracious enough to host this event with so much aplomb and enthusiasm. We have had many events in India where we have welcomed scholars from Central Asia, but this is the first instance, where we have reached out to Central Asia's intellectuals and opinion leaders in their own home, bringing to the table the rich knowledge and experience of India's scholars and business persons.

Today's event is also a fitting celebration of the two decades of India's diplomatic relations with the Kyrgyz Republic, which has been our valued friend in Central Asia, and with which we now share a special bond after the recent bold experiment in parliamentary democracy.

In my remarks, I will dwell upon India's vision of its role in Central Asia. Today, India is reconnecting with this neighbourhood, with which we are bound by the silken bonds of centuries of common history.

Central Asia, over the last two decades in general and recently in particular, is witnessing an unprecedented integration into the global economic and political mainstream. We, in India, rejoice in this trend of the expanding influence of Central Asia, particularly on the

world energy scene. We recognise Central Asian countries as close political partners in our 'extended neighbourhood', a precept which has become a key element of our foreign policy.

Our civilisational bonds with Central Asian countries have been translated into warm and friendly relations, with India being among the first countries to open diplomatic missions in all the five capitals. We have had a robust exchange of visits of our leaders, and have signed numerous cooperation agreements. Our policy has been marked by deepening relationships based on political, economic and technical cooperation as a partner, rather than a mere contender for the region's vast oil and gas resources. We have shared our experiences and expertise, built capacity and focused on training through our ITEC and other assistance programmes.

India's cultural heritage is deeply rooted in the Eurasian past. Indian traders and travelers had actively traded along the Silk Route and Buddhism had flourished across the vast Eurasian steppe. History is full of friendly interactions between India and Central Asia, through movement of people, goods and ideas, including spiritual interfaces that enriched us both. The fondness for Indian culture is expressed in Central Asia's deep interest in Indian cinema, music, and art. This interest intensified further in Soviet times.

However, in the last few decades, we have been struggling to build economic links that match our political and cultural interaction. Our trade with the whole region is at a relatively low level of around 500 million US dollars. We face some natural obstacles like limited land connectivity and the limited size of the Central Asian markets. India has thus not seen the sort of commercial interaction in Central Asia, which we saw in Southeast Asia, East Asia and West Asia. This has led to a joint quest for innovative answers, some of which we look upon this dialogue to throw up.

India is now looking intently at the region through the framework of its 'Connect Central Asia' policy, which is based on pro-active political, economic and people-to-people engagement with Central Asian countries, both individually and collectively.

I believe that India's active presence in the region will contribute to stability and development in the entire Central and South Asia region. In this analysis, we must factor in the regional situation and especially the challenge of rebuilding the Afghan nation. A cooperative approach for embedding Afghanistan into a more meaningful regional economic and security framework, would have benefits for the entire region. One way is to work towards converting Afghanistan into a hub for trade and energy, connecting Central and South Asia. The landmark agreement for the construction of the TAPI (Turkmenistan-Afghanistan-Pakistan-India) pipeline has put the spotlight on the importance of Central Asia for India's future energy plans. It would also greatly benefit Afghanistan.

Central Asian countries could also gain from the techno-economic- potential of India, which could be accessed in cooperative, mutually beneficial partnerships. Central Asia's desire for diversifying hydro-power and energy export routes would correspond with India's quest for diversifying imports. India will be keen to invest in setting up downstream production facilities, instead of exporting raw materials out of the region through expensive pipelines. The approach could differ from those seeking exclusively to pump out Central Asia's riches.

It is also important to remember that India has never been prescriptive in its political approach. We represent our unique liberal democratic values, particularly in the Asian context. We believe in a nation-building model based on participatory democracy, economic growth, building civil societies, pluralistic structures, ethno-religious harmony and the rule of law.

Against this backdrop, let me outline some of the elements of India's 'Connect Central Asia' policy, which is a broad-based approach, including political, security, economic and cultural connections:

- 1. We will continue to build on our strong political relations through the exchange of high level visits. Our leaders will continue to interact closely both in bilateral and multilateral fora.
- 2. We will strengthen our strategic and security cooperation. We already have strategic partnerships in place with some Central Asian countries. In focus will be military training, joint research, counter-terrorism coordination and close consultations on Afghanistan.
- 3. We will step up multilateral engagement with Central Asian partners using the synergy of joint efforts through existing fora like the SCO, Eurasian Economic Community (EEC) and the Custom Union. India has already proposed a Comprehensive Economic Cooperation Agreement to integrate its markets with the unifying Eurasian space.
- 4. India looks to Central Asia as a long term partner in energy, and natural resources. Central Asia possesses large cultivable tracts of land and we see potential for India to cooperate in production of profitable crops with value addition.
- 5. The medical field is another area that offers huge potential for cooperation. We are ready to extend cooperation by setting up civil hospitals/clinics in Central Asia.
- 6. India's higher education system delivers at a fraction of the fees charged by Western universities. Keeping this in mind, India would like to assist in the setting up of a Central Asian University in Bishkek that could come up as a centre of excellence to impart world class education in areas like IT, management, philosophy and languages.

- 7. We are working on setting up a Central Asian e-network with its hub in India, to deliver, tele-education and tele-medicine connectivity, linking all the five Central Asian States.
- 8. Our companies can showcase India's capability in the construction sector and build world class structures at competitive rates. Central Asian countries, especially Kazakhstan, have almost limitless reserves of iron ore and coal, as well as abundant cheap electricity. India can help set up several medium size steel rolling mills, producing its requirement of specific products.
- 9. As for land connectivity, we have reactivated the International North-South Transport Corridor (INSTC). We need to join our efforts to discuss ways to bridge the missing links in the Corridor at the earliest and also work on other connecting spurs along the route.
- 10. Absence of a viable banking infrastructure in the region is a major barrier to trade and investment. Indian banks can expand their presence if they see a favourable policy environment.
- 11. We will jointly work to improve air connectivity between our countries. India is one of the biggest markets for outbound travelers estimated at USD 21 billion in 2011. Many countries have opened tourist offices in India to woo Indian tourists. Central Asian countries could emerge as attractive holiday destinations for tourists and even for the Indian film industry which likes to depict exotic foreign locales in its films.
- 12. Connections between our peoples are the most vital linkages to sustain our deep engagement. I would particularly like to emphasise exchanges between youth and the future leaders of India and Central Asia. We already have a robust exchange of students. We will encourage regular exchanges of scholars, academics, civil society and youth delegations to gain deeper insights into each other's cultures.

India thus stands ready for a deep, meaningful and sustained engagement with Central Asia. We need our Central Asian friends to create favourable visa conditions to accept India's benign presence. Perhaps the governments of all the five states will agree to simplify these procedures.

India's Connect Central Asia Policy will be consonant with our overall policy of deepening engagement in Eurasia, our policy of strengthening relations with China, with Pakistan, and building on our traditional relationship with Russia. We hope that our membership in numerous regional forums including at the SCO, would bolster India's renewed linkages with

the

region.

Collectively, we must also think about creating a cooperative security structure for maintaining peace in Asia. Our policy of peaceful coexistence and of playing a constructive and meaningful role in the United Nations (now also as a non-permanent member of the UN Security Council) will drive us to work with a deep sense of responsibility on all global issues.

India's engagement in Central Asia, therefore, must be seen in the context of a quest for a world order which is multi-polar.

With these remarks, I invite the galaxy of experts and thinkers present here to take the stage and deliberate more on some of these ideas. I wish the seminar all success.

### Annexure - II

# Tej Kadam: India - Kazakhstan Joint Statement July 08, 2015

At the invitation of Nursultan Nazarbayev, President of the Republic of Kazakhstan, Narendra Modi, Prime Minister of the Republic of India, paid an official visit to the Republic of Kazakhstan on July 7-8, 2015.

During the visit, Prime Minister Modi met with President Nazarbayev and Prime Minister Massimov. The talks were held in a warm and friendly atmosphere in a spirit of mutual understanding, which traditionally characterise India-Kazakhstan relations.

President Nazarbayev and Prime Minister Modi noted the strategic partnership established during the State visit of President Nazarbayev to India in January 2009, based on mutually beneficial cooperation in various spheres and a shared desire for regional and international peace and stability.

Leaders of both countries agreed that the visit of Prime Minister Modi would serve to expand the strategic partnership for the benefit of people of both countries.

Prime Minister Modi congratulated President Nazarbayev on his 75th birth Anniversary and noted the impressive all-round socio-economic development and progress achieved by Kazakhstan, as well as its important role in promoting regional and international peace and security.

Prime Minister Modi congratulated the people of Kazakhstan on Astana Day, the 550th Anniversary of the Kazakh Khanate and the 20th Anniversary of the Constitution of the Republic of Kazakhstan. Prime Minister Modi underlined the growing political and economic role of Kazakhstan, which contributes to stability and development in the region.

President Nazarbayev noted the importance and role of India in regional and global affairs and appreciated its contribution to peace and stability as well as the positive influence of the rapidly growing economy of India on the world economy. In this, President Nazarbayev sees a special role of the Indian leader in inspiring global confidence in India.

Prime Minister Modi highly appreciated the initiative of President Nazarbayev on institutionalisation of the Conference on Interaction and Confidence Building Measures in Asia, which has emerged as an important organisation strengthening peace, stability and security in Asia and noted Kazakhstan's efforts on transformation of the CICA to the

Organisation on Security and Development in Asia. President Nazarbayev expressed gratitude for India's continued support of CICA's activity and contribution to the Conference. He also appreciated India's active support to various Kazakhstan's international initiatives, including Expo-2017.

The two Leaders welcomed the signing of an Agreement on defence and military-technical cooperation which would further widen the scope of bilateral defence cooperation including regular exchange of visits, consultations, training of military personnel, military-technical cooperation, joint exercises, special forces exchanges and cooperation in the area of UN peacekeeping operations.

The Leaders welcomed signing of the Treaty on Transfer of Sentenced Persons between the Republic of Kazakhstan and the Republic of India and the Memorandum of Understanding in the field of physical culture and sports.

Prime Minister Modi noted the new economic policy 'Nurly Zhol' (Bright Path) as well as five institutional reforms initiated by President Nazarbayev. In his turn President Nazarbayev highlighted several economic programmes initiated by Prime Minister Modi, including the "Make in India" initiative to transform India into a manufacturing hub.

The Leaders expressed satisfaction at the gradual increase in bilateral trade in recent years, and agreed to work closely to expand bilateral trade by addressing structural impediments between the two countries.

Both Leaders welcomed the organisation of Business Forum with participation of leading business CEOs of both countries as well as creation of a Joint Business council during the visit, which provided a platform for renewed cooperation between the businesses of the two countries. The Leaders noted that the signing of an Agreement between the Chamber of Foreign Commerce of Kazakhstan and Federation of Chambers of Commerce of India (FICCI) will serve to promotion of business linkages. The leaders also emphasized the importance of closer interactions between investment promotion agencies of the two countries.

The Leaders welcomed signing of the Memorandum of Understanding between JSC «Kazxnex Invest» and JSC «Invest India», which includes a "Road Map" on Trade, Economic and Investment Cooperation, which would identify concrete projects in various sectors and assist in efficient implementation of projects in both the countries to activate bilateral trade and economic relations.

The Leaders noted the successful 12th Meeting of the Kazakhstan-India Inter-Governmental Commission (IGC) on Trade, Economic, Scientific, Technological, and Cultural Cooperation

in New Delhi on 16-17 June 2015, where new initiatives and proposals to strengthen cooperation in different sectors between countries have been explored. The Leaders called on the IGC to monitor implementation of the understandings reached, including through regular meetings of the various Joint Working Groups at the official level, as well as consultations between foreign offices of both countries on political, consular and visa matters.

Both Leaders welcomed the establishment of Joint Study Group between India and the Eurasian Economic Union on the feasibility of a Free Trade Agreement (FTA). The Leaders acknowledged that the proposed FTA would create an enabling framework for expanding economic linkages between Kazakhstan and India.

The Leaders agreed to collaborate closely in the framework of the International North-South Transport Corridor (INSTC) as well as through bilateral initiatives to improve surface connectivity between two countries and the wider region. They welcomed recent initiatives by India to operationalise the INSTC, including the hosting of a stakeholders conference in Mumbai on 12 June 2015. They called upon the next INSTC Council meeting to be held in India in August 2015 to take necessary decisions to facilitate usage of the corridor by traders of these countries. The Leaders agreed that the Kazakhstan-Turkmenistan-Iran rail-link, operationalised in December 2014, become a linked corridor of the INSTC. The Leaders also welcomed ongoing bilateral discussions aimed at setting up a dedicated freight terminal in one of the Western sea-ports of India for trade with Kazakhstan. They hope that these initiatives will serve as the basis for enhanced economic and commercial interaction between the two countries in the days ahead. In this connection, the Parties welcomed signing of Memorandum on Mutual Understanding on Technical Cooperation in the sphere of railways between the NC "Kazakhstan Temir Zholy" JSC and the Ministry of Railways of India.

The Leaders acknowledged the importance of collaboration in the hydrocarbons sector and welcomed the formal commencement of drilling of the first exploratory well in the Satpayev block which coincided with the visit. They agreed to expeditiously explore new opportunities for further joint collaboration in this sector. The Leaders further noted the agreement reached at the IGC meeting for a joint feasibility study to explore the possibility of transportation of oil and gas either through pipeline or as LNG from Kazakhstan to India.

The Leaders affirmed the importance of cooperation in the sphere of civil nuclear energy. They welcomed the signing of a Contract NC "KazAtomProm" JSC and DAE for a renewed long term supply of natural uranium to India to meet its energy requirements.

The Leaders welcomed the signing of Plan of Action between JSC "KazAgroInnovation"

and Indian Council of Agricultural Research for cooperation in the field of agriculture.

The Leaders noted that pharmaceuticals, mining, textiles, information technology, banking, and health are promising areas for future cooperation between the two countries and agreed to extend full support to joint projects in realising potential in these areas on a mutually beneficial basis.

The Leaders welcomed the inauguration of the Kazakhstan - India- Centre of Excellence in Information and Communication Technologies at the L.N. Gumilev Eurasian National University in Astana with India's assistance. They hoped the Centre will contribute to advanced skill development in high performance computing and facilitate scientific research in Kazakhstan.

The Leaders noted the celebration of 50 years of Indian Technical and Economic Cooperation programme and acknowledged the contribution of the ITEC programme in capacity building of nearly 1000 professionals from Kazakhstan in different sectors.

The Leaders noted efforts to enhance air connectivity between the two countries and welcomed the decision to increase the number of frequencies allotted for early operations by designated carriers between the two countries.

The Leaders acknowledged ongoing cultural exchanges in the framework of the bilateral Programme of Cooperation in the field of culture and art. They extended support for organising cultural events in each other's countries and to consider exchange of reciprocal Cultural Festivals in Kazakhstan and India. With the purpose of further strengthening cultural ties, the Leaders expressed interest in study of common historical heritage and promotion of touristic sites in Kazakhstan and India.

Prime Minister Modi thanked President Nazarbayev for supporting the UN resolution on the International Day of Yoga and successful organisation of the first International Day of Yoga on 21 June 2015 in Kazakhstan.

The two Leaders noted the broad convergence of their views on regional and international issues and their mutual support in international organisations. They emphasized that strengthening of cooperation in multilateral frameworks between Kazakhstan and India would contribute to regional and international stability and development.

The Leaders noted the rising challenge posed by terrorism in many parts of the world and in their immediate region and underlined the importance of a stable and secure environment for peaceful economic development. They agreed to continue their active engagement in the fight against terrorism and extremism including exchange of

#### information.

In this context, they highlighted the importance of regular inter-agency consultations and meetings of the Joint Working Group on Counter-Terrorism. The Leaders also called for early conclusion of the UN Comprehensive Convention on International Terrorism.

Expressing concern at the slow progress on the UN Security Council reform, both leaders called for concrete outcomes to be achieved in the 70th anniversary year of the United Nations. They reaffirmed their commitment to Intergovernmental Negotiations (IGN) to comprehensively reform the Security Council including expansion in both categories of membership.

President Nazarbayev reiterated Kazakhstan's full support for India's permanent membership in an expanded UNSC as well as for India's candidature to the non-permanent seat of UNSC for the period 2021-22. Prime Minister Modi reiterated support for the candidature of Kazakhstan for the non-permanent seat of the UNSC for the period 2017-18.

Both Leaders agreed to strengthen cooperation in the framework of Shanghai Cooperation Organisation (SCO) and underlined that the SCO platform would be a useful addition to ongoing bilateral and regional initiatives to expand cooperation.

The Leaders expressed satisfaction with the outcomes of the official visit and shared the view that this visit has made a positive contribution towards expansion of the strategic partnership between the two countries. President of Kazakhstan Nazarbayev expressed deep appreciation to Prime Minister Modi for the visit which underlines the importance which India places on the development of its relations with Kazakhstan.

Prime Minister Modi expressed his gratitude to President Nazarbayev and the Government of the Republic of Kazakhstan for the warm hospitality extended during the visit.

Prime Minister Modi invited President Nazarbayev to visit India. The invitation was accepted with pleasure.

## Annexure - III

## India Joins the Ashgabat Agreement

February 01, 2018

India has been admitted to Agreement on the Establishment of an International Transport and Transit Corridor between the Governments of the Islamic Republic of Iran, the Sultanate of Oman, Turkmenistan and the Republic of Uzbekistan signed on 25 April 2011 (Ashgabat Agreement).

Turkmenistan, as depository State of Ashgabat Agreement, informed India today that all the four founding members have consented to the Accession of India and that India's accession to the Agreement will enter into force on 3 February 2018.

Ashgabat Agreement envisages facilitation of transit and transportation of goods between Central Asia and the Persian Gulf. Accession to the Agreement would diversify India's connectivity options with Central Asia and have a positive influence on India's trade and commercial ties with the region. Upon receipt of approval of the Union Cabinet for India's accession to the Ashgabat Agreement, India had deposited the Instrument of Accession with Turkmenistan in April 2016.