

India's Attitude towards China's Growing Influence in Central Asia

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The strategic location, energy resources, competition for pipeline routes and the sheer number of regional and global players, were sufficient reasons for many analysts to create theories of the “New Great Game” in Central Asia. The race for military bases and the regime change experiments through “color revolutions” have added a new dimension to this competition. Earlier, analysts felt the real competition was between Russia and the U.S. However as of late, China has created a huge profile for itself through trade, energy deals, military agreements and the Shanghai Cooperation Organization (SCO). The growing Chinese influence in the region is an established fact. Both internationally¹ and in India², many scholars have commented on it and a lot of literature has been written on the subject. Yet, very few in India³ have directly looked at the implications of the growing Chinese influence on Indian security, energy deals and commerce. This article attempts to fill this gap.

Indian policy makers and analysts believe that the region is important because of its strategic location, proximity – Tajikistan is just 20 kilometers from Greater Kashmir - and of its energy resources.⁴ Therefore, restoring traditional linkages with its extended neighborhood in Central Asia and beyond has been one of the primary strategic

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¹ For an excellent review see Niklas Swanstrom, “China and Central Asia: A New Great Game or traditional Vassal Relations”, *Journal of Contemporary China* 14, 45 (2005): 569-584.

² See Sujit Dutta, “China's Emerging ties with Central Asia” in Nirmala Joshi, Ed., *Central Asia: The Great Game Replayed: An Indian Perspective* (New Delhi: New Century Publications, 2003); Nirmala Joshi, “An Appraisal of China's Policy Towards Central Asia” in K Santhanam and Bulat K Sultanov, Eds., *India-Kazakhstan Relations: Enhancing the Partnership* (New Delhi: Anamaya Publishers, 2006).

³ P. Stobdan, “Central Asia & China Relations: Implications for India” in K. Santhanam and Srikanth Kondapalli, Eds., *Asian Security and China 2000-2010* (New Delhi: Shipra Publications, 2004).

⁴ Kapil Kak, “India's Strategic and Security Interests in Central Asia” in V. Nagendra Rao and Mohammad Monir Alam, Eds., *Central Asia: Present Challenges & Future Prospects* (New Delhi: Knowledge World, 2005).

priorities of the government.⁵ Despite the intentions and rhetoric, India was never really part of any competition there. With no direct road or transportation access plus difficult market conditions, the region never became attractive to Indian private companies. In the post-socialist period, economic relations with the region have declined considerably. In the last few years, the annual official trade between India and the whole of Central Asian region is about US\$200 million. Kazakhstan itself accounts for half of this trade. Still, opportunities are enormous as shown by London based Indian steel tycoon Laxmi Mittal who owns a 5.5 million ton capacity steel plant in Kazakhstan. His company employs 50,000 people in Kazakhstan alone from where it supplies the Chinese market. In May 2006, the Indian government also officially approved its participation in the US\$5 billion Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project.⁶ In another development, there are also reports that India has established an airbase in Tajikistan. The Indian Air Force is going to deploy a fleet of MiG-29 fighter-bombers at the Ayni airbase near Dushanbe. The airbase follows the establishment of India's first military "outpost" in Tajikistan at Farkhor, adjoining the Tajik-Afghan border.⁷ The location is important as it is close to the bases of anti-Indian terrorist groups as well as near the territory where Pakistan and China are engaged in military cooperation.⁸

Indian policy makers have been more or less comfortable in dealing with Central Asian authoritarian leaders. They were part of the former Soviet elite, with whom India was dealing with for decades. They have provided stability and are committed to fight religious terrorism. Moreover, many analysts believed that Russia will continue to have a decisive role in Central Asia because of its advantage of history and geography. Although many Indian analysts still believe in the reemergence of Russia⁹, a sober assessment is also made of a scenario in which over time China becomes a dominant player in Central Asia while maintaining very friendly relations with Russia.

As China increases its engagement in the region, India will be watching carefully. Despite many positive developments and fruitful

⁵ See speech by Indian Defense Minister, Mr Pranab Mukherjee at Carnegie Endowment of International Peace, Washington DC, June 27, 2005

<www.indianembassy.org/press_release/2005/June/11.htm> (July 10 2006).

⁶ Union Cabinet decision press release May 18, 2006,

<<http://pib.nic.in/release/release.asp?relid=17859&kwd=>> (July 10 2006).

⁷ "IAF to Station MiG-29s in Tajikistan" *The Times of India*, April 20 2006 <http://timesofindia.indiatimes.com/articleshow/msid-1498063,curpg-1.cms> (August 14 2006).

⁸ Sudha Ramachandran, "India's Foray into Central Asia" *Asia Times*, August 12 2006, <www.atimes.com/atimes/South_Asia/HH12Df01.html> (August 17 2006).

⁹ M. K. Bhadrakumar, "The Rise and Rise of Russia" *Asia Times*, July 20 2006, <www.atimes.com/atimes/Central_Asia/HG20Ag01.html> (July 21 2006).

diplomatic engagements, India is still very cautious in matters relating to China. Both India and China are still very much concerned with basic balance of power considerations, although officially, both deny this proposition. While delivering a speech at the Shanghai Institute of International Studies, the Indian Foreign Secretary recently declared that the theories of “balance of power” or “conflict of interest” are “outdated in today’s fast-emerging dynamics of Asia’s quest for peace and prosperity and its interconnectedness”. He further asserted that “India and China, as two continental-sized economies and political entities, are too big to contain each other or be contained by any other country”.¹⁰ Still, the Government of India’s 2006 Ministry of Defense Annual Report notes that “China’s military modernization, with sustained double digit growth in its defense budget for over a decade, as also development of infrastructure in the India-China border areas, continues to be monitored”. In addition, “close defense exchanges and nuclear and missile cooperation between China and Pakistan continue to elicit concern”.¹¹ Yet as both countries are concentrating more on domestic economic development, focusing on the positive and playing down the negative, this has been the defining characteristic of India-China relations in recent years.¹² One of the most encouraging recent developments in India-China ties is the rapid increase in bilateral trade. In 2005-06, it surpassed US\$17.4 billion. In the last four years, it has grown at an average rate of more than 55 percent per year. Encouraged by these trends, both have opened a historic trade route at Nathula in Sikkim that had been closed since 1962. This opening has more political significance than trade. Sikkim was incorporated with India in 1975. This move was opposed by China, which lay claim to Sikkim. With this opening, the question of Sikkim being recognized as a part of India is now permanently settled.

Emerging Scenarios

Most analysts now believe that the Asian continent is going to become the new centre of gravity in global politics.¹³ In an evolving Asian

¹⁰ “Present Dimensions of the Indian Foreign Policy” An Address by Indian Foreign Secretary Mr. Shyam Saran at Shanghai Institute of International Studies, Shanghai, January 11 2006, <<http://meaindia.nic.in/speech/2006/01/11ss01.htm>> (July 15 2006).

¹¹ Ministry of Defence, Government of India, *Annual Report 2005-06*, (New Delhi, 2006), p. 10.

¹² B. Raman, “India & China: See No Evil, Hear No Evil, Speak No Evil, Paper No. 1857,” *South Asia Analysis Group*, June 23 2006 < www.saag.org/papers19/paper1857.html> (July 10, 2006).

¹³ Ashley J. Tellis, “Military Modernization in Asia” in Ashley J. Tellis and Michael Wills, Eds., *Strategic Asia 2005-06: Military Modernization in an Era of Uncertainty* (Washington : The National Bureau of Asian Research, 2005).

economic and security architecture, most Asian countries would be looking towards China or India for future economic and security alignments. As an economic and military superpower, the U.S. would also like to play an important role in this evolving situation. In Central Asia, India will be expected to play its role as a balancer in the backdrop of increasing Chinese dominance and declining Russian presence. In a rapidly evolving situation, "India would need to bring to bear its rapidly increasing political, economic and military capabilities to the table as a threshold great power with vital stakes in the region".¹⁴ But how alignments will take place in Central Asia is still an open question.

A simple straightforward political logic of realism, with its power balances and security dilemmas would predict the emergence of a Washington-New Delhi-Jakarta-Hanoi-Tokyo axis in the context of a rising China and attempts by the U.S. to contain it.¹⁵ This is a nightmare scenario for Chinese strategists. China would do every thing possible to avoid this situation, including accommodating some Indian security and economic concerns. With a rapidly growing trade and economic relationship with India, China may also try to build partnerships in other areas. Both have declared their intentions of cooperation in oil and gas biddings. India's earlier Petroleum Minister Mani Shankar Aiyer also embraced the idea of Asian regional cooperation in energy and initiated a dialogue between principal Asian suppliers (Saudi Arabia, UAE, Kuwait, Iran, Qatar, Oman) with principal Asian buyers (India, China, Japan, Korea).¹⁶ These efforts showed some results when China National Petroleum Corporation (CNPC) and India's Oil and Natural Gas Corporation (ONGC) mounted a successful US\$573 million joint bid to acquire Petro-Canada's 37 percent stake in the al-Furat oil and gas fields in Syria.¹⁷ Earlier they worked as joint operators in Sudan. India and China may be cooperating in other areas, but when it comes to Central Asian energy, competition is fierce. This was clearly illustrated in late 2005 when China outbid India to acquire PetroKazakhstan, Kazakhstan's third-largest oil producer with CNPC raising its bid to US\$4.18-billion.¹⁸

It is also plausible to argue that an alternative axis running through Tehran-New Delhi-Kuala Lumpur-Beijing could be formed around Asian solidarity.¹⁹ In the context of Central Asia, some scholars in India have

¹⁴ Kapil Kak, "India's Strategic and Security Interests in Central Asia", p. 208.

¹⁵ Varun Sahni, "From Security in Asia to Asian Security," *International Studies*, 41, 3 (2004): 245-262.

¹⁶ Mani Shankar Aiyer, "What Lies Beneath: Getting to all that Oil and Gas," *The Indian Express*, February 25 2006.

¹⁷ Indrajit Basu "India, China Pin Down \$573m Syria Deal," *Asia Times*, December 25 2005, <www.atimes.com/atimes/China_Business/GL22Cb06.html> (July 8 2006).

¹⁸ "India Loses Kazakh Oil firm to China," *The Tribune*, August 23 2005. <www.tribuneindia.com/2005/20050823/biz.htm#2> (July 5 2006).

¹⁹ Varun Sahni, "From Security in Asia to Asian Security", p. 257.

forcefully argued that attempts by the U.S. to bypass Russia, Iran and China for transit of Caspian oil to international markets (like the Baku-Tbilisi-Ceyhan pipeline) could jeopardize the energy security of India and China. Therefore, they argue that India, China and Iran “need to evolve multiple strategies for security and economic cooperation in Central Asia, including trilateral framework involving the three”.²⁰

India-Russia-China cooperation in Central Asia is another pet theme of many anti-American enthusiasts both in India and Russia. Ever since visiting Russian Prime Minister Yevgeni Primakov suggested a Russia-China-India triangle in 1998, the idea has been discussed at various official as well as non official forums. Recently, Chinese President Hu Jintao put forward some proposals for trilateral political coordination on major international and regional issues as well as to uphold multilateralism.²¹

The recent U.S. move to group countries of Central and South Asia under a new bureau in the State Department has added new dimension to India-Central Asia relations. At a very basic level, it is an attempt by the U.S. to shift the Central Asian region away from the Chinese and Russian orbit and bring them closer to South Asian countries. This also fits well with the emerging Indo-U.S. ties. According to U.S. policy circles, the emerging new partnership between Washington and New Delhi will be bound by many common interests, including “preventing Asia from being dominated by any single power that has the capacity to crowd out others and which may use aggressive assertion of national self interest to threaten American presence, American alliances, and American ties with the regional states”.²² So for them, the U.S. policy of developing a new global partnership with India “represents a considered effort at ‘shaping’ the emerging Asian environment to suit American interests in the twenty-first century”.²³

However, the proposition of linking Central and South Asian regions could only be attractive to Central Asians if they have direct access to the rapidly growing Indian market. This can happen only if Afghanistan stabilizes and Pakistan provides direct access of Central Asian goods to India and vice versa. Afghanistan's on-going transformation from a failed into a viable democratic state with a market economy could

²⁰ Ajay Patnaik, “Central Asia's Security: the Asian Dimension” in R. R. Sharma, Ed., *India and Emerging Asia* (New Delhi: Sage Publications, 2005), p. 228.

²¹ “China, India, Russia hold First Trilateral Summit” *People's Daily*, July 18 2006, <http://english.people.com.cn/200607/18/eng20060718_284028.html> (July 20 2006).

²² Ashley J Tellis, “The U.S.-India “Global Partnership”: How Significant for American Interests?” Testimony before the House Committee on International Relations <www.carnegieendowment.org/publications/index.cfm?fa=view&id=17693&prog=zgp&pr oj=znpp,zsa,zusr> (August 10 2006).

²³ *Ibid.*

facilitate this linkage.²⁴ From the commitments of the international community and multilateral institutions, it is clear that a massive effort to rebuild Afghanistan's transport network and economy is underway. Already, the Asian Development Bank is working on many plans to improve institutional as well as infrastructural development in the region.²⁵

Despite the recent Taliban resurgence in the South, Afghanistan will rebound much quickly because of the desire for peace and the entrepreneurial spirit of its population.

Things are, however, very uncertain in India-Pakistan relations. Despite many positive developments (like the composite dialogue), India continues to have serious concerns about terrorist infrastructure in Pakistan targeting India. The recent July 11 bombings in Mumbai, which claimed nearly 200 lives and injured 770 people, have resulted in temporary suspension of peace talks. After the blasts, the Indian Foreign Secretary asserted that "as a result of these terrible terrorist incidents, it is becoming difficult to take this process forward".²⁶ Pakistan has also still not extended MFN status to India and has refused to implement the South Asian Free Trade Area (SAFTA) with India, which became operational on 1 July 2006.

Knowing these difficulties, India's major initiative in the region has been building the North-South trade corridor.²⁷ This is being built in cooperation with Russia and Iran.²⁸ Although this initiative will speed the flow of goods, especially energy, from Central Asia to India via Iran, the shortest route from India to the region is through Pakistan. This is the current major challenge for the U.S. administration, as promotion of regional cooperation between Central and South Asia is now their declared objective²⁹. This is also crucial for the revival of Afghanistan's economy.

²⁴ S Frederick Starr, "A Partnership for Central Asia," *Foreign Affairs*, 84, 4 (July/August, 2005); Gulshan Sachdeva, "Rejuvenating Economic Relations between South Asia & Central Asia" *Shygyz* (Almaty) 2 (2004).

²⁵ ADB, *Central Asia: Increasing Gains from Trade through Regional Cooperation in Trade Policy, Transport, and Custom Transit* (2006); ADB, *Report on the Economic Impact of Central-South Asian Road Corridors* (2005).

²⁶ Special Media Briefing by Foreign Secretary Mr. Shyam Saran on the eve of Prime Minister Dr. Manmohan Singh's Visit to St. Petersburg for G-8 Summit, July 15 2006 <<http://meaindia.nic.in/pbhome.htm>> (August 17 2006).

²⁷ For details about this corridor see International North South Trade Corridor website: <www.instc.org> (August 14 2006).

²⁸ Stephen Blank, "The Indian-Iranian Connection and its Importance for Central Asia," *Eurasianet*, <www.eurasianet.org/departments/business/articles/eav031203.shtml> (June 25 2006).

²⁹ See remarks by Richard A. Boucher, U.S. Assistant Secretary for South and Central Asian Affairs at the conference "Partnership, Trade, and Development in Greater Central Asia" Kabul, Afghanistan, April 1-2 2006,

These developments indicate that India's growing future role and alignments in Central Asia will be determined by the actions of the U.S. and China and their military involvement with Pakistan. If the U.S. is unable to influence Pakistan on dismantling terrorist infrastructure and facilitating transit facilities, and China continues to have close defense, nuclear and missile cooperation with Pakistan, India will have no option but to work closely with Russia and Iran instead to add value to its bilateral relations in Central Asia. There are no indications of China-Pakistan relations weakening in the near future. In fact, when the Indian parliament was debating the India-U.S. nuclear deal, China signed two defense agreements with Pakistan.³⁰

The U.S.-Pakistan equation is uncertain. So far, Pakistan is a declared major non-NATO ally. The U.S. is counting on Pakistani security forces to neutralize the Taliban and Al Qaeda and their associates who are operating from the Afghanistan-Pakistan border. While President Musharraf has co-operated to some extent in the operations to capture some activists of Al Qaeda, he has taken no action against the neo-Taliban. Although the Pakistani administration admits that some of the Al Qaeda leaders may be operating from their territory, they have denied the presence of any Taliban leaders, camps or activities in Pakistan.³¹ Policy makers in Pakistan were hoping that U.S. forces would leave Afghanistan after initial operations so that after their withdrawal, they could have strengthened and use the Taliban card again to attain "strategic depth" in Afghanistan. Now, with the possibility of an enduring U.S. presence, the neo-Taliban are trying to replicate the anti-Soviet Jihad of the 1980's through conventional strikes and terrorist acts. The target is not the Soviets, but the "Western infidels led by the U.S. and the UK" and their Afghan supporters. The objective is to tire and weaken the western forces. They hope that as a result of continuous bleeding, western forces may finally decide to quit. Once that happens, the Karzai government is bound to fall.³²

The Afghan government has repeatedly accusing Pakistan for harboring the insurgents. In these circumstances, it will become increasingly difficult for the U.S. to keep defending President Musharraf, who is making the West pay for his domestic democratic deficit. While some institutions in Pakistan promote the ideology of terrorism, others provide training to carry it out. The possibility of another 9/11 with links

<www.silkroadstudies.org/new/inside/forum/trade_kabul_boucher.html> (June 20 2006).

³⁰ "Pak, China Sign Defence Agreements," *The Nation*, August 17 2006.

<www.nation.com.pk/daily/august-2006/17/index4.php> (August 19 2006).

³¹ S Raman, "South Asia & Al Qaeda--Emerging Trends," *South Asia Analysis Group*, Paper No. 1797 (May 12 2006) <www.saag.org/papers18/paper1797.html> (August 18 2006).

³² S Raman, "Afghanistan: Re-Run of the 1980's," *South Asia Analysis Group Paper*, No.1812, (May 26 2006) <www.saag.org/papers19/paper1812.html> (August 18 2006).

to Pakistan against the West cannot be ruled out. There are reports that officials in the Pentagon are already rethinking the relationship with Pakistan.³³ The June visit of Condoleezza Rice to Afghanistan and Pakistan seems to get the message across that America is “not leaving” and going to stay in Afghanistan for a “very, very long time to come.”³⁴ NATO is also formalizing its presence in Afghanistan to stay on a long term basis. Sensing these developments and in order to stay in power, President Musharaff may opt for cooperation in Afghanistan. For India, the enduring U.S. presence in Afghanistan can be leveraged to push Pakistan into a cooperative direction. To assert its economic and strategic power, India would be able to reach Afghanistan and central Asia over land.³⁵ This could also be a new beginning of India-Pakistan relations. While speaking at the launch of the Amritsar (India)- Nankana Sahib (Pakistan) bus service, the Indian Prime Minister said that “India and Pakistan must work together to open up new opportunities for economic cooperation, not only with South Asia, but also with West Asia and Central Asia. Cities like Lahore and Amritsar should once again become throbbing international commercial centers serving the entire region”.³⁶

On the other hand, China is also trying to improve its presence in Afghanistan through aid and other projects. If Pakistan is able to muster significant influence in Afghanistan, then triangular Pakistan-Afghanistan-China cooperation is also a possibility.

Color Revolutions

After witnessing the Rose revolution in Georgia, the Orange revolution in Ukraine, the Tulip revolution in Kyrgyzstan and the violent protests in Uzbekistan, Central Asian states have clearly moved towards Russia and China. This has happened because of the U.S. dilemma in trying to balance two of its major foreign policy goals - democratization and counterterrorism - in Central Asia. Capitalizing on this U.S. quandary and its overstretch in Iraq and Afghanistan, Russia and China in cooperation with each other have consolidated their position in the region. Most of the western governments and the western press consider these color revolutions as a move towards democracy. Among Indian academic circles, many scholars with mainly leftist leanings have raised a number

³³ “Pakistan Leader Faces Increasing Political Challenges,” *New York Times*, August 18 2006.

³⁴ Secretary Condoleezza Rice, Remarks With Afghan President Hamid Karzai After Their Meeting, June 28 2006 <www.state.gov/secretary/rm/2006/68396.htm> (August 10 2006).

³⁵ C Raja Mohan, “Recent Developments in Afghanistan,” <www.ipcs.org/South_Asia_articles2.jsp?action=showView&kValue=2078&country=1016&status=article&mod=a> (August 15 2006).

³⁶ See <<http://pmindia.nic.in/speech/content.asp?id=302>> (August 16 2006).

of questions regarding the legitimacy and funding of these “revolutions”. They have categorized these “revolutions” as “made-in-America coups” while emphasizing the role of American embassies and western funded NGOs.³⁷ At a higher level, these series of events have also been examined from the broader perspectives of security and stability in the region. It is argued that the evolution of these countries, which are situated at a sensitive geo-political location, to stable democratic systems and thriving market economies will remain extremely difficult and complicated.³⁸ Others, however, argue that these events have shown that the Soviet-era leadership is not going to survive long in Central Asia. So rather than reacting to events, India should have a clear-cut futuristic policy which supports all domestic and outside actors pushing for democracy and market reforms in the region.³⁹ The Indian government has been a more or less passive observer to these events. India was neither alarmed (like Russia and China), nor really excited (like many western governments) by these developments. The response to these developments is articulated by the Indian Defense Minister in his speech at Washington where he asserted that “by nature, India is not inclined to export ideologies, even ideologies it believes in and follows. India would rather promote democracy in the region by precept and example. Freer traffic between India and Central Asia would be a factor in favour of moderation and democracy there”.⁴⁰ In April 2006, Indian Prime Minister visited Tashkent and seven agreements including three agreements in energy and mineral sectors were signed between India and Uzbekistan.⁴¹ The visit demonstrated that India is also willing to deal with authoritarian regimes in the region, if they are able to help India in the energy sector.

³⁷ The left leaning newspapers in India like *The Hindu* carried specific articles on colour revolutions by Russian scholars. Some Indian scholars and journalists mentioned these events in broader foreign policy issues. For example, on writing President Bush's visit to India John Cherian wrote “The recent ‘colour revolutions’ that overthrew governments in the former socialist bloc were funded by U.S. agencies,” www.hinduonnet.com/fline/fl2304/stories/20060310004000400.htm (August 12 2006).

³⁸ M K Bhadrakumar, “Anatomy of a Revolution,” *The Hindu*, May 29 2005; M K Bhadrakumar, “A Storm Sweeps the Post-Soviet Space,” *Asia Times*, October 5 2005, www.atimes.com/atimes/Central_Asia/GJ05Ag01.html (April 15 2006).

³⁹ Gulshan Sachdeva, “Do not Ignore Central Asia,” *The Times of India*, June 15 2004, <http://timesofindia.indiatimes.com/articleshow/1142258.cms> (July 1 2006).

⁴⁰ Speech by Indian Defence Minister, Washington DC, June 27 2005.

⁴¹ Ramakant Dwivedi, An Appraisal of the Indian Prime Minister's Visit to Uzbekistan www.idsa.in/publications/stratcomments/RamakantDwivedi280406.htm (July 15 2006).

The SCO and India

Since the formation of the Shanghai Cooperation Organization (SCO), India is not quite sure what priority this organization deserves. It provides China, Russia and the Central Asian states a delicate equilibrium in the new geopolitical situation. India was never featured in this equilibrium, though Central Asians perceived India's potential to be a countervailing factor.⁴² The major objectives of the SCO have been projected as promoting trans-border peace, security and counter-terrorism. With the increasing profile of the organization, China's role is also becoming large within Central Asia. In the beginning, India showed interest in the SCO but the impression is that China never really wanted India in the grouping. India was welcomed as an observer in the SCO only when China was also admitted in SAARC as an observer. In addition, China also brought Pakistan into the grouping. The way the SCO has conducted itself in the last two years has further aggravated India's dilemma.⁴³

India has a positive perception of the potential of the SCO as an instrument for promoting regional economic integration, trade and ensuring energy security. However, it has many reservations over the political direction of the SCO. Even with the main objective of fighting terrorism, it would be an uncomfortable position for India if the Dalai Lama and his followers, members of the Falungong and people asking for genuine democratic rights in Central Asian republics were clubbed together as terrorists/separatists/extremists. India will find it difficult to digest these interpretations when it is also an important contributor to the UN Democracy Fund, whose purpose is to support democratization throughout the world.

Furthermore, the objective of multi-polarity, as often raised by China, is constantly being used to counter the U.S. influence in Asia-Pacific. At a time when its relations with the U.S. are steadily moving forward, India would be cautious in its participation in the grouping. As a result of these dilemmas, India was the only country among members and observers, which was not represented at the latest SCO Summit by the Head of State but by Petroleum Minister Murli Deora. The official position was that there was no need for the prime minister to attend the meeting as India was only an observer.⁴⁴ The actual fact may be that India is giving serious thought to its involvement in the SCO.

⁴² P Stobdan, "Central Asia & China Relations: Implications for India", p. 355.

⁴³ For an excellent summary of India's dilemmas with the SCO see B. Raman, *Shanghai Summit: Indian Misgivings* < www.saag.org/papers19/paper1847.html > (July 5, 2006).

⁴⁴ Sudha Ramachandran, "India Gives Shanghai the Cold Shoulder," *Asia Times Online*, June 17 2005, < www.atimes.com/atimes/South_Asia/HF17Df01.html > (June 25 2006).

The way the organization is developing, some Indian analysts have already warned that it would “be imprudent for India to join the SCO”⁴⁵. In my view, along with other partners, India should work for a separate regional organization. This new organization should include all countries which have legitimate interest in the region cooperating on a la carte basis. These include the five Central Asian countries, Afghanistan, China, India, Iran, Japan, Russia, Pakistan, Turkey and the United States. The idea is somewhat similar to Frederick Starr’s “Greater Central Asia Partnership for Cooperation and Development” concept.⁴⁶ Although the region has a history of over-engagement with regional organizations, so far none of the organizations is able to accommodate all major players. Moreover, many of them are only on paper. Although SCO is already considered by some analysts as the *de facto* regional organization, there are many uncertainties. These include possible Russian uneasiness over increasing Chinese dominance and complications arising with future enlargements etc.

In the absence of any other dynamic organization, India will continue to participate in the SCO to improve its standing in the region. In the long run, it will also further strengthen Russian position in the SCO. Despite very weak bilateral trade, which is about US\$ 2 billion a year, India-Russia ties continue to be strong. Currently, about 75 percent of its weapons imports come from Russia.⁴⁷ Although many Indian scholars have discussed the possibility of India-Russia cooperation in Central Asia in the past,⁴⁸ concrete examples are emerging now. These include military cooperation in Tajikistan, the North-South corridor, joint exploration of oil and gas in Central Asia⁴⁹ and Russian help with India’s entry into the SCO. Therefore, “as an increasingly powerful China asserts itself in Eurasia and America scrambles to deal with the consequences, Delhi and Moscow still hold many cards.”⁵⁰

⁴⁵ P. Stobdan, “Central Asia & China Relations: Implications for India”, p.357.

⁴⁶ S. Frederick Starr, *A Greater Central Asia Partnership for Afghanistan and Its Neighbors*, (Washington DC: Central Asia-Caucasus Institute & Silk Road Studies Program, 2005).

⁴⁷ Gulshan Sachdeva, “Strengthening Indo-Russian Economic Relations,” *Russia in Global Affairs*, August 2 2004 <<http://eng.globalaffairs.ru/engsmi/0/563.html>> (August 10, 2006).

⁴⁸ Anuradha M. Chenoy, “A Defining Moment” *Frontline*, October 14-27 2000 <www.hinduonnet.com/fline/fl1721/17210150.htm> (July 14 2006); Nirmala Joshi, “Indian and Russian Security Perspectives on Central Asia” in Shamsudin, Ed., *India and Russia Towards Strategic Partnership* (New Delhi: Lancer Books, 2001).

⁴⁹ “India, Russia to Explore Oil and Gas in Central Asia,,” <www.rediff.com/news/2005/dec/05pmrus2.htm> (August 15 2006).

⁵⁰ C. Raja Mohan, “Why Delhi Must Rediscover Moscow,” *The Indian Express*, December 3 2005 <http://iecolumnists.expressindia.com/full_column.php?content_id=83161> (August 20 2006).

Conclusions

Chinese expansion in Central Asia is watched very carefully in India. It is becoming clear that China is going to provide tough competition to India in both energy and trade. If Chinese expansion coincides with declining Russian influence, India will have no choice but to expand its political, economic and military capabilities in Central Asia. Simple realist logic would suggest close Indo-U.S. cooperation in Central Asia. These realities are fueling India's "forward" Central Asia policy. There is also a feeling of urgency in policy circles to discover a strategy where India is able to reach the region over land. The new U.S. thinking of linking South and Central Asia with possibilities of a wider new grouping could fit into Indian thinking. Improvements in India-Pakistan relations, however, would be a crucial input into this strategy. Sensing this alignment, China may try to accommodate some of India's security and economic concerns. If the U.S. is unable to influence Pakistan on dismantling terrorist infrastructure, India will continue to work with Moscow and Tehran to consolidate some control in Central Asia. Although policy makers in India do not believe in the policy of exporting democracy, they would be very sympathetic to political changes as they know that Indian interests would be served better by opening the region to further democratic changes and more economic reforms.