

# CONNECTIVITY: A MAJOR CONSTRAINT IN INDIA'S ENGAGEMENT WITH CENTRAL ASIAN REPUBLICS

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Economic interests play a vital role in determining relations among nations as economics is a major pillar of the foreign policy of any country. In the 21st century, 'economics' has been a key word that alludes not only to trade and commerce but also to the main roots of such trade and commerce. These are specifically called connectivity, infrastructure, institutions and people-to-people contacts. In fact, connectivity is the buzzword and many scholars in their writings have come up with profound statements when they claim that "competitive connectivity is the new arms race of the 21st century".<sup>1</sup> In order to gain, and expand, their markets, even countries that are disadvantaged in terms of distance, are looking for new ways to get connected.

Connectivity is not related only to physical linkages like roads, railways, bridges, etc. but has multiple facets that include the physical, cultural and social spheres. Strengthening connectivity across borders by facilitating seamless movement of goods, services, technology and people is the key to fostering economic growth. Connectivity is, therefore, how we make the

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1. Parag Khanna, "The New Arms Race: Connectivity and Competition", *Foreign Affairs*, February 15, 2016, at <http://www.foreignaffairs.com/articles/2016-02-15/new-arms-race>. Accessed on August 30, 2017.

**Connectivity becomes an imperative issue in global geopolitics in general and Eurasian geopolitics in particular. The issue of various Silk Roads continues to determine the agenda of various regional and global powers, bringing in their own visions.**

most of our geography. The global trends also indicate that connectivity and geography will affect the future of world affairs. Here, it must be taken into account that the main variable of any connectivity project is the 'route'. The concept of route is both "a geographical as well as a political idea", both "an end and a means" to create access.<sup>2</sup> Moreover, Jean Gottmann has commented that access in the geographical and political space has been "organised at all times in history to serve political ends and one of the major aims of politics is to regulate

the conditions of access."<sup>3</sup> Thus, routes, access, geopolitical advantage and economic footage are all associated with each other and, hence, determine the strategic significance of any connectivity endeavour.

Thus, connectivity becomes an imperative issue in global geopolitics in general and Eurasian geopolitics in particular. The issue of various Silk Roads continues to determine the agenda of various regional and global powers, bringing in their own visions. For instance, the European Union (EU)-sponsored trade and transport corridor project TRACECA (Transport Corridor Europe-Caucasus-Asia) was the first such initiative taken in 1993. It was followed by the West sponsored Baku-Tbilisi-Ceyhan energy project; the EU-sponsored integrated energy pipelines project of the 'Southern Corridor'; the North Atlantic Treaty Organisation (NATO)-sponsored 'Virtual Silk Highway' project to connect European scientific-educational networks with Eurasia through the internet; the United Nations Economic and Social Commission for Asia and Pacific (UNESCAP) project on the Trans-Asian Railway Network (or the Iron Silk Road); the Central Asia Regional Economic Cooperation-Asian Development Bank (CAREC-ADB) project on trade and transport corridors in Afghanistan and Central Asia; the New Eurasian Land Transport Initiative

2. Mahnaz Z. Ispahani, *Roads and Rivals: The Politics of Access in the Borderlands of Asia* (London: I.B.Tauris, 1989), p.2.
3. Jean Gottmann, *The Significance of Territory* (Charlottesville: University of Virginia Press, 1973), p.27, as cited in Ibid.

by the International Road Transport Union; the US-sponsored New Silk Road Initiative (NSRI) and the project to transform the NATO-sponsored Northern Distribution Network (NDN) system across Europe to convey non-lethal supplies to Afghanistan into permanent transport corridors across Eurasia;<sup>4</sup> China, promoting its Belt-Road Initiative (BRI), also known as One Belt One Road (OBOR); and Russia advancing its Moscow-centric 'Greater Eurasia' project.

In this Eurasian geopolitics, the Central Asian region serves as an important crossroads between Europe and Asia because of its geostrategic location in the heart of Eurasia. In fact, goods and services have flowed across the region since ancient times, connecting Europe, China and West Asia, thus, establishing many trade hubs. In modern times, the region has once again become the site of the geopolitical and geoeconomic interests of various external powers. These landlocked republics border Iran and Afghanistan to the south, China to the east and Russia to the northwest. This strategic location and their energy resources make them increasingly important in the geostrategic great game. Traditionally, Central Asia has been an arena of the great game where Russia and Great Britain vied for dominance. In modern times, the great game is being played out by multiple global powers such as Russia, China, Japan and the US. Regional powers such as Turkey, Iran, Pakistan and Afghanistan also play a crucial role in this great game because of their substantial security and economic interests in the region.

Though all these external powers acknowledge the poor state of the Central Asian infrastructure, along with investments, they are bringing their own visions of state-building and regional integration. For instance, China

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4. Sreemati Ganguli, "India's Strategic Connect with the World", <http://idsa.in/idsacomments/india-strategic-connect-with-the-world-sganguli.231017>. Accessed on October 24, 2017.

is promoting various developmental projects in these republics in order to connect them with its underdeveloped and restive province of Xinjiang; Russian attempts to integrate them in its new regional organisations are aimed at keeping these republics away from the West, and the US attempts to create connections between Central Asia and South Asia or with Europe are aimed to bypass Russia. On the other hand, the Central Asian Republics (CARs) are increasingly looking towards these powers for their investment in infrastructural projects in the region and to gain access to international markets. Such opportunities will help them to get out of their landlocked position to being landlinked to the world's great and dynamic economies.<sup>5</sup> India is no exception to this. Unfortunately, the absence of direct physical access has been a major stumbling block in India's relations with Central Asia. The tough geopolitical neighbourhood has further hampered India's reach into the region. Consequently, despite having close historical, civilisational and cultural linkages, the relationship between India and the CARs has not developed up to the mark. However, the current trend in India's foreign policy approach suggests a more coordinated effort to treat connectivity as a strategy in the regional, inter-regional and global arenas.

Therefore, the present paper, in this scenario, analyses connectivity as one of the major challenges for India to engage the CARs. It also analyses various opportunities and possibilities that India needs to explore to connect with the Central Asian region. Prior to such an exercise, it is imperative to discuss various connectivity projects that the CARs are involved in and India's chances of benefiting from them.

### **AN OVERVIEW OF THE CARs AND THE CONNECTIVITY PROJECTS**

Twenty-five years since their independence, the following features are noteworthy in the Central Asian Republics:

- The region and the republics have been stable in spite of security, economic and social challenges faced by them.

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5. Johannes F. Linn, "Central Asian Regional Integration and Cooperation: Reality or Mirage?", <https://www.brookings.edu/wp-content/uploads/2016/06/10-regional-integration-and-cooperation-linn.pdf>. Accessed on August 27, 2017.

- The region has grown to be an important geostrategic ally because of its location in the heart of Eurasia and the opportunities it has provided to the international actors.
- The republics have been able to maintain fairly good neighbourly relations along their borders, keeping an eye on unlocking the regional transport arteries.
- The perceived aim of investments in the energy and transport infrastructure among the CARs has proved to be a way to revitalise the regional economies. Therefore, improving the infrastructure is a shared goal among the CARs.

Hence, the reconnection of the Central Asian region with the rest of the world in terms of transportation or in terms of restoring the 'silk way' is considered as nothing less than a revolution.<sup>6</sup> For attaining their shared objective, the dynamics of the relations among the republics of the region are changing from tensed to welcoming.<sup>7</sup> As a part of their multi-vector policy, they are developing their own concept of cooperation with the international community in the transport sector, as given below.

### **BELT AND ROAD INITIATIVE (BRI)**

The BRI promises the Central Asian region's integration with a new and multifaceted transportation network, and, thus, connecting it to distant countries and markets. It is also viewed as changing Central Asia from a landlocked to a transit region and, thus, creating a new direction in its development. Hence, all the Central Asian leaders have given their wholehearted support to this Chinese-led initiative.

The Belt and Road Initiative (BRI), the flagship programme of Chinese President Xi Jinping, made headlines on May 14-15, 2017, when delegates from over 110 countries and a number of organisations attended the event. The highlight of the event was the participation of 29 heads of states or governments,

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6. Georgi Gotev, "Kazakh Minister: Two 'Revolutionary' Stories are Happening in Central Asia", <http://www.euractiv.com/section/central-asia/interview/two-revolutionary-stories-are-happening-in-central-asia/>. Accessed on September 1, 2017.

7. Ibid.

**The BRI, basically, refers to the land-based "Silk Road Economic Belt" and the sea-going "21st Century Maritime Silk Road", that was proposed by President Xi Jinping in 2013 during his visit to Kazakhstan and Indonesia. These aim to connect Asia, Africa and Europe along five routes.**

representing their countries, from Asia, Africa, Europe, and South America. They signed the joint communique affirming that the "spirit of peace, cooperation, openness, transparency, inclusiveness, equality, mutual learning, mutual benefit and mutual respect by strengthening cooperation on the basis of extensive consultation and the rule of law, joint efforts, shared benefits and equal opportunities for all" shall be pursued in order to build synergies in development strategies.<sup>8</sup> The presidents of three republics of Central Asia i.e. Kazakhstan, Kyrgyzstan

and Uzbekistan were also among the attendees and signatories to the joint communique. They expressed their support and optimism towards the potential for projects beyond infrastructure and opening new opportunities in the region. The enthusiasm was quite visible as Kazakhstan's President Nursultan Nazarbayev, while speaking at the forum said, "Xi's idea to restore the ancient Silk Road in Eurasia in a modern format is a timely response to the increased political, economic and humanitarian crisis in the world... the implementation of the Silk Road initiative allows to position the whole region in a new way, including Central Asia in a global context,"<sup>9</sup>

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- Linking China to Europe through Central Asia and Russia.
- Connecting China with West Asia through Central Asia.

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8. "Joint Communique of the Leaders Roundtable of the Belt and Road Forum for International Cooperation", May 16, 2017, Ministry of Foreign Affairs of the People's Republic of China, [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1462012.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1462012.shtml). Accessed on August 12, 2017.

9. Malika Orazgaliyeva, "Kazakh President Attends One Belt, One Road Forum, Meets With Leaders in China", *The Astana Times*, May 16, 2017.

- Bringing together China and Southeast Asia, South Asia and Indian Ocean.

The 21st Century Maritime Silk Road focusses on:

- Using Chinese coastal ports to link China with Europe through the South China Sea and Indian Ocean.
- Connecting China with the South Pacific Ocean through the South China Sea.<sup>10</sup>

Therefore, the main attention would be given to building roads, ports, railways, telecom, etc. to enhance trade and business.

Under the BRI, six economic corridors are proposed to be developed:

- The New Eurasia Land Bridge Economic Corridor.
- The China-Mongolia-Russia Economic Corridor.
- China- Central Asia-West Asia Economic Corridor.
- China-Pakistan Economic Corridor.
- Bangladesh-China-India-Myanmar Economic Corridor.

President Xi Jinping's ambitious project will cover areas like policy coordination, connectivity, infrastructure development, trade facilitation, investments and people-to-people contacts. The routes will cover more than 60 countries and regions, touching about 60 percent of the world's population.<sup>11</sup> From its outlook and the official position presented by the Chinese authorities, it appears that the BRI is mainly an economic initiative aiming at socio-economic benefits and comprises win-win cooperation for all the participants. However, one must remember that this initiative is central

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10. "The Belt and Road Initiative" Hong Kong Trade Development Council (HKTDC), September 13, 2017, <http://china-trade-research.hktdc.com/business-news/article/The-Belt-and-Road-Initiative/The-Belt-and-Road-Initiative/obor/en/1/1X000000/1X0A36B7.htm>. Accessed on September 29, 2017.

11. "The Belt and Road Initiative: A Road Map to The Future", Hong Kong, Trade Development Council (HKTDC), <https://beltandroad.hktdc.com/en/belt-and-road-basics>. Accessed on September 1, 2017.

to Xi Jinping's "Chinese Dream"<sup>12</sup> and the new Silk Road is at the heart of his nationalist vision. Therefore, it is not free from China's geostrategic, economic and political interests. By funding and building transport infrastructure, power grids, pipelines, etc. China is flexing its economic muscles with an aim to weave a web of economic dependency and draw the smaller and least developed countries into its tight embrace. Moreover, the BRI also offers China a way to give a boost to its economy, pursue development into its western region, open up new markets and strengthen links with resource rich countries and, thus, expand its political clout as well.<sup>13</sup>

### **SIGNIFICANCE OF THE CENTRAL ASIAN REPUBLICS TO BRI**

The Central Asian region is a key component in the BRI and is ideally placed to benefit the international sphere primarily for two reasons. Firstly, all the five republics of the region are imperative to the land component i.e. Silk Road Economic Belt, of the BRI project. The New Eurasia Land Bridge Economic Corridor and China-Central Asia-West Asia Economic Corridor are of particular relevance in this context. Besides, the Khorgos-Aktau Railway project is another important link.<sup>14</sup> The region physically connects China with Europe and West Asia and also acts as China's gateway to the West. Secondly, China has a significant and substantial stake in the region. This is mainly because Central Asia neighbours its troubled Xinjiang Uighur Autonomous Region (XUAR), where a segment of the ethnic Uighur population continues to strive for independence. Further, China, being a net importer of oil, wants assured access to Central Asia's vast oil and gas resources. In addition, it seeks to develop new markets for its exporters and construction companies by building roads and railways across this

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12. Pepe Escobar, "Xi's Roadmap to the Chinese Dream", *Asia Times*, October 21, 2017, [www.atimes.com/article/xis-road-map-chinese-dream/](http://www.atimes.com/article/xis-road-map-chinese-dream/). Accessed on October 30, 2017.
  13. Mark Magnier, "Beijing Spins a Web of Chinese Infrastructure", *The Wall Street Journal*, January 16, 2017, [www.wsj.com/articles/Beijing-spins-a-web-of-chinese-infrastructure-1484560801](http://www.wsj.com/articles/Beijing-spins-a-web-of-chinese-infrastructure-1484560801). Accessed on January 17, 2017.
  14. For details, see "Kazakhstan: A Modern Silk Road Partner", <http://hkmb.hktdc.com/en/IX0A50Y2/HKTDc-Research/Kazakhstan-A-Modern-Silk-Road-Partner#>. Accessed on October 12, 2017.



landlocked region of the world.<sup>15</sup> Hence, when President Xi Jinping first laid out his vision for the BRI [One Belt One Road (OBOR) at that time] in 2013, with an offer of multi-billion dollar investment in transport and industry and a vision of free trade across the region, Astana (Kazakhstan) was an appropriate venue—symbolically as well as geographically.

In the past, China has made concerted efforts to forge closer relations with the CARs. Over the years, it has emerged as the leading trade partner and investor not only in the energy sector but in infrastructure of all types (pipelines, hydropower plants, bridges, tunnels, roads, railways, etc.). It has also refurbished oil refineries and has completed major oil and gas pipeline projects. Further, the Chinese have invested heavily in the extraction of the region's natural resources, especially oil, gas, uranium, gold and copper, as they make up the main exports of the region. China is also the region's main external creditor and has extended loans to all the republics during financial crises,<sup>16</sup> thus, becoming a strong pillar of influence in the region. Additionally, China appears to be a successful political model for the Central Asian authoritarian states, a nation that is able to combine economic growth and a system based on strongly centralised political and social control. As a result of Central Asia being the central location of major Belt routes, China's economic and security interests in the region will only increase.

The CARs, on the other hand, after their independence, inherited a huge management crisis i.e. problems of inflation, economic development, job creation, foreign policy, security, etc. The region was enmeshed in Soviet era networks of electricity grids, oil pipelines, railways, roads, etc. to serve the needs of the Russian hub of the Soviet economy. The intra-Central Asian linkages and infrastructure remained underdeveloped. Moreover, their view of the outside world was also dependent on Moscow.<sup>17</sup> Further,

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15. Shiping Tang, "Economic Integration in Central Asia – The Russian and Chinese Relationship," *Asian Survey*, vol. XL, no. 2, March-April 2000, p.365.

16. For details, see Alexander Cooley, "The Emerging Political Economy of OBOR: The Challenges of Promoting Connectivity in Central Asia and Beyond", Centre for Strategic and International Studies, Washington DC, October, 2016, <http://csis.org/analysis/emerging-political-economy-obor>. Accessed on August 12, 2017.

17. For details see, Ahmed Rashid, *Jihad: The Rise of Militant Islam in Central Asia* (Hyderabad: Orient Longman Private Limited, 2002).

**Chinese-led infrastructural development is changing the map of the region. China has already built pipelines from Kazakhstan and Turkmenistan. The Chinese funded railway project was opened between Uzbekistan and Ferghana in 2016.**

all the CARs are landlocked economies and were heavily dependent on extracting natural resources like oil and gas. They were also keen to get out of their overdependence on Russia and diversification was essential to realise the vision that they wanted to advance. Hence, all the republics developed a robust relationship with China which aided their economic growth in the post-Soviet era. In fact, Chinese-led infrastructural development is changing the map of the region. China has already built pipelines from Kazakhstan and Turkmenistan. For instance, the China-Central

Asia gas pipeline traversing Turkmenistan, Uzbekistan and Kazakhstan became operational in 2009, and the China-Kazakhstan oil pipeline, which runs from Kazakhstan's Caspian shore to Xinjiang in China and was built in segments, has also been completed and functional. The Chinese funded railway project was opened between Uzbekistan and Ferghana in 2016. The railway line will pass through Tajikistan, connecting Ferghana Valley with the rest of Uzbekistan. Another landmark initiative from the Belt-Road perspective is the East-West bound Khorgos-Aktau Railway link which is a trans-Kazakhstan railway line from the Caspian Sea port-city of Aktau (Kazakhstan) to the logistics hub of Khorgos (China's border).<sup>18</sup> From Aktau, shipping will offer transport across the Caspian to Azerbaijan and Georgia, and a link to the recently inaugurated Baku-Tbilisi-Kars railway line.<sup>19</sup> Alternatively, the Kazakhstan-Turkmenistan-Iran railway link, which was inaugurated in December 2014, can be used. Also, this route will completely

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18. Wade Shepard, "A Look Inside Aktau, Kazakhstan's Other Hub On The New Silk Road", <http://www.forbes.com/sites/wadeshepard/2017/04/15/a-look-inside-aktau-kazakhstans-other-hub-on-the-new-silk-road/>. Accessed on September 12, 2017.

19. Dunamali Emiroglu Veliyev, "The New Stage of Integration Processes in Eurasia: The Baku-Tbilisi-Kars Railway Project", <http://eurasian-research.org/en/research/comments/transport/new-stage-integration-proceses-eurasia-baku-tbilisi-kars-railway-project/>. Accessed on August 8, 2017.

bypass Russia.<sup>20</sup> Further, there is a proposal to revive the building of a high speed railway link between China-Kyrgyzstan and Uzbekistan.

Along with trade and connectivity, China has given due importance to investment in the industry and power sectors also. For instance, in Kyrgyzstan a Chinese-run cement plant is operating in Aravan, with others announced for Issykul and Osh. In Tajikistan, Chinese investors have established many cement plants, and a Chinese company, Tebian Electricity Apparatus (TBEA), completed the \$350 million reconstruction of the Dushanbe power plant in December 2016 and is refurbishing the Bishkek power and heating plant. It has also completed a \$390 million electricity transmission line between north and south Kyrgyzstan.<sup>21</sup> By these huge investments, China has succeeded in consolidating its geopolitical influence in the region. Pantucci Raffaello has rightly observed, "The decision to first focus the initiative on Central Asia was a reflection of the fact that the region served as a conduit for China's decades-long approach to investment around the world...with a model of building infrastructure using Chinese firms deployed to deliver on loans provided by the country's financial institutions to open up trade and markets, Beijing's investments in Central Asia since the end of the Cold War provide a model for the globalised Belt and Road Initiative".<sup>22</sup>

Therefore, it is believed that, after the inception of the BRI, China's role/ investments will grow substantially in the region. So, the active support and enthusiasm from the leadership of three of the CARs during the BRI Summit was understandable. In fact, a number of agreements were signed between the CARs and China during that time. Some of these include:

- Agreements on international transportation and strategy coordination with Uzbekistan.
- Economic and trade cooperation agreements with Uzbekistan and Tajikistan.

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20. Onur Uysal, "Kazakhstan-Turkmenistan-Iran Railway To Open Today", <http://railturkey.org/2014/12/03/Kazakhstan-turkmenistan-iran-railway>

21. "Central Asia's Silk Road Rivalries", Report No. 245/Europe and Central Asia, July 27, 2017, <http://www.crisisgroup.org/europe-central-asia/central-asia/245-central-asian-silk-road-rivalries>. Accessed on July 28, 2017.

22. Pantucci Raffaello, "China: Understanding Beijing's Belt and Road Initiative", <https://rusi.org/commentary/china-understanding-beijing-s-belt-and-road-initiative>. Accessed on July 28, 2017.

- The National Development and Reform Commission of China signed the Memorandum of Understanding on Promoting the Major Projects under Industrial Capacity and Investment Cooperation with the Ministry of Economy of Kyrgyzstan.
- Customs cooperation agreement with Kazakhstan.
- Chinese telecom companies' participation in the "Digital Kazakhstan 2020" programme.
- Agreement on education cooperation with Kazakhstan.
- Tourism cooperation agreement with Uzbekistan.<sup>23</sup>

Besides these agreements, reportedly, the Uzbek and Kyrgyz presidents were also keen to include the China- Kyrgyzstan-Uzbekistan Railway projects (that have been stalled for years) under the Belt and Road initiatives. Also, Kyrgyz President Atambayev actively talked about the "Digital Silk Road" of Eurasia and his country's potential role as a key logistic hub. On the other hand, the Kazakh president was anxious about the long-term benefits of the initiative.<sup>24</sup> Probably, the leaders of the region have realised that dependence on hydrocarbon resources cannot take them further but infrastructural development can. The President of Uzbekistan, Shavkat Mirziyoyev, while speaking at the BRI Summit clearly stated that the BRI should be filled with "concrete programs and regional development projects... We urge for major transport, trade, investment, energy and high-tech projects to be implemented in our region, which has rich natural, industrial and human resources,... the second key issue is the development of a comprehensive cooperation program for creating transport and logistics routes linking Europe, Central Asia through China and Russia to the markets of South and Southeast Asia."<sup>25</sup>

The BRI project looks promising and will clearly benefit the Central Asian Republics economically. It will aid the republics in not only gaining an international outreach but also developing greater diplomatic connections

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23. Ganguli, n.4.

24. Catherine Putz, "What's Next for the Belt and Road in Central Asia", *The Diplomat*, May 17, 2017, <https://thediplomat.com/2017/05/whats-next-for-the-belt-and-road-in-central-asia/>. Accessed on October 12, 2017.

25. "Remarks by Shavkat Mirziyoyev at Leaders' Roundtable Summit at Belt and Road Forum", *The Tashkent Times*, May 15, 2017.

with more countries. However, this project is still in its initial stages and its future course is uncertain and ambiguous. In addition, the CARs are wary of the extent of Chinese involvement as it might threaten their sovereignty and violate their territorial integrity. Consequently, the CARs are not keeping all their eggs in one basket and are also expanding towards other horizons.

#### THE OTHER HORIZONS

As a part of their multi-vector policy, the CARs are developing their own concept of cooperation with the international community in the transport sector. For instance, Turkmenistan is putting in a lot of effort to emerge as a transport hub. Its favourable geographical location is strengthening its position as a major transit and transport junction point of regional and continental significance. The Kazakhstan-Turkmenistan-Iran Railway link, that was inaugurated in December 2014, is worth mentioning here. It also intends to commission the region's largest road and rail bridges across the Amu Darya river, connecting the transport hubs of Uzbekistan and Turkmenistan and, thus, speeding up traffic flow in both directions.<sup>26</sup> Further, the Turkmenistan-Afghanistan-Tajikistan Railway project is in the making, but Turkmenistan has already completed its section with Afghanistan and opened its completed railway link on November 28, 2016.<sup>27</sup> Turkmenistan is also a part of the Central Asia-Persian Gulf Transport Corridor. Uzbekistan, along with Turkmenistan, Qatar and Oman, is a part of this agreement which came into force in April 2016.<sup>28</sup> Besides, the

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26. Elchin Huseynov, "Turkmen Transport Strategy is of Long-Term Nature: President", *Trends News Agency*, November 26, 2016, <https://en.trend.az/casia/turkmenistan/2690208.html>. Accessed on September 20, 2017.

27. Shoaib Ahmad Rahim, "The Turkmenistan-Afghanistan-Tajikistan Railway" *The Diplomat*, December 9, 2016, <https://thediplomat.com/2016/12/the-turkmenistan-afghanistan-tajikistan-railway/>. Accessed on September 20, 2017.

28. Demir Azizov, "Agreement on Central Asia-Persian Corridor Enters Into Force", *Trends News Agency*, April 23, 2016, <https://en.trend.az/business/economy/2524083.html>. Accessed on September 20, 2017.

**Russia, which considers the Central Asian region as its strategic backyard, has outlined an ambitious vision of a new global integration grouping on top of the already existing economic and political unions in Eurasia.**

Turkmen president also inaugurated a new cargo and passenger seaport on the Caspian Sea in May 2018, in order to strengthen its economy by handling shipping traffic between Asia and Europe.<sup>29</sup>

Clearly, the CARs are striving to develop their own transport infrastructure. The state programmes of the transport sector development have been adopted in all the five Central Asian Republics with an aim to open access to international trade routes.<sup>30</sup>

Although there are a lot of connectivity projects that aim to connect the CARs, Russia's pivotal role cannot be undermined as the heavy dependence of the CARs on Russia in terms of security is still evident. Also, Russia, which considers the Central Asian region as its strategic backyard, has outlined an ambitious vision of a new global integration grouping on top of the already existing economic and political unions in Eurasia. As per President Putin's new vision, the Russian-led Eurasian Economic Union (EEU) can become part of a larger integration entity, a "Greater Eurasia." This Greater Eurasian partnership could also include China, India, Pakistan and Iran, the former Soviet states and other interested parties. The Greater Eurasian partnership will aim at developing trade, reducing and, eventually, removing, tariff barriers between the participating countries.<sup>31</sup> The idea of Greater Eurasia and increased integration between the EEU and EU, was strongly supported by Kazakh President Nazarbayev.

The EEU is a Eurasian integration project led by Russia. Besides Russia, Kazakhstan, Belarus, Armenia and Kyrgyzstan are the other member states

29. Aygerim Sarymbetova, "Turkmenistan Launches New Seaport", <http://caspiannews.com/news-detail/turkmenistan-launches-new-seaport-2018-5-5-38/>. Accessed on May 8, 2018.

30. Aset Ordabayev, "The Geopolitics of Transport Corridors in Central Asia", Working Paper, June 2015, The Institute of World Economics and Politics (IWEP) under the Foundation of the First President of the Republic of Kazakhstan, [http://iwep.kz/files/attachments/article/2015-07-05/geopolitics\\_of\\_transport\\_corridors\\_in\\_central\\_asia.pdf](http://iwep.kz/files/attachments/article/2015-07-05/geopolitics_of_transport_corridors_in_central_asia.pdf). Accessed on September 20, 2017.

31. Sergei Blagov, "Russia Eyes Greater Eurasia", *Asia Times*, June 20, 2016, <http://www.atimes.com/article/russia-eyes-greater-eurasia/>. Accessed on July 30, 2017.

of this project. For more than 20 years in the post-Soviet era, the idea had been prevalent to have some sort of single economic space among the newly independent states. President of Kazakhstan Nursultan Nazarbaev, first spoke about it during a speech at Moscow State University in 1994. Later the idea developed further with the formation of the Eurasian Economic Community in 2000, which aimed at providing a common legal framework for energy markets and free movement of labour. To further develop the integration process among the Commonwealth of Independent States (CIS), the Customs Union was formed by Russia, Belarus and Kazakhstan in 2010.

The EEU is the logical continuation of the Customs Union, comprising additional steps towards economic integration through unification of labour and trade legislation as well as the harmonisation of the legal framework in other areas.<sup>32</sup> Finally, on January 1, 2015, Russia, Kazakhstan and Belarus came together to launch the EEU. Armenia officially joined the next day and Kyrgyzstan in August 2015. Tajikistan has also shown interest in joining the Union, but Uzbekistan and Turkmenistan have not shown any such inclination.

So far, the EEU has not been considered a success story as it has not been able to provide an economic boost which the member states have expected, except for the migrated labour force to Russia from the Central Asian Republics. Therefore, how the idea of creating a Greater Eurasia will work out is a question mark.

Further, Russia and China have joined an agreement on collaboration between the EEU and Silk Road Economic Corridor in May 2015. But the prospects of true partnership seem a distant reality as their visions for Eurasia

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32. Gulaikhan Kubayeva, "Economic Impact of the Eurasian Economic Union on Central Asia", Central Asia Security Policy Brief, February 2015, OSCE Academy in Bishkek, [http://osce-academy.net/upload/file/policy\\_brief\\_20.pdf](http://osce-academy.net/upload/file/policy_brief_20.pdf). Accessed on July 25, 2017.

in general and Central Asia in particular do not match. So, the futuristic outlook of these visions also remains unexplained.

From the above discussion, it is evident that by joining various connectivity projects, the CARs are trying to move towards progress by balancing out the domination of a single power in their region. Does India fit into these projects in any manner? If not, then, how India will make its place in the region in the present scenario needs due attention.

### INDIA'S BLUEPRINT FOR CONNECTIVITY

The establishment of the India-Afghanistan Air Freight Corridor and the first flight taking off from Kabul for New Delhi on June 19, 2017, and connecting two more cities of Afghanistan (Mazar-e-Sharif and Herat) to New Delhi by air clearly marked a decisive step towards the promotion of connectivity as one of the strategic dimensions of India's foreign policy. "The connectivity established through the Air Freight Corridor will provide Afghanistan, a landlocked country, greater access to markets in India, and will allow Afghan businessmen to leverage India's economic growth and trade networks for its benefits...", said Mr. Deepak Mittal, the Joint Secretary (Pakistan, Afghanistan and Iran).<sup>33</sup> This is just one example of India's connectivity endeavours as it has been the global trend to foster connectivity among states and regions. Similar intentions were visible during the joint declaration on the Asia-Africa Growth Corridor (AAGC) or the Freedom Corridor, issued at the 52nd annual meeting of the African Development Bank in May 2017 and its subsequent reiteration in the India-Japan Joint Statement during the Japanese prime minister's visit to India in September 2017. The AAGC Vision Document states that the initiative will concentrate on development and cooperation; infrastructure, digital and institutional connectivity; skill development and establishment of people-to-people contacts among Africa, South Asia, East and Southeast Asia and Oceania.<sup>34</sup> Further, India also initiated the India-Myanmar-Thailand Highway project,

33. "Maiden India-Afghanistan Air Freight Corridor Lands in Delhi", *Deccan Chronicle*, June 19, 2017, <http://www.deccanchronicle.com/nation/currentaffairs/190617/maiden-india-afghanistan-air-freight-corridor-carrying-afghan-goods-lands-in-delhi.html>. Accessed on October 5, 2017.

34. Ganguli, n.4.



to be extended to Cambodia, Lao PDR and Vietnam. The project is known as the East-West Economic Corridor and provides greater economic viability to the India-ASEAN strategic partnership. All these initiatives suggest that India is making concerted efforts to develop connectivity as a strategy in the regional and global arenas. Furthermore, India's decision to join the International Roads Transport (TIR) Convention as the 71st signatory shows its seriousness about getting involved in the international transport architecture and connectivity network.<sup>35</sup>

**The INSTC—considered as India's gateway to expand trade and investment links with the Central Asian Republics and Eurasia—is a multi-modal transportation route that links the Indian Ocean and Persian Gulf to the Caspian Sea via Iran and onwards to northern Europe via St. Petersburg in Russia.**

Similarly, India is also seeking a strong connectivity network with the Central Asian Republics, which it considers its extended neighbourhood. Unfortunately, India does not share physical borders with these republics and the tough neighbourhood has further hampered its reach to the region. India's connectivity with the CARs is restricted by the Himalayas in the north and hostile relations with Pakistan in the west. Consequently, trade and economic relations have remained minimal between India and the CARs. Therefore, in an attempt to redeem the situation, India has sought new avenues. One of these is to enhance its engagement with regional and multilateral initiatives. The second avenue is to have close cooperation with friendly countries like Russia, Iran and Afghanistan, around the region.

In fact, the last couple of years have seen some major strategic breakthroughs in this direction. For instance, Indian Prime Minister Narendra Modi's visit to all the five CARs in July 2015 and to Iran in May 2016, brought the focus on connectivity and trade. Trade and transit issues were high on Modi's agenda. While interacting with the presidents of these republics, on a bilateral basis, he stressed on the need for deepening infrastructure links.

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35. Indrani Bagchi, "India Joins UN TIR Convention", *The Times of India*, June 19, 2017, <https://timesofindia.indiatimes.com/india/india-joins-un-tir-convention/articleshow/59220976.cms>. Accessed on October 10, 2017.

Hence, the emphasis was on speeding up the work on the International North-South Transport Corridor (INSTC), Iran-Turkmenistan-Kazakhstan (ITK) rail link, India's interests in joining the Ashgabat Agreement, and India's investment in Chabahar port.

### **INTERNATIONAL NORTH-SOUTH TRANSPORT CORRIDOR (INSTC)**

The INSTC—considered as India's gateway to expand trade and investment links with the Central Asian Republics and Eurasia—is a multi-modal transportation route that links the Indian Ocean and Persian Gulf to the Caspian Sea via Iran and onwards to northern Europe via St. Petersburg in Russia. It envisages movement of goods from Mumbai (India) to Bandar Abbas (Iran) by sea, from Bandar Abbas to Bandar-e Anzali (an Iranian port on the Caspian Sea) by road and then from Bandar-e Anzali to Astrakhan (a Caspian port in the Russian Federation) by ship across the Caspian Sea, and thereafter from Astrakhan to the other regions of the Russian Federation and further into Europe by Russian railways. The INSTC project was initiated by Russia, Iran and India in September 2000, in order to establish a transportation network among the member states and enhance connectivity with the landlocked CARs. Later, it was joined by another 11 countries, namely: Armenia, Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkey, Ukraine, Belarus, Oman, Syria and Bulgaria (as observer).<sup>36</sup> The progress on this project, however, had been very slow in the past. But, in 2014, for understanding the problem areas and to realise the full potential of the corridor, a dry run was conducted by the Federation of Freight Forwarders' Association in India (FFFAI), on the Nhava Sheva-Bandar Abbas (Iran)-Baku (Azerbaijan) and the Nhava Sheva-Bandar Abbas-Amirabad (Iran)-Astrakhan (Russia) route via the Caspian Sea. The dry run report pointed out that "the proposed INSTC route via Bandar Abbas in Iran to Russia and CIS<sup>37</sup> destinations in transit through Iran could be the best route with

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36. "International North-South Transport Corridor" (INSTC), [www.instc.org.ir/pages/home\\_Pages.aspx](http://www.instc.org.ir/pages/home_Pages.aspx). Accessed on October 20, 2016.

37. CIS Stands for Commonwealth of Independent States

optimal transit/ cost for the Indian exporters/ importers<sup>38</sup>." Further, in 2015, the officials from India, Iran, Russia and the other 11 countries had a meeting in New Delhi and approved draft transit and customs agreements for INSTC. This will provide the legal framework for moving freight on the ship-rail-road route linking India, Iran, Russia, CARs and Europe<sup>39</sup>.

To operationalise this project, India is making attempts to fill in the missing links, with cooperation from the CARs. During the prime minister's visit to Kazakhstan in July 2015, India agreed on increased collaboration in the framework of the INSTC and agreed that the Kazakhstan-Turkmenistan-Iran (KTI) rail link, operationalised in December 2014, becomes a linked corridor of the INSTC<sup>40</sup>. The route links the Caspian Sea to the Indian Ocean through the Bandar Abbas and Chabahar ports in Iran. Also, Kazakhstan's national railway company, Kazakhstan TemirZholy (KTZ) signed a Memorandum of Understanding with Special Economic Zone (SEZ) Adani Ports for building a port in Mundra (Gujarat). The importance of this port lies in the fact that once the link between Mundra port and Bandar Abbas is ready, the goods can be transported via the KTI rail link and this will be shorter and cheaper.<sup>41</sup> With Uzbekistan, the prime minister sought its support for joining the Ashgabat Agreement – a transit pact established in 2011 by Iran, Oman, Qatar, Uzbekistan and Turkmenistan to develop trade and transport with Iranian and Omani ports.<sup>42</sup> The land component of the agreement includes rail links through Kazakhstan-Uzbekistan-Turkmenistan and Iran. However, Qatar withdrew from the agreement in 2013, and now Kazakhstan has joined it. Accession to the agreement

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38. "International North-South Transport Corridor (INSTC)-Dry Run Report 2014", commerce.nic.in/publications/INSTC-Dry-run-report-Final.pdf. Accessed on October 20, 2016.

39. Dipanjan Roy Choudhary, "INSTC Draft Approval: Big Step Forward on India-Iran-Russia Corridor", [economictimes.indiatimes.com/news/politics-and-nations/instc-draft-approval-big-step-forward-on-india-iran-russia-corridor/articles/ow/48766349.cms](http://economictimes.indiatimes.com/news/politics-and-nations/instc-draft-approval-big-step-forward-on-india-iran-russia-corridor/articles/ow/48766349.cms). Accessed on October 20, 2016.

40. "Tej Kadam: India-Kazakhstan Joint Statement", [mea.gov.in/outgoing-visit-detail.htm?/Tej+Kadam+India+Kazakhstan+joint+statement](http://mea.gov.in/outgoing-visit-detail.htm?/Tej+Kadam+India+Kazakhstan+joint+statement). Accessed on May 12, 2016.

41. "Kazakhstan eyes Terminal at Mundra to Give Fillip to Bilateral Trade", [www.thestatesman.com/news/business/Kazakhstan-eyes-terminal-at-mundra-to-give-fillip-to-bilateral-trade/106535.html](http://www.thestatesman.com/news/business/Kazakhstan-eyes-terminal-at-mundra-to-give-fillip-to-bilateral-trade/106535.html). Accessed on October 19, 2016.

42. "India-Uzbekistan Ink Pacts to Boost Cooperation", *The Hindu*, July 7, 2015, [www.thehindu.com/news/national/prime-minister-narendra-modi-visit-to-uzbekistan/article/7392482.ece](http://www.thehindu.com/news/national/prime-minister-narendra-modi-visit-to-uzbekistan/article/7392482.ece). Accessed on May 12, 2016.

**India's active collaboration to develop the Iranian seaport of Chabahar also underscores a paradigm shift in India-Central Asia relations. The bilateral agreement will provide India the right to develop and operate two terminals and five berths with multi-purpose cargo handling capacities in the port of Chabahar for ten years.**

would enable India to utilise this existing transport and transit corridor to facilitate trade and commercial interaction with the Eurasian region<sup>43</sup> and would synchronise India's efforts to implement the INSTC for enhanced connectivity.

#### **CHABAHAR PORT AND INDIA-CENTRAL ASIA RELATIONS**

India's active collaboration to develop the Iranian seaport of Chabahar also underscores a paradigm shift in India-Central Asia relations. The bilateral agreement will provide India the right to develop and operate two terminals and five berths with multi-purpose cargo handling

capacities in the port of Chabahar for ten years. Also, the Trilateral Transport and Transit corridor agreement between India- Iran- Afghanistan, which will connect Chabahar with the Afghan road and rail network<sup>44</sup> is being considered as India's strategic connectivity endeavour<sup>45</sup>. The trade and transit corridor agreement will enable India to establish connectivity with Afghanistan, bypassing Pakistan, and further into Central Asia for the development of INSTC. Chabahar would be connected to Milak, close to the Afghan border and into Afghanistan through the Indian built Zaranj-Delaram highway. This section is a part of the broader INSTC project that links Eurasian nations, from Russia in the north and India in the south through Central Asia.

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43. "India to Accede to Ashgabat Agreement", <http://.pib.nic.in/newsite/printrelease.aspx?rclid=138309>. Accessed on May 12, 2016.

44. "India to Develop Iran's Chabahar Port", [www.thehindu.com/news/national/india-to-develop-irans-chabahar-port/article8637558.ece](http://www.thehindu.com/news/national/india-to-develop-irans-chabahar-port/article8637558.ece). Accessed on October 19, 2016.

45. Monish Gulati, "India-Iran Agreement on Chabahar is a Strategic Opportunity- Analysis", *Eurasia Review*, [www.eurasia.review.com/110622016-india-iran-agreement-on-chabahr-is-a-strategic-opportunity-analysis/](http://www.eurasia.review.com/110622016-india-iran-agreement-on-chabahr-is-a-strategic-opportunity-analysis/). Accessed on October 19, 2016.

### **ACHIEVEMENTS IN REALISING THESE GOALS**

All these efforts have yielded some positive results as India joined the Ashgabat Agreement in February 2018 and, significantly, India's entry into the Ashgabat Agreement comes two months after the inauguration of the first phase of the Shahid Beheshti terminal at Chabahar port on December 3, 2017, which was financed by India to the tune of \$85.21 million.<sup>46</sup> Both these developments now hold greater prospects for enlarging both the operational and practical scope of Chabahar to become a vital gateway and the shortest land route to Central Asia. The operationalisation of the INSTC is also inching closer to becoming a reality.

### **CHALLENGES FOR INDIA**

The above discussion shows that India's viability and stature as a power in the global connectivity space is evolving. India, through bilateral, regional and multilateral cooperation is moving in the right direction. However, the dominance of China in the Central Asian region is the biggest challenge for India. China's massive economic penetration and increasing political influence in Central Asia has strengthened Beijing's presence in the region. The combination of China's interrupted economic growth and rising energy needs, the success of the Sino- Central Asian energy cooperation, China's huge investments in the Central Asian economies, granting loans and committing itself to the realisation of strategic infrastructure (pipelines, hydropower plants, bridges, roads, etc.) clearly reflect that China has become a strong pillar of influence in the region. Such a heavy economic and political clout is the biggest constraint not only for India but also for the CARs themselves. While the CARs might want to balance out the trade inequalities and not become too dependent on China, they are unable to do so. Over the years they have become linked to China by pipelines, roadways, railways, etc. but India has made only marginal progress on connectivity issues and its trade with the CARs has remained minimal. Also, the CARs' active support for the BRI project

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46. "First Phase of Chabahar Port Opened, To Boost India-Iran Trade", [www.newindianexpress.com/business/2017/dec/03/first-phase-of-chabahar-port-opened-to-boost-india-iran-trade-1717471.html](http://www.newindianexpress.com/business/2017/dec/03/first-phase-of-chabahar-port-opened-to-boost-india-iran-trade-1717471.html). Accessed on December 6, 2017.

**India's connectivity projects are a part of its multi-dimensional strategy. Through this strategy, it is not only making itself relevant in both regional and global contexts but also providing geographical routes, technological expertise, bigger and vibrant markets and investments to the recipient countries.**

needs special mention as it will connect them with the world, physically as well as economically. On the other hand, India's trade and investment with these republics is minimal and minuscule compared to China's.

Further, India has been hampered on the connectivity front by not having a land-border with the CARs. It is trying to get connected to Central Asia through various projects like the International North- South Transport Corridor (INSTC), Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline, Chabahar projects, etc. But, its investment potential and procedural bottlenecks are hindering time-bound implementation of the projects.

## CONCLUSION

India, through various projects, has been attempting to make its own space in the region. It is presenting itself as a viable alternative to maintain the strategic balance in the region. Interestingly, these attempts are being taken positively by the CARs. Further, India's connectivity projects are a part of its multi-dimensional strategy. Through this strategy, it is not only making itself relevant in both regional and global contexts but also providing geographical routes, technological expertise, bigger and vibrant markets and investments to the recipient countries. However, India has not been able to make its presence felt in the region. It does not factor much in the changing political dynamics within the Central Asian region. To achieve its goals, India needs a persistent approach of engagement towards the region. It needs to accelerate its pace and actions on the implementation part of all the projects it has undertaken in order to build confidence and secure a big spot in the region. For that, active participation and cooperation in bilateral, regional and multilateral initiatives is the key.