

GEOECONOMIC RESURGENCE OF SILK ROAD AND INDIA'S CENTRAL ASIAN STRATEGY

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Abstract

In Central Asia, the Silk Road discourse has increasingly replaced the traditional geopolitical competition between great powers, dubbed as the Great Game. The resurgence of Silk Road as the new trope for defining space relations in Greater Central Asia is attributed to the economic globalization of the Post Cold War era and the consequent shift from geopolitics to geoeconomics, in both discourse and practice. The Silk Road discourse suggests that geopolitics is subsumed under geoeconomic thinking since various visions of Silk Road seek to fuse economic interests with political and security imperatives. The Silk Road states are betting on regional connectivity and economic linkages as new pathways to security. The paper explores three visions of Silk Road coming forth from Washington, Beijing and New Delhi from a geoeconomic perspective.

Keywords

Geoeconomics, New Silk Road Strategy, One Road One Belt, INSTC, Central Asia, Great Game, Connect Central Asia Policy, Cultural Freedom, Silk Road Discourse.

Introduction

The collapse of the Soviet Union and subsequent emergence of independent countries in Central Asia transformed the geopolitical balance on the Eurasian supercontinent. “The southern border of the USSR was the longest and most closed border in the world and all transport in Soviet times was based on a one-hub model centred on Moscow” (Starr, 2011). In the immediate aftermath of the dissolution of the Soviet Union, Central Asia comprising newly independent republics of Kazakhstan, Tajikistan, Uzbekistan, Kyrgyzstan and Turkmenistan, was one of the most isolated regions, both politically and geographically. This landlocked region was once at the heart of the transcontinental network of trade routes, called Silk Roads. “The Silk Roads were a complex network of overland routes, the main road running along the southern borderlands of inner Eurasia, a geographical region David Christian defines coterminous with lands ruled by the Soviet Union in 1990, together with Mongolia and also include parts of China’s most

Western region, Autonomous Region of Xinjiang (Christian, 1994). The name Silk Road was given by the German geologist, Ferdinand Von Richthofen, who carried out extensive studies in China in late nineteenth century. Once again with the end of the bi-polar geopolitical order of the Cold War era and the subsequent prominence of geo-economic considerations led to the emergence of a rather positive discourse of the Silk Roads. The Silk Road discourse which appeared with the emergence of independent countries following the breakup of Soviet Union only underscores the fundamental importance of Central Asia and the Caucasus in creating modern day transcontinental transport – trade corridors connecting powerful peripheral entities of the Eurasia: China, India, the European Union and Russia.

In the wake of their independence the geographically landlocked, economically underdeveloped, technologically backward but resource rich countries of the Caspian Region and Central Asia were on the radar of major regional powers who sought to wean them away from Russian influence by developing and transporting the vast energy resources of the region. The multiple schemes of regional connectivity spearheaded by various powers drew on the historic Silk Roads for their nomenclature. The objectives underlying the Silk Road designs of major powers are to promote their own politico – military security and economic agenda and absorb these nations into their sphere of influence, while the key goal of Central Asian states is to strike a delicate balance of power and ensure the best deal for themselves by exploiting the rivalry between the major powers (Sahgal and Anand, 2011).

These fledgling states were faced with a host of problems in the task of nation-building, which they sought to ameliorate by founding and participating in various multilateral forums. Boris Rumer and Stanislav Zhukov (1998) note that the boundaries of these republics are in fact the product of a drive by the Russian state in the nineteenth century toward the southeast; state borders blindly traverse ethnic enclaves, turning Central Asia into a patchwork quilt rent by complex disputes (ethnic, regional, tribal) over land, water, and natural resources. The border disputes endemic in the region led leaders from the region to establish the Shanghai Cooperation Organization (SCO) – comprising China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan – as a confidence-building mechanism to resolve border disputes (Scheineson, 2009). The other important problem faced by them was

the need to diversify their economic and transport infrastructure. During Soviet time, four Central Asian republics – Uzbekistan, Tajikistan, Turkmenistan, and Kyrgyzstan were part of a single economic region for the purpose of territorial economic planning. The region therefore had an integrated Central Asian economy and an integrated transport infrastructure, centered on Moscow. Shireen Hunter (2004) argues that “independence in Central Asia largely means energy independence and multiple options for development.” As a result the Central Asian states sought to engage with China and EU in order to attract investment in development and transportation of their hydrocarbon resources especially in case of Turkmenistan and Kazakhstan and Hydropower resources in Tajikistan and Kyrgyzstan.

Though Central Asian republics have gradually embraced market economics but their common totalitarian past under Soviet Union and continued prominence of erstwhile communist elites influences their political culture and institutions. The political regimes in the region are characterised by dominance of a single strong leader with a very insignificant part of power subjected to legislatures (Tugsbilguun, 2013). Notwithstanding macro-economic and financial restructuring induced by the West, bleak success of political reforms in Central Asia remains a continuing fact. The state elites have tended to legitimate their authoritarian regimes by their economic achievements and as necessary to counter threats posed to state by religious extremism, separatist tendencies among minorities. Commenting on the abysmal progress of participatory political systems and economic reforms in the region, Martha Brill Olcott observe that:

“Given the strong performance of a number of Asian economies, the invocation of Asianness is a slippery concept, and is generally used by the Central Asian leadership to justify a model of economic development partnered with strong one man or oligarchic rule, and sees little value in political liberalization, at least until such time as economic growth rates are judged sufficient” (Olcott, 2003).

The Central Asian leaders have sought closer ties with the so-called ‘quasi-democratic’ powers, such as Russia and China, perhaps at the expense of the U.S. and the West (Sahgal and Anand, 2011). For instance, during Operation Enduring Freedom in Afghanistan, NATO forces established military bases in Uzbekistan and Kyrgyzstan and developed supply chains to Afghanistan, called the Northern Distribution

Network, a commercially-based logistical corridor connecting Baltic and Black Sea ports with Afghanistan via Russia, the Caucasus, and Central Asia (Kuchins and Sanderson, 2010). The OEF was supported by China, Russia and Central Asian republics as it suited their short-term security interest of eliminating terrorist safe haven in Afghanistan and legitimated their own clamping down of extremists and separatists within their borders. But US military influence in the region was eventually resisted by Russia and China and suffered a major blow after US project of promoting Western style democracies in the region backfired and with SCO urging all foreign forces to set a timeframe for withdrawal of their bases from the territory of SCO member states (Sahgal & Anand 2011). Moreover, geographical proximity with Russia and China means that Central Asian republics have to invest more in their relationship with Russia and China as compared to the West.

Geoeconomic Resurgence of Silk Route

The paper argues that in Central Asia, the Silk Road discourse has increasingly replaced the traditional geopolitical competition between great powers, dubbed as the Great – Game. This shift is indicative of the broader shift as geopolitics is increasingly subsumed under geoeconomics in the wake of economic globalization. “Globalization has reshaped the spatiality of politics, mobility and flows. The world we inhabit has changed from a “space of places” to a “space of flows,” with networks being central to the explanation of global space” (Meena, 2014). The notion of networked spatiality and interdependence is the most characteristic attribute of Silk Road discourse putting in sharp contrast to the territorial competition typical of the Great – Games between great powers.

Deborah Cowen and Neil Smith (2009) argue that geoeconomics is shorthand for a complex notion: the intersection of economics and finance with global political and security considerations. Geoeconomics is inseparable from economic globalisation namely the constant need of finding outlets for investing accumulated capital and market control as means to accumulation of wealth and these goals go hand in hand with imperatives of stability and political order. The predominance of geoeconomics does not mean the end of power – struggle between different actors. Contrary to zero – sum games of Great – Game type, it is believed that the opportunities are at least as important as threats and

dangers. The geoeconomic strategies seek to fuse long term economic interests with political and security imperatives. There is geoeconomics in exploiting infrastructural links especially energy flows and pipelines as means of leveraging influence over others or as an instrument of tipping regional balance of influence. For instance the key Western interest in Central Asia from the end of the Cold War has been to prevent Russia from retaining a controlling position over energy flows from the region (Alterman, 2013). Geoeconomics is also about exploiting location to set up energy hub or trade hub in global networks and flows as means to prosperity and security. For instance Turkey has assiduously carved out a position as a trade and energy hub and argues for a policy of cooperation and open borders (Alterman, 2013). Similarly Silk Road strategies also envisage certain regions and countries as located on crossroads of the most viable trade and transportation routes and seek to develop them as transportation hubs. In geo-economic scenario centre stage is taken by private – sector organisations or multi - national companies who follow global strategies of production, finance and trade and the state also becomes a geoeconomic agent with the “reframing of territorial security to accommodate supranational flows” (Cohen and Smith, 2009).

Silk Road discourse is geoeconomic not only because of region wide strategies of securing free flow of strategic energy resources and market expansion but also in their approach to security which is defined as ‘economic prosperity and social development, rather than the mere maintenance of political order and stability’ (Tsygankov, 36). With all the geoeconomic logic behind the Silk Roads states are betting on regional connectivity and economic linkages as new pathways to security. The following three sections discuss three visions of Silk Roads coming forth from Washington, Beijing and New Delhi.

Washington: New Silk Road Strategy

Since the end of the Cold War, geopolitical engagement of United States and EU with Central Asian and Caucasus was largely within the ambit of what has been described as neoliberal geopolitics by Susan Roberts, Anna Secor and Mathew Sprake (2003). While developing the energy resources of the Caspian region and Central Asia and transporting them to the West was the prime motive of US and EU, long term vision was to integrate Post – Soviet space into global economy and world markets.

In year 1998, chairman of the subcommittee on Asia and the Pacific under Committee on International Relations, House of Representatives while discussing the Silk Road Strategy Act pertaining to Central Asian republics observed:

“Stated U.S. policy goals regarding energy resources in this region include fostering the independence of the States and their ties to the West; breaking Russia’s monopoly over oil and gas transportation routes; promoting Western energy security through diversified suppliers; encouraging the construction of east – west pipelines that do not transit Iran; and denying Iran dangerous leverage over the Central Asian economies”

This neoliberal geopolitical vision was a reversal of the Cold War era containment and centerpiece of this new vision was ‘infinite openness and interdependency’ while danger itself is being defined as disconnection from the global system (Roberts et al, 2003). It was believed that Russian dominance in the region could be best challenged by fostering the independence, sovereignty, and prosperity of the Newly Independent States of the Caspian Basin and Central Asia through rapid development of the region’s energy resources and trade linkages (Gee, 1998). Changing the Region’s energy flows from existing northern routes towards Russia to western, eastern, and southern routes towards Europe and Russia was initially thought to be integral to the developmental goals of Central Asian states (Sachdeva, 2011:120). Besides, these objectives were also reinforced by US interest in strengthening global energy security through diversification, and development of new sources of supply from Central Asia and the Caucasus.

The earliest of such initiatives was TRACECA program, created on the occasion of Brussels Conference in 1993 involving five states from Central Asia and three states from the Caucasus region: the Republic of Armenia, the Republic of Azerbaijan and Georgia. During the conference there was signed an agreement for the implementation of the Technical Assistance Program, financed by the European Union, for the development of a transport corridor a west – east axis from Europe, across the Black Sea, through the Caucasus and the Caspian Sea to Central Asia (Briet,1999). TRACECA was joined by Ukraine and Mongolia in 1996, Moldova in 2002 and Republic of Bulgaria, Romania and Turkey in 2002. The TRACECA corridor has been conceived as an alternative to the North Trans – Siberian route and therefore effectively bypassing Russia. One of the stated objectives of the TRACECA

program has been to support the “political and economic independence of the CIS countries, and afterwards, of the participant states of the Basic Multilateral Agreement on International Transport Development of the Europe-Caucasus-Asia Corridor” (Ministry of Foreign Affairs and European Integration, Republic of Moldova).

The European Union sought to foster liberal democracy and deeper political and economic integration with EU and former Soviet republics in East Europe and the Caucasus. GUAM (Georgia, Ukraine, Azerbaijan, Moldova) was established in 1997 as these CIS countries were united by their opposition to Russian backed separatism within their borders and their shared preference to cooperation and integration with the Trans-Atlantic community (Kuzio, 2008). With Russian backed separatist movement in Donetsk and Luhansk oblasts of Ukraine, all four of these countries are locked in ‘frozen conflicts’ with Russian backed covert operations to support secessionist movements starting in late Soviet era. The main goal of GUAM, now called Organisation for Democracy and Economic Development, in the words it’s Secretary General “is to establish space of stability and integration in the Black sea-Caspian sea region; space of partnership, based on the European standards, criteria and practice” (Chechelashvili, 2012). The organisation’s engagement with EU is conducted under the European Union policy instrument of Eastern partnership. The European and American approach to the region did not differentiate between economic and political objectives in the region, which can be defined as promotion of ‘market democracy’ in the region, with more emphasis on market component.

The leading transnational corporations and banks investing in development and transportation of hydrocarbon resources follow a global strategy, carefully weighing costs and benefits (Rumer and Zhukov, 1998). A critical component of US global energy security is to make energy resources of Central Asia available to Asian markets for if Asia’s energy needs were not satisfied, it will put pressure on world markets, driving prices upwards everywhere. The epithet of Silk Roads is appropriate to the extent Central Asia is the crucial transit region for trade between China and Europe and conduit for transporting Middle Eastern and Caspian Sea region oil and gas to Asian markets including China, Japan, and South Korea in east India, Pakistan in south. Asia, with China and Japan as the major consumers, is calculated to be the single largest importer of Middle Eastern oil; this fact makes Central

Asia increasingly important as the transit region (Swantstrom, 2004).

The most commercially viable route connecting Central Asia to Indian Ocean would be through Iran, but given US sanctions on the country, Afghanistan was to be the other option. Afghanistan, which links Central Asia and South Asia, is a strategic bridge of great geopolitical significance (Sahgal & Anand, 2011). Since Afghanistan was ruled by Taliban, a government that America did not recognize, such a plan of transporting Central Asian energy to Asian markets remained unviable. The US led invasion of Afghanistan was as much about eliminating the Taliban government which harbored international terrorists; it was also about *enforcing* reconnection, logical extension of disconnection defines danger argument of Thomas Barnett. "A country's potential to warrant a U.S. military response is inversely related to its globalization activity. There is a good reason why Al Qaeda was based first in Sudan and then later in Afghanistan: these are two most disconnected countries in the world," argued Thomas Barnett in 2007. As US went about eliminating Taliban in Afghanistan, a strategy of connecting Afghanistan with the wider region was needed as Central Asia became a central region in the US war against terrorism and for US aid and investment (Swantstrom, 2005).

Fredrick Starr, chairman of the Central Asia-Caucasus institute at SOAS, John Hopkins University in a Foreign Affairs article in year 2005, conceived of Central Asia and South Asia as a single region and argued that "the reopening of region wide transport and trade is the only way to establish greater Central Asia as a major economic zone with Afghanistan at its heart. GCAP program should coordinate U.S. initiatives in the areas of highway infrastructure, border controls, and the development of region wide business" (Starr, 2005). The regional vision of GCAP was endorsed by the government and since the inclusion of Central and South Asia under a newly formed bureau in the U.S. State department, linking these two regions has been a declared U.S. foreign policy objective (Sachdeva, 2011).

In year 2011 New Silk Road Strategy was envisioned for the region, a policy driven by the global vision of almost infinite openness and interdependency. NSRS aims to link Central and South Asia in four key areas. First is developing a regional energy market, the Central Asia-South Asia electricity transmission project (CASA-1000) received \$ 15 million from the United States to build transcontinental power grid

lines. The lines will transmit power from Kyrgyzstan and Tajikistan to the Pakistan electricity market (Marat, 2014). Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline is another crucial project under NSRS. Second area is trade and transport and includes improving the ‘hardware’ of reliable roads, railways, bridge, and border crossing facilities and ‘software’ component of harmonizing national custom systems, bringing states into multilateral trade institutions, and getting neighbours to work together to break down institutional and bureaucratic barriers to trade. Third is streamlining custom and border operations to enable speedy and efficient transit while ensuring border security and fourth area is to promote business and people to people contact across two regions. New Silk Road initiative of Washington is a key component of post US-NATO strategy of fostering security after departure of Western troops from Afghanistan. NSRS follows a north – south track, creating new North-South trade and transit routes as against East-West connection across Eurasia, spearheaded by Chinese Silk Roads. Given that democracy promotion is a centerpiece of Washington’s Silk Road Initiative and its linking of security assistance to democracy development package means quasi – democratic Central Asian regimes would be wary of Washington’s designs in the region.

Beijing: Silk Road Economic Belt

In Central Asian republics, with their independence from Soviet Union started a process of ‘national and religious liberation’ which had direct implications for ethno-religious separatist movements in Xinjiang region inhabited by Uyghur Muslims of Turkic origin. “The internal conflict in Xinjiang is reinforced by a strong support for the re-establishment of East Turkestan among the populations in Central Asia, a support that is not necessarily shared by their governments” (Swantstrom, 2005), and therefore China “has increasingly sprinkled its economic engagement with larger security engagements with the member states of Shanghai Cooperation Organization (SCO)’ (Swantstrom, 2015).

Regional stability is not only seen as a necessary precondition before extensive trade and energy infrastructure could materialize, but two ends of regional stability and economic prosperity are seen as a mutually reinforcing. China has direct stakes in upholding stability and security in the region, given the geographical proximity and ethno – religious affinities between Xinjiang Uygur autonomous region and

Central Asia Countries. In its fight against the East Turkestan Islamic Movement, waging violent struggle for establishing a separate Uighur state called East Turkestan, China cooperates with Pakistan, who joined SCO with India and Mongolia in July, 2015. It was the imperative of fighting and eradicating trans-border threats of terrorism, extremism, and separatism brought Russia and China, two great powers of Eurasia Central Asian republics to cooperate under the framework of SCO. The rationale behind regional security architecture under SCO was defined by two agreements signed respectively in 1996 in Shanghai and in 1997 in Moscow as confidence building in military sphere in the border areas and on mutual reduction of military forces in border areas. Beijing has used the Shanghai accord to pressure Central Asian states to deter their ethnic minorities from supporting separatism in Xinjiang and to guarantee extradition of Uighurs fleeing China (Xu et al, 2014).

China has sought to establish itself as the most preferred partner for Central Asian states in areas that range from security to trade and investment in energy and infrastructure projects. As China goes about pursuing a Central Asian strategy informed by issues relating to direct internal security and energy security, we see a great power different from United States and Russia. Martha Brill Olcott (2013) argues that “China’s leaders seek to win over their Central Asian counterparts by demonstrating respect, offering generous trade and loan terms, and taking hands – off approach to domestic issues.” China unlike Russia “does not bind them into restrictive trade policies or seek to influence political outcomes behind the scene” and in contrast to Washington, “Beijing doesn’t press Central Asian leaders to agree to a timetable and agenda for internal reforms” (Olcott, 2013). During a visit to Kazakhstan in 2013, where President Xi Jinping unveiled his Silk Road Economic Belt initiative, President stated that “China will never intervene in internal affairs of Central Asian countries, seek leadership in regional affairs, or operate sphere of influence” and argued for mutual support in major core interests including that state sovereignty, territorial integrity, security and stability and joint crackdown on the “three evil forces” of terrorism, extremism and separatism (Jinping, 2013). Silk Road Economic Belt, the flagship foreign policy instrument of China under President Xi Jinping is dedicated to make “economic ties closer, mutual cooperation deeper and space of development broader between the Eurasian countries” (Jinping, 2013). He argued for five gradual steps in the direction of

building modern Silk Roads; first one being policy communication on economic development strategies and regional cooperation through consultation. Second is to open up the transportation channel from the Pacific to the Baltic Sea and to gradually form a transportation network that connects East Asia, West Asia, and South Asia. Third step is about making appropriate arrangement for trade and investment facilitation and fourth is to enhance monetary circulation and promoting realization of exchange and settlement of local currency and fifth is to strengthen people to people exchange.

Silk Road economic belt is a combination of geo-economic and geopolitical strategy as its narrative of trade and economic cooperation is underwritten by security logic as well. It is noteworthy that Xinjiang is the “core area” of the *Silk Road Economic Belt* and China’s Central Asia policy; economic development through increased trade and connectivity with wider region is seen as instrumental to stabilise this insurgency affected region. The geographical location of Xinjiang at the western end of China and the fact that it shares borders with three of five Central Asian republic: Kazakhstan, Kyrgyzstan and Tajikistan and also with Mongolia and Russia in North and Indian and Pakistan towards west, permits it to be the “gateway for mutually beneficial cooperation between China and other Eurasian countries” (Jiabao, 2012). Xinjiang has so far opened 107 international road transport routes to adjacent countries, accounting for 43 percent of the total number in China, according to transport authorities of Xinjiang Uygur Autonomous Region (“Xinjiang set to embrace Silk Road Economic Belt initiatives”, 2015).

Interestingly, Beijing’s Silk Road vision has parallels with Washington’s New Silk Road Strategy, which seeks to stabilise precarious economic and security situation in the Afghanistan by putting it at the heart of region wide transport and trade networks. Through Silk Road Economic Belt Beijing aims to orient China’s economic and development strategy towards Western China positioning it as the crossroads between prosperous coastal China on one hand and Central Asia, Middle East and Europe on the other. With its emphasis on developing Western China, Silk Road Economic Belt is in a way extension – both in terms of geographical extent and economic scope – of ‘Develop the West’ campaign launched in year 2000 and sought to bridge the development gap between China’s western hinterland and coastal China.

Moreover, China's quest for energy security by diversifying its sources of energy supply plus routes and the imperative of powering Beijing's development efforts in Western China has led it to reinvent the historical ties with the hydrocarbon rich Central Asia and beyond. Lin (2011) argues that "China's strategy toward Central Asia has centred on using financial means to create dependency, building on increased oil/gas and politico-military cooperation." "In December, 2010, a 1,833 kilometre pipeline carrying gas from the Saman – Depe gas fields of eastern Turkmenistan to China's Xinjiang region went online" (Swami 2011). In addition to that CNPC of China outmanoeuvred ONGC of India in competition for Kashagan oilfield in Kazakhstan and is developing Dauletabad and Galkynysh, world's second largest gas field in Turkmenistan that would supply gas to China by 2016.

As China increases its footprint in the region that Russia considers as 'near abroad,' it has sought to allay Russian fears of Chinese dominance by avoiding economic influence as a tool for political leverage in Central Asia and strengthening bilateral ties with Russia. First Russian economy remains overwhelmingly dependent on energy export and given Western sanctions on Russia following Russian annexation of Crimea in March 2014, there were good reasons for renewing Russian – Chinese partnership based on complementarities between an energy surplus Russia and an energy guzzling Chinese economy. "In May 2014, by signing a 30-year energy agreement, estimated a \$ 400 billion, CNPC and its subsidiary PetroChina –one of the world's 10 largest companies – both secured essential natural gas supplies to fuel future Chinese economic growth and further increase Beijing's influence on Russian economy" (Piet, 2015). Second, Russia's incessant campaigning for a multi-polar world and cooperation between two countries in forums such as BRICS and non-intervention ethic of China means that rising Chinese profile is seen less threatening and more palatable than Western influence.

China has set up \$40 billion Silk Road Fund to be used to "provide investment and financing support to carry out infrastructure, resource, industrial cooperation, financial cooperation and other projects related to connectivity for countries along the "Belt and Road" ("China's Silk Road Fund makes first investment in Pakistan's hydropower project", 2015). China has been at the forefront of constructing financial architecture for its elaborate program of infrastructure development

across Asia under the banner of One Belt One Road initiative. The Asian Infrastructure Investment Bank launched by China was readily joined by fifty countries as founding members including many European countries such as United Kingdom, Germany, France, and Italy. “This development adds momentum to China’s efforts to build a multipolar financial network comprising the AIIB, the New Development Bank of BRICS states and the proposed Development Bank of Shanghai Cooperation Organization, and promote economic integration and common development through the ‘Belt and Road initiative’” (Lei, 2015).

China has been portraying its Silk Road initiative as its most important ‘constructive engagement’ and in – fact is a great image building exercise and offsets its assertive and hegemonic posture in territorial disputes in South China Sea and elsewhere. In the words of Chinese president Xi Jinping “One Belt and One Road’ is a huge and inclusive platform, which aims to combine the rapidly expanding Chinese economy with benefits to all parties involved” (“China to Speed up construction of new Silk Roads: Xi”, 2014). In addition, China is also capitalising on Silk Road narrative to enhance its tourism potential, especially in north – western China. The ethnically diverse and culturally rich Xinjiang and its history as the key port of historic Silk Roads is the hub of mushrooming Silk Road tourism. As the core region of Chinese stretch of Silk Roads, Urumqi in Xinjiang has been the site of China Eurasia Expo, a commodity and trade exposition. Theme of the fourth edition of the event in 2014 was “Building the Silk Road Economic Belt through Opening – Up and Cooperation.” One of the key national tourism development projects, Silk Road Economic Belt tourist service center also located in Urumqi was promoted during the 2014 Expo. The Center will provide tourists with information and services to all attractions in Xinjiang and other countries on the economic belt. In January 2015, China National Tourism Administration chose Xian, the starting point of Silk Road Economic Belt, to declare 2015 the “Inspired by Silk Road Tourism Year.”

New Delhi: Connect Central Asia Policy

The ancient Silk Roads connected India and Eurasia through Khyber and Bolan Passes, both in Pakistan. Therefore, in order to connect with Central Asia, India counts on Afghanistan and Iran as its gateways to the region while circumventing its geopolitical rival Pakistan. Since

India considers Afghanistan to be a potential bridge to Central Asia, it has backed US led *New Silk Road Strategy* centred on Afghanistan. India has strategic partnership with both United States and Afghanistan and the three have a trilateral dialogue in place since 2012. The idea was to allow better consultation and cooperation between the three governments in dealing with common challenges and opportunities such as “combating terrorism and violent extremism and reviewing cultural exchanges and increasing regional trade, investment, and economic integration” (Ministry of foreign Affairs, Islamic Republic of Afghanistan, 2012). India’s Connect Central Asia policy was unveiled by E. Ahamad, MOS, External Affairs at the backdrop of the First India-Central Asia Dialogue held in June 2012 in Bishkek, Kyrgyzstan. The stated objectives of the policy were “embedding Afghanistan into a more meaningful regional economic and security framework” and “pro – active political, economic and people – to – people engagement with Central Asian Countries, both individually and collectively” (Ahmad, 2012).

Through its Connect Central Asia policy, India has tried to play its part in NSRS initiative regional connectivity centred in Afghanistan. India is denied cross-border transit to Afghanistan via Pakistan as it was excluded from Pakistan Afghanistan Pakistan Transit Trade Agreement (APTTA) signed in 2011, under NSRS. But recently during his first state visit to India in May 2015, the Afghan President Ashraf Ghani, argued that land transit for Afghan imports from India was a question of “sovereign equality” as Pakistan, Afghanistan and Tajikistan are about to sign trilateral transit agreement that will Pakistan access to Tajikistan via Afghanistan. The Afghan President insisted Pakistan must accept the “national treatment” clause agreed to in APTTA, which gives each country equal access up to the national boundaries of both (Haidar, 2015). Once the Wagah land transit is open for Afghan imports from India, it will go a long way in supporting presence of Indian goods in “virgin markets” of Afghanistan. Indian investment and economic presence in the country become significant as Afghanistan’s economy has been called a “virgin market” given that years of conflict have left the country virtually untouched by foreign investment (Haidari, 2015). Afghan government has been keen to attract investment from India. In June 2012, at Delhi Investment Summit on Afghanistan, the Afghan ministry of commerce and industry presented to potential investors

a list of “Investment Opportunities in Afghanistan” in key sectors of energy, minerals, transport, agriculture and agribusiness, small and medium industries, ICTs, finance, health services and construction (Haidari, 2015).

Given that security situation in Afghanistan remains unstable and infrastructure on ground still underdeveloped, Iran, and especially Chabahar port in Sistan and Baluchestan Province of Iran is India’s crucial link to the landlocked Afghanistan and the key port of International North South Transport Corridor or INSTC, the modern southern Silk Road of India. The INSTC was initiated by Russia, India, and Iran in September 2000 to establish transportation networks among the member states and to enhance connectivity with the landlocked regions of Central Asia and it was later extended to include eleven other countries of Caucasus and Central Asia along with Turkey, Ukraine, Belarus, Oman, Syria, and Bulgaria as observers (Singh Roy, 2015).

It was in 2002, following the removal of Taliban regime in Afghanistan, India began developing Chabahar port as a part of its strategy to check Pakistan from developing undue leverage over Afghanistan. Chabahar port is an open sea port located outside chokepoints of Strait of Hormuz and Persian Gulf in Arabian Sea. “In 2003, Afghanistan, India, and Iran signed an agreement to develop the Chabahar-Zaranj-Delaram route. Later that year, India began work on rebuilding the highway running from Zaranj to Delaram, connecting Southern Afghanistan, and Iran” (Swami, 2015). “Delhi has also expressed interest in building a 900km railway linking Chabahar to Hajigak, Bamiyan province in central Afghanistan, where a consortium of Indian state-run and private companies have been awarded rights to mine Afghanistan’s largest iron deposit” (Keck, 2013). However, India’s plan to develop railway, highway infrastructure connecting Iran and Afghanistan to facilitate Indian development aid in Afghanistan and Indian business ventures in developing country’s rich mineral wealth are hanging in balance given the deteriorating security situation as result of US troop withdrawal from Afghanistan. India’s Silk Road strategy is based on increased connectivity, regional trade and openness with Afghanistan, a point underlined by foreign minister Sushma Swaraj in the ‘Heart of Asia’ conference in Islamabad on December 9, 2015.

In the absence of transit trade with Afghanistan through Pakistan, the port of Chabahar remains most important. The port would be operational

by December 2016 and Kandhla Port Trust and Jawaharlal Nehru Port Trust would be operating cargo terminals at Chabahar. INSTC is a multi-nation and multi-modal transport corridor initiated by India. The INSTC will have its starting point from JNPT Port in Mumbai, and via trans-shipment the goods will reach Bandar Abbas Port (near Straits of Hormuz in the Persian Gulf) in Iran; then a railway link connects Persian Gulf to the Caspian Sea region, Turkey and to North Europe via Russia (Khagani, 2015). During his visit to Turkmenistan in July 2015, PM Modi sought India's inclusion in 2011 Ashgabat Agreement on trade and transit. India wants to connect Chabahar and Central Asia through recently inaugurated three nation Iran-Turkmenistan-Kazakhstan rail line. INSTC is central to Indian government's market diversification strategy to help Indian exporters reduce their dependence on traditional markets in the West where there is currently not much demand and instead gain more access to in growing markets in Asia, Africa and Latin America not tapped as much previously (The Hindu, December 30, 2015).

To Indian foreign policy makers, Central Asia is as an energy surplus region and consequently Indian geopolitical imperative is seen as ensuring energy flow from the region while advancing Indian investment in oil and gas exploration business. Given the overbearing Chinese presence in the energy sector of the region, India is hard-pressed to increase its footprint in the region, a move that is welcomed by Central Asian countries keen to avoid Chinese stranglehold of their energy sector. India's energy security strategy aims at diversifying both its energy mix and sources of energy imports; seriously pursuing overseas acquisitions of energy assets; and initiating policy reforms to attract foreign investment as well as improving domestic production, distribution and consumption (Sachdeva, 2011:114-17). A key logic of Connect Central Asia' Policy is the compatibility of aims in the energy field. In words of Minister E. Ahmad "Central Asia's desire for diversifying hydropower and energy export routes would correspond to India's quest for diversifying its imports."

The Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline is a long talked about project, stretching all the way back to the first Clinton administration and part of U.S. global energy security of linking Asian economies with hydrocarbon reserves of Caspian Basin and it remained stuck until Taliban ruled Afghanistan. It was only in 2012 that India,

Pakistan, Afghanistan and Turkmenistan signed a gas sale purchase agreement (GSPA) for the TAPI \$7.6-billion gas pipeline (“TAPI pipeline Gas Sale Agreement Signed”, 2012). Later in 2014, TAPI pipeline company was established with “Turkmengas”, Afghan Gas Enterprise, Inter State Gas Systems (Private) Limited, and GAIL (India) Limited owning equal shares of the company, under the supervision of Asian Development Bank, the transaction advisor to the pipeline project. TAPI will carry gas from Turkmenistan’s Galkynysh field, from the field the pipeline will run to Herat and Kandahar province of Afghanistan, before entering Pakistan; in Pakistan, it will reach Multan via Quetta before ending at Fazilka (Punjab) in India (“TAPI Gas pipeline to take five years: Afghan President Ashraf Ghani”, 2015). As feasibility of the project remains compromised given the dismal security scene in Afghanistan and Baluchistan region troubled by a separatist movement, India has sought change of route to redirect TAPI pipeline to Chahbahar. In his visit to Turkmenistan, PM Modi proposed that possibility of land sea route through Iran for pipeline from Turkmenistan should be explored (“Modi pitches for early implementation of TAPI project”, 2015). During fifth World Energy Policy Summit in New Delhi, in December 2015, Alireza Kameli, managing director of Iran state owned National Iranian Gas Export Company (NIGEC) said the 1,400-km pipeline would transport up to 31.1 million standard cubic meters per day of natural gas via Oman Sea and Arabian Sea; pipeline would bypass Pakistan’s exclusive economic zone in Arabian sea (“Iran may seal \$4.5-bn undersea gas pipeline agreement with India,” December 8, 2015).

In Central Asia, Indian investment in energy business is led by public sector enterprises. Following a contract for oil and gas exploration signed with KazMunayGas (KMG) and the Ministry of Oil and Gas of the Republic of Kazakhstan and ONGC Videsh in 2010, the international petroleum company of India recently started exploratory drilling in Satpayev block in Kazakhstan’s oil rich North Caspian region (“PM Narendra Modi’s Central Asia Tour: India set to push trade with resource-rich Kazakhstan”, 2015). Responding to Tajikistan government’s invitation to India for exploring its massive hydropower potential, state-run BHEL completed the renovation, modernisation and upgrading of the 2x4.75 MW Varjob hydro power plant in Barki Tojik in Tajikistan (“BHEL commissions hydro power plant in Tajikistan”,

2013). Besides that India imports uranium from both Kazakhstan and Uzbekistan for production of atomic power. During Prime Minister Modi's visit to Kazakhstan in July 2015, India renewed a contract to procure 5000 MT of Uranium, as India goes about creating a 'strategic uranium reserve' to ensure its atomic power reactors do not face shortage of the crucial nuclear fuel ("India to Build a Strategic Uranium Reserve", 2015).

Apart from regional connectivity and energy security, counter-terrorism is another key area of engagement between India and Central Asia. Under *Connect Central Asia* policy India has sought to revive its security ties in the region especially in the area of counter – terrorism as the security situation in the region has direct implications for security in Indian province of Jammu and Kashmir and beyond. Moreover the withdrawal of International Security Forces from Afghanistan and simultaneous search of ISIS for foothold in the region has raised stakes for Indian involvement in the region. India is increasingly directing its engagement with greater Central Asia through its participation in SCO and BRICS, a fact that was underlined as Prime Minister Modi visited the five Central Asian republics en-route from BRICS and SCO summits in Russian city of Ufa.

As discussed in above sections the cross – border threat of terrorism, organized crime, drug – trafficking have necessitated multilateral efforts and a key area of India's involvement with SCO has been counter-terrorism. India engages particularly with Tajikistan and Uzbekistan in the area of counter-terrorism and coordinates its counter-terror efforts with the two countries under the framework of Joint Working Group (JWG). The activities of Islamic Movement of Uzbekistan (IMU) and the Jund al-Khilafah (JuK), the two major terrorist groups operating in the region, are concentrated in and around the Fergana valley in Uzbekistan (Patil, 2015) which is located at the tri- junction with Kyrgyzstan and Tajikistan. IMU has been long associated with Taliban and Al-Qaeda and had fought alongside following US invasion of Afghanistan in 2001.

Conclusion

The discourse of modern Silk Roads is brimming with economism with regional connectivity, trade, and market integration seen as stabilising forces and universal remedy for economic, political and security troubles of states. The modern Silk Road strategies are therefore envisaged as a

holistic solution to intractable security situation, where networks of trade and economic prosperity are seen as the best bet against destabilising forces of separatism, extremism and terrorism. Many analysts would argue that establishing trade and business networks in security deficient areas amounts to putting cart before the horse, but the states espousing and participating in Silk Road strategies believe that Silk Roads are long term security solutions to frozen conflicts.

The economic appeal of Silk Road Economic Belt has ensured that Central Asian countries are aboard the Chinese Silk Roads but worsening security situation in Afghanistan and Pakistan means that Central Asia remains cautious in forging linkages with Washington led NSRS, given their legitimate fears of spillover of drug trafficking and insurgency from Afghanistan. For India modern Silk Roads or Central Asian strategy focuses on geopolitical and economic goals. The Indian strategy is to secure its geopolitical footprint in Afghanistan, something that is resisted by Pakistan and help stabilize the region. The economic objectives of India are to secure energy supplies and utilize investment and market opportunities in the region at a time when traditional western markets have reached saturation.

The participant states to modern Silk Roads have to appreciate that lack of political and cultural freedoms for many a people in the region is the main bottleneck in recreating the historic Silk Road region of prosperity. The three evils of terrorism, extremism and separatism are also related to if not result of perceived lack of freedom by people in the region. The modern version of Silk Roads will remain an exercise in furthering the economic and geopolitical interests of powerful entities such as China, EU, and America until political and cultural repression of people is substituted for meaningful political participation for people as necessary preconditions for development.

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