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Central Asia

*Key to Engaging
China and Russia*

Deepak Kumar



MANOHAR PARRIKAR INSTITUTE FOR
DEFENCE STUDIES AND ANALYSES

मनोहर पर्रिकर रक्षा अध्ययन एवं विश्लेषण संस्थान

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INTRODUCTION

Central Asia serves as a link between Russia and the Indian subcontinent on the one hand, and Europe and China on the other. Located in the heart of the Eurasian continent, it is one of the best commercial and trade routes between Asia and the West. The region's unique geographical location and its abundant natural resources, make it a geo-strategic magnet for world powers. Central Asia is also crucial to regional security and stability because of its strategic location on the Afghan border. As a consumer market, Central Asia has a lot of untapped potential. The countries of Central Asia however, suffer from a serious geographical handicap. Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan are all landlocked countries (see Map 1) with no direct access to seaports, or double-landlocked in the case of Uzbekistan.¹

Map 1 - Landlocked Regions of Central Asia



¹ X. Chen, and F. Fazilov, “Re-centering Central Asia: ‘China’s New Great Game’ in the Old Eurasian Heartland”, *Palgrave Communications*, 2018, Available at <https://doi.org/10.1057/s41599-018-0125-5>

India has great geo-strategic and economic interests in Central Asia because of its geographical location in the extended neighbourhood of the region. Due to existing geopolitics, India-Central Asia relations remain limited in time and space. India's limited cooperation is also due to the inability to access a direct land route to Central Asia, either through Pakistan-Afghanistan or Tibet. The current trade through Russia is not efficient in terms of time and money. Therefore, India has to explore alternate routes to connect to Central Asia. The preferred one being: the air or sea route to Iran and then connecting to the land route through Iran and Afghanistan. There are limitations in the air corridor compared to a land corridor and access through Iran suffers from the geopolitical instability brought about by Iran's relations with the world, especially western countries.

Due to its historical heritage and strategic interests, the Central Asian region is important in the India-Russia dialogue with China. The latter's economic growth and Russia's declining influence on Central Asia, have led to a re-organisation of power structures in the region. There are indications of expansion of Chinese interests in Central Asia despite the efforts of several Central Asian countries to create more vectored policies and maintain political equality.² Central Asian countries are keen to host more players, but find it extremely difficult to free themselves from China's clutches. Another reason for Chinese dominance has been the inability of aspiring powers like India to provide Central Asian countries with reliable options on alternatives away from China and Russia. Both these countries have invested heavily in the workforce in Central Asia and will be reluctant to let go of their strong influence; thus making it difficult for partners to find a sustainable anchorage in the region. Amidst this power struggle, countries in the neighbourhood such as India will have to establish their permanent presence in the region. India needs to reconsider its relationship with Central Asia, find new drivers and new intermediate formats in the region.

² Paul Stronski and Nicole Ng, "Cooperation and Competition; Russia and China in Central Asia, the Russian Far East, and the Arctic", Available at https://carnegieendowment.org/files/CP_331_Stronski_Ng_Final1.pdf

Given the local constraints and existing politics, which have led to several competitive issues in the region, India's outreach to Central Asia cannot be anything but 'cooperative' and 'collaborative' with other emerging powers in the region. Some key themes need to be identified to negotiate between Central Asia and neighbourhood powers such as India, Russia and China; in the areas of energy, trade, cross-border terror, environmental management and combating violent extremism.³ This monograph will explore India's interests and ways of working with the Central Asian Republics. It will also attempt to explore India's geo-strategic interests in the region regarding the integration of regional powers like China and Russia, the currently dominant powers in the region. The monograph will have nine chapters from the introduction to the conclusion.

³ Silvana Malle, "Russia and China in the 21st century. Moving towards Cooperative Behaviour", *Journal of Eurasian Studies*, 8 (2) 2017, pp. 136–150, Available at <https://www.sciencedirect.com/science/article/pii/S1879366517300052> (accessed on 25 February 2022).

GEOPOLITICAL RIVALRIES AND STRATEGIC INTERESTS

Even an amateur examination of the history of Central Asia will reveal the caprices of geopolitical rivalry and the strategic interests that have pervaded the region for so long. In the 19th century, a great power rivalry between Czarist Russia and England dominated the politics here. Centuries later, the characters have changed, but the power games continue. Russia and China now dominate the political and economic spheres while the United States and Europe sit on the edge, seeking opportunities for greater political and economic involvement in the region. Then there are regional players like Iran, Pakistan and Turkey which have a connected history and desire to expand their influence in the region.

CHINA

China has used its regional approach in Central Asia to turn challenges into opportunities. After the collapse of the Soviet Union, China adopted the policy of soft power to enter the region with multiple motives.⁴ China's interests are driven by goals, namely, to prevent terrorist acts in Xinjiang province; to access Chinese markets for its goods and infrastructure companies; and to build transport networks to support China's imports and exports. It has invested heavily in building the Belt and Road Initiative (BRI) and energy transmission corridors from Central Asia to meet its energy needs. The development of pipelines, road, and railway infrastructure has facilitated the transportation of oil, gas, uranium and other minerals to China.⁵ Undoubtedly, China

⁴ P. Stobdan, *Central Asia, India's Northern Exposure*, IDSA Monograph Series, No. 4, May 2015.

⁵ Ibid.

wants to develop its comparatively backward western region, by connecting it to European markets through international rails and roads.

China needs the help of Central Asian countries bordering Xinjiang to monitor its Uyghur diaspora.⁶ Here, China has benefited from the Central Asian neighbours on the issue of the Uyghur separatist organization in Xinjiang. Central Asian countries have been muted in their response to the Uyghur question and have generally followed the Chinese narrative. The China-led economic group, Shanghai Cooperation Organisation (SCO), is cleverly used by China to promote interdependent economic and security interests in the region. The Silk Road Economic Belt (SREB) is being promoted by China to boost Chinese trade through Central Asia and connect Asia with Europe.⁷ As this initiative passes through Central Asia, an economic transformation in the region is underway through infrastructure projects that are supported by Chinese banks and financial partners. Naturally, all Central Asian countries support China's SREB campaign as they benefit from China's investment in their countries. It's 'financial development strategy' and the ability to build large infrastructure networks in the region has paid dividends. Trade between China and Central Asia in the 1990s was about US\$ 350 Million. In 2016, trade volumes reached US\$ 30 Billion, a figure higher than the annual Russian and regional trade.⁸ In return China has benefited by extracting strategic concessions from Central Asian countries.⁹

⁶ Ashok Sajjanhar, *China-Central Asia relations: An uneasy co-existence*, Raisina Debates, March 10, 2021.

⁷ L. Na-Xi, H. Meng-Fang and L. Shan-Bing, "How the Belt and Road Initiative Can Help Strengthen the Role of the SCO and Deepen China's Cooperation with Russia and the Countries of Central Asia", *India Quarterly*, 75 (1), 2019, pp. 56-68, Available at <https://journals.sagepub.com/doi/full/10.1177/0974928418821484>

⁸ Paul Stronski, and Nicole Ng, "Cooperation and Competition: Russia and China in Central Asia, the Russian Far East, and the Arctic", Carnegie Endowment for International Peace, February 2018.

⁹ Harri Taliga, "Belt and Road Initiative in Central Asia", *ITUC* (2021), Available at https://www.ituc-csi.org/IMG/pdf/belt_and_road_initiative_in_central_asia.pdf (accessed on December 1, 2021).

The Chinese soft power in the region is through media, education and generous academic scholarships. From 2005 to 2015, the number of Kazakh students studying in China increased from 700 to 14,000. Similarly, more than 25 courses are offered to students from Kyrgyzstan. China has opened Confucius Institutes in all Central Asian countries to provide Mandarin education.¹⁰ Gen. Liu Yazhou of the People's Liberation Army was quoted in the media as saying, "Central Asia is the thickest piece of cake given to modern Chinese by the heavens".¹¹

RUSSIA

The transformation that took place in the 1990s, as well as the economic crisis of 1998, led to the dwindling of Russian influence in the world. Several Central Asian countries then began to turn to the US and China. There were fears that Russia could become relegated as a regional power in Central Asia due to China's muscular diplomacy and economic growth. All of this led to the recalibration of Russia's policies over the past two decades and its resurgence as a credible power in the region.

Russia is aware of the challenges it faces from China in the region and elsewhere. Both countries share eastern borders. China's economic activities near its eastern borders make Moscow sensitive to China's intentions. According to Esref Yalinkilicli, a Moscow-based Eurasia analyst, the eastern Russian territories have almost certainly surrendered to China economically. Compared to the East, China has embraced a more elaborate economic design in Central Asia. This raises fears in Russia about a possible weakening of its influence. China's Belt and Road Project poses a threat not only to the West, but also to Russia

¹⁰ Nurlan Aliyev, "China's Soft Power in Central Asia", *The CACI Analyst*, Available at <https://www.cacianalyst.org/publications/analytical-articles/item/13599-chinas-soft-power-in-central-asia.html> (accessed on 25 February 2022).

¹¹ "China reaches deep into Central Asia", *The New York Times*, Available at <https://www.nytimes.com/2011/01/03/world/asia/03china.html> (accessed on 17 December 2021).

and a challenge to Moscow's domination in Central Asia.¹² Russia on the other hand has attempted to consolidate its former Soviet space through the Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union (EAEU).¹³ It has deployed its 201st Motorized Brigade in Tajikistan. It has a military presence in some Central Asian countries through training facilities and as security providers for its strategic assets located in these countries. Adding to Russia's concerns, the contemporary developments in the Black Sea, the recent unrest in Kazakhstan and the ongoing Ukraine crisis have made Russia suspicious of the West and its designs. It does not want a similar situation in Central Asia.

Central Asia is heavily reliant on Russia for security, as evidenced by the necessity and use of CSTO forces to quell riots in Kazakhstan in January 2022. Now, with the Russians occupied in Ukraine and the presence of the Taliban regime in Afghanistan, there is legitimate concern that terrorist groups such as the Islamic Movement of Uzbekistan, Hizb-ut-Tahrir, or the Islamic Jihadi Union for Central Asian states could resurface.¹⁴ Tajikistan, a CSTO member, relies heavily on Russia's 201st Division in Tajikistan for security.

On the trade side, Russia used to be the main trading partner of Central Asia until some years ago. Central Asian countries relied on Russia to export their goods and services and resources, to markets abroad. This gave Moscow great leverage. Lately, commercial ties between Russia and the region have come down. To advance its economic

¹² Murat Sofuoglu, "Why China and Russia are partnering up", *TRT World*, 17 December 2021, Available at <https://www.trtworld.com/magazine/why-china-and-russia-are-partnering-up-52748>

¹³ Margarete Klein, "Russia's Military Policy in the Post-Soviet Space-Aims, Instruments and Perspectives", SWP Research Paper, Available at https://www.swp-berlin.org/publications/products/research_papers/2019RP01_kle.pdf

¹⁴ Bruce Pannier, "Can Russia protect Central Asia from an Islamist threat?", Available at <https://eurasianet.org/perspectives-can-russia-protect-central-asia-from-an-islamist-threat>

agenda, Russia is pushing the EAEU. Its pipeline politics in the region is due to its control over oil supply routes to Europe, China and the Far East. In Central Asia, Russia retains its soft power - through historical and cultural connections as well as Russian-language television, film, and other media. Workers from Tajikistan and Kyrgyzstan work in Russia on work permits. Russia also maintains the Baikonur space station in Kazakhstan on lease.

UNITED STATES

The US has been watching the Central Asian region since its war of ideology with the Soviets, and later with the terrorists, who emerged from the very Mujahedeen whom the US had raised. For the US, it has been difficult to identify the right theme of its relations with Central Asia, which could then be transposed in its policies. Central Asia has been a 'terra incognita' in the US for much of the last decade. No US President has visited any Central Asian country so far.

The US introduced the 'Silk Road Strategy Act' in 1999 to provide economic and political assistance to Central Asia but after 9/11, its regional policy shifted to Afghanistan. Central Asia merely served as an entry point for Afghanistan's war effort. Presently, more than 600 US companies operate in Central Asia. The US has invested more than US\$ 45 Billion in oil, agriculture and manufacturing in Kazakhstan. US interests in the region are not perceived with favour by China. The then U.S. Secretary of State – Mike Pompeo had openly criticized China's human rights record and trade policies,¹⁵ and urged CAR countries to be mindful of China's investment and influence. Following Pompeo's visit, American officials adopted a new Central Asian strategy entitled 'Advancing Sovereignty and Economic Prosperity'. This is aimed at strengthening relations with the five regions of the region, ensuring economic development and counter-balancing Chinese and Russian

¹⁵ *The Hindu*, 04 February 2020, Available at <https://www.thehindu.com/news/international/pompeo-message-in-europe-central-asia-trip-beware-of-china/article30733145.ece>

influence. Clearly, a priority in the US recently was to find a regional base to maintain influence in the region after withdrawing from Afghanistan. Analysts have spoken extensively about US sentiment in Central Asian countries, particularly Uzbekistan, for ‘Over the Horizon Watch’ in Afghanistan. However, if the current indicators from the US are to be believed, they will probably not be involved in Afghanistan unless a terrorist incident in the United States originates in Afghanistan. US seems waded to the Indo-Pacific compared to Central Asia.

EUROPE

As mentioned earlier, Central Asia is a region with connectivity opportunities in all directions. Countries such as Kazakhstan have considered themselves closer to Europe than Asia. Former Kazakh President Nursultan Nazarbayev announced a European Roadmap Policy in 2008. He said, “We know that the road to Europe also leads to the United States,” meaning that the US was important to him, but first came Europe.¹⁶ Kazakhstan was declared as ‘World Hub’ with railway lines and pipelines stretched in all directions emanating out of Kazakhstan. Following the Ukraine crisis, there has been a renewed interest in Europe amongst the powers of Central Asia.

REGIONAL POWERS

Regional powers such as Iran and Turkey can try to influence regional geopolitics especially by looking at their common cultural histories. They compete on export routes to transport Central Asian natural resources across the Arabian and Caspian seas. In Central Asia, Iran is important because of its warm water ports, and the reduction of dependence on Russian roads and export trains. Iran also provides access to the International North-South Transport Corridor (INSTC), which is an alternative to BRI. The importance of Pakistan in the region

¹⁶ Richard Boucher, “A former top U.S. diplomat reflects on Central Asia’s identity crisis”, *Eurasianet*, 17 December 2021, Available at <https://eurasianet.org/memoir-where-is-central-asia-anyway>

is due to the corridor China-Pakistan Economic Corridor (CPEC) which could give Central Asian countries access to the Arabian Sea. It is also due to its support for the Taliban in Afghanistan, which is bound to impact the region, after the withdrawal of US troops.

CENTRAL ASIAN DILEMMA

The influence of the Soviet Union, and now Russia, in Central Asia is natural. But, going by the scale of the Chinese presence as traders, Chinese goods and infrastructure in the market and the presence of Chinese officials in power corridors, it is clear that Central Asia is seeing an increase in Chinese influence. At the same time, it is understood that Central Asian countries have not been able to fully exploit other avenues for growth for a number of reasons. These being: Chinese paranoia concerning its Western Xinjiang region; Afghanistan's collapse to the Taliban; and ongoing unrest in the Caucasus. The Trans-Caspian gas pipeline that could transport Turkmen and Kazakh gas to Europe is still unproductive. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, which could supply regional gas to India and South Asia, faces a similar problem. The linking of hydropower from Central Asia to South Asia has not been possible due to the Afghan war and disrupted cooperation between host countries such as Pakistan and India. Amidst interdependence, ideological divergences and widespread disunity, Central Asian countries have found limited ability to forge "multi-vector-ism", away from China and Russia. Central Asian countries would have liked the US and Europe as equity levers against Russia and China but that did not happen. US withdrawal from Afghanistan has exposed Central Asia to growing terrorist attacks in northern Afghanistan. The Central Asian view of gaining outlets to the oceans and breaking their landlocked geography is found mired in the cesspool of international and regional geopolitics.

IMPORTANCE OF CENTRAL ASIA TO INDIA

India has a strategic location for Central Asian countries requiring outlets to the Arabian Sea and the Bay of Bengal. India is also one of the

fastest-growing economies in the world,¹⁷ and has the financial means to contribute to the benefit of the region. The previous UPA government introduced its Connect Central Asia Policy in 2012 to achieve full political, security, economic and cultural cooperation with Central Asia.¹⁸ The talks also gained momentum after Prime Minister Narendra Modi's visit to five Central Asian countries in 2015. There have been many significant visits by India to the region since then.

For India, uninterrupted access to the Central Asian region is important because of its untapped fuel reserves. India imports about 77 per cent of its energy needs in which most of the imports come from Organisation of Petroleum Exporting Countries (OPEC) countries. It is therefore trying to enhance its imports from non-OPEC countries, the US and Canada. The Central Asian region can provide India with a large consumer market for finished quality goods. India imports iron and steel, machinery, chemicals, minerals, mineral oil, copper, plastic goods, leather and wool from Central Asia, and exports electric equipment, machinery, clothing spices, tea and coffee to them. Trade volume in the Central Asian region is poor compared to Russia, China and even the EU. India needs Central Asia as a coalition ally to combat China and Pakistan's influence in the region, especially with the unstable situation in Afghanistan.¹⁹ Central Asia could be India's vanguard to prevent the spread of terrorism and radical Islam in the region. It provides India with the fastest and cheapest connection to Europe. With deep ties of history and culture, India provides Central Asia with a benign image that is hard to replicate in the region.

¹⁷ The World Bank In India, Report, Available at <https://www.worldbank.org/en/country/india/overview>

¹⁸ Veena Kukreja, "India in the Emergent Multipolar World Order: Dynamics and Strategic Challenges", *India Quarterly*, 76 (1), March 2020, pp. 8-23, Indian Council of World Affairs, Available at <https://doi.org/10.1177/0974928419901187>

¹⁹ Rudra Chaudhuri and Shreyas Shende, "Dealing with the Taliban: India's Strategy in Afghanistan after U.S. Withdrawal", Carnegie India, Available at https://carnegieendowment.org/files/Chaudhuri_Shende_-_Afghanistan.pdf

India is an emerging market economy whereas Central Asian countries are modest economies, which rely on international trade for many of their needs. As a result, trade between India and Central Asia has great potential.²⁰ Exports from India to Central Asian countries as a whole are low in volume. This serves as an opportunity for India to strengthen its trade ties and increase its exports to the region. When it comes to the major products that are exported from India to Central Asia, the pharmaceutical industry appears to dominate the export basket. India is appearing as a world leader in medicines and vaccines. Such products must be promoted in Central Asia. Frozen and processed meat is another Indian product line that appears to be popular in Central Asian markets. Vehicle and automobile parts is emerging as a prominent industry in India. There is great scope for growth of automobile related industries in Central Asia.

For India and Central Asian countries, the textiles sector might be a huge opportunity. India imports a variety of materials from Central Asia, including raw cotton fibre, several types of wool, raw silk, and so on. India also imports textile processing machinery such as spinning and knitting machines. In turn, it exports finished goods such as cotton T-shirts, clothing, and dresses made of synthetic fibres. Since the Soviet era, Central Asia has been a major producer of cotton. Processing raw cotton and other fibres into fabric and clothing is a labor-intensive sector that is well-suited to India's demographic structure. As a result, there is a tremendous opportunity to strengthen this industry for mutual gain from both sides.

Prior to the partition in 1947, India had borders with Iran, Afghanistan, Tajikistan, Turkmenistan and Uzbekistan. Post partition, India lost a direct geographical connection with all these countries. This has proven to be a major obstacle in energising India's strategic thinking about the region. As much as India may desire closer engagement with Central

²⁰ P. Agrawal and S. Sangita, "Trade Potential between India and Central Asia", *The Journal of Applied Economic Research*, 11 (4), 2017, pp. 418-448, Available at <https://journals.sagepub.com/doi/abs/10.1177/0973801017722268?journalCode=mara> (accessed on 25 February 2022).

Asia, the land connectivity to the region is the basic hindrance. No Central Asian country shares any border with India. Tajikistan which is geographically the closest is separated by the Wakhan corridor and Pakistan Occupied territories of J&K (PoK). There are no overland trade routes connecting India and Central Asia. If they ever come into existence in the future, they will have to pass through Afghanistan. India's access to Central Asia will then depend on its relations with Afghanistan and Pakistan,²¹ and the internal stability within the two countries and their regions.

²¹ Vinay Kaura, "India-Afghanistan Relations in the Modi-Ghani Era", *Indian Journal of Asian Affairs*, 30 (1-2), June-December 2017, pp. 29-46, Available at https://www.jstor.org/stable/26465815?seq=1#metadata_info_tab_contents (accessed on 25 February 2022).

RUSSIA-CHINA STRATEGIC PARTNERSHIP IN CENTRAL ASIA

Russia and China share a 4,100 km international border. In February 1950, both countries signed a 30-year treaty for friendship, alliance and mutual aid. However, in the early 1960s, a bitter ideological and political feud erupted between them that led to the 1969 military conflict over the Ussuri river islands.²² In 1978, China commenced its reforms under Deng Xiaoping by introducing the economic concept of the socialist market. This required a peaceful external environment. Therefore, China forced itself to adopt a balanced policy towards the Soviet Union. Their relations began to improve and in the early 1980s, the Soviet Union began reinventing its policy toward China. Interestingly, the Soviet Union at one time had about fifty Soviet units on the border with China and the cost of maintaining Chinese troops was estimated at 2 per cent of its GNP in 1979.²³

Russia-China relations have improved over the past three decades. The collapse of the Soviet Union and the end of the Cold War brought them to the realisation that there was a need to counterbalance the US-led unipolar world order with a multipolar world. To begin with, both countries addressed the effects of their split during the Cold War era. Subsequently, ideological disagreements over communist leadership and border disputes in Manchuria gave way to economic and trade cooperation, defence oriented dialogues, and regional security

²² Tadeusz Dmochowski, "The Settlement of the Russian-Chinese Border Dispute", *Polish Political Science Yearbook*, 44, Annual 2015, pp. 56, Available at <https://go.gale.com/ps/i.do?id=GALE%7CA528328339&sid=googleScholar&v=2.1&it=r&linkaccess=abs&issn=02087375&p=AONE&sw=w&userGroupName=anon%7Ee275c713> (accessed 25 February 2022.)

²³ Jyotsna Bakshi, "Post-Cold War Sino-Russian Relations: An Indian Perspective", *Strategic Analysis*, IDSA, January-March 2002.

cooperation.²⁴ It was only after the visit of Gorbachev to Beijing in May 1989 that the process of normalisation between the Soviet Union and China was completed. During Jiang Zemin's return visit in May 1991, both sides signed their first border agreement regarding the eastern part of the border that forms the bulk of the present-day Russia-China border.²⁵

At the beginning of the 21st century, Russia-China cooperation began to take shape of a strategic alignment. Russia and China signed the 20-Year Negotiation of the Neighborhood, Friendship and Cooperation Agreement on July 16, 2001. Since then, the military and technical cooperation between the two has grown.²⁶ The 2014 Ukraine revolution and deteriorating relations with the EU provided further reason for Russia's pivot to Asia and its strategic alliance with China. Their strategic resolve gained additional traction when the United States' engagements in East Asia and Eastern Europe gained momentum and the US began to actively lobby for NATO expansion into Georgia and Ukraine.

As part of military cooperation, the navies of Russia and China have trained together in the Baltic, the Mediterranean and Black seas which was instrumental to China staking claims to be a European power. Russia had offered China one of its most advanced air defence missile systems, the S-400.²⁷ The two countries have now embarked on a series of development initiatives in many areas such as the construction of the CRAIC CR929 commercial aircraft manufactured by COMAC

²⁴ Aleksey Asiryan and Yiming He, "The Dynamics of Sino-Russian Relations in Central Asia", Available at <https://www.e-ir.info/2020/10/25/the-dynamics-of-sino-russian-relations-in-central-asia>

²⁵ Jyotsna Bakshi, "Russia-China Boundary Agreement: Relevance for India", *Strategic Analysis*, IDSA, 24 (10) January 2001, Available at https://ciaotest.cc.columbia.edu/olj/sa/sa_jan01baj01.html (accessed on 25 February 2022).

²⁶ Paul J. Bolt, "Sino-Russian Relations in a Changing World Order", *Strategic Studies Quarterly*, 8 (4), Air University Press, 2014, pp. 47–69, Available at <http://www.jstor.org/stable/26270816>

²⁷ Shishir Gupta, "Chinese S-400 systems across LAC, forces India to rethink air defence", *Hindustan Times*, 23 June 2021.

China and Russia's United Aircraft Corporation. Russia is helping China to develop its nuclear early warning alarm system.²⁸ The flow of arms has also become a two-way street. Russia is showing keen interest in buying warships and sophisticated technologies from China.

On the international front, the tight embrace between Russia and China was highlighted when Chinese investments in Russia helped avoid Western sanctions post the Russian separation of Crimea from Ukraine in 2014. More recently, Russia has silently acquiesced to China's claim to the South China Sea when the Permanent Court of Arbitration ruled against it in June 2016.²⁹ Elsewhere in West Asia, China has supported Russia's position in Syria. In the Arctic region, where China has no sovereign territories, economic cooperation between Russia and China has begun. The idea for 'Silk Road on Ice' came in 2015 when they agreed to work together to develop a northern sea route along Russia's Arctic coast into a competitive commercial sea route. In January 2018, an official White Paper referenced China's claims of being a 'Near Arctic State'.³⁰

ENGAGEMENTS IN CENTRAL ASIA

Russia and China have international borders with Central Asia which provides them with a unique link to pursue their bilateral relations. Out of ideological misgivings with China, the then Soviet Union perceived India as a counter pivot to China in the Central Asian region. India's relations with Central Asian states were encouraged by the Soviets vis-a-vis China. Following the independence of the Central Asian states from the Soviet Union, it was fitting for the newly independent Central

²⁸ "Russia achieves certain success in helping China set up its missile attack warning system", TASS, 24 August 2020, Available at <https://tass.com/defense/1193135> (Accessed on 25 February 2022).

²⁹ Nivedita Kapoor, "Russia's conduct in the South China Sea", Available at <https://www.orfonline.org/research/russias-conduct-in-the-south-china-sea/> (Accessed on 06 July 2022).

³⁰ A. I. Singh, "Will India's S-400 deal sour Russia-China relations?" Available at <https://lkyspp.nus.edu.sg/gia/article/will-india-s-s-400-deal-sour-russia-china-relations> (Accessed on 06 July 2022).

Asian countries to be dependent on Russia for their economic and military needs. Russia continued to acquire raw materials from the region and provided finished products to their markets. The people-to-people contact too continued as hither-to, with Central Asian populations, particularly the Kyrgyz and Tajik workers, being employed in Russia. The remittances sent home by them made up as much as 30 percent of the GDP of these countries, in some cases. Russia provided the newly independent states with some assistance, but its own economic position in the 1990s restricted any worthwhile economic support for them to build their economic structures and infrastructure.

It was an opportunity that China was waiting to seize. Russia's apprehensions regarding the entry of the West in Central Asia and its own dismal economic situation allowed China to engage with the nascent Central Asian countries on the economic front. China set out to promote regional connectivity and acquire Central Asian energy without seeking any demands in the direction of political reforms in emerging Central Asia. China was also eager to develop its under-developed western areas. It began establishing an economic presence in Russia and Central Asia by building railway bridges in Russia and connecting Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and China through a rail network.³¹ Also, such infrastructure development in the Western China Region provided China with a secure and cost-effective way to reach West Asia, Africa and Europe. In order to achieve its regional goals, China copiously stood clear from political and military issues plaguing the Central Asian countries, thus favouring the emerging Central Asian governments.

China also demonstrated a long-term strategic vision by settling its borders with all its Central Asian neighbors. Interestingly, in each of these border settlements with Central Asian countries, China adopted a model wherein, they claimed that large border areas were not settled with these countries but eventually agreeing to limit and settle their

³¹ X. Chen, and F. Fazilov, "Re-centering Central Asia: China's 'New Great Game' in the old Eurasian Heartland", *Palgrave Communications*, 2018, Available at <https://doi.org/10.1057/s41599-018-0125-5>

claims for much smaller areas. Such a policy of ‘claiming big and settling for small’ was instrumental in gaining the trust of the population of their Central Asian neighbors.³² With Kazakhstan, China has a 1,700 km border in Central Asia. China settled its border dispute by accepting about 22 percent of its original claims. With Kyrgyzstan, China reconciled by accepting 32 percent of its claims over the 1,100 km border. In Tajikistan, China reconciled its claim on the 414 km border by accepting 3.5 percent of its initial claim during resolution.

CHINA’S XINJIANG PREDICAMENT

The Xinjiang Region is an important pillar of China’s cooperation with Central Asia. Beijing is concerned about the security of its western borders and the spread of terrorism and extremism,³³ through the Central Asian countries along the Xinjiang border. In August 2016, Afghanistan, China, Pakistan and Tajikistan set up the Quadrilateral Cooperation and Coordination Mechanism (QCCM) to strengthen counter-terrorism cooperation between the four countries. China also reached an agreement with Tajikistan in September 2016 to develop Tajikistan’s border defence capabilities by building border posts and training facilities.³⁴

Trade is another dominant driver in China-Central Asia engagement. China is a major market for Central Asian natural resources and the region’s main source of foreign exchange. Central Asian countries have provided China with markets for its infrastructure and construction companies. All Central Asian countries have benefited from Chinese investment and loans. China is a major trading partner of Kazakhstan

³² Srikanth Kondapalli, “China’s Role In Central Asia”, *World Affairs: The Journal of International Issues*, 13 (3), Kapur Surya Foundation, 2009, pp. 136–53, <https://www.jstor.org/stable/48505208>

³³ Daniel L. Byman and Israa Saber, “Is China Prepared for Global Terrorism? Xinjiang And Beyond”, https://www.brookings.edu/wp-content/uploads/2019/09/FP_20190930_china_counterterrorism_byman_saber-1.pdf

³⁴ <https://www.idsa.in/issuebrief/understanding-chinas-growing-military-outreach-dkumar-030222>

and Turkmenistan, the second-largest trading partner in Kyrgyzstan and Uzbekistan, and the third-largest in Tajikistan. From a modest beginning, trade volumes between China and the five Central Asian countries have risen from US\$ 750 Million a year at the beginning of this century, to US\$ 47 Billion in 2019. The largest share was in the energy sector infrastructure projects and the acquisition of energy assets. The main reason for China's engagement with Central Asia was to build alternatives to its energy needs, which till date, are routed through the vulnerable shipping chokepoint of the Malacca Straits. China has doubled the import of hydrocarbons from Central Asia to reduce dependence on the Malacca straits. It has now built a strong transport network for export to Europe via Central Asia in the form of the BRI.

China has emphasised infrastructure development and transnational connection as the next stage driver for its ambitious economic globalisation.³⁵ China's BRI, which connects Asia and Africa to Europe via a network of transportation corridors, has the potential to radically alter the geo-economics and geopolitics of the whole Eurasian region and beyond. These events have significant ramifications for India. The new Eurasia Land Bridge, the China–Central Asia–West Asia Economic Corridor, the China–Pakistan Economic Corridor (CPEC), and the Bangladesh–China–India–Myanmar Economic Cooperation (BCIM) are four of the proposed six international corridors that directly affect India's economic and strategic ties with these regions.³⁶

Central Asian markets offer both the country's economic engagement options in their immediate neighbourhood. The CSTO and the EAEU

³⁵ Discussion Paper, "China's Role in the Next Phase of Globalization", Mc Kinsey Global Institute, April 2017, <https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/China/Chinas%20role%20in%20the%20next%20phase%20of%20globalization/MGI-Chinas-role-in-the-next-phase-of-globalization.ashx>

³⁶ M. Sharma, "India's Approach to China's Belt and Road Initiative—Opportunities and Concerns", *The Chinese Journal of Global Governance*, 5 (2), pp. 136-152, 2019, doi: <https://doi.org/10.1163/23525207-12340041>

of Russia, as well as the BRI and SCO of China, are indicators of this. The factors that have contributed positively to Russia-China relations are (a) Russia and China share a border without rivals. There are no local conflicts as in the case of India and China in order to develop closer economic relations, (b) China's demand for gas and oil requires good relations with Russia, one of the world's largest producers of energy, (c) Russian neutrality in the Sino-Indian conflict. Russia supports India to join China's Belt and Road Initiative (BRI),³⁷ which India views as a backing to promote Chinese interests. India views the BRI as a threat to its sovereignty because it runs across Indian territories in Pakistan Occupied Kashmir (PoK). In the Indian Ocean, India is threatened by the expansionism of China's PLA Navy, and by way of Chinese investments in countries neighbouring India. China is Russia's closest ally in a wide range of activities, including hydrocarbon commercial initiatives in the Far East, wood extraction in Siberia, and marine transit via the Arctic Northern sea route.³⁸ Apart from economic competition for India, the Sino-Russian collaboration intersects and overlaps at the crossroads of China's Belt and Road Initiative (BRI) and Russia's Eurasian Economic Union (or EAEU).³⁹

The EAEU is a five-member economic union founded in 2014 by Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia. Its purpose is to allow free movement of products, services, capital, and labour among the five members. Vladimir Putin promised in May 2015 to "coordinate" the BRI with EAEU economic unification.⁴⁰ Putin's plan

³⁷ "Russia urges India to line up behind China's Belt and Road initiative", *The Hindustan Times*, 11 December 2017, Available at <https://www.hindustantimes.com/india-news/russia-urges-india-to-line-up-behind-china-s-belt-and-road-initiative/story-5yJjVbbgKOnAKZiHm6k2M.html> (Accessed on 06 July 2022).

³⁸ Gaziza Shakhonova, and Jeremy Garlick, "The Belt and Road Initiative and the Eurasian Economic Union: Exploring the Greater Eurasian Partnership", 06 May, 2020, Available at <https://doi.org/10.1177/1868102620911666>

³⁹ Ibid.

⁴⁰ Catherine Putz, "Can Russia and China 'Synergize' the Eurasian Economic Union and the Belt and Road Initiative?" *The Diplomat*, 09 November, 2018.

was documented in a joint proclamation signed by Russia and China (Joint Declaration of the Russian Federation and the People's Republic of China on Cooperation in Coordinating Development of the Eurasian Economic Union and the Silk Road Economic Belt). China and the EAEU agreed to collaborate on infrastructure and trade facilitation projects under this agreement.⁴¹ Despite the fact that the project involved six countries, namely China and the EAEU states, it was the Russian President, not the Eurasian Economic Commission's chairman, who signed and presented the document on behalf of the EAEU to the public, highlighting the EAEU's strongly Russian-dominated character.⁴²

There are certain divergences between Russia and China in Central Asia. These are due to the increasing economic dependence of Central Asian countries on China and latter's growing presence in Central Asia in the form of para-military and private security contractors. Yet both Russia and China are not locked in a rivalry for power and control in the traditional sense in Central Asia. On the other hand, the Russia-China duopoly is generally premised on China's respect for Russia's strategic interests and Russia's acceptance of Chinese economic power in the region. Russia's economic initiative of EAEU has Chinese monetary support as China is a major trading partner of the EAEU.⁴³ China recognizes Russia's support in the success of BRI in Central Asia, especially due to its strong political linkages with the region.

INDIA'S RELUCTANT ENTRY

This brings us to the moot question whether India implemented the right policies in its engagement in Central Asia. After the sudden collapse of the Soviet Union, it was India and not China where Central Asian

⁴¹ Gaziza Shakhanova, and Jeremy Garlick, no. 38.

⁴² Gaziza Shakhanova and Jeremy Garlick, no. 38.

⁴³ "China-proposed BRI aligns well with EAEU", CGTN, 5 June 2019, Available at <https://news.cgtn.com/news/3d3d774e7a45544d35457a6333566d54/index.html> (accessed on 6 July 2022).

countries looked to build their weakened institutions. India offered diplomatic support as evidenced by the opening of Indian missions in all Central Asian countries and visits by the Prime Minister, Narasimha Rao in 1993, and 1995 and Atal Bihari Vajpayee in 2002. But India failed to progress its relations beyond diplomatic channels because of its own economic problems and more so because of the obstinacy of Pakistan and the tense situation in Afghanistan. Prof. Stobdan has argued that India tended to view the Central Asian region with a western perspective rather than an Indian perspective. India copied the western model of development assistance provided to developing countries in Asia and Africa. India's investment in Central Asia was in low investment projects such as human resource development, IT, medicine and Small and Medium Enterprises (SMEs). Such aid was appropriate for Asia and Africa which were under imperialist powers, but not for Central Asia, which was a part of the Soviet Union. India's first investments in Central Asia, earned goodwill but this did not turn into achieving strategic goals. Prof. Stobdan has called it, "lacking strategic clarity".⁴⁴

India, apart from the geographical separation and lack of innovative ideas, unfortunately, displayed more emotion and less realism in its approach to reach out to the newly independent Central Asian republics. Did India think that the Central Asian republics would automatically join its camp because of the historical and cultural connections? Did India offer to provide them something more substantial than Russia and China? When Russia was looking at the remnants of its breakup, cognizant that it might be able to retain its influence in the former republics, China provided Central Asian countries with development funding and consolidation by resolving disputes over its borders with all the Central region countries.⁴⁵ When the Russian and Chinese interests

⁴⁴ P. Stobdan, "Central Asia, India's Northern Exposure", IDSA Monograph Series, No. 4, May 2015.

⁴⁵ Nie Hongyi, "Explaining Chinese Solutions to Territorial Disputes with Neighbour States", *The Chinese Journal of International Politics*, 2 (4), Oxford University Press, 2009, pp. 487–523. Available at <https://www.jstor.org/stable/48615735>

in Central Asia began to show signs of a chasm, both countries showed maturity in resolving them through ‘division of labour’ and ‘smart engagements’.⁴⁶

⁴⁶ Stronski P and Nicole N, “Cooperation and Competition: Russia and China in Central Asia, the Russian Far East, and the Arctic”, Carnegie Endowment for International Peace, 28 February 2018, Available at <https://carnegieendowment.org/2018/02/28/cooperation-and-competition-russia-and-china-in-central-asia-russian-far-east-and-arctic-pub-75673> (accessed on 06 July 2022).

WHAT CAN INDIA AND CENTRAL ASIA OFFER TO EACH OTHER?

Engagement of India in Central Asia has covered many different sectors such as textiles, metallurgy, chemical products, mining, hydrocarbons, mineral processing, construction and industrial production.⁴⁷ However, the scales are low and need to be empowered. Central Asia has been one of the major beneficiaries of India's Technical and Economic Cooperation (ITEC) programme.⁴⁸ India helps Central Asian countries in areas including information technology, food processing and English studies.⁴⁹ But psychologically, India has considered its northern border as an albatross (on its neck) that is hard to surmount. The mighty Himalayas probably gave India the impression that the north was an inaccessible territory. The instability in Afghanistan and the breakup of the Soviet Union led to a reluctant shift in India's approach towards its northern borders. India's efforts to secure a place in the SCO were repeatedly thwarted by China.⁵⁰ India, therefore, had to remain an observer in the SCO till it assumed full membership with Pakistan in

⁴⁷ Raj Kumar Kothari, "India's Strategic Interests in Central Asia: Expanding Vistas of Partnership in the Post-Soviet Era", *World Affairs: The Journal of International Issues*, 24 (1), Kapur Surya Foundation, 2020, pp. 100–17. Available at <https://www.jstor.org/stable/48622910>

⁴⁸ Indian Technical and Economic Cooperation Programme, MEA, Government of India. <https://www.itecgoi.in/about>

⁴⁹ Neha Dwivedi, "Can India 'Connect' With Central Asia?", Available at <https://thediplomat.com/2017/11/can-india-connect-with-central-asia/>

⁵⁰ Derek Grossman, "China Will Regret India's Entry Into the Shanghai Cooperation Organization", Available at <https://thediplomat.com/2017/07/china-will-regret-indias-entry-into-the-shanghai-cooperation-organization/>

June 2017. This has led to the relevant question about whether India has been successful in its efforts to spread its influence in Central Asia. India's membership of the SCO has led to serious negotiations on geopolitical competition between India-China and India-Russia in Central Asia. Many see India's membership as a milestone in the course of growing Indian political ambitions beyond South Asia as it rarely looked beyond South Asia to project its influence in the past.

What has not escaped the discerning eye is the fact that despite an abiding interest in Central Asia, India's relations with Central Asia have remained marginal,⁵¹ when compared to those of Russia and China. This can be attributed to many factors. The foremost is the fact as to what India can offer Central Asia and vice versa. Can India support a sustainable long-term mutually beneficial cooperation with Central Asia as an international partner or through international cooperation? For an enduring engagement with Central Asia, India needs to be more dynamic and formulate alignments and policies which create interdependencies between the stakeholders. Economic partnerships will give strength and security to relationships in contrast to episodic engagements often guided by geo-politics than geo-economics.

India has emerged as a growing military and economic power in the region in the last two decades. Its quest for development has led to an insatiable need for energy to fuel its development goals. Buoyed by the strength of its economy, India's military outreach too began to expand beyond South Asia towards Central and East Asia. PM Atal Bihari Vajpayee spoke about a silk route of cooperation and friendship with Central Asia way back in 2002.⁵² If someone were to dilate India's vision about Central Asia, it would broadly fall into two main spheres

⁵¹ Neha Dwivedi, "Can India 'Connect' With Central Asia?", Available at <https://thediplomat.com/2017/11/can-india-connect-with-central-asia/>

⁵² Claudia Chia, and Zheng Haiqi, "The First India-Central Asia Summit", Available at <https://www.isas.nus.edu.sg/papers/the-first-india-central-asia-summit/>

– economy and security. The rest of the issues could be distributed around these core spheres.

SECURITY AGENDA

Security as discussed is an important agenda of mutual congruence with the region, especially in view of the emerging narrative in Afghanistan and the self-centered approach of certain players. India should come up with a strong military strategy for the region. As many scholars believe, India with its benign image can exert better influence on the region than the current players. Military hardware was a major component of imports from the Soviet Union and most of the equipment was manufactured in Russia and Ukraine. Central Asia as part of the erstwhile Soviet bloc has significant military hardware from the Soviet Union. India can engage with Central Asian countries in providing facilities for training and maintenance of Russian hardware. Possibly a triumvirate arrangement involving Russia, India and Central Asia can be a win-win option for all the parties. There is a tremendous scope for strengthening bilateral military ties between Central Asia and India, as several common concerns such as terrorism, the rise of fundamentalist forces due to instability in Afghanistan, and actions of Pakistan's deep state; exist. The situation in Afghanistan evokes India's interests as any turbulence can affect the security situation in Kashmir, which is slowly returning to normalcy. Likewise the January 2022 unrest in Kazakhstan has opened up the vulnerabilities of Russia to the threats of fundamentalism. Kazakhstan and Russia have porous borders and there could be a likelihood of spill-over of radical Islam and narcotics from the Af-Pak region. The Kazakhstan crisis could also impact China. Kazakh Muslims are the second largest indigenous community in Xinjiang after Uyghurs and Almaty, which was the epicentre of the January protests, and located close to Xinjiang.

ECONOMIC AGENDA

Another area in which India needs to raise its commitment in the region is trade. China surpassed Russia as the largest trading partner in Central

Asia,⁵³ and there is every fear that China's growing hegemony can limit India's options. In the same vein, there is a growing mistrust in the Central Asian population about China's predatory loans and the Chinese image is assuming an aura infamy – that the intention of Chinese policy is to generate employment only for their people, and not so much for the local population.⁵⁴ For instance, Sri Lanka's story of being burdened by an unsustainable debt to China is well-known. Former Malaysian President Mahathir Mohamad halted work on key BRI projects in his country in 2018 due to rising levels of Chinese loans.⁵⁵ The opposition to the conditions attached to Chinese activity and loans has gotten stronger in Pakistan as well.⁵⁶ In light of Chinese economic policies, can there be a via media through which India can engage with China in an interdependent economic embrace, without compromising, on its choice of economic independence? Such a possibility is not unheard of because India is engaging with countries such as Japan, South Korea, Association of South East Nations (ASEAN) and the EU which have extensive Chinese investments. Can Central Asia provide that economic space for such engagement?

To reach Central Asia, commodities must currently be routed through either China or Europe. The potential for trade between India and Central Asia is hampered by long distances and thus, is unlikely to

⁵³ Jon Yuan Jiang, "Central Asian elites choose China over Russia", East Asia Forum, 25 November 2021, Available at <https://www.eastasiaforum.org/2021/11/25/central-asian-elites-choose-china-over-russia/> (accessed on 06 July 2022).

⁵⁴ Marlene Laruelle, "China's Belt & Road Initiative and its Impact in Central Asia" 2018, Available at https://centralasiaprogram.org/wp-content/uploads/2017/12/OBOR_Book_.pdf

⁵⁵ "The perils of China's debt-trap diplomacy", *The Economist*, 06 September 2018, Available at <https://www.economist.com/asia/2018/09/06/the-perils-of-chinas-debt-trap-diplomacy>,

⁵⁶ "Pakistan economic crisis intensifies as China refuses to provide debt relief", *Times of India*, 30 May 2021, <https://timesofindia.indiatimes.com/world/pakistan/pakistan-economic-crisis-intensifies-as-china-refuses-to-provide-debt-relief/articleshow/83094150.cms>

increase via these China or European routes. However, if the projected trade route through Iran becomes operational, trade with Central Asia is likely to expand by two to three times,⁵⁷ due to the significantly reduced distance. Should security and political issues in Afghanistan and Pakistan be resolved over time, trade with Central Asia might increase five to ten times its current levels, reducing transportation distances and costs dramatically. Despite the optimism the unfortunate reality remains that, Afghanistan's security concerns, as well as Pakistan's political issues, are unlikely to be resolved anytime soon. As a result, three ways of enhancing Central Asian trade and economic ties emerge. The first is, increased air cargo trade in high-value, low-volume items; India exports items such as coffee, tea, spices, frozen meat, and pharmaceuticals. Imports from Central Asia in this category are more difficult. Nonetheless, India may be able to import goods such as gold, silver, and gemstones for the country's jewelry sector. The second is, to increase FDI linkages; Indian companies can establish factories in Central Asian countries that manufacture goods for the local market, and vice versa. This concept is especially viable in the case of manufactured goods, where new factories can be established in the partner country. The commodities would then be sold directly in the local market, eliminating the need for unreliable transportation. India can potentially participate in Central Asian oil, gas, and mineral exploration. India's share of the products resulting from such explorations can be sold to China and European nations, and the revenues thus generated be utilised to purchase things closer to home. This will solve the issue of transferring India's share of products output back to the country. The third is to boost trade in services, which reduces the requirement for physical transportation to a great extent. Exporting BPO services would be easier with a good and secure internet connection. India is developing as a service-oriented economy, and Central Asia, is a rapidly industrialising region that requires high-tech services. India's exports of

⁵⁷ K. Sharma , "Spotlight on trade gateway as India hosts talks with Central Asia", *Nikkei Asia*, 18 December 2021, Available at <https://asia.nikkei.com/Politics/International-relations/Spotlight-on-trade-gateway-as-India-hosts-talks-with-Central-Asia> (accessed on 6 July 2021).

services, particularly information technology services, have expanded in the last decades and so there is a great potential for the growth of trade with Central Asia in the future years.

INTEGRATION OF THE ECONOMY

For India, it would be financially wise to integrate with the Asian economy, rather than find an economic model for itself, mainly because India does not have the luxury of deep pockets. It should build a platform for economic cooperation with other countries and regional groups, as China did through the BRI. It is widely believed that the sooner economic partnerships are forged, the faster the political differences dissolve. China is experiencing difficulties in its BRI system.⁵⁸ Does it provide opportunities for countries like India to participate in an inclusive integration and collaboration on current and future projects in Central Asia? Under the umbrella of the Asia-Africa Growth Corridor, Japan and India, for example, have announced their own development cooperation with other nations.⁵⁹ The United States and Australia have joined Japan in declaring plans for an alternative to BRI through the Blue Dot Network.⁶⁰

Current India-Central Asia trade levels are much lower in comparison to China's. Indian imports from Central Asia are less than 1 percent of the region's total exports. India's exports to the region are less than 1.5 percent of their total imports. It is understandable that the economy of Central Asia, especially the poorest countries such as Kyrgyzstan and Tajikistan are getting influenced by the opaque Chinese model of neo-imperialism. India opens up opportunities in many fields through 'AtmaNirbhar Bharat' and 'Make in India'. Can India create a model

⁵⁸ Andrew Chatzky and James McBride, "China's Massive Belt and Road Initiative", Available at <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative>

⁵⁹ Gurjit Singh, "India, Japan and the Asia Africa Growth Corridor", Gateway House, 17 January 2019, Available at <https://www.gatewayhouse.in/japan-aagc/>

⁶⁰ Jagannath Panda, "India, the Blue Dot Network, and the 'Quad Plus' Calculus", *Journal of Indo-Pacific Affairs*, Fall 2020.

where the Central Asian space is utilised for manufacturing products that will cater to local demand (close to its source of supply)? Under the 'AtmaNirbhar' and 'Make in India' programmes, Russian enterprises have participated in 13 important sectors of the Government of India's Production Linked Incentive scheme.⁶¹ Central Asian countries could explore establishing joint ventures as part of the Indian government's Industrial Corridor Program. Indian firms can likewise establish manufacturing plants in Central Asian industrial corridors, particularly in heavy industries and machinery.

Is it possible for India to build relations with Russia and China in the region without compromising its strategic independence? For this to happen, it may need to balance its role in strategic and security cooperation in Central Asia by carefully aligning it with the security and economic aspirations of the countries of Central Asia, Russia and China. Does the SCO provide such an approach? The answer is not an optimistic one because the SCO mechanism is too heavily tilted in favour of China.⁶² Does India need a new format, say G-8 or G-9, which includes five Central Asian countries and Russia, China, Iran and India? The answer is yes. Such a format would create a strong and cohesive economic order, in which relationships are connected with strong economic gears and are not bound by external dynamics.

⁶¹ "Production Linked Incentive (PLI) Schemes in India", Invest India, National Investment Promotion and Facilitation Agency, Available at <https://www.investindia.gov.in/production-linked-incentives-schemes-india> (accessed on 6 July 2022).

⁶² G. B. Scott, "How Effective Is the SCO as a Tool for Chinese Foreign Policy?", Available at <https://www.e-ir.info/2019/02/26/how-effective-is-the-sco-as-a-tool-for-chinese-foreign-policy/>

INDIA-RUSSIA-CHINA ENGAGEMENT IN CENTRAL ASIA: CHALLENGES

Central Asia shares a common link of history and culture with India, Russia and China. Central Asia, was the playground of great power politics between Russia and British India in the 19th and 20th centuries, often referred to as the Great Game. India's contacts with Central Asia for the most part of the 19th and 20th centuries were largely through the prism of Russia and later the Soviet Union. During the Soviet period, cultural exchanges between India and Central Asia prospered. India maintained a privileged relationship with Soviet Socialist Republic (SSR) states such as Kazakhstan and Uzbekistan. In ancient times, the regions of Central Asia and Western China (now Xinjiang) were under common political control for a long time. As many 'arteries' of the ancient silk line ran through Central Asia; it is fair to assume that Indian and Chinese traders must also have come together and shared goods and ideas in the 'Sarais' and 'Caravans' of Central Asia in Samarkand, Khiva, Merv and Bukhara.

In the immediate years after the independence of India and China, India's engagements with China through Central Asia were lukewarm, because of China's ideological divergences with the Soviet Union and the fact that the Central Asian region was under Soviet rule. Naturally, all of India's dealings had to pass the Soviet scrutiny. By supporting China's application for permanent membership in the Security Council and advancing the heady moorings of 'Hindi-Chini' brotherhood, India took the initiative to cultivate its deep-rooted historical relationship with China. However, the divergences over Tibet and border issues prevented the India-China relationship from gathering greater steam. The conflict in 1962 and 1967 and China's tilt towards Pakistan has led to frosty relations with China in the last five decades.

GEOGRAPHICAL CHALLENGES

A major drawback for India has been the fact that China shares long common borders with Central Asian countries: Kazakhstan, Kyrgyzstan and Tajikistan. Due to this, India has not been able to outdo China's dominance in the military, economic and defence cooperation activity in Central Asia.⁶³ While China has pursued its efforts of building a silk road through Central Asia, India has lagged behind both Russia and China in terms of trade, infrastructure and security engagements. It has to rely on either air transportation from Delhi and Dubai, or if by land, traverse through an unstable Afghanistan and Iran to trade with the region. By virtue of losing its geographical contiguity with Central Asia, India is forced to engage in shallow diverse initiatives, mostly in private sectors instead of government-driven high capital initiatives.

A SLUGGISH BEGINNING BY INDIA

Since the independence of Central Asian states in 1991, India, Russia and China have embarked on independent roadmaps of their national interests in Central Asia. The Central Asian space saw engagements from China, the US, Europe, Japan and South Korea but India remained absent from the Central Asian geopolitical and economic calculus. India was slow off the blocks to engage in Central Asia in the manner of China and Russia, and thus found itself out of its depth, in a space dominated by China and Russia with their big-ticket investments and ex-Soviet legacy respectively. Central Asian countries were looking for partners to bail them out economically and politically after the sudden collapse of the Soviet Union. Buoyed by India's benign image and interactions with the region during Soviet times, India and not China was the conceptual destination of Central Asian countries in the aftermath of their independence. Immediately after independence in

⁶³ Tanvi Madan, "India Is Not Sitting On The Geopolitical Fence", Available at <https://warontherocks.com/2021/10/india-is-not-sitting-on-the-geopolitical-fence/>

1991 many Central Asian leaders visited India as the preferred country and not China. It is unfortunate that India's domestic challenges then precluded focused outreach to this important region. The second opportunity presented, when the US built bases in Central Asia and was looking for partners to augment its influence in the form of the US-led New Silk Route Strategy (NSRS).⁶⁴ India failed to grab an opportunity then, probably unsighted by Russia's influence on our external policies and partly by our internal economic problems. By the time India decided to course-correct itself in early 2005, the opportunities for any fresh engagements in Central Asia had dwindled considerably.

CHINA'S GROWING FOOTPRINTS

China has continued to expand its already expansive commercial and economic ties with Central Asian countries, especially through infrastructure investments as part of the BRI and Eurasian engagement. On 25 January 2022, Chinese President Xi Jinping stated during a virtual meeting of the 'China plus Central Asia' grouping that he was willing to open "the vast China market" to Central Asian exporters and that China would "import more quality goods and agricultural products from countries in the region". This was in addition to continuing to hold the China-Central Asia economic and trade cooperation forum and working to increase bilateral trade to US\$70 Billion by 2030.⁶⁵ Xi also recommended establishing a dialogue mechanism between China and the Central Asian region on e-commerce cooperation. Closer to home, in Afghanistan, a Taliban-led government has gained power,

⁶⁴ "U.S. Support for the New Silk Road", US Department of State, Available at <https://2009-2017.state.gov/p/sca/ci/af/newsilkroad/index.htm> (accessed on 6 July 2022).

⁶⁵ Chris Devonshire-Ellis, "China Plus Central Asia Meeting Draws Eurasian Security And Trade Closer Together", Available at <https://www.silkroadbriefing.com/news/2022/01/26/china-plus-central-asia-meeting-draws-eurasian-security-and-trade-closer-together/>

raising significant security risks and vulnerabilities for regional trade and connectivity. Central Asian countries, have also grown closer to Pakistan, albeit they do not always share New Delhi's interests in Afghanistan. The stakes for India's involvement with Central Asia have changed substantially as a result of these changes.

PAKISTAN'S OBSTINACY

If we see the proximity of Central Asia to India, the physical distance between J&K and Tajikistan at its narrowest is about 15 km, through the Wakhan Corridor of Afghanistan. However, what makes Wakhan inaccessible is the illegal occupation of Gilgit-Baltistan by Pakistan. India has not been able to directly reach the Central Asian countries as Pakistan continues to geographically block our entry into Central Asia. Pakistan realises India's anguish in reaching out to Central Asia. PM Imran Khan during his address at the Islamabad Security Dialogue on March 17, 2021, raised the Kashmir issue as a 'quid pro quo' to offering India a direct route to Central Asia.⁶⁶ India will seek to resist Pakistan's influence in Central Asia, a region which can allow it to gain a strategic advantage in any future conflict with India. It is well noted that India had granted about US\$ 2 Billion in aid to the Afghan government,⁶⁷ and had gained a significant support among Afghans. Given that many of the terrorist organisations operating in the Af-Pak region have ties with the Inter-Services Intelligence (ISI) or the Pakistani army, Indian investments and interests in Afghanistan were certainly not welcome by Pakistan. India does not want a similar situation in Central Asia.

⁶⁶ "Peace with Pakistan will give India direct access to Central Asia, says PM Imran Khan", *The Economic Times*, 17 March 2021, Available at <https://economictimes.indiatimes.com/news/politics-and-nation/peace-with-pakistan-will-give-india-direct-access-to-central-asia-says-pm-imran-khan/articleshow/81549357.cms?from=mdr> (accessed on 06 July 2022).

⁶⁷ P. Tikoo, "Indian commitment to Afghanistan touches \$2 billion", Available at <https://www.livemint.com/Politics/8bSTQYpnkGB1GUhYsVH9GI/Indian-commitment-to-Afghanistan-touches-2-Bn.html> (accessed on 06 July 2022).

RUSSIA-CHINA ALIGNMENT

Another challenge India faces in the region is the Russia-China alignment.⁶⁸ Changes in geopolitics have brought Russia and China closer. They are both members of the SCO and regularly participate in joint and bilateral military exercises. Russia has provided China with sophisticated military hardware in the last decade. Meanwhile, China has emerged as one of the most prominent buyers of Russian oil. This engagement of two large powers puts a limit on India's opportunities in the region.

INSTABILITY IN AFGHANISTAN

A key factor that has prevented India from engaging Central Asia has been the instability in Afghanistan. The US withdrawal from Afghanistan has exposed the Central Asian countries to terror threats emanating from Afghanistan.⁶⁹ India faces a serious challenge from the Russia-China-Pakistan acquiescence over Taliban led Afghanistan given their mixed reactions about the new rulers. Any turbulence in the region will affect the security situation in Kashmir and future hopes of reaching Central Asia through the Iran-Afghanistan corridor. There is a silver lining that the Central Asian countries have so far remained aloof to extreme religious ideology due to the long Soviet influence.

SINO-PAK COLLUSIVITY

The recent LAC clashes have exacerbated the trust deficit between India and China. Whereas, Pakistan and China are deeply entrenched in the Central Asian region, precluding India from extending its strategic

⁶⁸ Alessio Patalano, "China can use Russia to build a new international order", <https://asia.nikkei.com/Opinion/China-can-use-Russia-to-build-a-new-international-order>

⁶⁹ "Briefing-European Parliament", Available at [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698771/EPRS_BRI\(2021\)698771_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698771/EPRS_BRI(2021)698771_EN.pdf) (accessed on 6 July 2022).

reach in the region through Afghanistan. Pakistan is seeking connectivity by road to Uzbekistan via Kabul and to Kazakhstan via Kashgar in China.⁷⁰ As China gains strategic strength, the Sino-Pak strategic alliance is likely to work against India's interests in the region. China will try to establish infrastructure and mechanisms for harvesting natural resources in Afghanistan while its proxy, Pakistan takes care of its security needs in Afghanistan.⁷¹ To advance this narrative, China needs a supportive Central Asia to serve as a bridge connecting China and Afghanistan and beyond, to the Middle East and the Arabian Sea. Membership of the SCO in 2017 has given India an enabling platform. However, China has continued its policy of keeping India engaged in South Asia both directly and through its proxy, Pakistan.

THE CPEC CHALLENGE

The CPEC route runs through Indian territories in J&K to the Arabian Sea. In July 2020 on China's insistence, Pakistan opened up its border trading points in Afghanistan for trade and transit and exports to India.⁷² This was a clever move to extend the BRI link to Afghanistan under the show of CPEC. China is also considering including Afghanistan as an important link between Central Asian countries and the CPEC.⁷³ It

⁷⁰ Deepak Kumar, "Understanding China's Growing Military Outreach in Central Asia", Available at <https://www.idsa.in/issuebrief/understanding-chinas-growing-military-outreach-dkumar-030222>

⁷¹ Weizhen Tan, "China may align itself with Taliban and try to exploit Afghanistan's rare earth metals, analyst warns", Available at <https://www.cnbc.com/2021/08/17/taliban-in-afghanistan-china-may-exploit-rare-earth-metals-analyst-says.html>

⁷² "China asks Pakistan to open five key borders with Afghanistan", South Asia Monitor, 25 August 2020, Available at <https://www.southasiamonitor.org/china-watch/china-asks-pakistan-open-five-key-borders-afghanistan> (accessed on 6 July 2022).

⁷³ Abhishek Bhalla, "China pushes its economic corridor expansion dream amid Taliban takeover of Afghanistan", Available at <https://www.indiatoday.in/news-analysis/story/china-pushes-its-economic-corridor-expansion-dream-amid-taliban-takeover-of-afghanistan-1845208-2021-08-25>

is also planning to extend its rail link now till Turkmenistan up to Afghanistan.⁷⁴ This is to ensure that the linkages between the Afghan Taliban and the ethnic Uyghur Muslims are kept under check,⁷⁵ as part of the overall security apparatus of the rail and road network.

THE CHINA-MYANMAR ECONOMIC CORRIDOR (CMEC) LURE

Beijing wants to build a 1,700-kilometer-long Bangladesh-China-India-Myanmar (BCIM) economic corridor along the so-called ‘southern silk road’,⁷⁶ which runs from Yunnan to India. The route, which dates back to the second century BC, would save travel time, lower transportation costs, provide landlocked Yunnan province with access to the Bay of Bengal terminating at Myanmar’s Kyaukpyu Special Economic Zone (SEZ). India has not formally engaged in the Belt and Road Forum (BRF), citing ‘sovereignty’ issues in the CPEC (an extension of BRI) passing through Pakistan-occupied Kashmir (PoK).⁷⁷ China has however chosen to go ahead with the China-Myanmar Economic Corridor (CMEC) which was proposed during Chinese

⁷⁴ Chris Devonshire-Ellis, “The Afghanistan-China Belt & Road Initiative”, <https://www.silkroadbriefing.com/news/2021/08/17/the-afghanistan-china-belt-road-initiative/>

⁷⁵ “China wary about Taliban commitments on Uyghur separatist group ETIM”, *Business Standard*, 19 September 2021, Available at https://www.business-standard.com/article/international/china-wary-about-taliban-commitments-on-uyghur-separatist-group-etim-121091900017_1.html (accessed on 6 July 2022).

⁷⁶ Lipi Ghosh, “The Southern Silk Route: Historical Links and Contemporary Convergences”, Available at <https://www.routledge.com/The-Southern-Silk-Route-Historical-Links-and-Contemporary-Convergences/Ghosh/p/book/9780367229078>

⁷⁷ Atul Aneja, “Bangladesh-China-India-Myanmar (BCIM) Economic Corridor no longer listed under BRI umbrella”, <https://www.thehindu.com/news/international/bangladesh-china-india-myanmar-bcim-economic-corridor-no-longer-listed-under-bri-umbrella/article26971613.ece>

Foreign Minister Wang Yi's visit to Myanmar in November 2017 hoping to wait for India's participation in the future. The Nepal-China Trans-Himalayan Multi-Dimensional Connectivity Network begins in Chengdu and is connected to Tibet via the Sichuan-Tibet Highway or the Sichuan-Tibet Railway. It is planned that the Tibet-Kathmandu railway will be expanded through Ya'an, Qamdo, Lhasa, and Shigatse. According to Chinese designs, the railway will eventually be linked to the Indian railway network, connecting China and India across the Himalayas.

COMPETING INTERESTS

Central Asia is seen by both countries as an important region with respect to their grand strategies. China believes that its expansion into Central Asia is essential for resource conservation and power projection around the world. India also believes that entry into the region is essential to boost and expand its strategic potential. Delhi is also concerned about China's encirclement strategy and attempts to limit India's role in the region through proxy states. India's unresolved border issues with China, construction of a highway through Indian Territory in Aksai Chin and enabling Pakistan to construct the CPEC through PoK by China has foreclosed India's links to Central Asia through Xinjiang.

ENTRY THROUGH IRAN

India's attempts to work out an arrangement to connect with Central Asia through Iran suffered a setback due to the US sanctions on Iran.⁷⁸ The Chabahar and Bandar Abbas ports of Iran are India's alternatives to bypass Pakistan and access Central Asia through INSTC (See Map 2). But, US sanctions against Iran have threatened India's ability to reach Central Asia through Chabahar. There were reports that Iran has cancelled India's participation in the rail project connecting Chabahar, citing delays in funding. This came after Iran signed a US\$400 Billion investment deal with China. Iran's denials notwithstanding its pro-China actions after the signing of the mega deal with Beijing despite India negotiating a waiver from the US points to the veering of Iran towards

⁷⁸ Kabir Taneja, "India, Iran, and the Afghanistan crisis", Available at <https://www.orfonline.org/expert-speak/india-iran-and-the-afghanistan-crisis/>

China. As China's influence on Iran grows, it may become increasingly difficult for India to develop projects in Iran.⁷⁹

Map 2 - Accessing Through Iran



ENERGY SECURITY

China has surpassed Russia as an investor in Central Asia in the energy sector.⁸⁰ In 2013, China beat India in acquiring a stake in Kazakhstan's

⁷⁹ “Defying U.S., China and Iran Near Trade and Military Partnership”, *The New York Times*, Available at <https://www.nytimes.com/2020/07/11/world/asia/china-iran-trade-military-deal.html>

⁸⁰ Y. Gupta, “China’s expanding Central Asian footprint worries Russia”, 04 January 2022, Available at <https://www.deccanherald.com/opinion/chinas-expanding-central-asian-footprint-worries-russia-1067740.html> (accessed on 6 July 2022).

Kashagan oil field.⁸¹ This proved to be a setback for India in procuring significant energy from Central Asia. According to some estimates, by 2050, India will probably be the third largest oil importer.⁸² Its demand of gas is expected to increase from 120 cubic meters (mcmd) to 391 mcmd per day by 2025.⁸³ India has the opportunity to partner with individual countries in Central Asia on energy supplies, provided we can tap into their natural resources. India visualised the TAPI, and North-South Transport Corridor projects long before China's BRI. The TAPI pipeline doesn't seem to be a starter in the near to mid-term time horizon. Hence, India must look for alternate options.

TRADE

Bilateral trade between India and the Central Asian region remains much smaller than trade with China, the EU and Russia. India's trade with this region in 2017 was US \$1.5 Billion,⁸⁴ while China's trade was US \$50 Billion.

Russia is the region's major importer, supplying energy and finished products. The EU is second and provides machinery and equipment. China's exports account for more than 10 percent of total imports from the region. India, on the other hand, was unable to bring about major import transactions. Central Asia's share of Indian imports has increased slightly to 1.3 percent (even less than Pakistan's). Economic

⁸¹ Mariya Gordeyeva, "China buys into giant Kazakh oilfield for \$5 Bn", Available at <https://www.reuters.com/article/us-oil-kashagan-china-idUSBRE98606620130907>

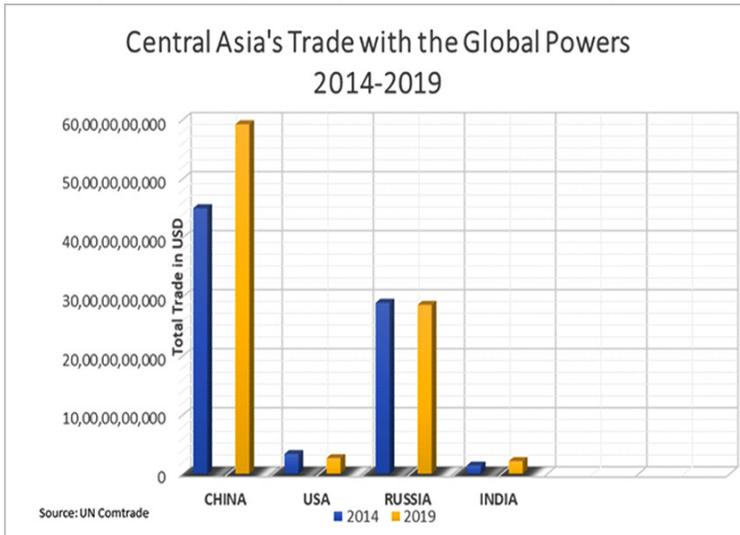
⁸² "India likely to become world's 3rd largest importer by 2050", *India Today*, 20 September 2021, Available at <https://www.indiatoday.in/business/story/india-world-third-largest-importer-uk-report-world-economy-outlook-2050-1854817-2021-09-20> (accessed on 6 July 2022).

⁸³ Vijay Kumar Bhatia, "India Geostrategic Interest in Central Asia: An Overview", *Glacier Journal of Scientific Research*. Available at <https://www.glacierjournal.org/issues/16-november-2015-issue-1-volume-1/>

⁸⁴ P. Stobdan, "India's Economic Opportunities in Central Asia", <https://idsa.in/policybrief/indias-economic-opportunities-in-central-asia-pstobdan-170918>

investment and strong bilateral trade with countries in the region provide China and Russia an edge in the regional geopolitics. (See Figure 1)

Figure - 1



SHIFTING US PRIORITIES

The US withdrawal from Afghanistan and its tilt towards the Indo-Pacific is perhaps an indication of the significant changes that have taken place within the US priorities. Faced with the Hobson's choice of competing with the dragon in the Indo-Pacific, or, fretting away resources in Afghanistan, the US has chosen the first. There is a strong view in the strategic community that the US will not be able to directly intervene in Afghanistan in the near future. This is because the US has not been able to find a reliable anchorage in Central Asia that it desperately needs. Under such circumstances, China may gradually attempt to occupy the space ceded in the region by the US.⁸⁵ Perhaps, after learning

⁸⁵ Nilofar Sakhi and Annie Pforzheimer, "Missing the bigger implications of US withdrawal from Afghanistan", Middle East Institute, Available at <https://www.mei.edu/publications/missing-bigger-implications-us-withdrawal-afghanistan>

from the experiences of Russia and the US, China's efforts would be more economic and less military.

OUTCOMES OF INDIA-CENTRAL ASIA SUMMIT MEETING ON 27 JANUARY 2022

Prime Minister Shri Narendra Modi offered to improve India's connectivity and trade ties with the area, as well as develop people-to-people exchanges. He mentioned India's current partnerships with Central Asian countries, including energy security with Kazakhstan, education and high-altitude research with Kyrgyzstan, security with Tajikistan, and regional connectivity with Turkmenistan via the Ashgabat Agreement.⁸⁶ During the summit, India and Central Asia decided to have regular meetings of Foreign, Trade and Culture Ministers, and Security Council Secretaries to lay the groundwork for future summits. The new summit structure will be facilitated by the establishment of an India-Central Asia Secretariat in New Delhi. India has also resolved to establish Joint Working Groups on Afghanistan and the utilisation of Chabahar Port at the senior official level.⁸⁷

According to the Delhi Declaration issued after the Summit, "India and the Central Asian member countries of the INSTC as well as the Ashgabat Agreement on International Transport and Transit Corridor called on the other Central Asian countries to consider joining these connectivity initiatives. The sides agree to support India's proposal to include the Chabahar Port in the INSTC and acknowledged Turkmenistan's proposal to include the Turkmenbashi Port". India also "welcomed Central Asian countries' interest in using the Shahid Beheshti Terminal at Chabahar Port to facilitate their trade with India and other foreign markets".⁸⁸

⁸⁶ Delhi Declaration of the 1st India-Central Asia Summit, Available at <https://coi.gov.in/tashkent/?pdf139912000>

⁸⁷ Ibid.

⁸⁸ Ibid.

COOPERATIVE ENGAGEMENT; A WINDOW OF OPPORTUNITY

In 2012, India announced its Central Asian connectivity policy in an attempt to make amends by connecting South and Central Asia through energy, trade and transportation corridors.⁸⁹ Sushma Swaraj, who later became India's External Affairs Minister, had emphasised on a "cooperative rather than unilateral approach" to connectivity.⁹⁰ According to the Minister, "Creating an environment of trust and confidence was the precondition for a more interconnected world".⁹¹ In a similar vein, the then Indian Foreign Secretary and the current External Affairs Minister Dr S Jaishankar had stated in 2016 that, "we cannot be oblivious to the reality that others may regard connectivity as an exercise in hardwiring that influences choices. This should be discouraged, as it could lead to undue competitiveness in Asia, especially in the absence of an agreed-upon security architecture".⁹² India offered the Central Asian countries areas of engagement in hydrocarbons, nuclear energy, connectivity infrastructure development, defence collaboration and space. This policy was dependent greatly on

⁸⁹ India's Foreign Relations-2012 Documents, Available at <https://www.mea.gov.in/Images/pdf/India-foreign-relation-2012.pdf>

⁹⁰ Speech by External Affairs Minister at the inauguration of Raisina Dialogue in New Delhi. 01 March, 2016. Available at: https://www.mea.gov.in/SpeechesStatements.htm?dt1/26432/Speech_by_External_Affairs_Minister_at_the_inauguration_of_Raisina_Dialogue_in_New_Delhi_March_01_2016

⁹¹ Ibid.

⁹² J. Panda and Titli Basu, "China-India-Japan in the Indo-Pacific, Ideas, Interests and Infrastructure", Pentagon Press, Available at <https://idsa.in/system/files/book/book-china-india-japan-indo-pacific.pdf>

Afghanistan as the common land bridge. The Indian strategy arguably lacked the financial pull of its competitors; the Chinese led BRI and the Russian led EAEU.

India has a benign and friendly image in the Central Asian government and population. Despite this, it has not been able to attract attention as an alternative to China due to several reasons. While there is no escaping the fact that, for India to 'avail' the opportunities in the region, it has to first 'create' opportunities in the region. It also leads us to introspect as to the nature of the role that India wants to play in Central Asia. Does India have the resolve and deep pockets to invest economic, military and diplomatic capital to challenge Russia and China's domineering influence in Central Asia? In past, India lost out on big-ticket investment opportunities in the Central Asian region. Now, if India has to find traction, it has three options. First, invest in low ticket projects and soft power projection option; Second, innovate and offer a more lucrative option to Central Asian countries, as compared to Russia and China; and Third, collaborate and cooperate with already engaged powers in the region. The first option is the lowest hanging fruit and is being practiced by India presently while the second option is the most preferred option but difficult to achieve, at least in the mid-term. The third option is the most practical approach for India amid the challenges it faces in the region in terms of geopolitics, connectivity and lack of deep pockets. The fact that the leaders of four out of the five Central Asian governments, are members of the SCO (Turkmenistan being the exception), and are willing to engage India in a distinct format, indicates a strong desire for closer cooperation.

THE KEY PLAYERS - EXPLOITING CONVERGING INTERESTS

Russia is a source of political stability and security in Central Asia, but over the last two decades, China has become a major investor through the BRI.⁹³ Central Asian countries which are located between China

⁹³ Marlene Laruelle, "China's Belt and Road Initiative (BRI) and its impact in Central Asia", NAC-NU Central Asia Studies Program, Available at <https://voicesoncentralasia.org/chinas-belt-and-road-initiative-and-its-impact-in-central-asia/> (accessed on 6 July 2022).

and Europe provide the necessary links to BRI projects. Initially, China focused on the security and acquisition of hydrocarbon resources from these states, but in recent years it has expanded to infrastructure and manufacturing activities.

In order to balance the US-led unipolar global order, a ‘strategic triangle’ between India, Russia and China was mooted in the early 1990s.⁹⁴ The mechanism did not take off due to several reasons, one of them being their competing interests in Central Asia. A Russia-India-China (RIC) economic relationship can be a game-changer for the region. On 26 November 2021, Russia, India and China conducted their 18th Meeting of Foreign Ministers by digital video-conference. It took place against the backdrop of the global Covid-19 pandemic’s severe consequences, ongoing economic recovery, and ongoing concerns of terrorism, extremism, drug trafficking, transnational organized crime, natural and man-made disasters, food security, and climate change. In the meeting, the Ministers agreed that collaboration among the RIC countries will help to promote global peace, security, stability, and development in addition to their own prosperity.

At first, the RIC may seem pointless when considering the strained relations between India and China but Russia could prove to be a bridge linking India with China because of its strong ties with the latter. It is important to note that, following the LAC stalemate in 2020, Moscow helped to de-escalate Sino-Indian tensions while continuing to supply the Indian Army with defence equipment. The ‘Russia-India-China’ economic relationship in Central Asia will be a harbinger for economic cooperation in the region, provided it is a winning strategy for all participants and not a competitive strategy. Indian and Russian perceptions about cooperative engagement in Central Asia are likely to find greater resonance and more common themes compared to China’s.

⁹⁴ Abanti Bhattacharya, “The Fallacy in the Russia-India-China Triangle, Strategic Analysis”, Available at https://idsa.in/strategicanalysis/TheFallacyintheRussiaIndiaChinaTriangle_abhattacharya_0404

Nevertheless, there are many areas where India, Russia and China will find common engagement themes to work on in Central Asia and elsewhere.

ECONOMIC ENGAGEMENTS

Russia and China have found ‘themes of convergence’ for engagement in Central Asia despite their competing interests, which India has not been able to achieve. Beijing has employed the BRI as a geostrategic and geopolitical tool, contrary to the expectations of Central Asian countries.⁹⁵

The region has become a transit route for Chinese goods going to Central Asia and Europe, with no evident benefits to the region’s economic development. Despite this, none of the Central Asian countries have protested openly due to a strong Chinese grip on their economies. Central Asia’s interests lie in the collective exploitation of the regional economic potential by promoting trade and economic exchanges between countries of Central Asia and the neighbourhood and not by overdependence on Russia and China. For this, they need to expand trade and investment, facilitate more joint ventures and commercial activities, and provide favourable conditions for free movement of commodity, capital, services and technologies.

Despite the fact that Delhi’s clout in the region does not match that of Moscow or Beijing, India is a key player in Central Asia’s diversification desires. If India has to establish itself in the region, it must endeavour to eliminate trade obstacles with the region, particularly with regard to vital commodities. A necessity exists to expedite freight customs clearances with Central Asia along the lines of a green corridor facility. An agreement between India, Russia, and Central Asia on Mutual

⁹⁵ Daniel R. Russel and Blake H. Berger, “Weaponizing the Belt and Road Initiative”, A Report of The Asia Society Policy Institute, September 2020. Available at https://asiasociety.org/sites/default/files/2020-09/Weaponizing%20the%20Belt%20and%20Road%20Initiative_0.pdf

Recognition of Authorized Economic Operators could be beneficial. This will reduce the time it takes for Indian freight to reach Russia and Europe via the INSTC or the Sea Route. The extension of the Friendship Railway Bridge between India and Afghanistan's westernmost city, Herat, has been suggested by the Indian government. Strategic affairs experts also believe that preserving India's warm ties with Moscow is the best way to address its energy security needs from Central Asia.

India's GDP is expected to rise from US \$2.7 Trillion in 2021 to US\$8.4 Trillion by 2030,⁹⁶ making it the world's third largest economy. The consumption market in the country will grow from US\$1.5 Trillion in 2020 to \$3 Trillion in 2030.⁹⁷ India will rise from 8th place in 2019 to 4th place in 2030 and 3rd place in 2050 in the list of world imports.⁹⁸ It is also expected to surpass the EU as the world's third largest energy consumer by 2030.⁹⁹ In 2021, India's trade with Europe, Russia and Central Asia was US \$120 Billion, US \$72 Billion and US \$2 Billion, respectively. India's trade of about \$2 Billion in Central Asia pales in comparison to China's \$50 Billion. Hypothetically, even if 20 percent of India's trade to Europe and Russia had been done through Central Asian routes, it would have been worth \$30-\$40 Billion.

⁹⁶ "India To Overtake Japan As Asia's 2nd Largest Economy By 2030", *Business India*, Available at <https://www.ndtv.com/business/india-to-overtake-japan-as-asias-2nd-largest-economy-by-2030-ihs-markit-2694541>

⁹⁷ "India to surpass Japan as Asia's 2nd largest economy by 2030", PTI Report, *The Hindu*, 8 January 2022, Available at <https://www.thehindu.com/business/india-to-surpass-japan-as-asias-2nd-largest-economy-by-2030/article38195975.ece> (accessed on 6 July 2022).

⁹⁸ "India Likely To Become 3rd Largest Importer By 2050: UK Report", *Outlook*, Available at <https://www.outlookindia.com/website/story/business-news-india-likely-to-become-3rd-largest-importer-by-2050-uk-report/395167>

⁹⁹ "India to overtake EU as world's third largest energy consumer by 2030: IEA", *Economic Times*, Available at <https://economictimes.indiatimes.com/news/economy/indicators/india-to-overtake-eu-as-worlds-third-largest-energy-consumer-by-2030-iea/articleshow/80766446.cms>

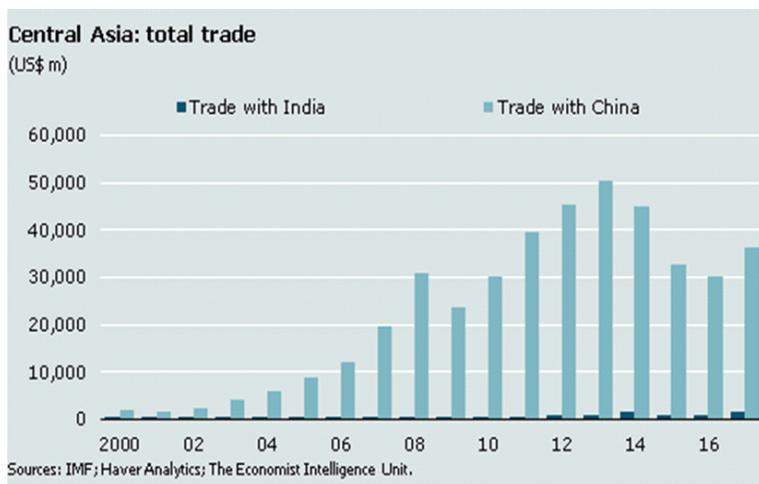


Figure - 2

ENGAGING RUSSIA WITH AN ALTERNATIVE MODEL

Russia is aware of Beijing's attempts to eat into Russian influence in the region through its regional expansionism. Guided by concerns on security threats and an exploitative China in the region, there exist opportunities for Russia and India to join hands with an alternative model to China's. Such a step will provide Central Asian countries the opportunity to be less dependent on China since a total decoupling from the China model is unlikely to be viable. There exist many areas of convergence in Central Asia in such a scenario. The willingness of the leaders of Central Asian governments, who are already members of the SCO, to engage with India through separate formats will imply that there is a strong desire for closer ties. The recent meeting of the Inter-Governmental Commission with Russia has fostered the possibilities of MOUs with Russia in several areas. So, can we bring in countries of Central Asia in a triad or quad format of India and Russia plus One/Two Central Asian countries on converging themes? By doing so, India will not only be allaying Russian fears but also be dividing the effort, capital and risks.

Beginning with the Logistics Exchange Memorandum of Agreement (LEMOA) with the United States in 2016, India has signed foundational agreements with the US such as, Communications Compatibility and Security Agreement (COMCASA) in 2018, Industrial Security Annex (ISA) in 2019 and Basic Exchange and Cooperation Agreement for Geo-Spatial Cooperation (BECA) in 2020. The General Security of Military Information Agreement (GSOMIA) was signed many years ago. India has inked several logistics agreements with all Quad countries, as well as France, Singapore, and South Korea. The agreements are administrative in nature and facilitate access to military installations for the exchange of fuel, and contain clauses on mutual agreement that simplify logistical assistance and increase the military's operational turnaround when operating outside of India. In the same vein, stitching together a Reciprocal Agreement on Exchange of Logistics (RELOS) with Russia and Central Asia can be an opportunity. The Arctic Region and the Russian Far East is experiencing growing global activity as new maritime routes open up. The RELOS will essentially be a naval logistics arrangement with Russia to open India's access to Russian Arctic naval ports and military bases from Vladivostok to Murmansk and beyond. But a Russia-India-Central Asia RELOS can be tailored to include use of Central Asia's air and sea facilities. Such an opportunity exists for engagement with Kazakhstan, which is also taking steps for reaching out to the Arctic region. There exists a Defense and Military Cooperation Agreement signed by Kazakhstan with India in 2015.¹⁰⁰ All that is needed now is to expand the scope of this agreement.

DEFENCE ENGAGEMENT WITH RUSSIA

All the three arms of the Indian Armed Forces have participated in joint exercises with the Russian Armed Forces. The complexity and magnitude of these exercises have undergone great upgradation to

¹⁰⁰ "India, Kazakhstan sign five key agreements to strengthen bilateral ties", *Economics Times*, 08 July 2015, Available at <https://economictimes.indiatimes.com/news/politics-and-nation/india-kazakhstan-sign-five-key-agreements-to-strengthen-bilateral-ties/articleshow/47985719.cms?from=mdr>

include niche areas of technology. There is great scope in extending our bilateral military engagements to trilateral and multilateral formats by including Central Asian countries. The expanded format can include real-time combat situations, force mobilisation and transportation, cyber warfare and drone technology exercises. Central Asian countries under the strong Russian security umbrella will find it beneficial if their security shield is expanded to include a benign power like India. The same cannot be said of security-related overtures by China in Central Asia. Can India explore arrangements on the lines of foundational agreements with the US by involving Russia and Central Asian countries? Agreements on the lines of COMCASA, BECA and GSOMIA will prove to be game changers if they can be executed.

DEFENCE PRODUCTION

There is a huge scope for Indian Defence Public Sector Undertakings (PSUs) to benefit from opportunities in joint manufacturing and sharing of military technologies with Central Asian countries. The military inventory of Central Asian countries, like India, is made up of mostly Soviet and Russian origin weapons and equipment. Defence imports from Russia at one time constituted about 70 percent of our imports from Russia.¹⁰¹ Much of such imported equipment were designed and produced by scientists and technology professionals from Russia and Central Asian countries. In 2019, Russia and India signed an intergovernmental agreement on the establishment of a Joint Venture (JV) for the supply of spare parts for Russian-made equipment.¹⁰² There is merit in engaging Central Asian countries for their requirements of spares. In this regard, India and Kazakhstan have a Memorandum

¹⁰¹ Ishaan Gera, "Russia accounted for half of India's arms imports during 2016-20", *Business Standard*, 26 February 2022, Available at https://www.business-standard.com/article/economy-policy/russia-accounted-for-half-of-india-s-arms-imports-during-2016-20-122022600072_1.html

¹⁰² "India - Russia Joint Statement during visit of Prime Minister to Vladivostok", Available at https://www.mea.gov.in/bilateral-documents.htm?dtl/31795/India__Russia_Joint_Statement_during_visit_of_Prime_Minister_to_Vladivostok

of Understanding signed in 2009,¹⁰³ and a Defence and Military Cooperation Agreement signed in 2015. Indian companies have been in talks with Kazakhstan's defence industries for co-production and co-development in the sector. During recent negotiations between the two countries, Kazakhstan expressed interest in developing collaborative ventures with India in the areas of armament repairs, maintenance, and upgrade. Kazakhstan, as India's largest trade and investment partner in Central Asia, offers significant prospects for both private and public Indian enterprises to collaborate on defence production in Kazakhstan and Russia. Indian companies like BEL, Ashok Leyland, Zen Technologies, HAL and Alpha Design have shown interests in JVs with Russian and Central Asian companies. This must be followed up with.

STRUCTURED FORMAT FOR CAPABILITY BUILDING TALKS

To further augment the relationship to the next level, there exists a case for 5+1 dialogue format with Central Asian countries to discuss defence and capacity building issues with India. Arguably, there exist opportunities in defence and industrial collaboration besides capacity building, training and military exercises. Perhaps there exists a case for greater engagement of expert professionals from Russia and Central Asia for joint development of cutting edge technologies. In this regard, the Chinese example of sourcing and engaging domain experts from abroad to work on certain specialized technology can be followed as a bench mark.

DEVELOPMENT OF JOINT PLATFORMS

With Russia, India has jointly produced platforms such as Brahmos missiles and AK-203 series of assault rifles. There are talks of jointly

¹⁰³ Joint Declaration on Strategic Partnership between India and Kazakhstan, Available at <https://mea.gov.in/bilateral-documents.htm?dtl/4776/Joint+Declaration+on+Strategic+Partnership+between+India+and+Kazakhstan>

producing the Kamov-226 helicopters to replace the ageing fleet of scout and communication helicopters. On the issue of maintenance and servicing of Russian origin equipment, India has been engaging with Russia to establish servicing and maintenance facilities for Russian origin platforms such as tanks, guns and aircrafts. Perhaps Central Asian countries can be extended the privilege of using these facilities. This mechanism can also include developing a combined centre with one or several Central Asian countries which use Russian platforms. Establishing a joint venture in India to produce spare parts of Russian-made equipment for our military could stimulate the defense industry. Central Asian countries can be extended the privilege of using these facilities.

OPPORTUNITIES IN INDIAN DEFENCE CORRIDORS

Central Asian countries along with Russia can take advantage of the opportunities in the two defence corridors in Uttar Pradesh and Tamil Nadu. There is also an argument in favour of creating such a facility or a defence hub by India within one of the Central Asian countries. Brahmos, which has been a huge success, has been jointly produced by Russia and India. Perhaps there exists a market for exporting it to the Central Asian countries. In the same vein, the AK-203 rifles can be exported to countries in Central Asia after equipping India's forces sufficiently. India has been projecting its Make in India initiative in the last few years. Suffice it to mention that there are competitive opportunities for expanding such Make in India projects for exports to countries of Central Asia which have for long enjoyed the security of Russian weapons.

MILITARY TO MILITARY COOPERATION

There have been other notable high-level engagements with Central Asian countries such as the annual Ex DUSTLIK with Uzbekistan, Special Forces Exercise between Turkmenistan and Indian Special Forces at Nahan in Himachal Pradesh in March 2021. In April 2021, Kazakhstan's Defence Minister Lt Gen Nurlan Yermekbayev visited border areas of Jaisalmer and Jodhpur and participated in bilateral discussions with India's defence minister Shri Rajnath Singh. The Indian contingent participated in Ex KHANJAR with Kyrgyzstan forces in

April 2021. The Kazakh defence minister thanked India for deploying Kazakh troops as part of the Indian battalion in the United Nations Interim Force in Lebanon (UNIFIL).¹⁰⁴ The Indian Special Forces visited Ashgabat in August 2021 and participated in Turkmenistan's 30th year of independence celebrations on 27 September 2021 a month later. India has helped Kyrgyzstan in the construction of a military-medical research facility. India has a military medicine agreement with Uzbekistan and a field hospital in Tajikistan. Such arrangements should be taken up with other countries in the region.

MILITARY BASES

India spent close to US\$70 Million between 2002-10 to renovate its military bases in Ayni and Fakhror in Tajikistan. Both these bases had to be closed ostensibly due to Russian concerns. With the US withdrawal from Afghanistan and its takeover by the Taliban, there is a distinct possibility of instability in the region. India needs to engage more closely with Russia to secure a military base in the region. Tajikistan is home to a large Russian military base. There is Chinese presence in the Pamir region of Tajikistan and the neighbouring Gilgit-Baltistan region in PoK. Under such circumstances a military base is necessary to counter increasing Chinese military footprints in the region.

ENGAGEMENT THROUGH IRAN

Iran has emerged as a key participant in the grand game in Central Asia, as well as a vital transportation link for both China and Russia. Both want to appease it for access to its energy resources and a feasible transportation corridor to the Persian Gulf. This is in addition to its growing importance in the regional dynamics of Shia politics. Iran is

¹⁰⁴ Raksha Mantri Shri Rajnath Singh holds bilateral talks with Kazakh Defence Minister Lt Gen Nurlan Yermekbayev; Discuss ways to further strengthen bilateral defence cooperation, PIB, Ministry of Defence, 09 April 2021, Available at <https://pib.gov.in/PressReleasePage.aspx?PRID=1710618> (accessed on 6 July 2022).

vital to India because it provides access to Central Asian and Caspian oil resources. In the absence of a direct route via Pakistan, it is Iran which connects India to Afghanistan, Central Asia and Russia. This is important because India has been admitted into the Ashgabat agreement. The agreement offers access to natural resources and trade with Central Asia and the Persian Gulf using existing land connectivity networks. Iran's problem is of the opposition from Turkey and Pakistan. The Turkic Council which includes Uzbekistan and Kyrgyzstan as members is dominated by Turkey, which wants to play a strong role in the region. US sanctions on Iran have also proved to be a factor in Iran providing access to Central Asia. China is the biggest importer of Iranian oil and with its deep pockets can sustain high-end projects in Iran which India can't match. Naturally, India needs to follow a collaborative approach to temper China's meteoric rise and importance in Iranian geo-politics.

ENGAGEMENT IN ENERGY SECTOR

China has played a key role in the Central Asian energy sector as evidenced by its pipeline diplomacy and stakes in that sector. It began in 1997 with the signing of a US\$9 Billion contract between Kazakhstan and China National Petroleum Corporation (CNPC),¹⁰⁵ to invest in the oil and gas sector of Central Asia. Since then, CNPC has been a major investor in the oil and gas sector in Central Asia. China is also open about other Chinese state-owned enterprises operating in the energy sector in Central Asia. Since 1997, CNPC has obtained most of the exploration licenses for the Texaco North Buzachi oil field in Kazakhstan, the Bagtyyarlyk gas contract site on the right bank of the Amu Darya River, the South Yolotan area of Turkmenistan, and the Mingbulak field in the Namamangan region of Uzbekistan.

¹⁰⁵ César B. Martínez Álvarez, "China-Kazakhstan Energy Relations Between 1997 and 2012" *Journal of International Affairs*, Columbia University, 01 January 2016, Available at <https://jia.sipa.columbia.edu/china-kazakhstan-energy-relations-1997-2012>

In order to meet its growing energy needs, China found that existing pipelines were inadequate. So it began to fund and build new pipelines to connect all Central Asian gas reserves with China. In this regard, the 3,666 km long Central Asia-China gas pipeline, which runs from Gedaimon Uzbekistan-Turkmenistan borders to Xinjiang, built in 2009 at an estimated cost of US \$7.3 Billion, was a game-changer.¹⁰⁶ The pipeline connects China to all the Central Asia countries, reducing Russia's dominant role in the region's energy sector. In 2017, China's gas imports through this pipeline increased to 36.2 billion cubic metres.¹⁰⁷

PARTICIPATION IN CENTRAL ASIAN ENERGY HARVEST

China is moving towards coercive diplomacy as it advances economically and globally. Relying solely on Chinese investment and the gas pipeline grid is thus posing significant challenges for the region's countries, particularly Turkmenistan. The Central Asian countries are keen to diversify their energy harvest from China and Russia. In this, there is potential to deepen India's cooperation. There were discussions about India's investment in energy projects of Vostok Oil, Arctic LNG and in petrochemical sectors, but not much progress has been seen on the subject.¹⁰⁸ Russia's investment in the attractive Indian energy sector is also gaining traction. Elsewhere in Central Asia, Turkmenistan has world's fourth largest gas reserves. However, most of Turkmenistan's gas reserves remain underutilised. After Russia stopped imports in 2017, Turkmenistan became completely dependent on China for gas exports. Turkmenistan is also keen to develop the TAPI pipeline. A ground breaking ceremony of TAPI was performed in December 2019, but

¹⁰⁶ Central Asia-China Gas Pipeline, CNPC Information 2022, Available at: https://www.cnpc.com.cn/en/CentralAsia/CentralAsia_index.shtml

¹⁰⁷ Catherine Putz, "Central Asia Gassing Up China", *The Diplomat*, 07 November 2018, Available at <https://thediplomat.com/2018/11/central-asia-gassing-up-china/>

¹⁰⁸ Utpal Bhaskar, "No immediate plans to invest in energy assets in Russia: OIL", *Mint*, 25 February 2022, Available at <https://www.livemint.com/Search/Link/Author/Utpal-Bhaskar>

any substantial progress has been unsuccessful due to instability in Afghanistan and Pakistan's obduracy. The pipeline project is India's most significant economic engagement with the region and has the potential to pave the way for increased investments and greater corporate connections in the future. Apart from concerns about economic and energy security, India's quest for stronger corporate connections with the region reflects a geopolitical goal. India wants to buy gas from Turkmenistan's Galkynysh gasfields,¹⁰⁹ which are the world's fourth largest. However, it has to consider China's BRI passing through Turkmenistan and China being Turkmenistan's largest gas importer. As a potential opportunity to diversify its exports, Turkmenistan and India may need to cooperate and balance with China's sensitivities.

Central Asia has the potential to be India's future energy source. The fundamental challenge remains obtaining oil and gas from Central Asia at competitive costs. Oil swap options, such as those between Iran and Turkmenistan are viable alternatives. Iran's oil reserves are depleted in the country's northwestern regions. As a result, Turkmenistan was supplying Iran with oil from the Caspian in the north in exchange for oil supplies to India by Iran from Southern Iran. A cooperative energy working group in Turkmenistan has been in place for some time. Iran and India invited Gazprom, Russia's state-owned gas firm, to develop an offshore pipeline to transport gas in July 2000 from Iran to India but this could not finally materialise. Gazprom has a 30 percent stake in the development of one of Iran's largest gas reserves. There exist engagement opportunities with Russia and Iran to develop a gas field and form a JV with Iran to transport and market gas to India.

Turkmenistan has been able to develop a gas pipeline to China through Uzbekistan bypassing Afghanistan. In the short term India can assist

¹⁰⁹ Nayanima Basu, "Turkmenistan, Afghanistan push TAPI gas pipeline again but this is why India is being cautious", *The Print*, 07 February 2022, Available at <https://theprint.in/diplomacy/turkmenistan-afghanistan-push-tapi-gas-pipeline-again-but-this-is-why-india-is-being-cautious/823185/>

Turkmenistan with the knowledge of Indian oil and gas PSUs in the fields of training, design, construction, exploration, and production as a part of its expanding energy engagement. India can further develop energy power grids and petrochemical industries across Central Asian countries. This does not need land connectivity. In resource-rich Kazakhstan, Indian energy companies can invest in downstream processing and refining of crude oil to produce petrochemicals and other related products. India and Uzbekistan have signed joint exploration agreements with the exploitation of Uzbek gas resources and to assist in the construction of liquid gas and oil industries in Uzbekistan.

India has been grappling with shortages of Uranium to fuel its nuclear power plants especially after the western sanctions following the nuclear tests. Minister of State in the Department of Space and Department of Atomic Energy Dr Jitendra Singh in a reply to a question in Lok Sabha on 15 December 2021 had said, “The current annual production of uranium in the country is not enough to meet the annual fuel requirement of all the operational uranium based nuclear power plants”.¹¹⁰ Former Chairman of Atomic Energy Commission Anil Kakodkar also recently pointed out that India could not meet emission commitments without nuclear power.¹¹¹ India therefore needs an adequate strategic reserve of Uranium for its reactors. Presently India sources about 80 percent of its Uranium requirements from Kazakhstan and rummages its balance requirements from diverse countries such as Russia, Canada, Australia, and lately Uzbekistan with which it signed a deal for supplying Uranium in 2017. According to Dr Jitendra Singh, “India’s installed nuclear power capacity has grown from 4,780 MW

¹¹⁰ Government of India, Department of Atomic Energy, Lok Sabha, Unstarred Question No. 2789, answered on 15.12.2021, Production of Uranium, Available at <https://dae.gov.in/writereaddata/lusq2789.pdf>

¹¹¹ “India can’t meet net-zero target without nuclear power”, says Anil Kakodkar, *The Hindu*, Business Line, 03 December, 2021, Available at <https://www.thehindubusinessline.com/news/science/india-cant-meet-net-zero-target-without-nuclear-power-says-anil-kakodkar/article37827900.ece> (accessed on 6 July 2022).

to 6,780 MW, which is an increase of over 40 percent in the last seven years. The country is pursuing an indigenous three-stage nuclear power programme to provide long term energy security in a sustainable manner. A large expansion programme of nuclear power is being undertaken to provide the country clean electricity”.¹¹² India’s Ministry of External Affairs (MEA) officials believe that the Central Asian republics with their huge natural resources like uranium can fuel India’s next phase of nuclear power mission. According to a report, India’s nuclear power expansion programme is aimed at increasing the present installed capacity of 6.78 GW to 22.48 GW by 2031.¹¹³ It will be required to import a substantial portion of the fuel from sources abroad. Currently, the Uranium mining sector in Central Asian countries are facing a roadblock due to lack of investments in their new deposits.¹¹⁴ There is therefore an opportunity for Indian companies to invest in the mining sector in Kazakhstan and Uzbekistan. This will be a win-win opportunity for all partners.

Russia and India recently inaugurated the Bharat Energy Center in Moscow,¹¹⁵ which represents five Indian public sector oil and gas enterprises and aims to improve collaboration with Russian energy

¹¹² “Union Minister Dr. Jitendra Singh says, the installed nuclear power capacity grew from 4780 MW to 6780 MW, an increase of over 40% in the last seven years”, PIB, Government of India, Department of Atomic Energy, 15 December 2021, Available at <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1781743>

¹¹³ “India’s nuclear power capacity of 6,780 MW planned to be hiked to 22,480 MW by 2031: Govt”, *The Economic Times*, 16 December 2021, Available at <https://economictimes.indiatimes.com/industry/energy/power/indias-nuclear-power-capacity-of-6780-mw-planned-to-be-hiked-to-22480-mw-by-2031-govt/articleshow/88322043.cms?from=mdr> (accessed on 06 July 2022).

¹¹⁴ “Uranium prices jump as Kazakhstan upheaval stokes supply concerns”, *Financial Times*, 07 January 2022, Available at <https://www.ft.com/content/18d3e1ad-9bd3-4da0-82e1-4b716ace0594>

¹¹⁵ “India Energy Office Opens In Moscow To Increase Focus In The Sector”, ONGC Videsh Limited, 03 March 2021, Available at <https://www.ongcvidesh.com/india-energy-office-opens-in-moscow-to-increase-focus-in-the-sector/>

players. Similar arrangements with Central Asian countries are required. There is cooperation between Indian and Russian oil and gas companies, such as between JSC Rosneft Oil Company and India's Oil and Gas Public Sector Undertakings in the implementation of the Vankorneft, Sakhalin-1, and Taas-Yuryakh Neftegazodobycha projects in Russia, and Nayara Energy Limited's oil refinery in India.¹¹⁶ A prospective two- or three- way investment initiative with a Central Asian partner could be discussed. Strategic collaboration with Russia and Central Asian partners can include sourcing Central Asian oil and gas on long-term contracts with favourable pricing, strengthening LNG imports to India, and the potential use of the Northern Sea Route for energy supplies. The partners can form a Gas Task Force to identify areas of mutual interest, such as the expansion of gas infrastructure and distribution, the use of natural gas in transportation, and new fuels such as hydrogen and solar energy.

NON-CONVENTIONAL SOURCES OF ENERGY

The rising population and developing economy of Central Asia necessitate more reliable energy supplies. Against this backdrop, the Central Asian republics have been working on plans to move away from oil and gas dependence to varying degrees, and all five have now signed the Paris Agreement. There are several opportunities for investment in renewable energy and infrastructure projects. Energy cooperation in non-conventional sources like hydel, solar and nuclear energy are promising avenues for bi-lateral and trilateral cooperation. There is an opportunity in Indian, Central Asian, and Russian collaboration on non-conventional energy sources. Kazakhstan is the world's ninth-largest country by area. Kazakhstan's vast steppes have enormous potential for wind and solar energy development. However, the country's size, location, very low population density, ageing infrastructure, and temperature extremes are challenges for investments

¹¹⁶ "India interested in boosting oil, LNG supplies via Northern Sea Route", TASS, 06 December 2021, Available at https://tass.com/economy/1371591?utm_source=google.com&utm_medium=organic&utm_campaign=google.com&utm_referrer=google.com

in its power sector. In 2009, Kazakhstan endorsed the ‘Transition to Green Economy Concept’ till 2050. This long-term strategy intends to enhance the share of alternative energy sources in power production to 3 percent by 2020, then to 30 percent by 2030, and 50 percent by 2050.¹¹⁷

In May 2019, Uzbekistan passed its first comprehensive renewable energy law (Law No. ZRU-539 on Use of Renewable Sources of Energy dated 21 May 2019). The law encourages investment in renewable energy generation by offering exemption from tax, customs, and other incentives to renewable energy producers and equipment manufacturers. Several international developers and investors have expressed interest in Uzbekistan’s first solar PV projects. In March 2019, about 23 companies from Europe, Asia, and the Middle East competed in a tender procedure in the Navoi province for a 100MW PV project.¹¹⁸ Uzbekistan is building wind energy generation facilities and even floated tenders for bilateral agreements on harnessing wind energy. Uzbekistan is also pursuing an ambitious nuclear power strategy, and has recently announced several investments in gas-fired Combine Cycle Gas Turbine (CCGT) power generation assets in the country’s south, with funding from the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), and the Uzbek Fund for Development (UFRD).¹¹⁹ The necessity for major improvements in power generation capacity in Uzbekistan presents huge opportunities

¹¹⁷ “Kazakhstan’s Transition To Green Economy: A Stock taking Report”, 2020, Ministry of Ecology, Geology and Natural Resources of The Republic Of Kazakhstan, Available at https://www.unpage.org/files/public/ge_stocktaking_report_eng_final.pdf

¹¹⁸ V. Petrova, “Strong interest in Uzbekistan’s first 100-MW solar tender”, 27 March 2019, Available at <https://renewablesnow.com/news/strong-interest-in-uzbekistans-first-100-mw-solar-tender-648047/> (accessed on 6 July 2022).

¹¹⁹ Alistair Wishart and AfzaalAbidi, *Construction Law International*, 16 (4), December 2021, <https://www.velaw.com/insights/the-energy-transition-in-central-asia-drivers-policy-and-opportunities/>

for foreign investment. Perhaps, there exist opportunities for India to engage with Uzbekistan either jointly or through multiple partners in its energy transition phase.

Kyrgyzstan and Tajikistan are sparsely populous countries and, due to their hilly terrain, generate mostly hydroelectric power. In 2017, both countries produced over 90 percent of their yearly electricity from hydropower. Both countries have ample water reserves, and over 8GW of installed hydroelectric capacity. Kyrgyzstan has one of the highest renewable energy ratios in the world.¹²⁰ The Naryn River runs across Kyrgyzstan, feeding the massive Toktogul reservoir to the west, and several large and medium-sized rivers with an estimated hydro potential of 140–170 TWh, of which only 10 percent is being utilized. However, Kyrgyzstan poses some difficulties. It has made no substantial hydropower capacity increases between 2010 and 2018, while its residential electricity demand has increased by over 60 percent between 2007 and 2016. Five of Kyrgyzstan’s seven main hydropower plants are over 30 years old. The Toktogul reservoir provides nearly 40 percent of the republic’s electricity. Many parts of Kyrgyzstan may soon feel the effects of country-wide droughts due to the fall in the water levels of the Toktogul reservoir.

Tajikistan too is a mountainous country with a lot of potential for hydroelectric power generation. Hydropower provides for nearly 98 percent of the Tajikistan’s electricity. However, many of Tajikistan’s hydropower plants are dependent on river basins fed by melting of glaciers and snow. The 3,000 MW Nurek hydropower plant provides 70 percent of the country’s electricity.¹²¹ However, due to the effects

¹²⁰ “Kyrgyzstan energy profile”, IEA Country Report - April 2020, Available at <https://www.iea.org/reports/kyrgyzstan-energy-profile>

¹²¹ Michael Harris, “IDA announces financing for rehab of Tajikistan’s 3,000-MW Nurek hydropower plant”, *Hydro Review*, 05 August 2017, Available at <https://www.hydroreview.com/business-finance/ida-announces-financing-for-rehab-of-tajikistan-s-3-000-mw-nurek-hydropower-plant/#gref>

of climate change, Tajikistan's hydroelectric power supply dynamics is likely to be affected.

Turkmenistan has enacted a legislation concerning renewable energy sources. The law envisions tax and customs incentives for renewable energy generation, as well as assured connection of generating facilities to Turkmenistan's electricity grid. Uzbekistan has become the first country outside of Africa to join the World Bank Group's Scaling Solar programme in 2019.¹²² India as the leader of Solar Alliance, should either independently or jointly with Russia and/or China, participate in the opportunities being provided in the field of solar energy in Uzbekistan.

In 2006, there was a proposal in SCO to have an SCO Energy Hub for energy cooperation amongst members.¹²³ The proposal did not find resonance with China, the dominant player in the region due to its focus on extracting energy for satiating its internal demand by acquiring energy stakes and assets in Central Asia. India now as a member of the SCO can play a major role in developing a strong partnership between Central and South Asia, both by land and sea routes. The land route can be the INSTC route whereas the sea route can pass through the port of Chahbahar. An alternate land route can be through entry points on the India-China border and further to South Asia. The SCO energy partnership should be proactive in steering the future course of TAPI. As the largest oil and gas producer in Central Asia, Kazakhstan also supports the 'Asian Energy Strategy'.

¹²² Adding Solar Power to Uzbekistan's Future, December 2020, Available at https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/impact-stories/adding-solar-power-to-uzbekistans-future

¹²³ Meena Singh Roy, "The Shanghai Cooperation Organisation: A Critical Evaluation", IDSA Comment, 04 July 2006, Available at https://idsa.in/idsastrategiccomments/TheShanghaiCooperationOrganisation_MSROY_040706

India and Russia have worked together to build the Rooppur nuclear power plant in Bangladesh.¹²⁴ Both countries have expressed an interest in exploring similar opportunities in other countries. Kazakhstan and Uzbekistan which are looking at the nuclear energy basket can be partners in a multi-lateral venture on setting up of nuclear power plants in these countries.

PROSPECTS IN HYDROGEN ECONOMY

In future, hydrogen will play a large part in the shift away from fossil fuels. A possible supply chain model would see green hydrogen generated at low cost in Central Asia with substantial renewable energy potential and fewer space constraints, and then exported to countries in need. India and Central Asia face a common challenge in adapting our economies to the vagaries of climate change. At present domestic electric generation and the economies of India and the Central Asian region are dominated by hydrocarbons.

Kazakhstan is a good example of a country that is reliant on hydrocarbons. It is the world's 62nd most populous country, but it is one of the top 25 greenhouse gas emitters.¹²⁵ Kazakhstan's natural resources have supported an economic reliance on oil exports for nearly three decades. The country's domestic electrical sector is dominated by ageing coal-fired power generation, which is fueled by cheap, vast quantities of coal located in the country's north-east. As a result, the energy sector in Kazakhstan is responsible for the majority of its greenhouse gas emissions.

Despite the fact that Central Asia is lagging behind in terms of renewable energy generation, there is evidence that the region is

¹²⁴ "India, Russia, Bangladesh sign pact for Rooppur atomic plant", *Mint*, 01 March 2018, <https://www.livemint.com/Industry/QD5ex7YkwRkooAmYgWPVHK/India-Russia-Bangladesh-sign-pact-for-Rooppur-atomic-plant.html>

¹²⁵ Alistair Wishart and AfzaalAbidi, "The energy transition in Central Asia: drivers, policy and opportunities", IBA, 07 December 2021, Available at <https://www.ibanet.org/energy-transition-central-asia>

witnessing the benefits and potential of being at the forefront of energy transformation. In this transformation, hydrogen could play an important role for domestic heating, electricity generation, heavy transportation, shipping, and aviation, and as a zero-carbon solution for industrial sectors like steel production. Both Uzbekistan and Kazakhstan have expressed an interest in researching hydrogen production and utilisation. Uzbekistan is creating a hydrogen strategy as a result of the presidential decree aimed at promoting renewable and hydrogen energy growth. The decree is expected to include steps to encourage technological innovation in hydrogen and renewable energy, as well as the development of hydrogen infrastructure to improve energy efficiency and security. Kazakhstan has also made progress in the hydrogen area, with German developer Svevind announcing the signing of a MoU with Kazakh Invest for a major hydrogen project, a 45 gigawatt solar and wind farm that will power 30 gigawatts of electrolyzers. The project intends to produce three million tonnes of green hydrogen annually.

Turkmenistan recently expressed interest in selling blue hydrogen to Europe. Although the hydrogen energy sector in Central Asia is still in its infancy, the energy transition has substantial prospects for Central Asian countries as their economies develop and move away from fossil fuel dependence. India and Russia can collaborate in this niche emerging area of hydrogen development and production in Central Asia and export to areas where energy is in deficit.

CENTRAL ASIAN REGIONAL MARKET AND FREE TRADE AGREEMENT

The need for a Central Asian market has been felt for a very long time. Russia has backed India's efforts to strengthen its footprint in Central Asia and Eurasia.¹²⁶ The growth trajectory can be kept up through

¹²⁶ Raj Kumar Sharma, "Russia's Greater Eurasian Partnership is an opportunity for India", *The Economic Times*, 06 October 2018, Available at <https://economictimes.indiatimes.com/blogs/et-commentary/russias-greater-eurasian-partnership-is-an-opportunity-for-india/>

joint efforts to attract Indian investments in energy, pharmaceuticals, medicine, information technology, and construction. An Uzbek-Indian pharmaceutical free economic zone was established in Uzbekistan in 2019.¹²⁷ India should be endeavouring to create such free economic zones in new areas and in other Central Asian countries too.

India's trade with Central Asian countries is just over US\$ 2 Billion.¹²⁸ (See Table 1). Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan are all members of the EAEU, with a total GDP of less than US\$ 2 Trillion.¹²⁹ Russia is India's largest trading partner among the EAEU members. According to figures, bilateral trade between India and Russia stands at around US\$ 13.6 Billion.¹³⁰ Both countries are keen on increasing bilateral investment to US\$ 50 Billion and bilateral trade to US\$ 30 Billion by 2025.¹³¹ India can partner with the EAEU and extend privileges to Central Asian members through a FTA. The bilateral trade between India and the EAEU is likely to double once such an agreement is reached. Singapore, Vietnam, Iran, and Serbia are among the nations that have signed the FTA with the Eurasian Union. Indonesia, the Philippines, Cambodia, Thailand, and Brunei are at different stages of discussions.

¹²⁷ Dipanjan Roy Chaudhury, "Uzbekistan eyes to emerge as India's gateway to Central Asia", *The Economic Times*, 15 January 2019, Available at <https://economictimes.indiatimes.com/news/politics-and-nation/uzbekistan-eyes-to-emerge-as-indias-gateway-to-central-asia/articleshow/67537683.cms?from=mdr>

¹²⁸ D. Kurbanov and Sh. Khoshimova, On the Potential of "Central Asia-India" Cooperation, Indian Council of World Affairs, 27 January 2022 https://www.icwa.in/show_content.php?lang=1&level=1&ls_id=6977&lid=4741

¹²⁹ <https://www.worlddata.info/trade-agreements/eeu-urasian-economic-union.php>

¹³⁰ <https://economictimes.indiatimes.com/news/economy/foreign-trade/russias-ryazan-region-seeks-higher-trade-relations-with-india/articleshow/90965052.cms?from=mdr>

¹³¹ <https://www.indianembassy-moscow.gov.in/overview.php>

Table 1. India-Central Asia Trade (in USD millions)

CARs	2014-15	2019-20
Kazakhstan	952.35	2,458.29
Kyrgyzstan	38.53	30.46
Tajikistan	58.1	23.80
Turkmenistan	105.03	37.89
Uzbekistan	226.3	247.06

Russia is attempting to get India to sign a FTA with the EAEU.¹³² It will assist India in gaining access to Iran, Afghanistan, Central Asia, and Russia. The war in Ukraine may delay negotiations for a FTA between India and the EAEU, but once realised it will make Indian products more competitive compared to the Chinese. According to an estimate, such an agreement between India and the EAEU has the potential to promote trade to US\$170 Billion from the current US\$10 Billion. The FTA has the potential to open up a market of 183 million people with a GDP of approximately US\$2 Trillion. These are middle-income countries, hence Indian items are well-known. The FTA with the EAEU will have both economic and geo-strategic benefits. Although the current economic climate in India is fairly protectionist, business leaders may find the degree of competition to be less scary than in China, which too is currently discussing an FTA with the EAEU. Russia has concerns that Chinese products will flood the Eurasian market. Therefore, tariff reductions are doubtful. Russia will have no such reservations about India. The India-EAEU FTA therefore has the potential to be a win-win situation for both sides. There is a need to encourage and facilitate Indian investors, who are willing to invest in Central Asia.

India enjoys strong connections with the EAEU member states. Negotiating with these countries is easier than negotiating with the RCEP

¹³² “Talks on free trade zone between EAEU and India will start in early 2022 – Lavrov”, TASS, 06 December 2021.

or the European Union. India would be the bloc's largest economy, allowing it to play a key role in future negotiations. By allowing FTAs, trade benefits can be extended to other areas such as Eurasia's security and connectivity projects. During the visit of Russian President Vladimir Putin to New Delhi on 6th December 2021 for the 21st India–Russia Annual Summit, both sides emphasised the importance of starting trade talks between India and the EAEU.

India and the countries of South Asia have the potential to become one of Central Asia's largest markets. Thus, for the Central Asian countries, establishing long-term trade and investment connections with India and South Asia, is a strategically vital task of foreign economic strategy. Can India find a place for Central Asian countries to become partners in South Asian Free Trade Agreement (SAFTA) as part of the economic integration process?

Uzbekistan has been a vocal advocate of enhanced regional cooperation with India. President Mirziyoyev and Prime Minister Modi initiated regional cooperation in January 2019, when the inaugural meeting of the India-Central Asia Dialogue at the level of Foreign Ministers was held in Samarkand on President Mirziyoyev's and Prime Minister Modi's initiative. India's Foreign Minister Dr. S. Jaishankar, attended the International Conference, titled "Central and South Asia: Regional Connectivity: Challenges and Opportunities" in Tashkent in July 2021. Here, Uzbekistan's President presented a comprehensive programme of measures to strengthen cooperation between the two regions. The achievements of the Tashkent conference were positively recognised in the Joint Statement of the 3rd meeting of the India-Central Asia Dialogue in Delhi in December 2021.

Even before the India-Central Asia summit, India and Uzbekistan had commenced talks on a bilateral trade agreement. If concluded, this will be India's first trade agreement with a Central Asian country. However, significant ground still remains to be covered. India and Uzbekistan had agreed to launch a joint feasibility assessment in September 2019 to provide the groundwork for Preferential Trade Agreement (PTA). A PTA between India and Uzbekistan would improve connectivity to the landlocked Central Asian country while also opening up markets in Tajikistan and Kyrgyzstan.

INDIA-PAKISTAN ENGAGEMENT

The natural connectivity between India and Central Asia have remained blocked due to Pakistan's refusal to provide overland commerce and transit services to India and the political instability in Afghanistan. India has incurred economic losses and so has Pakistan, which could have benefitted from transit revenues. From time to time, the concept of a Greater Central Asia engagement policy has been popular among policymakers. This policy concept treats Central Asia and South Asia as a single entity and is likely to find favour with India. The TAPI gas pipeline and the construction of a bridge across the Panj River in Tajikistan that connects Afghanistan, represent the Greater Central Asia concept. If realised, such a notion will be critical for India in terms of accessing both commercial and transit corridors through Pakistan, as well as Central Asian hydrocarbon resources. But, if this concept is to be realised, a modus vivendi with Pakistan is an imperative. India has taken sincere steps in the spirit of reconciliation with Pakistan from time to time but latter's unreliability and support to terror activities in Jammu & Kashmir has been a damper. It is high time to realise that the land of Ganges, Indus and Amu Darya holds immense economic potential waiting to be harnessed. A China-India-Pakistan tri-lateral engagement can ensure that both India and Pakistan can become significant economic players in Central Asia.

At the moment, trade and transport cooperation between India and Pakistan may seem a bit unrealistic due to geopolitics, but the potential is immense and both countries should recalibrate their options. The Chief of the Army Staff (COAS) of Pakistan recently made optimistic remarks about the importance of improving trade and business with India. The political, economic, and strategic benefits of such an engagement should be added to the list above. The Iran-Pakistan-India (IPI) and TAPI handshakes should make sense in this perspective. Turkmenistan has sufficient gas reserves to meet its current and future gas export obligations. However, Pakistan's prescriptions that may revolve around the Taliban Afghan government and the Kashmir issue, or an Afghan solution based on a Kashmir settlement, are India's red lines and unlikely to find its approval.

CONNECTIVITY WITH CENTRAL ASIA

Expansion of transportation connectivity between India and Central Asia is crucial for increasing India's commerce and investment in the region. A critical area has been the lack of progress in matters relating to oil transportation to India due to the lack of regional connectivity (See Map 3).

In December 2021, a joint statement on the outcome of the third meeting of India-Central Asia Dialogue declared the need for optimal use of the INSTC and the Ashgabat Agreement (to create a multimodal transport corridor from the region to Oman, which New Delhi joined in 2018) to strengthen connectivity between India and Central Asian countries; inclusion of the Chabahar port in the INSTC; and development of the Chabahar port. India also favours stepping up collaboration in civil aviation and digital economy. These opportunities can complement the multimodal transportation routes that are being built by India.

Given the vast freight and passenger transit potential linked with India, such opportunities augur well for the growth of Indian initiatives such as Korea's Hanjin Group's Navoi air logistics hub, Central Asian airports, and the promotion of e-commerce in Central Asia either bilaterally or with multiple investing partners.

Map - 3 : India - Central Asia Connectivity



JOINT DEVELOPMENT OF INFRASTRUCTURE PROJECTS IN IRAN AND TURKMENISTAN

India can look for opportunities to jointly develop land and rail connectivity with Iran, Central Asia, Russia and China (See Map 4). In 2019, Iran jointly opened the Kyrgyzstan-Tajikistan-Afghanistan-Iran (KTAI) route from Afghanistan.¹³³

¹³³ Mahnaz Abdi, “Trade to be increased in region via Iran-Afghanistan borders”, *Tehran Times*, 31 August 2020, Available at <https://www.tehrantimes.com/news/451851/Trade-to-be-increased-in-region-via-Iran-Afghanistan-borders>

Map - 4: Chahbahar - Central Asia Corridor



Similarly, the East Caspian Rail Corridor opened in November 2014,¹³⁴ connected Kazakhstan with the southern borders of Iran. India can offer its services by taking another route to the KTAI corridor and augmenting the capacity of the East Caspian Rail Corridor. Iran and Turkmenistan have enjoyed frosty relations in the past over disputes in gas payments.¹³⁵ Despite this, an augmented rail corridor from Chahbahar towards Uzbekistan and Kazakhstan through Turkmenistan can link up with existing connectivity networks of China and Russia in the region and augment the INSTC.

¹³⁴ “Iran – Turkmenistan – Kazakhstan rail link inaugurated”, Railway Gazette International, 04 December 2014, Available at <https://www.railwaygazette.com/asia/iran-turkmenistan-kazakhstan-rail-link-inaugurated/40284.article> (accessed on 6 July 2022).

¹³⁵ Kulkarni Sanket Sudhir, “Why Iran and Turkmenistan need to solve their gas dispute amicably”, ORF, 22 November 2018, Available at <https://www.orfonline.org/expert-speak/why-iran-and-turkmenistan-need-to-solve-their-gas-dispute-amicably-45677/>

Perhaps, there is an opportunity for India to secure a docking space in the Caspian Sea either in Iran or Turkmenistan. For this to fructify, India needs to engage with all partners in the region with a win-win strategy. India's long-term vision should be to derive mutual benefits and even greater economic ties with Russia and China through Iran and Central Asia.

Afghanistan and Iran being crucial cogs in India-Central Asia connectivity, India has to engage more intimately with Iran, Russia and China to improve its capacities to play a greater role in economic integration of Central Asia. Problems with transportation connectivity with India and South Asia, as well as underdeveloped systems for encouraging trade, investment, and business relationships, are preventing countries in the Central Asian region from actively realising the significant potential of partnership with India and South Asia.

New Delhi is pursuing regional connectivity cooperation with the European Union, the EAEU, Japan, and ASEAN. Within the SCO, India has emphasised the construction of the INSTC, as well as the EU-Russia-INSTC-India-ASEAN route and the creation of a trans-Afghan rail corridor to Central Asia and Russia from Chabahar port through Iran. Implementation of these opportunities will benefit the construction of trans-Afghan corridors, such as the 'Mazar-e-Sharif-Kabul-Peshawar' railroad, as well as the development of transport and logistics interaction between Uzbekistan, India, and Iran, by increasing the transit of goods through Central Asia and attracting investment to strengthen connectivity with South Asia and other regions of Eurasia.

INVESTMENT IN CHABAHAR

In recent years, India has been seeking to develop direct routes from Chabahar. A multi-country arrangement involving India, Iran, Afghanistan and Central Asia would be essential to derive optimum benefits from the Chabahar port. It can become the fulcrum of connectivity for Indian goods to reach Afghanistan and further north to the Central Asian states. For the landlocked Central Asia, Chabahar port provides access to the seas. Currently, most trade between Central Asia travels via Bandar Abbas port in Iran to northern Europe or

China. Bandar Abbas has limited capability to handle large cargo due to technical issues. Thus, most of the large cargo is broken down and trans-shipped in Qatar or UAE. An enhanced Chabahar with adequate infrastructure can provide alternatives to Bandar Abbas port.

Most Central Asian countries also see Chabahar port as an opportunity to diversify their export markets and control the ambitions of China.¹³⁶ But if it has to become competitive, it will have to enhance infrastructure which requires major investment in the Chabahar Free Trade Zone. The tripartite agreement with India, Iran and Afghanistan regarding the development and use of the Chabahar port is a major step forward in this direction. It needs to be progressed with alacrity. In this, the coming together of Afghanistan is important because the rail link between Chabahar and the crossing of Afghanistan is still to be developed.

Another task cut out for India to make the Chabahar port more competitive, is to simplify rules. As quoted in reports, Chabahar is not a preferred port among businessmen due to logistical issues and complicated rules.¹³⁷ This needs to be addressed rather quickly.

Real benefits of the port will accrue only if India can connect Chabahar to the East-West and North-South connectivity highways (See Map 5). The third challenge would be to make Chabahar the chosen port of call for sea transport, not only for India towards Eurasia but also for countries in the Far East and Indo-Pacific. Central Asian countries must find Chabahar port as the most competitive for their exports. The importance given by India to Chabahar despite the uncertainty brought about by US-Iran disagreements can be measured by the fat project budgets of Rs 1 Billion in the year 2020-21 and 2021-22 budgets, a considerable increase from Rs 450 Million in 2019-20 budget.

¹³⁶ Ajaz Wani, "India and China in Central Asia: Understanding the new rivalry in the heart of Eurasia", ORF Occasional Paper, 17 February 2020.

¹³⁷ Dr. Sunil Kumar and Pankaj Tripathi, "Strengthening India-Central Asia Relations: An Approach", Indian Council of World Affairs, 07 September 2020.

Map 5: Chahbahar - Central Asia Corridors



INSTC: THE GAME CHANGER

India has to exploit alternate routes to Central Asia through Iran and Turkmenistan and not depend entirely on Afghanistan (See Map 6). The INSTC which connects India with Central Asia has the potential to transform the economies of the countries it will be touching. It can facilitate access to new markets which will further lead to flow of goods and services and creation of industrial parks and Special Economic Zones (SEZs) along the corridor and growth of e-commerce.

The proposal supported by 13 countries, envisions the establishment of a sea route connecting Mumbai and Iran's Bandar Abbas port, as well as Bandar-e-Anzali on the Caspian Sea's coast. The goods will then be transported to Central Asia through Russia by road and train. The route is especially essential for India because it bypasses Pakistan and completes the journey from Mumbai to Central Asia in 25 – 30 days rather than the 45 – 60 days that products shipped via the Suez Canal now take.

Map 6: Alternate Routes to Central Asia



For India, INSTC provides a shorter trade route with Iran, Russia, and beyond to Europe, creating scope for increased economic engagement. In concert with the Ashgabat Agreement, INSTC could be the key to India's 'Connect Central Asia' policy. The second route will take commodities from Mumbai to Central Asia via Iran's Chabahar Port, which will be served by a road and rail link. Japan has expressed interest in collaborating on this project with India and Iran. According to an estimate Chabahar and INSTC can boost trade to about US\$170 Billion.¹³⁸

By becoming a signatory in the Ashgabat Agreement, India can use its existing land connectivity network to facilitate trade with Central Asia

¹³⁸ P. Stobdan, "To make Chabahar a 'Game Changer' Central Asian states need to be roped in", IDSA Commentary, 12 December 2017.

and Eurasia. In 2014, under the Ashgabat Agreement a rail line between Iran, Turkmenistan and Kazakhstan was opened.¹³⁹ This route provides Central Asian countries with access to the port of Iran's Persian bay. India can use this route to bypass Pakistan's hostility and Afghanistan's instability and gain access to the Central Asian market.

CONCOR, an Indian firm, and RZD, a Russian railway corporation, signed a deal in 2020 to develop multimodal logistics services along the INSTC line together.¹⁴⁰ India's proposal to integrate Chahbahar port with the INSTC framework is supported by Russia. Expanding the scope of this agreement to include Central Asian countries, particularly Turkmenistan, Uzbekistan and Kazakhstan, which are located along the INSTC corridor, would be beneficial.

CHINA-INDIA-CENTRAL ASIA IN-LAND TRADE AND TRANSIT AGREEMENT

The land route through Iran and Afghanistan or the North-South International Transport Corridor is important, but the connection to Eurasia is logically via North India along the traditional India-Central Asia route leading to Xinjiang via the Himalayan passes. One of them, the Kashmir-Tibetan Plateau route was an important route along the medieval Silk Road connecting the West and the East. People travelled along these routes for a thousand years, risking their lives for trade, subsistence, adventure, and the exchange of ideas. The route connected East Asia with Rome in Europe, passing across the north Indian plains and the Himalayas. It also allowed for the establishment of other parallel routes, enabling trade with far-flung locations. Another ancient road

¹³⁹ Nicola P. Contessi, "In the Shadow of the Belt and Road", 03 March 2020, Available at <https://reconasia.csis.org/shadow-belt-and-road/> (accessed on 28 March 2022).

¹⁴⁰ "CONCOR inks MoU with Russian railways company RZD Logistics", Indian Transport & Logistics News, 05 February 2019, Available at <https://www.itln.in/concor-inks-mou-with-russian-railways-company-rzd-logistics>. (accessed on 28 March 2022).

connecting India with China passed through the Ladakh area. This route arose primarily as a result of the spread of Buddhism into Ladakh from the Tibetan Plateau on the one hand and Kashmir on the other. The Nubra Valley in Ladakh was a popular rendezvous point for traders and caravans travelling between this region and Yarkand, China. This path through the Nubra Valley was crucial in connecting traders passing through the Ladakh region.

China-India trade reached US\$126 Billion in 2021, up from less than US\$60 Billion ten years before, and is anticipated to continue to rise. Despite this, there is no convenient way for India and China to send goods to each other. China only has ocean access on its eastern side, and the journey from China's Pacific Ocean ports to India's Indian Ocean ports is a long one, passing through the extreme southern Straits of Malacca. The Chinese and Indian vessels must travel this long and roundabout journey to reach each other's markets.

The physical borders between India and China stretches over 2,000 kilometres over the difficult high-altitude terrain of the Himalayas. India and China have their border crossing at Nathu La. This high-altitude pass, which connects India's Sikkim to Tibet, was closed for more than three decades after the India-China border war in the early 1960s, before it was reopened in 2015. Although Nathu La is now open, it is not suitable for vehicular access essentially being a mule track, similar to the ancient Silk Road. China has built the world's highest highway, which runs from Beijing to Lhasa in Tibet and reaches elevations of over 18,000 feet in certain places. India also has excellent high-altitude roads that run the length of the border. The technology to build high altitude highways, and possibly even rail linkages, is available but the political will to do so is lacking.

Is there a way out in the form of a China-India-Central Asia Land Based Trade & Transit Agreement is the moot question? Can we look at one or two undisputed border regions with China as transit hubs for energy and trade with Central Asia? The existing border trading points with China at Nathu La, Shikpi La and Lipulekh can be utilised to extend trade with the Central Asian region. China will benefit from royalties from transit of goods while Central Asia benefits due to cheaper goods from India. Such a facility will provide Central Asian

countries with an outlet to both Arabian Sea and Bay of Bengal for exports. In the short term this possibility may seem remote due to tensions on the LAC but in the long term we need to be more pragmatic.

AIR CORRIDOR

As mentioned before, India's bilateral trade with this region is only US\$2 Billion. Kazakhstan accounts for almost US\$1.5 Billion of the US\$2 Billion trade, with oil exports accounting for more than US\$1 Billion. Central Asia – India bilateral trade remains below potential due to the lack of direct connectivity between India and this region, and because of Pakistan blocking overland access for Indian goods. A partial solution lies in creating an air bridge between India and Central Asia. The air-bridge could be particularly useful for 'high value-low volume' items of trade between the countries. If Pakistan offers over-flight facilities, the flight duration between India and Central Asia is only a few hours. Even if it doesn't, bypassing Pakistan and flying over Iran to reach Central Asia takes only four to five hours, against the more than two months by land for containers shipped from India to destinations in Central Asia.

Dr. S Jaishankar, Indian Foreign Minister has also suggested an air corridor between Central Asian countries and India during his address to Central Asian Business Forum in Feb 2020.¹⁴¹ Air corridors will speed up the flow of products and perishable fruits, attract medical tourists and facilitate outbound tourists from India.

India needs to put in place air corridors between India and the five Central Asian nations on priority. These air corridors, just like those that India established in 2018 with Afghanistan, should include normal shipment flights with special clearing and customs centres to expedite the movement of goods, in particular fresh fruit and other agricultural produce. Along with the Chabahar port, INSTC, and the Ashgabat Agreement, air corridors can help India's connectivity aspirations.

¹⁴¹ Foreign Minister S Jaishankar says, "India, Central Asian Countries should explore scope of establishing Air Corridors", FICCI, 07 February 2020, Available at <https://ficci.in/ficci-in-news-page.asp?nid=20329>. (accessed on 28 March 2022).

ADDITIONAL ENGAGEMENT PILLARS

The return of Taliban in Afghanistan has led to the spectre of cross border and state sponsored terrorism radiating out from the Af-Pak region. There is a real threat of spillover of radical Islamic ideology from the Taliban to neighbouring Central Asia through ideologues such as Islamic Movement of Uzbekistan (IMU), Hizbul-Tahrir and East Turkestan Islamic Movement (ETIM). With the ascent of Taliban-II in Afghanistan, fears of return of drug trafficking, proliferation of small arms and influx of terror groups into India and Central Asia are real. Such prospects add to the vulnerability of Central Asian countries bordering Afghanistan. Russia too is watching the developments in Afghanistan and Central Asia; a region often called the soft underbelly of Russia. It is after all not too long ago that Russia had to fight radical Islamic terror imported by the Taliban-I regime and Al Qaeda networks in Chechnya.

India has been fighting the scourge of imported terror for the last three decades in Kashmir and elsewhere. Russia and India share fears of the Islamic revolution in Central Asia. Therefore, both can collaborate as a counterpoise to the spread of radical Islam. India can benefit from engagements with Russia in Central Asia to counter the influence of Pakistan in supporting trans-national terror and radical ideology. China too is aware of the transnational threats brewing close to its restive Xinjiang province from Afghanistan through Central Asia. Another issue related to terrorism is drug trafficking which concerns India, Russia, China and the Central Asian states.

ENGAGEMENT IN SCO

Today, four of the region's five countries rely on China as their primary commercial partner, and China's BRI promises to connect them to the rest of the world. China is also investing money in mining and industrial projects worth billions of dollars. It has the advantage of being bordered by Kazakhstan, Kyrgyzstan and Tajikistan. Beijing has provided US\$10

Billion in aid and grants to the region.¹⁴² To avoid being left behind, Russia is trying everything it can to restore its influence over its former Soviet republics.

India's admission to the SCO is a step toward deepening Indian engagement, which is essential for obtaining raw materials for Indian industrial and strategic needs. Due to the expansion of SCO, a number of challenges have arisen in counter-terrorism co-operation between member states. India is regarded as Russia's strategic partner in the SCO and Pakistan is regarded as close to China in the organization. This has led to division of ranks in the multilateral organization even on issues which have broad consensus.

In 2017, China, India and Russia agreed to treat Pakistan-based Islamic extremist group Jaish-e-Mohammed as a terrorist group as defined by the SCO charter. Pakistan rejected such a definition and was hesitant to take action against the group. Similarly, China's measures in the Xinjiang Uygur Autonomous Region have been criticized by Central Asian countries as persecution against Islam. Uzbekistan and Tajikistan have been bogged down over territorial disputes. Uzbekistan is also strongly opposed to Kyrgyzstan's plan to build dam on the Naryn River. SCO's concerted efforts could put pressure on the Taliban to agree to peace in order to achieve greater regional benefits. Another regional security organization, the Russia led CSTO with Kazakhstan, Kyrgyzstan and Tajikistan as members, needs to play a key role as well.

COOPERATION ON COUNTER TERRORISM

China and Russia have troops in Central Asia and the Pamir region in Tajikistan and the neighboring Gilgit-Baltistan region in PoK to protect their interests. Their present military posture, sadly, is not enough to combat the adverse situation prevailing after the withdrawal of US troops. Is there a case for a broader partnership involving Russia, India,

¹⁴² Charlotte Greenfield, "As West ponders aid for Afghanistan, China and Pakistan quick to provide relief", REUTERS, 13 September 2021, Available at <https://www.reuters.com/world/middle-east/west-ponders-aid-afghanistan-china-pakistan-quick-provide-relief-2021-09-12/>

Tajikistan, Uzbekistan, Iran and China to provide security in areas close to Afghanistan? The detailed contours of this coalition can be stitched based on the evolving situation in Afghanistan. However, it should be broader based than the Northern alliance to allay fears of member states. Pakistan may have a conflicting thought on the establishment of any such coalition but it must be remembered that all the above-mentioned countries and not Pakistan will have to face the spillover of violence in Afghanistan, should it arise in the future.

JOINT VENTURES AND PARTNERSHIPS

India has provided a US\$1 Billion credit line to Central Asian countries for collaborative development initiatives in transportation, energy, information technology, medical, education, and agriculture.¹⁴³ In addition to grants and aid for development of social projects, the Government of Uzbekistan received a US\$448 Million credit line from India's Exim bank to fund infrastructure projects.¹⁴⁴ The India-Central Asia Business Council was founded in February 2020 in New Delhi as part of the Foreign Ministers dialogue framework. Oil and gas, agro-processing and agricultural machinery, transportation and logistics, and medicines and biotechnology are the four working groups in the framework.

Central Asian countries are wary of Chinese debt politics and economic imperialism. The so-called opportunities to generate local employment through BRI, have been a long way off. India should be a willing partner in executing joint venture projects in Central Asia as against

¹⁴³ MEA, Government of India, Joint Statement of the 2nd meeting of the India-Central Asia Dialogue, 28 October 2020, Available at <https://www.mea.gov.in/bilateral-documents.htm?dtl/33148/Joint+Statement+of+the+2nd+meeting+of+the+IndiaCentral+Asia+Dialogue>

¹⁴⁴ "Exim Bank extends \$448-mn line of credit to Uzbekistan", PTI, *The Economic Times*, 12 December 2020, Available at <https://economictimes.indiatimes.com/news/economy/finance/exim-bank-extends-448-million-line-of-credit-to-uzbekistan/articleshow/79692902.cms?from=mdr>

China's economic power and exploitation. Joint Ventures through division of labour, is one of the means to offset lack of geographical borders. Multi-lateral partnerships with Central Asian States in the fields of space, aeronautics, satellite technologies, artificial intelligence, nano-technology, data analytics, renewable energy, water conservation, pharmaceuticals, defense manufacturing, military technologies, and counter terrorism must be forged with Central Asia. Uzbekistan has invited Indian companies to invest in chemicals, textiles, IT and Telecom sectors. Joint ventures in cotton and agriculture can be established which could benefit the entire region.

ENGAGEMENT IN SCIENCE AND TECHNOLOGY

India and Russia are discussing the proposals of a joint committee on scientific and technological cooperation, including in high-tech areas such as artificial intelligence, cyber, quantum, nano-tech, and biological advances. There exists scope to also include Central Asian countries in such multilateral engagements. Central Asian countries such as Kazakhstan have made significant advances in space technology, which can be exploited for common good. Towards this, India and Kazakhstan are in discussions on jointly developing a communication satellite, KazSat-2R with ISRO and launching it through the Kazakhstan National Space Agency.

TECHNOLOGY HIGHWAYS AND DIGITALISATION

India is a software powerhouse and should increase software exports through hubs in Central Asia. The idea is to build a 'technology highway' in the form of a 'Virtual Silk Road'. Another emerging area for India in Central Asia is promotion of digital transformation and growth of Central Asia's digital economy. India is quickly establishing itself as one of the world's leading digital hubs. The digital sector's production will surpass US\$1 Trillion in five years, due to the implementation of the digital India programme.¹⁴⁵ Artificial Intelligence, the Internet of Things,

¹⁴⁵ DATAQUEST ONLINE Article, 3 July 2020, Available at <https://www.dqindia.com/5-years-of-digital-india-how-far-have-we-come/> (accessed on 29 March 2022).

machine learning, and data analysis are all being actively developed in the country. In banking, education, and medicine, these technologies have already been widely adopted. India's expansion of bilateral or multilateral cooperation in this area with Central Asia can help accelerate the execution of the Digital Strategy and other such regional programmes in Central Asia. Leading Indian universities in India, such as Amity and Sharda, are already facilitating this by educating Uzbek specialists in digital technology.¹⁴⁶ The expansion of the collaborative clinic network with India will encourage the active use of digital technology in medical practice. India is the world's leading exporter of Information and Computers Technology (ICT) services, and expanding its digital link with Central Asia will hasten the growth of Business Process Outsourcing (BPO) and the region's total digital economy.

Food security is an emerging issue in Central Asian countries. The current Russia-Ukraine crisis may have an impact on food security in the region.¹⁴⁷ Russia temporarily restricted the shipment of white sugar and grain harvests to Eurasian Economic Union countries on 10 March 2022.¹⁴⁸ This might have an impact on Kazakhstan markets. Kazakhstan raised its grain purchases by 77 percent last year, acquiring 2.3 million tonnes of grain, placing it third behind Turkey and Egypt. Following the prohibition on Russian grain exports, Kazakh authorities have decided to prohibit wheat exports. Other Central Asian countries, particularly Kyrgyzstan, which buys 90 percent of its wheat from Russia and Kazakhstan, may have a spillover effect.¹⁴⁹ In such a circumstance,

¹⁴⁶ Brief on India-Uzbekistan Bilateral Relations, Embassy of India, Tashkent, Uzbekistan, Available at <https://eoi.gov.in/tashkent/?2615?000>

¹⁴⁷ Wahlang Jason, "Central Asia and the Ukraine Crisis, 27 April 2022", Available at <https://idsa.in/idsacomments/central-asia-and-the-ukraine-crisis-jwahlang-270422>

¹⁴⁸ "Russian cabinet imposes temporary ban on export of grain, sugar to EAEU, third countries", TASS, 15 March 2022, Available at https://tass.com/economy/1422097?utm_source=google.co.in&utm_medium=organic&utm_campaign=google.co.in&utm_referrer=google.co.in (accessed on 6 July 2022).

¹⁴⁹ Wahlang Jason, Central Asia and the Ukraine Crisis, 27 April 2022, accessed on 6 July 2022. Available at <https://idsa.in/idsacomments/central-asia-and-the-ukraine-crisis-jwahlang-270422>

Central Asian countries may seek to import food grains. India should take advantage of this opportunity not only from a business perspective but also to build goodwill in the respective countries. Any surplus food grains can be exported to Central Asian states at subsidised rates to tide over the food crisis.

MEDICINE OUTREACH

Pharmaceuticals continue to be one of India's most important exports to Russia. Participation of Indian enterprises in Russia's localization effort under the Pharma 2020 and Pharma 2030 schemes has been appreciated. An effort like this in Central Asia would generate a lot of goodwill. In the backdrop of the pandemic, growing cooperative partnership in medical devices has emerged as a new attractive sector of economic engagement.

As part of our Covid outreach, India could provide its indigenous vaccine to the Central Asian countries. It has so far provided 6.6 Lakhs doses to Uzbekistan and about 2 Lakh doses to Tajikistan. India can also assist the countries in storage and distribution of the vaccine. This will provide long term benefits. Cooperation in the production of new vaccines is another promising area with Central Asia, where concerns with the Chinese vaccines have been expressed. Uzbekistan is looking at attracting companies like the Serum Institute and Bharat Biotech for joint manufacturing and development of vaccines in Uzbekistan. Visa procedures need to be further streamlined to expand services, especially medical tourism, which brings hundreds of patients from Central Asia to India each year, especially in cases of life-saving treatment, such as bone marrow transplant and other organ transplants.

SOFT POWER INITIATIVES

In current times, India does not have the capacity to contain China or Russia in the region either with finances or in military terms. But India is held in high esteem in Central Asia. With such a backdrop, undertakings such as "friendship hospitals" in each Central Asian country, information exchange and cooperation in the fight against terrorism, technical and financial assistance to establish cooperatives and self-help groups, promoting exchange in education, medical training

and promoting Indian Ayurveda and Unani medicines can go a long way in deepening ties by making India's presence in Central Asia felt.

India invited Central Asian heads of state to the 2022 Republic Day parade. The physical visit could not take place due to Covid but a virtual summit ensued. The invite was a reassertion of PM Shri Narendra Modi's vision of close ties with Central Asia and connecting with the region through Chabahar port in Iran and the INSTC.

CONCLUSION

China's overarching presence in Central Asia and withdrawal of US forces from Afghanistan have made it imperative for India to remain connected with the region. Central Asian states and India share warm historical ties going back several centuries. Central Asia's history with China and Russia is certainly not so deep rooted. There is ample literature on bloody wars between Russians and Khanates of Central Asia in the 19th century. Even the Han Chinese and Central Asians were never on friendly terms. On the other hand, Central Asians considered Indians to be peace loving and friendly. India and the Central Asian countries have never been at war with each other in history. In fact, India's historical links with Central Asia were very close until the middle of 19th century, before the Khanates of Bukhara and Khiva were incorporated into the Romanov 'Empire. In the current times, both India and Central Asian countries are multi-cultural and multi-ethnic democracies.

India must use economic leverage more effectively. It can strengthen multilateral engagement with its Central Asian partners by using the synergy of existing forums such as the SCO and the EAEU. Measures such as easing the visa regime, establishing schools and universities and increase tourism are indispensable. Investment in the agricultural, IT and energy sectors can significantly improve India's position in the region. The growing synergies between India and CAR will promote security, stability, growth and economic development for all nations.

The SCO is a vital regional initiative to facilitate communication, know-how and cooperation amongst its member states. There is space for India-Russia and China cooperation to promote economic, trade, education, culture and science and technology in Central Asia without undermining each other's sensitivities. India should identify common needs and push for joint efforts by member states. Russia's 'Greater Eurasian Partnership' program can be aligned with the BRI of China. The member states of the SCO should develop a common vision of economic cooperation within the framework of the SCO. For example,

many SCO members want closer trade and economic exchanges within the organization. The idea of establishing a “SCO Free Trade Area” has been discussed for several years. Trade promotion is largely absent from the SCO’s 2025 development strategy. This should be included.

ALTERNATE STRATEGY

When India joined the SCO as a full member for the first time in June 2017, it was believed that New Delhi would modify its stance on the BRI. However, India was the sole member country that did not support the BRI initiative when the Qingdao Declaration was announced.¹⁵⁰ Prime Minister Modi had said during the meeting that India welcomes “new connectivity initiatives that are inclusive, sustainable, and transparent, and respect countries’ sovereignty and territorial integrity”.¹⁵¹ It is high time that Russia, India and China in the auspices of RIC forum decide to chalk out an all-encompassing cooperative economic and not the current competitive strategy in Central Asia. India currently lacks the resources to support any competing or alternative networks. Its position on the BRI and CPEC has been enunciated by the reply of Minister of External Affairs to a question in Lok Sabha on 5 February 2020.¹⁵² The question still remains if we can we can reconsider that component of the BRI which has a bearing on our engagement in Central Asia and leave out the contentious CPEC part, which should be certainly unacceptable to us in the present form? This will strengthen

¹⁵⁰ Das Gupta S, “India only SCO member to oppose China’s BRI”, *Times of India*, 10 June 2018, Available at <https://timesofindia.indiatimes.com/india/india-stays-out-of-move-to-support-chinas-bri-at-sco-meet/articleshow/64533390.cms> (accessed on 6 July 2022).

¹⁵¹ “India refuses to endorse China’s Belt and Road Initiative in SCO summit statement”, *Hindustan Times*, 10 June 2018, Available at <https://www.hindustantimes.com/india-news/india-refuses-to-endorse-china-s-belt-and-road-initiative-in-sco-summit-statement/story-sk9cC8d1zD3Zwje6Rnh0uI.html> (accessed on 06 July 2022).

¹⁵² Lok Sabha, Unstarred Question No. 606, Answered on 05 February 2020, BRI and CPEC, Available at <https://www.mea.gov.in/lok-sabha.htm?dtl/32353/QUESTION+NO606+BRI+AND+CPEC>

India's access to important markets and resource suppliers in Central Asia. The former NSA Shiv Shankar Menon contends that even limited implementation of the BRI 'will markedly change the economic and strategic landscape within which we operate, and India must prepare for that change'.¹⁵³

There are contrarian views on the issue, such as the one by Kanwal Sibal, India's former Foreign Secretary, who is opposed to the thought. He believes that the BRI has institutionalised "China's desire to control the Eurasian landmass in transition toward equal status with the United States." He claims that the project's goal is to "create a China centric structure in Asia," which will exclude other Asian states such as India. 'If India joins, it will signify that it accepts China's unavoidable dominance in Asia'.¹⁵⁴ According to the views of several strategic thinkers, China's "connectivity revolution" has spurred India to accelerate its own infrastructure development, prioritise connectivity projects abroad, and collaborate with foreign countries such as the United States and Japan to give alternatives to the BRI.¹⁵⁵ Is it possible for India to benefit from China's overcapacity and infrastructure investment in Central Asia? According to Prof. Stobdan, instead of resisting the BRI, New Delhi should incorporate some of its own connectivity ambitions into the BRI. This will improve India's access to Eurasia tremendously.¹⁵⁶ It has also been suggested that New Delhi's participation in the BRI is beneficial

¹⁵³ "China's Belt and Road Initiative opportunity for India-Shiv Shankar Menon", 21 April 2017, Available at <https://economictimes.indiatimes.com/news/politics-and-nation/chinas-belt-and-road-initiative-opportunity-for-india-shivshankar-menon/articleshow/58299928.cms> (accessed on 06 July 2022).

¹⁵⁴ Sachdeva Gulshan, "Indian Perceptions of the Chinese Belt and Road Initiative", Europe Area Studies Programme, Centre for European Studies, Jawaharlal Nehru University, Available at <https://research.hktdc.com/en/article/MzYzMDM2MTMy> (accessed on 06 July 2022).

¹⁵⁵ Ibid.

¹⁵⁶ P. Stobdan, *India and Central Asia-The Strategic Dimension*, Manohar Parrikar Institute for Defence Studies and Analysis, Available at <https://www.idsa.in/book/india-and-central-asia-the-strategic-dimension>

not only to India but also to the entire South Asian region, as several of these economies are closely linked to India's. By joining the BRI, India can play a leading role in the integration of South Asian infrastructure and economies.

Suffice it to mention: India's cooperation on the connectivity matrix should be the one that provides economic benefits to the region; geopolitical benefits will automatically follow. In this regard, India should link up with the connectivity and logistics corridors of the region through collaborations with other key players. India's ultimate and long-term goal should be to use some of Central Asia's historic overland routes for continental trade and to choose the Iranian port and road rail system as a separate route, or even as a complementary route, to the Pakistan-Afghan route.

Prime Minister Shri Narendra Modi visited the five Central Asian nations in 2020. An additional US\$1 Billion debt line to expand connectivity and energy sectors was launched during the visit. A business council was established as brought out earlier. Indian Foreign Minister Dr. S Jaishankar visited Dushanbe in March 2021 to attend the 9th Heart of Asia - Istanbul Process. During the conference, Chabahar port project and TAPI pipeline project were discussed as part of connectivity issues. Dr. Jaishankar reiterated India's commitment to improving connectivity with Afghanistan through Chabahar port and a dedicated air freight corridor. He specially mentioned the 'interest of our friends from Central Asia' to be part of these initiatives. According to the Foreign Minister, "Robust connectivity within and between Central and South Asia is rooted in history. India's focus in the last few years has been to rebuild links that were diminished by the colonial period".

Some commentators have opined that India has for too long seen the region from the prism of denying Pakistan the strategic depth for Sino-Pak encirclement. This perceived weakness needs to change through strong policies and alliances with regional and global powers operating in the region. In this regard, the India-Central Asia Dialogues have been an important step for India. During the first talks in Samarkand in January 2019, India proposed the establishment of an 'India-Central Asia Development Group', air-corridors, and the participation of Central Asian countries in the Chabahar project. On

28 October 2021, during the second India-Central Asia Dialogue, India announced a US\$1 Billion credit line for infrastructure and communications projects in Central Asia. It also announced funding for community development projects and the establishment of India-Central Asia Business Council joint working groups, in areas such as energy, food processing, agro and textiles, pharmacy, tourism, aerospace, health science and health care. In the third edition of India-Central Asia Dialogue in New Delhi in December 2021, the countries discussed the use of the US \$1 Billion credit line among other key points,¹⁵⁷ During the dialogue, the participating ministers noted the ongoing discussions with regard to utilization of US\$ 1 Billion credit line announced in the second edition of the dialogue and stressed upon making efforts for its early utilisation.¹⁵⁸ It should be noted that it is important to implement announcements made in the highest forums, with alacrity.

In November 2021, the national security advisers of the five countries met in New Delhi for a regional security dialogue on Afghanistan. In fact, Central Asian countries have been aligning themselves with India's stance on Afghanistan, opposing foreign meddling and the exploitation of Afghan soil for terrorist activities. This is in stark contrast to Pakistani and Chinese strategies, which rely entirely on the Taliban to stabilise Afghanistan.

Arguably, the Afghan situation has prompted India's most recent approach to Central Asian countries. As discussed, there is also plenty of room for independent cooperation in trade, energy, and connectivity. On the heels of President Putin's visit to New Delhi in the first week of December 2021, foreign ministers of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan flew down to New Delhi

¹⁵⁷ MEA, Government of India, Joint Statement of the 3rd meeting of the India-Central Asia Dialogue 19 December 2021, Available at https://www.mea.gov.in/bilateral-documents.htm?dt1/34705/Joint_Statement_of_the_3rd_meeting_of_the_IndiaCentral_Asia_Dialogue (accessed on 06 July 2022).

¹⁵⁸ Ibid.

for the third Central Asia dialogue. This gave a boost to India's push to strengthen ties with the region. During the visit, Central Asian foreign ministers agreed that connectivity initiatives should be based on principles of transparency and sovereignty; a phrase India also uses to criticise China's opaque BRI projects, which have already seen countries fall into debt traps and sign away strategic assets.

To strengthen its role in Central Asia's emerging economy, India must actively participate in all regional economic trade and infrastructure initiatives aimed at linking Central Asian economies with those of India and South Asia. Strong economic growth in Central and South Asia will encourage policymakers in both the regions to adopt strategies for regional integration.

India has to chart a strategy of mutual benefit and not mutual competition in Central Asia. Its engagement has to be multi vectored—comprising of partnerships that provide economic benefits to the region (the geopolitical benefits will follow). For this, India has to show greater alacrity in linking up with the connectivity and logistics corridors of the region. A mix of strategic 'corridors' and 'collaborations' with other key players is the 'sine qua non' for long term engagement in the region.

In Central Asia, China and Russia are emphasizing upon raising levels of cooperation between themselves for mutual benefit over other competing players. In effect, they have split responsibilities in the region, with Russia focusing on security issues and China contributing mainly to economic development issues, particularly through investment in infrastructure. Chinese and Russian interests overlap as both see the value of promoting regional integration as a way to common prosperity. While India's relations with Central Asia go back 3000 years into history; India's role in Central Asia however, is now pushed to the margins because India lacks direct connectivity to the region. Central Asia contains vast reserves of energy and is located at key crossroads that connect East with West and North with South. But do the Russia-India-China (RIC) strategic and economic interests converge in Central Asia? How can the three powers engage with each other to further their priorities in the region? How are they finding ways to cooperate? Amid a changing world order, it is important to investigate the engagement of RIC in Central Asia.



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