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#### China factor in India's Central Asia Policy

Abstract. Since the collapse of the Soviet Union, Central Asian states by virtue of their geopolitical possessions and geostrategic locations have attracted the attentions of the countries of the region and beyond. The regional countries also left no stone unturned to influence the region in the foray of geo-economic competition. The neighbours deliberately attempted to establish close relationship with CAS, initially economic but increasingly also political and security. Particularly, China has seriously busy in massive economic engagements with the countries of the region. The recent Silk Road Initiative and pipeline diplomacy is evident enough to attest Chinese growing influence and visibility in the region. While its proximate neighbor India is sitting at the fence as mute spectator in spite of having strong historical ties, cultural bonding and superb friendship with all the countries of the region. It is in this context, this research article makes it a thrust to examine India's area of interests and policy issues in Central Asia and investigates the China factor as determinant of its policy towards what New Delhi claims as strategic neighbourhood.

Keywords: Central Asia, India, Geopolitics, Geostrategy, Energy Security, Belt and Road Initiative, INSTC etc.

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Introduction. Until recently, India's relations with Central Asian republics were viewed through the historical and cultural prisms. But in recent time, the geopolitical dynamism of the region, the geo-strategic situation in Eurasia, regional security assuming priority in the global political agenda, and geo-economic interests taking over the military aspect in the early 2000s have demanded renewed engagement from countries of the region and beyond. India being the proximate neighbour of Central Asia developed keen interests for reasons of immediate geopolitical and geo-strategic interests. Apart from this, there are several reasons that urge India's re-engagement with Central Asia: the first is to give India a substantial footprint on the hydrocarbon map of the region; Second, in view of Pakistan's pursuit of a strident Islamist agenda, India's security interest demands checking the rise of radical Islam as a political force in Central Asia; Third, it is vital to keep a tab on drug trafficking and potential weapon proliferation in this geostrategically important region. Fourth is to promote India's interests in the commercial arena; and Finally, the CARs can provide support for India's emerging regional/global power status; India's permanent membership of the UN Security Council; countering Pakistan's anti-India rhetoric and importantly, it will provide India with a grand stage alongside the US, Russia and China to play a greater role in Asian regional dynamics. India as of now cannot leapfrog to the global high table without demonstrating effective initiative at the regional level – Central Asia being an important regional constituent.

**India-Central Asia: Relations in Retrospect.** Revelation of history shows that much of India's political history was shaped by events in Central Asia. The region has been a staging ground for invasions into India. In fact the genesis of Central Asian dynamics in Indian strategic thought has been mentioned in Kautilya's *Arthashastra*. Central Asia was also a bridge for promoting Indian commerce and culture across Asia through the famous Silk Route [1]. It is also amply propounded in several sources about the closely connected relations between Indus Valley Civilization and Central Asian Khanates. Both the region shares an exceedingly superb bonding and thorough friendship in the sand's of time.

However, India's ties with Central Asia were never consistent. It was waned following the consolidation of the British Indian Empire around the mid-nineteenth century. Even though relations were revived in the years following independence, they failed to acquire any depth or intensity. Indian presence in Central Asia was characterized by its closeness to the Kremlin following the Sino-Indian border conflict of 1962 [2]. It was further strengthened by the Sino-Soviet schism in the years to come. India anyhow managed to get a cultural anchor in the region under the Indo-Soviet Friendship Treaty of 1971. However, its presence in the region nevertheless remained 'muted' and constrained by its ties to the Kremlin [3]. Further, the lack of vision for a broader engagement with the region always pushes India in the back seat. The end of the Cold War brought the world into stand steal with collapse of the great USSR. The sudden disintegration of the largest political landmass on earth undoubtedly left the Indian political establishment in shock and surprise. However, it helped in ushering a cataclysmic shift in India's foreign policy discourse – away from Nehruvian idealism towards realism and pragmatism towards the region.

This trend of realism and pragmatism is very much continued to found its place in India's relations with Central Asia in recent years. In the context of the changing geostrategic and geoeconomics dynamics in Central Asian landscape, India started recognizing the CAR as an area of strategic importance. 'Look North Policy' of India in 1990s is a standing example of this. During a visit to Turkmenistan in September 1995, the then Prime Minister P.V. Narasimha Rao made it aptly clear that 'for India', Central Asia is an area 'of high priority, where we aim to stay engaged far into the future. We are independent partner with no selfish motives. We only desire honest and open friendship and to promote stability and cooperation without causing harm to any third country' [4]. Yet, such a proclamation of the 'Look North Policy' offering the proposition of 'secularism', 'democracy', and 'literacy' as national strength that India and Central Asia both share has waned for years to come. So much so that, at present hardly anybody have any idea of what Look North Policy was all about. Ironically when put into context many confuse it with Look East Policy. This probably reflects India's least strategic priority towards the region at least in the 1990s. When the world powers positively remained engaged in CAR, India – a strategic neighbour choose to stay away from the region under the guise of domestic compulsions in Kashmir and economic downturn facing the nation.

Nevertheless, time have the heeling capacity. The trend of realism and pragmatism that was vanished for a while in the policy making process once again resurfaced in India's foreign policy doctrine of 1997 popularly known as 'Gujural Doctrine' [5]. Although the UPA government in 2012 has taken an initiative to remain engaged with Central Asia through its 'Connect Central Asia policy' literally it has no strategy and vision to work out that policy to be realized in practice. Public rhetoric gained momentum with lots of expectation especially with the coming to power of the BJP (Bhartiya Janata Party) with Prime Minister Mr. Narendra Modi as its leader. In the initial years of his term he was successfully able to accomplish an active foreign policy agenda for India having a definite approach towards neighbours - Central Asia being the main geostrategic linchpin. The changing dynamics of Central Asian geopolitics, emergence of new regional Islamic outfits, increasing violence in Afghanistan, rise of non-state actors in Pakistan, growing influence and visible presence of China in Eurasia, changing regional balance of power along with the new emerging zones of conflict in West Asia demands that it is high time that New Delhi must formulate innovative ways to engage with Central Asian regions. Apart from this, India has lot of stakes in the region as the heartland region is pregnant with hopes and aspiration as far as India's energy security, economic and strategic interests are concerned.

# India's Expanding Interests in Central Asia

### Security Interests

India's security is closely tied to the instability in the region between Afghanistan and Pakistan. The unholy alliance between the Taliban and Pakistan has contributed to terrorist attacks against India on several occasions. Various Pakistan-supported terrorist groups active in Kashmir, such as Lashkar-e-Toyyaba and Jaish-e-Mohammed, received military training in Afghan camps alongside Central Asian militant groups such as the Islamic Movement of Uzbekistan and Tajik and Uighur militants [6]. The IMU has close links with the Taliban and the ISI [7]. A UNI report dated 3 April 2000 States that "Afghan and Pakistan trained mercenaries are seeking fresh pastures to exploit their brand of fundamentalism with Tajikistan, Kazakhstan and Kyrgyzstan emerging as their new hot spots." [8]. To counter these, India's cooperative security initiatives have already begun with Tajikistan, Uzbekistan, Kyrgyzstan and Kazakhstan [9]. A 2014 attack in Xinjiang province has further exposed a close knit nexus between IMU and terror groups operating from Pakistan with a strident Islamic agenda.

# Drug Trafficking

Drug trafficking poses a major security threat to India and the region at large.<sup>8</sup> Afghanistan has been the largest opium producer of the world according to World Drug Report, 2011 [10]. Central Asia because of its geographical location and its proximity with Afghanistan has become a hub of drugs and narcotics transportation. Three of Central Asian states, Tajikistan, Turkmenistan and Uzbekistan share their borders with Afghanistan. Tajikistan is the gateway for Afghan drugs to Central Asia. According to the annual report of International Narcotics Control Board one third of Afghanistan's opium crop passed through Tajikistan and its neighbor country Kazakhstan. The emergence of Central Asia as a transit route for drugs is directly linked to the growing spread of drug addiction amongst the Central Asian people and funding of terrorist organization which in turn used against India. India therefore needs to pay greater heed to drug trafficking, since much of the money generated is used to fund activities of extremist Islamist terror networks. This is an area where India has a broad overlap of interests with the three other key players in the region – US, Russia and China – with whom it could engage in multilateral cooperation.

# Energy

The former Prime Minister of India Dr. Manmohan Singh has reiterated several times that "energy security is second only in our scheme of things to food security." [11]. Assured, uninterrupted supply of energy is critical for running India's economic engine. India's dependence on imported oil is projected to escalate from the current level of 83.5 per cent as of June 2012<sup>9</sup> to more than 90 per cent by 2030 [12]. Central Asia has an estimated 4 per cent (270–360 trillion cubic feet) of the world's gas reserves [13]; its oil reserves are pegged at 2.7 per cent (13–15 billion barrels) [14].

The energy resources of Central Asia including the Caspian Sea region will play an important role in India's energy strategy. Central Asian oil and gas are of high quality and are largely untapped. The investment environment is open and friendly [15]. In addition, Central Asia is relatively more stable than the Middle East and African energy-rich countries.

# Enriched Uranium

Central Asia previously served as a raw materials base for the Soviet weapon programme, with Kazakhstan holding large reserves of high-quality uranium, while Kyrgyzstan has substantial amounts of nuclear waste. Uzbekistan and Tajikistan hold sizeable uranium reserves and have the potential for its enrichment.

## Economic and Trade Relations

Although, in economic terms India and Central Asia do not share much satisfactory relationship, India has somewhat meagre presence in Central Asian energy sector and growing presence in the field of pharmaceuticals. Trade in consumer goods is increasing but is constrained by economic barriers, particularly in Turkmenistan and Uzbekistan. With Tajikistan, India's trade was worth \$10.7 million in 2004–5 and \$32.56 million in 2009–10 [16]. Ajoint venture between India's Ajanta Pharma and the Ministry of Health in Turkmenistan, named Turkmen Derman Ajanta Pharma Limited (TDAPL), provides approximately half of the pharmaceutical needs of Turkmenistan.

<sup>8</sup> World Drug Report, 2011

<sup>9</sup> TERI "National Energy Map for India – Technology Vision 2030", The Energy Research Institute, New Delhi, 2003.

India has widened information exchange programmes with Turkmenistan, establishing the \$0.5 million Turkmen-Indian Industrial Training Centre as a gift to train Turkmen citizens in basic skills in the manufacture of tools and components, in business practices for small and medium enterprises, and to provide financial, computer, and language training through its Indian Technical and Economic Cooperation (ITEC) programme [17].

India's trade with Uzbekistan amounted to more than \$121 million in 2004. There are more than thirty Uzbek-Indian joint ventures in Uzbekistan.<sup>10</sup> A significant source of revenue for India is in pharmaceutical sales from Ajanta Pharma and Reddy Labs.<sup>11</sup> The two countries are considering Indian gas exploration in Uzbekistan through India's Oil and Natural Gas Corporation (ONGC) and Gas Authority of India Limited (GAIL).<sup>12</sup>

India's exports to Kyrgyzstan were worth \$22.56 million in 2010–11 and Kyrgyz exports to India amounted to \$1.2 million [18]. Apparel and clothing, leather goods, drugs and pharmaceuticals, fine chemicals and tea are some of the important items in India's export basket to Kyrgyzstan. Kyrgyz exports to India consist mainly of raw hides, metallic ores and metal scrap.

Trade between India and Kazakhstan in 2011 was around \$291.50 million [19]. Major commodities of export from India to Kazakhstan are tea, pharmaceuticals, medical equipment, machinery, tobacco, valves and consumer items. Major items of import by India are asbestos, soft wheat, steel, aluminium, wool and raw hides. Prospects for cooperation between the two countries in the spheres of oil and gas, civil nuclear energy, metals and minerals, agriculture, public health, information technology, education, culture and defence are promising. The two countries are developing bilateral trade in mechanical engineering and pharmaceuticals and in the defence sector. An agreement between ONGC Videsh Ltd. (OVL) and KazMunaiGaz on Satpayev oil block in the Caspian Sea and a MoU between NPCIL and Kazatomprom envisaging cooperation, including supply of uranium to India among others, was signed in 2009. An MoU for cooperation in the field of space, an extradition treaty and the protocol on the accession of Kazakhstan to WTO were also signed in 2009. A fresh agreement between OVL and KazMunaiGaz for the purchase of 25 per cent stake in the Satpayev oil block was signed in Astana on 16 April 2011 during the visit of Prime Minister Manmohan Singh. Discussions are currently underway for cooperation in the fields of fertilizer production, setting up of a petrochemical complex, a sulphuric acid plant, gold mining, thermal power plants, an Information Technology Park, etc. Agreements in the fields of agriculture, health, culture, science and technology, and education etc. are also being discussed.

The Central Asian countries also provide a convenient and low-cost hub for Indian travellers. Services in the form of flights from India to London, the US and Europe provide a lucrative export for the CARs.

### Pharmaceuticals and Healthcare

A key area of cooperation between India and Central Asia is pharmaceuticals and healthcare. India has a competitive advantage in the global market in this field. Some of the Indian companies exporting pharmaceutical products to Central Asia are Claris Life Sciences, Ranbaxy, Dr Reddys Labs, Lupin Laboratories, Unique Laboratories and Aurobindo Pharma. Some of these companies are planning to set up manufacturing units in Central Asia itself. The pharmaceutical factory of the Kazakh-India joint venture Kazakhstanpharma is in the process of completion in Almaty.<sup>13</sup>

## Investment Potential

To facilitate trade and investment with this region, Indian policymakers in the last decade have created an institutional framework. The government has set up intergovernmental commissions for trade, economic, scientific and technical cooperation with all the CARs, which have been meeting regularly. These relations have been further institutionalized through joint working groups in various fields, such as information technology, science and technology, hydrocarbons, military-

10 Uzbek Embassy, New Delhi "Uzbekistan President Starts State Visit to India", 2005.

11 "India-Kyrgyzstan Relations", Ministry of External Affairs, Government of India, March 2012

12 "India-Kazakhstan Relations", Ministry of External Affairs, Government of India, February 2012.

<sup>13 &</sup>quot;Indian FM's Tajik Visit Shows Desire for Stronger Central Asian Ties", Central Asian Newswire, 6 July 2012

technical cooperation, etc. The Indian government also extends small lines of credit to the CARs to enable Indian exporters to export to these markets without payment risk. In this scheme, about 15 to 20 per cent of the contract value is paid as advance by the importers; the balance contract value is disbursed by India's EXIM Bank upon the shipment of goods. EXIM Bank oversees the recovery of credit. To promote and facilitate trade, double taxation avoidance agreements have also been signed [20].

There have also been improvements in terms of cooperation in the banking sector. Canara Bank has links with the Commercial Bank for Foreign Economic Affairs of Tajikistan. The State Bank of India has links with Turan-Alem Bank of Kazakhstan, the Commercial Bank of Kyrgyzstan, the National Bank of Tajikistan, the State Bank for Foreign Economic Affairs of Turkmenistan and the National Bank for Foreign Economic Activity of Uzbekistan. In 2003, the Indian Ministry of Commerce launched a programme named Focus CIS. The first phase focused on the five CARs plus Azerbaijan and Ukraine. Other CIS countries have also been included in the programme, which aims to promote business-to-business linkages, support trade fairs and different promotional meetings and seminars.<sup>14</sup> In 2012, India's Minister for External Affairs, S.M. Krishna, used the phrase "Connect Central Asia" based on the premise of four Cs: commerce, connectivity, consular and community<sup>15</sup>, which seems to be taking the bilateral relations between the two Asian neighbours to a higher level.

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

## Military Cooperation

Militarily, India has had a weak presence in Central Asia. Among the Central Asian Republics, the Tajik-Indian relations are crucial in establishing India's military presence in Central Asia. Ayni air base - what would have been India's first military base overseas was delayed and subsequently cancelled due to Russian instigation. The Ayni air base is located near the Tajik-Afghan border and could potentially be key to securing Indian interests in Afghanistan as a match for Pakistan. Previously, in 2001, India had set up military hospitals that served wounded Northern Alliance leaders during the fight against the Taliban which helped establish good relations with the Tajiks. Now, talks are floating about re-opening of Indian military hospital and extending Indian presence at the Fakhor Air Base. Given that India's only border with Central Asia near Kashmir is separated by a narrow strip of Afghan land, and is occupied by Pakistan, the Tajik airbase will be absolutely instrumental in gaining military strategic depth and India should continue to pursue that option.

Currently, the Tajik-Indian relations are the only military footprint that India has in the region. The Indian Army Chief's visit to Kazakhstan and Uzbekistan in November, 2011 is an indicator of the seriousness with which India is now looking at re-engaging with Central Asia. Nevertheless, the road will not be easy given the past experiences.

### CASAREM

The Central Asia-South Asia Regional Electricity Market (CASAREM)<sup>16</sup> is based on the vision of a Greater Central Asia. This in turn is based on the premise that Central and South Asia are, or can become, a single integrated unit committed to economic activity and growth. The countries of the region, and particularly India as the leading force of South Asia, have deep cultural and

<sup>14</sup> http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/0

<sup>15</sup> contentMDK:22743334~pagePK:146736~piPK:146830~theSitePK:258599,00.html

<sup>16</sup> www.ufa2015.com

historical ties and many common concerns such as against terrorism, finding outlets for energy supplies, achieving prosperity through economic cooperation, and moving towards enhanced security and stability. This concept further strengthens the spirit of regional security and regional cooperation.

## SCO and India

The SCO has now emerged as a major geo-strategic, security and economic initiative in the entire Eurasia. India's full membership as accorded in the *Ufa Summit* of SCO held between 9-10 July in Russia<sup>17</sup> is a stepping-stone for regional cooperation in Eurasia. This is also for the first time both SCO and BRICS (Brazil, Russia, China and South Africa) member countries are meeting in the same platform. Nevertheless, membership in the organization will not merely help India in getting entry into the region but also would enable to propel its interests' vis-à-vis China in the region. It would also facilitate India to counter Pakistan's anti-India propaganda and ensure its economic participation with the greater Central Asian region.

# **India's Policy Initiative**

### India's Connect Central Asia Policy

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

## Great Power Game and India's soft power

As of July 2015 the U.S., Russia and China are the three major strategic players in Central Asia. India is a let comer and disinterested power in the region. The US entered into Central Asia in the early 1990s with the issues of geostrategy, security, energy and democracy keeping in mind. However, its presence was further strengthened only around 1994 with the focus largely concerned on the oil and natural resources of the region, to administer and control the pipelines origined out of Central Asia and to maintain a balance of power by countering China and restricting Iran. The main objective then was also to take care of the nuclear instability that could emerge if Iran or Pakistan gained access to the Central Asian uranium mines. The US objectives were also to save the region from the threat of Islamic fundamentalism, to strengthen the role of Turkey and block Russian influence in the region.

China and Central Asia have been closely intertwined in history and that relationship has begun to re-emerge today. This has further led to booming relationship between the two natural allies in the early years of the 21<sup>st</sup> Century. China shares 3500 km of border with Kyrgyzstan, Kazakhstan and Tajikistan. In the early years of the CARs' independence China was interested only in the political stability of the region and in preventing Islamic fundamentalism taking roots there. Eventually, to loosen the hold of the US in the region China boosted its diplomacy in the region. Nonetheless, China's major interests in the region also includes: to get access to energy resources of CARs, and to address its problem of East Turkestan movement in Xinjiang. It initiated in 1996 the formation of Shanghai Five with Kazakhstan, Kyrgyzstan, Tajikistan and Russia to stabilize its borders, to promote peace and cooperation in the region and to develop greater trade relations with the CARs. Uzbekistan joined the organization in 2001, when it was renamed as Shanghai

Petersen A. "In the hunt for Caspian Gas, the EU can learn from China" // European Policy Centre. – 2012

Cooperation Organization (SCO). China also transformed the Xinjiang-Uighur Autonomous Region into a free market zone in 1998 to strengthen cooperation with Kazakhstan and to open up trade routes in the region. Xinjiang has major significance for China beyond issues of territorial integration and regional harmony, as it has one of the biggest oil-bearing basins in Asia - the Tarim basin. China is also the second-largest consumer of oil in the world after America. China has great interest in gaining access to the rich deposits of hydrocarbon and hydroelectric resources of the region. Beijing is actively taking part in exploring the Aktyubinks and Mangyshlak oil deposits and building an oil pipeline in the Kazakhstan-Xinjiang region. China is the major energy partner of Kazakhstan and Turkmenistan on the eastern side of the Caspian. China worked to create the world's fastest-built natural gas pipeline, linking Turkmenistan's vast south-eastern gas fields with Kazakhstan and Uzbekistan's formidable reserves to help slake the second-largest economy's seemingly unquenchable thirst for resources [22]. China now plans to export 65 billion cubic metres (bcm) of gas from Turkmenistan annually, more than double that envisioned for the largest capacity version of the Nabucco pipeline. Two strings, or portions, of the Central Asia-China pipeline are already completed, connecting Turkmenistan to China through Uzbekistan and Kazakhstan. A third is already under construction along the original route and a fourth would potentially take an alternative path through relatively stable northern Afghanistan and Tajikistan to China's Xinjiang province and thence onward to the burgeoning east coast. The pipeline was operational a record 18 months after its original announcement.

Russia on its part has three major reasons for being involved in Central Asia. One is to protect ethnic Russians in the region. Second, to maintain access to important resources of the region such as precious metals. Third, to restrict the influence of the external powers in the region in general and the US in particular and also to retain its influence in the region.

Although Russia, China and the US are the major geo-strategic players in the region, the influence of Islamic countries such as Turkey, Iran, Saudi Arabia, Pakistan and Afghanistan should not be underestimated. The competitive rivalry between Turkey and Iran in Central Asia is unique. Both have taken steps to convince the CARs to recognize their respective roles in the region. Turkey has been concerned that Iran may attempt to turn the Muslim nationalities towards theocracy, while Iran is worried that Turkey's active role in the region is aimed at pan-Turkism. This rivalry has been further accentuated with the United States' open support to Turkey and Russo-Chinese backing to Iran. Pakistan on its part has offered political support, economic integration and ideological solidarity to the CARs, hoping to pave the way for a broader strategic unity. The role of Iran, Turkey and Pakistan has been transformed over the year with regard to Central Asia. Particularly, after the 2001 world trade centre attack incidents the regional politics in the CAR got intertwined with larger national security perspectives of the nations surrounding Central Asia and Afghanistan. For Iran, greater US involvement brought in mixed results: engagement in Afghanistan by US forces strengthened the security of Iran while engagement in Central Asia seems to have encircled Iran. For Turkey, rising dynamics of regional politics and the US encouragement helped in underpinning its position in the region particularly in the Pipeline diplomacy sector. For Pakistan, Central Asia is a land of fellow Muslim brotherhood and hence a friendly zone for propagating anti-India propagandas. And she is still continuing with the very idea, although not positively reciprocated by the Central Asian democratic secular republics. Importantly, none of them have identical interests in Central Asia except Iran having larger role in the regional dynamics.

The roles played by powers such as Iran, Turkey and Pakistan in Central Asia will continue to depend, as they do today, partly on their domestic dynamics and problems; and partly on their relationships with one another and the great powers. Given the number of parties involved, the intricate puzzle that is the regional politics of Central Asia is likely to remain for the foreseeable future a web of complex, intricate, and sometimes contradictory relations. India needs to seize the opportunity in both hands by engaging these contradictory powers with each other while keeping an eagle eye on her interests in mind. Iran and Turkey are friendly countries of India while Pakistan is the lone anti-India propagandist that needs to be tamed in iron hand.

### **Methods of Analysis**

To accomplish the objective of this article, the study has adopted an explorative research design based on: review of the prior research hitherto been conducted on the area and Case study of India's relationship with the Central Asian republics. A comparative analysis of China and India's relations with the region has been done by reviewing the materials and data collected for the study purpose. The 'mixed blessing' doctrine has been adopted drawing the analogy from the win-win situation of game theory to study the benefits for both the regions from the active engagement and energetic relationships.

## **Result and Discussion**

Despite according high strategic and geopolitical importance to the Central Asia region since its inception in 1991 successive governments of India thoroughly failed to formulate a concrete policy towards the region. It should be noted here that during the visit of Indian Prime Minister Mr. P. V. Narasimha Rao to Turkmenistan in 1995 stated that, "for India, Central Asia is an area of high priority, where we aim to stay engaged far into future. We are independent partners with no selfish motives. We only desire honest and open friendship and to promote stability and cooperation without causing any harm to third country." Ministry of Defence, Government of India in 2015 highlighting the importance of the region as strategic neighbourhood asserted in its report that, "due to strategic proximity to Middle East and South Asia, Central Asia has emerged as a distinct geopolitical entity stimulating global attention and interests. The region has vast untapped potential of oil, gas and other strategic minerals. Engagement with Central Asian States is thus as essential component of our security"<sup>18</sup>. In 2012 while participating in India-Central Asia dialogue, India's Deputy Foreign Minister Mr. E. Ahmad was instrumental in formalising the 'Connect Central Asia Policy (CCP).<sup>19</sup> Responding to the region's impeccable importance Indian strategic expert K. Subramaniam observed that "the Central Asian republics posed the most excruciating and complex challenges to Indian diplomacy judged whether by geostrategic compulsions or by India's energy concerns." Also known as India's extended neighbourhood and strategic linchpin in the initial years India lost touch with the region. There were only nominal bilateral relations and engagement with only cultural and historical touch while pragmatism was no where substantiated in the policy process. In fact, India was dubbed as the late comer and disinterested power in the region by several experts and policy analysts. However, the recent change in government in New Delhi also signalled the change in policy formulation as the incumbent Prime Minister since his assumption of office has acted pragmatically in foreign policy front. His recent visits to Central Asia in this context are of paramount importance for both regions. In July 2015, Prime Minister Mr. Modi visited all five Central Asian states, participated in BRICS and SCO Summits literally being the first Indian Prime Minister to do that naturally has provided an impetus to the bilateral relationship of India with the heartland countries. The much awaited visit of Indian Prime Minister and the changing dynamics of the region will get a ray of hope since the visit was much awaited and anticipated. There are many expectations from not only the regional countries but also from the observers of Central Asia in India. Perhaps, to meet the expectations from the region would be the biggest challenge for the PM. His primary task would be to build new relationships, and to protect and enhance India's economic and commercial interests. So far, India has been successful in building political ties but has struggled to enhance economic and commercial ties. Its economic ties are the most unsatisfactory part of its overall good political relations with all CARs. India's Trade with the region amounts to some US \$1.6 billion as compared to China's \$50 billion. Its geographical connectivity with the region is still a major challenge [23].

<sup>18</sup> Siddiqui, Sabena India's Connect Central Asia Policy, China, 2017

Roy, Meenasingh PM's Visit to Central Asia: Envisioning India's Proactive Policy Approach towards the region, India Foundation, 2015.

### **Road Blocks**

The major hindrance between India and the Central Asian region is its geographical barrier obstructed by the great Himalayan mountain range and hostile Pakistan and rival China. However, this geographical obstruction shouldn't hamper India's great power ambition and for that India must develop the *Chhabar port* of Iran to connect with Central Asia without depending upon Pakistan and China. This can be done only when the India leadership express its political willingness and economic desire to be engaged in the region. Iran on it part has already conveyed its desire to allow India to develop transit lines through Iran and to use its land and ports for transportation.

## **The China Factor**

One of the important agenda of China in the post- Cold War years remains the energy procurement and preservation, on account of its heavy domestic demand. As a result, China has expanded its wings, starting from South Asia to Latin America. It started investing heavily in the downstream sector, building oil refineries and pipelines across the region to satisfy its domestic demands. So, its current involvement in the Central Asia with which it shares 3500 kilometers of border has not been an isolated matter. China, the world's second largest importer, has been importing pipeline or liquefied natural gas for transforming its own economy. In Central Asia, Kazakhstan is the most important energy partner of China. Beijing controls approximately 20 percent of Kazakhstan's oil production and has constructed world's longest pipeline running 2,300 kilometers from the Caspian Sea to the Xinjiang province [24]. Chinese National Petroleum Company (CNPC) also owns a significant stakes in the Kashagan oil field. It also owns several small oil fields in Kazakhstan. In addition, Kazakhstan serves as the transit route for Chinese oil transportation.

China also directly imports gas from Turkmenistan - the main gas exporter of the region. Beijing has constructed the Central Asia-China gas pipeline. Uzbekistan also supplies gas to China through the upgraded pipeline network. Recently China and Uzbekistan have inked a bilateral energy deal of \$15 billion in 2013. It has also financed two other refineries in Kyrgyzstan, in the towns of Kara-Balta and Tomak. The 2013 visit of Chinese President Xi Jinping and signing of worth tens of billions of dollars energy deal with Central Asia states. Given the current energy engagement of China in Central Asia the IEA has estimated that China may be importing up to 50 percent of region's oil and gases by 2020 leading to decisive shift in Central Asia's energy flow from west to east.

In the context of Central Asia – China relations, the scenarios of both confrontation and cooperation will have consequences for India. Three out of five Central Asian states share boundary with China. This allows China to be the proximate player in the region. It is also believed in certain quarters that, although Central Asia is a Russian hinterland, it is not Russia but China whose presence worries the US most in the region. The same is also true with India. Chinese growing presence in Central Asia and its massive economic package, military aid and political dominance in the region hampers India's strategic vision towards Central Asian geopolitics. SCO is the mechanism through which China pushes its agendas in Central Asia. Such is its dominance in Central Asia that it goes alone in the region when it comes to energy and trade while it has a cooperation mechanism with India in others areas.

China has great interests in gaining access to the rich deposits of hydro resources in Central Asian region. Presently China is the second consumer of oil and gas in the world and may overtake the U.S by 2010 [25]. Therefore, it is apparent on part of China to depend profoundly on Central Asia, an energy hub accounting "1.7% and 5% of global proven recoverable resources of oil and gas respectively". It has emerged as a major player in Kazakhstan's oil exploration efforts. It has been actively participating in exploring Alktyuinks and Mangyshlak oil deposits and building an oil pipeline in Kazakhstan-Xinjiang region. One of the most ambitious projects signed by China includes, 5,730 kilometers long gas pipeline project estimated at a cost of \$ 11 billion between

Turkmenistan-Uzbekistan-Kazakhstan-China in which a consortium of companies from the U.S, Japan and China have already been conducting preliminary surveys for quite some time.

## **Policy Suggestions**

Through the better part of India's history, links with Central Asia had been the most important in its contact with the outside world. In fact, traditionally India's aim had been to take its philosophical and cultural message across Inner Asian countries up to the remote Siberian region. During the British period, political officers, explorers, surveyors and traders, obviously for the 'Great Game' postures, maintained some interest in Central Asia. However, in the post-independence period, India has grossly and perhaps consciously overlooked the studies and understanding of its non-South Asian neighbouring areas, which traditionally formed 'buffer zones' against external aggression. However, during the 1970s to 1990 India's Central Asia policy was factored by the Soviet Union. Due to health Indo-Soviet relations, Indian relations with Central Asia were cordial and close. In the early 1990s, with the disintegration of the Soviet Union, India's focus in the region again remained poor and dismal. However with the increasing geopolitical and strategic significance of the region for India, it directed its foreign policy formulation towards the region. To which many called as India's "Look North Policy". This policy is basically meant to promote democracy, secularism and peaceful co-existence in the Central Asian region. The situation has however been changed with evolving energy scenario in the region. Accordingly policy formulation of the countries changed responding to the region's demand. In this context, India's policy option still unclear and confusing. Perhaps, it wouldn't be an exaggeration to say that probably India doesn't have any valid energy policy for the region.

India, so far, has not achieved any success in winning any deals in the Central Asian oil sector. The reasons for this are many - ranging from technical hurdles to high stake politics. The problem of inaccessibility apart, the issue of avoiding transit through Pakistan itself has become a fact of life. Therefore, it becomes essential, and inevitably so, to factor China in our energy security calculus. During the British rule, the route via Xinjiang was preferred for conducting trade and commerce with Central Asia. However, with the partition of India and illegal and forceful occupation of Northern Kashmir by Pakistan has blocked India's old trade route option in its transit route vision.

But with growing cooperation with China, the feasibility of constructing oil/gas 'Energy Highway' from Central Asia along Western China connecting to Northern India can be well assumed. If this happens, it would bring about unprecedented strategic change, let alone endowing energy supplies to the entire Northern India. Such a project connecting Central Asia and India through China will undermine the much-hyped Turkmenistan-Afghanistan-Pakistan gas pipeline project.<sup>20</sup>

Until such a time when construction of direct oil and gas pipelines becomes possible, India's interest should remain focused in the petroleum management sector. The Caspian Sea region and Kazakhstan offer enormous opportunity for Indian technicians and experts. Indian presence in the region is already growing, as hundreds of Indian technicians and skilled workers are finding their way into infrastructure development projects. About a thousand Indians are already working in Aksai and Karachaganak-based Consolidated Construction Company (CCC) and SAIPEM Company, undertaking pipeline construction. With the increasing participation of the Indian workforce in petroleum management, the Caspian Sea region and Central Asia would inevitably become another Gulf model for India.

It is therefore, necessary for India to evolve its own perspective and understanding, and to broaden its operational scope of Central Asia. In this mission it also needs to include Afghanistan and the frontiers of China (Xinjiang) in its greater Central Asian vision.

The key elements of India's strategy towards this region could include:

<sup>20</sup> Sascha Muller Kraenner, China's and India's Emerging Energy Foreign Policy, German Development Institute, Bonn, 2008

• Developing a long-term innovative strategy to enhance engagement with the region, particularly in energy, transportation sector. Need to give further push to International North-South transport Corridor (INSTC).

• Embracing regionalism, besides bilateralism as a tool of its engagement with the Eurasian region. This would mean greater cooperation with China, Iran, Afghanistan, Pakistan and Russia in the regional context.

• Concentrating and supporting the Central Asian led regional groupings.

• Exploring prospects of cooperation between the CARs and the SAARC would go long way in augmenting cooperation between South and Central Asia.

• Capacity building in Central Asia to become the key area of India's Central Asia policy.

• Encouraging big business houses' involvement in Central Asian market.

• Announcing more fellowships for the Central Asian students and establishing additional Indian study centers in CARs and Central Asian study centers in India.

• Committing certain amount say \$10 to 15 billion in next five years, to promote India-CARs engagement.

**Conclusion.** India and Central Asia are strategic neighbours and natural allies. The two regions are geographically proximate, share common history and cultural affinity. As part of its regional geo-strategy, India requires to pursue serious and active bilateral and regional agreements to promote security in the region. It needs to carry forward the goodwill from the close relations it maintained during the Soviet times. It is the high time that Mr. Modi must view seriously India's Look North Policy as an important parameter of India's foreign policy like its Look East counterpart in order to pursue New Delhi's regional agenda, security issues, national interests, energy security, check of errant Pakistan and to offset the Chinese influence in the region. India can do what it wants in the region because of its soft power image and its policy of non-interference in the internal matters of any country and a standing history of non aggression against any country and as leader of third world countries in global forums. Nevertheless, any policy shift can only be possible when India is ready to upgrade its economic relations with the region and prepared to enter into their markets in a big way. To my mind, massive economic engagement at industrial level and academic and research sponsorship at policy level will provide leverages for India which New Delhi must need to ponder over.

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# Рамакруша Прадан

Факир Мохан Университеті, Баласоре, Үндістан

Үндістанның Орталық Азия саясатындағы Қытай факторы

Аннотация. Кеңес Одағының ыдырағаннан кейін, Орталық Азия мемлекеттері геосаяси байлықтары мен геостратегиялық ұстанымдарына байланысты аймақ елдерінің назарын өздеріне аудартты. Аймақтық елдер геоэкономикалық бәсекелестік аясында аймаққа әсер ету үшін бар күштерін жұмсады. Көрші Орталық Азия елдерімен тығыз қарым-қатынас орнатуға тырысты, бастапқыда экономикалық, кейін саясат және қауіпсіздік салаларында болды. Атап айтқанда, Қытай аймақ елдерімен кең ауқымды экономикалық міндеттемелермен айналысады. Жақында Жібек жолының бастамасы және құбырлы дипломатия Қытайдың өсіп келе жатқан ықпалын және аймақтағы қатысуын растау үшін жеткілікті. Оның ең жақын көршісі Үндістан күшті тарихи, мәдени байланыстары мен аймақтың барлық елдерімен жақсы достығына қарамастан, үнсіз көрермен ретінде қалуда. Бұл тұрғыда осы зерттеу мақаласы Орталық Азиядағы Үндістанның мүдделері мен саяси мәселелерін

зерделеуге серпін береді және Қытайлық факторды Нью-Делидің стратегиялық көршіміз деп мәлімдейтін саясатының айқындаушы факторы ретінде қарастырады.

Түйін сөздер: Орталық Азия, Үндістан, Геосаясат, Геостратегия, Энергетикалық кауіпсіздік, «Бір белдеу - бір жол» инициативасы, Солтүстік-Оңтүстік халықаралық көлік дәлізі.

### Рамакруша Прадан

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#### Китайский фактор в центрально-азиатской политике Индии

Аннотация. После распада Советского Союза государства Центральной Азии в силу своих геополитических владений и геостратегических позиций привлекли внимание стран региона и за его пределами. Региональные страны также сделали все возможное, чтобы повлиять на регион на фоне геоэкономической конкуренции. Соседи сознательно пытались установить тесные отношения со странами Центральной Азии, изначально экономические, но все более и более в сферах политики и безопасности. В частности, Китай серьезно занят крупными экономическими обязательствами со странами региона. Недавняя инициатива «Шелкового пути» и трубопроводная дипломатия достаточно очевидны, чтобы подтвердить растущее влияние Китая и его присутствие в регионе. В то время как его ближайший сосед Индия сидит на заборе как немой зритель, несмотря на наличие сильных исторических связей, культурных связей и превосходной дружбы со всеми странами региона. Именно в этом контексте эта исследовательская статья дает толчок изучению области интересов и политических вопросов Индии в Центральной Азии и рассматривает китайский фактор как определяющий фактор своей политики в отношении того, что Нью-Дели претендует на стратегическое соседство.

Ключевые слова: Центральная Азия, Индия, Геополитика, Геостратегия, Энергетическая безопасность, инициатива «Один пояс один путь», международный транспортный коридор Север- Юг.

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