



Research Paper

## Redefining relationships: a study of India's deepening ties with Central Asia

*One can draw parallels between the independence of India and the five Central Asian Republics. Centuries-old close civilisational, cultural, trade and people-to-people linkages between them were suppressed by the colonial mindset of plundering and resource extraction. In our textbooks, these colonial narratives of coercion were normalised, causing bilateral relationships to be framed as a struggle between powers. It took more than decades for India to overcome this mindset.*

*This paper builds on changing dynamics in India and Central Asia's relationships by relying on bilateral talks, especially during the 1st India-Central Asia Summit held recently. The paper argues that as the Central Asian Republics celebrate their 30 years of independence, India's promise to the region's overall prosperity has struck a chord with 'redefined' relationships. Within a few years, India's assertiveness as a responsible neighbour has transcended from "connect" to "capacitate" the region's overall developmental dynamics. It concludes that India views Central Asia neither from a posture of a regional power like China nor from a great power like the US. It considers the region's prosperity as one of its own. As a result, India provides a "non-western" approach to building relationships that has the potential to produce positive synergies within the Eurasian region.*

**Keyword(s):** China; democracy ;institutions; multilateralism ;regionalism ;

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### I. Introduction

Historically, India and Central Asian countries bore the brunt of a sudden withdrawal from their foreign colonial powers. In the case of India, the divisive policies of Great Britain devastated and broke the thin lines of communal harmony. When India gained independence, it was divided not only in terms of "geopolitical" boundaries of East and West Pakistan. However, it was fractured on countless levels, from social, psychological and emotional, the impacts of which still loom large on current socioeconomic aspects of India. Likewise, the Central Asian region has been a melting pot of nations and cultures. Trade, religions and other Cultural Currents followed specific routes and these regions were essential stages in the migrations of the nomads. Many Asians, Turkic tribes, Mongols, and other races travelled this way. Central Asia was the focal point of influence from Greece, Persia, India and China. However, similar to India, when the Central Asian Region (Henceforth CAR) came under the soviet regime. It led to wider Russification of the region, where the regional cultures and religion were undermined. The Soviet Collapse somehow opened the 'pandora's box' of trouble when the accumulated inefficiencies of Soviet's policies which were somehow suppressed under the controlled socialist command polity came to fore. For example, some projects of Stalin succeeded in making soviet union a self reliable country in cotton production but came at a cost. The project was initially highly successful, but the lack of planning and foresight later created massive problems, which the Soviet regime refused to acknowledge and are only coming to the surface today. Acute water shortages, pollution, the drying-up of lakes and seas, desertification and environmental catastrophes brought only by nuclear waste are some of the problems these newly independent republics are facing.

Therefore, both India and CAR, have faced the consequences of a long history of political, economic and strategic suppression. The post Soviet unilateral world order has given the way for "new great game", where again the great powers, regional powers have sought to cash on over the critical geo-political infrastructure of CAR. The "new great game" has been corroborated from the earlier version of "great game" of nineteenth century.

Disintegration of the former soviet Union once again unleashed a race for control and dominance of Central Asia by all – Russia, China, Iran, Afghanistan, Britain and the US. The dominance over the a huge pie in the massive hydrocarbons and other strategic minerals like Uranium found in the CAR of Kazakhstan,

Turkmenistan, Uzbekistan and neighbouring republics of Azerbaijan( see table 1).Also, the CAR had to face a political crisis.Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan were the least prepared for independence.as they were alien to the tradition of representative governance and democracy.

**Table 1** shows the natural resources found in the CAR.

SR. NO	NAME OF THE REPUBLIC	NATURAL RESOURCES
1	Kazakhstan	Oil, iron ore , gold, Uranium
2	Kyrgyzstan	Gold, oil and gas, mercury
3	Tajikistan	Hydropower, Uranium, mercury, lead
4	Turkmenistan	Petroleum, natural gas, coal,sulphur , salt
5	Uzbekistan	Natural gas, petroleum, coal , gold, Uranium, silver, copper, lead, zinc, tungsten molybdenum

Table 1: natural resources in CAR

## II. Globalisation and its developmental impact on CAR

Transition in the Central Asian States coincided with rapid globalisation after the collapse of the Soviet political and economic system in 1990-91.From a financial perspective, all five republics experienced negative trends during the first half of the 1990s, resulting in "a decrease in living standards and an increase in economic inequality" (Pomfret 2006: 9).In conjunction with the different policies adopted by governments, the transition from entirely centrally planned to market economies has had distinct effects on the five nations.As a result of its substantial oil reserves, Kazakhstan has had significant economic advantages, becoming the region's leading trade and investment hub (Romanowski 2016:4). As a result of its liberal reforms, Kyrgyzstan became the first former Soviet Republic to join the World Trade Organization (WTO).Because of the high population density of Uzbekistan, the government chose a more gradual approach to privatisation, maintaining control over key agricultural products while privatising few other sectors (Kitade, 2019).Under the direction of President Niyazov's personalised government, Turkmenistan adopted a policy of isolationist policy characterised by regional disengagement in accordance with neutrality principles.Despite a lack of economic reforms, Turkmenistan could benefit from its abundant natural gas reserves.

During the time period between 1991-1996 , the impact of globalisationprocess in central Asia in the beginning metwith certain failures - setback in basic public services, huge decline production and abrupt rise inthe unemployment and inequalities.With an exception of Kazakhstan , countries like Kyrgyzstan and Tajikistan which does not possess excessiveamount of natural resource, brought more challenging situation for them to fight against thenegative effects of gglobalisation One data suggests that in the first post – independence decade, Tajikistan lost 2/3<sup>rd</sup> of its GDP , Turkmenistan just under ½ ; Kazakhstan and Krgyzstan around 2/5 of the GDP .Additionally, their was a major drop in individual earning in comparison to the former Soviet standard ( Jha 2008:44).However, over the time , The proponents of gglobalisationlike Hopkins and Mansbach state that gglobalisationwith its eight distinct character was quite visible among the CAR due to which The central Asian states have seen a tremendous amount of movement of their natural resources and raw materials, the arrival of technology, and the influx of human capital as well as the development of their modern social networks and the expansion of their societal relations, capacities, and activities (Ferguson and Mansbach, 2012).However, the countries in the region remained prone to their high dependent on export of oil gas and the mineral resources and thus making the region more vulnerable to external factors.This is because the leadership of the country has not been able to achieve required level of economic diversification despite the fact that the country is endowed the rich mineral and other resources.Similarly, creation of market economy was impacted by slow pace of restructuring and privatisation

In spite of the fact that the CAR constitutes of five independent countries , these five Central Asian States have been unable to establish significant regional alliances.Any possible form of association involving all regional states has been possible only with the participation of third actors that is external powers.Russia and China are the major players in the region , both has wide ranging interests and enjoys significant levers of influence in the region.The United States of America also has a greater interest and had significant influence which has though reduced to certain extent.India and Turkey are also significant and are looking for more active cooperation with these five Central Asian States.Indeed, the region fulfils the definition of Mackinder's"Heartland" which highlights the region's geopolitical and geo-strategic importance in global politics.

### **III. India's engagement with Central Asian countries**

Geographical contiguity between the Indian subcontinent and Central Asia and the intermingling of cultures and ideas has resulted in a centuries-old shared history. India considers Central Asia as its 'extended neighbourhood' and therefore was among the first countries to establish diplomatic relations with each of these republics. The region is vital for resources and its economic diversification. Both the region (South Asia and Central Asia) have huge potential to explore in the future. Their development objectives as well as challenges faced are similar. Though the two sides have huge socioeconomic potential to explore, economic bilateral trade has not yet progressed on the expected trajectory.

India's "Connect Central Asia" policy was launched in 2012 during the first India-Central Asia dialogue at Bishkek, Kyrgyzstan. The overall objective was to build a robust and sustained relationship between the two regions. The region provides immense strategic and economic opportunities for India. However, India suffers from connectivity hurdles in harnessing the full potential of India-Central Asia cooperation. Apart from connectivity, India's involvement has been mostly passive as expressed by JN Dixit (former Foreign Secretary and NSA) (Joshi, 2014).

*"India must be more active in associating with new economic cooperation and regional security arrangements, which are being initiated by Central Asian Republics"*

Some key elements of India's Connect Central Asia policy include building engagements through existing multilateral forums like SCO, Eurasian Economic Community (EEC) and Customs Union. In foreign policy spheres, promoting close consultations on India's neighbour Afghanistan was a priority, which became inevitable given the changing security dynamics of the region after the beginning of Taliban-led rule in the country. Multi-sectoral cooperation on agriculture, social infrastructure like hospitals, clinics, setting up of universities and centres of excellence, a Central Asian e-network with a hub in India to provide telemedicine and teleeducation, establishing viable banking networks etc. are some of the important focal points which are mentioned in Connect Central Asia policy.

Last decade also saw two sweeping changes in the geopolitics of South Asia. Firstly, the rise of China and the fall of democratic government in Afghanistan. Both the issues have caused enough regional concerns for countries like Russia, Iran and five Central Asian countries. With Afghanistan under Taliban regime, India's prospects of having "Connect Central Asia" suffered a jolt. China and Pakistan have already started building cooperation with the new regime. China sees Afghanistan as a critical region for its Border and Road Infrastructure (BRI). As per a report, "Beijing seeks to invest in infrastructure in Afghanistan, and Islamabad has already permitted Taliban officials to take up diplomatic posts" (Kugelman, 2022). Pakistan, which has earlier supported the Taliban, can see the sudden strengthening of Tehrik-i-Taliban Pakistan (TTP). Notably, between 2007 and 2014, the TTP, which is allied with but separate from the Afghan Taliban, was one of South Asia's most active terror groups until Pakistani counterterrorism operations successfully undermined it.

China, on the other hand, has been a major regional player in Central Asia. There are a number of critical reasons for China to increase its presence in the region, principally the growth in its domestic energy demand, which is tied to a booming economy, and the expansion of its external markets for finished goods. China's energy consumption has risen steeply since the 1990s. From 4.2 million barrels of oil per day in 1998 to 13.5 million barrels per day in 2018, the country's daily oil consumption increased. From 2020 to 2050, it is estimated that its natural gas consumption will increase by nearly 190 percent. Central Asian countries, with abundant reserves of hydrocarbon fuels and minerals, have emerged as vitally important for diversifying China's domestic energy mix as also its transportation route. To develop their energy sectors, Central Asian states need financial investments to improve their infrastructure and technological capabilities. The Chinese have emerged as a significant source of foreign direct investment due to the fact that they hold over \$4 trillion of foreign exchange reserves as well as having the technological expertise to support them (Sajjanhar 2021). The Ukraine crisis, which has pinched direct supply chain routes between China and the EU, also makes the Central Asian region a critical profitable arena for China. The third China + Central Asia (C+C5) summit, which was held in July 2022, strives to compensate for the losses for China due to the Russia-Ukraine war by multiple transport infrastructure projects which would connect China to the EU via Central Asia (Ellis, 2022). Even for Central Asian economies, the China's proposal seems relevant for its "Multi-vector" foreign policy.

Therefore, from India, several lines of credit have been given to the respective CARs since then, the most recent of which was a US\$1 billion (S\$1.34 billion) credit for the region in 2020 to pursue priority projects in connectivity, energy, information technology, and healthcare. There were a number of factors behind these major economic initiatives, including concerns about growing Chinese investments in Central Asia under the BRI and political shifts in the US withdrawal from Afghanistan.

The Ashgabat Agreement, marked another milestone in connectivity. A multimodal transport agreement between Central Asia and the Persian Gulf, was signed by India in 2018. The agreement aligns the Delhi-led International North-South Transportation Corridor with the CARs, including the Chabahar port. In the course of

the summit, the CARs agreed to India's proposal to establish a Joint Working Group on Chabahar Port, which is a positive sign for the country.

#### **IV. Deconstructing 1st India-Central Asia Summit**

The 1<sup>st</sup> India-Central Asia Summit was held virtually in January 2022 at the initiative of the PM Modi. A timely event, the Summit coincided with the 30th anniversary of the establishment of diplomatic relations between India and Central Asia (Chia and Haiqi, 2022). As part of the celebrations marking the 30th anniversary of the establishment of diplomatic relations between Central Asia and India, the sides agreed to organize organisectivities, including the issuance of joint postal stamps.

The key highlights of the 1<sup>st</sup> India – Central Asia summit could be mentioned as follows (MEA | Statements : Bilateral/Multilateral Documents, 2022):

a) Establishment of India-Central Asia Centre

As part of the India-Central Asia Summit, India proposed establishing the India-Central Asia Centre in New Delhi. This center may serve as a focal point for multilateral cooperation in order to assess and analyse central Asia relations.

b) Focus on Cultural and Civilization Linkages

India and Central Asia share close cultural and civilizational but neither side has given adequate attention to this issue. Since the historical ties are of great importance, all the leaders agreed to hold regular meetings between the culture ministers to enhance cooperation in this area. A Dictionary of Common Words used in India and the CARs was proposed by India as a means of celebrating the linguistic similarities between the two countries. In addition, the presentation of a Buddhist exhibition in the CARs will demonstrate the close connection between the two regions in terms of Buddhism.

c) India-Central Asia Parliamentary Forum

To enhance cooperation between the parliaments of India and Central Asian countries, all the leaders expressed their willingness to establish an India-Central Asia Parliamentary Forum. Since India is the largest democracy in the world, it can make significant contributions to the legislative and governance reforms of CARs.

d) Security Cooperation

Terrorism and extremism are viewed as the major threats to regional stability by both India and Central Asia. It is therefore imperative that enhanced cooperation is engaged in the fight against traditional as well as novel forms of terrorism and extremism, such as cyber warfare. Both India and Central Asia are challenged by terrorism financing. In this regard, Tajikistan's proposal to hold an international conference as part of the 'Dushanbe Process on Countering the Financing of Terrorism' in 2022 in Dushanbe will be an essential step forward.

e) Pandemic cooperation

The pandemic taught us the importance of affordable medicines and critical transport infrastructure to supply those medicines. India and Central Asia collaboration was a fine example of the India-Central Asia cooperation in health sector. Indian Prime Minister emphasized 'One Health' approach to ensuring equitable and affordable access to the critical health supplies that the Central Asian leaders also hailed. In this regard, Turkmenistan initiated to strengthen the links between all modes of transport to ensure stable and reliable international transportation for sustainable development during and after the Covid-19 pandemic.

f) Capacity Building and Human Resource Development

Several Central Asian leaders commended India's assistance in developing human resources and building capacity in the region. Among the CAR countries, "India offers the largest number of Indian Technical and Economic Cooperation (ITEC) and Indian Council for Cultural Relations (ICCR) scholarships" (Financial Express, . The numbers can be increased and customized to the needs of these countries. In addition, India offered to provide professional training programs to diplomats from the CARs, thereby supporting institutional cooperation and enhancing people-to-people exchanges.

g) Trade and Investment

In order to eliminate the challenges that hinder India and Central Asia's trade, both sides must coordinate their efforts. They acknowledged the efforts made by the India-Central Asia Business Council (ICABC) to develop investment opportunities between India and Central Asia. In addition, it was proposed that an 'India-Central Asia Investment Club' be established under the auspices of the ICABC to enhance and promote

investment opportunities in this area. To strengthen trade and investment, both sides identified multiple sectors such as agriculture, energy, textile, pharmaceutical, education, information technology, and business process outsourcing (BPO). It is also argued that developing a partnership between Central Asian countries and the states of India on the lines of the Gujarat-Andijan partnership may be possible.

h) **Connectivity projects**

Connectivity projects like Chabahar ports, International North-South Transport Corridor (INSTC), Ashgabat Agreement, require priority consideration and could be a force multiplier for trade and economic cooperation between the two regions. The integration of the Chabahar port into the INSTC is supported by the CARs. Turkmenistan also offered to include the Turkmenbashi port within the framework of INSTC, which will give impetus to the connectivity initiatives. As proposed, a Joint Working Group on Chabahar port will help identify and address the issues related to the trade and economic cooperation between India and CARs.

i) **Military and defence cooperation**

India and the CARs conduct bilateral military exercises on a regular basis. Joint counter-terrorism exercises will further advance security cooperation between India and interested CARs. Despite the importance of executing joint military production, it was not mentioned in the Delhi Declaration.

## **V. Conclusion**

While India continues to promote the "Shanghai spirit" embodied in the Shanghai Cooperation Organisation, which is based on equality, mutual trust, territorial sovereignty and non-interference into domestic affairs. It also seeks to elevate its position its influence in the region dominated by China and Russia. Taking into Consideration, the limited engagements it had with the region, India has begun developing its infrastructure in health and education. India's seeks to promote its soft power through portraying herself a "non-colonial" external power. This is reflected through central technical knowledge sharing. It is also committed for mutual development of critical connectivity infrastructure. One crucial aspect is the demand driven approach of India. For India, it seems fit that any developmental questions within a state should be debated and discussed first, rather than forcing on them. This exacerbates the big difference between India and China's approach to the region. It is also argued that development follows the direction of investment. With India's entrepreneurship rising at fastest levels of all time, the government must push and enter into framework of agreement with budding entrepreneurs of India. India's joining of SCO provides an multilateral table to includes its policies for the region. Most importantly, ensuring security of the Central Asia has been taken in the recent dialogues.

The first India- Central Asia summit unequivocally highlighted the current geopolitical realities of the region. Soon after, The Ukraine Crisis emerged which had unparalleled and tragic impact on resource rich states of Central Asia. India's response has been to provide a sustainable transport route from Central Asia via Iran to the ports of South Asia. India's emergence as global economic power is going to make enormous demands on the Central Asian energy sectors. The summit made an effort to make India as an attractive and alternative partner to China. Given the fact that Indian companies have capital and technology to contribute to the energy production in the region, India's role is likely to expand in the region. Moreover, the economic integration between India and Central Asia is well aligned with the Eurasian paradigm envisaged by the Russian-led 'Greater Eurasia Partnership'. The trilateral cooperation between India, the CARs, and Russia could boost connectivity between South-Central Asia as well as provide an alternative partnership to China. In order to avoid being forced to choose between the two powers as a result of increased India-Central Asia interactions, the leaders of the CARs need to tread carefully between Delhi and Beijing.

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