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## **INDIA'S EXTENDED NEIGHBOURHOOD POLICY: AN ANALYSIS OF INDIA'S CENTRAL ASIA POLICY**

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### **ABSTRACT**

Due to the growing energy demands and security threats, India is focusing on its extended neighbourhood policy. Among these extended neighbours, Central Asia is one of the significant regions with which India wants to develop its engagements. Besides, India is a growing economy and it has also the large growing population in the world. It needs energy and other natural resources to maintain its emerging power at the international level. The Central Asian Region (CAR) is considered to be the world's one of the important regions boosted with mineral resources like natural gas, oil reserves, and uranium ore. Apart from energy rich region, its strategic location is also significant. Moreover, the presence of Central Asia's huge prospective market potential makes it a site of attraction to all countries either developed or developing. As energy security has become the pivotal element of India's national security and foreign policy. It became evident during the recent visits of Indian government delegations to Central Asian states that, India has keen interest in developing foreign policy interests in this region. Central Asia has been anciently interlinked with Indian sub-continent. India had historically good memories of engagement with the Central Asian region. It has also been fruitful economic interactions and cultural flows with this region. However, India lacks its influence in this region in the contemporary times, due to many challenges. So, the paper examines those challenges which India faces currently in engaging with this region. It also focuses on India's interests in this energy rich region.

**Keywords:** *India, Central Asia, Interests, Challenges, Energy, Security.*

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### **1. INTRODUCTION**

The Central Asian Region (CAR) is considered to be the world's one of the important regions boosted with mineral resources like natural gas, oil reserves, and uranium ore. Apart from energy rich region, its strategic location is also significant. Moreover, the presence of its huge prospective market potential makes it a site of attraction to all countries either developed or developing. Due to this advantage, the region has turned the attention of major powers like Russia, China, the USA, EU, Iran, India etc. However, these powers have started the "New Great Game" in this region by contesting with each other. Due to India's historical linkages with this region, it desires to become a part of this New Great Game.

India has tried to create its influence in the region, but has not been much successful. One of the reasons India lags behind the great powers in Central Asia is the non-availability of direct land routes with this region. Besides, the energy needs in contemporary times have compelled India to develop cordial links with the region. As energy security has become the pivotal element of India's national security and foreign policy, therefore it took interest to be a part of "New Great Game" in the region. It became evident during the recent visits of Indian government delegations and showing keen interest in developing foreign policy interests in Central Asia. In this context, the study has examined India's aspirations of joining the "New Great Game" in Central Asia. It has also studied, why Central Asia is significant for India's foreign policy. Moreover, it has focused on the India's interests to create its influence in the Central Asian region.

The Central Asia is traditionally accepted as India's extended neighbourhood. India has made a determined effort to reconnect with this extended neighbourhood, through a new framework that emphasized economic relations and energy diplomacy rather than the traditional notion of third world solidarity through the non-aligned movement (Sengupta, 2011). India assumes that developments in CAR are crucial for the security of India. Central Asia has been anciently interlinked with Indian sub-continent. The road links via Kashmir, Afghanistan and Pakistan were primarily used for the trade and cultural transformation. Within such purview, the study examines the major challenges that India faces in connecting with this region. Although, the cultural influence of the Indian sub-continent is currently found in Central Asian states. The study has given a brief outlook on the impact of restrictions of land routes to the India's engagement with the CAR.

Indian scholarship is largely in agreement about the importance of Central Asia for India and its interests in the region. India has interests mainly in the areas of security, energy, and geopolitics of the region. After the failure of Petrokazakhstan deal that was among China, India and Kazakhstan, many Indian foreign policy analysts talked about the Chinese challenge to India's engagement with Central Asia. Moreover, Kazakhstan is known as the world's second largest reserves of uranium, which could feed India's atomic reactors (Patnaik, 2011). It is assumed that unless this problem of land route is not solved, it will be hard for India's Central Asia policy to grow in scale.

## Historical Relationship Between India and Central Asia

India has historically good memories of engagement with the Central Asian region. In the past, India has been fruitful economic interactions and cultural flows with this region. Archaeological evidences have shown the linkage between Indian sub-continent and Central Asia, since the Bronze Age before common era (3000 BCE). These links have been fostered from the Kushan and Gandhara periods, which are about 2000 years ago and were flourished in Mughal period from (1526-1740) of India's history (Puri, 1997). Indian poets, Amir Khusroo (1252-1325) and Ghalib (1797-1869) had their forefathers from Uzbekistan. The founder of Mughal dynasty in India, Babur too has his forefathers from Uzbekistan. The Indo Persian literature, the Sufi thought of India, all shows the historical linkages of India with Central Asia. In Indian history Mughal period is considered to be the closest period of relations and connections with the Uzbeks and Tajiks (Ibid).

Central Asia is known to be India's extended neighbourhood. The strategic importance of this region is much significant for India. Due to the growing terrorism, extremism, and the fear of spread of weapons of mass destruction, the Central Asian states are faced with the challenges of security and stability. With an enormous energy resources like as hydrocarbon, oil, natural gas and other resources, India has vested its economic interests in the region. India, itself feels security concerns, due to the instability of Afghanistan and CARs. In order to restrict the spread of extremism in this region and to fulfil its energy demands, India wants to make its influence in the region. Till now, India's influence in the region is conceived as very least. This study has tried to analyse those challenges which India is facing to engage with the CAR. It has examined the chances of success for India's policies to cooperate with other powers in the region.

During Cold War, world politics was dominated by the two power blocks. After the end of Cold War, the world politics shifted towards the Asia. Central Asia, which is full of natural resources, got the attention of major powers like US, Russia and China. A competition started between these powers to increase their geopolitical influence in CAR. The interests of these powers were to influence the region in order to maximum access to hydrocarbon resources in the landlocked region.

In early periods of the independence of these Central Asian states, United States had much access to the exploration and extraction of hydrocarbons. With the passage of time, other competitors like as China, Russia, Iran and India appeared in this region. Among these major powers, China has got much success in competing with the other powers. However, after 9/11 2001 attacks, United States strategy of "War on Terror" have boosted its influence in this region. These newly independent states of Central Asia have cooperated with the US in many ways. Even Russia, China and Iran have endorsed the US war against terrorism, and bringing stability in this region. However, this cooperation between countries has given way to competition among them. In Afghanistan the US was funding more and more money and the results were not much constructive. Other countries start questioning, why the war on terror is moving in a negative way. There were more fighting, more casualties as well as more terrorism (The Hindu, May 3, 2017: 9). However, the US influence in Central Asian states, got crumbling after the Colour Revolutions and Andijian Massacre. Till now, the geopolitical actors are contesting in the region for their influence and interests.

## India's Interests in Central Asia

India has major geostrategic and economic interests in the Central Asian region. This region is also known as India's extended neighbourhood. It has been analysed that Central Asia's energy cooperation with India would be very significant for India. Peace and stability in Central Asia and Afghanistan would be significant for Indian security (Roy, 2001). Indian Prime Minister Man Mohan Singh once said, that "energy security is second only in our scheme of things to food security" for India. Due to the stagnated domestic oil production, India is now importing 70 per cent of oil. Demand for natural gas has also grown up to 1.6 trillion cubic feet (tcf), from 0.6 (tcf) in 1995 (Amresh Chandra, 2009).

India made its Look North policy based on its Look West policy. India has set many goals towards its Central Asia policy. It has been argued by many scholars that India's influence in Central Asia is in existent. India faces such problems, due to the difficult relations with Pakistan, instability in Afghanistan, and the competing interests of China and US hostility towards Iran. Due to the US pressure, India become reluctant to join Iran-Pakistan-India gas pipeline, which was often called the peace pipeline. New Delhi faced obstacles due to a lack of direct land access to Central Asia (Patnaik, 2011).

India's energy requirements are growing much more than domestic production. India at present imports seventy per cent of its energy needs. Due to the diversification of its imports, Central Asia and Caspian region is expected to full fill the energy supply demands of India. Central Asian region is geographically closer to Indian sub-continent and is of immense geopolitical and geostrategic significance (Bakshi Jyotsna, 2013). Central Asia has emerged as the significant region towards India's interests and concerns, particularly in the context of its strategic relevance of India's security (Stobdan, 2004). Stobdan offers some suggestions for the India's policy options with regard to Central Asia. He argues that the future of Shanghai Cooperation Organization (SCO) will definitely have implications for Indian's policy. He also argues that with the increase of Indian workforce labour in petroleum management, the Central Asian and Caspian region would inevitably become another gulf model for India (Ibid.).

India is not only determined to compete with Pakistan but also casts a wary look on China's activities as well. Many Indian commentators claim that China is India's current and long term main rival and threat. In the longer term, Russian weakness in the core of Central Asia creates a vacuum, especially in energy-rich Kazakhstan, into which China will expand. Among Indian strategists, one frequently hears the term "encirclement" by China, and they view Central Asia as a part of the top of a China-dominated circle of states that includes most of Southeast Asia, Burma, Bangladesh, and Pakistan. In this sense, Indian national security specialists believe that Russia's weakness encourages India's encirclement (Blank, 2003).

Central Asian region was traditionally accepted as India's extended neighbourhood. India has made a determined effort to reconnect with this extended neighbourhood. India has used a new framework that recognized economic relations and energy diplomacy rather than the traditional notion of third world solidarity through the non-aligned movement. Developments in the Central Asian region are crucial for the security of India (Sengupta, 2011). For developing friendly ties with the region, the North-South transport corridor, an initiative jointly was promoted by India and Russia. This

corridor is from Mumbai to St. Petersburg through Bandar Abbas, Astrakhan and Moscow. It was announced in 2000, with a tripartite agreement between India, Iran and Russia (Ganguli, 2011).

India has learned lessons from the Beijing's agency in Central Asia. China has showed with its model that it can be a competitor as well as co-operator in the bilateral relations. In 1996, India's trade was US \$ 43.96m turnout with Central Asia, but it increased to US\$ 518.18m by the end of 2009 (Pattanik, 2010). New Delhi faced obstacles due to the lack of land access to Central Asia. The shortest land route from India to Central Asia is via Pakistan, which has not been accessed, due to instable relations between the two rivals. India will fail in its energy diplomacy with Central Asia, if it continuously reduces ties with Russia (Stobdon, 2016). However, India has progressed its engagements with Central Asia, with the recent visits and agreements between the officials.

During the Prime Minister Modi's visit to Kazakhstan, oil drilling operations were launched in Satpayev oil project by the Indian firm ONGC-Videsh Ltd (OVL). By this visit Indian firms have got a positive signal for oil exploration in Kazakhstan. Recently, India's OVL has turned down offers of a 25 per cent stake in the Abai field by Kazakhstan (Stobdon, 2016). It is being claimed that once the connectivity is improved, Kazakhstan's gas fields would be long-term options for India's energy demands. Apart from oil and natural gas reserves, Kazakhstan is supposed to have 31.8 billion tons of coal reserves also. During the President Nazarbayev's 2009 visit to India, he invited Indian National Thermal Power Corporation (NTPC), to set up new power plants and modernise the old ones in Kazakhstan. In 2010, NTPC, started setting up two coal based thermal power plants in Kazakhstan in exchange of coal from Kazakhstan. Russia is directly and indirectly controlling the Kazakhstan's nuclear sector. Russian firm Rosatom has also ties-ups with KazAtomProm, a Kazakhstan based firm for shares in uranium exploration and mining (Ibid.).

It was in January 2009, Nuclear Power Corporation India Limited (NPCIL) and KazAtomProm signed Memorandum of Understanding (MOU) for supply of 2,100 tons of uranium concentrate over six years of time (Stobdon, 2016). In 2011, an agreement between the two countries, on a legal framework for cooperation on the peaceful uses of nuclear energy happened. Both, India and Kazakhstan, agreed to exchange the scientific and research information, fuel supply, nuclear medicine, exploration and joint mining of uranium. So far, cooperation in nuclear field includes uranium ore from Kazakhstan to India. Till 2014, from the official sources of NPCIL, India has received 600 MT of uranium ore concentrate from KazAtomProm. It has been assumed that Kazakhstan can fulfil the India's growing uranium fuel needs, because it has the world's largest (38 per cent) of uranium reserves. India's NPCIL has also signed in August 2014, a contract to supply 2000 tons of U3 O8 to India from Uzbekistan's Navoi Mining and Metallurgical Combine (NMMC), from 2014-2018. Stobdon claims that India's nuclear ties with Central Asia would be determined by the geopolitical climate. If the major states like Russia and China were dominating each other, then, Russia would prefer India to extract uranium from the region, to counter balance the China. However, due to geopolitics, India's quest to import hydrocarbons from the region has been decisively undermined. This clearly shows the significance of geopolitical actors in the CAR (Ibid.).

India is facing many constraints especially as financial, when it competes with the Russia, China and other actors in the CAR. Geography is not the only factor to India's inexistence in the region. But, Indian private companies despite wealthy, have not shown much desirous interests for investing in the region (Stobdon, 2016). Lack of knowledge and expertise regarding the CAR is a major handicap to India. Assumptions among the Indian policy makers that, when the pipeline through the Pakistan land will traverse, the transit fees that Pakistan will get from these pipelines would be used for the terrorist means. It has been also assumed that Central Asia and Caspian region would become another middle east for Indian engineers, management experts, and skilled and non-skilled workers. This shows that this region can also generate employment for Indian youth.

However, the utmost weakness in India's Central Asia policy is the low level of trade between India and Central Asian states and the fact that economic links between them are developing slowly. The major obstacle for India's Central Asia policy is the lack of direct land route into Central Asia. That is why, India's strategic mission and its most pressing task is the building of an overland route to Central Asia (Huasheng, 2010, pg. 134-135).

### **Challenges to India's Central Asia Policy**

India was always aware of the enormous energy reserves within its geographically proximate Caspian states of Turkmenistan and Kazakhstan and that they could potentially fulfill India's energy demands. The figures suggest that Kazakhstan's oil reserves stand at over 30 billion barrels and are projected to reach 100–110 billion barrels (BBL) in the future. The country produces 100 million tons annually (1.7 million barrels [MMBBL] per day) which could increase to 150 million tons (MT) in the coming years once the giant Tengiz, Karachaganak and its offshore Kashagan fields are fully operationalized (Stobdon, 2016). The India's growing energy demands have allocated its policy analysts to think in terms of alternatives to wards the Central Asian region.

India was hopeful that the 2011 agreement on Satpayev would mark the entry of OVL into Kazakhstan's hydrocarbon sector and pave the way for a long-term relationship. However, in 2013, to India's dismay, Nazarbayev once again gave India a raw deal when he went back on his promise to give OVL an 8.4 per cent stake worth \$ 5 billion in the new Kashagan field owned by US giant ConocoPhillips. The deal was once again manipulated to favour a Chinese company. There was a sense that New Delhi's indifference and diplomatic incompetence had once again led Nazarbayev to tilt towards China (Stobdon, 2016).

More importantly, despite good intentions, India suffers from multiple constraints, especially financial, when competing with China, Russia and others in Central Asia. India's investment in the region has been dismal so far. Its engagement carried out within the framework of 'development assistance' programs does not have the strength to spur the desired level of economic interdependence. Geography is not the only factor. Indian private companies, despite having deep pockets, have not shown the necessary interest for investing in Central Asia. They too have tended to take shelter under government-patronized schemes abroad. The experience of Indian companies that have offered into Central Asian markets in the past has not been very positive. Such incidents have discouraged Indian investors as they remain apprehensive about the uncertain legal and taxation environment in the former Soviet republics. Language also remains a major barrier (Stobdon, 2016).

Moreover, the visa regime for Indian visitors is extremely strict in these countries. India is placed in the category of 'Southern Countries' along with Pakistan, Afghanistan, Bangladesh and others that are viewed as countries potentially posing a threat to Central Asia. Recently, Kazakhstan excluded India from the list of 19 countries whose citizens are allowed a visa-free stay of up to 15 days once their pilot projects are completed. These factors continue to dampen enthusiasm and keep potential Indian investors away from Central Asia (Stobdon, 2016).

Lack of knowledge and expertise in India about Central Asia is a major handicap. India has not much scholars with any depth of knowledge about Central Asian history, politics and languages, and it is the complex socio-tribal keystones i.e., the function and relationship among Kazakh zhuz (hordes)-that ultimately influence the decision-making process. As a result, the Indian government and businesses tend to rely mostly on official and diplomatic channels, which do not necessarily yield the desired results. That is why the engagements so far, have largely remained government to government. This approach over time has led to a distortion in overall relations—the reason why India–Central Asia ties have remained in limbo (Stobdon, 2016).

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## 2. CONCLUSION

Central Asia, a region with rich energy resources has significant strategic location as well. Many powerful countries are trying to build relations with this region in order to get benefits from this region. India too wants to develop its foreign relations with this energy rich region. India has many strategic and energy related interests towards this region. Apart from energy related interests India has historically good memories with this region. However, India is facing many challenges in connecting with this region. The historical land routes of India with the region, via Kashmir, Pakistan and Afghanistan have embedded with the partition of this sub-continent. So, India suffered a lot in connecting with this region.

India has tried to connect with this region via sea routes, but has not succeeded much. India has joined the North South Transport Corridor, which goes from Mumbai to Petersburg via Chabahar port of Iran, with an aim to connect with the Central Asia region, but, at the ground there is no much progress. Moreover, India has to somehow develop relations with the Central Asian states on bilateral levels, but, it lacks such relations on the multilateral fronts. The New Great Game that is being played by Russia, China, USA and EU in the region is also a major challenge to India. No doubt, India has made its "Connect Central Asia Policy" in 2012, in order to assure that India wants to develop entirely its relation with the Central Asian region on all perspectives such as political, economic, and cultural and so on. However, the constructive steps have not been taken so far.

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