

## Sino-Indian Competition for the Resources of Central Asia

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### ABSTRACT

Five Central Asian Republics (CARs) got independence in December 1991 as a result of the collapse of the USSR. This unexpected and involuntary created a belt of states having majority of Muslim population to the west and north of Pakistan, India and china. India and china are the most populous and emerging powers of the region. Both of these countries were looking to the huge potential of trade relations with this newly reachable and large consumer market. They were also trying to create energy partnerships with the gas- and oil-rich region. This resulted in a type of competition between these two countries of the region. India is lagging behind China in this competition due to the close proximity of China with the Central Asian Republics.

**KEYWORDS:** Central Asia, India, China, Resources, Competition

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### INTRODUCTION

The concurrent rise of India and China and their apparent competition has the possibility to have serious repercussions on the geo-politics of the region. This competition requires the attention of regional players. Generally it is agreed that China and India are chief actors in the Asian region. On relative power trajectories, they are moving upward simultaneously (Ryan, 2012). Both of these nations have rapidly-expanding economies which are supporting their rising defense budgets and nuclear weapon capabilities. A huge manpower is also available with both the countries. Both of them considered themselves as legitimate emerging great powers. Resultantly, they are in constant competition for influence in South Asia, India Ocean and Central Asia (Malone, Mukherjee, 2010).

Political, economic and diplomatic relations exists between China and India but the two nations having rapidly growing economies and global ambitions cannot co-exist peacefully with each others. Where ever the spheres of influence will overlap, there will be competition, as in the cases of Myanmar, Nepal and Central Asia. Standard realists are of the opinion that China will not allow India to emerge as a power outside South Asia. Partnerships and alliances were built by China with the countries in the periphery of India. Those countries include Sri Lanka, Nepal, Bangladesh, Myanmar, Pakistan and Afghanistan. This act on part of the Chinese government along with the presence of Chinese forces in the Indian Ocean region was viewed by the Indian policy makers as the strategic encirclement. The Indian government is still cautious about the China's foreign policy in the region and specially about countering its naval influence (Malone, Mukherjee, 2010).

As far as the capabilities of these states are concerned, both of them possesses nuclear weapons and their economies are growing at a rapidly speed. They have large reservoirs of manpower and their military budgets are expanding with the passage of time. It is obviously seems that they are contesting for influence the Persian Gulf, Indian Ocean, Africa, South Asian and Central Asia (Malone, Mukherjee, 2010).

The Central Asian Republics emerged on the world map as a result of disintegration of former USSR after 1990. These unfortunate republics are landlocked. They have huge taped and untapped resources of natural gas, oil, coal, uranium, gold etc. There is a severe competition for the resources of these republics among different states. The key players which are competing for these resources in these republics are Russia, US, the European states and emerging powers India and China. These players are politically as well as economically involved in the energy sector of the region (Singh, Kaur, 2014).

The main purpose of this paper is to analyze the competition between the two emerging powers for the natural resources of Central Asia. China-India 'New Great Game' denotes the geopolitical struggle between these two states for 'influence, power, and hegemony in the region. Predominately, it refers to the their struggle to transport oil, natural gas, uranium etc to their own countries against the other as they can from Central Asia (Scott, 2008).

### **History of Great power's Struggle in Central Asia:**

Rapid changes have been occurring in Central Asia after the world has started to take more notice of this region which has abundance of natural resources. Flow of people, shipment of products and large scale infrastructure across the region has already been triggered by the expansion of trade and flow of capital to the region. This phenomenon can rightly be compared to the waves of transformation that occurred in South East Asia and Europe in the past. Consequently, over energy stakes, the rivalries of great powers in the Central Asian region have also increased. The key players in the region have shown their responses in numerous ways to get benefit from strategic and energy resources of the region (Stobdan, 2015).

The term "The Great Game," was coined by Arthur Connally in 1835. It referred to the clash between Tsarist Russia and British Empire for supremacy in Central Asia and Afghanistan in the 19<sup>th</sup> century. The "New Great Game" which is being played today is referred to the "Great Game" of the 19<sup>th</sup> Century when there was competition for influence against each other between Tsarist Russia and the British Empire and they were in a state of undeclared war in Afghanistan and Central Asia (Rashid, 2009).

The colony of India was known as "jewel in the crown" by the British Empire. The expansion of Russian influence in Turkestan (Central Asia) was seen as a direct threat to its India colony by the British Empire. Imperial Russia also apprehended that British are working against the Russian interests by joining hands with the Turkestan's Muslim tribes. For the control of Afghanistan there was a proxy war between the two powers. In order to invade either Turkestan or colonial India, Afghanistan could be used as a strategic base (Kleveman, 2003).

The actual battle was fought through communication links, according to Ahmed Rashid. Across Central Asia, railway tracks were built by the Russians to their borders with China, Persia and Afghanistan. Across India, railway lines were built by the British to their border with Afghanistan (Rashid, 2009). When the Soviet Union and United Kingdom became Allies in the World War II, "The Great Game" faced its natural death.

In modern times, the phrase "New Great Game" is used to describe current geopolitics in Central Asia. It is also used to explain the competition between numerous regional and extra-regional players for profit, power, hegemony and influence in Central Asia (Matthew, 2003). Each country is trying to get a share in the natural resources of the Central Asian Republics. The biggest untapped fossil fuel reserves of the world lie under the Caspian Sea. It is estimated that the amount of oil range from 50 to 110 billion barrels while the amount of natural gas range from 170 to 463 trillion cubic feet in the region (Matthew, 2003). Azerbaijan and Kazakhstan alone, according to Kleveman, could be sitting on more than 130 billion barrels of oil, more than three times the United State's own reserves (Kleveman, 2003).

In the context of the New Great Game, the Sino Indian competition includes; the disputes, competition for access to resources, the development of strategic military alliances and the use of strategic relationships with other countries to restrain the rise of the opposing nation. The containment of India in the region is one of the prominent policies of China. The initial focus of Sino-Indian competition is centered on Central Asia. India is an emerging power. It is apprehended by China that India is a strong competitor for China in the whole region including the Central Asian region where both the emerging powers have clash of interests (Scott, 2013).

### **China and India in New great game:**

It can be seen that in Central Asia, there is a competition among different countries for influence and for the resources of the said region. The competition between China and India started in 1990s when China National Petroleum Corporation acquired the Uzen oil field in Kazakhstan against India. Similarly, the foundation of a new organization was laid down by China in 1996, which was initially named as 'Shanghai Five'. The initial members of the organization were China, Russia, Kazakhstan, Tajikistan and Kyrgyzstan. It was formed for economic, social and military-related discussions. The organization was renamed in 2001 as Shanghai Cooperation Organization and Uzbekistan was also included as its member (Kaushiki, 2013).

In July 2015, it was decided by the member states to enlarge the organization in order to include Pakistan and India. It might be a move by Russia and China with the intention to counter American influence in South and Central Asia. The well-established bilateral disputes of India and Pakistan may be a burden on the forum. The entry of these states could further complicate India-China relationships and the respective spheres of influence of both the countries (Yu, 2011).

India has already recognized the growing significance of the Shanghai Cooperation Organization in the affairs of the region. Now India wants to counter the influence of China in Central Asian region. For the same purpose, India has announced a new policy in June 2012, 'Connect Central Asia' policy. Indian Minister of State for External Affairs while announcing 'Connect Central Asia' policy stressed that most of the member countries of Shanghai Cooperation Organisation were India's neighbours, or they belong to its extended neighbourhood. They share a strong historical and cultural legacy of centuries with India binding them together. This new Indian policy

has also some underlying elements which are related to its interest to get access to Central Asian natural resources. India is facing some complications in accessing the resources of Central Asian states due to lack of borders with these states. Pakistan is also not cooperating with India to facilitate the transit of oil, gas and the movement of trade goods from CARs to India. It is one of the main reasons that New Delhi has developed relations with Tehran to use Iranian territory to transit trade goods from Central Asia through the Iranian port of Chabahar (Kaushiki, 2013).

### **Sino Indian competition:**

In the energy sector in Central Asia, there is a strong competition among great powers of the world like Russia, United States and China, which is the emerging power. These countries are politically as well as economically involved in the region. The energy sector of India and China is dependent on crude oil. Both of these countries are importers of crude oil. They are trying to expand their energy supply and use natural gas as alternative of oil. The diversification of the energy supply has the potential to throw them in direct contest for energy resources from Central Asia (Malone, Mukherjee, 2010).

In the energy sector, China is one of the main competitors for India in the Central Asian region. Indian companies are being outbidding by the Chinese companies. China won \$5 Billion oil deal from India in 2013. Thus India is facing intense competition with China (Saikia, 2013).

Perception also plays an important role in the relationships of the states and their engagements. In the national debates of India, China is a more loaded subject than India is for China. It has been observed that China does not feel any serious threat from India. The military expansions and economic success of China created tremendous insecurity and uneasiness in India (Malone, Mukherjee, 2010).

It is believed that China and India are comparative economic powerhouses, theoretically. It is believed that they have the capacity of setting new Asian economic order. Nevertheless, the new Asian economic order has already been shaped mostly by China. The regional countries like Pakistan, Central Asian Republics, Vietnam, Japan etc, which India wanted to influence, are in fact already integrated with China (Stobdan, 2015).

India is increasingly important competitor for the gas and oil reserves in Central Asian. It is estimated that as the population of China ages and its population growth slows then within a decade, there will be a more rapid increase in the energy demand of India than that of China. Looking to the geographical location of India, it can be observed that it is in a better position than China to get natural gas and oil from the Persian Gulf. India also wants to diversify its hydrocarbon imports. It includes supplies of oil and gas, which would be originated from Central Asia (Duarte, 2014).

The first ever official dialogue between China and India on Central Asia was held in August 2013. In the meeting they discussed particular issues like energy security, regional security and counterterrorism, development partnerships, Shanghai Cooperation Organization, (SCO) and people-to-people contacts with the regional countries. Now a desire has been expressed by India to play a more meaningful and expanded role in the Shanghai Cooperation Organization (SCO). It has also signed the memorandum in 2016 for full membership in the organization (The Express Tribune, 2016, Jun 26).

Vice President of India, during his visit to Tajikistan in April, 2013 signed agreements to develop bilateral cooperation in energy, education, commerce, trade, agriculture, health and mining. They also agreed to work together to set up a Central Asia e-network and IT centre of excellence in Tajikistan (The Economic Times, April 13, 2013). Nevertheless, as compared to the economic engagement of China, the present level of actual bilateral collaboration of India with Tajikistan is very small (The Hindu, April 16, 2013). In mining uranium, IT, and telecommunications industries in Tajikistan, large amount of money has been invested by China. A large area of land rich in minerals has also been leased at low cost from Tajik government by China. As compared to India, China is far more ahead in trade and investment with the other states of Central Asia.

It has been witnessed in the last ten years that there is modest and steady rise in engagement of India with the Central Asian countries. The revival of the relationship is motivated mainly by two reasons. India wants to secure and diversify its energy security base. As a result, a severe competition started between India and China, in which India is lagging behind China. Second, India wants to keep a check on the growth of fundamental Islamist groups, which could be a threat for India especially in the Indian held Kashmir could have the potential to destabilize the security of India (Sharma, 2008).

India's engagement with Central Asia has two other concerns also. The first reason is related to control drug trafficking. Drug trafficking finances the weapon proliferation activities and those terror groups for which the Central Asian Republics proved as a suitable breeding grounds. The second reason was to provide a much needed boost to the commercial potential of India in the Central Asian region. If India became successful to attain this objective, it could become a powerful instrument to counter the attempts of Pakistan to stop Indian access to the region through its geostrategic location. Moreover, Indian presence in the region could be an alternative to the

Chinese dominance in the Central Asian region which has cast its shadow over the future of Russia, the traditional hegemon (Bhatty, 2008).

India is interested for playing a chief role in Central Asia. India is failing to compete with its contenders, particularly with China, despite the necessity for New Delhi. America is supporting the expanded role of India in CARs even then India is failing to keep pace with China. The military, economic and political room available to India is immensely enlarged by the US presence in the region. Actually, the presence of Washington allows New Delhi to play, or at least aim to a greater role in Central Asia than it could accomplish on its own. United States also wants New Delhi to play an active role in Afghanistan and CARs as its military leave Afghanistan (Blank, 2013). Thus, the American and Indian interest converges in Central Asia and Afghanistan. They are both reluctant to see the above mentioned region fall under the direct Chinese or Russian influence. In 1990's, when China's influence increases and that of Russia's weakened, it was a matter of great concern for India. This has a negative impact on the Indian threat perceptions. Since 1990, after the growing American presence in the region, this threat perception stabilized (Pant, 2013).

The growing cherished desire of New Delhi for energy has bring it into clash with Beijing, clearly shown by the harsh competition between the two countries, over the bidding of Petro-Kazakh. However, presently China commands a clear edge over India. Furthermore, if India wants to pursue its aims of alternative trade routes and pipelines then it has to be careful not to annoy China despite its eagerness to balance China's influence in the region (Sharma, 2008).

On the 60<sup>th</sup> Republic Day celebrations of India in 2009, Nazarbayev was invited by India as a Chief Guest. Kazakhstan promised in 2013, that it will provide 8.4 per cent stake to ONGC in the Kashagan project but later on the agreement was signed with the Chinese CNPC. This agreement was a disappointment and huge setback for India. It weakens India's passion to flourish closer relations with Central Asian Republics (Stobdan, 2015).

The strategic approach of India is to promote strong relations with all of the Central Asian republics for its energy and security objectives. In order to give practical shape to its objectives, India must be ready for challenges and competitions which would be faced by it from regional powers, like Russia and China on security and energy related matters respectively. As compared to other major players, India managed to secure only a negligible foothold in the region so far. Even the business presence of India in the Central Asian region is nominal. At present, India is not amongst the main dominant powers in the region despite the fact that numerous high sounding announcements have been made and broadcasted. The most important thing to be noted here is the presence of key players of the region like Russia and China. The most important point here is the ability of China to restrain India to play its role in the Central Asian region in future, after the withdrawal of US troops from Afghanistan (Blank, 2013).

China got entry into energy market of Central Asia in 1997. China's National Petroleum Corporation (CNPC) acquired a 60.3% stake in Kazakhstan's Aktobe Munai Gas. It got access to an exploration block and three oilfields in Kazakhstan. While India acquired a 25% stake (smaller than China) in a single oil bloc, Satpayev, for the very first time in 2011. China's CNPC was bidding against major established oil corporations. CNPC cleanly outbid every competitor. The Kazakh government was short of money, so cash along with bonus was paid by the company to the strapped Kazakh government. It also conducted feasibility studies on a pipeline from Kazakhstan to Xinjiang, offering an alternative route to the Kazakhs which were non-Russian. The path to a fast and remarkable range of acquisitions and partnership for China was made easy due to this development (Pant, 2013).

To build energy security in Central Asia, two pronged strategy was followed by China. Initially, energy assets, oil companies and oil blocks, both were acquired by it. Secondly, for involvement in the industry and energy infrastructure of the region, China used its technological expertise, therefore; it resulted in the creation of mutual interdependence between the two sides. India was unable to compete with china in both the cases. It is worth mentioning that Xi Jinping, the new Chinese premier, undertook a tour of Central Asian republics immediately after assuming office. He signed mega energy agreements and promised large investments in the region. The presence of India in the region is much less as compared to China. China is the largest trading partner of four of the five Central Asian states (Pant, 2013).

China got considerable influence in the region due to its considerable economic development and long land border with the Central Asian states. The diplomatic relations between China and CARs developed in 1992. Since then, the overall trade of China with these states has increased over a many-fold (Xinhua, 2013).

The major source of foreign investment and the most famous economic player in the region is now China. Resultantly, China has been enabled to dominate the Central Asian region against India in terms of building transport and infrastructure networks, acquisition of energy, investment and trade. The overall trade volume of India with the five Central Asian states was estimated at \$500 million in 2012 (Roy, 2012). While the overall trade volume of China with the five Central Asian republics amounted to approximately \$46 billion during the same year (China Daily, September 8, 2013).

In the sphere of energy, China has regularly beat India when it comes to secure energy acquisitions. India lost out in June 2013 when its transaction to buy a major stake in the huge Kashagan oilfield from a US company was blocked by Astana. Instead, it was purchased by the Government of Kazakhstan and then handed over to China. From Turkmenistan, China is already receiving 40 bcm of natural gas on annual basis. If the China's pipelines from Kazakhstan and Uzbekistan are added to it, the figure projected to rise much higher. It is apprehended in New Delhi that if India would try transport natural gas through TAPI (Tajikistan-Afghanistan-Pakistan-India pipeline) from Central Asia, China would resist its attempts. The inability of India to compete with China in Central Asia is also visible in the revival of Silk route policy of China. It is a transport net works which will help China to have an easy access to Central Asia.

#### **China's factor in SCO:**

India, for quite some time has been seeking support from the member countries of Shanghai Cooperation Organization. It is seeking to play a leading role in the organization. In fact, India wanted to become a permanent member of this organization. Finally, after a long struggle, it became successful to achieve the permanent membership (The Express Tribune, 2016, June 26).

In 2001 at Shanghai, the SCO was founded in a meeting among the presidents of Russia, China, Kazakhstan, Uzbekistan, Tajikistan and Kyrgyzstan. At Astana summit in 2005, India, Pakistan and Iran were included in the organization as observer states. In the grouping, the role of India remains insignificant, though the moratorium on new membership was lifted by the Tashkent Summit in 2010. The membership of India in the organization was supported by Russia. New Delhi's participation in the Collective Security Treaty Organisation was also assured by Russia (Kothari, 2014).

As mentioned above, it has been confirmed that India is facing many difficulties in the Central Asian region. Unlike Moscow, Beijing continues to hinder India's efforts to boost its presence in CARs. China and Pakistan could probably succeed to put hindrance in New Delhi's ability to negotiate agreements for the supply of energy and to show successful financial and military power in the Central Asian region (The Economic Times, 2013). Yet, for advance of its interests in Central Asia, certainly India cannot depend on Russia. Despite the increase in India's power and economic development, so far, India has been outpaced by China in respect of energy acquisitions, trade, infrastructure networks and the building of a long-distance transportation in Central Asian region (Blank, 2013).

#### **Iranian ports:**

India has been working on a more feasible arrangement to develop an alternative trade corridor through Iran. In St. Petersburg, an agreement was signed by India, Russia and Iran on 12 September 2000, for the construction of an International North South Transport Corridor. The NSTC will help India to transport its Indian goods from India to the sea ports of in Iran and then through road and rail linkages and the Caspian Sea to the Central Asian region. Thus, NSTC will enable India to bypass Pakistan and access Central Asia (Sharma, 2008).

Potential trade of India through Iran is approximately two to three times the current actual trade with the Central Asian region. It would be useful for India to develop a route for trade through Iran as this route would have positive opportunities. The new trade route could lead to increase trade two to three fold between Central Asia and India (Agrawal, Sangita, 2013).

India intended to broadly integrate its economy with Central Asia through the cooperation of multilateral institutions. Indian foreign policy is obviously directed to promote this trend for the achievement of these objectives. Nonetheless, to be more realistic, the advantage which China is enjoying in the region cannot be enjoyed by India. These leverages are inherent in regional proximities (Stobdan, 2015).

Iran has two important sea ports. One of the ports is Chabahar port, which is located in the Gulf of Oman and the other is Bandar Abbas port situated near the Strait of Hormuz. These ports have the potential which is likely to be used trade purposes with Central Asia by using the territory of Afghanistan. In May 2013, for the development of Chabahar port, India has already allocated \$ 100 million. India is playing an active role in the policy outlines to promote INSTC trade route. New Delhi is engaged with Iran in ongoing conversation to complete under-construction portion of this route. This route will help to trade goods with the Central Asian republics in a shorter period of time (Singh, Kuar, 2014).

In India-Central Asia relations, Iran is an unspoken but important factor which provides alternative access to Central Asia. Nevertheless, for about the last ten years, India-Iran relationship has not progressed well. This relationship has been marred by mutual suspicion. The International North- South Transport Corridor (INSTC) would pass through Iran and would connect Chabahar with Central Asia. It is still underdeveloped. Huge investment is required for its development. India has also been very slow to realize the potential of the strategically important

Iran's Chabahar Port. The top priority of Indian foreign policy must be INSTC and Chabahar port. India will have to make sizeable investments in Iran for the development of the Chabahar Port and INSTC to provide effective and short access to Central Asia (Gupta, 2013).

The construction of Gwadar port by Pakistan in the Arabian Sea has been closely watching by India. Indian agents were arrested on 2 July 2004, by Pakistani police in Karachi who were providing sensitive and strategic information to the spy agency of India. That information also includes the map of Gwadar Port. Madhavendra Singh, Indian Naval Chief Admiral in an interview with the Janes Defense weekly, stated that India was closely observing the activities of Chinese on the coast of Makran, alongside which Gwadar port is located. Deep concerns were also expressed by him about the close interaction of the Chinese navy with Pakistan and other neighbouring countries. According to him, Indian shipping routes in the Gulf could be seriously endangered by these activities (Defence News, 2004, June 7).

In free trade zone in Chabahar, it has been proposed by India to invest US\$100 million. The Chinese have also shown their interest in Chabahar. A credit of Euro 60 million to Iran has been announced by China to upgrade the Port. The importance of Chabahar Port is that it will help to facilitate a transit route to Afghanistan which is a land-locked country. India can directly access to Afghanistan through Pakistan. But Pakistan and India are two rival states since their inception. Despite direct road links, neither Pakistan allow transit facility from India to Afghanistan nor India is ready to get it. Therefore, the Chabahar Port could become an important connection point linking Central Asian and Afghanistan to India (Gupta, 2013).

### **Competitive strategic objectives:**

The contemporary relationship between China and India is very complex. It is shaped by a history of mistrust and tension. China and India unevenly perceived each other. The official policy of China is to disparage, if not ignore, the economical development, regional ambitions and rise of India as regional power; whereas, China is a central point in the strategic policy of India. However, in contrast to the public perception of China, both the nations (China and India) have developed strategies to deal with the each other and to make certain that they are ready to compete with the other for dominance and power in South and Central Asia (Singh, 2012).

#### **a) China's strategic view:**

It is important to note that the strategic objectives of China are neither militaristic nor expansionist in its engagement with the Central Asian republics. Rather, Chinese policies are focused to secure stable hydrocarbon resources like gas, oil and coal etc. It also wants to develop the infrastructure and its commercial interests in the region (Akbar, 2017).

In relation to India the Chinese strategy would seem to be consisted of six elements: For its political and military aims and designs China needs to generate a larger amount of resources than India through a continued high growth rate of economy. The Chinese government needs to reduce a conventional arms race with India, while taking into account that a significant nuclear threat is possessed by China. Beijing needs to restrain New Delhi's rise by either to deny it access to or at least to marginalize its influence in international and regional organisations such as the Asian Development Bank and APEC. The military strength of Pakistan remains a vital factor in strategic calculations of India. In order to maintain a two front threat to India, China needs to continue its help to Pakistani military to ensure its strength. The boundary dispute between China and India could not be resolved unless Beijing maintains its strategy of inactiveness. By continuing this policy, it would be in a better position to keep India under constant pressure till the regional balance of power swings in favour of China. Then automatically, China would be able to pressurize India directly and resolve the disputes in such a way to give all the benefit to China. Lastly, Beijing needs to carry on strengthening its military, trade, economic and develop relations with the countries of South and Central Asia in order to enlarge its strategic dominance and contain the influence of India (Goshal, 2010).

#### **b) India's strategic view:**

The current policy approach of India to respond towards China is focused on being as clever as possible, and if evaluated its policy would be seem to be made up of four major elements. India is rapidly focusing to improve its bilateral relations with China by cooperating in fighting terrorism and by signing trade agreements. It is trying to avoid picking political, rhetorical, or military fights with China. These efforts are evident by the visit of Modi, the Prime Minister of India in May 2015 to Beijing. A joint statement was signed by Modi and Li Keqiang, Chinese Premier. The joint statement focused on trade and financial cooperation and guidelines on political talks (Sha, 2015). The second element of Indian strategy is revival of its relations with the nations of Central Asia. This policy is a materialization of Indian changing strategic view of the world and a better realization of its position in the changing global economic environment. The "Connect Central Asia" policy and "Look East" policy of India are fundamental

to this plan. The main aim of “Look East” policy of India is the revitalization of its relationships with the countries of East and Southeast Asia, such as Japan, Singapore and Vietnam. The aim of “Connect Central Asia” policy of India is the revival and upgrading of its relations with the nations of Central Asian (Carras, 2013). Third element of Indian strategic view is to balance the rise of China. Indian strategies like that of Indonesia, Taiwan, Japan, Vietnam, Mongolia and Australia is perusing it on diverse lines. It is adopting a balance of power strategy. The aim of this strategy is to strengthen its relationships with the United States as well as some other regional countries. However, India has chosen not to consume formal strategic security agreements with a large number of other countries. The main focus of India is to ensure that it has enough national power to defend itself from China via the continued modernization of its conventional military weapons and forces and to maintain its nuclear deterrence.

#### **Encirclement of India:**

The strategic alliance of China with Pakistan and its mounting relationships with other neighbours of India have increased tensions between India and China. The actual reason behind the tension is strategic threat perceptions of India. The actions of China are perceived as a deliberate strategy of encirclement by India (Sikri, 2009).

The key regions which are believed by India to be strategically encircled by China are along the western and northern borders of India. For China, Pakistan has the capability to pressurize India to keep the one million-strong Army of India alert and preoccupied in Kashmir and to its west. Due to the tussle between India and Pakistan over the Kashmir issue about 300,000 to 400,000 Indian troops have been deployed by India in this region for the last two decades. These actions will ensure China that the Indian Army would not have the capacity to engage on two fronts and to interfere in Tibet or in the wider Southeast, Central Asia or East Asia regions (Cheema, 2015).

Pak-China observers determine that Pakistani stance against India also satisfies strategic objective of China of supporting other nations of South Asia as a counterweight to India (Goshal, 2010). Pakistan is a very good example to the other nations of South Asia and Central Asia. These nations can also get economic and military assistance from China. They can also enjoy the diplomatic protective umbrella of China, protect their internal and external sovereignty from the domineering policies of big powers and counter the attempts of Indian to influence or dominate their decision-making (Malik, 2011).

Pakistan is developing its Gwadar deep-sea port with the help of China. China's activities in the Indian Ocean are also expanding. All of these are a cause of deep concerns for the policy makers of India. The Indian policy makers have the perceptions that China is implementing a policy of maritime encirclement of India (Malone, Mukherjee, 2010). A critical strategic node has also been provided by Pakistan for China get access to the Arabian Sea, Indian Ocean and Persian Gulf, especially through Gwadar, the Chinese-funded deep-water sea port in western Pakistan, which became operational on 13 November 2016 (PTV News).

Pakistan granted approval in April 2015 to operate the Gwadar port for the next forty years as part of the development of the “China-Pakistan Economic Corridor” to China. It has been claimed by China that Gwadar port has been developed as a trading point only. Contrary to this, it has been concluded by the analysts that the facilities in the port could provide infrastructure for strategic naval support to China's Navy in the Indian Ocean. China could effectively become a two-ocean maritime power with such better access to the Indian Ocean and Persian Gulf. This, in turn, would have a potential impact on the free movement of US maritime forces in the Gulf region. Moreover, India would also see it as further indication of the ambitions of China to enclose India and challenge its influence in the Indian Ocean (Rakisits, 2015).

#### **India's perceived counter-encirclement of China:**

India's “Connect Central Asia” policy is the final leg of its counter-encirclement strategy. In Central Asian region, the interests of India are related to its concerns regarding Sino-Pakistan encirclement, access to the oil and gas resources and the potential threats from Islamic activist groups in Kashmir. India is a latecomer in the Central Asian region. As compared to China, its presence in the region is considered as being a negligible by most analysts (Marlene et al, 2010).

Nonetheless, to engage in Central Asia, increasing attempts are being made by India. It has focused on Tajikistan, particularly to improve the bilateral relations. India has developed military ties with Tajikistan in 2003, resulting in an undeclared Indian military presence at Farkhor airbase. This was followed by an unconcealed military presence in 2007 at the Ainy airbase. The deployment of the Indian troops aimed at providing a reaction force to support the interests of India in Afghanistan and Tajikistan. It has been speculated by some experts that the deployment of troops is an indication of Indian aspirations to establish in Central Asia, a better capability for geopolitical purposes intended at the encirclement of Pakistan to pressurize the later on the issue of Kashmir. However, it is expected that Indian military presence in Central Asian region will further boost the militarization of this region with the potential also to rouse the big powers into military competition (Kaushiki, 2013).

### **China's dominance over India in CARs:**

India's poor management has left it without a vigorous strategic policy in Central Asia. It is a region which is vital for energy, trade and security needs of India. The lack of direction in its policy raises suspicions about the capability of India to maintain strategic partnership throughout the region. It is also uncertain whether its strategic planning is in line with its world power ambitions. In view of the fact that Indian forces has lost its use of Ayni airbase in Tajikistan, if New Delhi is to overturn the uninspiring performance of its "Connect Central Asia Policy", it must counterbalance its strategic impede in Tajikistan. The Ayni airbase was the only foreign airbase of India. It had been the key to the strategic footprint of India in Central Asia generally and in Tajikistan particularly. Its loss was a serious strategic setback for India. It was announce by Tajikistan in December 2010, that in future, Russia was the only country which is under consideration in Tajikistan to use the Ayni airbase. In fact, Russia and Tajikistan are now discussing the terms of an arrangement of their future military collaboration (Kothari, 2014).

Despite the decade-long opportunity provided by the United States' regional presence for New Delhi to develop an expanded role in Central Asia, India does not project any significant military or economic power in the region. And although India and Tajikistan share security concerns about Islamist militancy, there is no meaningful security cooperation between the two countries. The Indian armed forces have not participated in counter-terrorism military exercises in Tajikistan like the Chinese PLA and Russian military did in June 2012. India has to work hard on this front (Tanchum, 2013).

The space that links India with Central Asia is inundated by severe problems and it is not easy to overcome them, so, India is at a disadvantageous position. Hence, India will face difficulties in case of its large-scale economic engagement with the region (Stobdan, 2015). As compared to China, India's trade with Central Asia is recorded very low hardly about \$750 million in 2012 and that of China was about \$46 billion (Foshko, 2012).

### **Indian efforts for rapprochement:**

Recently, in Central Asia, there have been indications of a more cooperative approach and a policy of rapprochement between China and India. In August 2013, in Beijing, senior officials of the Ministry of Foreign Affairs of India met with their Chinese counterparts in discuss a number of issues which were related to Central Asia. These issues included regional security, SCO, counter-terrorism, building partnerships, energy security and people-to-people contacts with the regional countries (Reeves, 2014). As already mentioned earlier in this chapter, they were the first ever official bilateral negotiations held between the two neighbouring countries on the Central Asian region. These dialogues open the opportunity of further cooperation between China and India (Hindustan Times, 2013, August 14).

Afterward, a Chinese delegation visited India for discussing matter related to Afghanistan which also included the implications of withdrawal of NATO forces in future. In the region, Beijing and New Delhi clearly have some shared interests, particularly where security issues are concerned. The August discussions have clarified a number of areas of potential matching between the two nations. One area which was put forward for discussion was the Indian capability in service sectors, including banking and IT, with the major investment in the infrastructure of Central Asia (Reeves, 2014). However, despite the opposing public statements, the engagement of New Delhi in the region will continue to be portrayed by competition with Beijing. Chinese Premier Xi paid a visit to Central Asia in September 2013. He signed various contracts with the Central Asian states amounting almost \$100 billion (The China Post, 9/10/2013). The visit of Chinese Premier and the contracts he signed increased the suspicions of India that China will damage the contract negotiations of the former for energy supplies (Blank, 2013).

### **Obstacles to rapprochement:**

Despite the present grandiosity of a rise in Sino-Indian cooperation, it is evident that there is an intense lack of trust and longstanding tendency of competition between China and India. The situation during the "Great Game" is reflecting in this current lack of trust, which is being repeated in the "New Great Game". It is a serious hurdle to the normalization of Sino-Indian relationships (Reeves, 2014).

Two major obstacles are facing by India to achieve its cherished desire to play a chief role in Central Asian region. One of the obstacles is the insufficient resources and the second is the lack of transportation corridors. The first obstacle is economic and the second is largely political. India has to tackle its historically problematic ties with China and Pakistan to seek overland route to Central Asian region. To Central Asia, transportation corridors of India would have to pass either through Pakistan to Tajikistan and beyond through Afghanistan or through the western areas of Xinjiang region of China into Kyrgyzstan or Tajikistan. As far as economic obstructions are concerned, some of them are related to the handling and supply of transport. Most of the economic obstacles are integrally linked with the success of Indian development program, the availability of resources in the shape of private investment and official economic aid, prices of the goods and the attractiveness of products. In these areas China



offers though competition to India. Chinese could adopt a strategy of potential threat for New Delhi on the disputed border in northeast of India, as Beijing has done since 2008, accompanied by an increasing assistance and reliance on Pakistan (Reeves, 2014).

## CONCLUSION

If we observe the overall relations between India and China, we can find that there is competition between India and China for the resources of Central Asia. The competition mindset to keep their traditional sphere of influence has also been displayed by both the countries in the Central Asian region. Competition is the initial driver on issues which are related to oil and gas. Based on history of mistrust and current competition, it can be concluded that in the coming decade, the rise of China and India will be accompanied with tension and suspicion. The Sino-Indian competition exists in the “New Great Game” and it could play the role of a catalyst for conflict between these two major emerging powers. While neither China nor India, nor would certainly any of the affected country want the “New Great Game” to lead to war. There is an expected risk that if left unchecked, misunderstandings and miscalculations could see the ‘Game’ get out of control. It would likely have profound consequences certainly for regional and global stability. The paper examines the ongoing competition and rivalry between China and India for the resources of Central Asia. It argues that like the “Great Game”, in the “New Great Game”, the Sino-India competition includes competition for access to resources, the development of military alliances and the use of strategic relationships with other powers to restrain the rise of the opposing nation. It concludes that the long-term social and economic development of both China and India is obviously dependent on a favorable security environment.

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