CHAPTER V

GEOPOLITICS: CENTRAL ASIA'S RELATION WITH ITS ASIAN NEIGHBOURS
It is most relevant to discuss at the outset, the geo-historic setting of Central Asia as a distinct civilisational belt. Since ancient times, it has had strong socio-cultural and economic ties, on the one hand with Turkey in west and with Indian subcontinent in the south Asia. The Buddhist links during the times of the Kushana and Kanishka period especially, exhibit strong socio-cultural affinity with south Asia. The migrations of tribes to Indian subcontinent has mainly been from and through the Trans-Oxus region that is the Amu-darya basin and the Khwarezm area- right from the early epochs of the pagan Aruan, Yue-Chi Daka tribes to the medieval period which witnessed the Turanian qaflas groups of muslim Uzbek, Turkman, Tajik, Mugal and Pathan tribes, moving to the fertile planes in India. The famous silk routes across the Pamirs and the fabled, golden road to Samarkand still conjures memories of primordial commercial transaction, romance and adventure between Asian regions, with cultural indicators and ties like the songs, music, dance, the style of living, etiquette etc. Central Asia is a different region, but not a strange region to people in South Asia, because so much of it is familiar and predictable, due to long and close historic relations.

It is in this context that India's future course of relations with the Central Asian republics will have to be
examined and recast in a systematic manner with projections of probable alternative scenarios. Central Asian states are revising their domestic policies and perspectives, as well as their approaches to international policies, trade, commerce, diplomacy, security and defence-related issues. It is necessary, indeed imperatives, for India to relate and re-evaluate these changes in terms of her own national and regional interest keeping in mind the larger goal of peace, stability and security concerning South, Central and West Asia and the need for strengthening the process of secular, democratic nation-building in Central Asia.

Two major concerns seem to dominate Central Asia's endeavours at nation-building. One, to stabilise the foundation of a productive, efficient and demand-fulfilling economy, and two, to build a secular democratic state structure in their multi-ethnic society. In pursuance of building a secular-democratic polity, they do face the possible threat of religious fundamentalism, especially due to their proximity to Iran, Pakistan and Saudi Arabia, from where revivalist influences do emanate.

There is no objective reason to exaggerate this fear. Central Asia, accounts for about 55 million people, many of whom are imbued with secular orientation and enlightened outlook. On close examination of ground realities, it can
stated that the Islamic fundamentalism is a possible adversary to their strategic interests in the region, and in the bargain scare India and secular forces in Asia. When questioned on this issue by then India's external affairs Minister R.L. Bhatia and his high level delegation, Foreign Minister of Kazakhstan, T.S. Suleimenov, categorically refused the allegation of any understanding or agreement with any country including Pakistan, for sharing of their nuclear technology or capability.¹ He said they had already denied it officially, and it is sheer propaganda. This was further confirmed during President of Kazakhstan Nazerbayev's recent visit to New Delhi. There is no such political, diplomatic or strategic monolith called the Islamic block and there is no prospect of such an aggregation emerging in the background of the recent wars between Iraq and Iran, Iraq and Kuwait, etc., not to mention the Sunni-Shia division that doctrinally divides Iran and Saudi Arabia, and Iran and Pakistan. Turkey, another muslim country, has never been associated with this sort of religious Pan-Islamic solidarity for common political goals. The Central Asian republics, with more then half a century of socialist orientation marked by

¹ Girish Mathur, "Bhatia's visit to the Central Asia Republics", Link, (New Delhi) September 27, pp. 16-18, 1992.
hundred percent literacy, access to advanced scientific education, are unlikely to emulate either Iran or Pakistan, much less Saudi Arabia. Their leadership is predominantly against any effort to use religions as a source of power. But religion as a sub-stratum of culture, social life and primordial ethics is different from religious fundamentalism.\(^2\) It should be remembered specifically that Central Asian Islam has been a great civilisational force marked by rationalist traditions and secular learning for centuries.

The Central Asian republics naturally give the highest priority to their basic concern for building a viable economic system. Every offer made to them, from any country, irrespective of the country's internal politics and their other motives, has been welcomed. Thus, then President Ozal of Turkey visited Almaty in March 1991 and Turkey signed a wide range of bilateral agreements with each Central Asian republic mainly in the spheres of trade, economy, culture and educational cooperation.\(^3\)

Most significantly, Turkey has agreed to provide financial and technical assistance for the modernisation of

\(^2\) Rashid Ahmad, *The Resurgence of Central Asia: Islam or Nationalism*, *Far Eastern Economic Review*, Hong Kong, 4 June 1992, p.8

industrial enterprises. At about the same period, in November December 1991, Indian Prime Minister Narasimha Rao declared to expand military relation, and also economic and cultural relations especially in banking, insurance, transportation, tourism and higher education. India and Central Asian states agreed to open air-links. India signed MOU with Central Asian States in November 1991 and US$ 10 million loaned to Central Asian states as a good will.

Pakistan also went in top gear, by sending a 20 member high level delegation in November 1991, comprising parliamentarians, academics, journalists, public men, along with their Minister of Economic Affairs, Sardar Asif Ali. They offered to different Central Asian republics several facilities like joint ventures, commercial credit, food supplies, medicines, Cement factory, telecommunication systems etc. Offers of new trade routes, use of port facilities, opening of railway lines connecting Central Asian cities to Karachi, use of their river navigation on the Indus, use of roadways and air links, etc. were also made. An estimated expenditure of $4.4 billion spread over a period of eight to ten years, has been envisaged, if appropriate agreements are signed. 4

It is quite manifest that in the consciousness of the leaders of Central Asia, Turkey and India loom large as preferred Asian neighbours, with whom they would like to build multiple and stable contacts. Next to Turkey, among all their Asian neighbours, Uzbekistan and Kazakhstan have the warmest sentiments towards their long traditional friend India. India has a great historic opportunity to grasp and to play an innovative role by working out tangible plans of cooperation, to be worked out on specific areas by specially constituted committees of experts. India can help build a community of secular democratic states in Central Asia for regional and mutually beneficial cooperation as a counter to the policy of confrontation, that is the game that the religious fundamentalists would like to play. The moot question is, shall India respond to this challenge and help build a region of considerable political and strategic relevance to India's national interests or by default be marginalised by inimical interest and political adversaries that will upset the balance of power in this part of the globe?

Muslim Countries are among the keenest in developing their relations with the Central Asian states. The most

prominent are Iran, Turkey and Pakistan together with Saudi Arabia. Each clearly has specific priorities and interests in Central Asia. Of the five republics, Uzbekistan and Kazakhstan are the obvious prizes in investment and trading terms. Because of their larger potential markets and rich natural resources the Economic Co-operation Organisation (ECO), a group linking 10 countries and a defunct remnant of the Central Treaty Organisation (CENTO), was revived and enlarged.

Turkey and Pakistan in 1992 initiated moves to take in five Central Asian republics as well as Afghanistan in the ECO. Is this the first step towards creating an "islamic common Market"? Is it a contemporary pan-islamic initiative or instead a purely commercial and economic bloc of regional states, such questions are natural but the answers depend very much on the ideological perspective of the enquirer. As for the republics of Central Asia, none of the governments desire their shared muslim religion to intrude as a factor in their relations with neighbours.6

A competition for influence is undoubtedly going on in Central Asia. Turkey has deliberately emphasised all along

-----------------
that this is a secular initiative, and one that has political significance for the future. Pan-Turkic sympathies exist throughout Central Asia, but their precise political influence is uncertain. "Anadoly is the mother land for us, while Kazakhstan is the land of our ancestors," claimed Turgut Ozal, the late president of Turkey, in a widely quoted speech during his second and, as it turned out, final official visit to Kazakhstan in April 1993.7

As a regional grouping of Muslim republics, ECO has far-reaching geopolitical implications. ECO has been dormant, originally setup as the economic counterpart of the Central Treaty Organisation, a pro-western alliance of middle Eastern States.8 ECO has made rather slow progress in developing its organisational structures. Expanding and improving communications between ECO member states is the agreed priority. Companies from Turkey and Pakistan are helping the Central Asian republics to modernise and improve the poor telephone system inherited from the Soviet era. The new Satellite system via Pakistan, envisages an investment of over $175 million. Uzbekistan, on its part, is keen to extend its communication links with Iran, and wants a

7. The Economist, 26 September, 1993, p. 32.
railway extension to connect the Central Asian railway network to Mashad in Iran. Another planned route from Central Asia across Afghanistan will create a highway through to Pakistan, and enable gas, electricity and power from Central Asia to be exported to Pakistan. 9

Typical of fast-changing regional scene is an air transport accord under which joint transport companies could be created. Iran plans to lease aircraft and crews to form a large fleet for Uzbekistan and regular flights between Tehran and Tashkent are also envisaged. Tashkent, the biggest city of Central Asia is already linked to London, Istanbul, Kabul and other Central Asian states capitals.

Iran is essentially concerned with fostering relations with four republic of Central Asia in which Uzbekistan and Kazakhstan form major power centres in Central Asia. Both for Iran and Turkey, relations with Central Asia cannot be disentangled from those with the Transcaucasus. Indeed, for both relations with Azerbaijan are arguably of greater importance than with any single republic of Central Asia. It is a well known fact that Iran's goals in the region have steadily shown themselves to be more pragmatic than

------------

ideological with the emphasis upon commercial co-operation and cultural diplomacy.

Rather than exporting Iran's Islamic revolution or political meddling, as some governments of the region suspect, Iran promoted a new cultural association of Persian speaking countries, announced in 1992, linking Iran with Tajikistan and Afghanistan. It may be relevant to mention here that the formation of an Asian Common Market was the goal of the late Shah of Iran in the 1970s by which Iran would gain predominant influence over weaker or poorer neighbour states such as Afghanistan and Pakistan. But in the post-1990s, Iran's potential influence has diminished with a stagnant economy and inadequate state revenues from oil and gas exports.10

In January 1994, Iran hosted a Seminar on "The Process of Development in Central Asia and Caucasus," at which official spokesmen from all the muslim republics of the CIS and Armenia and the other ECO states were invited. At this venue many statements were made about co-operation within the ECO framework. As the analyst O.Kasenov of Kazakhstan stated, ECO is not at all an alternative to the CIS but it is its addition. People are wrong to see in ECO a customs

union of block of Islamic states. It is an association for promoting economic and social development of the participants, linking them by roads and trade. Russia itself has responded to the initiative of Turkey by joining the Trans-Caspian Countries Association. 11

Iran can offer Central Asian States like Uzbekistan and Kazakhstan access to Gulf ports giving an alternative to reliance for trade routes on Russia. Iran could help by providing alternative routes for foreign trade for landlocked Central Asian States via Iran's Gulf ports, expanding the existing railway network or conceivably by trucking across Iran to the Gulf coast. In Central Asian states it won some popularity and backing from fundamentalists before setbacks in the civil war which began in April 1992. At the same time Iran has also had troubled relations with Uzbekistan and other former Soviet Central Asian states. 12 All of these governments suspect Iran of meddling in this region for political dominance. However, the official visit by President Islam Karimov of Uzbekistan


to Iran in November 1992 broke the ice and led to the signing of bilateral agreements in specific fields of banking, insurance, staging of exhibitions and exchange of official delegations.\textsuperscript{13}

The joint communique issued by the two presidents stressed the need for an end to conflicts in Central Asian states and called for non-interference in the affairs of neighbouring states as well as respect for all existing borders. Uzbek and Kazakh authorities often claimed that Iran was at the root of the civil war in Tajikistan in the name of Islamic Revolution. Those factors and Tajikistan's proximity to Iran may mean eventual collapse of secular government in the former and its replacement by an Islamic fundamentalist regime positively disposed toward Iran.\textsuperscript{14}

But Iran Claims that Teheran represents a second home for the leaders of the ex-soviet muslim republics. But Moscow still remains more familiar and Istanbul certainly much more alluring than Teheran to all the Central Asian Leaders.

\begin{quote}
Turkey's Images is most potent for all the Turkic-speaking peoples of Central Asia. More developed than
\end{quote}

\begin{itemize}
\item \textsuperscript{13} ITAR-TASS, 23 May 1993 and SWB SU/1701/A1-A2, 29 May 1993.
\item \textsuperscript{14} Adam Kelliher, "Clans Gangster Torture Tadjikistan"; The Australian, 8 March 1992, p. 19.
\end{itemize}
any of them, Turkey has a strong industrial base. Turkish managerial expertise and industrial know how are valued. Turkey also represents other things desired by Central Asian states a secular society along with a successful market economy. As a member of NATO and the Council of Europe and major trading partner with the European Union states, Turkey may be able to help the Central Asian republics obtain concessional terms of trade with the EU, so at least is hoped in the Central Asian capitals. 15

Turkey is currently training over 12,000 (Twelve Thousand) students from the six muslim republics of the former USSR in its universities, in a programmes which takes in students in all grades, in the field of telecommunication, infrastructures, transport and technical training. Besides general trading, Turkish business interests are extremely diverse. 16

In areas requiring large scale investments, however, and notably in the gas and oil sectors, Turkish companies have found it hard or impossible to compete, instead it is the larger western multinationals which are taking the lead. Chevron, British Gas, Agip-BP, Lonrho and Mercedes Benz are

among big companies prominent in joint ventures, along with those of South Korean and Chinese. In Central Asian states, Turkey has certain advantages over Iran. Turkish government's outlook has more in common with the stated ideals of the various Central Asian republics, and Turkey's expertise in industry and manufacturing is far more impressive than that of either Iran or Pakistan. In addition to Turkish credits offered amounting to a total of $1.2 billion in 1992, many private Turkish companies are investing and trading in the Central Asia. 17

In the cultural field, Turkish help and advice is much appreciated. Ankara's efforts to woo the Turks of Central Asia include promoting satellite TV and communication systems. The emphasis upon development in Central Asia, after decades of neglect and isolation, has had definite political repercussions in Turkey too, resulting in a revival of pan-Turkic ideas and hopes. The term, "the new Ottomanism", has come to indicate the new sphere of influence, actual and potential, which the successors of the Ottoman empire are in the process of gaining through the developments in recent years not only in the former Soviet

------------------

17. Philip Robins, "Between Sentiment and Self-Interest: Turkey's Policy towards Azerbaijan and the Central Asian states," The Middle East Journal, 47, no.4, Autumn 1993, pp. 405-409
Union but also in the Balkans and in Northern Iraq. Extremist circles in Turkey dream not of mere influence but of a pan-Turkic empire in which Ankara would extend its power over a vast region of Central Asia. But the realities are different nor do these sentiments find favourable response in the region. Nationalists in Central Asia itself are not keen to swap their Russian big bother for another from Turkey. Turkey's goal of forging much closer relations with the Turkic republics of Central Asia can be seen to constitute a direct challenge to Russia's interests in what is still seen very much as Moscow's sphere of influence. In Graham Fuller's assessment, it is unlikely that Turkey will forever spurn a greater regional role in the directions of the compass for it provides greater avenue for Turkey to fulfill its role as a regional great power. 18 But the newly independent Central Asian states where the ruling elite usually uses traditional communist strongarm methods against dissidents or opposition sympathises, are in turn suspicious of Turkey's democratic rhetoric. For the Turks, the dilemma is to what extent they should be seen to be dealing with the old elites and to what extent they should be trying to

second guess regime change. 19

Relation with Pakistan:

Pakistan, the third original member of ECO, has shown great keenness in exploring new openings in Central Asia. Geopolitical ambitions merged here with Islamic ideology and commercial acumen to produce a forceful policy. Pakistan faces formidable obstacles in developing trading links with Central Asia. Direct access by a projected highway, and possibly by completion of railway line in future, must strike through Afghanistan's mountain terrain, and the viability of any route will be dependent on stability in the Afghan region.

Pakistan's former Foreign Minister M. Siddiq Khan Kanju typified the emotional or romantic approach to Central Asia commonly seen in Pakistan when he declared, at the inaugural ceremony of the ECO cultural association in Islamabad in November 1992, "It is like long lost brothers meeting once again and joining in a deep embrace". Kanju declared that ECO could not be complete without Central Asian states, "Central Asia has been the main home for all our people and by joining with them we are reaching back to the original

home land of many amongst us". In Pakistan there is undeniable interest in developing trade, cultural and other links with Central Asia. Many eminent families in Pakistan claim descent from Mughal ancestors in Bukhara, Fergana and other areas of Central Asia, which makes the region more attractive, as well as exotic. Another factor is Pakistan's acute rivalry with India. The Indians already have well established trading links as well as cultural prestige at a popular level throughout Central Asia since Soviet times. Pakistan has begun to challenge what had been virtually a monopoly by India. Competition with India also explains the glib arguments heard in Islamabad circles as to Pakistan achieving at least vital "strategic depth" in Central Asia against India in the case of future fourth war.

In both Pakistan and Turkey cotton is also an important crop and export commodity, even though cotton growing never dominated agriculture to the extent that it did in Uzbekistan. For Pakistani as for Turkish businessmen, Central Asia's cotton sector is an obvious attraction with prices of raw cotton remarkably low since the collapse of the rouble. Pakistan has offered to help increase capacity for textile and cotton yarn production. There is also said

to be great potential for Pakistani firms to export machinery for oil crushing and cotton ginning. Pakistani entrepreneurs are well placed to help develop weak textile manufacturing industries in Central Asia if they risk capital. For many entrepreneurs, trading will be the soft option, as for numerous Afghan businessmen who are conducting trade not so much from Kabul but from Tashkent on a surprisingly large scale.

Pakistan's economic priorities are clear - developing bilateral trade in raw materials and manufactured goods, opening up communications with the region and contracting for regular power supplies. The initial goal was starting up direct air flights between the various capitals of Central Asia and Pakistan. A longer-term goal is a projected highway and railway across Afghanistan to Pakistan, giving Central Asia trade access to the Indian Ocean. Pakistan sees substantial benefits for its industrial growth in obtaining regular supplies of surplus powers from gas and electricity grid schemes or future oil supplies from Kazakhstan or Uzbekistan. Besides manufacturing and light industry, Pakistani entrepreneurs feel they have a great deal to offer in setting up or expanding banking and insurance.

sectors as well as stock markets, joint-venture capital and imports EXPORTS, all of which are particularly poorly developed in Central Asia, and where training is badly needed. Here, Pakistani firms face considerable competition from Turkey, India and other countries of Asia.22

There may indeed be some Central Asian goodwill towards Pakistan and interest in what it has to offer, but there is also caution and a natural tendency in the Central Asian capitals towards the latter. In Pakistan's first diplomatic foray, a 26 strong Pakistani Government delegation was sent in December 1991 to the Central Asian States, paying short visits to each capital in turn. It was led by Sardar Asif Ala, then Minister of state for Economic Affairs. High up in Pakistani priorities came building up relation with Uzbekistan, as the biggest potential market and arguably the key republic in political terms for the future.

High level official visits were exchanged between Pakistan and Kazakhstan in 1992. President Nazarbayev paid a visit to Pakistan in February 1992, where a series of protocols for co-operation were signed, with proposed industrial deals and joint-ventures. Pakistan's Prime

---------------------

Minister Nawaz Sharif himself made formal tour of Central Asian state capitals in June 1992. Uzbekistan was a main focus of attention. President Islam Karimov was wooed by his counterpart, Prime Minister Nawaz Sharif by referring to the strong bonds of culture, history, religion and tradition that have existed between Pakistan and Uzbekistan. Meeting took place between these two leaders in Tashkent and Sharif invited President Karimov to pay friendly visits to Pakistan which was accepted by the Uzbek leader later that year.\(^{23}\) The enthusiastic reception given in Islamabad made President Islam Karimov declare his keenness about cooperation between Uzbekistan and Pakistan. Nevertheless, he continued to claim that Pakistan as well as Afghanistan were providing military instructors for training Tajik rebels fighting in Tajikistan against the regime backed by troops provided by Russia and Uzbekistan.\(^{24}\)


\(^{24}\) "ECO Looking into the Future", a special Issue of *Strategic Studies*, vol. xv. no. 2. 1992, Islamabad, Pakistan Institute of Strategic Studies. Islamabad Pakistan.
The prime aim of Pakistan is to work out in a short period, greater of economic opportunities. This was helped by the start-up in 1992 of direct flights between Tashkent and Islamabad and Tashkent and Karachi by the two respective national airlines - PIA and Uzbekistan's Hare Yollari (created from Aeroflot in 1992). Pakistani tourists, as well as many businessmen from Punjab, Karachi and north west frontier, came to see things for themselves and investigate openings. Many of the joint-ventures announced were small scale, but some larger operations were also setup. Pakistan's Tabani corporations was notably active in marketing pharmaceuticals, and promoting cotton production and tourism. It obtained the profitable agency in Pakistan for sales of tickets for Uzbekistan's Hara Yollari flights between Karachi and Tashkent, and in a goodwill gesture backed a number of cultural and sporting events in Uzbekistan and also in Kazakhstan. Letters of intent were signed to build a luxury hotel in Alma-Ata and to set up a cellular telecommunications network. Pakistan's Tabani Group entered briskly into business with an agreement worth about $50 million for import to Kazakhstan of food and consumer goods, some from Pakistan. Training of Kazakh business managers in Pakistan was agreed with Alma-Ata University.

25. Surendra Chopra, "Pakistan and the Central Asian Republics" in K. Wankuo (Ed), op.cit.,
Pakistan made apparent progress with a memorandum of understanding signed for mutual cooperation in many areas. Meanwhile, a team of Pakistani economic and fiscal experts was invited to establish new management systems in the government. The Institute of Management and Policy in Lahore for its part agreed to train Central Asian states in business studies. In the commercial field, textile and telephone deals were made with Pakistan companies, together with agreements to build one luxury hotel in each Central Asian Capital and aimed for major cities.

Bilateral exchange of experts, academicians, medical personnel, bankers, youth delegations and students were also agreed. Pakistan has placed considerable hopes in cooperation with all the Central Asian states while special attention is given to Uzbekistan and Kazakhstan.26

Relations with Afghanistan:

Given the prospect of continuing political instability in Afghanistan and in many areas the likelihood that "war lords" or independent commanders will contest for power with each other and with an instable central government, any realistic assessment must deal with the possibility of a

disintegration of the country into its main ethnic and tribal components. In the worst case scenario, Afghanistan, a fragile state even before the civil war began in 1978 will simply break. If Afghanistan does continue to disintegrate what is likely to succeed it? The tensions between its diverse ethnic and tribal elements could be catalyst for disintegration.

With the new found independence of former Soviet Central Asian republics, links are being forged on both sides of what used to be well-guarded frontiers and there is undoubtedly mutual attraction between these divided peoples not only in Afghanistan but also in Iran. For the future the potential appeal for irredentist ideas cannot be discounted. Indeed there has been interest in nationalist circles in Uzbekistan for what is thought of as the Uzbek cause in Afghanistan and calls have even been made for a confederation or the merger with Uzbek dominated areas of Afghanistan. In the Central Asian states with direct borders with Afghanistan, events in Afghanistan are being followed closely. One of the key elements in the Afghan military equation is General Abdul Rashid Dostum, leader of the ethnic Uzbeks of Afghanistan. General Dostum's effective government in Mazar-e-sharif maintains very close contacts with Tashkent and has representation in most neighbouring states governments. Turkmenistan, for its
parts, sent regular supplies for the Herat centred regional
government of Ismail Khan, effective warlord in north-west
Afghanistan. They want to keep future influence in northern
region of Afghanistan.27

All these processes are likely to produce a wider
regional impact on existing state arrangements. These may
well include present state borders, largely drawn upon by
British-Russian imperial commission in the 19th century.
Iran's long, open borders with Afghanistan and the presence
of some 2 million Afghan refugees make Teheran keen for
peace to return. But Iran, like Pakistan, also has its
influence inside Afghanistan to consider, and continues to
try, though not very successfully so far, to promote the
interest of its favoured Afghan parties. The changing
geopolitical map of Afghanistan, if permanent, will
undoubtedly amount to a great challenge for Pakistan. The
Pakhtun political scene in Pakistan's North West Frontier
Province and Baluchistan has been relatively quiet in
recent years. If however the Afghan state disintegrated,
it would surely open up once again the Pakhtunistan question
which damaged at the outset relations between Afghanistan
and the newly independent Pakistan in 1947.28

---------------------

27. Peter Ferdinand. "Changes in Central Asia: The Impact

28. Linda Benson, "Uygur Politicians of the 1940's",
Such a development could well stimulate Pakhtun nationalist demands for a union, in one form or another, of the divided Pakhtun lands. This would probably take the form of a political movement for a greatly expanded Pakhtun province of Pakistan or conceivably for an independent Pakhtu state of Afghanistan. Alternatively, a Balkanisation of Pakhtu regions of southern and eastern Afghanistan might become permanent.

Since the power struggle inside Afghanistan has shifted in favour of fundamentalist Taliban, moves to promote a political solution have gathered momentum. The tussle between the Islamic-oriented and "secular" factions have spilled in to the Central Asian states most of whose formerly-communist leaders are apprehensive of the rise of fundamentalism. There have been reports about Afghan groups trying to recruit Islamic militants in Tajikistan.\(^29\)

On the other hand, during the visit of the high powered Pakistan delegation to Tajikistan in December 1991, Tajik President asserted the direct interest of the Central Asian States in an Afghan solution and suggested that the next round of talks between representatives of the governments

---

concerned and Mujahideen factions be held in the Tajik capital Dushanbe. A more alarming phenomenon is the emergence of a move in the Central Asian States to take over parts of Afghanistan inhabited areas on the basis of their ethnic orientation. There were references to Tajik areas of North Afghanistan.30

Overall, the basic interest of the Central Asian states is in an early settlement in Afghanistan, and the emergence of a government there in which the previous Kabul regime of Rabani is represented. For Pakistan an early political settlement in Afghanistan has become a matter of urgency. It has the geographical advantages to be exploited through enhanced economic and commercial cooperation with the newly independent republics of Central Asia. At the same time, these republics are likely to demand a voice in determining the shape of the new setup in Afghanistan, and their preference would be in favour of moderate and secular elements.

Central Asian states Relationship with West Asian Countries

The west Asian countries that have common borders with the former Soviet Union, namely, Iran and Turkey, are likely

to interact much more closely than South Asia with the Central Asian republics. As direct neighbours, they have greater commonalities of history, language and culture, as well as better access to develop contacts and cooperation. Other countries of West Asia, notably some Arab states to the South also share historical and cultural links with Central Asia, and as most of them have considerable financial resources by reason of their oil wealth, they are likely to figure in the development of cultural relations with lands that were once closely linked with them. It needs to be recognised that within the former Soviet Union, the comparatively backward Central Asian republics were sustained by subsidies from the developed European republics which stopped after Soviet disintegration. Consequently, the countries of West Asia such as Turkey, Saudi-Arabia, and Iran are in competition again, with Turkey now in a position to emerge as a regional influence on account of its close links with the largely Turkish-speaking region extending over the whole of Central Asia. Iran Possessing oil and animated by the zeal of its Islamic revolution, is also aggressively pursuing the possibilities of drawing into its orbit the newly independent republics with which it has ties of language and culture and the real question is going to be whether "the Central Asian republics will follow Turkey's
secularism or succumb to Islamic fundamentalism.\textsuperscript{31}

At present Turkey's secular outlook and its impressive record of economic growth are more attractive for Central Asia states and this is likely to be regarded by the West as a more constructive alternative, considering that Turkey is a democracy and a member of NATO, than Iran which is seen as a theocratic and repressive state\textsuperscript{32}. Iran is encountering competition from Saudi Arabia, which has stepped up its role in Central Asia particularly in terms of support and assistance to religious institutions. Since the bulk of Central Asian Muslims belong to the Sunni denomination, Iran, which subscribes to the Shia sect, is likely to encounter resistance.

The contradictions arising from Islamic resurgence at the grass roots and the secular outlook of the present leadership in Central Asia are reflected in the role the Afghanistan Mujahideen factions, notably those with Islamic orientation, have been playing in the adjoining areas of Tajikistan and Uzbekistan, while the secular leadership of these republics has been opposing such forces.


Though Turkey does not have direct borders with the Central Asia states it has perhaps the brightest prospects for developing close cooperation with them not only due to the ethnic connections but also because Turkey is technically and economically advanced than other countries of the region. Turkey presents itself as a model of a modern version of Islam on the basis of "democracy", a free market economy, and a real division of Church and state.33

It is significant that the leadership in many of the Central Asian republics chose Turkey for their first visits abroad. The presidents of Kazakhstan, Uzbekistan and Kyrghyzstan vied with each other in praising the "Turkish model" which all of them wanted to emulate.34 Turkey allocated $1.2 billion for aid to these countries in 1992. Turkey also sponsored these republics' entry into such international bodies as the United Nations and the Conference on Security and Cooperation in Europe. However, Turkey as well as the Central Asian states are realising the limitations of the role Turkey can play. The Central Asian economic problems are too vast for Turkey or any one country to solve. Furthermore Russia reaffirmed its determination to

assert a paramount role in Central Asia. Turkey and Iran find themselves in contention for dealing with the situation in Azerbaijan even though they are both found wanting. The earlier prospects for a major role for Turkey has given way to a more cautious view that envisages Ankara as a having a natural but limited influence over the evolution of the Central Asian region.

Iran has natural geographical advantages particularly for providing access to the sea of the land-locked Central Asian region. Large number of Central Asians in Southern Uzbekistan, Tajikistan and other parts of Central Asia speak Persian. Iranian cultural influence has been considerable, despite the fact that most Iranians are shite Muslims while the great majority of the Central Asians are Sunni, which compels Iran to be circumspect in stressing the cultural aspect. Iran is laying emphasis on its role vis-a-vis the republics bordering the Caspian sea. Iran has also been active in promoting multilateral links with the region, through the OIC and ECO. There can be no doubt that Iran would become a significant player with regard to Central Asia, though its militant Islamic stance is bound to cause unease in the West, Russia and even the moderate muslim countries. For its part, Iran has been careful not to be seen as a champion of "fundamentalism" and has laid stress on cultural and economic cooperation.
Turkey, however, has perhaps the biggest potential for developing close cooperation with the Central Asian states for the following reasons.

i Nearly 70% of the population of these Central Asian republics is ethnically Turkish and speaks Turkic language.

ii The leadership of these republics are secular in outlook and would prefer to develop ties with Turkey.

iii Turkey is technically and economically more advanced than other countries of the region, and presents itself as a model of modern version of Islam on the basis of "democracy, a free market economy and a real division of church and state.

It is hardly surprising that the leaders of many of the Central Asian states chose Turkey for their first visits outside the CIS, among them the presidents of Kazakhstan, Uzbekistan and Kyrgyzstan. They also appeared to be competing with each other in praising the "Turkish Model". President Islam Karimov of Uzbekistan announced that his country will go towards the "Turkish route". President Nursultan Nazarbayev of Kazakhstan said "we want to implement a free Market and the only model we have is
Turkey". Looked down upon in Europe which they have been trying to join for two generation, the Turks are delighted being considered a role model and are happily turning their attention to Central Asia in establishing diplomatic relations with the Central Asian states instead of waiting to see the attitude of other countries.

The Turkish Standards Institute is assisting the republics with the adoption of common currencies measurements and alphabet. Businessman from Kazakhstan and Uzbekistan have been given internships in Istanbul companies. Though hundreds of Central Asian students have been admitted into Turkish Universities, the demands is much greater than the seats available. The Turkish Foreign Ministry anticipates the creation of two free trade zones - one for the Black sea littoral and the other for Central Asia, with Turkey linking the two. Turkey has already entered into dozens of agreements and joint-ventures to set up industries in various CIS republics including the Central Asian states, some in association with European companies. But Turkey has limitations in terms of financial resources. Many in the west urge greater western economic and technical support to Turkey which is the only countervailing force

35. M.A. Bhaty, op. cit.,
the region has to offer to contain the fundamentalist campaign initiated by countries like Iran and Saudi Arabia.

Saudi Arabia as the custodian of the Islamic holy places, has also shown great speed in re-establishing links with the Central Asian states. Saudi delegations have been pouring into the region since 1990 and the kingdom has already spent an estimated $1 billion in its activities, mainly to revive Islamic institutions, rebuilding mosques etc. Saudi activities are also designed in part to counter what it see as Iran's campaigning in support for a Shia revival. Saudis are making greater headway because a large majority of Muslims in Central Asia are of Sunni persuasion. Pakistani scholars visiting Tehran have been told about the "Wahabi threat" posed by Saudi Arabia's activities in Central Asia. The liberation of Islamic lands from the Soviet yoke has also evoked great interest in other Arab countries of West Asia, which are in a position to participate in the economic and cultural ventures in the region on account of their oil wealth. There were reports that Arab financiers have provided a credit to Tajikistan to purchase 1 million tons of grain and Oman signed an agreement with Kazakhstan in Nov. 1991 granting a loan of $ 20 million for industrial development. The Sultanate also agreed to participate in
the construction of an oil pipeline from Kazakhstan to the Persian Gulf region.37

The emergence of independent states in Central Asia following the collapse of the Soviet Union represents a qualitative change in the geo-strategic and economic environment for the adjoining countries in south and west Asian region. The two immediate neighbours in West Asia, Turkey and Iran, have an edge over others. Turkey is not only close geographically but three fourths of the population of the Central Asian States have ethnic and linguistic links with it. Turkey's secular outlook and its close ties with western Europe and the United States, constitute additional factors that would provide the basis for extensive cooperation economically and culturally. The only negative factors are Turkey's lack of capital and the pre-occupation of its elites with acquiring a European identity. The prospects of acquiring influence among Turkish-speaking populations and of making economic and commercial gains have already brought about a change in national priorities so that Turkey has displayed both initiative and imagination in pursuing the policy of developing close ties with the Central Asian states. The future for a major role by Turkey

in this region is undoubtedly bright. The Iranian moves may not evoke a positive response among the secular minded elites of Central Asia nor do they go well with other influential players from the west. At the same time, provided the religious or sectarian rhetoric is kept within bounds, Iran's national advantages are likely to ensure a significant role for it in Central Asia. The Arab countries in West Asia have also shown awareness of the potential for developing close ties with a region that has figured so prominently in the history of Islam.

Central Asian Independence and its Impact on South Asia:

The countries of the South Asian subcontinent achieved independence when the Soviet Union had emerged as a superpower and also led the socialist challenge to the capitalist western countries. In the context of the cold war, Pakistan aligned with the United States and India was a strategic partner of the Soviet Union. Pakistan virtually lost its frontline status following the Soviet withdrawal from Afghanistan and was after the Soviet collapse experiencing the consequences of a new United States doctrine aimed at containing Islamic Fundamentalism which virtually led Washington to India. For its part India was almost suddenly deprived of Moscow's political and economic support. The emergence of independent Central Asian states
created a new situation for both the major countries of the subcontinent.

The break-up of the Soviet union brought to an end a special relationship between Moscow and New Delhi, which according to a prominent Indian newspaper, was based on the Soviet perception of India as a bulwark against United States and Chinese expansion in south Asia. In the context of the cold war, the Soviet Union was willing to pour large sums of money and political support into the relationship. Once the logic of the cold war has disappeared so did it the basis of the earlier closeness. With the termination of the cold war the possibility of mutual friendship and alignment with each other in matters of defence and security at the moment There is a growing divergence between India and the formed Soviet republics on such major issues as nuclear Non-proliferation on which the Soviet Union used to support India against the United states. Pressures was evident from the Soviet role in favour of Pakistan's resolution in the 46th U.N. general assemble for declaring South Asia a nuclear weapon free zone. India

40. Ibid., p : 1261.
therefore has to adjust to a situation in which a captive market for almost number of its exports is no longer available and spares and replacements for the bulk of its sophisticated weapons supplied by Moscow at nominal prices have to be paid for in hard currency.

While the politically based advantages formerly available to India in its bilateral trade with the Soviet Union has disappeared the new situation is comparatively more favourable to Pakistan which is separated from Central Asia only by the narrow Wakhan salient. The geographical proximity as already pointed out earlier is reinforced by historical and industrial links that provide the impetus for the establishment of cooperation between India and Central Asia within two months of the emergence of independence republics in place of the former Soviet Union. The new Central Asia states are looking outwards in their quest to restore their historic links with their neighbours in the south, though other south Asian notably countries, Bangladesh and Srilanka have also figured in relationships with the Soviet Union during the decades it was a superpower, the impact of the emergence of sovereign and independent states in Central Asia is likely to be felt to a much greater extent by Pakistan and India.

Timely action was taken by Pakistan by sending a high powered delegation led by the Minister of State for Economic
Affairs which included both officials and business men on an extended tour of Russia and the six muslim republics during November-December 1991. The delegation was empowered to enter into immediate arrangements for economic and technical collaborations, and also to extend economic as well as humanitarian assistance within Pakistan's modest capabilities. Though the supplied credits of $10 million were considerably short of their needs or expectations, in the case of Uzbekistan the figure was raised to 30 million. In view of the acute shortages of food in some cases, gifts of 500 tones of rice were made to Azerbaijan, Uzbekistan, as well as to Russia, consignments of life giving drugs valued at $5 million were sent. In addition numerous agreements were concluded by the business representatives accompanying the officials for various trade transactions and joint ventures. Specific Rupee-dollar cantonments were made in the areas where Pakistan's experience could assist the republics in adjusting to a free-market economy, namely banking managements and hotels.

Pakistan become the first country to recognise all the independent republics and arrangements to have diplomatic representation were speeded up. An air link has been

established with Tashkent, which is going to be crucial so long as the turmoil in Afghanistan prevents the utilization of vital transit facilities by land.

The Pakistan delegation also extended invitations to the leaders of the Central Asian republics to visit Pakistan. President Nursultan Nazarbayev who heads Kazakhstan and is recognised as the most influential of the Central Asian leaders visited Pakistan from 22 to 24 February 1992. Not only did he receive a most cordial reception but a number of agreements were also signed for cooperation in trade, culture, science and technology and a joint commission was set up to monitor progress in bilateral cooperation.42

Afghanistan, bordering with Uzbekistan, Kazakhstan and other Central Asia states, and which also contains large ethnic minorities from these republics, is critically placed to play a major role by providing transit facilities through its territory to Pakistan. It offers the most convenient and shortest route to the sea with Islamic-minded groups in control following the Soviet withdrawal. Afghanistan has become involved in the conflict between Islamic and Pro-Russian factions in Tajikistan. Till peace

42. The Statesman, Delhi 8 November 1991.
and stability return to Afghanistan, Pakistan will be seriously handicapped in achieving its true potential so far as a role in Central Asia is concerned. While Afghanistan itself will have little to contribute directly to the economic and technical development of Central Asia, its geographical position is critically important for all communication links and projects for regional or bilateral cooperation between Pakistan and Central Asia, as well as the various developed countries of Asia for whom the shorter access through Pakistan would be more commercial. 43 Afghanistan's ideological orientation may also figure in the political evolution of the republics that lie along its border.

If one look at the Pakistan's perspectives on the local and international scenario it is clear that the independence of Central Asian states has come at a crucial time both for Pakistan and the Central Asian republics. The historical connection between Pakistan and Central Asian states extends so far into their past that there is evidence of overland routes. The present power elite in the region is headed by secular-minded leaders, with close links to Moscow who are fearful of "fundamentalism". Their mistrust of Iran on

account of the rhetoric of its Islamic regime makes most of them inclined to favour Pakistan as the outlet to the Arabian sea. These has also been a significant change so far as the interaction of this region with South Asian countries is concerned. Until recently, India enjoyed a special status by reason of its political relationship with the former Soviet Union. The current situation is that India has to compete for its share of Central Asian markets on a footing not of equality but of comparative disadvantage partly due to its own limitations and partly because of regional and international environment.

From Pakistan's perception, three broad perspective of geo-political relation in post-Soviet global scenario emerged.

1. Strategic

Central Asia's cultural links with south Asia and their likely quest for outlet to the sea via Pakistan, make the latter a potential partner in future. Over a period, as regional cooperation and Islamic bonds develop, this could alter the strategic configuration in a manner favourable to Pakistan, which would make up for loss of importance that country suffered as it no longer remained a "frontline state" as during the cold war era.
II. Regional

In terms of geography, history and economic potential the area extending from Turkey eastwards to Pakistan, and from Central Asia to the Arabian sea constitutes a natural region for cooperation and integrated development. The Economic Cooperation Organization (ECO) which originally comprised three countries, Turkey, Iran and Pakistan, has been expanded to include Afghanistan and the six muslim republics of the former Soviet Union. It has now become the second biggest regional organisation after EEC with a potential for making a significant contribution to the development and prosperity of the member countries. As a founding member of ECO, Pakistan attaches great importance to the role the grouping could play in promoting stability and progress in a sensitive and vital part of Asia and expects the Central Asian republics to give a new meaning and direction to the organisation's goals and activities.

III. Bilateral

The newly independent states share a feeling of affinity and kinship with Pakistan since they have retained the islamic link as the bridge between their distinctive peoples. They have emerged as a group of countries with which Pakistan can develop significant cooperation in many areas. They qualify as neighbours by their location and
once stability comes to Afghanistan, Pakistan will expect to provide the most convenient outlet to the sea to these land-locked countries.

Uzbekistan and Kazakhstan and other Central Asian states are influenced by political cross currents, economic situation, and social conditions. Pakistan's future interaction with this region will also be affected by the policies and goals of other countries in the vicinity, as well as more distant powers that have an interest in Central Asia.

There are important factors that are bound to restrict the scope of opportunities for Pakistan for strategic, political and economic interaction with Central Asia.

1. The principal needs of Central Asia being capital and technology, Pakistan can make only a modest contribution in this regard. Indeed, the ideal role would be to link its geographical advantage to the financial and technical resources of such countries as Japan that would be interested in participating in projects in the region.

2. The present leadership of the Central Asian region lays great stress on its secular outlook and Russia's preeminent role also makes them watchful for any "fundamentalist" inroads arising out of close association with the countries of South and West Asia.
This underlines the need to follow the regional approach and to use the ECO framework for economic cooperation.

3. Pakistan would have to wait for the situation in Afghanistan to stabilize, which lends an air of urgency to efforts to promote an accord among the contending factions there. In the meantime, Pakistan has certain deficiencies in its infrastructure, for instance in its communication and transport facilities, which are already under pressure and can hardly be expected to meet the additional demands of Central Asia. Pakistan also lacks expertise in Russian and Turkish languages and needs to build up a reservoir of manpower that is capable of taking advantage of the opportunities in the region.

There has been a trend for the initial euphoria over the prospects of cooperation with the Central Asian states to dissipate as realization of the constraints outlined above and of the seemingly intractable rivalries in Afghanistan has made its impact on analysts and planners in Pakistan. The inclinations on the part of Russia to assert its dominant role and its preoccupation with containing the Islamic upsurge are also seen as major handicap for Pakistan. However these are short-term factors and even scholars in Russia have no illusions about the inevitability
of the assertion of traditional values that were suppressed during the period of communist dictatorship.

With Pakistan handicapped by lack of direct access to Central Asia, and Turkey inclined to give priority to its European ambitions, Iran has been the most active of the Muslim countries in developing relations with the newly independent republics to its north. There is deep awareness in Tehran of the potential for political influence and for economic cooperation with countries with which it has interacted intimately over the centuries. Soon after the Soviet break up in 1991, the then Iranian Foreign Minister Dr. Aliakbar Velayati paid a ten-day visit to Russia and several of the Muslim states in Nov-Dec 1991. Agreements to continue and expand cooperation in economic, technical and cultural fields were concluded with the republics of Uzbekistan, Kazakhstan and other Central Asia states. Iran had supported the admission of three republics including Uzbekistan in the Economic Cooperation Organisation.

It is most likely that Iran will lay greater stress on bilateral ties, since the leadership in Tehran envisages a specially active role for Iran in these republics. Iran has also the financial resource to invest in Central Asian republics, while Turkey and Pakistan are going through a period of economic difficulties to say the least.
Whereas some of the foreign powers have a vested interest in Central Asia namely to counter Iran and other Muslim states by launching hostile propaganda campaign, Turkey has formed the Black Sea Common Market and Iran has established the Caspian Sea Council with the single aim to promote their interests in Central Asia but with a different methodology.

In February 1992, Iran put forward an initiative to bring together Persian-speaking countries to seek closer links with Central Asian states. Justifying his country's interest to play the leadership role in Central Asia not on religious but on cultural ground the former foreign minister of Iran Dr. Ali Akbar Velayati said "We have decided to create this cultural organisation to revitalize Persian, the language which had contributed the most to Islamic civilization in Central Asia in the former Soviet republic". 44

Persian-speaking forum will include Iran, Tajikistan and Afghanistan but it will also function in Turkophone states of Uzbekistan, Turkmenistan, Azerbaijan and Kazakhstan owing to their cultural links with Iran. In

October 1993, the then President of Iran, Rafsanjani paid a visit to some Central Asia states. In Uzbekistan he held talks with Uzbekistan's President Islam Karimov and discussed measures for strengthening oil, gas, banking and transport sectors. In a news conference, the Uzbek President said that differences between his country and Iran on the question of Tajikistan notwithstanding, there is support and understanding on the part of the government of Iran.45

According to an Indian scholar Turkey's role in Central Asia is not without predictable challenges. As pointed out by him, so far Turkey has been more successful in extending its influence in Central Asia, not only because it appealed to the Central Asian Turkish identity, but the west also preferred the "Turkish model" as a better option for the Central Asian nation building process. However, here too, any approaches to a regional unity or a regional co-operation community on the lines of Pan-Turkish concept will be confronted with the difficulty of regional complexities and the polyethnic population of Central Asia. Sub-nationalism, regionalism and tribalism will not take such a concept kindly. Moreover, nationalism is the most potent factor in the complex ethnic make-up of Central Asia.

There have been numerous fights between the Central Asian nationalities in the recent past. Besides, Pan-Turkism itself has enough potential to assume an Islamic character. Apart from major divisions between Turks versus Iranian ethnic and cultural background a potential fault line exists along nomadic versus settled people, urban versus rural, mountains versus valley identities, so on and so fourth.46

INDIA'S PERCEPTION OF CENTRAL ASIAN SCENARIO:

Central Asia or Turkistan has historically been an area of sizable migrations and shifting frontiers. Diverse ethnic groups today constitute a total population of about 60 million. As a part of the Soviet Union the republics of Central Asia did undergo tremendous changes socially. But they had no independent role to play politically or economically. While venturing into the intricate subject of the impact of the disintegration of the Soviet Union on this region's relations with South Asia, should have two consideration in mind:-

1. Central Asia is a conflict prone area with high developmental potential. South Asia has its own ongoing conflicts. Any appropriate analysis of the current

multidimensional historical transition process and related policies, therefore, requires orchestrated and dispassionate approaches.

2. The very nature of the subject implies in the existence of divergent perceptions reflecting different backgrounds, approaches, interests and visions of the future. The present developments in former Soviet Central Asia have created a new situation and correlation of forces in the area. Judging by current trends, the options available for the foreseeable future portray three fairly divergent scenarios:

(a) viewed pessimistically, the Central Asian region may slide into a chronic situation of domestic instability closely linked with regional security. In this context it is worthwhile examining the impact of domestic conflicts on the bilateral and regional conflict constellation. South Asian experience suggests a growing and decisive predominance of domestic conflicts which turn into an integral part of the external threat perception.

(b) The re-emergence of independent Central Asian states carries the seed of new regional structures, marginalised by the delication of Russian and British colonial spheres of interest.
as well as by their inclusion in the Soviet Union in the context of world war II and the cold war. These states are now re-establishing their international links (per se) their weight and alliances have the capacity of significantly affecting the balance of regional powers. This could even lead to the emergence and formation of a new region comprising Central Asia and substantial parts of west Asia, a successfully operating expression of such a regional affinity, but it would also carry political implications.

(c) a stocktaking of positive factors implies great possibilities for accelerated political, economic social and cultural development covering the vast area between Turkey, Russia and India during the decades to come.47

Strategic considerations primarily of Turkey, Iran Pakistan, China and Russia compel acceptance of the Central Asian factor as a major influence on their policies, domestic as well as external. The practical implementation of India's foreign policy, however, points towards the following main aspects of the official Indian perception

-------------------

that forms the basis for policy formulation.\textsuperscript{48} First, Central Asia today and in the near future is neither Russian Communist nor for that matter mainly Islamic. Second India's strategic interest envisages strengthening the secular aspects of the states in Central Asia and discouraging Islamic political militancy of the type already unsettling the conditions in Tajikistan. Incidentally for various reasons this interest is also common to China, Russia and the United States as well as Germany.

Some analysts voiced concern that India is not taking sufficient advantage of the existing goodwill, thereby sidetracking the fact that as a basic undercurrent the Central Asian states are prepared to resist any country trying to take advantage of their apparently vulnerable situation. Third, the transition of Central Asian states politically towards democratic structures, and economically in the direction of market economy is viewed as a drawn out process of confrontational power politics and shifting alliances, to be settled by the Central Asian nations themselves and among themselves. It is also generally agreed that the leadership of the day, in spirit of their Soviet and communist past are the best options available, if the


210
region is not to drift into chaotic, uncontrollable and therefore incalculable difficult conditions.

Fourth, economically it is obvious that Russia is not capable of substantial activities in Central Asia in the near future. This vacancy can be filled by others. Although a sense of competitions between various are going on, countries. The viable among them are India and Pakistan. The Indian perception clearly indicates three factors limiting the growth of economic relations.

1. From the Indian point of view, the Central Asian market is not new. It covers total population of about 55 million people which was supplied with Indian goods long before the Soviet Union disintegrated. These goods are well known and their demand ensures a consistent trade either against soft loans or in the context of barter arrangements even if their quality asks for improvement. These republics were also among the poorest of the union and structural changes as well as the compulsion for other social and economics adjustments have further aggravated a downward trend of economic figures. Import capacity and purchasing power, therefore, are likely to remain limited for a long period.
2. Overland routes are absent or unsafe. An expansion of the volume of trade is therefore difficult although the value of exports to Central Asia may rise on the basis of concentration on lighter, smaller and high value goods. India so far is not prepared to invest in road building projects. A sudden change of the situation in Afghanistan is not expected, which could enable undisturbed transit trade. Growing political and economic links with Iran may, however, place India at the receiving end of improving infrastructure, and also the connections between Iran and Central Asian states of Uzbekistan and Kazakhstan.

3. Any substantial progress in the economy of Central Asia is limited. Global investment capital will keep it flowing in to areas with a better and safe investment climate. Although the economic potential of the region is appreciated and India would like to gain access to its strategic resources, there does not seem to any immediate break through.

Fifth, the Indian perception does not exclude Central Asia being embroiled in ethnic strife. Demographic mobility and social tension in fact a further exodus of the Russian and German work force, seriously impeded the growth of a market economy and of democratic structures of the society.
In a nutshell, the Indian approach could be characterized as cautiously constructive based on the common interest in development and India's preparedness to share the experience of economic reform as well as drawing up on the pre-colonial historical and cultural ties.  

India has from the decades of it close relations with the former Soviet Union inherited established products as well as markets for its goods, though its products do not enjoy a high reputation, since a lot of them were dumped into what was a captive market on account of the special Indo-Soviet commercial arrangements. India would look for trade routes that would keep its exports competitive. It is playing on the concern of the current Central Asian leadership over threat of Islamic "fundamentalism" to seek preferred access to what it considers to be its traditional markets despite the setback to its standing in the region. India has considerable assets to pursue the goals of developing commercial and cultural cooperation with the newly independent states.  


exceptionally cordial relations between Moscow and New Delhi, numerous high level visits have already been exchanged between India and the Central Asian states, during which stress was laid on learning from India's experience in "Market economy". India is therefore likely to remain a significant trading partner of these Central Asian states.

-----------