

Indo-Central Asian Cooperation: Interests and Challenges

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Abstract

With the end of the cold war and the disintegration of the Soviet Union has brought major changes in India's security policy. The demise of Soviet Union has resulted in the emergence of time new independent state, known as Central Asian States. The countries are poor but rich in mineral resources. The world is attracted towards this region how to exploit the region for their own benefits. The author has examined this issue in the light of Indian compulsions and challenges that it could have to have from the major powers and the growing the instability in the region.

Key Words: geo-strategic, geo-economic, democratization, ONGC, Indo-US Civil Nuclear Cooperation, radical islamisation, operational airlift, TAPI pipeline.

Introduction:

India had close affinity with Central Asia through the famed silk route. It was also a period where invasions from time to time took place in the region. It resulted in the movement of people, goods, and culture. Interaction of this kind could be portrayed in classical Indian literature, poetry and the Sufi belief of Islam. With the emergence of the British Indian Empire its ties with Central Asia suffered heavily. Though these were revived after independence, they failed to acquire any depth. Indian presence in Central Asia was revived by its closeness to the Kremlin during the Sino-Indian border conflict of 1962. It was further boosted by the Sino-Soviet rivalry. At that time India was able to maintain a cultural anchor in the region under the Indo-Soviet Friendship Treaty of 1971. Till then, the relations with Central Asian states were only normal.

With the end of the Cold War, and the disintegration of the Soviet Union, there was much change in Indian foreign policy. Nehruvian idealism to was replaced by realism and pragmatism. It was quite clearly seen in India's foreign policy doctrine of 1997 that regarded Central Asia as "our near abroad". Indian strategic and foreign policy towards Central Asia have to be examined in the context of the larger ideological and political realignments of the post-Cold War era.

In Central Asia, with the Soviet disintegration of five new independent republics emerged in the region. Serious Indian engagement with the region began late and in the emerging new strategic environment India was able to manage to acquire a tenuous foothold in the region. But, its presence was not up to the mark. India's attempt to re-engage Central Asia states in the last decade is due to realize Indian interests in four broad areas. First, and most important, for India to have a footprint on the hydrocarbon map of the region for energy purposes. Second, was Islamic threat and India's security needs demanded a need to contain the rise of militancy as a political force in Central Asia. Third was to keep tab on drug trafficking and potential weapons proliferation in region. Fourth, was to promote interests in the commercial arena.

Geo-Strategic and Geo-Economic Significance of the Central Asia:

The New Great Game concept can be illustrated for the purpose to play more dominant role in this region. Geo-political rivalry will play its own role for the influence of Central Asia in the form of political dominance, ascendancy, security and energy. The benefits of the new Great Game are monetary profit, security of energy supplies, national economic growth reinforcing state independence, an Islamic cultural revival and enhanced politico-military position. Oil is important for sustaining economy and have stable economic growth. The struggle for Eurasian oil and Caspian petroleum has become a multidimensional security, geopolitical and economic game. The area is marked by strong competition for influence, whether at political, economic or cultural levels. U.S. oil firms control 75 percent of new oil fields with an investment of \$30 billion, represents 30–40 percent of foreign investments in Kazakhstan and Azerbaijan. The Central Asian countries have benefited from competition between the powers. Central Asia states have maintained close relations with Moscow, since much of their oil and gas exports continue to transit via Russia.

One sees that unexplored energy reserves of Central Asia and the post-September scenario have enhanced its significance in the world power struggle.¹ Kazakhstan ranked 6th in the world in terms of natural resource reserves endowed with oil, gas, uranium, zinc, tungsten and gold. Moreover, it has proven oil reserves of 30 billion barrels, highest in the region followed by Azerbaijan which has 7 billion barrels. Turkmenistan has the world's 4th largest gas reserves at 7.5 trillion cubic meters while Kazakhstan and Uzbekistan follow close with 2.41 trillion and 1.84 trillion cubic meters respectively. Thus, collectively the Caspian region contains about 46 per cent of the world gas resources. Kyrgyzstan has an abundance of water resources and the energy potential of its mountain rivers is estimated at 163 billion kilowatt-hours (bkwh) per year. Tajikistan is also rich in water resources about 65% of the total estimate of central Asia. The implications of sharing a land border with two of the most powerful nations in the world are manifold. Kazakhstan having 1.82 trillion meters of gas which forms 1.0% of the total gas reserves and Turkmenistan 8.10 which is about 4.3% of the total world. These untapped energy resources have drawn the world attention to seek their own interests. In 2009, Turkmenistan's proven gas reserves were estimated at 8.1 trillion cubic meters, It was fourth largest in the world after Russia, Iran, and Qatar.

The Caspian Pipeline Consortium (CPC) and Azerbaijan International Operating Company (AIOC) has become an integral part of the New Great Game plan. The Caspian Pipeline Consortium (CPC) project was restructured into an oil company. The purpose was to move crude oil from Western oil company production in Kazakhstan to its own separate terminal on the Russian Black Sea coast. The 1,500-kilometer CPC Pipeline was completed in 2003 at a cost of \$2.6 billion. Its current capacity of 450,000 barrels per day although Russia blocked the pipeline's expansion recently.

Energy sources are not the cause for power struggle among different players but region has become the hub of Islamic activities with famous cities of Bukhara and Samarkand. The region is a strategically located and it lies at the crossroads of Asia, Europe, the Persian Gulf, the Middle East, and the Far East. The region is also surrounded by some of the fastest growing economies in the world including China, Russia and India who not only want to invest in the region but they are competing to play the dominant role. Northern and eastern neighbors of the region could pose a threat to the supremacy of America. These great

powers has made Central Asian region a chessboard for maneuvering each other through skilled diplomacy.

Today there are different actors and new rules for neocolonial game are far more diverse and complex than it was in the 20th century. The United States took the active role from the British with echoing slogans like new world order, end of history and end of ideology. Today, not only Russia had made its presence but new regional powers such as China, Iran, Turkey and Pakistan and India have entered the new Eurasian landmass. This is important because it connects traditional East/West and North/South trade routes.

International actors are involved in regional affairs because they want to gain access to the strategic resources of Central Asia. There is a uniqueness in this new great game because of international and regional players who are not fighting for the control of territory and interested access for resources to gain strategic position.

Since 9/11, the strategic influence of Central Asia especially that of Tajikistan has increased following the attack on Afghanistan in 2001 by the America led NATO forces. The geopolitical importance of Tajikistan invited the attention both international and regional powers who are in competition with one another in the guise of a 'New Great Game' and these players sometimes cooperate-to the benefit of Tajikistan and at times putting the interests of rival players at distance. The fall of USSR had weakened the state grip over the different elements of state and had become a fertile ground for extremism and fundamentalism. The influence of Turkey, Saudi Arabia and Iran could create pan-Islamic groups in Central Asia. IMU has also changed its name to the Islamic Party of Turkestan, and it is speculated that it had widened its goals to include all of Central Asia on a pan-Islamic basis.

According to the International Energy Agency, China's overall oil needs risen to 11.3 million barrels per day by 2015. As China 20% of oil is flowing from the Strait of Hormuz and Malacca. It is the only entry point to the Persian Gulf and then now it flows roughly, China's oil imports with Iran to the north and Oman to the south . China's apprehension is that constant presence of U.S. aircraft-carrier battle groups on station may cause obstruction in the supply of oil. Another problem is the presence of U.S. navy around the Strait of Malacca. From here 80% of China's oil imports passes through both straits could and this could be soon controlled by the U.S. Navy. Hence, China's has emphasised on developing a

land-based Central Asian energy strategy. This is a pipeline-driven new Silk Road from the Caspian Sea to China's far west in Xinjiang.

The Caspian region is perceived to be of great interest to the U.S. because of two major factors energy and security. The former is important because of the U.S. policy to diversify its energy sources so that it could decrease its dependence from Middle East oil. "Democratization" is a political weapon that helps U.S. intervention to political and economic affairs of the weak states in order to protect its above-mentioned primary interests. According to the estimation of European Commission by 2030, because of growing energy demand and declining domestic production, Europe will rely on imports for 37 two-thirds of its energy needs.

Areas of Indian Interests:

Energy has been viewed as a vital factor of comprehensive 'national security'. It has cultivated alternative sources of energy and has reduced dependence on the volatile middle-eastern region. This is a cause of great concern for India. Uninterrupted supply of energy is important to keep India's economic engine in motion. Its dependence on imported oil has been projected from the current levels of 72 per cent to 83percent by 2030. The anxiety lies now to reconceptualize its strategic perspective.² The importance of this could be seen from the issue that is reflected in a speech delivered by late Dr. A.P.J Abdul Kalam: "...my government will give full importance to synchronizing our diplomatic activity with our need for energy to fuel our development needs."³ Central Asia is home to an estimated 4 per cent (270-360trillion cubic feet) of the world's gas reserves⁴, while the oil reserves are pegged at 2.7 per cent(13-15 billion barrels).⁵ India has initiated some steps in harnessing the region's energy potential which have yielded limited results thus far. The Indian government has been engaged in a series of protracted negotiations involving a 1680 km-long pipeline, to be constructed at an estimated cost of US \$7.6 billion, expected to transport 30 billion cubic meters of gas from Dauletabad gas fields in Turkmenistan via Afghanistan and Pakistan to India.⁶ Kazakhstan, with the largest proven oil reserves in the region and three of the world's richest hydrocarbon fields, is hence of prime importance in India's energy security policy formulation.

In recent years, ONGC Videsh (Oil and Natural Gas Corporation) has started investing in oilfields in Central Asia. ONGC has picked up a 15 per cent stake in the Alibekmola

oilfield and is slated to invest to the tune of US\$1.5 billion in the Kurmangazy oilfield in the Caspian Sea – both of which are located in Kazakhstan.⁷ Kazakhstan also has large deposit of high grade uranium (between 10,590-10,940kgs). This is important in the light of the recent NSG waiver for the Indo-US civilian nuclear cooperation that India needed much to procure uranium for its civilian nuclear program. In the long run it will potentially help diversify the country's energy base.⁸ On the other hand, Uzbekistan has modest hydrocarbon reserves. It acquires third-largest uranium deposits in the world. Tajikistan also has fairly sizeable reserves of uranium ore and the potential for its enrichment. Thus, the Central Asian region become significant for India for exploration of uranium to sustain its civilian nuclear program. Tajikistan and Kyrgyzstan are poorly endowed with hydrocarbon reserves but they have immense potential for the generation of hydro-electric power. Tajikistan in particular has huge untapped hydro-electric potential; each sq. km. of the territory has up to 2 million K.Whours of hydel resources⁹, and thus, very high potential for hydel power generation. It is noteworthy to note that the summer season in Central Asia is characterized by surplus production, while South Asia reels under chronic powercuts.¹⁰ Thus, India needs to think seriously about developing hydel power potential.

Security Interests:

The emergence of radical Islam in Central Asia has posed a major challenge not only to Russia and China but also to India. In India, it is felt by strategic experts that if such tendencies are not eliminated then it would become a serious threat to Indian security, especially in the state of Kashmir.¹¹ Such fears have been increased because of the increasingly close linkages that the Islamic Movement of Uzbekistan (IMU) have forged with the Taliban and the ISI.¹² Then, poverty and unemployment along with political to corruption and dictatorial regimes have provided a fertile recruiting ground for radical Islamist groups.¹³ In the UN Ireport of 3 April 2000, it is stated that “Afghan and Pakistan trained mercenaries are trying fresh pastures to exploit their brand of fundamentalism with Tajikistan, Kazakhstan and Kyrgyzstan which are emerging as their new hot spots.” Thus, the security of the entire region is closely inter-related. The extremist groups, especially the Taliban in Afghanistan and the ISI in Pakistan, have potentially affected the security of for India.

Thus, it becomes essential for India to be more closely involved in Central Asia's regional security relations and ensure that instability does not spread to other parts of Central Asia. Central Asia's significant role in South Asia's security dynamic is played by the Tajik republic which works as the most important channel for support to the Northern Alliance by India, Iran and Russia. India clandestinely ran a military hospital at Farakhor and supplied arms to the tune of US \$8 million to the Tajik-dominated Northern Alliance.¹⁴ The base also helped India's external intelligence wing, the Research and Analysis Wing (RAW), to detect Pakistani maneuvers in Afghanistan, significant among which was 'operation evil airlift'.¹⁵ India has also enhanced its security interests in the region by its recent acquisition of its first foreign military outpost at Ayni, Tajikistan. If one were to go by reports in leading publications, then this is a significant step, for it enables India to respond more effectively to crisis situations in Afghanistan and Central Asia, should its interests be at risk. Second, in event of a warlike situation with Pakistan, the Ayni airbase equips India with a potential capability to strike Pakistan in the rear. The geostrategic significance of Tajikistan for India is further enhanced in light of its proximity to the Greater Kashmir region which falls in Pakistan-Occupied Kashmir and is separated from Tajikistan by a narrow, twenty kilometer strip of Afghan territory.¹⁶

Drug Trafficking and Weapons Proliferation:

The Central Asian region has been strategically located between two nuclear superpowers, Russia and China. Then there are nuclear armed neighbors Pakistan and India around Central Asia. Central Asia earlier supported raw materials for the Soviet weapons program. Kazakhstan holding large reserves of highly enriched uranium and Kyrgyzstan has substantial amounts of nuclear waste scattered around. Uzbekistan and Tajikistan too have sizeable uranium reserves and the potential for its enrichment. What is noteworthy to mention here is the absence of special-detection equipment at border and customs checkpoints. Corruption and lack of political will, have to render the region highly susceptible to a lucrative route for smuggling fissile material. There is a potential danger of proliferation of lethal weapons technology and material into the hands of not just states hostile to India, but also non-state actors like the Taliban, al-Qaeda and groups like the IMU linked to them and India's security could be severely affected. Drug trafficking poses a major security threat to 'the region'.¹⁷ The poor state of border management and corruption along with high opium

production in neighboring Afghanistan indicate a dangerous trend. India needs to pay much greater attention to drug trafficking, because much of the money generated is used to fund activities of extremist Islamist terror networks¹⁸ that has the ability to create trouble for India in the long run. This is an area where India's interest coincides with US, Russia and China. All of them are victim of this serious problem. Hence, it is necessary that they should engage in multilateral cooperation.

Commercial Interests:

Given its geostrategic location, Pakistan had provided port access to landlocked Central Asia through Gwadar. It is the shortest route to the Arabian Sea.¹⁹ Pakistan also seek try to exploit the situation because it is important energy transit corridor that would serve as an outlet for Central Asian energy to flow into markets in South Asia. This will increase Pakistan's footage over the CARs. Sustained and deeper engagement in the commercial sector will be an effective way to counter Pakistan's influence in Central Asia. Central Asia offers a huge, untapped market for Indian consumer goods, particularly so as consumers in the region have little to choose from between exorbitantly-priced, imported Western products and cheap, but low-quality Chinese manufactured goods that have flooded the Central Asian market. In particular, Indian tea and pharmaceutical industries have great scope in the Central Asian market. There also exists a great degree of potential and demand for Indian IT, banking, services, construction, Indian expertise on small and medium-scale enterprises and food processing industries in Central Asia.²⁰

The potential areas which can attract Indian commercial interests in CAR are the mining sector because as the region has plenty of mineral resources such as copper, uranium, gold and silver. For India it can meet domestic demand and is a net importer. Further, the region's untapped hydro-electric potential may prove to be another important area of investment for Indian electrical and construction companies. Cotton production and textile sectors serve as good avenues for Indian investment, particularly in Uzbekistan which is one of the largest cotton producers in the world.

Challenges:

Although Central Asia is placed between Europe and Asia and the region is rich in mineral and hydrocarbon resources but still there are number of challenges that had to be

properly addressed. First, the most important challenge is the geography of the region. India's situation in the region is extremely vulnerable not due to the lack of direct geographical access, but also because of Pakistan ability to create obstacles to reach the region. This was demonstrated in the Kargil conflict of 1999.

Second, Indian security interests broadly revolve around radical Islam in the region that has got the support of Wahhabi elements of Saudi Arabia and Islamabad. Pakistan can develop an Islamic solidarity through religious sentiments and use these to check New Delhi's influence in Central Asia. In this direction, by raising the Kashmir issue, of Pakistan got some because it has success, by portray it as a case of the suppression of Muslims by evoking Hindu sentiment among them.

There are communal conflict between Hindus and Muslims that damages India's positive image in the region. While tackling the challenge posed by the rise of militant Islam in Central Asia, India needs to take note that such forces are primarily a product of the dictatorial and corrupt regimes that characterize the region's political milieu.²¹ It is an irony, for India to seek to engage the region because the region is seen as a strong cause for the rise of radical Islam. Thus, it is a challenging task for India to pursue its national interests. Furthermore, increasing instability in Afghanistan, has the potential to spread over and destabilize the weak states like Tajikistan, Turkmenistan and Uzbekistan. Thus, India needs to direct greater resources from Central Asian States.

Third, although efforts have been made to achieve the goal of energy security. But there are many difficulties that has to be scored out. It is true that Indian government has started investing in oil fields in Kazakhstan, but policy is not clear as how to transport oil to the Indian market or work out oil swap deals. TAPI pipeline project also faces problem like lack of independent assessment of gas reserves in Dauletabad field, prior commitment of a bulk of gas reserves to Russia, the nature of the regime in Ashgabat, past failures of the Turkmen regime to uphold sanctity of contract, and finally, security problems that could arise, because the pipeline will have to be negotiated much of the Taliban infested South Afghanistan and troubled Balochistan province of Pakistan. India's growing energy needs might clash with China's, interest. Today, China had a clear edge. Moreover, India's efforts to balance Chinese influence in the region, has to be careful but not to antagonize Beijing in the quest of energy race.

Fourth, India does not have a clear policy on how to tackle drug trafficking and the potential for weapons proliferation. As such it undermines Indian security interests. Finally, in spite of the tremendous commercial potential in the region, India involvement is limited because of the refusal by Indian businesses to take risk in a region which is characterized by political uncertainty, poor banking facilities and lack of direct geographical access to the market. The lack of economic engagement is reflected in the dismal trade figures which show that Central Asia's share in Indian exports is 1.07 percent, while imports stand at an even more dismal 0.08 percent.²²

Conclusion:

As Central Asia defines the contours of South Asian security what becomes important for India is a deeper and sustained Indian engagement with the region. India's political and military profile in the region has made gradual progress as compared to last decade. On the economic front, India's engagement in the region is not satisfactory. Moreover, India's relations between the US, Russia and China are improving but the problem is increasing instability in Afghanistan. The task is quite difficult to achieve. In spite of the challenges India's rise as a major power, cultural anchor in the region and experience of dealing with the former communist leadership provide India to develop ties with Central Asia. But still Beijing's growing economic and military power in the region and its close proximity to Islamabad has definitely affected India's security. India has to play her card carefully so that it does not become a pawn in the great power rivalry in the region, especially between rising China and Russia. What India needs is a coherent policy for the region that will secure not only India's strategic interests in the region, but will also be able to offer a relationship that is mutually beneficial for the Central Asian republics.

References:

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13. After being militarily hounded out of Uzbekistan in 1998, IMU cadres found a safe haven and training ground in the Taliban-controlled Afghanistan. This link was reaffirmed with several IMU fighters being killed in the battle for Mazar-I Sharif in 2001. IMU had also managed to build linkages with the al-Qaeda and strengthen its linkages with the ISI which in the early 1990s facilitated the ideological indoctrination of IMU's foot soldiers in Pakistani madarasas. The ISI also provided safe haven to TahirYuldashev in Peshawar from 1995-1998 and it also directed a small proportion of Uzbeks for *jihad* against India in the Kashmir valley. In 2001, the group recast itself as the Islamic Party of Turkistan with the goal of not merely overthrowing Karimov's regime in Uzbekistan, but establishing an Islamic emirate in all of Central Asia and Xinjiang. For a more detailed study of the IMU, refer to Richard Wietz- Strom. "Clouds Over Central Asia: Revival of the Islamic Movement of Uzbekistan (IMU)?" *Studies in Conflict and Terrorism*, 2004.
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