

# India's Connectivity Strategy in Central Asia: Navigating Geopolitics and Economic Opportunities

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## Structured Abstract

Article Type: *Research Paper*

*Purpose*—This paper analyzes India's strategy of connectivity in Central Asia, and why India accounts for strategic objectives beyond its extended neighborhood policy. The study examines India's geopolitical motivations and responses to global challenges, including the Covid-19 pandemic and the Russia-Ukraine war, that underscore the critical nature of regional cooperation and connectivity.

*Design, Methodology, Approach*—Through a qualitative framework, the paper examines how India articulates its interest in Central Asian countries through different domain captions, i.e., historical, political and economic. It assesses India's existing connectivity initiatives, such as the Chabahar Port and the International North–South Transport Corridor (INSTC) projects, and geopolitical and economic challenges India faces from China's Belt and Road Initiative (BRI).

*Findings*—The study concludes that although India's historical and cultural relations with Central Asia offer a solid base, its present activities do not measure up to any challenge to China's influence. The paper highlights significant gaps in the connectivity strategy of India and suggests strategic actions including accelerated investment in connectivity initiatives, partnerships with nations sharing common interests and multi-lateral platforms like the Shanghai Cooperation Organization (SCO) that can help India enhance its influence in the region.

*Practical Implications*—The findings are relevant for policymakers, scholars of

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international relations, and strategic studies, providing actionable insights into strengthening India's connectivity and strategic presence in Central Asia.

*Originality, Value*—This paper contributes a unique perspective on India's geopolitical and economic strategies in Central Asia. By proposing an alternative connectivity strategy, it aims to reshape discussions on regional cooperation, countering dominant narratives driven by China's BRI and Russia's influence in the region.

Keywords: central Asia, Chabahar Port, China's Belt and Road Initiative (BRI), geopolitics, India's connectivity strategy, International North–South Transport Corridor (INSTC)

## I. Introduction

Why is India's connection not only limited to its extended neighborhood policy, but also has a strategic goal? In answer to this question, it is crucial to understand India's engagement with Central Asian nations. With the recent Covid-19 pandemic and the Russia-Ukraine conflict, trade and commerce's fragility and vulnerability became globally visible instantly. The taken-for-granted approach of "connectivity" has been disrupted in Central Asia and beyond. Most importantly, the ongoing Russia-Ukraine conflict has, in many ways, underpinned the geopolitical significance of connectivity linkages in international relations. This interlinkage between geopolitics and connectivity becomes evident because of the state's interest in alternatives and the turn toward connectivity politics. India's connectivity towards Eurasia is "Connect Central Asian Policy" (formally Extended Neighborhood Policy) because of its geopolitical and geo-economic importance across South Asia. The region "Central Asia" has been the object of a tussle between great powers, where independent states, such as Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, became the local players in this game to control resources. These Central Asian regions are bordered by China's Xinjiang (Uyghur) Autonomous Region, Mongolia, Afghanistan, and India's Northwest Region.<sup>1</sup>

The SCO consists of nine members: China, India, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Russia, Tajikistan, and Uzbekistan, and the EEU consists of five member states: Russia, Belarus, Kazakhstan, Kyrgyzstan, and Armenia. India extends to connect Central Asia and beyond to every possibility of strategic and economic importance to India, implying that the latter could emerge as an appealing market for some of its prominent regions in Central Asia to the Russian Far East.

Looking into the connectivity approach with Central Asia, India's historical connection must meet its reciprocal economic and political benefits. The trade data between India and Central Asia's export-import in 2015 was predicted to be six to ten times greater than the actual volume.<sup>2</sup> On January 27, 2022, Prime Minister Narendra Modi and all the heads of Central Asia attended the first India–Central Asia summit in virtual format.<sup>3</sup> Thus, this paper *highlights India's pre- and post-connectivity approach* towards Central Asia for further cooperation and economic linkages.

## II. India's Policy Toward Central Asia

### *Pre-Connect Central Asia Policy (2012) Period*

India considers Central Asia an “extended” and “strategic” neighborhood. After its independence, India's close relationship with the Soviet Union helped it establish diplomatic ties with Central Asia. Central Asia consists of five states: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. All five states became independent after the collapse of the Soviet Union in 1991. Even after the end of the Cold War in 1991 and the collapse of the Soviet Union, India continued to establish its diplomatic outpost in the newly independent Central Asian Republics (CARs). For example, India was among the first countries to recognize the Central Asian countries after the dissolution of the Soviet Union, recognizing Turkmenistan as a sovereign nation on December 26, 1991, and converting the consulate in Tashkent, Uzbekistan, into an embassy in March 1992. By August 1992, India had recognized all five CARs as independent sovereign states.

Moreover, the extremist Taliban movement gained popularity in Afghanistan in 1994, which was controlled by the Soviet-backed regime. After the Taliban took control of Kabul in 1996, India closed its embassy in Afghanistan's capital. It focused on the CARs to channel intelligence support to the Northern Alliance, who were fighting against the Taliban.<sup>4</sup> When US troops defeated the Taliban in 2001 and the Northern Alliance dominated the new interim government of Afghanistan, India linked to the latter through the CARs to set up an embassy in Kabul. However, extremist threats have continued to influence Islamist militants in the border region of the northeastern corridor of Afghanistan, which shares borders with Tajikistan, Pakistan, and China.<sup>5</sup> This setup adds incentives to build mutual economic, strategic, and other assistance-based ties between India and the CARs.

In June 2012, India launched a new “Connect Central Asia” policy that signaled India to build stronger political relations and strengthen security cooperation with Central Asian states.<sup>6</sup> The “Connect Central Asia” policy is a broad approach that includes political, security, economic, and cultural connections.<sup>7</sup> It aims to set up multilateral engagement with Central Asia through a joint effort like the Eurasian Economic Community and the Customs Union. India also proposed to engage in the SCO and establish a new Comprehensive Economic Cooperation Agreement to integrate with Central Asia.<sup>8</sup> India has been a full-fledged SCO Member State since 2017 and took the chairmanship of the SCO Council of Heads of State for the first time in September 2022 for one year.

### *Post-2012 Period*

In 2022, the first India–Central Asia summit was held, where two Joint Working Groups on Afghanistan and Chabahar port project were announced.<sup>9</sup> Mansi Mehrotra (2009) highlights that security concerns in the CARs can directly threaten India's security, mainly due to faster transportation, communication, technology, and the presence of rich mineral resources crucial in bringing to international attention and can be of India's strategic interest.

**Table 1: India's Exports to Central Asian Countries**  
(Values in US\$ Million)

Country	2018–2019	2019–2020	2020–2021	2021–2022	2022–2023
Kazakhstan	141.13	202.59	225.96	235.12	436.50
Kyrgyzstan	30.02	29.13	38.71	32.89	52.38
Tajikistan	22.28	23.50	53.45	35.35	49.40
Turkmenistan	45.64	33.90	60.34	104.29	90.29
Uzbekistan	201.41	180.21	280.07	271.18	283.31
<b>Total</b>	<b>440.48</b>	<b>469.33</b>	<b>658.53</b>	<b>678.83</b>	<b>911.88</b>

Source: Department of Commerce, Export Import Data Bank (October 19, 2023)

**Table 2: India's Imports from Central Asian Countries**  
(Values in US\$ Million)

Country	2018–2019	2019–2020	2020–2021	2021–2022	2022–2023
Kazakhstan	708.78	2,255.70	804.97	325.77	205.13
Kyrgyzstan	2.59	1.33	5.16	1.79	4.19
Tajikistan	4.24	0.29	1.06	10.74	0.52
Turkmenistan	20.63	3.99	0.30	10.07	101.72
Uzbekistan	126.73	66.85	14.94	71.35	48.40
<b>Total</b>	<b>862.97</b>	<b>2,328.16</b>	<b>826.43</b>	<b>419.72</b>	<b>359.96</b>

Source: Department of Commerce, Export Import Data Bank (October 19, 2023)

### III. Role of Multilateral Organizations in Central Asia's Connectivity

In this context, multilateral organizations have emerged as effective instruments for influencing the geopolitical and economic landscape in Central Asia, thereby affecting India's connectivity strategy in the region. Entities like the SCO, the Eurasian Economic Union (EEU), and the Collective Security Treaty Organization (CSTO) play a vital role in enhancing regional collaboration in Central Asia. Since becoming a member of the SCO in 2017, India has been leveraging this platform to expand its presence in the Central Asian nations. Consequently, the SCO provides India with a multilateral forum to engage in discussions regarding security matters, counter-terrorism initiatives, and trade-related issues, enabling it to align its interests with those of other regional stakeholders.<sup>10</sup>

As much as \$73 billion worth inside the EEU itself (including Russia, Kazakhstan, Kyrgyzstan, Belarus and Armenia) is also significant in regional trade according to trade data. Although New Delhi is not a member of the EEU, India has endeavored to create connectivity routes that overlap with those from the EEU, especially through the INSTC. Its partnership with Russia—a key member of the EEU—gives India a strategic

advantage to seamlessly connect its connectivity ventures with a projected Eurasian economic network.<sup>11</sup>

India also has a platform to work on security through the SCO, especially in countering terrorism and radical extremism with the anti-common terrorist threats coming out of the neighboring Afghanistan, through the SCO's Regional Anti-Terrorist Structure. Moreover, India has used SCO summits to push for enhanced economic connectivity through projects such as Chabahar Port and the INSTC, highlighting their respective roles as trade conduits for SCO countries.<sup>12</sup>

But in recent years, Beijing's Belt and Road Initiative, which has profoundly transformed the connectivity landscape in Central Asia, has threatened New Delhi's ascendancy. So far, BRI investments in the region, numbering over \$50 billion, signal China as the player to beat. On the other hand, India's intervention within the SCO challenges China's BRI by emphasizing multilateral trade systems and presenting alternatives to development that ensure balanced growth without the risks of debt dependency that some BRI projects create for nations such as Kyrgyzstan and Tajikistan.<sup>13</sup>

India has also previously reinforced the significance of sustainable development in the multilateral framework. India's example could be based on the green energy projects proposed by the Indian Prime Minister at the 2023 SCO Summit and technology sharing based collaboration that promotes connectivity without damaging the vulnerable ecosystem of the region. That reflects its larger vision of integrating economic and environmental aims, giving it a different focus from more infrastructure-heavy efforts like the BRI.

Through engagement in multilateral organizations, India seeks to cement its geopolitical presence in Central Asia through a multilateral agenda based on common challenges in the areas of security, trade, and sustainable development. These platforms allow India to work with like-minded nations and provide a counterweight to other major powers' dominance and ensure a more balanced and diverse connectivity plan.

#### **IV. India's Connectivity to Connect Central Asia with an Alternative Corridor**

In relation to CARs, India relies on Iran for its connectivity initiatives like INSTC and Chabahar, involvement in Afghanistan, and maintaining a balanced partnership with China and Russia. Nonetheless, the concepts of connectivity differ between geo-strategy and trade in the Central Asian Region. For India, the Connect Central Asian Policy represents a comprehensive strategy that encompasses political, security, economic, and cultural ties. For Russia, Central Asia ranks as a top priority in its foreign policy approach. The rationale behind this is that Central Asia was under Russian control for numerous decades, and Russia considers itself responsible for the significant population of Russian and Russian-speaking ethnic communities in that region. This historical connection to Central Asia is vital for Russia's current interests in the area. The Chinese province of Xinjiang shares a border with Central Asia. Following the disintegration of the Soviet Union and the rise of new actors in Central Asia, China emerged as a dominant force in the region. As per former Chinese Premier Wen Jiabao, by 2012, Chinese investments in Central Asia were estimated at \$250 billion.<sup>14</sup> The Western Development Campaign introduced by China in

2000 aimed to enhance the economic growth of 12 provinces in the western region. Xi Jinping’s vision of Belt and Road connectivity through these provincial gateways plays a significant role in the Central Asia Region.

### *India’s Connectivity via Chabahar Port*

Chabahar Port is located in southeastern Iran just 172 km to the west of Pakistan’s Gwadar Port, which is linked to the China-Pakistan Economic Corridor (CPEC). India opposes the CPEC due to territorial sovereignty concerns and prioritizes the Chabahar Port, which serves as a gateway to Iran, Afghanistan, and other Central Asian nations. This situation has caused unease for China, which perceives it as a challenge to the BRI. Consequently, Iranian Foreign Minister Javad Zarif remarked at the Raisina Dialogue 2021 that Chabahar does not oppose the Gwadar Port. He emphasized, “We have made very clear to our Indian friends.... Chabahar is a place where we can all come together to help Afghanistan, help development and prosperity in the region.”<sup>15</sup> Nonetheless, the new connection through Chabahar allows India to monitor China’s influence in the Arabian Sea more closely. Additionally, natural gas from Central Asia can be transported to India through the Chabahar Port. India is already involved in the Turkmenistan, Afghanistan, Pakistan, and India pipeline project.

### *International North–South Transportation Corridor*

The agreement to create the INSTC aims to link India with Iran while connecting additional countries, thereby enhancing the significance of revitalizing the Silk Route.<sup>16</sup> Cargo is transported from Kandla and Jawaharlal Nehru ports in western India to Bandar Abbas port in Iran by ship, and potentially to Chabahar via road and rail networks through Baku (Azerbaijan) towards Moscow, St. Petersburg, and Europe. A report by the Russian International Affairs Council (2017) identifies two main routes suggested for connecting the INSTC member nations: the first route links India to Azerbaijan through Iran, while the second connects India and Russia via Iran.

**Table 3: Multiple Routes (Old and New) of INSTC**

Route	Distance	USD/TEU	USD/FEU	Transit
Nhava Sheva–Moscow via St. Petersburg	8700 nm	3500	5200	45 days
Nhava Sheva–Moscow via Kotla	8596 nm	3900	5600	45–50 days
Nhava Sheva–B. Abbas	750 nm	200	300	5 days
B. Abbas–Qazwin	1461 km			3 days
Qazwin–Astara	380 km			1 day
Astara–Yalama	504 km			2 days
Yalama–Moscow	2260 km			5 days
Nhava Sheva–Moscow via B. Abbas	4605+sea	2100	3100	14+5 days
Nhava Sheva–St. Petersburg	5566+sea	2200	3037	15+5 days

**Source: Federation of Freight Forwarders Associations in India (FAI)**

Unlike India, Russia is apprehensive about China's involvement in Central Asia. While numerous analysts discuss the strategic alliance between Russia and China, Moscow ultimately harbors distrust towards Beijing's role in Central Asia and Eurasia; it views this region as its sphere of influence and fears that China's economic penetration will also translate into political sway, which is unwelcome to Russia. A significant development initiative in the Far East was prompted by then Prime Minister Pyotr Stolypin's notable address to the State Duma in 1908, where he emphasized the need to "occupy the barren land and seek its development before foreign settlers arrive."<sup>17</sup> The Stolypin settlement initiative provided financial support for travel and non-repayable loans to individuals willing to relocate to Siberia from European Russia to meet this objective. Thanks to these incentives and newly established infrastructure such as schools, medical facilities, and roads, over 3 million people relocated to eastern Urals between 1906 and 1914.<sup>18</sup> At present, the Far East heavily relies on East Asia, especially China.

In 2019, India was honored with the role of chief guest at the fifth Eastern Economic Forum summit held in Vladivostok. Prime Minister Modi committed a \$1 billion line of credit aimed at fostering development in the region. This singular invitation to invest in the "Russian Far East" (REF) during the annual bilateral gathering in Vladivostok, where Modi served as the chief guest, envisioned enhancing cooperation in sectors like petroleum and natural gas, coal and mining, agroprocessing, and tourism. India's cost-effective labor has proven to be a considerable asset for economic advancement, and this skilled workforce can serve as a valuable resource for the development of Russia's Far East, which is experiencing a labor shortage. India's International North-South Transport Corridor has the potential to link the Far East with the Indian Ocean.

## **V. Technology and Digital Connectivity as Emerging Frontiers**

Technology and digital connectivity are rapidly emerging as critical components of India's engagement with Central Asia, providing India the opportunity to help modernize the Central Asian region and deepen collaboration. According to the World Bank's 2022 report on digital transformation in Eurasia, Central Asia's digital economy is growing at an annual rate of 10–12 percent in e-commerce, fintech, and digital infrastructure sectors. This potential has not gone unnoticed, and with its IT expertise and digital resources, India is gradually forging bonds with the five Central Asian republics—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan—eager to grow their economies and move away from the oil and gas economy of the past.<sup>19</sup>

India's Digital India program offers a template for other Central Asian states interested in improving their digital infrastructure. Taking this approach further, India's Ministry of External Affairs suggested setting up IT and e-governance training centers in Uzbekistan and Kyrgyzstan, similar to those established in other developing countries.<sup>20</sup> These centers will train local talent in emerging technologies, such as artificial intelligence (AI), cloud computing and cybersecurity, where India has a global competitive advantage. Kazakhstan has also



been a partner for India in the field of space technology, with the joint satellite launches and agreements of data-sharing indicating high-tech cooperation potential.

Internet penetration in Central Asia has more than doubled in the past decade—from just over 30 percent of the population in 2010 to over 70 percent by 2023, according to the International Telecommunication Union. But the region also remains behind in aspects such as the development of digital ecosystems and broadband access, particularly in rural areas. India can play a leading role here by sharing its experience and expertise in providing for affordable and scalable solutions such as the state infrastructure project BharatNet, where over 650,000 villages in the country have been connected to high-speed broadband. India can act as a bridge for growth from the east to the west by replicating similar models, thus also helping to close the digital divide in Central Asia.<sup>21</sup>

Moreover, there is an untapped potential for India and Central Asia on digital trade and e-commerce cooperation. According to a 2021 report by UNESCAP, better cross-border digital payment systems, along with simplified customs procedures, could lead to a 40 percent increase in digital trade in Central Asia. Natively, India's Unified Payments Interface system has changed the landscape of digital payments in India, and as an exportable model would provide for seamless financial transactions across Central Asia, promoting trade and economic integration.<sup>22</sup> Indeed, even discussions are underway to weave India's payment systems into Central Asia's financial architecture, which could greatly enhance bilateral trade volumes.

In addition, with India's software and IT service exports, which according to NASSCOM amounted to \$157 billion in 2022, Central Asian firms could leverage outsourced partnerships. Companies from India such as Infosys, Wipro, and TCS are in talks to set up development centers in the region, which can open paths for local talent to upskill digitally and even find jobs.<sup>23</sup>

The second frontier for digital connectivity is education and telemedicine. Leading online education platforms in India such as SWAYAM and Coursera had over 200,000 students enrolled as of 2023, also indicating a promising future for virtual education programs in Central Asia. India can broaden these efforts by providing sector-specific training in areas like IT, engineering, and medicine, which are in great demand in the region's labor market. Likewise, telemedicine initiatives, such as those implemented by India in Africa under the aegis of the Pan-African e-Network, could also be modeled in Central Asia to improve healthcare accessibility for remote and rural areas.<sup>24</sup>

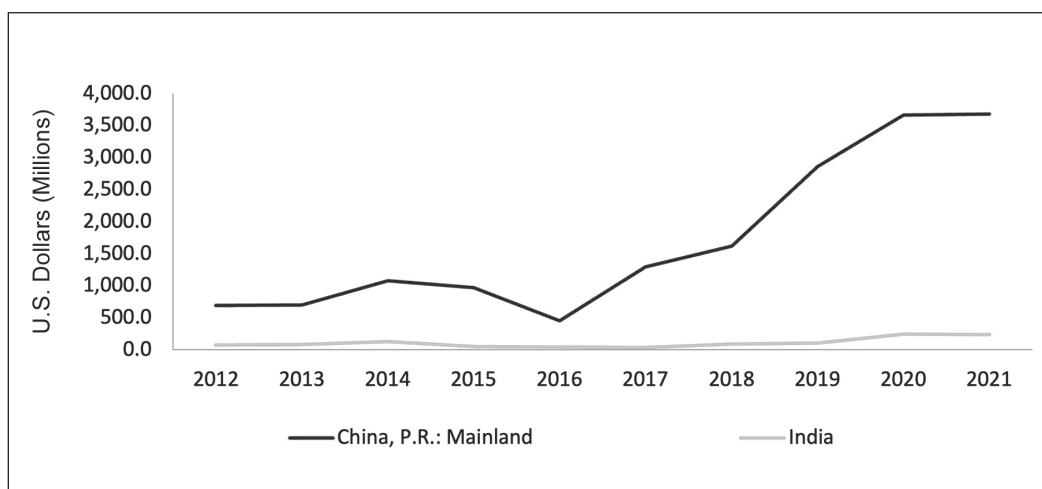
India's push for digital connectivity is also in line with its broader geopolitical strategy to counter China's grip on the region. Though China's Digital Silk Road initiative has devoted substantial investment to Central Asia, Indian initiatives aim at collaboration, capacity enhancement, and transfer of technology, presenting an alternative that underscores reciprocal growth and sustainable development in the long run.

## **VI. Analysis of the India and Central Asia Connectivity Approach**

With the lack of engagement of the old players, new emerging players pivoted towards "Central Asia." Our finding shows that despite India's political interest in Eurasia and



external pressure to counterbalance China in the region, Indian actions still do not match the reality. There must be economic gain to sustain the political reality. This is also due to some political scientists' claim that India's gain is for the short term. In contrast, economists are more skeptical about the region if the market is unsustainable for the State's decision-making for more cooperation and engagement. The *Global Fire Power Index* (2022) shows Russia, China, and India rank second, third, and fourth in military strength. In realist assumptions, these states are most likely to go to war in this situation to seek resources or power maximization. The recent Russia-Ukraine war backs this claim of the state to some extent of going to war for resources. Also, in Eurasia, both India and China see trade as a more efficient source of development than conquest. Just like the importance of ancient Silk Route connections, Eurasia requires connectivity.



**Figure 1. Graph on China and India Trade with Central Asia (IMF Direction of Trade Statistics [2022]).**

Figure 1 shows that China's trade with Central Asia is much higher than India's. Even though there are debates regarding India's connection to Central Asia, India's approach towards Central Asia is not based on economic benefits but on a certain level of political hype. That will determine the connectivity in a free-market globalized world. We are not going to build a road where there is no business; we are not going to build a railway where there are no people to go.<sup>25</sup> The main reason behind Chinese trade is its direct links to the region. This is why the Chinese are interested in the railroad; how else will they export to Tajikistan, Kazakhstan, and Uzbekistan? Only the land link is well connected, which also connects to Russia, the primary trade partner for China (exporter of goods).

In the present age, in terms of Russian data, total trade between the two countries was on a downward trend from 2013 until 2016, and it saw an increase of 9.36 percent in 2017. The positive trend continued in 2018 at 10.98 percent and in 2019 at 11.16 percent, a rise over the previous years. In 2019–20, trade between Russia and India totaled \$10.11 billion, with both countries investing in each other's oil and gas sectors. They have set a target of \$30 billion in bilateral trade by 2025. However, this pales in contrast to the \$110 billion trade

between Russia and China in 2019. Examining the facts, Mohan (2020) says, “As much as we would like to have our view in the world markets, the location of markets and transport of people determine outcomes. So, I don’t think much can be expected from the Chabahar rail project unless we can export through Pakistan into Afghanistan and from there to other countries.”

Unlike India, China is in a very different situation, with reserves of \$3 trillion.<sup>26</sup> It must be put somewhere; otherwise, the currency will be devalued. What China has done is to derive a new method. They are not giving the BRI money to these “stan” countries, but they are giving them loans. With those loans, they buy Chinese goods—Chinese cement, Chinese steel, Chinese railroads, and Chinese equipment—and countries like Uzbekistan, Tajikistan, and Kazakhstan must repay the Chinese loans. For example, it’s like American aid; at one time, they give the country money and make them buy goods from the US, which benefits the giver more than the taker. Like the situation in Sri Lanka, they borrowed so much money from China to build ports, etc., and they did not need various things, and now the Chinese are asking for money, Mohan says (2020). As the saying goes, the Chinese do not give anything for free; they offer everything at a high interest rate. They have been lending money to Pakistan at 5 percent, which is higher than the World Bank and IMF rates.<sup>27</sup> This is not a good idea for borrowers. The business of Chinese goods going by train from Russia to Western European markets is not economically sensible since the opening of the sea route from the Northern Sea through the Arctic Sea; you can sail 7 or 8 months a year. It is cheaper to send goods by ship; the freight by road or rail is double the sea freight cost. So, how you can make these more competitive is the big question. The Chinese got the investment and infrastructure without paying for it. They only assume the debts and transfer the cost to somebody else. Kazakhstan, Uzbekistan, and Tajikistan must pay back their BRI money to China; it is not free.

Political leaders in Central Asia may also fail to look beyond the surface level and succeed in glorifying only themselves for their achievements of getting a new drill track, railway station, or airport during their time of power. In that way, India could also have taken vast sums of BRI money to build ports, etc., but it must pay it back. It must make economic sense (Mohan, 2020). For example, Sri Lanka is in a mess already, and so is Pakistan. Now, they have realized whose goods will be carried through the CPEC road and what manufacturing China has in Xinjiang for export through Pakistan. On the other hand, Russia is not taking any BRI money, though they are cleverer. They are not desperate to get Chinese investment at any cost. These are not grants; this is credit. India also gives credit to other African countries, but comparatively less because the project finance is to make money and buy equipment from the giver.

This indicates that more than building roads and railways is needed to solve the problem, but creating a market will. With the Central Asia and the South Caucasus regions, India’s annual trade stands at 2 billion USD annually.<sup>28</sup> Unlike Central Asia, the South Caucasus has not been an eye-catching target for the policymakers of India for a long time. Connection via road is still incomplete unless it goes via Pakistan. Otherwise, the market must be created. India and China will become big economic partners. India is now demographically in the same situation as China was 30 years ago. India’s middle class is expanding, and this middle class wants consumer goods like cars, refrigerators, computers, washing machines, and mobile phones. China has the biggest mobile market in the world

and the second biggest automobile market in the world. According to Chinese statistics, the bilateral volume between China and India stood at \$125.66 billion in 2021, reflecting more dependence on each other in commerce.<sup>29</sup> India's trade with China in 2021 reached \$125.6 billion. China is still India's second-largest trading partner. China contributes 30 percent to the world GDP growth; India contributes about 9 percent, and this is a big growing market. If China would benefit from exporting to India, China must invest in India and sell in India; it is an opportunity to make a profit, not windfall gains.

Also, the Far East has opened the next corridor for India to connect Eurasia; China is still the major trading partner. The area of the Far East contains rich resources such as coal, timber, liquid natural gas, etc., and India can develop new sectors and help companies invest in them. The 2019 Prime Minister Modi's visit to the Far East has already announced to provide a \$1 billion loan to the region's economic development. A memorandum of understanding has been signed to establish a corridor between Chennai and Vladivostok. In addition, India has sought to bring Japan into its investment plan. A negotiation at the Track II level has been initiated between India, Japan, and Russia for joining Far East projects. India's interest is not only economic in the Far East, as there is a concern of Russia getting closer to China with worsening relations with the West. Russian Far East constitutes 40 percent of the country's territory with the availability of natural resources. Russian President Putin's vision of the Far East as a "national priority of the entire 21st century" with only 6 million people in the region provides space to new investors and trading partners.

## **VII. Environmental and Sustainable Development Challenges**

Environmental and sustainable development challenges are vital considerations for India's connectivity initiatives in Central Asia, a region with fragile ecosystems and resource-dependent economies. Water shortages, desertification, and climate change make Central Asia one of the world's most environmentally vulnerable regions. More than 60 percent of Central Asia's water resources are located in Kyrgyzstan and Tajikistan, but downstream countries such as Uzbekistan, Kazakhstan and Turkmenistan hugely depend on shared water resources for agriculture and industry, according to United Nations Development Program.<sup>30</sup> From the neglect of water resources and resolution of trans-boundary disputes around rivers such as Amu Darya and Syr Darya to the Arab Spring, plague in Syria, reactive politics in Afghanistan and many more, one can imagine how regional dimensions must be contributory factors requiring joint and sustainable steps as their solutions.

India has to look towards the environmental implications of enhanced trade and infrastructure development along connectivity projects like the Chabahar Port and the INSTC. The 7,200 km-long Indian INSTC, using different transport modes, could increase emissions if the principles of green logistics are not taken into account. India, in this regard, has suggested that renewable energy be incorporated into its connectivity framework. Companies, including NTPC and ReNew Power, have shown interest in partnering with Central Asian countries to build the projects to harness the abundant natural resources of the region for generation of solar and wind power. Kazakhstan alone has the potential to produce more

than 1,000 GW of renewable energy annually, according to the International Renewable Energy Agency, making it a key partner of India for the sustainable development goals.<sup>31</sup>

Desertification is another challenge in Central Asia, with more than 70 percent of arable land already degraded because of unsustainable agriculture and climate change, according to the World Bank. India has technical knowledge and best practices in land restoration and water management that can complement such actions through initiatives such as the Jal Shakti Abhiyan. An example of what could be done in Central Asia is India's target under the UN Convention to Combat Desertification to improve by 2030 the quality of more than three million hectares of degraded land.<sup>32</sup>

Climate change is already taking a toll on the region's glaciers, which are melting faster than ever. Glaciers in Kyrgyzstan and Tajikistan, which provide water to tens of millions, have retreated by more than 30 percent in the past century, according to the World Glacier Monitoring Service. It has serious consequences for agriculture, energy and drinking water supplies. India's engagement in this context with Central Asia can entail joint research and technology transfer in the areas of glacier monitoring, water resources management and disaster preparedness. Moreover, India's National Action Plan on Climate Change will provide various frameworks that can be molded to suit the specific needs of Central Asia, especially in sectors such as renewable energy adoption and energy efficiency.<sup>33</sup>

The Aral Sea disaster, often acknowledged as one of the world's greatest environmental catastrophes, highlights the necessity for sustainable growth in the region. Long the fourth-largest lake in the world, the Aral Sea has dwindled by more than 90 percent after two rivers were diverted for irrigation. India can thus play a role in the restoration of such ecosystems, sharing the knowledge and experience gained from large-scale afforestation projects including the Green India Mission which looks at increasing forest cover and biodiversity.<sup>34</sup>

Air pollution is another growing problem, driven by industrialization and urbanization in Central Asia. Metropolitan areas as far away as Almaty, Kazakhstan, and Tashkent, Uzbekistan, are struggling with deteriorating air quality, in part as a result of aging energy infrastructure that depends on fossil fuels. As a global leader in renewable energy, India can help Central Asia move towards cleaner energy systems. The International Solar Alliance (ISA), launched by India, can be utilized in terms of imparting technical and financial cooperation (though an Indian stake) in solar projects.<sup>35</sup>

India's focus on sustainability also finds expression in its diplomacy. At the India-Central Asia Dialogue in 2022, India had proposed the setting up of a joint working group on climate change and environmental protection to help foster regional cooperation. This also fits larger Indian goals of realizing the United Nations Sustainable Development Goals through sustainable practices related to connectivity, trade and infrastructure development.<sup>36</sup>

## VIII. Conclusion

Looking at the ongoing Russia-Ukraine conflict, the CARs are reducing their traditional security dependence on Russia, reflecting threatening regional stability, territorial integrity, and sovereignty. This also opens the door for India as a reliable partner in the

coming decades. India must expedite the INSTC and Chabahar Port. Policymakers must view the investment as a strategic counter to China's growing influence. India must utilize the India–Central Asia Dialogue to jointly develop and strengthen its ties with the CARs and Iran for security reasons. In addition, India must work closely with like-minded SCO members, focusing on counterterrorism and a peaceful Afghanistan. The regional players, such as Iran-China-Russia and Iran-Afghanistan-Pakistan-China and Russia, demand India to engage with Iran continually. Thus, New Delhi must continue cultivating its historical, cultural, and spiritual linkages to maintain goodwill and friendship with CARs and beyond.

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