The dissolution of the Soviet Union towards the end of 1991 has led to the emergence of five Central Asian Republics (CARs) of the former Soviet Union, namely, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, and Turkmenistan, as independent countries. The strategic location of this region at the crossroads between Europe and China and also between Russia and Iran coupled with their huge and largely untapped reserves of oil and gas enabled the region to impart immense geo-strategic importance in world affairs. Countries of the region and beyond have tried their best to influence the newly independent countries to actualise their respective interests. The US, Europe, Russia and China as well as Japan and Korea all have formulated their policies with a view to influence the regional geopolitics of the region. But a massive country towards the south of Central Asia was sitting idly having a low profile in the region with the tag of latecomer. Historically, deep rooted civilizational linkages, thorough friendship, cultural affinity and economic bondage largely remained disconnected throughout the years between these two Asian neighbours until recently. Neither the Central Asian countries nor India felt any compelling need to include each other in their geopolitical calculus. Against this background, this research article argues that India has vital economic and security interests in the CARs and needs to develop a comprehensive, long-term strategy to protect and promote its geo-political interest in this region.

Key words: Soviet Union, Central Asian Republics, geopolitics, economic and security interests.

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GEOPOLITICAL AND GEOECONOMIC FACTORS IN INDIA’S CENTRAL ASIA POLICY

1991 жылдың аяғына дейін Кенес Одагы ыдырауы бүрінші Кенес Одагының Орталық Азия республикаларының (ОАР), аталу айтында, Қазақстан, Кыргызстан, Өзбекстан, Түркістан және Түркменстанның тоуелсіз ел ретінде пайда болуына себеп болды. Бұл аймақтың Еуропа мен Қытай арасындағы қиылысатын стратегиялық орналасуы, олардың үлкен және қалқыпталған мунай және газ қорларымен қоса, аймақтағы әлемдік істерде үлкен гео-стратегиялық маңызға не болуына мүмкіндік берді. Аймақ елдері және өз бойынша өз үдеріс өдәретін мұдарсандар және қоғамдар пайда келді: елдерге есеп ету үшін жаңа тоуелсіз елдерге есеп ету үшін бар күш-жіберу жұмысқы. АҚШ, Еуропа, Ресей және Қытай, сондай-ақ Жапония мен Корея барлық өндіріс аймақтарының геосаясатына сапқа ету үшін сапқа қалыптастырыды. Бірақ, Орталық Азияның өндірісін өндіретін жатақ және ел аймақтарын кеңіршігі болған жағдайы бар аймақта бөлінеді, үлкен әдеміді, мұқият достық, өз кеңіршігіне аймақтағы өндіріс аймақтарының геосаясатына сапқа ету үшін сапқа қалыптастырыды. Бірақ, Орталық Азияның өндірісін өндіретін жатақ және ел аймақтарының өндіріс дәлі іс-әрекетпісінің екінші бөлігі болып табылады.
India and Central Asia: Relations in Retrospect

Revelation of history shows that much of India’s political history was shaped by events in Central Asia. The region has been a staging ground for invasions into India. In fact the genesis of Central Asian dynamics in Indian strategic thought has been mentioned in Kautilya’s Arthashastra. Central Asia was also a bridge for promoting Indian commerce and culture across Asia through the famous Silk Route (Stobdan, 2004). It is also amply propounded in several sources about the closely connected relations between Indus Valley Civilisation and Central Asian Khanates. Both the region shares an exceedingly superb bonding and thorough friendship in the sands of time.

However, India’s ties with Central Asia were never consistent. It was waned following the consolidation of the British Indian Empire around the mid-nineteenth century. Even though relations were revived in the years following independence, they failed to acquire any depth or intensity. Indian presence in Central Asia was characterized by its closeness to the Kremlin following the Sino-Indian border conflict of 1962 (Sharma, 2009). It was further strengthened by the Sino-Soviet schism in the years to come. India anyhow managed to get a cultural anchor in the region under the Indo-Soviet Friendship Treaty of 1971 (Sharma, 2009). However, its presence in the region nevertheless remained ‘muted’ and constrained by its ties to the Kremlin (Stephen, 2004). Further, the lack of vision for a broader engagement with the region always pushes India in
the back seat. The end of the Cold War brought the world into stand still with collapse of the great USSR. The sudden disintegration of the largest political landmass on earth undoubtedly left the Indian political establishment in shock and surprise. However, it helped in ushering a cataclysmic shift in India’s foreign policy discourse – away from Nehruvian idealism towards realism and pragmatism towards the region.

This trend of realism and pragmatism is very much continued to found its place in India’s relations with Central Asia in recent years. In the context of the changing geostrategic and geo-economics dynamics in Central Asian landscape, India started recognising the CAR as an area of strategic importance. ‘Look North Policy’ of India in 1990s is a standing example of this. During a visit to Turkmenistan in September 1995, the then Prime Minister P.V. Narasimha Rao made it aptly clear that ‘for India’, Central Asia is an area ‘of high priority, where we aim to stay engaged far into the future. We are independent partner with no selfish motives. We only desire honest and open friendship and to promote stability and cooperation without causing harm to any third country (Muni, 2003). Yet, such a proclamation of the ‘Look North Policy’ offering the proposition of ‘secularism’, ‘democracy’, and ‘literacy’ as national strength that India and Central Asia both share has waned for years to come. So much so that, at present hardly anybody have any idea of what Look North Policy was all about. Ironically when put into context many confuse it with Look East Policy. This probably reflects India’s least strategic priority towards the region at least in the 1990s. When the world powers positively remained engaged in CAR, India – a strategic neighbour choose to stay away from the region under the guise of domestic compulsions in Kashmir and economic downturn facing the nation.

Nevertheless, time have the healing capacity. The trend of realism and pragmatism that was vanished for a while in the policy making process once again resurfaced in India’s foreign policy doctrine of 1997 popularly known as ‘Gujural Doctrine’ (Gupta, 1997). Public rhetoric to the effect also gained momentum, especially with the coming to power of the BJP (Bhartiya Janata Party) and its proclaimed ambition to make India occupy the global political centre stage. Nevertheless, this is only a step taken in the direction of consolidation of strong bonding and deep relationship.

It is until recently, India’s relations with the region were viewed in the historical and cultural prisms. But the sudden changes in the international political scenario, emerging geopolitics of Central Asia in redefining the geopolitical map of Asia, geo-strategic situations in Eurasia, regional security assuming priority in global political agenda and geo-economics interests taking over military aspect in the early 2000s have opened up Central Asia to its neighbours for influence and attraction. India being the proximate player and natural ally could not stay away from the region for this time and tried to venture into the region of immediate geopolitical and geostrategic interests.

The entire edifice of India’s international relations with the Central Asian newly independent republics were probably laid down during this period. India’s commonness with CAR countries, close relations and cultural affinity were instrumental in exceedingly bringing the relationship between the two Asian neighbour further closer and enabled in greater security and economic engagement. Until disconnected to each other, India and Central Asia started recognising the importance and strategic necessity of each other in the emerging Asian geopolitical dynamics. India as of 2012 has a very close and firm bonding with all the five Central Asian republics. Every country of the region looks up to India for its greater democratic values and secular credential while India sees her future global role finding its place in the wider engagement with the region. Positive relations with both the region have further strengthened by forging bilateral and multilateral cooperation’s in the field of security, economic, energy and strategic. The recent visit of Tajik President to India and India’s Foreign Minister to Tajikistan, Uzbekistan only shows the desire for respective sides to forge strong ties. The idea of ‘Connect Central Asia’ as coined by the Ministry of Home Affairs, Govt. Of India is believed to usher in a new era and dynamic vision in the relationship between India and Central Asia.

**India’s Geopolitical Interests in Central Asia**

India’s attempted re-engagement in Central Asia over the last two decades has been spurred on by a need to realise Indian interests in following broad areas. These are herewith elaborated: First, and the most crucial one is to give India a substantial foothold on the hydrocarbon map of the region which would enable India to diversify and secure energy sources vital to her growth momentum. Second, in view of Pakistan’s pursuit of a strident Islamist agenda, India’s security interests demanded a need to check the rise of radical Islam as a political force in Central Asia. Third, it is vital to keep a tab on...
drug trafficking and potential weapons proliferation in this geo-strategically important region. Fourth is to promote interests in the commercial arena. Finally, Central Asian Republics can provide support for India’s emerging regional/global power status; India’s permanent membership of the UN Security Council; countering Pakistan’s anti-India rhetoric and importantly, it will provide India with a grand stage alongside the US, Russia and China to play a greater role in Asian regional dynamics. India as of now cannot leapfrog its way to the global high table without demonstrating effective initiative at the regional level – Central Asia being an important regional constituent. For a lucid understanding of India’s expanding geopolitical interests in Central Asia, the above said broad areas of interests have been clubbed into two important categories of Geo-strategic and Geo-economic interests of India in Central Asia.

Geostrategic Interests

Geo-strategy refers to India’s long term, strategic management of her geopolitical interests, influences and involvement in Central Asia – an area that separates vital centres of two nuclear powers – the Russian Federation (RF) and China – and the place of intersection of major geopolitical massifs – the Eurasian, Islamic, Chinese, and Indian. Placed in the geographical centre of Asia as a mosaic between four world civilisations such as Islamic, Buddhist, Christianity and Hinduism, Central Asian geographical setting critically links to the security of almost all the countries of the world and offers immense opportunities to all the regional and extra-regional players. India being the strategic neighbour and natural ally has profound interests more than any other regional player in the heartland region. Some of the areas concerning Indian critical interests in the region have been broadly discussed in the following paragraphs.

Security

Looking at the centrality of the region’s location, in a changing strategic environment and security alignments, India’s security is closely tied to the instability in the region between Afghanistan and Pakistan. Unholy alliance between the Taliban and Pakistan before September 11, 2001, has contributed to terrorist attacks against India in several occasions. It is now beyond doubt that many Pakistani militants received training in Pakistan and Afghanistan training camps with a purpose of waging war against the Indian state. To mention a few, in 1999, terrorists hijacked Indian Airlines flight IC-814, departing from Kathmandu, landing the plane in Kandahar in Afghanistan (Sachdeva, 2011). Various Pakistan supported terrorist groups active in Kashmir, such as Lashkar-e-Toiba and Jaish-e-Mohammed, received military training in Afghan camps alongside Central Asian militant groups such as the IMU, as well as Tajik and Uighur militants (Rohde, 2002). Attack on Indian Parliament, state legislative Assembly of Jammu and Kashmir, sporadic terror incidents in Indian cities and inciting recent cyber terror to instigate communal violence in Assam and destabilise peace and harmony in India has an active Pakistani hand. Therefore, instability in Afghanistan and often hostile attitude of Pakistan are intricately linked to the security, unity and integrity of India, hence, forging strong ties with the states of Central Asia to counter such future confrontations against India. Among all, counterterrorism cooperation has been the main security concern for India with regard to Central Asia. For that, cooperative security initiatives have already begun with Tajikistan, Uzbekistan, Kyrgyzstan, and Kazakhstan (Lal, Rollie. ed. 2006).

From the security point of view the emergence of radical Islam in Central Asia in the shadow of the dramatic demise of the Soviet Union and its aggressive propagation of atheism, generated a great degree of unease in Indian quarters. It is a feeling in the Indian quarters that the simmering rise of Islamic fundamentalism will eventually pose a serious threat to Indian security, especially in the state of Kashmir. Such fears have been accentuated in light of the increasingly close linkages that Islamists movements such as the Islamic Movement of Uzbekistan (IMU) have forged with the Taliban and the ISI (Stephen, 2003). Such developments certainly do not augur well for India’s security interests, given the ISI’s history of flirtation with radical Islamist groups with an aim of propping them up against India. This analysis is vindicated in the UNI report of 3 April 2000, which states that «Afghan and Pakistan trained mercenaries are seeking fresh pastures to exploit their brand of fundamentalism with Tajikistan, Kazakhstan and Kyrgyzstan emerging as their new hot spots (Stephen, 2003). The doubt is further strengthened by the proved link between ISI and militant groups operating in Xinjiang resulting into civil riots in 2010. Thus, the security of the entire region is closely intertwined. Given the increasingly Trans-national nature of linkages being forged by extremist groups, especially with the Taliban in Afghanistan and the ISI in Pakistan, these
developments have potentially serious security ramifications for India. Thus, this makes it imperative upon India to be more closely involved in Central Asia’s regional security matrix and ensure that instability does not spill over into Central Asia.

**Drug Trafficking and Weapons Proliferation**

The Central Asian region is strategically located between two nuclear superpowers, Russia and China, as well as their nuclear armed neighbours Pakistan and India. Central Asia previously served as a raw materials base for the Soviet weapons program, with Kazakhstan holding large reserves of highly enriched uranium, while Kyrgyzstan has substantial amounts of nuclear waste scattered around. Uzbekistan and Tajikistan hold sizeable uranium reserves and the potential for its enrichment. This, coupled with the absence of special-detection equipment at border and customs checkpoints, rampant corruption and little political will, have the potential to render the region highly susceptible to and a lucrative route for smuggling fissile material. This has serious security implications as there is potential danger of proliferation of lethal weapons technology and material into the hands of not just states hostile to India, but also non-state actors like the Taliban, al-Qaeda and groups like the IMU linked to them. This assumes further significance in light of a resurgent Taliban that will not lose out on the opportunity to use to its advantage the porous Tajik-Afghan border. Drug trafficking potentially poses a major security threat to ‘the region’ (Sharma, 2009). The poor state of border management and rampant corruption, coupled with soaring opium production in neighbouring Afghanistan – all spell a dangerous trend. India needs to pay greater heed to drug trafficking, since much of the money generated is used to fund activities of extremist Islamist terror networks that possess the ability to foment trouble for India in the long run. This is an area where India has a broad overlap of interests with three other key players in the region: US, Russia and China, with whom it could engage in multilateral cooperation.

**Great Power Game in CA and India**

Until 1991 all the major countries of the World were seemed not to be interested in Central Asia. Central Asia then was central to none. The disintegration of Soviet Union that resulted in power vacuum in the region, created openings for several proximate players notably China, Iran, Turkey, India and Pakistan to pursue their political, economic and cultural interests. The regional politics remains fluid and unpredictable. A central reason lays in the fact that Central Asia despite its name and geopolitical location was not central to the interests of any of its neighbouring powers. For Turkey, European Union remains the primary object and vector of its foreign policy. For Iran, the Persian Gulf is still paramount in its orientation and security concern. India and Pakistan focus primarily on their bilateral relationship. China’s security challenges lies to the east, with the Taiwan issue looming large over its foreign policy and relation to the Korean peninsula and Japan following closely (Cornell, 2004). Finally, Russia despite its historical influence and interest in Central Asia was preoccupied with the Caucasus and its relations with the West. Hence, at the back door of all these opportunities US entered into the region in 1994 by keeping an eye on the oil and natural resources of the region and to maintain a balance of power by countering China. However, prior to September 11, 2001 trauma the major vector of US regional interests were energy issues and diplomatic commitment to sustain the independence and promote democratization within the region. The main objective then was to take care of the nuclear instability that could emerge if Iran or Pakistan would gain access to Central Asian Uranium mines. To save the region from the threat of Islamic fundamentalism, to strengthen the role of Turkey and block Russian influence in the region by pouring with political, economic, financial and moral support to the Central Asian countries. The priority was to check the Islamic regime of Iran and more importantly to contain and engage China in order to divert it from its global role which US considered being the greatest threat to its hegemony in international politics.

China, the immediate neighbour of five central Asian republics shares its 3500 kms long border with Kyrgyzstan, Kazakhstan and Tajikistan. In the initial years of Central Asian independence China was interested only in political stability of the region and was interested in preventing Islamic fundamentalism to take its roots in the region. Eventually, China became more cautious about its every step and policies towards the region, which now has become a part and parcel of an overall strategic perception of an as yet undefined Chinese great power role in world affairs and closely linked with a relation of enmity with the US. Hence, to loosen the hold of the US in the region China followed the policy of new diplomacy and entered the region with a comparable and competitive strategy that would counter the US. As a beginning of this policy in
1996, China initiated the formation of Shanghai Five with three Central Asian republics of Kazakhstan, Kyrgyzstan and Tajikistan, in addition to Russia to solve the border problem and to promote peace and cooperation in the region with an intention to develop greater trade relations with the Central Asian countries. Uzbekistan joined the organization in 2001 making it Shanghai Six popularly called as Shanghai Cooperation Organization [SCO]. China also transformed the Xinjiang-Uighur Autonomous Region into a free market zone in 1998 to strengthen cooperation with Kazakhstan and to open up trade routes in the region. Xinjiang has major significance for China beyond issues of territorial integration and regional harmony, as it has one of the biggest oil bearing basins in Asia, the Tarim basin that can boost cooperation and trade relations between two countries. China is also the second largest consumer of oil in the world after America. Hence, it would not want America to divert the energy resources of Central Asia which lies near the door step of China. Due to its proximity to Central Asia and Caspian region China became a serious competitor for profit and influence in the region which could have been easier if American presence would not be there. China has great interest in gaining access to the rich deposits of hydro-carbon and hydro-electric resources of the region. Beijing is actively taking part in exploring Aktyubinks and Mangyshlak oil deposits and building an oil pipeline in Kazakhstan-Xinjiang region. But the presence of US companies backed by full state support followed with huge economic aids to the countries of the region present a great challenge for China to expand its present in the region.

Russia is a natural and impulsive player in the region. Therefore, after independence it wished to keep its presence felt in the area which was also supposed to remain for the times to come. But its own serious economic problems and political weaknesses which are exacerbated by internal power struggle have hampered Russia’s efforts to restore its hegemony. Thus, while Russia is ever sensitive to the growing foreign presence and influence in the region and tries to curb both its influence continues to be challenged. However, during Putin’s regime the region of Central Asia got maximum attention in the policy quarters of Moscow. The redirected policy attention towards the region is believed to be due to certain geo-strategic considerations. Russia has three primary reasons for being involved in Central Asia. One is to protect ethnic Russians in the region. Second, to maintain access to important resources of the region such as, oil, natural gas and other precious metals and the third, is to restrict the influence of the external powers in the region in general and U.S in particular.

Although, Russia-China and United States of America are the major geostrategic players in the region the influence of Islamic countries such as Turkey, Iran, Saudi Arabia, Pakistan and Afghanistan cannot be undermined. Among all, the competitive rivalry between Turkey and Iran in Central Asia is unique. Both these countries took steps to convince the Central Asian republics to recognize their respective roles in the region. In the process Turkey and Iran have themselves become rivals in trying to create spheres of influence at the southern portions of the former Soviet territory. Turkey has been concerned that Iran may attempt to turn Muslim nationalities towards theocracy, while Iran was worried that Turkey’s active role in the region is aimed at pan-Turkism. Thus, ensured the competition for winning over the hearts and minds of the Turko-Muslim peoples of the region. This rivalry has been further accentuated with the US open support to Turkey and Russo-Chinese backing to Iran.

Afghanistan which was suspended for fourteen years as a geopolitical player in the region because of its occupation by USSR in 1978, after 1992 stands at a critical geopolitical crossroads and pose major security threats to its northern neighbours. The greater involvement of Pakistan beyond the northern borders (Central Asia) has been influenced by its rivalry with south and south-eastern border country, India. Alongside its own brand of Islam, Pakistan offered political support, economic integration and ideological solidarity to Central Asian states, which was hoped to pave the way for a broader strategic unity. However, the mask of Pakistan was exposed in the years to come, yet it presents tough challenges to India till date in its regional alignments.

India is just not going to face challenges from the great powers in the CAR but also from Islamic countries like Pakistan. The growing engagement of Iran in CA is seems to leverage Indian position in the region. The real challenge to India however comes from Beijing, Islamabad and the growing role of Shanghai Cooperation Organisation (SCO).

**Shanghai Cooperation Organisation (SCO) and India**

China helped in the formation of Shanghai Five (S-5) in 1996 in collaboration with Russia, Kazakhstan, Kyrgyzstan and Tajikistan. However, Uzbekistan joined the Shanghai Five in 2001, increasing its
membership to six, which has consequently been transformed into Shanghai Cooperation Organization. In the early years it helped in solving the existing territorial problems peacefully among the member countries. But subsequently (SCO) emerged as a major geostrategic, security and economic initiative in the entire Eurasia. Its role in the regional strategic vision management is increasing manifold over the years. Given the intent and potential of the organisation, it wouldn’t be wrong to claim that any geopolitical calculations in Central Asia cannot be done sideling SCO. Hence, India’s recent inclusion as full member of the budding organization would certainly help it manoeuvring its growing role in the region. Importantly, a membership in the organisation just not will help India in getting a pass into the region but also propel its interests vis-a-vis China in the region. It would also enable India to counter Pakistan’s anti-India propaganda and ensure its economic participation with greater Central Asian region.

CASAREM

Central Asia-South Asia Electricity Market (CASAREM) is laid on the idea of a «Greater Central Asia,» vision. This in turn is based on the premise that Central and South Asia are, or can become, a single integrated unit committed to economic activity and growth. Besides deep cultural and historic ties and the war on terrorism, the countries of the region and particularly India as the leading force of South Asia have many common concerns, such as finding outlets for energy supplies, achieving prosperity through economic cooperation, and moving towards enhanced security and stability. This concept further strengthens the spirit of regional security and inter-regional cooperation in the greater Central Asian region which also includes India, Pakistan and Afghanistan. This in turn boosts India’s concerns of national security.

Geo-economic Interests

India’s Geo-economic interests in the Central Asian geopolitical landscape are many and varied. Some of the significant areas of Indian interests in region have been highlighted in the following paragraphs.

Energy Sector

There can be no denying the importance of reliable access of Central Asian energy resources for sustaining India’s growth trajectory. However, the growing concern is about how much India is into the energy rich region and how far it needs to go. India is late starter in the region. Indian companies are trying hard to get a strong foothold in the region. In Central Asia, ONGC has made significant inroads into Iran, Kazakhstan, Turkmenistan, and most recently in Tajikistan. It has formally bid on Tengiz and Kashaguan oil fields and the Kurmangazy and Darkhan exploration blocks in Kazakhstan. CSIS (2006) Competition in this region is fierce, as China is pursuing the same strategy. Understanding their losses in the competition both of them agreed for mutual biding where possible. As china is pursuing an aggressive policy, it is in the onus of India to come to an agreement table. India and China in the line of Asia wide regional cooperation in energy are cooperating in other areas. But when it comes to Central Asian energy, competition is fierce. China always chooses to go alone. This was clearly illustrated in late 2005 when China outbid India to acquire PetroKazakhstan – Kazakhstan’s third largest oil producer, with CNPC raising its bid to $4.18 billion (Sachdeva, 2011).

India’s foothold in Central Asian energy sector

Kazakhstan

ONGC reached an agreement to join KazMunaigas – the Kazakh state oil company in a project to explore and develop the Satpayev block in highly prospective waters of the north western Caspian Sea (Gorst,2011), The state oil company will pay an $80m signature bonus for a 25 per cent stake in Satpayev where oil reserves are estimated to amount to 250MT. Signed during an official visit by Manmohan Singh, the Indian prime minister, to Kazakhstan, the deal aims to boost India’s energy security and fuel its rapid economic growth (Gorst, 2011).

ONGC will cover all exploration costs at Satpayev, minimizing Kazmunaigas’ risk in early stages of the project that will eventually require $9bn of investment. It has become common practice around the world for foreign companies to pay exploration costs when farming into projects with state oil companies. India, which is heavily dependent on imported energy, has had less success than other countries in winning Kazakh oil deals. US and European majors secured rights to develop the vast Tengiz and Karachaganak fields in the 1990’s that now account for the bulk of Kazakhstan’s 80MT a year oil production. China, India’s main
rival for global oil reserves, has accumulated a large portfolio of upstream assets in Kazakhstan and built pipelines to carry production to its north western border (Gorst, 2011).

India has been trying to catch up at Satpayev, but the deal has taken a long time to materialize. During the visit of the Kazakh President Nursultan Nazarbayev to India in January, 2009, India’s ONGC Mittal Energy Limited (OMEL) and KazMunaiGaz (KMG) signed a Heads of Agreement for exploration of oil and gas in the Satpayev block in the Caspian Sea (Sachdeva, 2011). OMEL is a joint venture between ONGC Videsh Limited (OVL) and Mittal Investments. The Satpayev block covers an area of 1,582 square kilometres and is at water depth of 5-10 meter (Sachdeva, 2011). It is situated in a highly prospective region of the North Caspian Sea. Additional benefit of this is that, it is in close proximity to major fields such as Karazhanbas, Kalamkas, Kashagan and Donga where significant quantities of oil have been discovered. It has estimated reserves of 1.85 billion barrels. The Indian company will have a 25 per cent stake. The remaining 75 per cent stays with KazMunaiGas (Times of India, 2009).

If it goes smoothly the Satpayev will mark a breakthrough for India which has so far little to show for the strategic partnership pact it signed with Kazakhstan in 2009. The two sides are negotiating a possible uranium supply agreement, as well as pharmaceutical and oil refining deals.

Kazakhstan already supplies India with nuclear fuel from its significant uranium deposits, while India plans to increase its civil nuclear program, which already counts 20 nuclear reactors (Cutler, 2011).

Uzbekistan and Turkmenistan

As far gas imports are concerned, both Uzbekistan and Turkmenistan are important for India. Both have large amounts of proven reserves. In the last decade and half both countries have been trying to increase export volumes and diversify export routes. The Indian public sector company Gas Authority of India (GAIL) has signed a MoU with Uzbekistan’s Uzbekneftegaz for oil and gas exploration and production (Sachdeva, 2011). The GAIL also set up a few Liquefied Petroleum Gas (LPG) in western Uzbekistan, mainly for Uzbek consumption.

India took another step towards economic and strategic penetration in Central Asia with the visit of Uzbekistan’s President Islam Karimov to New Delhi in May (Cutler, 2011). The honourable President has signed an agreement that could lead to India’s ONGC Videsh Ltd (OVL) prospecting for oil and gas inside its neighbour’s territory in cooperation with Uzbekneftegaz.

In meetings with Indian Prime Minister Manmohan Singh, both sides agreed to raise the level of bilateral relations to a “long-term strategic partnership”. The heads of state signed 34 accords across a wide range of issues that, alongside the hydrocarbon sector, included cooperation in pharmaceuticals and information technology (Cutler, 2011).

Under their provisional agreement, OVL, the overseas arm of India’s state-owned Oil and Natural Gas Corporation, will form working groups with Uzbekneftegaz in a view towards joint activities in third countries, allowing OVL to continue to increase access to Central Asia’s vast energy resources (Cutler, 2011).

Bilateral energy cooperation between India and Uzbekistan extends to Afghanistan as well. The two countries have cooperated to supply electricity to Kabul, with Uzbekistan furnishing the power for the transmission network built by India (The Hindu, 2009).

Karimov’s unsettled authoritarian rule in Uzbekistan had made cooperation with India problematic until the two sides decided to focus first of all on security and anti-terrorism issues. Since then, economic cooperation has increased markedly. Uzbekistan is the 13th-biggest gas producer in the world, a fact often overlooked because of its large population consumes a significant proportion of the production, which it is therefore not a "strategic" export as it is for Kazakhstan and, for example, Turkmenistan.

Being the richest country in natural gas in Central Asia, Turkmenistan is important for India’s energy security. Turkmenistan is endowed with rich reserves of natural gas, crude oil, potassium and rock salts. Turkmenistan has the fourth largest natural gas reserves in the world (MEA, 2011). It also has significant reserves of crude oil.

Four countries, viz., Turkmenistan, Afghanistan, Pakistan and India (TAPI countries) are working together on a gas pipeline project, which is expected to be operational by end 2016. In the last 12 years, there has been much discussion on the $7.6 billion TAPI gas pipeline (Sachdeva, 2011). The project has been marred by uncertainties regarding gas reserves in Turkmenistan, the security situation in Afghanistan and the strained relations between India and Pakistan. Still all parties considering the proposal seriously. Again on 11 December 2010, basic documents between the four countries were...
signed in Ashgabat in the presence of Presidents of Turkmenistan, Afghanistan and Pakistan and from India, the then Minister of Petroleum & Natural Gas, Shri Murli Deora (MEA, 2011).

This 1,680 km pipeline would run from the Dauletabad gas field in Turkmenistan to Afghanistan. From there it would run alongside the highway from Heart to Kandahar, and then via Quetta to Multan in Pakistan. The final destination of the pipeline is to be Fazilka in Indian Punjab (Sachdeva, 2011).

The Dauletabad gas field has confirmed reserves of over 2.3 trillion cubic meters (tcm). Additional reserves of about 1.2 tcm expected after drilling in the adjacent area. The gas production capacity of the field could be increased to about 125 million cubic meters per day (mmcm/d). From the current 80 mmcm/d, Turkmenistan has committed to provide sovereign guarantees for long term uninterrupted supplies to Pakistan and India (Dawn, 2006).

In May, 2006, the Indian government officially approved its participation in the TAPI project and authorised the Ministry of Petroleum and Natural Gas to put up a formal request for joining the project PIB (2006). Moreover, India’s continuing relationship with and participation in the project for a Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline has contributed to increasing its profile in the region. Turkmenistan’s interest in TAPI has only increased since the Nabucco project for sending its gas to Europe has lately stutter-stepped.

Kyrgyzstan and Tajikistan have intensified their electricity transmission to South Asia (Afghanistan and Pakistan) through a visionary concept of Central Asia – South Asia Regional Electricity Market (CASAREM). The existing facility in Tajikistan on the Vaksh river and in the Kyrgyz republic on the Naryn river would supply the current available summer surplus for export.

A North-South 500 kV transmission line in Tajikistan is currently under construction with Chinese financing. Additional transmission links from Kyrgyz Republic to Tajikistan to enable electricity from Kyrgyz Republic to be transmitted directly via Tajikistan to South Asia. Tajikistan to Afghanistan 220 kV transmission links is also under construction. The electricity transmission and trading system project to transfer about 1000 MW of power from the Kyrgyz Republic and Tajikistan to Pakistan via Afghanistan (referred to as CASA 1000) CASAREM (2007). Pakistan is not far from India. India can stretch its muscles and work out for how to extend CASAREM vision to the Indian soil.

**Economic and Trade Relations**

Economically, India has a growing presence in Central Asia in the energy and pharmaceutical sectors. Trade in consumer goods is increasing but constrained by economic barriers, particularly in Turkmenistan and Uzbekistan. In the case of Tajikistan, India’s trade stood at $10.7 million in 2004-05 and $32.56 million in 2009-2010 (DNA, 2012). The joint venture between the Indian company Ajanta Pharma and the Ministry of Health in Turkmenistan, named Turkmenderman Ajanta Pharma Limited (TDAPL), currently provide approximately half of the pharmaceutical needs of Turkmenistan. India has widened information exchange programs with Turkmenistan, establishing the $0.5 million Turkmen–Indian Industrial Training Centre as a gift to train Turkmen in basic skills, in the manufacturing of tools and components, and in business practices for small and medium enterprises, and provide financial, computer, and language training through its Indian Technical and Economic Cooperation (ITEC) program (Lal, Rollie. ed. 2006).

Trade with Uzbekistan amounted to more than $121 million in 2004, with more than 30 Uzbek-Indian joint ventures in Uzbekistan (Sachdeva, 2010). A significant source of revenue for India is in pharmaceutical sales from Ajanta Pharma and Reddy Labs (Uzbek Embassy, 2005). The two countries are considering Indian gas exploration in Uzbekistan through India’s public sector oil and Natural Gas Commission (ONGC) and Gas Authority of India Limited (GAIL) (Uzbek Embassy, 2005).

India’s trade relations with Kyrgyzstan totalled US$ 23.56 million in 2010-11. India’s exports to Kyrgyzstan were US$ 22.56 million whereas Kyrgyz exports to India amounted to only US$ 1.2 million (MEA, 2012). Apparel and clothing leather goods, drugs & pharmaceuticals, fine chemicals, and tea are some of the important items in our export basket to Kyrgyzstan. Kyrgyz exports to India consist of raw hides, metalifers ores & metal scrap etc.

Trade between India and Kazakhstan in 2011 was around USD291.50 million (MEA, 2012). Major commodities of export from India to Kazakhstan are Tea, Pharmaceuticals, and Medical equipment, Machinery, Tobacco, Valves and Consumer Items etc. Major items of import by India are asbestos, soft wheat, steel, aluminium, wool and raw hides. Prospects for cooperation in spheres of Oil and Gas, Civil Nuclear Energy, metals and minerals, agriculture, public health, information technology, education, culture and defence are promising (MEA, 2012).

In energy sector, ONGC has moved forward to
stake claims in four of Kazakhstan’s oil fields as well. Both countries are developing bilateral trade in mechanical engineering and pharmaceuticals, and in the defense sectors; total bilateral trade in 2003 stood at $79 million (Interfax-Kazakhstan News Agency, 2005b). An agreement between ONGC Videsh Ltd. and KazMunaiGaz on Satpayev oil block and MoU between NPCIL and Kazatomprom envisaging cooperation including supply of uranium to India among others was signed in 2009. A memorandum of understanding for cooperation in the field of Space; extradition treaty between both countries and the protocol on the accession of Kazakhstan to WTO were also signed in 2009. A fresh agreement between ONGC Videsh Limited and Kazmunaygaz on the purchase of 25% stake in the Satpayev Oil Block in the Caspian Sea was signed in Astana on 16th April 2011 during the visit of Prime Minister Manmohan Singh (MEA, 2012).

Discussions are currently underway for cooperation in fields of fertilizers production, setting up of petrochemical complex, sulphuric acid plant, gold mining, thermal power plants, Information Technology Park etc. Agreements in the fields of Agriculture, Health, Culture, S & T, and Education etc are currently under consideration by both sides (MEA, 2012).

The Central Asian countries also provide a convenient and low-cost hub for Indian travellers. Services in the form of flights from India to London, the United States, and Europe provide a lucrative export for Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan.

**Pharmaceuticals and Healthcare**

Another key area of cooperation between India and Central Asia is pharmaceuticals and healthcare. Mainly due to its efficiency and cost advantage, India has a competitive advantage in the global market in this field. Some of the Indian companies exporting pharmaceutical products to Central Asia are Claris Life sciences, Ranbaxy, Dr Reddys Labs, Lupin Laboratories, Unique Laboratories and Aurobindo Pharma. Some of these companies are planning to set up manufacturing units in Central Asia itself. The pharmaceutical factory of the Kazakh-India joint venture Kazakhstanpharma is in the process of completion in Almaty (Stephen, 2003).

**Investment Potential**

The countries of this region provide good investment opportunities for Indian businesses. To facilitate trade and investment with this region, Indian policy makers in the last decade have created an institutional framework. The Indian government has set up bilateral Inter-Governmental Commissions for trade, economic, scientific and technical cooperation with all the Central Asian countries, which have been meeting on a regular basis. These relations are further institutionalized through joint working groups in various fields, such as IT, Science and Technology, hydrocarbons, military-technical cooperation, etc. The Indian government also extends small lines of credit for the countries in the region to enable Indian exporters to export to these markets without repayment risk. In this scheme, around 15 to 20 percent of the contract value is paid as advance by the importers; the balance contract value is disbursed by the Indian EXIM Bank to the exporters upon the shipment of goods. The recovery of credit extended to the overseas buyer is taken care of by the EXIM Bank, without recourse to the Indian exporter. To promote and facilitate trade, Double Taxation Avoidance Agreements have also been signed (Sachdeva, 2010).

There have also been improvements in the banking sector. Canara Bank has links with Commercial Bank for Foreign Economic Affairs of Tajikistan, the State Bank of India with 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 Focus CIS program. The first phase focused on the five Central Asian countries plus Azerbaijan and Ukraine. Other CIS countries have also been included in the program. The program aims to promote business-to-business linkages, support trade fairs and different promotional meetings and seminars (Sachdeva, 2010). In 2012, Indian Foreign Minister Shri S M Krishna used the term ‘Connect Central Asia’ based on the premise of four Cs: Commerce, Connectivity, Consular and Community (CAN, 2012). seems to have taking the bilateral relations between the two Asian neighbours to a different level.

India has also signed many agreements with these countries for technical economic cooperation under the International Technical and Economic Cooperation (ITEC). Thus far, thousands of candidates from Central Asia have come to India under the program in such disciplines as diplomacy, banking, finance, trade, management and small industry promotion. Potential sectors for collaboration between India and CAS in broad are specified below:
India and Central Asia constitutes strategic neighbours and natural allies. Both the region are geographically proximate, share common history and cultural affinity. With this premise a modest attempt has been made to know what policies India follow in this region to secure and strive its interests and what more needs to be done.

As part of regional geostrategy, India requires to pursue serious and active bilateral and regional agreements to promote security in the region. She requires to carry on the goodwill gesture from the close relations she had maintained during the Soviet times. India’s membership in SCO is very much need of the time. It just not will enable India to share same dais with China and Russia in CA but also will help in cutting the size of Chinese engagement in the region and importantly will bring India closer to all CA countries.

In the economic front, India’s engagement with the region will require vigorous involvement of the private sector in the Central Asian market, which has so far not been viewed by Indian big business houses as a very attractive market. Therefore, a two-fold strategy will be required to address this issue. Firstly, the Indian government must facilitate greater interaction between the Indian private sector and Central Asian market forces. Secondly, Central Asian states will have to work towards creating a more attractive investment environment for the Indian private sector.

As far as energy sector is concerned, India needs to become a significant player in the equitable exploitation, administration and distribution of the Central Asian energy resources. India must look forward to restart working on TAPI and IPI pipeline projects as they constitute India’s energy lifeline. This just wouldn’t help India in ensuring her much needed energy security but also enable her in strengthening regional security, peace and cooperation in the region. India must also seek to explore alternative oil and gas transit route along with the existing pipelines. To improve connectivity, India will have to play a pro-active role both bilaterally and through regional cooperative mechanisms. In this regard, India will have to factor both China and Pakistan in addition to its cooperation with Russia, Iran, Turkey and the U.S.

From the above analysis what makes quite clear in the Indian think tank to actively pursue in her policy framework towards the region are: India needs to develop long term economic strategies with Central Asian Republics and there should be a greater participation of the private sector in this region; India should aim to develop a strategic partnership with countries of this region and not limit itself to trade, energy and connectivity issues and importantly India needs to establish policy research institutes, staffed with efficient Russian speaking Indian researchers essential for formulation and implementation of long term business and security strategies. Given the nature and scenario of world politics, India as of now cannot leapfrog its way to the global high table without demonstrating effective initiative at the regional level – Central Asia being an important regional constituent.

Food Sector and Agribusiness: Processing, Agro Products, Machinery & equipment, packaging, fertilizers, Irrigation, etc; Pharmaceuticals & Health care: Medicines, Formulations, medical devices, Hospitals, etc; ICT: Telecom, Technology parks, e-governance, IT training, Business Processes, etc; Textiles: Machinery, garments, etc and Energy: Power Generation & Transmission, Oil Refining & Petro-Chemicals.

India’s Connect Central Asia Policy

The ‘Connect Central Asia Policy’ (CCAP) of India was first unveiled by the Minister of State for External Affairs, Govt. of India Sri E.Ahmed in a keynote address at the 1st meeting of the India-Central Asia Dialogue, a Track II initiative organised on 12-13 June, 2012 in Bishkek, Kyrgyzstan (Jyoti Prasad Das, 2012). The purpose of this policy is to fast track India’s relations with Central Asian Republics. The policy calls for setting up universities, hospitals, information technology (IT) centers, an e-network in telemedicine connecting India to the CA countries, joint commercial ventures, improving air connectivity to boost trade and tourism, joint scientific research and strategic partnerships in defense and security affairs. During SM Krishna’s visit to Tajikistan on 02-03 July 2012, the former Foreign Minister expounded the unfolding policy under the rubric of ‘commerce, connectivity, consular and community’. This policy initiative if properly channelized would enable India to attain a centre stage in Central Asia which further would help India to attain its basic objectives of engagement in the greater Central Asian region.

Concluding Observation

India and Central Asia constitutes strategic neighbours and natural allies. Both the region are geographically proximate, share common history and cultural affinity. With this premise a modest attempt has been made to know what policies India follow in this region to secure and strive its interests and what more needs to be done.

As part of regional geostrategy, India requires to pursue serious and active bilateral and regional agreements to promote security in the region. She requires to carry on the goodwill gesture from the close relations she had maintained during the Soviet times. India’s membership in SCO is very much need of the time. It just not will enable India to share same dais with China and Russia in CA but also will help in cutting the size of Chinese engagement in the region and importantly will bring India closer to all CA countries.

In the economic front, India’s engagement with the region will require vigorous involvement of the private sector in the Central Asian market, which has so far not been viewed by Indian big business houses as a very attractive market. Therefore, a two-fold strategy will be required to address this issue. Firstly, the Indian government must facilitate greater interaction between the Indian private sector and Central Asian market forces. Secondly, Central Asian states will have to work towards creating a more attractive investment environment for the Indian private sector.

As far as energy sector is concerned, India needs to become a significant player in the equitable exploitation, administration and distribution of the Central Asian energy resources. India must look forward to restart working on TAPI and IPI pipeline projects as they constitute India’s energy lifeline. This just wouldn’t help India in ensuring her much needed energy security but also enable her in strengthening regional security, peace and cooperation in the region. India must also seek to explore alternative oil and gas transit route along with the existing pipelines. To improve connectivity, India will have to play a pro-active role both bilaterally and through regional cooperative mechanisms. In this regard, India will have to factor both China and Pakistan in addition to its cooperation with Russia, Iran, Turkey and the U.S.

From the above analysis what makes quite clear in the Indian think tank to actively pursue in her policy framework towards the region are: India needs to develop long term economic strategies with Central Asian Republics and there should be a greater participation of the private sector in this region; India should aim to develop a strategic partnership with countries of this region and not limit itself to trade, energy and connectivity issues and importantly India needs to establish policy research institutes, staffed with efficient Russian speaking Indian researchers essential for formulation and implementation of long term business and security strategies. Given the nature and scenario of world politics, India as of now cannot leapfrog its way to the global high table without demonstrating effective initiative at the regional level – Central Asia being an important regional constituent.
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