

Connectivity in Central Asia: Implications for India

Asoke Mukerji*

In December 1991, the five Central Asian republics (CARs)¹ of the former Soviet Union discarded their identity as “Soviet Socialist Republics” by signing the Almaty Protocol to join the Commonwealth of Independent States (CIS). The CIS had been founded on 8 December 1991 by the three original Slavic constituents of the Soviet Union – Belarus, Russia, and Ukraine. Through this historic step at Almaty, the five CARs sought to reinvent themselves as modern sovereign nation-states. Each of the CARs had to extricate themselves from the rubble of a disintegrated Soviet Union without much external assistance and assert their identities in the post-Cold War world.

The paths they chose at the end of 1991 have taken each of the CARs in different directions. This process has been determined by their internal political and social realities feeding on their earlier linguistic and historical identities, and stoked by the rekindled fires of nationalism that accompanied the dissolution of the Soviet Union.

Despite this, a common geopolitical challenge confronting each of the CARs is that they are all landlocked states. Uzbekistan is the only double-landlocked country in Asia. This has created a significant impetus for CARs to re-engage with the outside world. Their priority has been to maintain their connectivity with the former Soviet republics to their north while seeking to re-create links to their east and south that had atrophied from the mid-nineteenth century onwards due to the “Great Game” of imperial confrontations in Central Asia.

The search for connectivity for the CARs is driven by at least three factors. First, their desire to be interactive in international relations on an equal footing to sustain their independence and sovereignty. Second, accelerating their economic development through increased participation in

***The Author**, Ambassador Asoke Mukerji was India’s first resident Charge d’affaires in Uzbekistan, Tajikistan, and Turkmenistan in 1992, and India’s Ambassador to Kazakhstan in 2005-07. His monograph on “India and Central Asia”, published by the Nehru Memorial Museum and Library, New Delhi, is available online at <http://nehruememorial.nic.in/downloadSeries/170>

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international trade and investments. Third, the emergence of new paradigms of partnerships through international cooperation in response to traditional and non-traditional challenges to peace, security, and development facing the CARs.

The swirling geopolitics of Eurasia during these three decades (1992-2022) has deeply influenced the ability of the CARs to achieve their objectives of using connectivity to link their region to the outside world. Each of the connectivity alignments has its own drivers which are convergent rather than contradictory. This has implications for India as it engages in developing connectivity partnerships with the CARs as an important dimension of its strategic preference for a multipolar Asia.

The Western Alignment

Soon after their declaration of independence, the CARs were courted intensively by Turkey, which sought to bring them into a pan-Turkic western alignment, symbolised by air connectivity linking each CAR capital with Turkey and bringing a flurry of business delegations. This initiative, however, receded by 1995, when Turkey entered a Customs Union with the EU, followed by accession negotiations that were suspended in 2019. Today, despite the Ukraine conflict, the most visible example of the western alignment of connectivity for the CARs is the 1500 km long oil pipeline from the North Caspian Tengiz oilfield to the Russian Black Sea port of Novorossiysk, operated by the Caspian Pipeline Consortium (with Russia, Kazakhstan, and Chevron of the United States as stakeholders). The bulk of Kazakhstan's Caspian Sea oil production is exported through this pipeline. Chevron owns 50 per cent of the Tengiz oilfield in the Caspian, which it calls the "world's deepest producing supergiant oil field and the largest single-trap producing reservoir in existence". So far, neither China nor India have been able to acquire stakes in the Tengiz oilfield.

The Northern Alignment

The northern alignment evolved incrementally since the middle of the nineteenth century and continues to play a dominant role in the lives and destinies of the CARs. This alignment consists of the air links connecting Moscow with each of the capitals of the CARs, the rail link between Moscow and Tashkent, and the road links between Russia and the CARs. Moreover, Gas pipelines from Turkmenistan to Russia have been operational since the Soviet era. Three reasons may be attributed to the continued dominance of the northern alignment.

The first is political. The CARs have invested in keeping the northern alignment functional to serve their geostrategic and political interests in the twenty-first century. These interests include preventing “the Great Game” of the past, in which routes traversing the Central Asian region to the east and South Asia were conceptualised by the imperial capitals of St. Petersburg and London in terms of providing “strategic depth” without much regard for the aspirations of its peoples. India’s perceived role as a “balancing” power between the United States, China, and Russia in international affairs appeals to the CARs for this reason, as is evident from the India-Central Asia Dialogue process which was initiated in January 2019 at Samarkand.

The second reason is socio-economic. The transportation connections of the northern alignment are sustained by the movement of the migrant labour population of the CARs (estimated at 9 million in 2021) to and from Russia. Almost 80 per cent of Tajikistan’s and 70 per cent of Kyrgyzstan’s migrant labour workforce is employed in the Russian market, remitting significant amounts of money (estimated by the World Bank at about 33 per cent of their GDP) directly into the household economies of these two countries. During the past two decades, new communications technologies have added another dimension to connectivity between the CARs and Russia, particularly through the Internet and mobile telephony. The operating language of these connections is predominantly Russian.

These two aspects are unique to the northern alignment. It is unlikely that migrant labour from the CARs can be as competitive elsewhere. Neither will the utilitarian application of the Russian language for digital connectivity between the CARs, for whom Russian is a link language from an early age, be easily supplanted by other operating languages including Chinese, Turkish, English, or even Arabic.

A third reason is regional economic integration, particularly trade in goods and services. The creation of the 180-million-people Eurasian Economic Union (EAEU) in 2015, is driven by the ground realities of the “living bridge” of migrant workers and connectivity links. It currently includes Kazakhstan and Kyrgyzstan as full members along with Russia, Belarus, and Armenia. Tajikistan is reported to have initiated accession negotiations in 2015. Uzbekistan participates as an observer. In May 2021, a Turkmen observer delegation headed by Serdar Berdimuhamedov (who subsequently became the President of Turkmenistan in March 2022) participated in the EAEU Inter-Governmental Council Meeting in Kazan, Russia.

India's interest lies in partnering with the CARs in trade and services through the northern alignment of the CARs by using the EAEU framework. A Free Trade Agreement (FTA) between the EAEU and India can meet this objective. ASEAN countries like Singapore and Vietnam have already concluded FTAs with the EAEU with a similar perspective. According to a FICCI survey in 2017,² a proposed FTA between India and the EAEU will enable India to engage with the EAEU market, catalysing improved logistics and connectivity between India and the region, and making India a hub for knowledge-based services. India's experience of creating connectivity bridges to overcome "digital divides", using the technologies behind Digital India, will be relevant for such engagement with the CARs.

The Eastern Alignment

The eastern alignment is oriented towards China, South Korea, and Japan. It is dominated by China. The link with China emerged from the dying days of the Soviet Union, when the Chinese leader Jiang Zemin visited Moscow in May 1991, the first Chinese leader to do so after 34 years. An Agreement on the 4600 km long Sino-Soviet Border (Eastern Part) was signed to resolve border disputes and encourage trade links. After the dissolution of the Soviet Union in December 1991, China opened embassies in the CARs in early 1992, signalling its political interest in engaging directly with the region. The CARs reciprocated, with the opening of the embassy of Kazakhstan in Beijing in December 1992, followed by the opening of the embassies of Kyrgyzstan (August 1993), Uzbekistan (May 1995), Turkmenistan (May 1995), and Tajikistan (April 1997).

The May 1991 Sino-Soviet Border Agreement was endorsed by Russia as the successor state of the Soviet Union. The Russia-China border agreement was signed on 16 March 1992. Border agreements were signed between China and Kazakhstan on their 1700 km border (April 1994), China and Kyrgyzstan on their 1100 km border (July 1996) and China and Tajikistan on their 400 km border (August 1999). Residual outstanding Chinese-CAR border issues were resolved in May 2002 with Tajikistan.

The eastern alignment is supported by at least three factors. It enjoys political support among the elites on both sides; it offers the CARs new connectivity routes for exports of their raw material resources using China's Pacific Ocean seaboard; and it is the source of increased inward investments and enterprises from China into the CARs, which contribute to their socio-economic growth, including the emerging digital economy.

Kazakhstan has dominated this process, due to its geostrategic location straddling the heart of Asia. So far, bilateral rather than regional diplomacy has characterized the CAR's engagement with China along the eastern alignment. Cooperation with China has grown despite simmering local political issues such as unrest along the Kazakhstan-China border, or China's crackdown on its Turkic Uighur population in bordering Xinjiang, many of whom have kinship links with the CAR populations including Kazakhs.

The visibility of the eastern alignment owes much to the swift construction of rail and energy pipeline corridors linking the CARs with China during the first decade of the twenty-first century. The China-Kazakhstan rail and road link through the respective border towns of Alashankou-Druzba/Dostyk was activated in September 1990. A "New Eurasian Land Bridge" sponsored by China links its northwestern port city of Lianyungang as well as Shanghai with Europe through the dry port of Khorgos (capacity 500,000 containers annually) in Kazakhstan, which opened in 2015. In 1997, China and Kazakhstan agreed to construct an oil pipeline from the Caspian Sea to Xinjiang, operated by the China National Petroleum Company (CNPC). This became fully operational by 2009, with a capacity of transporting 20 million tons of oil annually. Construction of a gas pipeline transporting 55 billion cubic metres of natural gas annually from Turkmenistan through Uzbekistan and Kazakhstan to China's Xinjiang began in 2006. The Central Asia-China gas pipeline was commissioned in 2009.

China's flagship "Belt and Road Initiative" (BRI) was initially announced by Chinese President Xi Jinping during his visit to Kazakhstan in September 2013 as the "Silk Road Economic Belt". Kazakhstan integrated its own *Nurly Zhol* road and rail infrastructure development and modernisation programme in November 2014 to transform itself into a Eurasian transportation and logistics hub aligned with the BRI. Since 2015, a "Digital Silk Road" dimension has been added to the BRI, which will offer technological connectivity options to the CARs through terrestrial fibre-optic cables laid by China. The Asian Infrastructure Investment Bank (AIIB) is a key financial partner of the BRI projects with a commitment of \$100 billion funding.

India's policy of acquiring oil and natural gas for its energy security from world markets make CAR-China energy trade relevant as both India and China seek to import increasing amounts of energy to fuel their economies expected to be among the top three economies of the world by 2030, according to a Lowy Institute study published in 2021.³ The impact of east-west connectivity across Eurasia through the CARs is similarly relevant for India as it seeks to

use existing connectivity along the eastern alignment of the CARs for container trade transportation while investing in long-term connectivity projects using the southern alignment of the CARs (as discussed below).

At a regional level, India's interests would be served by the AIIB's activities in the CARs which has prioritized connectivity for strengthening regional cooperation and promoting economic growth. India is represented by its finance minister on the Board of Governors of the AIIB, with a former governor of the Reserve Bank of India (between 2016-2018) currently employed as Vice-President (Investments) of the AIIB. Although India has strongly opposed the BRI's China-Pakistan Economic Corridor, which violates India's sovereignty over the State of Jammu and Kashmir, the east-west connectivity of the BRI through the CARs is a ground reality available for viable trilateral cooperation between the CARs and India through China.

The Southern Alignment

The CARs have invested significant political capital in re-creating the southern alignment, which can connect them with regions integral to their historical identities from the pre-nineteenth century era. The southern alignment is for the CARs the shortest route to the maritime outlets of the Indian Ocean, which is pivotal in the ongoing shift of global economic power to Asia in the twenty-first century. This is the primary motive for the connectivity proposals prioritising trade and energy of individual CARs with Iran, Afghanistan, Pakistan, and India.

Turkmenistan was the first CAR to achieve a new rail connectivity linkage for trade along the southern alignment after the dissolution of the Soviet Union. Between 1992-1997, it negotiated with Iran to construct a 132 km rail link between the station of Tedzhen on the Soviet-era Trans-Caspian Railway and Serakhs on the Turkmenistan-Iran border, linked with a new 170 km rail line between the station of Meshed in Iran with Serakhs. The first goods trains between the CARs and Iran began moving along this link from 1997 onwards, providing the CARs with a rail outlet through Iran to the port of Bandar Abbas on the Gulf.

Uzbekistan took the lead in opening air connectivity links along the southern alignment in early 1992. Inheriting the bulk of Soviet Aeroflot aircraft in Central Asia, Uzbekistan Airways was created at the end of January 1992. In the decades since the experience of Uzbekistan has been mirrored by Kazakhstan, Turkmenistan, Kyrgyzstan, and lately Tajikistan creating national air companies to provide air connectivity for people-to-people and

cargo links with the outside world, particularly the Gulf and South Asia. By 2015, more than 50 flights a week connected the five capitals of the CARs to India alone.

Turkmenistan initiated energy connectivity along the southern alignment for the CARs. The catalyst was the sharp downturn in the offtake of Turkmen gas by Russia soon after the dissolution of the Soviet Union. In December 1997, a gas pipeline was inaugurated between Turkmenistan and Iran capable of transporting 8 billion cubic metres of Turkmen gas annually. Two years earlier, in mid-1995, Turkmenistan had proposed a gas connectivity pipeline link to Pakistan, when it received competing proposals from Argentina (Bridas Corporation) and the United States (Unocal) to construct the Turkmenistan-Afghanistan-Pakistan (TAP) pipeline. Turkmenistan chose Unocal, which withdrew from the project after the 9/11 attacks on the United States planned by Al-Qaida from Taliban-controlled Afghanistan.

The pipeline along the southern alignment was revived during a Summit meeting hosted in Ashgabat in 2010 with the participation of Afghanistan, Pakistan, and India, supported by the Asian Development Bank (ADB). Called TAPI after the initial letters of each participating country, the 1814 km long pipeline would transport 33 billion cubic metres of Turkmen gas annually to Pakistan and India, probably from Turkmenistan's Galkynysh gas field being developed with financial assistance from the China Development Bank. The Gas Authority of India (GAIL) signed a General Sales and Purchase Agreement with Turkmenistan's state company Turkmengaz in 2012. The TAPI project is currently stalled due to the unsettled conditions in Afghanistan, as well as the impact of the long-term agreement since 2009 between China and Turkmenistan to purchase the bulk of Turkmen gas through the Central Asia-China gas pipeline.

Tajikistan and Kyrgyzstan took the initiative in 2016 to create an electricity transmission connectivity link to the south, to supply 1300 MW of surplus hydroelectric power from Central Asia through 1387 km high voltage transmission lines to Afghanistan (300 MW) and Pakistan (1000 MW). It was called "Central Asia South Asia" (CASA)-1000 and construction on the project began in February 2020. Estimated to cost \$1.6 billion, CASA-1000 is supported by the World Bank, the Islamic Development Bank, the EBRD, USAID, and UK FCDO. The CASA Secretariat in Almaty, Kazakhstan is financed by USAID. The north-south alignment of this link directly challenges the existing east-west alignment of electricity transmission in the CARs, which has Tashkent as its hub.

Four political developments since 2014 have spurred new attempts to accelerate connectivity links along the southern alignment of the CARs.

- a) The eruption of civil war in Yemen in September 2014 revived attention on the International North South Transport Corridor (INSTC) proposed by Russia, India, and Iran in May 2002 as an alternative route to the existing Red Sea/Suez Canal trade route connecting Europe and Asia. The integration of the CARs into the INSTC with the Ashgabat Agreement of April 2016 expanded the participating countries in the INSTC to include Kazakhstan, Uzbekistan, and Turkmenistan from the CARs, apart from Pakistan and Oman.
- b) The lifting of the UN sanctions on Iran with the adoption of UN Security Council resolution 2231 in July 2015 threw up fresh options for investing in Iran's transportation infrastructure to access the CARs from the south, including integrating the INSTC into this framework.
- c) The activist regional diplomacy of Uzbekistan's new President Shavkat Mirziyoyev since he came to power in December 2016 has created opportunities for reviewing intra-CAR connectivity, as well as connectivity between the CARs with partner countries along the southern alignment.
- d) The sudden change in the political situation in Afghanistan following the Taliban's taking over of power in August 2021 has provided a challenge and an opportunity for the CARs proposals on connectivity along the southern alignment, including creating a "Trans-Afghan Corridor". Uzbekistan has seen this as an opportunity to push for greater overland connectivity with South Asia, proposing rail connectivity through Afghanistan to Pakistan's Indian Ocean port of Karachi, with the likely participation of China.

While each of the connectivity proposals linked to these four developments will take time to fructify, India's initiative in May 2016 to partner with Iran in the Chabahar connectivity project is a potential game-changer.

India's existing stakes in the littoral states along the coast of Asia from Iran to Saudi Arabia are significant, with 9 million Indians supporting the stability and growth of the regional economy, which also supplies 65 per cent of India's energy security needs. The major sea lanes of communication of the western Indo-Pacific region through the Suez Canal and the Straits of Hormuz are crucial for India's maritime trade and security. The successful implementation of the Chabahar project, linking it with the CARs and with the INSTC, will enable India to decisively influence the evolution of a multipolar Asia.

Notes:

- ¹ The CARs are Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.
- ² FICCI, “India EAEU FTA Survey”, 2017. <https://ficci.in/spdocument/20978/India-EAEU-FTA-Survey-Report-revised.pdf>
- ³ Lowy Institute, “Asia Power Index” 2021. <https://power.lowyinstitute.org/data/future-resources/economic-size-2030/gdp-2030/>

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