

# Strategic Environment in Central Asia and India

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Emerging strategic trends in Central Asia are part of an overarching strategic construct that has been evolving since the end of the Cold War. The appearance of sovereign Central Asian republics after the demise of the Soviet Union and the weakness of the Russian state in the immediate aftermath of the Soviet collapse led to a strategic vacuum in the region. Many major and regional powers sought to fill it. Meanwhile, Central Asians endeavored to associate themselves with as many multilateral organizations and foreign powers as possible in order to define their newfound independence and national identity. Movement away from the Russian bear-hug and engagement with the U.S. and the Western countries were considered to be a way to address their concerns about security and economic issues, in addition to emphasizing their newly acquired sovereignty. At the same time it was not easy for the Central Asian Republics to break their umbilical link with Russia. This was due to a number of contextual factors besides the dominant factor of geographical proximity. The policies of the Central Asian nations were further impacted by their internal dynamics and the difficult and turbulent process of nation-building with which they were coping.

The U.S. and European nations sought to absorb the Central Asian states into their orbit of influence through economic engagement and security cooperation (via NATO's Partnership for Peace Program). China, too, embarked on a similar path to enhance its strategic presence in the Central Asian states, after having first solved boundary issues with Russia and its Central Asian neighbors. By the early 1990s, such regional powers as Turkey, Iran and Pakistan were also in the fray in the Central Asian arena. With the end of Boris Yeltsin's decade and emergence of a more assertive Russia under President Putin, the Kremlin, too, began reorienting its policies towards reclaiming what it considered its 'strategic backyard.'

After the collapse of the Soviet Union, the second most significant strategic event to occur in the Central Asian arena, and at the global level as well, was the American response to the 11 September 2001 terrorist attacks, which took the form of Operation Enduring Freedom (OEF). The war against terrorism, launched in October, 2001, brought the U.S. and NATO next door to Central Asia. Central Asian countries such as Uzbekistan and Kyrgyzstan readily granted the use of bases to OEF forces. Other countries provided over-flight and miscellaneous support. This U.S. response was largely welcomed by Russia, China, the Central Asian states and India. Russia and China raised no objections to the U.S. being granted bases and logistics facilities in Central Asia since it suited their short-term strategic interests of containing the rising tide of fundamentalism and terrorism, even though they harbored concerns about the long-term strategic designs of both the U.S. and NATO.

During the heydays of the Taliban regime (1996-2001), Afghanistan had become the epicenter of terrorism, with sanctuaries and training facilities provided to the likes of Al Qaeda, the Islamic Movement of Uzbekistan (IMU), and other radical Islamic groups operating in Central Asia. Even China felt threatened by religious fundamentalist and extremist Muslim elements in Afghanistan because of its vulnerabilities in Xinjiang and its problems with Muslim Uighurs. In a broader strategic framework, U.S. intervention against the Taliban regime coincided with growing Russian and Chinese security concerns.

India was a late-starter on the Central Asian chessboard. India's preoccupation in the first half of the 1990s with its economic difficulties (leading to pledging gold reserves to the Bank of England), ongoing insurgency in J&K, and unstable political milieu prevented it from taking major political initiatives in Central Asia. Notwithstanding this, India recognized Central Asia as an area of strategic importance. The Annual Report of India's Ministry of Defense stressed Central Asia as an area of vital importance to India, not only on account of its geographical proximity and India's historical and cultural links with the region, but also because of the common challenge they all face from extremism and terrorism. Prime Minister Manmohan Singh, addressing the Combined Commanders Conference in October, 2006, observed:

‘When we look at our extended neighborhood we cannot but be struck by the fact that India is the only open pluralistic democratic society and rapidly modernizing market economy between the Mediterranean and the Pacific. This places a special responsibility upon us not only in the defense of our values but also in the search for a peaceful periphery. We have traditionally conceived our security in extending circles of engagement. Today, whether it is West Asia, the Gulf, Central Asia or the Indian Ocean region, there is increasing demand for our political, economic and defense engagement.’<sup>1</sup>

The growth of the Indian economy creates an ever-growing demand for energy and natural resources to fuel and maintain the momentum of our growth. The discovery of large reserves of hydrocarbons and other resources needed for sustaining economic growth makes the Central Asian region immensely attractive for forging a mutually beneficial cooperative relationship. Relations that are based on a shared commitment to open and progressive societies, secularism, democracy, and improving the lot of the common people, have been reinforced by a similarity of views in the fight against terrorism, drug trafficking and in many other areas of security. Also, with the intense power play taking place between Russia, China, the U.S. and the Western countries in the strategic arena of Central Asia, India’s emphasis on soft power strikes a positive chord among these nations.

This paper examines the strategic situation in the Central Asian region to including its significance, the role of major players, the responses of Central Asian states, and the implications for India of the evolving strategic scenario. Policy options for India to advance its interests will also be discussed.

### **The Geostrategic Salience of the Central Asian Region**

Central Asia is at the center of the Eurasian land mass and is historically important as a crossroads equally for invaders and traders. It is both a facilitator and inhibitor to external players attempting to realize their strategic ambitions. Its conceptualization has taken many forms but one that perhaps encapsulates the region best in geostrategic terms is as a “Greater Central Asia,” a term that includes the five Central Asian states, Afghanistan, and the Turkic Xinjiang region of China. In its extended geostrategic construct it

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<sup>1</sup> Extract of the speech available at <http://pmindia.nic.in/speeches.htm>

also includes northern parts of Pakistan, the Khorasan province of Iran, Tatarstan in Russian and even northern India.

In the beginning of the last century, Sir Hartford Mackinder postulated his 'Heartland Theory' that dwelt upon the geopolitical importance of the Eurasian heartland, bounded by the Volga and Yangtse Rivers and the Himalayas in the south and the Arctic Ocean in the north. His theory has never been fully tested but it highlighted the strategic significance of the Central Asian region. Geostrategist and former United States National Security Adviser, Zbigniew Brzezinski, analyzed Central Asia in his 1997 book, *The Grand Chessboard*, terming the post-Soviet region the 'Black Hole' and post-Soviet Central Asia (the Caucasus, former SSRs, and Afghanistan) in particular the 'Eurasian Balkans'. He was of the view that what happens to the distribution of power on the Eurasian continent will be of decisive importance to America's global primacy and to America's historical legacy (p.194). Geopolitical pluralism and multiculturalism have been the two distinct elements of this historical legacy. He also considered Uzbekistan as the linchpin of Central Asia, least vulnerable to Russian pressure, and its independence being critical to the survival of other Central Asian states. Over the last decade and a half resource-rich Kazakhstan has also emerged as one of the leading nations among the Central Asian states.

The geo-strategic salience of Central Asia today has been underscored by two main factors. First, Central Asia has become important because of the discovery of hydrocarbon reserves and second, it has become a major transportation hub for gas and oil pipelines and multi-modal communication corridors connecting China, Russia, Europe, the Caucasus region, the Trans-Caspian region and the Indian Ocean. Furthermore, whether it was Czarist Russia or the Soviet Union or even the present Central Asian regimes, there has always been a strategic ambition in the north to seek access to the warm waters of the Indian Ocean. Thus Afghanistan, which links Central Asia and South Asia, is a strategic bridge of great geopolitical significance. Central Asia and South Asia are intimately connected not only geographically but also strategically. The Central Asian republics of Turkmenistan, Uzbekistan and Tajikistan have borders with Afghanistan, Iran lies to its west and Pakistan to the east and south. Therefore, the geostrategic significance of Afghanistan is

enhanced even though it may not be an oil- or gas-rich country. With the control of Afghanistan comes the control of the land routes between the Indian subcontinent and resource-rich Central Asia, as well as of a potential corridor to Iran and the Middle East. Thus, stability and peace in Afghanistan, and for that matter Pakistan, are a geostrategic imperative.

Central Asia has never been a monolithic area and is undergoing a turbulent transitional process with a diverse range of ethnicities and fragmented societies throughout the region. These societal divisions and lack of political maturity compound the social, economic and political challenges.

Security and economic issues are the two most important components of the Central Asian states' engagement with outside powers. Among the states themselves there are elements of both cooperation and competition. Historical legacies, their geo-strategic locations, and above all their perceived national interests profoundly influence the political choices of Central Asian nations. The weaknesses of the new nations in Central Asia pave the way for outside powers to interfere in their internal affairs.

### **Central Asian Republics: Internal Dynamics**

The five Central Asian nations did not exist as territorial entities before the delineation of the Soviet Union's internal borders in the 1920s. But while demarcating the boundaries, the Communist leadership overlooked many ethnic, tribal, linguistic, geographical and even economic factors. The process has been described as 'borders moving across settlements. For instance, the Ferghana Valley, which is central to the Central Asian region, formerly existed as a single cultural and economic unit dominated by Uzbeks. It was trifurcated between Uzbekistan, Kyrgyzstan and Tajikistan, leaving large ethnic minorities in others territory. In the post-Soviet era this has led to problems of governance, regulation of movement across the borders, heightened security concerns and has also compounded many inter-state disputes. Worse, all transport and communication infrastructure was built according to the requirements of connectivity to the Soviet economy. There has also been a propensity of the states to use the large minorities in the territory of the others as levers, depending upon the circumstances.

Each country has its unique characteristics and strengths that are complementary to each other and can be exploited to achieve a meaningful regional integration. However, Central Asia is far from achieving this goal. Uzbekistan occupies a unique position because of geo-strategic and geo-political factors. It is the only country that has borders with all the other four states. It has the largest population (27.3 million as of July 2008) and is the hub of transit corridors in Central Asia.<sup>2</sup> It also has one of the largest diasporas in the neighboring countries. The other most important nation is Kazakhstan with the largest land area (86 per cent of India) and with a GDP of U.S.\$ 103 billion<sup>3</sup> (est. 2007), which is over 50 per cent of Central Asia's combined GDP. It is expected to become a top oil producer within this decade. The other three nations in Central Asia – Turkmenistan, Kyrgyzstan and Tajikistan – complement the geo-strategic importance of the region. Tajikistan and Kyrgyzstan control 90 per cent of the region's water resources with tremendous possibilities for its exploitation for hydropower. Turkmenistan is rich in natural gas (referred as the Saudi Arabia of Central Asia) while its geo-strategic location on the Caspian Sea adds to the strategic significance of the area.

The Kazakh and Turkmen economies are mostly geared to energy exports but need foreign investment for production and transport. Similarly, Kyrgyzstan and Tajikistan need foreign investments to exploit their hydropower potential. Tajikistan, Turkmenistan, and Uzbekistan are major cotton producers, a legacy of central economic planning during the Soviet period. Uzbekistan's cotton and gold production rank among the highest in the world and a large part is exported. It also has moderate gas reserves but needs investment to upgrade infrastructure. Kyrgyzstan has major gold mines and strategic mineral reserves and is a major wool producer. Tajikistan has one of the world's largest aluminum processing plants. Thus, there is competition among the outside powers to gain influence in the resource-rich Central Asian Republics.

The potential for instability in this area is very high because of the nature of the political regimes, which are often considered to be domineering, oppres-

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<sup>2</sup> The CIA World Fact Book, Uzbekistan available at <https://www.cia.gov/library/publications/the-world-factbook/geos/uz.html>

<sup>3</sup> Ibid.

sive, and devoid of the liberal and democratic practices that exist in the western democracies. Yet, these states survived for eighteen years, without any major changes in their political systems and structures that were inherited after the unraveling of the Soviet Union. One must assume that over time closed systems are more prone to atrophy than open systems.

Another factor that impacts the political decision-making in the Central Asian states, and which is less visible to the public, is the existence of 'informal networks of power' which are clan-based, region-based and interest-based (for instance, the powerful financial elites who have significant impact on political discourse). These informal networks are particularly important in a political environment like Central Asia, where governing institutions and political structures are not yet mature and are undergoing transition. One such category is ethno-based groups, like Turkmen, Kazakhs, Kyrgyz, and Uzbeks, including their sub-divisions, sub-nationalities, or clans.<sup>4</sup> Another category of networks revolves around the erstwhile traditional Communist elites, who continue to control the levers of power. Therefore, policies followed by the Central Asian states are often the outcome of complex interactions among the elite within the regime and other informal power structures rather than of a centralized or a delineated decision making process.<sup>5</sup>

Influenced by these conditions, the Central Asian states have joined a number of multilateral security and economic structures promoted by the major powers and groups. While the objectives of major powers are to promote their own politico-military security and economic agenda and absorb these nations into their spheres of influence, 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. Further, the Central Asian states consider such multilateral arrangements as the best way to maintain security and stability in the region. Many factors have affected

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<sup>4</sup> S. Frederick Starr, *Clans, Authoritarian Rulers and Parliaments in Central Asia*, Washington: Central Asia-Caucasus Institute *Silk Road Paper*, June 2006, available at [http://www.silkroadstudies.org/new/docs/Silkroadpapers/0605Starr\\_Clans.pdf](http://www.silkroadstudies.org/new/docs/Silkroadpapers/0605Starr_Clans.pdf)

<sup>5</sup> Sergei Mahnovski, Kamil Akramov and Theodore Karasik, *Economic Dimensions of Security in Asia*, Santa Monica: Rand, 2006, available at [http://www.rand.org/pubs/monographs/2006/RAND\\_MG417.sum.pdf](http://www.rand.org/pubs/monographs/2006/RAND_MG417.sum.pdf)

their political reforms, institution building, promotion of national identities and exploitation of their natural resources. Among these are the proximity of major powers like Russia and China; the U.S.-led NATO; the European Union; and the ongoing global war on terrorism at Central Asia's southern borders. Hence, all the five states have been following policies that can be termed multi-faceted or multi-directional. The Central Asian states consider the preservation of equilibrium between the major powers a the best way to advance their interests. Some believe that the political leadership of the five states is looking for regime security rather than national security in its widest sense. This is not a strange concept in many Asian states.<sup>6</sup> Such an approach has the effect of bringing Central Asian states closer to so-called 'quasi-democratic' powers, such as Russia and China, perhaps at the expense of the U.S. and the West. In recent years, while the influence of the U.S. and the West is showing a downward trend, the Russian and Chinese strategic footprints in the Central Asian Republics are exhibiting an ascending trajectory.

### Rise and Fall of the U.S. and EU Influence

After the collapse of the Soviet Union, the U.S. Congress passed a Freedom Support Act (FSA) in 1992 to provide aid to the newly independent nations. In 1999, a 'Silk Road Strategy Act' (later updated and modified in 2006)<sup>7</sup> and

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<sup>6</sup> Amitav Acharya, 'Human Security and Asian Regionalism; A Strategy of Localization' in Amitav Acharya and Evelyn Gho ed., *Reassessing Security Cooperation in the Asia Pacific: Competition, Congruence and Transformation* (Cambridge, MA: MIT Press, 2007), p.241. He opines, 'Unlike in the West, national security concepts in Asia are strongly influenced by concerns for regime survival. Hence, security policies in Asia are not so much about protection against external military threats, but against internal challenges . . . And a concept of security that challenges the unquestioned primacy of the state and its right to remain free from any form of external interference arouses suspicion and controversy.'

<sup>7</sup> Full text of U.S. 'Silk Road Strategy Act 2006' available at <http://www.govtrack.us/congress/billtext.xpd?bill=s109-2749>: The Act notes that the United States has come to view democratization of the countries in the region as essential to enhanced security. Besides Central Asian states and Afghanistan it includes Azerbaijan, Armenia and Georgia as part of Central Asia and the South Caucasus. After severe criticism of Uzbekistan regime's reaction to Andijon violence in may 2005 and as a consequence eviction of the U.S. troops from the military base there; the U.S. has recognized the virtues of being more pragmatic in its policies towards the Central Asian states. The modified Act observes: 'While these revolutions (the coloured revolutions) resulted in the ouster

authorized economic aid, development of transportation and communication links and border controls. But this also contained riders to promote democracy and create civil societies in the South Caucasus and Central Asia. Even though these were lofty aims, the underlying desire of the U.S. was to strengthen its influence in the wake of persisting Russian weakness in Central Asia and elsewhere.

The further objectives were to involve the Central Asian states in Euro-Atlantic institutions and to foster their pro-West orientations.<sup>8</sup> The U.S. encouraged the Central Asians' links with NATO, the European Union, and the Organization for Security and Cooperation in Europe (OSCE). By the mid 1990s, most of the Central Asian nations had joined NATO's Partnership for Peace (PFP) Program (four of them joined in 1994 and Tajikistan did so in 2002) and a number of PFP-style military training exercises were carried out in both the U.S. and in Central Asia.

The Central Asian nations also viewed NATO's greater engagement in the region as an opportunity to modernize their armed forces and upgrade their capacity to respond to the regional challenges of drug trafficking, religious extremism, terrorism and the proliferation of weapons of mass destruction. The development of relations with NATO also constituted a counterweight, or at least a useful alternative, to their relations with Russia.

The strategic influence of the U.S. was at its peak during October 2001 and thereafter, when it was offered bases in Central Asia to fight the Taliban. It went into somewhat of a decline after the U.S. started aggressively promoting western style democracies in Central Asia and in the former Soviet republics. The high point of these policies, with negative repercussions for the U.S., was reached when it responded to the Andijon violence of May 2005 in Uzbekistan by severely criticizing the Uzbek government. In retaliation, the U.S. was asked to vacate its base in Uzbekistan. The Shanghai Cooperation Organization (SCO) in July 2005 urged all foreign forces to set a timeframe

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of corrupt and ineffective regimes by largely peaceful protest movements, the long-term interests of security, stability, good governance, and economic growth are better served by evolutionary democratization.'

<sup>8</sup> Strobe Talbott, 'A Farewell to Flashman: American Policy in the Caucasus and Central Asia,' Presentation at the Central Asia-Caucasus Institute, July 21, 1997, <http://www.state.gov/www/regions/nis/970721talbott.html>

for withdrawal of their bases from the territory of SCO member states.<sup>9</sup> The so-called colored revolutions, such as the Tulip revolution in Kyrgyzstan, though believed to be supported by the U.S. and the West with a view to promote a pro-Western orientation, have not met with much success. Kyrgyzstan also demanded the vacation of its air base by the U.S. but agreed to extend the lease with a manifold increase in the agreed sum. It was again extended following the U.S.–Russian Summit in July, 2009. While the U.S. rebuked Uzbekistan and raised questions of human rights in light of the Andijon incident, China welcomed President Islam Karimov on his visit to China in May, 2005, and lauded him for his firm handling of the ‘riots’.

The U.S. of late seems to have learnt the virtues of being pragmatic and not assertively nationalistic in its dealings with the Central Asian republics. For instance, it has been circumspect in condemning President Nursultan Nazarbayev of Kazakhstan on his less than democratic policies, due to the fear of losing perhaps the only potential friend in Central Asia and its rich energy and natural resources.

As mentioned earlier, the strategic goals of the U.S. center on building energy and transport corridors that avoid Russia by going either south or west. Despite many engineering and financial challenges involved in the building of the oil pipeline from Baku, Azerbaijan, via Tbilisi Georgia, to Ceyhan in Turkey, it was completed in May, 2006. The BTC pipeline was part of the U.S. policy of reducing Russia’s stranglehold on the Central Asian oil and gas pipeline network by providing an alternative route to Europe. The Kazakh President attended the inauguration of the BTC pipeline but Kazakhstan is yet to join the U.S. and Europe for a Trans-Caspian pipeline. Another U.S. and EU-supported proposal for the *Nabucco* gas pipeline is under examination, with a memorandum of understanding signed on 13 July, 2009. Iran is also reportedly on board to sell gas to Europe. Richard Boucher, then U.S. Assistant Secretary of State, on a visit to Kazakhstan in June, 2007, at-

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<sup>9</sup> For a detailed treatment of the subject see Fiona Hill, ‘A Not-So-Grand Strategy: U.S. Policy in the Caucasus and Central Asia Since 1991’, *Politique Étrangère*, February 2001, available at [http://www.brookings.edu/articles/2001/02foreignpolicy\\_hill.aspx?rsid=hillf](http://www.brookings.edu/articles/2001/02foreignpolicy_hill.aspx?rsid=hillf). Also see Murat Laumulin, ‘U.S. Strategy and Policy in Central Asia’, *Central Asia and Caucasus*, No. 4(46), 2007 available at [www.ca.org/2007/journal\\_eng/cac-04/05.html](http://www.ca.org/2007/journal_eng/cac-04/05.html)

tempted to drive home the point that it would be more advantageous to deal with the European buyers directly, without interference by Russia.. Boucher also remarked that ‘Kazakhstan appears to be making more progress toward democratizing by enhancing the role of parliament.’<sup>10</sup> Meanwhile, Turkmenistan is actively being courted by all the players, including the U.S. for its gas reserves. Admiral William Fallon, Commander of the U.S. Central Command, and a bevy of American energy officials all visited Turkmenistan following the death of President Niyazov. In September, 2007, both the Turkmen and Kazakh presidents visited the U.S., thus raising prospects for a favorable outcome for the U.S. and the West.

In another move reflecting the Central Asian Republics’ continued desire to engage Euro-Atlantic institutions, President Islam Karimov attended NATO’s summit in Bucharest in April, 2008, and announced that NATO could use Uzbek air space and land routes for logistical support for troops in Afghanistan. Even Turkmen President Gurbanguly Berdimuhamedov attended NATO’s Bucharest summit that year, in a significant departure from Niyazov’s more standoffish policies.

Kazakhstan and Turkmenistan have concluded oil and gas deals with Russia and China, but they continue to hold prospects for a Trans-Caspian pipeline to link up with the Baku-Tbilisi-Ceyhan (BTC) pipeline supplying oil to Europe. The Western-backed Nabucco gas pipeline also depends upon Turkmen gas..The Turkmen president pledged 10 billion cubic meters (bcm) of gas to the EU for 2009 and also offered offshore gas fields to South Korea.<sup>11</sup> In July, 2008, Bedrimukhamedov travelled to Bucharest to sign a bilateral agreement and to establish an Inter-governmental Economic Commission. Turkmenistan’s contribution to the Nabucco pipeline was also reported to have been discussed. In October 2008, the Yolton-Osman gas field was certified by in-

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<sup>10</sup> CRS Report for Congress, ‘Central Asia: Regional Developments and Implications for U.S. Interests’, August 2008. See overview of U.S. policy concerns on pp 2 to 3 of the Report. Also see National Security Strategy 2006, p.40 where the document says ‘Central Asia is an enduring priority for our foreign policy . . . In the region as a whole, the elements of our larger strategy meet, and we must pursue those elements simultaneously: promoting effective democracies and the expansion of free-market reforms, diversifying global sources of energy, and enhancing security and winning the War on Terror.’ Available at <http://www.whitehouse.gov/nsc/nss/2006/>

<sup>11</sup> See N.8, p.4 of the CRS Report of August 2008.

ternational auditors to contain gas reserves four to five times greater than the Dauletabad field. This discovery confirms that Turkmenistan can export gas to all its potential customers..<sup>12</sup> Just before he died in December, 2006, Niyazov claimed that Turkmenistan had sufficient reserves to export 150 billion cubic meters (bcm) of gas for the next 250 years. It turns out that President Niyazov was right.

The focus of the U.S. policies is not only on hydrocarbon and resource-rich states like Kazakhstan and Turkmenistan and strategically important Uzbekistan. Washington has paid equal attention to Kyrgyzstan and Tajikistan. Continuing a stream of high-level visits, U.S. Assistant Secretary of State Richard Boucher visited Bishkek in October, 2008, and discussed energy (hydro-power) and security relations with President Bakiyev. The U.S.-sponsored Manas air base was discussed, with Boucher emphasizing its importance in stabilizing Afghanistan, providing security from terrorist and extremists in the region, and in its value in addressing natural disasters such as the recent earthquake in Kyrgyzstan. A U.S. Government-funded \$36 million bridge over the Panj River between Afghanistan and Tajikistan opened for commercial traffic in October, 2007, causing an immediate three-fold increase in trade..

The construction of the Panj River bridge was but element of Washington's Central Asia strategy. In 2006, the State Department included Central Asia in a revamped Bureau of South and Central Asian Affairs. According to Principal Deputy Assistant Secretary of State Steven Mann, 'institutions such as NATO and the OSCE will continue to draw the nations of Central Asia closer to Europe and the United States,' but the United States also will encourage the states to develop "new ties and synergies with nations to the south,' e.g..Afghanistan, India, and Pakistan. <sup>13</sup> This policy has been generally referred to as a "Greater Central Asia" concept (dealt with in detail elsewhere in this paper), which treats South and Central Asia as a single unit. Besides their deep cultural and historic ties and their common war on terror-

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<sup>12</sup> John CK Daly, 'The Battle for Central Asia', ISN Security Watch, June 11, 2007, also available at <http://www.res.ethz.ch/news/sw/details.cfm?ID=17723&nav1=1&nav2=2&nav3=3>

<sup>13</sup> See UK Embassy in Kazakhstan website, 'Closing Ceremony of Steppe Eagle- 2008' <http://ukinkz.fco.gov.uk/en/newsroom/?View=Speech&id=6868213>

ism, the countries of the region have many common concerns, such as finding sources and outlets for energy, achieving prosperity through economic cooperation, and enhancing security and stability. However, the primary goal of the U.S. remains did not exploit its initial advantage in the 1990s. weaning the Central Asian countries away from a unilateral dependence on Russia.

As part of its greater engagement with Central Asia, the EU in June 2007 unveiled a new Central Asia Strategy for the period 2007-13, which revolves around promoting political dialogue, trade and economic relations and cooperation in a variety of sectors. The EU program also seeks to promote good governance and democratic norms. Earlier, in February, 2007, the EU Commission advised the EU to increase contacts with Central Asian countries in order to secure energy resources that are of “permanent strategic importance.”<sup>14</sup> The EU intends to spend 750 million euros in the region, a sum that is unlikely to take it far. The level of interest in Central Asia varies from one EU member to another. Moreover, the adoption of the new strategy is an acknowledgment of the failure of its erstwhile policy. The European Commission plans to open offices in all the five Central Asian capitals, but the Central Asian countries remain concerned over the EU’s political agenda, even though there are practical initiatives under the Partnership for Cooperation Agreements (PCAs) between the EU and each Central Asian nation. Observers from the OSCE have criticized the practice of democracy in all the Central Asian states but this did not deter the OSCE’s Ministerial Council from granting the presidency of the organization to Kazakhstan in 2010.<sup>15</sup> The new EU strategy is a recognition of the fact that the EU did not exploit its initial advantage in the 1990s and has been losing influence there ever since.

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<sup>14</sup> Stephen Mulvey, ‘EU dreams of Central Asian Gas’, *BBC Online*, March 27, 2007 available at <http://news.bbc.co.uk/2/hi/europe/6500943.stm>

<sup>15</sup> See NATO Parliamentary Subcommittee on Democracy and Governance Report ‘Democracy and Security in Central Asia: what policy for NATO and EU?’ March 20, 2008, available at <http://www.nato-pa.int/Default.asp?SHORTCUT=1462>. The report observes: ‘It is undeniable that Kazakhstan has established a stable political system, one which in many regards appears strikingly more open and competitive than those of certain of its neighbors. Thus, the decision of the Ministerial Council of the OSCE to grant the presidency of the organization to Kazakhstan in 2010 recognizes the genuine efforts of the Kazakh authorities.’

The Central Asian nations cannot be said to have fulfilled their expectation of economic gain from the pro-Western policies they pursued after gaining freedom from the Soviet rule. Meanwhile, an economically ascendant China was making important gains there, as was Russia, underwent a certain resurgence due to its abundant oil and gas reserves, along with its past political and economic linkages. The Central Asian governments, in an effort to extract maximum advantage from this situation, have followed “multi-vector” policies. The strategic environment in Central Asia is further underscored by the fact that Russia has been at pains to regain its strategic space in an area that it considers as its backyard or ‘near abroad’. Both China and Russia have been coordinating their efforts to increase their influence.

### **Russia’s Reassertion in its ‘Strategic Backyard’**

The Boris Yeltsin years led to the decline of Russian power in Central Asia because of internal dynamics and a general withdrawal from the former Soviet republics. Yeltsin’s reign coincided with a decline in Moscow’s economic, military and political strength. There was a time in 1999 when oil reached its lowest price of US\$10 per barrel, adversely affecting Russian revenues. After President Putin appeared on the scene he embarked on the process of internal balancing and of regaining a hold on Central Asia and the former Soviet republics. Besides joining the Chinese-led SCO, Putin developed Russia’s own security structure, the Collective Security Treaty Organization (CSTO), for Central Asia and the former Soviet republics. It needs to be underscored that apart from the historical perspective, Russian ties with the region are driven by military and economic considerations. Central Asia is the central pillar of its Eurasian strategy and constitutes a strategic space that protects its Eastern flank. It can be thus expected to protect its security, energy, and transportation interests. The CSTO is the construct of such thinking. Collective Rapid Reaction Force exercises are carried out to showcase Russia’s resolve to protect the southern belt of the CIS. Similarly, the Russian air defense command carries out regular exercises to defend strategic air space over Central Asia. A counter-intelligence center has been established at Bishkek for sharing intelligence, reviewing threat perceptions, and formulating joint strategy to combat terrorism.

In November, 2005, Russia and Uzbekistan signed a security agreement called the 'Treaty of Allied Relations.' This is tantamount to a military pact since it calls for military help to be rendered in case of aggression against one of the parties by a third state.<sup>16</sup> It also includes the provision of the use of each other's military bases and installations. In addition, a wide range of commercial agreements between the two countries were signed. This reflected the growing disenchantment of Uzbekistan with U.S. policies at the time. Uzbekistan was the first Central Asian nation to opt for a pro-Western orientation and had joined the NATO-sponsored Partnership for Peace Program (PFP) in mid-1994. In 1999, it had withdrawn from the Collective Security Treaty in order to distance itself from the embrace of the Russians. Then, after September 11, it offered bases to the U.S. for operations against the Taliban. Uzbekistan also endorsed the U.S.-led military operations in Iraq, though it did not send any troops.

In September, 2006, Russia and Uzbekistan held joint military exercises with the central theme of combating terrorism. Uzbekistan is also expected to benefit from its military agreements with Russia by receiving armaments at reduced prices.

Earlier in 2007, the SCO's military exercise Peace Mission 2007, built on the foundations of Peace Mission 2005, enlarged the scope of the joint exercises with concomitant implications for the politico-military, security and strategic firmaments, at the regional and international levels. President Putin argued the injustice of a unipolar world in his speech at the 43rd Munich Conference on security in February 2007. He observed that 'the unipolar model is not only unacceptable but also impossible in today's world. The model itself is flawed because it does not, and cannot, provide a moral foundations for a modern civilization.'<sup>17</sup> Meanwhile, the new president, Dmitri Medvedev, also moved to reclaim Russia's former influence over its southern neighbors by reasserting its "privileged interests" in neighboring countries that were once

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<sup>16</sup> Erich Marquadt, Yevgeny Bendersky, 'Uzbekistan's New Foreign policy Strategy', *Power and Interest News Report*, November 23, 2005, [http://www.pinr.com/report.php?ac=view\\_report&report\\_id=404](http://www.pinr.com/report.php?ac=view_report&report_id=404)

<sup>17</sup> President Vladimir Putin's speech at 43rd Munich Conference on Security Policy held on February 10, 2007 available at <http://www.securityconference.de/konferenzen/rede.php?sprache=en&id=179>

part of Soviet Union.<sup>18</sup> Russia's armed intervention in Georgia in August, 2008, was a reassertion of this purported right. The response of the Central Asian states to Russia's armed intervention in South Ossetia and Abkhazia manifested their own multi-vectored policies. While individually they may have praised (for instance, Kazakhstan) the Russian intervention and accepted Russia's rationale for doing so, they refused to give diplomatic recognition to the newly-emerged entities recognized by Russia. In a fine act of balancing, they joined China at an SCO summit in August, 2008, in Dushanbe to present a common stance that reflected their shared opposition to altering present territorial borders and to interfering in the internal affairs of others. At the meeting of the CSTO in September, 2008, they maintained the same general stance. Kyrgyzstan, Kazakhstan, Tajikistan, and Uzbekistan praised the "active role of the Russian Federation in working toward peace and cooperation in the Caucasus" but refused to recognize the independence of South Ossetia and Abkhazia.<sup>19</sup> However, following Russia's war against Georgia, the Central Asian Republics would be less ready to defy Russia and more accommodating to Russian concerns.<sup>20</sup> Russia remained concerned with the U.S. positioning elements of ballistic missile defense in Poland and the Czech Republic, the non-ratification of the Conventional Forces in Europe Treaty by NATO members, the admission of more former Soviet states to NATO, and Kosovo being granted the status of an independent nation. Both China and Russia remain concerned over the developing situation in Afghanistan. In an interaction at a Chinese think-tank<sup>21</sup> they emphasized that NATO's presence in Afghanistan serves U.S. interests; it enables the U.S. to extend its influence in the Central Asian states; and both Afghanistan and

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<sup>18</sup> In an interview with Euronews TV channel on 03 September 2008, Dmitry Medvedev outlined five principles he would follow in Russia's foreign policy: ' . . . The fifth principle is that Russia, like any other state, has certain regions it will pay particular attention to. These are regions of our privileged interests. We are going to have special, cordial, long-term relations with the states in these regions.'

<sup>19</sup> For detailed analysis see Erica Marat, 'CSTO Summit Disappoints Russia, Unites central Asia', *Eurasia Daily Monitor*, September 12, 2008, Volume 5, Number 175 available at [http://www.jamestown.org/edm/article.php?article\\_id=2373371](http://www.jamestown.org/edm/article.php?article_id=2373371)

<sup>20</sup> For instance see Sebastien Peyrouse, 'Sino-Kazakh Relations: A Nascent Strategic Partnership', *China brief*, Volume 7, Issue 21, November 7, 2008 available at [http://www.jamestown.org/terrorism/news/uploads/cb\\_008\\_21.pdf](http://www.jamestown.org/terrorism/news/uploads/cb_008_21.pdf)

<sup>21</sup> The interaction was with scholars of the China Institute of International Strategic Studies (CIISS) at Beijing in August 2007.

Central Asia are being used as bridges to expand the power of NATO and the U.S. in the Asia-Pacific region.

Moscow's push for closer military ties with the Central Asian countries has also been seen as an effort to safeguard Russian economic interests and its domination of the Central Asian energy sector. It is worth noting that oil flows in BTC temporarily stopped at the time of Russia's 2008 intervention in Georgia. Turkmen gas remains central to Moscow's energy strategy in Central Asia for it helps Russia to control gas supplies to Western Europe. The Turkmen have used China to impose much higher gas prices on Russia.. Yet as was noted above, the reserves in the Yoloton-Osman field are much larger than previously thought and Russia succeed in gaining access to this huge new source.

### **The Growth of China's Influence**

China has expanded its footprint in Central Asia through trade, energy deals, transport infrastructure, and the gradual enlargement of the scope of the SCO to include both security and economics. It has a long-term perspective and is willing to cooperate with Russia in order to make gains in Central Asia. However, many Chinese scholars view Russia's Eurasian Economic Community and CSTO as direct competitors of SCO. The main stimulus of Sino-Russian cooperation continues to be the shared objective of offsetting U.S. influence, which neither can accomplish alone. While China still needs Russian arms, technologies, and natural resources, Russia needs China to balance the West.<sup>22</sup> In practice, the U.S. and the West's approach to Russia shapes Russia's level of cooperation with China.

China has also to manage its security relationship with Russia in order to protect its vulnerable northern and western flanks. Beijing also sees the U.S. presence in Central Asia as a part of a specific policy designed to constrain China's rising power.

Securing and stabilizing its periphery is central to China's plan for developing its western area. Enhancing its influence in Central Asian Muslim nations also helps China address its security concerns regarding separatist Mus-

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<sup>22</sup> Also see Michael Mihalka, 'Not Much of a Game: Security Dynamics in Central Asia', *China Eurasia Forum Quarterly*, Volume 5, No. 2 (2007), pp.21-39.

lim movements in Xinjiang. Besides Uyghurs, China's source of concern is the Fergana Valley, the main fountainhead of Islamic fundamentalism in the Central Asian region, which is not far from China's borders. Preventing separatism, extremism and terrorism (which China classifies as the 'three evils') is China's key security concern. Hence, through the Chinese-led SCO it carries out border management training and joint exercises with the Central Asian armies. To promote stability China supports the current political regimes in neighboring Central Asia,<sup>23</sup> which reciprocate by acknowledging China as a regional and international leader seeking a 'harmonious world'.

China looks to Russia's and Central Asia's energy reserves to fuel its growth. China has built a 988-km-long pipeline from Kazakhstan (Atasu) to Xinjiang designed to carry 10 million tons of oil annually. It also struck a deal with PetroKazakhstan, which granted access to vast reserves of Kazakh oil.<sup>24</sup> Plans are also afoot to connect this line to Tengiz on the Caspian coast. In October 2006, China negotiated to acquire another oil field in Kazakhstan.<sup>25</sup> Earlier, in April 2006, China signed a deal with Turkmenistan to supply 30 billion cubic meters of gas for a thirty-year period from 2009 onwards via a new 7,000 kilometer pipeline.<sup>26</sup> This deal broke Gazprom's monopoly and prompted Russia to conclude its own gas deal with Turkmenistan. It also opened the way for the China National Petroleum Corporation to enter into a production-sharing agreement (PSA) to develop the Turkmen gas fields feeding the pipeline, Turkmenistan's only PS to date..<sup>27</sup>

Chinese activities in the energy sector in Kazakhstan, Turkmenistan and Uzbekistan have broken Gazprom's domination of Central Asia. The evolu-

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<sup>23</sup> Konstantin Syroezhkin, 'China in Central Asia: From Trade to Strategic Partnership', *Central Asia and Caucasus*, No. 2007 available at [http://www.ca-c.org/online/2007/journal\\_eng/cac-03/04.shtml](http://www.ca-c.org/online/2007/journal_eng/cac-03/04.shtml). Also see Ablat Khojaev, 'China's Central Asia Policy' (Based on Chinese Sources) in the same issue of the journal.

<sup>24</sup> F. William Engdahl, 'China lays down gauntlet in energy war,' *Asia Times*, December 21 2005, [www.atimes.com/atimes/China/GL21A01.html](http://www.atimes.com/atimes/China/GL21A01.html)

<sup>25</sup> 'CITIC Group to buy Kazakhstan oil assets,' *China Daily*, October 26 2006, [www.chinadaily.com.cn/china/2006-10/26/content\\_717784.htm](http://www.chinadaily.com.cn/china/2006-10/26/content_717784.htm)

<sup>26</sup> See MK Bhadrakumar, 'Russia sets the pace in energy race,' *Asia Times*, September 23, 2006, [www.atimes.com/atimes/Central\\_Asia/HI23Ago2.html](http://www.atimes.com/atimes/Central_Asia/HI23Ago2.html)

<sup>27</sup> Chemen Durdiyeova, 'Berdimuhammedov Launches Turkmenistan-China Gas Pipeline project', *Central Asia-Caucasus Analyst*, September 20, 2007 available at <http://www.cacianalyst.org/?q=node/4701>

ing Chinese-Kazakh pipeline structure will be linked with Iran along the Caspian Sea, and the Chinese pipeline from Turkmenistan is also being extended across the border to Iran. This will; not only reduce Chin's dependence on energy shipped by sea but will advance the development of Xinjiang. China is also in the process of exploiting the rich hydropower potential of Kyrgyzstan and Tajikistan and is looking to Kazakhstan to construct electric power stations and then send China electricity through the power grids.<sup>28</sup> China also controls the headwaters of the two main rivers that supply water to Kazakhstan. For now, however, China comes third behind Russia and Iran in its level of investments in Tajik hydropower.<sup>29</sup>

In its inroads into the Central Asian economy of Central Asia China puts money on the table with important conditions. Under the aegis of the SCO it has announced \$900 million worth of loans to Central Asian countries, all of them contingent on buying Chinese goods and services. The Central Asian Republics remain wary of their big neighbor. They would like to benefit from engaging with China but would not like to become too dependent on it. Kazakh leaders worry that their country might become an 'economic protectorate' of China. Even in their military cooperation Kazakhs favor Russia rather than China.<sup>30</sup> Despite the overwhelming presence of the Americans and NATO in Afghanistan, China's metallurgical group won a \$3.5 billion bid to develop Afghanistan's Aynak copper field. This contract also includes construction of a \$500 million electrical plant and railways from Tajikistan. Revenues from the project would meet more than half of the current annual state budget. This is part of the Chinese policy of spending more whatever is necessary when its strategic interests are involved – the bids by other competitors were all around \$ 2 billion.<sup>31</sup> The Pentagon is not favorably disposed to this decision of the Afghan government, even though it may contribute to

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<sup>28</sup> For details of China's mounting presence in Central Asia's electric power scene see Sebastien Peyrouse, 'The Hydroelectric Sector in Central Asia and the Growing Role of China', *China and Eurasia Forum Quarterly*, Volume 5, No. 2 (2007), pp. 131-148.

<sup>29</sup> Ibid.

<sup>30</sup> Sebastien Peyrouse, 'Sino-Kazakh relations: A Nascent Strategic Partnership', *China Brief*, Volume 7, Issue 21, November 7, 2008 available at [http://www.jamestown.org/terrorism/news/uploads/cb\\_008\\_21.pdf](http://www.jamestown.org/terrorism/news/uploads/cb_008_21.pdf)

<sup>31</sup> Nicklas Norling, 'The emerging China-Afghanistan relationship', *Central Asia-Caucasus Analyst*, May 14, 2008 available at <http://www.cacianalyst.org/?q=node/4858>

the stabilization effort.<sup>32</sup> The security and stability of Afghanistan remain critical factors in the effort to connect Central Asia with South Asia, along with the obvious economic gains.

### **Integrating Central and South Asia**

As part of their multi-directional policies, the Central Asian states have been developing their linkages to the south. Central Asia has historical and cultural links with the Middle East and also with countries in South Asia. Building on these relationships, the new governments have been endeavoring to improve ties with Turkey, Iran, Afghanistan, Pakistan and India. Improved connectivity between Central Asia and South Asia is a key element of the concept of a “Greater Central Asia,” which in turn is based on the premise that Central and South Asia are, or can become, a single integrated unit committed to economic activity and growth. Besides deep cultural and historic ties and the war on terrorism, the countries of the region have many common concerns, such as finding outlets for energy supplies, achieving prosperity through economic cooperation, and moving towards enhanced security and stability. The concept, propounded by the U.S., puts forth the idea of developing a power grid connecting Central Asia’s underutilized energy resources (hydro-power potential of Tajikistan and Kyrgyzstan and power stations based on Uzbekistan’s gas) with consumers in Afghanistan initially and, in later phases, Pakistan and India. The TAPI gas pipeline from Baluchistan, Pakistan, to India, could be said to be part of this concept of a Greater Central Asia. Even though this concept has found resonance in the Central Asian states, India, and Pakistan, there are many challenges in its realization, the major one being the worsening security environment in Afghanistan. Another complicating factor is the India-Pakistan relationship, which would have to improve substantially before any practical shape can be given to the Greater Central Asia strategy.

The concept calls not only for regional cooperation but also, significantly, for intra-regional cooperation. An example of the latter is provided by Turkmenistan which, with gas revenues in its coffers, has reached out to neighbor, Afghanistan. In July 2008, Ashgabat agreed to explore and develop Afghani-

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<sup>32</sup> Ibid.

stan's oil and gas deposits in regions bordering Turkmenistan, along with constructing a rail line, and expanding power lines, transport and communication networks.<sup>33</sup> Uzbekistan and Afghanistan signed an analogous memorandum of cooperation in the field of energy in November, 2006.<sup>34</sup> The construction of new power stations is already underway, which will increase the supply of energy to Afghanistan. Indeed, power stations in Uzbekistan are expected to provide energy to the power line being built by India from the Uzbek-Afghan border to Kabul. Tajikistan has also signed an agreement with Afghanistan and Pakistan for the export of hydro-based power.

The potential for expanding the electric grid to India is immense but is constrained by the unstable situation and massive capital requirements. Similarly, Kazakhstan has been supporting developmental projects in Kyrgyzstan and Tajikistan, the least developed nations among the Central Asian states. The weak economies of Kyrgyzstan and Tajikistan require an alliance of several foreign investors to underwrite their costly power projects.<sup>35</sup> But the costs would be significantly offset by the economic spin-offs of such developmental projects and by heightened security and stability.

As noted above, the U.S. in 2007 completed a bridge over the Panj River connecting Tajikistan with Afghanistan. At the dedication, the U.S. Commerce Secretary described the bridge as a "physical and symbolic link between Central Asia and South Asia." Afghan President Hamid Karzai, in his remarks, expanded on the theme and called it a link that "unites Central Asia with Southern and East Asia." China has reconstructed the road from the Panj bridge to Xinjiang and Iran is building the tunnels on the second, northern, route from the bridge. In this instance the U.S., China, Iran, Afghanistan and Tajikistan have all collaborated in a project that benefits every partici-

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<sup>33</sup> Turkmenistan News Brief, Issue 29 (2008), July 11-17, 2008: available at [http://www.soros.org/initiatives/turkmenistan/articles\\_publications/publications/newsbrief\\_20080717](http://www.soros.org/initiatives/turkmenistan/articles_publications/publications/newsbrief_20080717). Turkmenistan intends to finance construction of a branch line and expand power network towards Afghanistan by laying power lines. In particular it intends to increase power supply to Herat. Proposals have been prepared for construction of substations and 410 kms of 500 kw power lines from Turkmenistan to Afghan border.

<sup>34</sup> 'Uzbekistan, Afghanistan discuss energy cooperation', *Uzbekistan National News Agency*, August 21, 2008 available at <http://uza.uz/en/business/390/>

<sup>35</sup> See MK Bhadrakumar, 'Russia sets the pace in energy race,' *Asia Times*, September 23, 2006, [www.atimes.com/atimes/Central\\_Asia/HI23Ago2.html](http://www.atimes.com/atimes/Central_Asia/HI23Ago2.html)

pant, as well as other countries.<sup>36</sup>The sustained economic growth of the Central Asian republics would provide the needed foundation for their security and stability. Their natural resources have to be exploited in a harmonious manner that gives mutually beneficial advantages to both producers and consumers while factoring in environmental concerns. But the natural resource wealth of Central Asia has also called forth tensions, if not conflicts, among global powers.. In such a strategic environment, the pursuit of multi-vectorized policies that may go against the dictates of *Realpolitik* may not be easy.

### India's Strategic Vision for Central Asia

Until large parts of Central Asia were incorporated into the Russian Empire in the mid-nineteenth century, relations between India and Central Asia had been close. During the post-1971 era of close Indian-Soviet relations, cultural exchanges flourished between India and the Central Asian republics. The Central Asian region assumed heightened strategic significance for India following the break-up of the Soviet Union, and the unexpected creation of five independent states: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

India's political contacts with the region thus far had been through its close strategic relationship with the former Soviet Union. Indian officials were used to the special relationship New Delhi enjoyed with Moscow. None had anticipated the break-up and hence were perplexed by the events that followed. No importance was given to the coup of August, 1991, and in fact India hoped that the Soviet Union would weather the tumultuous developments. On a visit to Moscow in 1990, Prime Minister V P Singh did not meet with Boris Yeltsin, then an upcoming Russian leader. Perhaps he was not advised to meet him. At that time there few independent think-tanks which could have better informed India's Russia policy.

This situation has changed today. Several Indian think-tanks are now actively analyzing international developments. After it became clear that Soviet Union was not going to be recreated, Indian leaders and officials shifted their main concern to restoring India's traditionally friendly links with Rus-

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<sup>36</sup> For detailed analysis see MK Bhadrakumar, 'A Bridge that Exposes Huge Divide', *Asia Times*, September 5, 2007.

sia, particularly its strong defense ties. The Moscow Declaration of 1994 provided a firm basis to the relationship. India endeavored not to ruffle Russian feathers by focusing too much on Central Asia. This is not to suggest that Central Asia had no geopolitical and strategic significance for India, but India still chose to deal with it through Russia. This tendency was promoted when Foreign Minister Andrei Kozyrev declared that Russia had a special interest in the post Soviet space. With the rise of non-traditional threats and challenges in Central Asia, India relied on Russia to protect and safeguard the new states against the tide of extremism, since the fledgling states were seen as being incapable of protecting themselves. Hence, India did not object to the stationing of the Russian-led CIS peacekeeping force on the Tajik-Afghan border, which was seen as in India's interests. India's security concerns focused above all on South Asia and it gladly accepted Russia as the sole guarantor of security and stability in Central Asia.

In the early nineties India had launched its economic reforms. Only by the turn of century was the impact of the reforms visible. India was gradually emerging as a power to be reckoned with. As this happened, the parameters of Indian policy broadened beyond South Asia. Its desire now to play a larger role energized its approach to Central Asia.

The new situation forced the South Block to a major rethinking of India's approach toward the region. Accustomed for decades to see Moscow as the sole arbiter of its Central Asian policy, India was slow to grasp the significance of the strategic, geopolitical, and economic shifts in the former Soviet space. Far from using the Soviet collapse as a springboard for developing new relationships with the states of Central Asia in acknowledgement of new realities and in recognition of the need to develop new priorities, India chose to focus on recasting New Delhi's relationship with the new Russia. India's leaders thus lost an early opportunity to shape the Central Asian agenda in its own terms.<sup>37</sup> Preoccupied with managing its relationship with Russia, India initially overlooked the Central Asian states. This was underscored by the fact that while Uzbek President Islam Karimov chose to visit India in

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<sup>37</sup> Vidya Nadkarni, *India and Central Asia*, paper prepared for presentation at the annual meeting of the International Studies Association, Chicago, February 28 – March 3, 2007.

late 1991 – his first visit to a country outside the Commonwealth of Independent States (CIS) – and Kazakhstan’s President Nursultan Nazarbayev visited New Delhi in February, 1992, followed by President Askar Akayev’s visit in March, 1992, it was not until May, 1993, that India’s Prime Minister visited Central Asia, specifically Uzbekistan. In their visits to India, the Central Asian presidents expressed appreciation for India’s secular political model that eschewed Islamic fundamentalism, and expressed the desire for strong ties with India.

India was slow to capitalize on these serious expressions of friendship from the Central Asian side. Only in the early 2000s did it do so in earnest, with the pace further accelerating after the middle of the present decade. This shift from the earlier regional engagement policy was largely shaped by the need to prevent Pakistan from developing an anti-India coalition with the Central Asian states, and also by the need to persuade them not to provide Pakistan with assistance in its nuclear program. India sought to head off Central Asian support for Pakistan in Kashmir and also for Pakistan’s nuclear preparations.

India’s larger geostrategic rethinking gained more urgency by fresh forays into the region by China and America. Both were drawn in by the promise of energy resources and by concerns over terrorism and religious radicalism. Both countries remain deeply entrenched in Central Asia, as does Russia, thanks to its historical legacy.

As a late entrant to the geo-economic and geopolitical dynamics of Central Asia, India attempted to make up for its earlier missteps. In the words of Tahir Ashgar, an Indian scholar of Central Asia,

“We didn’t miss the bus as we did not go the bus stop in the first place. It is time to make up for lost opportunities. We need to have a more comprehensive policy in Central Asia to extract maximum advantage.”<sup>38</sup>

Given the renewed importance and even urgency that New Delhi attaches to the improvement of ties with the region, and also the emerging geo-

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<sup>38</sup> “Central Asia, New Forces of India’s Oil Diplomacy”, Indo-Asian News Service, April 6, 2005.

strategic equation, one can foresee that Central Asia is likely to become the scene either of intensive rivalries or unprecedented partnerships. The outcome will hinge on the approaches that major powers adopt towards each other as they shape their respective relationships with countries in Central Asia.

India's strategic approach lies in the development of strong ties with the countries of Central Asia along the energy and security vectors. In this context India is attempting to cast its Central Asian policy into an integrative framework that responds simultaneously to the geographies of energy, religion, and ethnic and tribal divisions, all of which are superimposed on political boundaries that define the new states. India's new Central Asia policy cannot be divorced either from its South Asia policy or from its management of a host of triangular relationships among China-Pakistan-India, China-India-United States, United States-Pakistan India, Russia-China-India, and India-Russia-United States, not to mention the Iranian factor.

The place of Central Asia in India's grand new strategic vision can be gauged from the articulations of Indian political leaders as they seek to catapult the country to the status of a major power in the 21st century. Emerging from its Cold War South Asian insularity, India has boldly attempted to articulate a grand strategic vision that attempts at active and purposeful engagement with the major powers and emerging power centers, as well as with countries in its immediate and extended neighborhood. This vision is articulated in the then India's Foreign Secretary, Shyam Saran, articulated this vision in a speech in November, 2006, at the Shanghai Institute of International Studies in China. Asserting that India's destiny is interlinked with that of Asia, Saran underscored that geography imparts a unique position to India in the geopolitics of the Asian continent, with its footprint reaching well beyond South Asia and its interests straddling different sub-categories of Asia – be it East Asia, West Asia, Central Asia, South Asia or South East Asia. Anyone who is skeptical about this claim should bear in mind that India shares one of the longest borders in the world with China, that Central Asia verges on its northern frontiers, that India has maritime borders with three South East Asian countries, that India's Andaman and Nicobar Islands are just over a hundred kilometers from Indonesia, and that India's exclusive economic

zone spans the waters from the Persian Gulf to the Straits of Malacca.<sup>39</sup> How does Central Asia fit into India's Asian vision? Viewing the concept of neighborhood in terms of widening concentric circles (*Arthshastra mandla's*), leaders in New Delhi see Central Asia as part of India's extended neighborhood. This notion has been repeatedly articulated in the annual reports of India's Defense Ministry and Foreign Ministry. Bluntly, Central Asia is an area in which India's economic and security interests are inextricably linked. Indian External Affairs Minister Pranab Mukherjee has identified the nurturing of a web of cooperative energy security networks in Central Asia as a primary goal of Indian foreign policy. He also noted the close connection between energy security and threats from terrorism, noting at the same time that challenges to Indian security have traditionally come overland from the northwest.<sup>40</sup> Thus, India has a common interest with Central Asian governments in stopping the spillover of Islamic fundamentalism from Pakistan and Afghanistan into Central Asia and preventing the region from becoming a conduit for radical religious ideologies with the potential to destabilize the border regions of Uzbekistan, Tajikistan, Kyrgyzstan, China, and India. India has often repeated this refrain in multilateral forums. In a statement to the Council of Heads of State of the Shanghai Cooperation Organization (SCO) meeting in Shanghai in June, 2005, the leader of the Indian delegation, Murli Deora, announced India's support for the SCO's efforts against extremism, fundamentalism, and terrorism, and called for cooperative efforts to foster greater intra-SCO trade facilitated by the development of banking and financial services and transportation networks and transit links. He offered to share India's unique development experience and argued that economic growth and prosperity were the sine qua nons of peace and stability in the region. Finally, he called on the SCO, as an organization that brings together major energy producers and consumers, to cooperate in the area of en-

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<sup>39</sup> See "Present Dimensions of the Indian Foreign Policy," Address by Foreign Secretary Mr. Shyam Saran at Shanghai Institute of International Studies, Shanghai, November 1, 2006. Available online at the Website of the Indian Ministry of External Affairs (hereinafter MSA) : <http://meaindia.nic.in/speech/2006/01/11ssoihtm>

<sup>40</sup> "Indian Foreign Policy: A Road Map for the Decade Ahead." Minister of External Affairs address to 46th NDC Course, November 15, 2006 available at [http://pib.nic.in/release/rel\\_print\\_page1.asp?relid=22022](http://pib.nic.in/release/rel_print_page1.asp?relid=22022)

ergy security.<sup>41</sup> The choice of Murli Deora, India's Minister for Petroleum and Natural Gas, as delegate to the Shanghai meeting of the SCO clearly signaled India's interest in becoming a player in the area of Central Asian energy.

The Indian leadership's basic premise is that a broad-based and integrated Asian security and economic community will best be able to deliver peace, stability and prosperity while accommodating the overlapping global aspirations of India and China. Naturally, this must be assessed against the world-views of China, Russia and the United States – the other major players in Asia. Of these, India's ambitions potentially clash most directly with those of China.

To a large extent, the same holds true for the United States and Russia, for China's aspirations represent a more direct challenge to Washington and Moscow's global visions than do India's. Chinese leaders are transforming the country into a major global power and as a first step in that direction, seek to make China the preeminent power in Asia. The United States seeks to limit Chinese influence in Asia in order to uphold and maintain U.S. primacy at the global level. Russia meanwhile has sought to work with China against an encroaching American presence in Eurasia and Central Asia, with the reassertion of Russian influence in both regions as its objective. In this complex set of interactions, all major powers have continued to engage each other economically while pursuing their common and competing objectives in Central Asia, resorting only to demonstrative shows of force. Whether common objectives will lead to a cooperative security and economic architecture in Asia is largely dependent on whether China is willing to accommodate Indian ambitions in Central Asia and in the larger Asian region; whether Chinese attempts to limit American influence and to supplant Russia in Central Asia are managed in such a way as to prevent direct challenges from these countries; and whether Russia's policies to reassert its influence in Eurasia and Central Asia leave room for China in Central Asia and the United States in both regions. The ways in which the Central Asian countries posi-

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<sup>41</sup> Statement by Shri Murli Deora, Leader of the Indian delegation to the meeting of the Council of Heads of State of the Shanghai Cooperation Organization (SCO), 15 June 2005, Shanghai, China. <http://meanindia.nic.in/speech/2006/06/15ss02.htm>

tion themselves vis-à-vis each of these powers will also play an important role in the unfolding dynamics of Central Asia.

All of these conceptions are to greater or lesser extent based on zero sum thinking. By contrast, Indian ties with the Central Asian countries are based on a grand vision for a cooperative and synergistic economic and security relationship. In shaping its future relationships with the region, India's policy thinkers have developed two schools of thought. One school, common among analysts and diplomats from the Soviet era, remains skeptical of close strategic ties with the U.S. and believes that India's best interests are served by nurturing strategic relations with Russia, which they continue to view as the predominant regional player. They are willing to go along with U.S. Central Asian policies to the extent that the U.S. is serious about exterminating the forces of militancy and terrorism in the region. In this context they welcome the U.S. military presence in Afghanistan and Central Asia. However they are ideologically and politically averse to joining any U.S.-sponsored security arrangements and to collaborating with U.S. regional policy in Central Asia. To them, the United States is at best a transient power with respect to South Asia.

These analysts see a commonality of interests with Russia and China arising from the threat posed by terrorism and religious extremism in Central Asia. They share the Russian and Chinese perspective that there are no "good" or "bad" religious fundamentalists or extremists. They, like Russia and China, perceive India to have a high stake in Central Asia's stability, since it can affect India itself.

The second school is associated with India's security and military community. It sees a U.S.-sponsored Greater Central Asian regional initiative as the only means of breaking the strategic logjam that India finds itself in, particularly in terms of pursuing its own strategic interests. They cite the example of Indian support to the Northern Alliance and strategic initiatives such as the Ayni air base in Tajikistan as examples of how proactive policies can be leveraged to protect India's geo-strategic interests. In their opinion, India needs to support strategic stability in Afghanistan and consequently in Pakistan, as opposed to the Pakistani proposal of "strategic depth," which directly

destabilizes both Indian and Central Asia. Their views are shaped by the following perspectives:

- The victory of extremist or fundamentalist forces will have a deep and enduring impact on Indian security as the ensuing fires will in all probability engulf Pakistan and parts of India as well.
- Such a victory will also have an adverse impact on Central Asia.
- It is in India's interest to engage with the region proactively to ensure that inimical forces are not allowed to win.
- On the energy front, stability in the region is imperative for projects like TAPI to fructify. Thus, India has a major stake in regional stability.
- They also look at friendly ties with Iran as a stabilizing factor and would like the U.S. to improve its relations with Iran so as to hasten the defeat of the Taliban. The nuclear issue needs to be resolved as assuringly as possible and cannot be allowed to escalate by a foolhardy Israeli strike.
- They support initiatives that allow regional players to play a stabilizing role. Hence they support SCO's 27 March 2009 Afghanistan contact groups conference sponsored by Moscow. These initiatives are seen by this group as a means of weaning Pakistan from its policy of "running with hares and hunting with hounds."

Overall, the security-oriented group would like India to play a more proactive role that include counterinsurgency training of the Afghan National Army's deployment of provincial reconstruction teams in Western Afghanistan; the opening of an Indian-built road axis from Chabahar Port in Iran, and, should the situation in Afghanistan deteriorate, an initiative to shape strategic response strategies with Central Asia and other regional players. Lastly, this group would try to induce Pakistan to stop cross-border terrorist activities and improve relations.

### **India's Place in the Evolving Policies of the Central Asian Republics**

A consequence of the multi-vectorized policies of the Central Asian states is their desire to engage India in a mutually beneficial and comprehensive relationship. This inclination on their part is strengthened by their experience of the negative effects of the intense power play that is taking place in Central Asia. India can play a positive role in the Central Asian environment where regional states are hard put to maintain balances between other major players. Further, in the last decade, India's stature in the international order has risen thanks to its economic growth and its movement towards the world of Realpolitik. India has also been pursuing policies to restore its traditional linkages with the region and to re-integrate itself with the immediate and extended neighborhood. This has been reflected in India's 'Look East Policy' of the mid 1990s, followed by its 'Look West Policy', which is directed towards West Asia and Central Asia. Its difficult relationship with Pakistan has strengthened India's resolve to achieve progress on the latter policy.

India's Minister for External Affairs, Pranab Mukherjee, has observed that

"India is not inclined to export ideologies, even ideologies it believes in and follows. India would rather promote democracy in the region by precept and example. Freer traffic between India and Central Asia would be a factor in favor of moderation and democracy there."<sup>42</sup>

In 1995 then Prime Minister, Narasimha Rao, remarked during a visit to Turkmenistan that "We are an independent partner with no selfish motives. We only desire honest and open friendship and to promote stability and cooperation without causing harm to a third country." This approach of India finds resonance with the Central Asian states, in contrast to the U.S. and the Western nations, which have promoted democratic practices very aggressively. Further, India's historic character, size, population, economic and military strength make it a natural bulwark against fundamentalist extremism and a factor for peace and stability in Asia. Therefore, even though India is described as a second-tier player in the Central Asian arena, it can still play

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<sup>42</sup> The then Defense Minister who later became External Affairs Minister and now Finance Minister's speech on India's Strategic Perspective delivered at Carnegie Endowment for International Peace, Washington, D.C. on June 27, 2005.

a significant role. Political and business leaders in both India and the Central Asian countries have expressed their desire to promote ties in a multidimensional manner, but progress has been very slow. There has been some progress in security ties but trade, commerce, and energy ties have not developed satisfactorily.

The pace of political, diplomatic, and economic engagement, has increased in the last few years. In April, 2008, Vice President Hamid Ansari visited Turkmenistan and Kazakhstan, both of them significant countries from the standpoint of hydrocarbon reserves as well as being important elements in the north-south transportation corridor. Trade and economic issues, bilateral, regional and global issues of mutual concern formed part of the agenda for discussions.<sup>43</sup> Ansari became the most senior leader to visit Turkmenistan in a decade. In Kazakhstan, he indirectly pushed for India's style of governance. Describing *Panchayati Raj* as the greatest experiment in democracy globally, he observed that Central Asia's nascent democracies could ensure development through a similar devolution of power.<sup>44</sup> India's diplomatic thrust in the region got a boost after Prime Minister Manmohan Singh visited Uzbekistan in April, 2006. He signed agreements relating to education, IT, the oil and gas sector, light industry, agriculture, mineral resources, and pharmaceuticals. The two sides expressed satisfaction with the results of the second meeting of the Joint Working Group on Combating International Terrorism.<sup>45</sup> In July, 2006, the Prime Minister met the President of Kazakhstan and stated that "Kazakhstan is an important economic and political partner of India and is interested in expanding its bilateral cooperation." Joint working groups between India and Uzbekistan and India and Tajikistan meet regu-

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<sup>43</sup> Energy focus of Ansari's visit to Central Asia', *Thaindian News*, April 04, 2008 available at [http://www.thaindian.com/newsportal/uncategorized/energy-focus-of-ansaris-visit-to-central-asia\\_10034598.html](http://www.thaindian.com/newsportal/uncategorized/energy-focus-of-ansaris-visit-to-central-asia_10034598.html)

<sup>44</sup> Ansari gives pep talk on democracy to Central Asian nations', *The Hindu*, 08, 2008. While addressing the Academy of Public Administration in this capital city of Kazakhstan Ansari said, 'Our structure of local self governance called Panchayati Raj... is the greatest experiment in democracy ever undertaken anywhere in the world or at any time in history,' Text of speech available at [http://vicepresidentofindia.nic.in/d-ser.asp?dd=Day&mm=April&yy=2008&content=&search=Search&content\\_new=](http://vicepresidentofindia.nic.in/d-ser.asp?dd=Day&mm=April&yy=2008&content=&search=Search&content_new=)

<sup>45</sup> See 'Joint Statement by Republic of India and Republic of Uzbekistan,' April 26 2006, Tashkent, Uzbekistan available at Ministry of External Affairs, Government of India website Joint Declarations and Statements at <http://meindia.nic.in/jshome.htm>

larly. During a visit to New Delhi by the Tajik president in August, 2006, five documents were signed on energy, trade, security, science, technology and culture.<sup>46</sup> In order to improve India's footprints in the Central Asian states in general, and in Uzbekistan in particular, Union Minister of State for Commerce, Industry and Power, Jairam Ramesh visited Tashkent and Astana in April, 2007. The goal of his visit was to take the bilateral economic relationship to a new level. He offered to help establish a training institute for gas technology in Tashkent, along the lines of the Jawaharlal Nehru IT Centre in the Uzbek capital that was inaugurated by Prime Minister Dr. Manmohan Singh in 2006. GAIL has identified four specific blocks for gas exploration. So far Russia, China and South Korea have invested in gas exploration in Uzbekistan. Jairam Ramesh conveyed India's interest in exploring for gold in Uzbekistan, as India is the world's largest importer of gold. The Uzbek government has agreed to consider this proposal but would like it to include value-addition investments in Uzbekistan.

Central Asian states and India share the goals of security and stability in the region, and the curtailment of drug trafficking and terrorism. India has been cooperating in these areas both at the bilateral and multilateral levels. It has Joint Working Group (JWG) on Combating International Terrorism with Uzbekistan;<sup>47</sup> a JWG with Tajikistan on counter-terrorism; and a JWG on international terrorism and other types of crimes with Kyrgyzstan. These JWGs have had regular meetings to address threats arising from instability and fundamentalism in the region. At a multilateral level India, as an observer, has supported the objectives of SCO and is keen to play a constructive and active role in it. India is also a member of the Conference on Interaction and Confidence Building Measures in Asia (CICA) – a Kazakh-sponsored initiative of eighteen Asian nations that includes the Central Asian states (minus Turkmenistan).. Many member states view CICA as a useful venue for pursuing bilateral relations with individual states. For Kazakhstan, CICA has been an expression of its multi-vectored foreign policy and is also a

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<sup>46</sup> For instance see Sudha Ramachandran, 'India's foray into Central Asia,' *Asia Times*, August 12 2006 [http://www.atimes.com/atimes/South\\_Asia/HH12Dfoi.html](http://www.atimes.com/atimes/South_Asia/HH12Dfoi.html)

<sup>47</sup> See 'Joint Statement by Republic of India and Republic of Uzbekistan,' April 26 2006, Tashkent, Uzbekistan available at Ministry of External Affairs, Government of India website Joint Declarations and Statements at <http://meaindia.nic.in/jshome.htm>

means of finding an appropriate role for itself in addressing regional conflicts. It is acknowledged that Uzbekistan fiercely contests Kazakhstan's moves to gain a position of leadership among the Central Asian states.

India's multi-faceted relationship with the Central Asian states includes limited engagement in the sphere of defense. The key components of the Indo-Central Asian defense relationship has been in the sharing of intelligence, training and assistance, the servicing and upgrading of military hardware, and India's import of transport aircraft from Uzbekistan. It needs to be remembered that in 2001 India established a hospital in Tajikistan to treat anti-Taliban Northern Alliance fighters. India has also constructed an airfield at Ayni, northwest of Dushanbe, and provided infrastructure assistance to the Military Training College in Dushanbe itself. During a visit to India, Tajik President Rakhmon observed that "We are cooperating well in the field of defense training. We have agreed to institutionalize contact between our armed forces in specialized areas." The Indian army has established a team in Tajikistan to impart English language training to military personnel. India is also in the process of setting up English-cum-IT labs and deployment of army training teams in Kazakhstan and Kyrgyzstan. Further, officers from all the Central Asian states except Turkmenistan have attended military courses at India's premier military institutions.

India has purchased six Uzbek-manufactured IL-78 air-to-air refueling aircraft and entered into a further agreement for Indian transport aircraft to be repaired at Tashkent. Troops from Uzbekistan have also trained in counter-terrorism exercises conducted at India's Counter-Insurgency Warfare School. The Indian navy is acquiring spare parts for thermal and electrical torpedoes from Kazakhstan and Kyrgyzstan and there is a degree of collaboration with Kazakhstan on research and development of underwater naval armaments.

In addition to the above, the efforts of the Central Asian countries to secure multiple outlets for their energy surpluses mesh well with India's growing requirements for energy. India's Petroleum and Natural Gas Minister Murli Deora attended the SCO summit meetings of June, 2006, August, 2007, and August, 2008, which signifies the importance that India attaches to meeting its energy needs. At the same time, India's head of state has not attended any

of the SCO summits since India became an observer, which has been interpreted as a lack of interest in becoming a full member. In fact, this may be due to a number of strategic factors, including India's focus on concluding an Indo-U.S. nuclear deal and on pursuing its strategic partnership with the U.S.

The multilateral platform of the SCO has not been of much help to India so far in promoting its engagement with the Central Asian states. But bilateral engagement with Central Asia has been relatively successful. ONGC has been able to obtain exploration rights for hydrocarbon reserves in Turkmenistan off its Caspian Sea coast and it also has a limited presence in Uzbekistan's oil and gas sector. In 2005 India lost out to China in the bidding for control of Petro-Kazakh of Kazakhstan because of a number of extraneous reasons. Further, a proposal to construct the TAPI pipeline gained some momentum in 2009 when the Asian Development Bank backed the project and all the stakeholders evincing a keen interest to proceed with it. With a manifold increase in Turkmenistan's gas reserves having been certified by international auditors,<sup>48</sup> uncertainty about Turkmenistan's ability to meet the demands of all its existing and future customers has been removed. The TAPI project is expected to be completed by 2014-15. However, this is contingent upon the security situation improving drastically in Afghanistan and in the borderlands between Afghanistan and Pakistan.

Back in 2003 India launched a 'Focus: CIS Program' to promote economic engagement with the CIS countries, including the Central Asian states, but progress to date has been limited. Economic cooperation with the Central Asian nations remains at a low level and has yet to see significant volumes. India's total trade with the Central Asian states in 2008 was US\$343 million, which is less than 1 per cent of India's total world trade. Similarly, trade with countries such as Turkmenistan and Kyrgyzstan has followed an erratic pattern, with ups and downs instead of a pattern of steady growth. On the other hand it can also be said that total trade with the Central Asian states, which was US\$24 million in 2003, grew almost threefold by the end of 2008. Con-

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<sup>48</sup> Vladimir Socor, 'New Turkmen Gas fields change the strategic gas export picture', *Eurasia Daily Monitor*, October 15, 2008, available at [http://www.jamestown.org/edm/article.php?article\\_id=2373449](http://www.jamestown.org/edm/article.php?article_id=2373449)

trast these figures with comparable data on Kazakh-Russian trade, which reached US\$20 billion by 2009.<sup>49</sup> The volume of Turkmenistan-China bilateral trade hit US\$380 million in the first half of 2009 and this does not take into account gas sales through the new pipeline, which was just being completed.<sup>50</sup> Therefore, the significance of developing the north-south corridor through Iran and Turkmenistan and beyond needs no emphasis. This is being supplemented by another transport corridor from the Chabahar port in Iran to Afghanistan, with eventual linkages to Central Asia. However, the Taliban (with the backing of Pakistan) has carried out attacks on Indian engineers working on the project to discourage its construction. In India's strategic calculus Iran figures as an important gateway to Central Asia, which adds a further reason for maintaining a constructive relationship with that country.

India has also been keen to invest in the hydropower sector in Kyrgyzstan and Tajikistan and transport the surplus energy through a power grid extending via Afghanistan and Pakistan to India. Therefore, the concept of a "Greater Central Asia," i.e., of moving towards an integrated regional economy, coincides with Indian interests. But as mentioned earlier, the daunting challenges of Taliban resurgence combined with obscure policies of Pakistan put a question mark on the future of this concept. However, with a new democratic government having taken power in Pakistan, there is a growing realization among many Pakistani figures that trade and commerce with India, along with fighting terrorism of all kinds, is in the national interests of Pakistan. The new government had initiated steps to liberalize trade with India, but Pakistan has yet to implement the South Asian Free Trade Agreement in letter or spirit. The new government in Islamabad is also attempting to wrest control of Pakistan's policy towards Afghanistan and India from the military and bureaucratic establishment. The "Greater Central Asia" concept can best be realized as a kind of peace dividend resulting from of a "grand reconcilia-

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<sup>49</sup> President Nazarbayev's Press Statement Following the Forum of the Border Regions of Russia and Kazakhstan (Aktyubinsk, Kazakhstan, September 22, 2008). He observed: 'In just the first seven months of this year it amounted to 11.6 billion dollars. So we have every opportunity to reach our target, to reach 20 billion dollars a year in trade in 2008'. Available at [http://www.geneva.mid.ru/press/e\\_2008\\_34.html](http://www.geneva.mid.ru/press/e_2008_34.html)

<sup>50</sup> 'China, Turkmenistan reaffirm lasting relations', *China Daily*, August 29, 2008 available at [http://www.chinadaily.com.cn/china/2008-08/29/content\\_6979307.htm](http://www.chinadaily.com.cn/china/2008-08/29/content_6979307.htm)

tion” or “grand bargain” between India and Pakistan, which would be a win-win situation for both countries in particular, and for Central and South Asia in general. In the first flush after gaining power President Asif Ali Zardari and Prime Minister Gilani of Pakistan have made some encouraging statements, but as the new climate that arose following the terrorist attacks in Mumbai has revealed, it may not be easy to make a clean break with the past.

### **Grand Reconciliation Post-Mumbai and the Evolving U.S. Policies**

The Mumbai terror attacks were engineered from Pakistan at a time when the democratic government had become more aggressive in asserting its legitimate role in the affairs of the state. Attempting to wrest control of Pakistan’s Inter-Services Intelligence agency from the military was one such act that ended in failure. The Pakistani military was not ready to let go of an institution which it has used for decades to advance its own internal and external policies. Nor were they prepared to abandon their belief that democratic governments are a threat to security, and any accommodation with India is anathema. Further, the situation in the Federally Administered Tribal Areas (FATA) and adjoining areas of the Northwest Frontier Province (NWFP), where the Pakistani military has been fighting an unpopular on-and-off war, created dissonance within the army, as well as with the U.S, specifically, opposition to the latter’s drone attacks. An additional factor of timing was the forthcoming transition of power in the U.S. and apprehensions over the policies of the incoming Obama administration with regard to Pakistan and Afghanistan.

It would be worth assessing whether the Pakistani military and jihadis conceived the Mumbai attacks as leading to a win-win situation for their combined force. A clear consequence of the Mumbai attacks was the validation of the domineering influence of the Pakistani military in the affairs of state, undermining the authority of the duly elected democratic government. To address Indian concerns, the ruling civil leadership agreed to fire the director general of the ISI in the immediate aftermath of the Mumbai massacre. But then the military pressured the government to dilute or withdraw its commitment. Further, the civilian government’s continuous flip-flops on the identity and nationality of the lone terrorist caught in Mumbai, the sacking

of the national security adviser, and its whipping up war hysteria, all demonstrate that the military establishment had successfully twisted the arm of the newly elected civilian government.

A second intended or unintended consequence of the attacks was to kill all hopes of a grand reconciliation between India and Pakistan, at least in the near future. Before the attacks, some progress had been made through the renewal of the Indo-Pakistani peace process that had been stalled since March, 2007, due to instability in Pakistan caused by then President Pervez Musharraf's policies and civil society's agitation against military rule. Following the February, 2008, elections in Pakistan, there had been indications that India's Prime Minister would visit Pakistan once sufficient momentum had been achieved in the peace process. The scenario prior to November 26 was not unlike the pre-Kargil situation in 1999, when the Prime Ministers of Pakistan and India negotiated for peace while the military-jihadi combine prepared to launch a war against India.

A third possible goal was that the post-Mumbai war hysteria caused by the Pakistani military would enable the withdrawal of forces from its western front in FATA and NWFP and allow them to be redeployed against India. The Pakistani politico-military establishment is using this as a tool against pro-active U.S. policies. Pakistani Taliban groups such as Lashkar-e-Taiba and the one headed by Baitulla Mehsud volunteered to fight alongside the Pakistani military in the event of a war against India. That the Pakistani military establishment continues to harbor an indulgent attitude towards such groups is evident from the interview of the ISI chief, Major General Shuja Pasha, with the German magazine *Der Spiegel* in the wake of the Mumbai attacks: "Shouldn't they be allowed to think and say what they please?. They believe that jihad is their duty. Isn't that freedom of opinion?," he asked, defending extremists who keep sending more and more Koran school students to Afghanistan to fight in the war there. Such groups have been used as valued assets and force multipliers by the Pakistani military to realize their policy objectives in Afghanistan and India. The ISI itself, meanwhile, stands accused of supporting terrorism in Afghanistan and India. Even the U.S. and Afghan intelligence agencies affirmed that the attack on the Indian embassy in Kabul in 2008 was the work of the ISI.

The withdrawal of embattled Pakistani forces from their western front would also have relieved the pressure on the Taliban and other groups, thus enabling them to recoup their strength and assist the Afghan Taliban in the decisive spring, 2009, campaign, which would also test U.S. General David Petraus's Afghan strategy.

The enduring feature of the complex jigsaw puzzle that Pakistan presents is that both the military and jihadis use each other to enhance their strength and pursue their own agendas. However, with jihadis becoming increasingly autonomous, it is not clear as to who is driving whose agenda, the latest example being the imposition of Sharia in Swat. The Pakistani army has ceded control of vast swathes of territory in FATA and the NWFP, which enables these groups to enhance their strength and widen their agenda.

President Obama's Af-Pak strategy, revised in December 2009, has had a dual aim. Apart from focusing on gaining ascendancy on the Afghan Taliban through a strategy of degrade, defeat and destroy, the policy is also focused on forcing Pakistan to undertake a concerted counterinsurgency campaign that would deny the Afghan Taliban trans-border sanctuaries, prevent cross-border movement of insurgent groups, stop attacks on ISAF and the U.S. logistic supply chain by regaining control of territory ceded to the Tehrik-e Taliban Pakistan (TTP). An upshot of this policy is also to contain the spread of Islamic fundamentalism that could destabilize Pakistan itself.

Consequently the success of US strategy is predicated upon prevailing upon Pakistan, particularly its military, in achieving these objectives. The seriousness of the issue is underscored by the fact that fearing lackadaisical cooperation from the Pakistani army, American commanders in Afghanistan have increased the intensity and depth of cross-border (drone and special forces) strikes against Taliban and Al Qaeda cadres hiding in FATA.

In so far as Pakistani army's counter-insurgency operations in South Waziristan are concerned, despite claims to the contrary they are simply not proving effective. The Afghan Taliban retain their sanctuaries in FATA, and after initial setbacks following the death of Beitullah Mehsud in a drone attack, the TTP has regrouped and hit back by launching a spate of attacks in the Pakistani heartland, Punjab and Sindh. As a result, the TTP remains a cohesive force despite setbacks in Swat, and has close coordination with the

Afghan Taliban and other groups like those led by Gulbuddin Hekmatyar and Jalaluddin Haqqani.

Despite U.S. pressure, the Pakistani military appears reluctant to undertake concerted operations or upgrading troop deployment, fearing a process of escalation whose control it could find difficult to manage and which could rapidly spread into the Punjabi heartland. Historically, the Pakistani military has never fought jihadis; force has generally been applied against targeted groups and not the whole organizations, primarily to keep adequate maneuvering space with militant organizations to cater for the expected blowback.

Additionally, apart from the problems of force ratios, terrain and demographic factors underlying this lackadaisical attitude, a major rationale underlying Pakistani reluctance is the perception that the Pakistani military does not perceive the Taliban as an unmanageable threat to the Pakistani state despite the recent spate of attacks in the Pakistani heartland. India, with its conventional military superiority, is seen as a bigger challenge..

Secondly, the Taliban is seen as a strategic asset in a scenario following the withdrawal of U.S. and ISAF forces, based on the perception that the war in Afghanistan is unwinnable and the eventual withdrawal of the U.S. a foregone conclusion. This perception is to an extent coming true, with effort being made at the London Conference in January 2010 to bring about integration, reconciliation, and finally power-sharing with the Taliban in order to maintain the Obama administration's declared timeline of withdrawal by mid-2011.

At the same time, the Pakistani army uses jihadis to advance its own agenda in Afghanistan and India. The preferred method of the Pakistani military establishment appears to be first to create an enhanced threat to U.S. forces in Afghanistan by aiding and abetting the Taliban, only to subsequently mitigate that threat by bargaining for vast amounts of military aid that it then directs to quite different purposes. No other person than former president Pervez Musharraf admitted in September 2009 that the U.S. military aid given to Pakistan during his tenure was used to strengthen defenses against India. He further stated that the money was used to arm the troops who moved with their equipment from the western border to the east based on these perceived threats. In earlier years, Pakistan had been rejecting reports on the use

of \$5 billion of weapons systems of U.S. origin to fight India. Musharraf was also bold enough to say that he did not care if this diversion of aid angered the U.S. To quote him,

Whoever wishes to be angry, let them be angry, why should we bother? We have to maintain our security, and the Americans should know, and the whole world should know that we won't compromise our security, and will use the equipment everywhere.<sup>51</sup>

In a number of Congressional and Senate Foreign Relations Committees' hearings held in 2009, U.S. Central Command Commander General David Petraeus pointed out how Pakistan ultimately took on the Afghan Taliban and stopped funding and promoting this group as a result of the U.S. showing more commitment to Pakistan. Similarly General Stanley McChrystal, U.S. Commander in Afghanistan, appearing before the Senate Armed Services Committee praised the Pakistani army saying that "their recent actions over the last year or two against their own internal insurgency are really a good indicator of just how serious they are about conducting counter-insurgency operations and reducing instability on their side."<sup>52</sup> But when asked to reply to questions of Pakistan's dual-track policy he was evasive. In sum, the apparent Pakistani strategy of addressing its security concerns by going after only the Pakistani Taliban and not the Afghan Taliban, which it seems to consider as a strategic asset against India and as a hedge in case the U.S. decides to withdraw, appears to find acceptance with the U.S. government.<sup>53</sup> Through its soft approach to the recalcitrant Pakistani military, the U.S. has unwittingly become complicit in an unending drama and ends up furthering the agenda of jihadis and Taliban fraternity.

With the appointment of Richard Holbrooke as President Barack Obama's special representative for Afghanistan and Pakistan, the U.S. administration

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<sup>51</sup> "Musharraf Admits Aid was Diverted", BBC News, September 14, 2009 available at <http://news.bbc.co.uk/2/hi/8254360.stm>

<sup>52</sup> "Transcript: U.S. House Armed Services Committee Hearing on Afghanistan", 8 December 2009, available at <http://www.isaf.nato.int/en/article/transcripts/transcript-u.s.-house-armed-services-committee-hearing-on-afghanistan.html>

<sup>53</sup> See commentary "For the Pentagon, Pakistan Army can do no wrong", December 11, 2009, available at <http://news.rediff.com/special/2009/dec/11/for-the-pentagon-the-pakistan-army-can-do-no-wrong.htm>

resisted the temptation formally to link the solution of Afghanistan with that of Kashmir. Otherwise, this did not imply a fundamental change in American perceptions. In his speech after his appointment, Holbrooke avowed to follow an agenda which would hardly remain confined to the Pakistan-Afghanistan matrix. "In Pakistan, the situation is infinitely complex...in putting Afghanistan and Pakistan together under one envoy, we should underscore that we fully respect the fact that Pakistan has its own history, its own traditions, and it is far more than the turbulent, dangerous tribal areas on its western border. And we will respect that as we seek to follow suggestions that have been made by all three of the men and women standing behind me [President Obama, Vice-President Joe Biden and Hillary Clinton] in the last few years on having a more comprehensive policy."<sup>54</sup> In the post-9/11 era, then President Musharraf was forced to reverse his policies in Afghanistan at the risk of risking being "bombed back to the Stone Age". Musharraf then decided on a tactical retreat to protect its strategic assets (nuclear deterrence) and policies in Kashmir. In the current strategic milieu, Pakistani generals appear to have calculated that the U.S. is no longer in a position to issue such dire threats and that the U.S. needs the Pakistani military more than the Pakistani army needs the U.S.. Yet even now, at a time when the Pakistani economic and financial situation is precarious, the U.S. has more than sufficient leverage to influence Pakistan's policies.

America's over-reliance on the Pakistani military has yielded few positive results over the past eight years of turmoil in Afghanistan. The experts and advisers of the Obama administration who have sought to link Pakistan-Afghanistan and Kashmir in one simple equation have suggested what they call a "regional" approach to the Afghan conflict. However, this remains extremely vague, with too little attention being paid to the many bargains that must be struck before the situation in Afghanistan can be stabilized – a bargain with Iran; a bargain with Russia and the Central Asian countries; and to lift the vice-like grip of the Pakistani GHQ on U.S. policy-making. Such an accommodation, for one, would open up alternative logistics routes most particularly through Iran, Caucasus and Russia and the Central Asian Republics,

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<sup>54</sup> 'Obama Announces New Envoys', available at <http://www.state.gov/secretary/rm/2009a/01/115297.htm>

making the Northern Distribution Network a viable proposition. Secondly, reduced dependency and greater logistical flexibility and concomitant reduction in military and economic aid is likely to have the effect of making the U.S. less dependent on the Pakistani route, thus making the Pakistani Army more sensitive to U.S. needs.

If the Pakistan Army becomes less strategically relevant to the U.S. and a solution involving other regional actors can be found, it would also have impact overtime in making democratic forces more relevant in Pakistan's power structures. Solutions revolving around the salience of the Pakistani Army are unlikely to yield substantial peace dividends as it continues to see the Taliban in the context of strategic depth in Afghanistan, and as a hedge against strong Pashtun nationalism in Pakistan itself.

Thirdly, as mentioned earlier, the U.S. has tried repeatedly to influence the Pakistani army away from its current policies, but with little success. It is unlikely that the new Af-Pak strategy will be different.

Until such bargains are made, the dependence of the U.S. and NATO on Pakistan will continue in place, and alternative routes for logistics will fall short of the need.

Repeated attacks on NATO convoys passing through the territory of Pakistan constitute a message to the U.S. from the military-jihadi combination, reminding it of the limits of its powers and capacities. The U.S. is not ready to adopt a regional approach as yet. It has resisted the attempts of France and Germany to involve the United Nations Security Council along with other nations in the region to resolve the Afghan conflict. The U.S. strategy of 'surge and bribe' or a version of the British colonial policy of 'Divide and Rule,' following the success of a similar strategy in Iraq, is unlikely to yield any result in the coming years unless the core issue of reining in the Pakistani military establishment is addressed. The harsh reality of the matter is that the solution to the conflict in Afghanistan is located in Pakistan and in the Pakistani military establishment. Any kind of strategy not focused on this will likely be ineffective. Propping up the Pakistani military and state repeatedly, asking India to grant concessions to Pakistan on Kashmir, seeking to preserve balance in South Asia through massive military supplies to Pakistan, and asking India to exercise restraint every time a state-sponsored

terror attack takes place, will only wet the appetite of the Pakistani military junta for more of the same.

The 'Grand Bargain,' as propounded by Professor Barnett and Ahmed Rashid, seeks to rescue the situation in Afghanistan by re-establishing the relations of the key South Asian stakeholders on the basis of cooperation and enlightened self-interest with the U.S. as an honest broker.<sup>55</sup> It has the very ambitious aim of bringing stability to Afghanistan by linking Afghanistan, Pakistan and Kashmir together and then curing all problems at once. This arises from a distorted vision of the underlying problem. As amply outlined in the discussion above, such a formulation is likely to flounder against vastly varying perceptions of the stakeholders and especially against the ossified thought processes and ideology of Pakistan's military establishment. The Grand Bargain is also an adjunct of the U.S. "Greater Central Asia" strategy with a strategic calculus carrying negative connotations for Russia and others. It is too early to say, whether the new administration's approach to Central Asia will involve greater flexibility. One thing is certain, U.S. policy will have to change before the end of first term of Obama's presidency.

The Indian political leadership was perceptibly disappointed with U.S. policies even before the Mumbai attacks but is more in their wake. While India expects the U.S. to apply increased pressure on Pakistan to deliver on the culprits of the Mumbai massacre, Pakistani generals have been remonstrating before the U.S. to give it "equal treatment vis-à-vis India" and apply greater pressure on India to relent on Kashmir. The U.S. interests remain focused on the Durand line, while Pakistan unabashedly exploits the U.S.'s vulnerabilities in Afghanistan by threatening to withdraw troops from the western front. The complex dynamics of the region do not lend themselves to a quick solution through simple formulations, and the evolving Indo-U.S. relationship has its limitations. It can neither be used by the U.S. to tread on the toes of India nor can it be used by India to define the nature of the problem strictly in terms of its own vision. Therefore, one lesson emerging out of Mumbai is that India has to temper its expectations of the U.S. and follow a balanced

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<sup>55</sup> For instance, see Barnett R. Rubin and Ahmed Rashid, 'From Great Game to Grand Bargain: Ending Chaos in Afghanistan and Pakistan', *Foreign Affairs*, November-December 2008.

and more nuanced foreign policy, which in recent years seems to have become more attached with the U.S. worldview. Certainly, the India-U.S.-Pakistan dialectics evolving in the wake of the Mumbai crisis have ramifications for the strategic construct of Central Asia.

### **Implications of Evolving Strategic Scenario for India**

Central Asia's future has to be seen from the perspective of the evolving Asian regional balance of power. A significant emerging trend there involves the consolidation and convergence of democratic forces represented by India, the U.S., Japan and Australia, and by the alternative trilateral form without Australia. This brings a strong Rimland orientation, the main concern of which is the security of sea lines of communications. Second is the geostrategic consolidation of the Asian landmass, encouraged by cooperation between Russia and China and the unleashing of political and economic forces attempting to gain influence through bilateral and regional mechanisms. Added to the above is the perspective of the American "Greater Central Asian" policy; aimed at taking an inclusive view of the region with shifting focus from purely security- and democracy-related dynamics to security, democracy and development. Another dimension of the U.S. policy is the notion of linking South Asia with Central Asia through a kind of reverse osmosis to the traditional invasion routes from Central to South Asia.

Both the United States and India have important interests in Central Asia because of its strategic location and its oil, gas and hydroelectric potential. Both share goals of preventing instability and insecurity in the Central Asian states and the prevention of terrorism. For the United States, access to Afghanistan via Central Asia became crucial following 9/11. However, the United States continues to seek access to the region's energy and to promote the economic and political reforms necessary to insure long-term regional stability. Hence, the U.S. favors multiple transport routes for energy and other exports, including west through Azerbaijan, Georgia, and Turkey, and south through Pakistan to India. Only in this manner can these come efficiently to world markets and only this process can insure the real independence of the countries of the region. India considers Central Asia as its extended neighborhood and attaches high importance to its geopolitical and

geo-economic interests. More specifically, Central Asia's location next to Afghanistan makes it important not only in the India-Pakistan context, for India also needs access to Central Asia's energy resources. Therefore, the Greater Central Asia concept has positive connotations; but then, India would also like to take into account any Russian concerns concerning this concept, if such exist.

Implementation of the TAPI pipeline project is likely to create mutual inter-dependency and help attenuate the India-Pakistan peace process. The Indian establishment, which is used to viewing its engagement with the Central Asian states through the prism of its former ties with the USSR,, will need to become more flexible If it is to master the ever-changing strategic scene.

In the emerging strategic equation in Central Asia, India has been exploring the strategic space between the U.S., the European Union and NATO on the one side, and Russia and China on the other. Russia, despite its recent stand-offs with the U.S. and NATO, while working at the same time to preserve its influence in the former Soviet republics where Western influence may have waned but is still substantial. A segment of Russia's intelligentsia is also of the view that rivalry between the U.S. and Russia in Central Asia may enable China to emerge as a clear winner in the Great Game. At the same time, Russia, China and India have been having triangular meetings at the Foreign Minister level to enhance strategic cooperation. This is viewed by some as an attempt by Russia and China to wean India away from American influence, while others interpret it as India's attempt to move towards its cherished goal of strategic autonomy. There is also a view that while the China-Russia and China-India vectors of the strategic triangle may be growing because of increasing economic engagement, the Indo-Russian vector of the triangle is not gaining in strength. India's trade with Russia amounted to US\$3 billion in 2007-08, less than its trade with South Korea, and barely one per cent of both India and Russia's total foreign trade. Comparing this with China-India trade, estimated at US\$20 billion in 2006 and expected to grow to US\$40 billion by 2010,<sup>56</sup> the huge differential is obvious. Actual trade has

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<sup>56</sup> 'India China Target U.S. \$40 billion by '10,' *Economic Times*, November 22, 2006, Talks between Prime Minister Manmohan Singh and Chinese President Hu Jintao largely centered on increasing trade and cooperation, leaving the contentious issues

grown beyond targeted figures only with mainland China; last year India's trade was about \$38 billion. Further, Russia-China trade turnover in 2007 was \$48 billion. Thus, China is emerging as a major trade partner for both Russia and India. While there are exceptions, economic ties often lead to political accommodation, mutual interdependency and diffusion of security issues.

The Indo-U.S. civilian nuclear deal has given a big boost to the strategic relationship between the two nations, and is likely to lead to heightened military and technical cooperation. After the Mumbai massacre it may not always be easy for both countries to satisfy their expectations. India has been keen to diversify its economic, technical and military relations. Therefore, it is quite possible to evolve a U.S.-India strategic equation for a common approach to Central Asia, since the interests of both powers are congruent. On the other hand, if the U.S. government exhibits a more accommodative attitude towards the Russian Federation, U.S.-Russia-India cooperation is also in the realm of possibility. It needs to be noted that India and Russia have recently renewed an existing Military Technical Cooperation Agreement for ten years beyond 2010. Another key actor whose salience in the Afghan imbroglio has become very significant is Iran.<sup>57</sup> Thus, when regional solutions to Afghanistan are discussed, all the regional actors including the Central Asian states themselves, China, India, Iran and Russia must be taken into account.

China, with its growing economic and military clout, is likely to follow a path of unilateralism in Asia while advocating multilateralism on the global level. China, in all its pronouncements and strategic behavior, considers America as a worthy peer and competitor to be emulated in the long term. Also, China is more likely to use both Russia and India to achieve its strategic designs in Central Asia and elsewhere. The salience of China's economic clout is visible in the current economic downtrend, when the mutual dependence of the two economies has prompted China to take steps to help the U.S.

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aside for the moment being. In a joint declaration released at the end of the talks, the two countries promised to diversify the trade basket, remove existing impediments, and optimally utilize the present and potential complementarities in their economies.

<sup>57</sup> For instance, see George Friedman, 'Iran returns to the Global Stage', Stratfor, November 10, 2008 available at [http://www.stratfor.com/weekly/20081110\\_iran\\_returns\\_global\\_stage](http://www.stratfor.com/weekly/20081110_iran_returns_global_stage)

recover from the effects of recession. This has occurred despite the fact that the U.S. remains concerned with China's growing military capabilities.

### **Conclusions**

Developments in Central Asia in the last several years indicate the direction in which the strategic winds are blowing. U.S. influence has already peaked, and both Russia and China are cementing their political, military and economic relationship with the Central Asian nations. Meanwhile, India has been endeavoring to improve its profile in the region in order to exploit its energy reserves and to establish a mutually beneficial security and economic relationship. The Central Asian states, while exploiting the competition between the different players for their own national interests, have many conflicts among themselves and are still in the process of moving towards regional harmony. Political processes are yet to mature and the threat of terrorism remains real, especially because of the unstable situation in Afghanistan and the resurgence of the Taliban.

There are complex strategic equations evolving at both the global and regional levels, with each nation attempting to pursue its own national objectives. There are calls on India to join one bandwagon or another in an arena where the end game is yet to be defined. Russia is attempting to reassert its influence in Central Asia. China is also fiercely pursuing its interests in the region, and has been gaining ground. Apparently, their bilateral cooperation is a tactical one with a view to offset the American influence. Even though the U.S. and E.U. influence has been on the decline, the Central Asian states continue to be attracted to them because engagement with U.S. and NATO is a defining feature of their sovereignty and independence. India, with its civilizational and cultural links to the region, combined with its approach based on soft power, can play the role of a balancer. Further, integrating South and Central Asia would result in vast economic benefits to all the stakeholders involved, leading to a positive outcome for stability and security in the region. However, looking at the scenario in Afghanistan and Pakistan, such integration is unlikely to take place in the near to medium term.

