

The Modi factor in Central Asia

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Summary

Modi's visit took place against the backdrop of major global and regional developments: a) Russia's renewed assertion in Central Asia following its standoff with the West over Ukraine; b) China's fresh push for building connectivity infrastructure to link China with Europe via Central Asia under its Silk Road Economic Belt initiative; c) the prospects of Iran coming to the regional fore following its recent nuclear breakthrough with the major powers; and, d) the emerging situation in Afghanistan in the context of growing Afghanistan-Pakistan proximity to rehabilitate the Taliban. The importance of touching base with the region was therefore critical and the Prime Minister's visit may have imparted the necessary momentum to India's ties with these countries.

Prime Minister Narendra Modi's recently concluded visit to the five Central Asian countries –Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan and Kyrgyzstan – was not only symbolic but was also significant in terms of re-energizing Indian diplomacy in a strategically important region lying in the Indian backyard. The visit was also important for widening the strategic perimeter and imagination among our own people towards the region beyond Pakistan and China. Sadly, the media failed to bring that traction. Barring the state-owned channels, mainstream media remained muted simply because the visit lacked the scintillating "rock-star" image and the Diaspora patriotic fervour. The MEA itself is to be blamed.

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Modi's activism is welcomed in Central Asian countries, though they know that India has already missed the bus and it has a lot of catching up to do. Central Asians had high expectations from New Delhi from the beginning, but India lacked sufficient efforts and skill to understand the importance of Silk Route dynamics as compared to the focused attention paid by China and others. China's trade with the region is over USD 50 billion compared to India's paltry USD 1.4 billion. China is transporting energy from the region. Many Indian analysts viewed the visit as an important opportunity to counterbalance China. But this could be a flawed assessment.

The prime minister's visit had a strong cultural connotation though the past links with Central Asia have not yet given the desired results. Importantly, he touched upon the shared Islamic heritage and Sufi traditions. One, however, wonders whether the Kubrawiya, Nurbakhshi and Yasavi Sufi traditions are still preserved in India. Modi gifted a reproduction of Khamsa-i-Khusrau to Islam Karimov. Hopefully, the Uzbek dictator liked the gift. Linguistic links with the Tajiks were also invoked by Modi. Clearly, the visit entailed a strong joint socio-cultural rhetoric – references to Yoga, Hindi, Sufism, IT, among others, added substance to India's soft power.

Of course, there were no big ticket items to turn the spotlight, but the Prime Minister's own strong presence seems to have created a huge excitement, perhaps no less than the marks that Raj Kapoor, Indira Gandhi and Mithun Chakraborty had earlier made on the people's imaginations. Modi has become a factor in Central Asia and this is important. In fact, it has been decades since any popular Indian leader visited these countries and they

felt nice about it. Such a visit was long desired; as one friend of this author put it, we needed such a thing because Indian leaders have always appealed to everyone in Central Asia.

Combating terrorism, cementing defence, economic and energy ties and enhancing connectivity were recurring themes in the Prime Minister's discussions with the leaders of these countries. In all, the 21 bilateral agreements signed with the five countries were desirable, although they have already been in practice for the last two decades with little or no success. The reasons are numerous and intrinsic – they are hard to triumph over.

The connectivity issue, i.e., the International North South Transport Corridor (INSTC), has been discussed since 2000. Crores have been spent on Bandar Abbas and now on the Chabahar Port option. But accessing Central Asia via the Indian Ocean is a flawed approach that has proved unviable and has not worked so far. During the visit, Modi mooted the idea of bypassing Afghanistan to link with Central Asia through surface, digital and air connectivity. Many wonder whether his visit was linked to India's growing disenchantment with Afghanistan's increasing closeness with Pakistan.

The flurry of agreements on defence and security are largely symbolic and they have been there for quite some time though without much significance. Take the case of Ayni airbase in Tajikistan that India acquired post-Kargil and IC-814 hijacking. India refurbished the base at a cost of USD 70 million in 2007, yet we do not know whether it is really using the base. There is no mention in this regard in the official statements. However, Modi's visit to the newly built military hospital at Farkhor was widely tweeted.

Defence co-operation with Kyrgyzstan has been going on for a few years but with little benefits to India. Kyrgyzstan has far closer military ties with China. The DRDO setting up a Mountain Bio-Medical Research Centre in Kyrgyzstan's mountains is meaningless when the Himalayas offer far greater high-altitude conditions for research.

Combating terrorism especially the threat posed by the Islamic State gained prominence, suggesting that it is a "threat without borders". But Central Asia, despite being located in the proximity of the main source of terrorism, is not a hotbed of terrorism. There are no records of the Taliban and Al Qaeda having set gained a footing in the region. Terror threats are often used by the regimes in the region as a ploy to tighten domestic control and gain external legitimacy. The threat from the Islamic State is a new tool to garner global support. The West has raised eye brows over crackdowns and curbing of rights of even children in the name of countering the Islamic State threat. This needed to be taken with a pinch of salt.

Nothing substantive featured with Kyrgyzstan except to reinforce each other's commitment to work together once the India - Eurasian Economic Union (EEU) Free Trade Agreement

came into effect. Inking of a MoU for co-operation between the Indian and Kyrgyz Election Commissions is significant, though the Kyrgyz have been looking to Western countries for democratic experience.

The contract with Uzbekistan for the supply of 2,000 metric tonnes of uranium signed in 2014 is important, but it needs to be seen how it gets implemented finally.

Three path-breaking developments deserve attention. Firstly, Nazarbayev's daring decision to sign a major contract for a renewed long term supply of 5,000 Metric tonnes (MT) of uranium to India during the next five years is the most significant takeaway of the Prime Minister's visit. This is in fact proving more promising than achievements on the hydrocarbons side. Secondly, India's ONGC-Videsh Ltd (OVL) has finally made its first breakthrough when Modi launched the drilling operations for oil exploration in the Satpayev block on 7 July 2015. Thirdly, the Ufa Summit and Modi's visit to Turkmenistan may also have possibly shown the way finally even for the TAPI pipeline to see the light of day. In Ashgabat, the Prime Minister called the TAPI project a "key pillar" and pushed for its realization "quickly".

Central Asian oil and gas reserves offer alluring possibilities for India. However, the OVL's pursuits have been anything but simple as the Kazakh authorities repeatedly cold-shouldered its bidding efforts. The drilling operation in Satpayev is a good success but one has to wait to see whether the OVL is left with any stamina for pursuing further oil exploration in Kazakh fields.

Make no mistake, Russia is and will remain an important factor for India's ability to do business in Central Asia. The countries of the region are still integrated with Russia. They do not have complete freedom of manoeuvre to conduct foreign relations without having a concord with Russia. Russia still favours India as a countervailing measure against China's monopoly on Kazakhstan's uranium exports. As long as India's fuel imports remain modest and ties with Kazakhstan do not get deeper, a major hurdle is unlikely. But, given growing Russia-China convergence, India's nuclear ties with Kazakhstan will be conditioned by changes in the geopolitical climate just as geopolitics decisively undermine the import of hydrocarbons from Central Asia.

India's premature discounting of Russia was a mistake. In fact, such a policy line has not only delayed India's success but also made its diplomacy in Central Asia a more arduous exercise. India's energy requirements in Central Asia suggest a continuing positive relationship with Russia.

Central Asians undeniably consider India to be a reliable, trustworthy and predictable partner. But at the same time they do not consider India to be a good performer. Many have argued that New Delhi's indecisiveness always influenced Nazarbayev against energy deals with India. Even though Kazakhs realize the importance of engaging India, they also know well that it is only China that can fit the bill ultimately. Hopefully, the

SCO can provide India with the opportunity of working together with Russia and the Central Asian republics. It could help resolve at least some problems.

India faces financial limitations when it comes to competing with other powers in Central Asia. Indian investment is dismal and the current engagement policy does not have vitality for spurring economic interdependence with these countries. Geography is not the only factor in this regard. Even private Indian companies with deep pockets have not shown the necessary interest in the region. They too have tended to take shelter under the government patronized schemes abroad.

A lack of understanding and scholarship is another handicap. India does not have the depth of knowledge on the region's historical, political, linguistic, and above all the intricate socio-tribal structural underpinnings, for instance, the function and relationship among Kazakh *zhus* (hordes) that ultimately regulate the decision making process. As a result, the official and diplomatic channels often used do not necessarily yield the desired results. This style of approach over a period of time has led to a distortion in overall relations –the reason why the depth of India-Central Asia ties have always remained in question.

For India, the problem has never been about sourcing energy resources but about routing them. And this is less to do with distance than India becoming the victim of a denial strategy. The situation is unlikely to change in the foreseeable future. From India's perspective traversing a gas pipeline through Pakistan will remain a risky proposition especially when the revenue that Pakistan will earn on transit fee from India could be redirected to sustain terrorism against India. This apart, by letting the pipeline come through Pakistan, India will consciously close its options for military strikes, thus allowing its adversary into blackmailing India in perpetuity. It is equally unlikely that India will forsake Kashmir for the sake of gas supplies.

This is not to suggest India will have no other option. It should find other innovative ways such as joining international energy consortiums for exploration, opting for LNG purchases from the region, etc. Central Asia could become another Middle East for Indian engineers, management experts, and skilled and semi-skilled workers to find employment. They could earn huge amounts of foreign exchange from the region's energy service sector. Indian companies could participate in the ancillary and drilling sectors of the oil and gas industry, which is rapidly growing in the Caspian region.

Prime Minister Modi has seized the opportunity for setting the agenda, for he knows that the continuous denial of access to affordable gas also means that India will continue to rely on domestic coal that poses a threat to the global environment.

Importantly, the Modi government seems to have realized that India's internal issues including Kashmir, energy security, connectivity and above all problems with Pakistan are linked to the larger balance of power game. They are interlinked and hence cannot be treated in isolation.

The attempts made in the past to resolve the Kashmir issue, Indo-Pak conflict and enlarging interests in Central Asia failed to get off the ground. It is here that the Modi-led government is trying to broaden the scope of geopolitical engagement. Modi's meeting Putin and Nawaz Sharif in Ufa, followed by his visit to Ashgabat, cannot be without a well thought-out strategy.

The geopolitical and corporate games around pipeline projects have greatly changed following the Ukraine crisis and the ensuing Russia-West standoff. As India's energy demands increase, it will find itself in the centre of important geopolitical and energy relationships. Things are also likely to become more complex after the recent breakthrough between Iran and the Western powers.

All these underline the point that the global and regional power balance is more sharply impacting upon India's policy directions and perhaps in a more positive and realistic way. In fact, it is not terrorism but energy factor that may have influenced India-Pakistan talks in Ufa. Global politics and the role of Russia in this are conspicuous whether one likes it or not. Russia may be attempting to nudge both India and Pakistan towards cooperation, especially in terms of working on the energy pipeline. The relevance of the Prime Minister attending BRICS and SCO summits in Ufa, his visit to Central Asian states, talks with Presidents Putin and Xi and Prime Nawaz Sharif etc., are all part of this growing trend.