
India's Central Asian Policy

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Backdrop

Historical records provide that the events in Central Asia had an impact on India's political history. Historically, the region has been a staging ground for invasions into India. In fact the impact of Central Asian dynamics on Indian strategic thought has been mentioned in Kautilya's *Arthashastra*. Central Asia was also a bridge for promoting Indian commerce and culture across Asia through the famous Silk Route.¹ It is projected in several sources revealing close relations between Indus Valley Civilisation and Central Asian Khanates. Both the regions share superb bonding and intimate friendship which is well recorded in history.

However, India's ties with Central Asia never remained consistent. It waned following the consolidation of the British Indian Empire around the

mid-nineteenth century. Even though relations were revived in the years following independence, they failed to acquire intensity. Indian presence in Central Asia was characterized by its intimacy to the Kremlin following the Sino-Indian border conflict of 1962.² It was further strengthened by the Sino-Soviet schism in the years to come. India anyhow managed to get a cultural anchor in the region under the Indo-Soviet Friendship Treaty of 1971.³ However, its presence in the region, nevertheless, remained *muted* and constrained by its ties to the Kremlin.⁴ Further, the lack of vision for a broader engagement with the region always pushed India in the back seat. The end of the Cold War brought forth new realities. The sudden disintegration of the largest political landmass on earth i.e. Central Asia, with the collapse of USSR, left the Indian political establishment in shock and surprise. However, it helped in bringing about a shift in India's foreign policy discourse –

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away from Nehruvian idealism towards realism and pragmatism towards the region.

The recognition toward realism and pragmatism is very much visible in India's relations with Central Asia in recent years. In the context of the changing geostrategic and geo-economics dynamics in Central Asian landscape, India started recognising the Central Asian Region (CAR) as an area of strategic importance. *Look North Policy* of India in 1990s provides an illustration to the point. During a visit to Turkmenistan in September 1995, the then Prime Minister P.V. Narasimha Rao made it clear that 'for India', Central Asia is an area 'of high priority, where we aim to stay engaged far into the future. We are independent partner with no selfish motives. We only desire honest and open friendship and to promote stability and cooperation without causing harm to any third country'.⁵ Yet, such a proclamation of the *Look North Policy* offering the proposition of *secularism, democracy, and literacy* as national strength that India and Central Asia both share has waned over the years. At present very few people have any idea of what *Look North Policy* was all about. Ironically when put into context many confuse it with *Look East Policy*. This probably reflects India's least

strategic priority towards the region at least in the 1990s. When the world powers positively remained engaged in CAR, India – a strategic neighbour choose to stay away from the region under the guise of domestic compulsions and economic downturn facing the nation.

However, the trend of realism and pragmatism that vanished for a while in the policy making process once again resurfaced in India's foreign policy doctrine of 1997 popularly known as *Gujural Doctrine*.⁶ Public rhetoric to the effect also gained momentum, especially with the coming to power of the BJP (Bhartiya Janata Party) and its proclaimed ambition to make India occupy the global political centre stage. Nevertheless, this is only a step taken in the direction of consolidation of strong bonding and deep relationship.

Thus, India's relations with the region were again viewed from the historical and cultural perspectives. It may be noted that sudden changes in international political scenario, emerging geopolitics of Central Asia in redefining the geopolitical map of Asia, geostrategic situations in Eurasia, regional security assuming priority in global political agenda and geo-economic interests taking over military aspect in the early 2000's

have opened up Central Asia to its neighbours for interest and influence. India, being the proximate player and natural ally, could not stay away from the region and tried to make advances into the region of immediate geopolitical and geostrategic interests.

The entire edifice of India's international relations with the CAR were probably laid down during this period. India's close relations and cultural affinity with the CAR were instrumental in bringing the relationship between the two Asian neighbour closer and enable the two regions toward greater security and economic engagement. India and Central Asia started recognising the importance and strategic necessity of each other in the emerging Asian geopolitical dynamics. India as of 2012 has a very close and firm bonding with all the five Central Asian republics. Every country of the region looks up to India for its greater democratic values and secular credential while India sees her future global role finding its place in the wider engagement with the region. Positive relations with both the regions have been further strengthened by forging bilateral and multilateral cooperation in the field of security, economic, energy and strategic areas. The recent visit of Tajik President to India and India's

Foreign Minister to Tajikistan, Uzbekistan only shows the desire for respective sides to forge strong ties. The idea of *Connect Central Asia* as coined by the Ministry of Home Affairs, Govt. Of India is believed to usher in a new era and develop a dynamic vision in the relationship between India and Central Asia.

India's Geopolitical Interests

India's re-engagement with Central Asia over the last two decades has been enhanced by the need to realise Indian interests in the following broad areas. First, and the most crucial one is to provide India substantial entry on the hydrocarbon map of the region which would enable India to diversify and secure energy sources vital to her growth momentum. Second, in view of Pakistan's pursuit of a strident Islamist agenda, India's security interests demanded a need to check the rise of radical Islam as a political force in Central Asia. Third, it is vital to keep a tab on drug trafficking and potential weapons proliferation in this geo-strategically important region. Fourth is to promote interests in the commercial arena. Finally, CAR can provide support for India's emerging regional/global power status; India's permanent membership of the UN Security

Council; countering Pakistan's anti-India rhetoric and importantly, it will provide India with a grand stage alongside the US, Russia and China to play a greater role in Asian regional dynamics. India as of now cannot leapfrog its way to the global high table without demonstrating effective initiative at the regional level - Central Asia being an important regional constituent. For a clear understanding of India's expanding geopolitical interest in Central Asia, the above mentioned broad areas of interests have been clubbed into two important categories of Geostrategic and Geoeconomic interests of India in Central Asia.

Geostrategic Interests

Geo-strategy refers to India's long term strategic management of her geopolitical interests, influence and involvement in Central Asia - an area that separates vital centres of two nuclear powers - the Russian Federation (RF) and China - and the place of intersection of major geopolitical areas- the Eurasian, Islamic, Chinese, and Indian. Placed in the geographical centre of Asia as a mosaic between four world civilisations such as Islamic, Buddhist, Christianity and Hinduism, Central Asian geographical setting critically links

it to the security of almost all the countries of the world and offers immense opportunities to all the regional and extra-regional players. India being the strategic neighbour and natural ally has profound interests more than any other regional player has in the region. Some of the areas concerning Indian critical interests in the region have been broadly discussed in the following paragraphs.

Security

Looking at the centrality of the region's location, in a changing strategic environment and security alignments, India's security is closely tied to the stability in the region between Afghanistan and Pakistan. Unholy alliance between the Taliban and Pakistan before September 11, 2001 contributed in terrorist attacks against India on several occasions. It is now beyond doubt that many Pakistani militants received training in Pakistan and Afghanistan training camps with a purpose of waging war against the Indian state. To mention a few, in 1999, terrorists hijacked Indian Airlines flight IC-814, departing from Kathmandu, landing the plane in Kandahar in Afghanistan.⁷ Various Pakistan supported militant groups active in Kashmir, such as Lashkar-e-Toiba and Jaish-e-Mohammed, received

military training in Afghan camps alongside Central Asian militant groups such as the IMU, as well as Tajik and Uighur militants.⁸ Attack on Indian Parliament, state legislative Assembly of Jammu and Kashmir, sporadic terror incidents in Indian cities and inciting recent cyber terror to instigate communal violence in Assam and destabilise peace and harmony in India has an active Pakistani hand. Therefore, instability in Afghanistan and often hostile attitude of Pakistan are intricately linked to the security, unity and integrity of India, hence, forging strong ties with the states of Central Asia to counter such confrontations against India in future. Among all, counterterrorism cooperation has been the main security concern for India with regard to Central Asia. For that, cooperative security initiatives have already begun with Tajikistan, Uzbekistan, Kyrgyzstan, and Kazakhstan.⁹

From the security point of view the emergence of radical Islam in Central Asia in the shadow of the demise of Soviet Union and its aggressive propagation of atheism, generated a great degree of concern in Indian quarters. There is a feeling in the Indian quarters that the simmering rise of Islamic fundamentalism will eventually pose a serious threat to Indian security,

especially in the state of Jammu and Kashmir. Such fears have been accentuated in light of the increasingly close linkages that Islamists movements such as the Islamic Movement of Uzbekistan (IMU) have forged with the Taliban and the ISI.¹⁰ Such developments certainly do not augur well for India's security interests, given the ISI's history of flirtation with radical Islamist groups with an aim of propping them up against India. This analysis is vindicated in the UNI report of 3 April 2000, which states that "Afghan and Pakistan trained mercenaries are seeking fresh pastures to exploit their brand of fundamentalism with Tajikistan, Kazakhstan and Kyrgyzstan emerging as their new hot spots."¹¹ The prognosis is further strengthened by the well established link between ISI and militant groups operating in Xinjiang resulting in civil riots in 2010. Thus, the security of the entire region is closely intertwined. Given the increasingly trans-national nature of linkages being forged by extremist groups, especially with the Taliban in Afghanistan and the ISI in Pakistan, these developments have potentially serious security ramifications for India. Thus, this makes it imperative upon India to be more closely involved in Central Asia's regional security matrix and ensure that

instability does not spill over into Central Asia.

Drug Trafficking and Weapons Proliferation

The Central Asian region is strategically located between two nuclear superpowers, Russia and China, as well as their nuclear armed neighbours Pakistan and India. Central Asia previously served as a raw materials base for the Soviet weapons program, with Kazakhstan holding large reserves of highly enriched uranium, while Kyrgyzstan has substantial amounts of nuclear waste scattered around. Uzbekistan and Tajikistan hold sizeable uranium reserves and the potential for its enrichment. This, coupled with the absence of special-detection equipment at border and customs checkpoints, rampant corruption and little political will, have the potential to render the region highly susceptible to and a lucrative route for smuggling fissile material. This has serious security implications as there is potential danger of proliferation of lethal weapons technology and material into the hands of not just states hostile to India, but also non-state actors like Taliban, al-Qaeda and groups like the IMU linked to them. This assumes further significance in light of a resurgent Taliban that will not lose out on the

opportunity to use it to its advantage of the porous Tajik-Afghan border. Drug trafficking potentially poses a major security threat to 'the region'.¹² The poor state of border management and rampant corruption, coupled with soaring opium production in neighbouring Afghanistan – all spell a dangerous trend. India needs to pay greater heed to drug trafficking, since much of the money generated through it is used to fund activities of extremist Islamist terror networks that possess the ability to foment trouble for India in the long run. This is an area where India has a broad overlap of interests with three other key players in the region: US, Russia and China, with whom it could engage in multilateral cooperation.

Great Power Game

Until 1991 all the major countries of the World seemed not to be interested in Central Asia. The disintegration of Soviet Union that resulted in power vacuum in the region, created openings for several players notably China, Iran, Turkey, India and Pakistan to pursue their political, economic and strategic interests. The regional politics remains fluid and unpredictable. A central reason lays in the fact that Central Asia despite its name and geopolitical location was not central to the interests of any of its

neighbouring powers. For Turkey, European Union remains the primary object and vector of its foreign policy. For Iran, the Persian Gulf is still paramount in its orientation and security concern. India and Pakistan focus primarily on their bilateral relationship. China's security challenges lies to the east, with the Taiwan issue looming large over its foreign policy and relation to the Korean peninsula and Japan following closely.¹³ Finally, Russia despite its historical influence and interest in Central Asia was preoccupied with the Caucasus and its relations with the West. Hence, at the back door of all these opportunities US entered into the region in 1994 by keeping an eye on the oil and natural resources of the region and to maintain a balance of power by countering China. However, prior to September 11, 2001 trauma, the major concern of US regional interests were energy issues and diplomatic commitment to sustain the independence and promote democratization within the region. The main objective then was to take care of the nuclear instability that could emerge if Iran or Pakistan would gain access to Central Asian Uranium mines. The US objective was to save the region from the threat of Islamic fundamentalism, strengthening the role of Turkey and block Russian influence in the region

by pouring in political, economic, financial and moral support to the Central Asian countries. The priority was to check the Islamic regime of Iran and more importantly to contain and engage China in order to divert it from its global role which US considered being the greatest threat to its hegemony in international politics.

China, the immediate neighbour of five Central Asian Republics shares its 3500 kms long border with Kyrgyzstan, Kazakhstan and Tajikistan. In the initial years of Central Asian independence, China was interested only in political stability of the region and was interested in preventing Islamic fundamentalism to take its roots in the region. Eventually, China became more cautious about its every step and policy towards the region, which now has become a part and parcel of an overall strategic perception of an yet undefined Chinese great power role in world affairs and closely linked with a relation of hostility with the US. Hence, to loosen the hold of the US in the region, China followed the policy of new diplomacy and entered the region with a comparable and competitive strategy that would counter the US. As a beginning of this policy in 1996, China initiated the formation of *Shanghai Five* with

three Central Asian Republics of Kazakhstan, Kyrgyzstan and Tajikistan, in addition to Russia to solve the border problem and to promote peace and cooperation in the region with an intention to develop greater trade relations with the Central Asian countries. Uzbekistan joined the organization in 2001 making it *Shanghai Six* popularly called as *Shanghai Cooperation Organization* [SCO]. China also transformed the Xinjiang-Uighur Autonomous Region into a free market zone in 1998 to strengthen cooperation with Kazakhstan and to open up trade routes in the region. Xinjiang has major significance for China beyond issues of territorial integration and regional harmony, as it has one of the biggest oil bearing basins in Asia, the Tarim basin, that can boost cooperation and trade relations between two countries. China is also the second largest consumer of oil in the world after America. Hence, it would not want America to divert the energy resources of Central Asia which lie near the door step of China. Due to its proximity to Central Asia and Caspian region China became a serious competitor for profit and influence in the region which could have been easier if American presence would not be there. China has great interest in gaining access to the rich deposits of hydro-carbon

and hydro-electric resources of the region. Beijing is actively taking part in exploring Aktyubinks and Mangyshlak oil deposits and building an oil pipeline in Kazakhstan-Xinjiang region. But the presence of US companies backed by full state support followed with huge economic aid to the countries of the region present a great challenge for China to expand its presence in the region.

Russia is a natural and impulsive player in the region. Therefore, after independence it wished to keep its presence in the area which was also supposed to remain for the times to come. But its own serious economic problems and political weaknesses which are exacerbated by internal power struggle have hampered Russia's efforts to restore its hegemony. Thus, while Russia is ever sensitive to the growing foreign presence and influence in the region and tries to curb both, its influence continues to be challenged. However, during Putin's regime the region of Central Asia got maximum attention of Moscow. The redirected policy attention towards the region is believed to be due to certain geo-strategic considerations. Russia has three primary reasons for being involved in Central Asia. One is to protect ethnic Russians in the region.

Second, to maintain access to important resources of the region such as, oil, natural gas and other precious metals and the third, is to restrict the influence of the external powers in the region in general and U.S in particular.

Although, Russia-China and United States of America are the major geostrategic players in the region, the influence of Islamic countries such as Turkey, Iran, Saudi Arabia, Pakistan and Afghanistan cannot be undermined. Among all, the competitive rivalry between Turkey and Iran in Central Asia is unique. Both these countries took steps to convince the Central Asian republics to recognize their respective roles in the region. In the process Turkey and Iran have themselves become rivals in trying to create spheres of influence at the southern portions of the former Soviet territory. Turkey has been concerned that Iran may attempt to turn Muslim nationalities towards theocracy, while Iran is worried that Turkey's active role in the region is aimed at pan-Turkism. This rivalry has been further accentuated with the US support to Turkey and Russo-Chinese backing of Iran.

Afghanistan which was suspended for fourteen years as a geopolitical player in the region because of its occupation by USSR in 1978, after

1992 stands at a critical geopolitical crossroads and pose major security threats to its northern neighbours. The greater involvement of Pakistan beyond the northern borders (Central Asia) has been influenced by its rivalry with south and south-eastern border country, India. Alongside its own brand of Islam, Pakistan offered political support, economic integration and ideological solidarity to Central Asian states, which was hoped to pave the way for a broader strategic unity.

India is facing challenges not only from the great powers in the CAR but also from Islamic countries like Pakistan. The growing engagement of Iran in CA seems to leverage Indian position in the region. The real challenge to India, however, comes from Beijing, Islamabad and the growing role of Shanghai Cooperation Organisation (SCO).

Shanghai Cooperation Organisation (SCO) and India

China helped in the formation of Shanghai Five (S-5) in 1996 in collaboration with Russia, Kazakhstan, Kyrgyzstan and Tajikistan. However, Uzbekistan joined the Shanghai Five in 2001, increasing its membership to six, which has consequently been transformed into Shanghai

Cooperation Organization (SCO). In the early years it helped in solving the existing territorial problems peacefully among the member countries. But subsequently SCO emerged as a major geostrategic, security and economic initiative in the entire Eurasia. Its role in the regional strategic vision management is increasing manifold over the years. Given the intent and potential of the organisation, it wouldn't be wrong to claim that any geopolitical calculations in Central Asia cannot be achieved by sidelining SCO. India's application for full membership in SCO at its Dushanbe Summit 2014 seems to be a stepping-stone in the direction of its growing role in the region. All the CARs and Russia are in support of India's full membership of the SCO. China is also willing to allow India into the organization officially, keeping in mind its future role and position vis-à-vis India in the region. Nevertheless, membership in the organization will not merely help India in getting entry into the region but also enable it to propel its interests vis-à-vis China in the region. It would also facilitate India to counter Pakistan's anti-India propaganda and ensure its economic participation with the greater Central Asian region. India's External Affairs Minister Sushma Swaraj, who represented India in the SCO summit

held in Tajikistan in 2015, applied for India's full membership in SCO and was well reciprocated by all the Central Asian states plus Russia.

CASAREM

Central Asia-South Asia Electricity Market (CASAREM) is based on the idea of a *Greater Central Asia*, vision. This 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 and particularly India as the leading force of South Asia have many common concerns, such as finding outlets for energy supplies, achieving prosperity through economic cooperation, and moving towards enhanced security and stability. This concept further strengthens the spirit of regional security and inter-regional cooperation in the greater Central Asian region which also includes India, Pakistan and Afghanistan. This in turn boosts India's concerns of national security.

Geoeconomic Interests

India's Geoeconomic interests in the Central Asian geopolitical landscape are many and varied. Some of the significant areas of

Indian interests in region have been highlighted in the following paragraphs.

Energy Sector

The importance of reliable access to foreign energy for India in general, and access to Central Asian energy resources in particular is well recognized. As the then Prime Minister Manmohan Singh repeatedly reiterated that, "energy security is second only in our scheme of things to food security"¹⁴ With energy increasingly being viewed as a vital component of what is now broadly defined as *national security*, cultivating alternative sources of energy and reducing dependence on the volatile Middle Eastern region has become a vital concern for India. Assured, uninterrupted supply of energy is critical for keeping India's economic engine in motion. Its dependence on imported oil is projected to skyrocket from the current levels of 72 per cent to 83 per cent by 2030; hence, the anxiety to reconceptualise its strategic perspective.¹⁵ What can be a more viable destination for India than Central Asia - home to an estimated 4 per cent (270-360 trillion cubic feet) of the world's gas reserves,¹⁶ and the oil reserves pegged at 2.7 per cent (13-15 billion barrels).¹⁷ This accounts for greater engagement on

the part of India in Central Asian energy Sector.

In the backdrop of India's unprecedented energy requirement and stupendous foreign dependence, the energy resources of Central Asia including the Caspian Sea region will play an important role in India's energy strategy. Importantly, Central Asian oil and gas are of high quality and largely untapped. Moreover, investment environment is open and very friendly. As the producing countries consume less, major chunk of the resources are meant for export. In addition, unlike the Middle East and African energy rich countries, Central Asia is stable. The gas of Central Asia and the Caspian has less ash in comparison to other gas producing regions of the world. All these should be the driving force for any country in general and India in particular towards the Central Asian energy hub.

Economic and Trade Relations

Economically, India has a growing presence in Central Asia in the energy and pharmaceutical sectors. Trade in consumer goods is increasing but it is still constrained by economic barriers, particularly in Turkmenistan and Uzbekistan. In the case of Tajikistan, India's trade stood

at \$10.7 million in 2004-05 and \$32.56 million in 2009- 2010.¹⁸ The joint venture between the Indian company Ajanta Pharma and the Ministry of Health in Turkmenistan, named Turkmenderman Ajanta Pharma Limited (TDAPL), currently provide approximately half of the pharmaceutical needs of Turkmenistan. India has widened information exchange programs with Turkmenistan, establishing the \$0.5 million Turkmen-Indian Industrial Training Centre as a gift to train Turkmen in basic skills in the manufacturing of tools and components, and in business practices for small and medium enterprises, and provide financial, computer, and language training through its Indian Technical and Economic Cooperation (ITEC) program.¹⁹

Trade with Uzbekistan amounted to more than \$121 million in 2004, with more than 30 Uzbek-Indian joint ventures in Uzbekistan.²⁰ A significant source of revenue for India is in pharmaceutical sales from Ajanta Pharma and Reddy Labs.²¹ The two countries are considering Indian gas exploration in Uzbekistan through India's public sector Oil and Natural Gas Commission (ONGC) and Gas Authority of India Limited (GAIL).²²

India's trade relations with Kyrgyzstan totalled US\$ 23.56 million in 2010-11. India's exports to Kyrgyzstan were US\$ 22.56 million whereas Kyrgyz exports to India amounted to only US\$ 1.2 million.²³ Apparel and clothing, leather goods, drugs and pharmaceuticals, fine chemicals, and tea are some of the important items in our export basket to Kyrgyzstan. Kyrgyz exports to India consist of raw hides, metalifers ores and metal scrap etc.

Trade between India and Kazakhstan in 2011 was around USD291.50 million.²⁴ Major commodities of export from India to Kazakhstan are Tea, Pharmaceuticals, and Medical equipment, Machinery, Tobacco, Valves and Consumer Items etc. Major items of import by India are asbestos, soft wheat, steel, aluminium, wool and raw hides. Prospects for cooperation in spheres of Oil and Gas, Civil Nuclear Energy, metals and minerals, agriculture, public health, information technology, education, culture and defence are promising.²⁵

In energy sector, ONGC has moved forward to stake claims in four of Kazakhstan's oil fields as well. Both countries are developing bilateral trade in mechanical engineering and pharmaceuticals, and in the defense sectors; total bilateral trade in 2003

stood at \$79 million.²⁶ An agreement between ONGC Videsh Ltd. and KazMunaiGaz on Satpayev oil block and MoU between NPCIL and Kazatomprom envisaging cooperation including supply of uranium to India among others was signed in 2009. A memorandum of understanding for cooperation in the field of Space; extradition treaty between both countries and the protocol on the accession of Kazakhstan to WTO were also signed in 2009. A fresh agreement between ONGC Videsh Limited and Kazmunaygaz on the purchase of 25% stake in the Satpayev Oil Block in the Caspian Sea was signed in Astana on 16th April 2011 during the visit of the then Prime Minister Manmohan Singh.²⁷

Discussions are currently underway for cooperation in the fields of fertilizers production, setting up of petrochemical complex, sulphuric acid plant, gold mining, thermal power plants, Information Technology Park etc. Agreements in the fields of Agriculture, Health, Culture, S & T, and Education etc are currently under consideration of both the sides.²⁸

The Central Asian countries also provide a convenient and low-cost hub for Indian travellers. Services in the form of flights from India to London, the United States, and

Europe provide a lucrative export for Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan.

Pharmaceuticals and Healthcare

Another key area of cooperation between India and Central Asia is pharmaceuticals and healthcare. Mainly due to its efficiency and cost advantage, India has a competitive advantage in the global market in this field. Some of the Indian companies exporting pharmaceutical products to Central Asia are Claris Life sciences, Ranbaxy, Dr Reddys Labs, Lupin Laboratories, Unique Laboratories and Aurobindo Pharma. Some of these companies are planning to set up manufacturing units in Central Asia itself. The pharmaceutical factory of the Kazakh-India joint venture Kazakhstanpharma is in the process of completion in Almaty.²⁹

Investment Potential

The countries of this region provide good investment opportunities for Indian businesses. To facilitate trade and investment with this region, Indian policy makers in the last decade have created an institutional framework. The Indian government has set up bilateral Inter-Governmental Commissions for

trade, economic, scientific and technical cooperation with all the Central Asian countries, which have been meeting on a regular basis. These relations are further institutionalized through joint working groups in various fields, such as IT, Science and Technology, hydrocarbons, military-technical cooperation, etc. The Indian government also extends small lines of credit for the countries in the region to enable Indian exporters to export to these markets without repayment risk. In this scheme, around 15 to 20 percent of the contract value is paid as advance by the importers; the balance contract value is disbursed by the Indian EXIM Bank to the exporters upon the shipment of goods. The recovery of credit extended to the overseas buyer is taken care of by the EXIM Bank, without recourse to the Indian exporters. To promote and facilitate trade, Double Taxation Avoidance Agreements have also been signed.³⁰

There have also been improvements in the banking sector. Canara Bank has links with Commercial Bank for Foreign Economic Affairs of Tajikistan, the State Bank of India with Turan-Alem Bank of Kazakhstan, the Commercial Bank of Kyrgyzstan, the National Bank of Tajikistan, the State Bank for Foreign Economic Affairs of

Turkmenistan and the National Bank for Foreign Economic Activity of Uzbekistan. In 2003, the Indian Ministry of Commerce launched a *Focus CIS* program. The first phase focused on the five Central Asian countries plus Ukraine. Other CIS countries have also been included in the program. The program aims to promote business-to-business linkages, support trade fairs and different promotional meetings and seminars.³¹ In 2012, the then Indian Foreign Minister Shri S M Krishna used the term '*Connect Central Asia*' based on the premise of four Cs: Commerce, Connectivity, Consular and Community³² seems to have taken the bilateral relations between the two Asian neighbours to a different level.

India has also signed many agreements with these countries for technical economic cooperation under the International Technical and Economic Cooperation (ITEC). Thus far, thousands of candidates from Central Asia have come to India under the program in such disciplines as diplomacy, banking, finance, trade, management and small industry promotion. Potential sectors for collaboration between India and CAS in broad are specified below: Food Sector and Agribusiness: Processing, Agro Products, Machinery and equipment, packaging, fertilizers,

Irrigation, etc; Pharmaceuticals and Healthcare: Medicines, Formulations, medical devices, Hospitals, etc; ICT: Telecom, Technology parks, e-governance, IT training, Business Processes, etc; Textiles: Machinery, garments, etc and Energy: Power Generation and Transmission, Oil Refining and Petro-Chemicals.

Conclusion

India and Central Asia are strategic neighbours and natural allies. Both the regions are geographically proximate, share common history and cultural affinity. With this premise a modest attempt has been made to know what policies India follow in this region to secure and strive its interests and what more needs to be done.

As part of regional geostrategy, India requires to pursue serious and active bilateral and regional agreements to promote security in the region. She requires to carry on the goodwill gesture from the close relations she had maintained during the Soviet times. India's membership in SCO is very much need of the time. It will just not enable India to share same dais with China and Russia in CA but also will help in minimising the size of Chinese engagement in the region and importantly will bring India closer to all CA countries.

On the economic front, India's engagement with the region will require vigorous involvement of the private sector in the Central Asian market, which has so far not been viewed by Indian big business houses as a very attractive market. Therefore, a two-fold strategy will be required to address this issue. Firstly, the Indian government must facilitate greater interaction between the Indian private sector and Central Asian market forces. Secondly, Central Asian states will have to work towards creating a more attractive investment environment for the Indian private sector.

As far as energy sector is concerned, India needs to become a significant player in the equitable exploitation, administration and distribution of the Central Asian energy resources. India must look forward to restart working on TAPI and IPI pipeline projects as they constitute India's energy lifeline. This just wouldn't help India in ensuring her much needed energy security but also enable her in strengthening regional security, peace and cooperation in the region. India must also seek to explore alternative oil and gas transit route along with the existing pipelines. To improve connectivity, India will have to play

a pro-active role both bilaterally and through regional cooperative mechanisms. In this regard, India will have to factor both China and Pakistan in addition to its cooperation with Russia, Iran, Turkey and the U.S.

From the above analysis it is clear that India should actively pursue her policy framework towards the region which are: India needs to develop long term economic strategies with Central Asian Republics and there should be a greater participation of the private sector in this region; India should aim to develop a strategic

partnership with countries of this region and not limit itself to trade, energy and connectivity issues and importantly India needs to establish policy research institutes, staffed with efficient Russian speaking Indian researchers essential for formulation and implementation of long term business and security strategies. Given the nature and scenario of world politics, India as of now cannot leapfrog its way to the global high table without demonstrating effective initiative at the regional level - Central Asia being an important regional constituent.

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