

Focus 59 - Uzbekistan: India's Strategic Gateway to Central Asia

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Abstract

India and Uzbekistan possess a shared history since ancient times, when trade and commerce between the two nations flourished through the Silk Route. Considering the current situation and future probabilities there has been a lot of political, economic, and cultural exchanges between the two countries. This bilateral partnership, expressed through security and connectivity mechanisms, can be seen as crucial for regional stability. The two countries have tried to stabilize their bilateral relations and prevent violent instances of extremism. India also intends to establish a stronger foothold in Central Asia. One can say that Uzbekistan is the perfect ally for India to stabilize relations with Central Asia. Both countries are involved in numerous initiatives that will help them not only to foster transparency and accountability but also to maintain parity with other big powers. This article reviews the reasons why Uzbekistan is significant for India and defends that their relationship will enable India to stabilize her ties with Central Asian Republics at large.

Keywords

Bilateral ties, regional stability, security, connectivity, political and cultural exchanges

Introduction

Bilateral relations between **India** and **Uzbekistan** are considered pivotal parameters of international cooperation in the 21st century. Socio-economic ties between the two countries go back to the ancient period when trade and commerce started flourishing through the **Silk Route**. This highlights the strong geo-cultural affinity that existed between both countries which in contemporary times is further propagated through shared notions of culture, economy, security, and regional stability. This powerful synchronization establishes a constructive base for India to open judicious, new prospects in Central Asia. India and Uzbekistan follow a reciprocal, geo-strategic enrichment approach which encompasses a broad canvass of cooperative ordeals. Uzbekistan is indeed the tactical gateway for India to access Central Asia.

Background

During the rule by the Soviet Union, Uzbekistan faced relative isolation. India, however, continued to maintain good relations with the country and hosted delegates from Uzbekistan at the first **Asian Relations Conference** in 1947 - following which there were continuous bilateral engagements, ranging from joint declarations to trade agreements. In 1991, President Islam Karimov of Uzbekistan visited India, an event which eventually resulted in the **Joint Declaration of Principles of Relations** aiming for close interactions between the two countries through people-to-people ties.

Security and connectivity became the two essential junctures used by India as a gateway to Central Asia and Eurasia in general. Several agreements with Central Asian countries became the focal point of analysis for strategic cooperation and diplomatic interactions. However, among the five Central Asian countries, Uzbekistan became India's most active partner - a connecting link for India's strategic reach into various geographical regions.

Subsequent visits by President Karimov of Uzbekistan and the then Indian Prime Minister, Manmohan Singh, expanded several possibilities for boosting cooperation on humanitarian grounds. This led to the signing of the **Joint Declaration of Strategic Partnership**. With Narendra Modi's ascendancy to power in India, bilateral relations were further strengthened. Unanimous attention was paid towards eliminating radicalism and extremism through defence developments, increased investments, and the formation of economically viable routes of cooperation.

Given the strong convergence of interests, the India-Uzbekistan partnership can further be understood by dwelling upon the conceptual ideas elaborated through entrenched political,

economic and cultural exchanges - which further point to the growing cooperation between India and Uzbekistan.

Political Relations

The Consulate General of India was formally established in Tashkent on 7th April 1987. This was followed by the signing of the Protocol on Diplomatic and Consular matters on 18th March 1992. The succeeding period saw high-level exchanges between the two countries, with frequent visits by both sides' prime ministers - which continue to this day. The aspect of security and regional stability started gaining momentum as both countries coordinated their capacity building, aiming at security enhancement.

India and Uzbekistan always had common perceptions and objectives - starting from religious extremism to cross-border terrorism. This indicated at the very outset that Uzbekistan constitutes a crucial, stabilizing partner for India in its quest to curb the violent turbulence of Afghanistan - which negatively affects other Central Asian states as well. Reflecting on the rising uncertainties in Afghanistan, India opted for several, bilateral security dialogues so as to propagate operational effectiveness. In the long run, India aims to bolster geopolitical prospects in the region so as to cater to the changing demands of its national security.

India, Uzbekistan, and Pakistan eventually became members of both the Ashgabat Agreement and the Shanghai Cooperation Organization. This in a way enabled India to find allies and counter Pakistan through balanced cooperation with Uzbekistan. Even Uzbekistan's strategic location has been helpful to India so far, for it opens the possibility to set up military bases in Central Asia and counter China's growing influence in the region. Regularly held political consultations between the two foreign ministries have attained advantageous collaborations through successful dialogues and comprehensive partnerships. After resuming office as the new President of Uzbekistan, Shavkat Mirziyoyev visited India in 2018 - and a total of 17 agreements were signed concerning scientific, agricultural, military areas, as well as space exploration (Mann, 2018). The following year, in 2019, an agreement was reached at the Vibrant Gujarat Global Summit with provisions for long-term supply of uranium ores, which boosts India's energy resources and constitutes a new impetus in the bilateral relationship.

Economic Relations

Economic ties between India and Uzbekistan are governed by a bilateral trade and commerce that dates back to the **Agreement on Trade and Economic Cooperation** of 1993. This agreement aimed to achieve mutual benefits through mechanisms such as Most Favoured Nation or MFN treatment, scientific and technical cooperation, promotion of economic and industrial training, and the involvement of small and medium-sized enterprises. The aforementioned prospect ultimately became a source of diversification in bilateral economic cooperation between the two countries.

On the other hand, bilateral trade between the two countries suffered a setback for an approximate period of ten years due to the growing domestic instability within Uzbekistan supervened by the establishment of India's new economic strategy of **Liberalization, Privatization, and Globalization (LPG)** (Gitesh, 2109). This new strategy increased the economic burden of Uzbekistan - alongside a lack of proper connectivity between the two countries which triggered tensions. However, trade practices started gaining momentum over the last two decades and took up pace through a balanced import and export cycle. Though the trade was highly skewed in favour of Uzbekistan, India's foreign trade was enlarged following economic liberalization.

The **India-Uzbekistan bilateral trade** can, therefore, be analysed through the following data which includes the values of imports from India and exports to India along with the total turnover of trade between the two countries:

Table 1: India – Uzbekistan Bilateral Trade [4]

Years	Imports from India (in US\$ million)	Exports to India (in US\$ million)	Total trade turnover (in US\$ million)
2012	163.4	37.8	201.2
2013	217.4	42.2	259.6
2014	249.0	67.0	316.0
2015	260.6	58.7	319.3
2016	318.1	51.9	370.0
2017	291.0	32.6	323.6
2018	261.3	23.3	284.6

(Source: Uzbekistan’s State Statistics Committee)

The above data indicates a rise in the total turnover of the trade cycle of both countries, highlighting a vibrant commercial interaction between India and Uzbekistan. We thus witness a trend of bilateral and multilateral cooperation; however, certain trade barriers persist and reveal the lack of a long-harboured scheme to expand financial influence. Limitations can be identified as:

- a. There is a dearth of proper **geographical affinity** that makes direct channelizing of resources between the two countries difficult.
- b. Indian products in Central Asia that are channelled specifically to Uzbekistan present a **low-quality index** in comparison to the high cost of commodities there.
- c. India’s trade with Uzbekistan also involves smooth transport connectivity with other countries; however, there are **limited air connectedness and no direct railway links** to seaports, for example between India and Tashkent. This hinders transportation and thus hinders productivity.

However, despite these limitations, both countries have jointly decided to begin steady negotiations through a Preferential Trade Agreement - and create more efficiency through the **India-Uzbekistan Entrepreneurship Development Centre**, which aims to cater to small-scale and private industries so as to further promote bilateral economic activities. Through this exchange, Uzbekistan decided to tackle the task of economic liberalization to

a great extent and attract foreign investment, especially from Indian companies. This will strengthen Indian markets too, with a multi-pronged approach of reinforcement. Uzbekistan, which is also a major cotton producer (which exports raw cotton), has attracted Indian textile companies to a great extent, an interest which is also shared by the pharmaceutical sector. It is important to note that Uzbekistan is seeking new opportunities to reorient its market economy - along with peaceful, reciprocal ties. Uzbekistan's petrochemical sector is an attractive area for Indian investors, and transit lines following an easy patrol of cargo indicate smooth trading activities. This constitutes yet another reason for India to enhance its position in Central Asia. Furthermore, Uzbekistan has set up several **Free Trade Zones (FTZ)** - and through such bilateral negotiations, it is believed that profit margins of given countries can be repatriated (Ishapani, 1989).

Cultural Relations

The **Indian Cultural Centre** sponsored by the Indian Council for Cultural Relations was established in Tashkent in 1995. It was created to promote cultural diversity between the two nations and further strengthen cooperation between India and Uzbekistan. Being a proactive of the **Indian Technical and Economic Cooperation (ITEC)**, Uzbekistan incorporated training in areas concerning linguistics, information technology, remote sensing, management, and education based on humanitarian ideals. Agreements were signed to achieve unanimity in the fields of art, music, culture, tourism, and mass media so as to provide equal and mutual benefits to the citizens of both countries (Inagamov, 2012).

Indian art masters have in the past regularly participated in cultural festivals organized at Samarkand and called "**Sharq taronalari**". There has been a continuous exchange of music, literature, and cinema, followed by sports tournaments which have broadened the horizons of both India and Uzbekistan so as to culturally evolve and generate further peace and tranquillity.

In 2019, the first **India-Uzbekistan International Congress of Guides** was organized. It determined the influx of tourists from India to Uzbekistan, also following the flow of human resources to the country. This initiative gave an impetus to bilateral cultural relations between the two countries through the glorification and promotion of diversified historical heritages and sturdy cultural norms. Thus India and Uzbekistan continuously aim for improving their ancient cultural ties through contemporary visions and agreements, constructive dialogues, and policy implementation.

Why is Central Asia Crucial for India?

Central Asia has gained a significant position in Prime Minister Narendra Modi's foreign policy. India aims to explore new areas of engagement. The **India-Central Asian Dialogue** on 13th January 2019 was held at Samarkand. It implicated well-built economic and cultural linkages so as to explore ways of creating easy connectivity between Central Asian Republics and India.

It is to be noted that India's involvement in Central Asia raises a lot of concerns and challenges with regard to impeding factors such as unstable Afghan politics, terrorism, loose regional stability, and intense radicalization. In order to emphasize multilateralism, India was included in the **Ashgabat Agreement** so as to establish a transit corridor and facilitate easy transportation of goods and services between the two countries.

India on the other hand involved Uzbekistan in the development of the Chabahar Port in Iran – which in a way also benefited Uzbekistan insofar as it provided easy access to a seaport. It also enabled India to carry its oil purchases and conjoin the areas of Central Asia, Eurasia, and Afghanistan. The **International North-South Transport Corridor (INSTC)** for smooth connectivity aims to promote initiatives through investments, innovations, and communications in the spheres of science and technology, medicine, and joint ventures in education, sports and tourism. This has also been viewed as a multi transportation route that will link the Indian Ocean, the Persian Gulf, and the Caspian Sea (Choudhury, 2018). According to the leaders involved, this will help to prevent conflict and clash of interests among the world's big powers.

The field of pharmacy also saw a great dynamism and mutual benefits for both countries. Joint ventures such as “**Novafarm**”, “**Ultra Health Care**”, “**Bravo Pharm**” and others allowed Uzbekistan to rely upon the Indian pharmaceutical sector and enabled India to open their marketable chains in the Central Asian region (India- Uzbekistan Relations, 2019).

Uzbekistan is even prepeded as Central Asia's sizable military power which has enabled India to sign three **Memorandum of Understanding (MoU)** so as to enhance military training and defence cooperation. This has led to the inauguration of a joint military exercise called “**Dustlik 2019**” and intended to counter cross-border terrorist activities. It was presided over by Mr. Rajnath Singh of India and General Bakhodir Kurbanov of Uzbekistan.

India eyes **Uzbekistan as a strategic gateway to Central Asia** because of these four important parameters:

- a. Uzbekistan holds an important position among Central Asian Republics because of its **strategic location**. It will help India create a **balance of power** in neighbouring areas and further prevent the infiltration of fundamentalism.
- b. Uzbekistan possesses **smooth connectivity** with India through a transport corridor via Afghanistan which promotes smooth trade relations.
- c. The **vast energy resources** of Uzbekistan will help India meet the rising demands of its energy sector.
- d. Uzbekistan is the only state that **shares borders** with both all four republics of Central Asia and Afghanistan. This again helps India stabilize **socio-economic prosperity and tranquillity** in the international sphere.

These reasons are clear evidence that Uzbekistan has become the tactical gateway for India to access Central Asia. This interaction was not damaged by the current World-wide pandemic. India did not forget its strongest ally; it sent hydroxychloroquine medicines and even brought back stranded Indians from Uzbekistan. Though the socio-economic sector has been badly hit by the crisis, diplomats and frontline workers of both countries are working holistically to ensure a quick recovery; the death margin has been quite low in Uzbekistan. None withstanding India's vulnerable condition as regards Coronavirus cases, New Delhi continued to ensure a steady supply of essential medicines and food to Uzbekistan's vulnerable sections. This gesture has further instilled faith and confidence between both countries.

Conclusion

The relationship between India and Uzbekistan has come a long way. Both countries are trying to further enhance their alliance through potential developmental projects. India eyes Uzbekistan as a crucial ally to establish stable links with Central Asian Republics, considering its geo-political strategic aspects. Uzbekistan also shares peaceful and progressive political, economic and cultural relations with India. However, continuous cooperation and enhancement between India and Uzbekistan is lacking. There is a need for further developments in areas such as sovereignty, respecting the values of democracy, maintaining the ethics of environment, and preventing human rights violations among

vulnerable groups.

From nuclear collaboration to institutional economic reforms, both countries have intensified their growth and prosperity in the past - following which India has offered a concessional line of credit to support infrastructural projects in Uzbekistan, along with initiatives intended to enhance the diaspora. In order to procure the modern-day concept of power maximization and strategic autonomy, a crucial aim for India, it is hoped that India-Uzbekistan ties will set a new normal in the international sphere of bilateral relationships through realistic deliberations.

The above-mentioned factors showcase a steady foundation of concurrence between India and Uzbekistan, which is equally paramount to Central Asia and which is highly based on transparency and accountability. However, restructuring is the need of the hour in order to further stabilize relations and diversify bilateral engagements in a variety of fields.

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