

India's Expanding Interests in Central Asia

Policies, Issues and Challenges

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Abstract

India and Central Asia constitutes strategic neighbours and natural allies. Both the regions are geographically proximate, share common history and cultural affinity. Notwithstanding the great historical linkages, New Delhi's presence in and policies towards Central Asian countries over the past decades have demonstrated the challenges of competing with China on energy issues, with Russia on matters of regional security, with Pakistan on issues of Islam and secularism and with the U.S. on matters of regional influence. India so far has managed to secure only a tenuous foothold in Central Asia with a tag of late comer. When considered alongside other major players, India has yet to translate the aspirations of its recent connect Central Asia policy into reality with strategic and sustainable policy action. Hence, until recently India was considered as a minor player with minimal presence in the region lacking clarity, vision and Continuity in its policy towards the region. It neither had the political will power nor the economic strength to pursue its agenda in Central Asia unlike China and its policy initiatives are lagging far behind those of China, Russia and the US. Nevertheless, the recent emphasis accorded to Central Asian Republics by Indian Prime Minister Mr. Modi by terming their relationship as that of a 'Partnership for Prosperity' New Delhi perhaps has signaled its arrival in the heartland region. However, this is just a drop of the entire ocean. With this premise an attempt has been made in this article to know the strategic interests of India in Central Asia in terms of geo-economics and geopolitics and to investigate what policies India follow in this region to secure and strive its interests and what more needs to be done. This article endeavours to objectify why India seeks to reconnect with Central Asia and lays emphasis on the geostrategic and geo-economic perspectives for the reengagement with the region with due weight on the geopolitical significance of the region for New Delhi.

Keywords

India, Central Asia, Geopolitics, Geo-strategy, Energy, Security, Terrorism, CASAREM, TAPI, Foreign Policy.

Introduction

Historically, India's relation with the Central Asian Republics has always been good. The genesis of Central Asian dynamics in India's strategic thought as well explained in Kautilya's Arthashastra is a testimony to the importance New Delhi attaches to the heartland region. A study of India's political history also reveals vividly the relationship New Delhi shares with the five Central Asian republics even before Sovietisation of the region. Central Asia was also a bridge for promoting Indian commerce and culture across Asia through the famous Silk Route (Stobdan, 2001: 55). It is also amply propounded in

and Central Asian Khanates. Both the regions share 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 (Sharma, 2009: 3). 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 (Ibid). However, its presence in the region nevertheless remained 'muted' and constrained by its ties to the Kremlin (Stobdan, 2004: 7). 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 standstill with collapse of the great USSR. The sudden disintegration of the largest political landmass on earth undoubtedly left the Indian political establishment in shock and surprise. However, it helped in ushering a cataclysmic shift in India's foreign policy discourse – away from Nehruvian idealism towards realism and pragmatism towards the region.

This trend of realism and pragmatism is very much continued to found its place in India's relations with Central Asia in recent years. In the context of the changing geostrategic and geo-economics dynamic in Central Asian landscape, India started recognising the CAR as an area of strategic importance. 'Look North Policy' of India in 1990s is a standing example of this. During a visit to Turkmenistan in September 1995, the then Prime Minister P.V. Narasimha Rao made it aptly clear that 'for India', Central Asia is an area 'of high priority, where we aim to stay engaged far into the future. We are independent partner with no selfish motives. We only desire honest and open friendship and to promote stability and cooperation without causing harm to any third country' (Muni, 2003: 110). Yet, such a proclamation of the 'Look North Policy' offering the proposition of 'secularism', 'democracy', and 'literacy' as national strength that India and Central Asia both share has waned for years to come. So much so that, at present hardly anybody have any idea of what Look North Policy was all about. Ironically when put into context many confuse it with Look East Policy. This probably reflects India's least strategic priority towards the region at least in the 1990s. When the world powers positively remained engaged in CAR, India – a strategic neighbour choose to stay away from the region under the guise of domestic compulsions in Kashmir and economic downturn facing the nation.

Nevertheless, time have the healing capacity. The trend of realism and pragmatism that was vanished for a while in the policy making process once again resurfaced in India's foreign policy doctrine of 1997 popularly known as 'Gujural Doctrine' (Sen Gouta, 1997). Public rhetoric to the effect also gained momentum, especially with the coming to power of the BJP (Bharatiya Janata Party) and its proclaimed ambition to make India occupy the global political centre stage. Nevertheless,

this is only a step taken in the direction of consolidation of strong bonding and deep relationship.

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

The entire edifice of India's international relations with the newly Central Asian republics was probably laid down during this period. India's commonness with CAR countries, close relations and cultural affinity were instrumental in exceedingly bringing the relationship between the two Asian neighbour further closer and enabled in greater security and economic engagement. Until disconnected to each other, India and Central Asia started recognising the importance and strategic necessity of each other in the emerging Asian geopolitical dynamics. India as of 2015 has a very close and firm bonding with all the five Central Asian republics. Positive relations with both the regions have further strengthened by forging bilateral and multilateral cooperation's in the field of security, economic, energy and strategic. The recent visit of Tajik President to India and India's Foreign Minister to Tajikistan, both sides show the desire for respective sides to forge strong ties. The idea of 'Connect Central Asia' as coined by the Ministry of Home Affairs, Government of India is believed to usher in a new era and dynamic vision in the relationship between India and Central Asia.

The recent visit of Indian Prime Minister to the landlocked region in July, 2015 has further leased a new life to the relationship between New Delhi in CARs. His five nation tour preceding the Ufa Summit has been designed to create a regional influence of India in the inner Asian countries through partnership for prosperity. Modi's Central Asian engagement has for the first time covered a broad area including everything from energy ties, pipeline politics, trade and commerce, transportation, security and counter terrorism and cooperation in health care and pharmaceuticals. He went on to reiterate that 'India is the new frontier of opportunities for the world while Central Asia represents a vast region of immense resources (Eurasianet, 2015).' India's reengagement with Central Asia and the rising profile in past one decade or so has been spurred by its soft power image in contrast to the hard power positioning of the regional players including Russia, China and Pakistan. Importantly, the countries of the region also seriously interested to remain engaged with New Delhi as their search of a Chinese alternative ends here.

India's Geo-strategic and Geo-economic Interests in Central Asia

India's attempted re-engagement in Central Asia over the last two decade has been spurred on by a need to realise Indian interests in following broad areas: to achieve a substantial footprint on the hydrocarbon map of the region enabling India to diversify and

secure energy sources vital to her growth momentum; to check the Islamist agenda of Pakistan against India; to protect and preserve India's security interests in the region against the rise of radical Islam as a political force in Central Asia; to keep a tab on drug trafficking and potential weapons proliferation in this geo-strategically important region; to promote interests in the commercial arena. Finally, Central Asian Republics can provide support for India's emerging regional/global power status; India's permanent membership of the UN Security Council; countering Pakistan's anti-India rhetoric and importantly, it will provide India with a grand stage alongside the US, Russia and China to play a greater role in Asian regional dynamics. India as of now cannot leapfrog its way to the global high table without demonstrating effective initiative at the regional level - Central Asia being an important regional constituent.

Energy Security

Assured and uninterrupted supply of energy is critical for running India's economic engine. The country currently sources almost three quarters of its oil consumption from abroad. India's dependence on imported oil is projected to escalate from the current level of 83.5 per cent as of June 2012 (The Hindu Business line, 2012) to more than 90 per cent by 2030 (TERI, 2012). Much of its imports are from the volatile Middle East region. Thus energy security has become a central component of India's national security and foreign policy. With India projected to remain more dependent on equity oil and energy reducing dependence on the Middle East and cultivating alternative sources of energy has become a vital concern. This is where Central Asia home to an estimated 4 per cent (270–360 trillion cubic feet) of the world's gas reserves (ICG, 2007: 12); and 2.7 per cent (13–15 billion barrels) of world oil reserves fits into the Indian scheme of things (Sharma, 2009: 4).

The energy resources of Central Asia including the Caspian Sea region will play an important role in India's energy security strategy. Central Asian oil and gas are of high quality and are largely untapped. The investment environment is open and friendly (Arvanitopoulos, 2009). In addition, Central Asia is relatively more stable than the Middle East and African energy-rich countries. Importantly, the vast resources of offshore and onshore hydrocarbon reserves in the Caspian Sea littoral states (Kazakhstan, Turkmenistan and Uzbekistan) along with the enormous hydro-electricity potential of Tajikistan and Kyrgyzstan plus the enriched Uranium of the region offers significant opportunities for India to capitalise on both hands.

Central Asia thus is of prime importance in India's energy security policy at a time when India has declared 'energy security to be only secondary to its national security' (Peel, 2004: 15) as her state policy. Kazakhstan is one of the biggest Uranium producers in the world as it has a share of 38 percent in the total output of the mineral (Niti Central, 2015). Prime Minister Modi extended nuclear cooperation with Kazakhstan and the two countries agreed on a new deal for the supply of Uranium. Between 2009 and 2014, Kazakhstan had provided India with 2100 metric tons of Uranium. In the current five year

period (2015-19), India would get 5000 Metric tons of Uranium. This would allow us to start operations in many nuclear plants which are currently closed due to lack of fuel. The joint statement also made a mention of a feasibility study for “exploring the possibility of transportation of oil and gas either through pipeline or as LNG from Kazakhstan to India” (Economic Times, 2015). In the coming years, the government should look at expanding engagement with Kazakhstan in the sector through ONGC Videsh Limited. The state owned Oil and Natural Gas Corporation of India over the past decade has sought to invest in Kazakhstan which has three of world’s richest oilfields (ICG, 2007: 12). ONGC acquired sizeable stakes in the Alibekmola and Kurmangazy oilfields in the Caspian Sea region in Kazakhstan (Ivan Campbell, 2013: 3). Recently ONGC also attempted to buy a share of US Company ConocoPhillip’s holding in Kashagan oil field. The public sector firm recently started exploratory drilling in the Satpayev block and is also in lookout for gaining a stake in other oil fields in the oil rich country. During Indian Prime Minister’s July visit both India and Turkmenistan were also discussed the establishment of a representative office of ONGC Videsh in Ashgabat (Niti Central, 2015). Nevertheless, India’s policy and strategy on energy import from Central Asia is still evolving

TAPI

TAPI (Turkmenistan-Afghanistan-Pakistan-India) Project is an ambitious pipeline for transporting natural gas from Central Asia to South Asia for the first time started in 1995 (Report, 2011). The proposed pipeline project is a USD 10 Billion (Niti Central, 2015). The project covers 1040 miles (1680 kilometers) route from Dauletabad in Turkmenistan through Herat, Helmand and Kandahar in Afghanistan to Quetta and Multan in Pakistan and then on to Fazilka in India (Report, 2011) passing through some of the worst conflict ridden areas of Afghanistan and Pakistan. Turkmenistan has the world’s fourth largest reservoir of Natural Gas and would be a steady source of the resource for South Asia. The TAPI project is intended to transport 33 billion cubic metres (bcm) of gas from Turkmenistan via Afghanistan and Pakistan to India (Ibid). However, the construction of the pipeline has been stalled for various reasons such as prior commitment of Turkmenistan gas reserves to Russia; difficulties in engaging with the regime in Ashgabat; security risks associated with pipeline that will run through trouble torn Afghanistan and Pakistan; lack of financing to the gas project by international companies; India reserve with regard to security of supply. Nevertheless, the recent visit of Indian Prime Minister to Turkmenistan on July 11, 2015 has able to clear the air and a joint statement been prepared to address the issue at hand. The joint statement welcomed the establishment of the “TAPI Ltd” special purpose vehicle for the project and the “leaders reaffirmed their strong commitment towards timely implementation of this strategic project” (MEA, 2015). Timely completion of the project is mutually beneficial for both India and Turkmenistan. The latter currently depends on oil exports to China for revenues and would find an alternate source after the completion of this project. Greater cooperation in the area of oil exploration between the two countries – India and

Turkmenistan was also discussed and the leaders welcomed the establishment of a representative office of ONGC Videsh in Ashgabat.

CASAREM

The Central Asia-South Asia Regional Electricity Market (CASAREM) (World Bank, 2014) 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 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. The CASAREM is already connected with Afghanistan from Kyrgyzstan and Tajikistan and has the potentiality and possibility to connect other South Asian countries including India, if effective initiatives are taken. It can help India in providing electricity to its north Indian cities which are generally subjected to blackout during summer. The 2015 summer Delhi power blackouts and electricity crisis is a classic example where CASAREM can amply help India to get rid of crisis.

National Security

Central Asia is of vital importance to India for reasons of national security. New Delhi sees the region including Afghanistan as a source of religious extremism and hot bed of radical Islam leading to formation of militant groups in the region. The disintegration of the Soviet Union also has provided the militant groups in the region a fertile ground for their breeding. The resurgence of Taliban, Hizb-ul-Tahrir and other terrorist groups spreading venom against India would seriously threaten India's interests unless addressed at the earliest. This security concerns are compounded by the proliferation of drug-trafficking in Central Asia. India's security therefore 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. The IMU has close links with the Taliban and the ISI (Blank, 2003: 141). 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 (Ibid)." A recent report in 2015 also laid concern on the rising terrorism in Central Asia by ISIS and Taliban jointly. To counter these, India's cooperative security initiatives have already begun with Tajikistan, Uzbekistan, Kyrgyzstan and Kazakhstan (Rohde, 2002: 30). For these reasons India is keen to play a bigger role in Central Asia security apparatus to prevent real and perceived threat to her national security. For that India has setup a military base at Ayni in Tajikistan in 2004. Tajikistan shares a narrow 20 kilometres stretch with Afghanistan territory which separates it from Pakistan occupied Kashmir poses serious concerns for

represents India's strategic aspirations and attempt to project military power in Central Asia was recently undone by Tajikistan on the Russian direction.

The Indian Government in July 2011 during the Visit of her Defence minister to Kyrgyzstan had announced plans to open a joint military research centre and also invited the Kyrgyz soldier to join UN Peacekeeping operation with a view to engage with the region militarily through a low political and soft power approach (Ivan Campbell, 2013: 5). When the Vice-President of India visited Tajikistan in April, 2013, both the government in a joint statement have stressed importance on security cooperation to deal with the security threats coming from Afghanistan (The Hindu, 2013). India also established Joint Working Groups on Terrorism with Tajikistan and Kazakhstan. But India's direct collaboration with the Central Asian states in defence affairs are limited by the growing role and presence of Russia led CIS regulated CSTO and China led SCO. Now India being the full member of SCO as declared in its Ufa Summit in Russia on July 9-10, 2015 can have a larger role and access to the region on matters of security and counter terrorism using the SCO platform. However, it remains to be seen how far India can be successful in countering Chinese influence in the organisation and to say the region.

SCO and India

The SCO has now emerged as a major geo-strategic, security and economic initiative in the entire Eurasia. India's application for full membership in SCO at its Dushanbe summit 2014 a stepping-stone in the direction of its growing role in the region has been materialised at the Ufa Summit of 2015 in Russia (Ufa, 2015). All the Central Asian Countries and Russia have supported India's full membership in the SCO. China though was a bit reluctant initially finally approved India's full membership in the organisation along with Pakistan. 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 while Provide New Delhi a market in Central Asia as an alternative to Chinese goods. Importantly, the energy crunch of India will get a ray of hope with Central Asian oil and gas being imported to India through Iran's Chhabar port. The operation of International North-South Transportation Corridor (INSTC) is a positive initiative which may encourage the partner country to strengthen it to the next level of construction of pipeline with a win-win design for both the supplier and consumer countries.

Drug Trafficking and Weapon Proliferation

Transnational organized crime is a multifaceted phenomenon which manifests itself in different activities such as illicit drug, human trafficking, arms trafficking and money laundering in the Central Asia region. But amongst them drug trafficking is the most prominent activity of organized criminal groups that enable them to generate big profit. It has become the serious threat to the security of Central Asian Region and beyond.

Afghanistan a border state of Central Asia neighbouring Tajikistan, Turkmenistan and Uzbekistan is the number one opium producer of the world as per the United Nations office on Drugs and Crime. 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 neighbour 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 (UNODC, 2011). But most worrying effect of the drug trade has been the revenue used for anti-government forces, organized crime and widespread public corruption contaminating power. The militants not only concentrate their activities on opium and heroin trafficking but they also convert their profit to money, small arms and some other material. For instance drug money creates opportunities for organized crime groups and terrorist groups to have additional capacity for militant activities in the region. The spread of small arms from Afghanistan has greatly contributed to militants activities on the CARs. Thus, Afghanistan provides a permanent source with a variety of weapons; the huge quantities of small arms ranging from assault rifles to hand grenades are supplied from Afghanistan to the militants in the region. Kyrgyzstan is particularly worried about weapons which are coming into the country from Tajikistan. The illicit drug trade has become the serious threat to Central Asian security as it does not only damage human health, but generates corruption, weakens governance, strengthen criminal organization with potential to disturb peace and stability as well in the region. Drug trafficking also poses a major security threat to the region (Sharma, 2009: 8). India needs to pay greater heed to drug trafficking, since much of the money generated is used to fund activities of extremist Islamist terror networks. 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.

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 (DNA India, 2012). A joint 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. 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 (Rohde, 2002: 33).

India's trade with Uzbekistan amounted to more than \$121 million in 2004. There are more than thirty Uzbek-Indian joint ventures in Uzbekistan (Sachdeva, 2010: 138). A significant source of revenue for India is in pharmaceutical sales from Ajanta Pharma and Reddy Labs (Uzbek Embassy, 2005). The two countries are considering Indian gas exploration in Uzbekistan through India's Oil and Natural Gas Corporation (ONGC) and Gas Authority of India Limited (GAIL) (Ibid).

India's exports to Kyrgyzstan were worth \$22.56 million in 2010–11 and Kyrgyz exports to India amounted to \$1.2 million (MEA, 2012). 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 (MEA, 2012a). 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. A 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 the then Prime Minister Manmohan Singh (Ibid). 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 (Ibid). 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.

Promoting 'Make in India'

The recent visit of Indian Prime Minister is different from his other trips to USA, China and Europe where he was essentially looking at attracting foreign investment and convincing companies to increase production in India with a focus on Make in India to succeed. For that India will have to improve its freight connectivity with other countries and especially with Central Asia – the proximate neighbor of India. The planned route the International North South Transport Corridor (INSTC) is a ship, rail and road connectivity project for moving freight between India, Iran, Azerbaijan and Russia (Niti

Central, 2015). The route greatly reduces the time taken for moving freight between India and Central Asia. Expansion of the corridor is a key objective of the Prime Minister as it could greatly improve India's trade connectivity with Central Asia. There were discussions over Uzbekistan and Turkmenistan joining the INSTC. The PM also proposed that the Kazakhstan – Turkmenistan – Iran Rail Link could become a linked corridor to the INSTC. Discussions have also been initiated with Kazakhstan on a dedicated freight terminal (Ibid).

The Ashgabat Agreement is a transit pact established in 2011 between Uzbekistan, Iran, Turkmenistan and Oman (Ibid). The Prime Minister sought Uzbekistan and Turkmenistan's support for India joining the agreement as it would massively improve connectivity with Central Asia. During the visit of Cabinet Minister Nitin Gadkari to Iran, both the countries have signed a pact on developing the Chabahar port (Ibid). Through the Iran route, the time taken for transporting goods between India and Central Asia would reduce immensely. For this, efforts need to continue for improving linkage between Central Asia and Iran.

In Tajikistan, he discussed the proposed Pakistan Afghanistan Tajikistan Trilateral Transit Trade Agreement (PATTTTA) (MEA, 2015a). It was decided that further consultations would start on inclusion of India into this pact as it would further strengthen trade between South Asia and Tajikistan. There were also discussions on building an alternate surface route along with other countries.

Cooperation on Agriculture

The recent tour of Mr. Modi to Central Asia has marked with substantive development on agriculture front. An important agreement was signed between the Turkmenhimiya and Indian PSU Rashtriya Chemicals and Fertilizers Limited for long-term sourcing of urea from Turkmenistan in July, 2015. India has proposed to set up a Urea production facility in Turkmenistan (MEA, 2015b). In the agriculture dependent, Kyrgyz Republic, there were discussions over knowledge sharing and joint efforts in agricultural research (MEA, 2015c). A plan of Action has been signed between the KazAgroInnovation and Indian Council of Agricultural Research for cooperation in the field of agriculture (MEA, 2015d).

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 (Blank, 2004: 7-9).

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-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 (Sachdeva, 2010: 138).

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 (Ibid). 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 (Central Asia Newswire, 2012), 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, and petrochemicals.

Support for UNSC Reforms and Permanent Seat for India

In its bid to reform the United Nations Security Council India is garnering support from all the countries of neighborhood and extended neighborhood. Mr. Modi and his government taking the initiative forward seems to be working towards building global support for its push for reforms in the structure of the United Nations. There has been an effort to get as many countries as possible to endorse India's claim for a permanent seat in the UNSC. It is expected that these endorsements would help in at least initiating a larger

multilateral dialogues on the agenda of UNSC reforms and could help in paving the way for India's entry in the future. The Central Asian countries stated their support for a permanent seat for India.

India's Connect Central Asia Policy

The 'Connect Central Asia Policy' (CCAP) of India was first unveiled by the then Minister of State for External Affairs, E. Ahmed in a keynote address at the 1st meeting of the India-Central Asia Dialogue, a Track II initiative organised on 12-13 June, 2012 in Bishkek, Kyrgyzstan (Das, 2012). The purpose of this policy is to fast track India's relations with Central Asian Republics. The policy calls for setting up universities, hospitals, information technology (IT) centres, 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' (Ibid).

As part of connect Central Asia Policy, Mr. Modi's recent six day visit to five countries of the region has put the heartland right in New Delhi's global focus. He has signed several agreements with all the countries in bilateral engagement respectively. These are:

India-Uzbekistan (MEA, 2015e)

1. Economic and Strategic ties: Enhance strategic, economic and energy ties along with reviewing key regional issues including the situation in Afghanistan.
2. Joint Working Group on Counter Terrorism: To intensify security cooperation and exchanges for combating terrorism, promoting regional integration and advancing stability in the region.
3. Defence and cyber security: Enhance cooperation in the fields of defence and cyber security.
4. Uranium supply contract: Implement the contract which was signed in 2014 for supply of 2,000 metric tonnes of the Uranium from mineral rich Uzbekistan to India.
5. Strengthening cooperation: In the areas of information technology, agriculture and energy.
6. International North South Transport Corridor (INSTC): India asked Uzbekistan to be part of INSTC similar to Ashgabat Agreement which is a transit pact between Uzbekistan, Iran, Turkmenistan and Oman established in 2011.
7. It should be noted that INSTC is a ship, road and rail route for moving freight between India, Iran, Russia, Europe and Central Asia.

India-Kazakhstan (MEA, 2015f)

1. Agreement on Defence and Military: Both nations will form joint working group

(JWG) on counter terrorism, defence training, exercise and production of defence equipment.

2. MoU on Cooperation on Physical Cultural and Sports: It was signed between India's Ministry of Youth Affairs and Sports and Kazakhstan's Ministry of Culture and Sports.
3. MoU on Technical Cooperation in the field of Railways: It was signed between India's Ministry of Railways and Kazakhstan Temir Zholy.
4. Agreement on Transfer of Sentenced Persons: It will facilitate swapping of prisoners from both countries to serve their remaining sentence in home country.
5. Agreement on supply of Uranium to India: Kazakhstan the world's largest producer of uranium will supply a total of 5,000 tonnes of the natural uranium to India during the 2015-19.

India-Turkmenistan (MEA, 2015g)

1. MoU on Supply of Chemical Products: It was signed between the India's 'Rashtriya Chemicals and Fertilizers Limited' and the Turkmenistan's Turkmenhimiya'.
2. MoU Foreign Service Institutes of both nations: It was signed between Foreign Service Institute of the Ministry of External Affairs of India and Institute of International Relations of the Ministry of Foreign Affairs of Turkmenistan.
3. Agreement on Cooperation in the field of Sports: It was signed between Union Ministry of Youth Affairs and Sports of India and State Committee for Sport of Turkmenistan.
4. Programme of Cooperation in Science and Technology: It was signed between both governments for the period of two years viz. 2015-2017.
5. MoU on Cooperation in Yoga and Traditional Medicine: It was signed between respective entities of both governments.
6. MoU on Cooperation in the Field Of Tourism: It was signed between respective entities of both governments.
7. Agreement in the field of Defence: It was signed between respective entities of both governments.

India-Tajikistan (MEA, 2015h)

1. Programme of Cooperation (POC) in the field of Culture: It was signed between Ministries of Culture of India and Tajikistan for the years 2016-18. It envisages cooperation in the field of culture between both nations through exchange of expertise for protection, preservation and promotion of cultural heritage.
2. Exchange of Note Verbale (NV) on setting up of Computer Labs: It conveys the intention of India to set up computer labs in 37 schools in Tajikistan.

India-Kyrgyzstan (MEA, 2015i)

1. Agreement on Defence Cooperation: It was signed to deepen cooperation between both countries in matters relating to security, defence, military education

and training. It also covers provisions to conduct of joint military exercises, exchange of military instructors, exchange of experience and information and observers etc.

2. MoU and Cooperation in the field of Elections: It was signed to deepen cooperation in matters relating to legislation on elections and referendums. It also covered rights of elections process stakeholders, modern systems and technologies as well as other issues of election administration.
3. MoU on cooperation in the sphere of Standards: Seeks to strengthen and enhance technical cooperation in the fields of conformity assessment, standardization and sharing of expertise on mutual trade. It also aims at exchanging necessary information and expertise in this regard between the two parties. Signatory parties are Ministry of Economy of Kyrgyzstan and Bureau of Indian Standards (BIS).
4. Agreement on Cooperation in Culture: To deepen cultural cooperation between both countries in areas such as preservation of cultural heritage, theatre, youth festivals and organisation of folk arts. It also seeks to boost cooperation in of publishing and translation of literature, culture, sports and physical exchange of archival materials, geography, history etc.

These bilateral policy initiatives if properly channelized would enable India to attain a centre stage in Central Asia which further would help New Delhi to attain its basic objectives of engagement in the greater Central Asian region.

Partnership for prosperity

Mr. Modi the Prime Minister of India during his recent visit to the five Central Asian Republics in July 2015 has laid emphasis on New Delhi's relationship with the region and regarded the region as a valued partner of India. In 2015, Prime Minister Narendra Modi visited all the five Central Asian Republics. He visited Uzbekistan and Kazakhstan before going to Ufa for the BRICS Summit and visited Turkmenistan, Kyrgyztan and Tajikistan on his way back. The five countries are resource rich countries and greater cooperation with them is essential for our economic progress. One of the major highlights of the NDA government's foreign policy has been the degree of continuity in terms of some key dimensions. There is a conscious effort to synchronize the foreign policy with critical economic interests. The PM seems to be working on generating as much international cooperation as possible for his primary domestic agenda of generating jobs, Make in India, Skill India and starting the second green revolution.

Modi's sweep through Central Asia covers a broad agenda, including everything from pipeline politics, energy ties and transport links to security and counterterrorism cooperation. Underlying the Indian mission is a desire to challenge the ascendancy of archrival China, whose deep pockets have been winning hearts and minds in the region in recent years (Eurasianet, 2015).

India's Geopolitical Interests

India's relations with Central Asia cannot be seen in isolation from its greater engagement in world politics. Its approach to Central Asia is in close connection with her

policies towards South Asia and its multilateral engagement with countries including China, Russia and the United States. The role of regional countries like Iran, Pakistan and Afghanistan too is being closely followed to construct India's Central Asian strategy. This is why this section will attempt to study the contours of India's Central Asian engagement through its regional and extra-regional sketches.

India-Pakistan

India's relations with Central Asian countries are strongly influenced by its relations with the countries it surrounds. To quote Robert D Kaplan, "India's history is the story of invasion from a north-westerly direction," and this explains why Central Asia continues to be seen more as the source of threats than of opportunities (Sahagal and Anand, 2010)." To say India's approach to Central Asia is conditioned by its profound distrust of and tension with Pakistan (Campbell, 2013). India's ability to access Central Asia is conditioned by Pakistan policy towards New Delhi. The vulnerability of India to link directly with the region comes from its apprehension from Pakistani strategy to obstruct India and at times to cut off New Delhi from the region. This is the reason probably why the ambitious projects like TAPI, IPI and CASAREM though initiated with high vigor and indomitable spirit could not be materialized till date.

On New Delhi's part Afghanistan is a part of the Indian subcontinent and linked organically to India on account of the record of empires past (Ibid). Afghanistan also considers India a valued partner of Kabul. Both countries in the post-Taliban period have worked together in reconstruction of the ruined state. India has the credit to be the largest donor among the regional countries to Afghanistan's reconstruction and sixth largest worldwide. It has also extended support in training the military of Afghanistan in India. India's aid to Afghanistan includes in areas like education, health, road and transportation, water and sanitation and energy. That is why India fears that Afghanistan may fall under the sway of militant groups and the ill design of Pakistan giving rise to anti-India activities threatening New Delhi's national security. Conversely, Afghanistan at peace and governed along secular lines would strengthen India's position vis-à-vis Pakistan.

India-China

India-China is equally significant in geopolitical terms in defining New Delhi's relationships with Central Asian Republics. Since China shares a long land border with the republics of Central Asia and has established very good diplomatic relations with them in 1992 Beijing enjoys leverage in relationship with the CARs. In addition the economic muscle of China provides Central Asia investment opportunities which bind them together. The political willpower of China to engage in Central Asia and its economic strength to push its strategies further through an economic diplomacy out paces New Delhi in terms of trade, investment, energy acquisition, transportation building and network development. While China's trade volume with Central Asian countries in 2012 amounted to at \$ 46 billion, India's trade volume was estimated in the same year at around \$ 500 million (Ibid). China has regularly beaten several countries including India when it

comes to energy acquisition. It is the invincible player in energy sector because of its consolidation of transport networks while India is busy calculating its cost-benefit analysis. However, this shouldn't give an impression that all is well with Chinese penetration in Central Asia. The recent visit of Indian Prime Minister to the land locked region created lots of enthusiasm in the region and many believed that New Delhi would provide Central Asia an alternative to China. To quote Kazakhstani political expert Aidos Sarym said, "The way India is trying to become a more important player in Central Asia, Russia and China will probably not be altogether glad to see India here (Eurasianet, 2015)." It clearly shows that India and China clearly have some shared concerns in the region especially where issues of security is concerned. Though India cannot match the firepower of China but its soft power image will certainly provide New Delhi a leverage to play an active role in the region in the years to come.

India-US

The U.S. from the very beginning was in favour of a larger role of India in Central Asia. The support has grown even more with America's withdrawal from Afghanistan in 2014. It is evident from the fact that America has considered India as a valued partner in 2011 while launching its pet project New Silk Route initiative to link the region so as to bring stability in Afghanistan. It is also true that the US to sustain its economic interests in Central Asia bypassing Russia, Iran and China looks to link India with Europe through Central Asia thus providing new investment opportunities for the U.S and to undermine Chinese and Russian influence through Indian counter. Robert D Kaplan has rightly quoted, "As the United States and China become great power rivals, the direction in which India tilts could determine the course of geopolitics in Eurasia in the 21st century. India, in other words, looms as the ultimate pivot state (Ivan Campbell, 2013)."

India-Russia

Historically, India's relations with Russia have always been close which led New Delhi to cultivate superb bonding with the Central Asian Republics. However, between 1917 and 1991, India's contacts with Central Asia were largely mediated through Russia. Although, India during this period had maintained certain privileged links with Central Asia that too were filtered through Moscow and the 1971 Indo-Russian Treaty of Peace, Friendship and Cooperation in which India was definitely the junior partner. In the aftermath of the dissolution of the Soviet Union, New Delhi maintained close proximity with the republics of Central Asia but Russia never preferred to allow any country including India to play a significant role in its backyard. Central Asia is the geostrategic comfort zone of Russia and Kremlin in no situation would want any other country to disturb the regional balance. However, the recent Chinese dominance over the region through economic packages has outpaced the Russian influence in the traditional hinterland. That is why perhaps Kremlin has strongly advocated for the full membership of New Delhi in the Central Asian Organisation SCO to strike balance in Asia and to counter the Chinese upper hand through New Delhi's Central Asian venture.

Conclusion

Building on its superb political relationships, civilizational bonding, cultural affinity and shared history India needs to capitalize on the goodwill of the countries of the region. India has vital economic and security interests in the CARs and needs to develop a comprehensive, long-term strategy to protect and promote its geo-political interest in this region. In terms of security interests, India needs to aggressively explore and establish security and economic cooperation agreements with the CARs both on bilateral and regional basis. In this context, India's entry into the Shanghai Cooperation Organization (SCO), established in June 2001 at China's initiative as a full member in 2015 is a major geopolitical development in the region. Further, Central Asia's rich natural resources endowment, including significant reserves of oil, natural gas and uranium deposits would enable India to meet its burgeoning energy needs. In order to meet its current and future energy needs, Indian firms need to participate in oil and gas exploration ventures in the region, perhaps by joining the relevant international consortia. Given the security problems relating to oil and gas transit routes through Afghanistan and Pakistan, India needs to seriously examine the viability of the proposed Russia-Central Asia-China-India pipeline. Furthermore, India needs to take energetic steps to enhance its trade and investment levels with the CARs, which are currently insignificant. Apart from trade in goods, service sectors including Education and Training, IT-software, Health-care, and Hotels appear to be promising areas for Indian trade and investments in this region and need to be aggressively pursued. Given the geopolitical and economic calculus, Central Asia is very critical for India in her foreign policy orientation. In the changed strategic scenario, Indian access to Central Asian energy resources would enable this rising Asian power to meet its energy needs and sustain its economic growth and therefore to propel its development process. The region would also help India in countering Pakistan's anti-India propaganda. India's soft power has the capability to win over the Central Asian countries against the sinister agenda of Pakistan of self goal. The recent economic crisis in China and the Russian support to India will provide New Delhi leverage to stabilize its position in the region with an even larger role and interests in the region. For this India needs to clear the false cloud of cost-benefit analysis in its dealing with the region. Some regions should be measured well beyond economic interests and Central Asia exactly fits into those schemes of things where India needs to stay engaged far into future if she at all wants to play a larger role beyond Asia. The heartland can provide India with a launch pad to scale the global high table.

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