



LOGISTICS & DIPLOMACY IV

Connectivity Diplomacy in Eurasia: the South-Corridor

edited by
Kuralay BAIZAKOVA
Pierre CHABAL

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CONNECTIVITY DIPLOMACY IN EURASIA:

THE SOUTH-CORRIDOR

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Pierre CHABAL



**Institute for Security and
Cooperation Studies
at Al-Farabi KazNU**

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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
AIF	Asia Investment Facility
ASEAN	Association of South East Asian Nations
ASEM	Asia-Europe Meeting
BCIMEC	Bangladesh-China-India-Myanmar Economic Corridor
BBIN	Bangladesh, Bhutan, India and Nepal
BCPs	Border Control Posts
BIMSTEC	Bay of Bengal initiative for Multi-sectoral Technical and Economic Co-operation
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China and South Africa
BTC	Baku-Tbilisi-Ceyhan Pipeline
CA	Central Asia
CAA	Citizen Amendment Bill
CAR	Central Asian Region
CAREC	Central Asia Regional Economic Co-operation
CASA	1000 Central Asia- South Asia Power Project
CEPA	Comprehensive Economic Partnership Agreement
CIS	Commonwealth of Independent States
CMREC	China- Mongolia-Russia Economic Corridor
CPEC	China Pakistan Economic Corridor
CSTO	Collective Security Treaty Organisation
DPI	Digital Public Infrastructure
EAEU	Eurasian Economic Union
EBRD	European Bank for Reconstruction and Development
ECO	Economic Cooperation Organisation
EEF	Eastern Economic Forum
EIB	European Investment Bank
EPCAs	Enhanced Partnership and Co-operation Agreements
EPZ	Export Processing Zones
EU	European Union

EUGGS	European Union Global Gateway Strategy
EUICP	European Union India Connectivity Partnership
EUSCIP	The European Union Strategy for Cooperation in the Indo-Pacific
FTA	Free Trade Agreement
G7	Group of 7
G20	Group of 20
GCC	Gulf Co-operation Council
GDP	Gross Domestic Product
IBP	Indo-Bangladesh Protocol
ICP	Integrated Check Posts
IDB	Inter-American DevelopmentBank
IFCA	Investment Facility for Central Asia
IMEC	India- Middle East-Europe Economic Corridor
IMF	International Monetary Fund
IMT	India- Myanmar Thailand Trilateral Highway
INSTC	International North South Trade Corridor
IOC	Indian Oil Corporation
IoT	Internet of Things
IPCP	Indo-Pacific Connectivity Partnerships
IPGI	Indian Ports Global Limited
ITC	International Trade Corridors
ITI	Islamabad- Tehran- Istanbul
LCS	Land Customs Stations
LNG	Liquefied Natural Gas
MEIDP	Middle East to India Deepwater Pipeline
MOI	Memorandum of Incorporation
MSR	Maritime Silk Road
NATO	North Atlantic Treaty Organisation
NER	North East Region
OBOR	One Belt, One Road
PGII	Partnership for Global Infrastructure and Investment
PIB	Press Information Bureau
RCD	Regional Co-operation for Development

SA	South Asia
SAGE	South Asia Gas Enterprise Pipeline
SCO	Shanghai Cooperation Organisation
SOP	Standard Operating Procedure
SOCAR	State Oil Company of Azerbaijan
SREB	Silk Road Economic Belt
SRI	Steppe Road Initiative
STC	Southern Transport Corridor
TAPI	Turkmenistan-Afghanistan-Pakistan-India
TAR	Trans-Asian Railway
TCITR	Trans-Caspian International Trade Route
TCTC	Trans-Caspian Transport Corridor
TCITR	Trans-Caspian International Transport Route
TEN-T	Transport-European Transport Network
TIR	Transports Internationaux Routiers
TRACECA	Transport Corridor Europe-Caucasus- Asia
TTP	Tehrik-e-Taliban Pakistan
UAE	United Arab Emirates
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UPI	Unified Payment Interface
USSR	Union of Soviet Socialist Republics
VCMC	Vladivostok-Chennai Martim Corridor
WB	World Bank
WECOOP	Project Water Environment and Climate Change Cooperation

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PREFACE

Among the always happy set of academic encounters is that between the SEFACIL Foundation's endeavours by Dr Yann Alix in Central Asia, the long-standing participation of Al-Farabi Kazakh National University and Professor Kuralay Baizakova where LexFEIM Director Pierre Chabal often visited and still visits as guest professor, and, more recently, the connection established by Dr Dildora Khodiaeva between the SEFACIL Foundation and New Delhi's Jawaharlal Nehru University's Centre for Russian and Central Asian Studies in the School of International Studies towards Professor Archana Upadhyay.

Indeed, it took only two years for Dr Yann Alix' participation to a Cabinet of Ministers' seminar in Tashkent in 2021 to bloom into a SEFACIL seminar organised in Almaty in 2023 with the participation of Chairperson Archana Upadhyay and Dean Srikanth Kondapalli, and two such seminars in 2024 in New Delhi, the second of which led to the contents of the present book. Not only was this succession of events a rapid one, but in addition it paved the way for, already, further activities among all these partners, including teaching visits and joint research.

The October 2024 New Delhi conference was in continuation of the series of *Logistics & Diplomacy* seminars organised in the last decade, focusing on the politics and economics of the logistical transformations in Eurasia. The linkages between 'logistics as a necessity' and 'diplomacy as an art' was the highlight of the 2024 conference. This aimed to explore the regional dynamics of connectivity initiatives and the role of diplomacy in enabling countries to promote their national interests through regional and pan-regional cooperation. The idea being to explore the prospects of connectivity from South Asia via Central Asia to Europe within a world of 'pan-region-centralism'.

As an emerging power, the largest democracy and the most populous country in the world, India is an important stake holder in these regions. The geoeconomic and geopolitical dynamics of these connectivity projects are critical to India's quest for external connectivity and serves its logic of strategic autonomy in pursuit of its national goals. Understanding the dynamics of the diplomatic and logistical transformations in its immediate and extended neighbourhood is therefore critical for India's regional and global outreach. In the words of the Indian Prime Minister, India's path of international engagement is focused on "rebuilding connectivity, restoring bridges and rejoining India with our immediate and extended geographies."

This book offers a continuation of past visions and anticipated analyses of some of the most relevant initiatives in the post-cold war Eurasia. In 2014 already, the 1st *Logistics and Diplomacy* seminar coincided with the launch of the New Silk Road initiative. And in 2024, the 10th such seminar closely monitors the dynamics of India and the South Corridor in reshaping the geopolitics and geo-economics of Eurasia. The 27 essays in the volume, although broad and diverse in their individual themes, individually and collectively present multifaceted aspects of the geopolitics of connectivity projects in Eurasia. The chapters have been broadly categorised into three themes.: (i) *Eurasian connectivity: historic connects and contemporary challenges*; (ii) *Globalisation and Geopolitics of Connectivity in Eurasia*; and (iii) *India's Connectivity Diplomacy and Beyond*. Thus, State specific studies woven into the volume make this book a critical contribution to the study of the Eurasian holistic space - from a distinctively Eurasian perspective.

ACKNOWLEDGMENTS

This book would not have seen the light of day without the original help received in organising two seminars in India (February and October 2024), thanks to the hospitality of the Centre for Russian and Central Asian Studies, School of International Studies of Jawaharlal Nehru University New Delhi. The New Delhi Conference was preceded by a pioneering seminar in Kazakhstan in September 2023, with the welcoming encouragement of the Institute for Security and Cooperation Studies of Al-Farabi Kazakh National University in Almaty, and long-time colleagues there.

We are grateful to the SEFACIL Foundation and its General Delegate, Dr Yann ALIX, for his untiring and unwavering support over the past twelve years. Thanks to his proactive involvement, twenty seminars have been organised to date in France, Kazakhstan, Mongolia, Korea, Uzbekistan, Tajikistan, Kyrgyzstan and the most recent one in India.

The Conference on “*The Logistics and Geo-Politics of Connectivity Diplomacy in Eurasia: the South Corridor*”, held during 17-18 October 2024 in the School of International Studies of Jawaharlal Nehru University, was hosted by the Centre for Russian and Central Asian Studies.

We are grateful for the generous financial support received from the *Indian Council of Social Science Research* (ICSSR), New Delhi, that enabled the host institution, Jawaharlal Nehru University, to organise the International Conference in New Delhi on an impressive scale with active participation of scholars from India, Russia, France, Kazakhstan, Kyrgyzstan, Uzbekistan, Egypt and Turkey.

To our mentors and senior colleagues, we express our gratefulness for having long drawn our attention to the meaningful evolutions of the world, pointing to the keys for the understanding of the 21st century and its many cyclical surprises. To our junior colleagues and students, we express our faith that very soon they will take over our endeavours and provide the world of the 21st century with improved understanding and analyses for an even better science of logistics and diplomacy. Their participation in the conference as paper presenters was one of the major highlights of the New Delhi Conference.

Above all, we would like to share with the forty participants in the New Delhi 2024 Conference, our admiration for their capacity to trust us with their analyses – all of their analyses! – on a subject as vast and challenging as the ‘Geopolitics of Connectivity Diplomacy’. To the 27 authors who have contributed chapters to this volume, we gratefully acknowledge the intellectual contribution of each one of them, the quality of their analyses and their positive response to suggestions for revision and updating of their paper. We greatly appreciate their patience and good humour throughout this demanding exercise. Had it not been for their trust, nothing would have enabled us to complete this pleasant task of “creating a book” as a lasting testimony of our combined efforts.

With the hope that science overcomes the world’s turmoil.

Delhi, Almaty, Le Havre

November 2024 & April 2025

FOREWORD

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We stand at a pivotal intersection of history and geopolitics. The historical connective tissue of the Eurasian region is rich and complex, shaped by trade routes, cultural exchanges, and political alliances. From the ancient Silk Road, which served as a conduit for goods and ideas, to modern energy corridors, these linkages have fostered mutual dependency and shared prosperity. But as we explore how these historical foundations inform contemporary connectivity initiatives, we are also witness to the multiple challenges we face in an increasingly multipolar world embedded with deep geopolitical tensions. This important study, *The Logistics and Geo-Politics of Connectivity Diplomacy in Eurasia – the South Corridor*, is an essential reading to understand the multiple factors that impact on attempts at bridging our world. The outstanding essays bring together different perspectives in a single volume, from different geographical lenses, so essential from a comprehensive understanding of the issues at hand.

As India becomes a key stake holder in the International North South Corridor, an exponent of the India Middle East Europe Economic Corridor and an observer in the EU Global Gateway Initiative, it cannot remain oblivious to the rise of geopolitical tensions, across the region particularly in terms of using connectivity as a leverage for power politics.

Unfortunately, even as we witness a new robustness in planning new routes and reviving old ones, in our current geopolitical landscape, we witness a renewed great power competition, particularly characterised by initiatives like China's Belt and Road Initiative (BRI). This initiative is not merely an economic strategy; it seems to represent a broader vision of Chinese hegemony that seeks to reshape global trade dynamics and extend China's influence across Eurasia.

From a constructivist perspective, we must also consider how narratives and ideologies shape perceptions of hegemony. China promotes the BRI as a pathway to mutual benefit and development; however, states in the region may interpret this as an encroachment on their sovereignty. In this context, India has a crucial role to play in reshaping the narrative around connectivity and cooperation.

In addressing the challenges posed, Prime Minister Narendra Modi has emphasised upon the importance of a multipolar world. In his words: "India is committed to enhancing connectivity among nations, but we believe in connectivity that respects the sovereignty and territorial integrity of nations." This perspective not only highlights India's approach to connectivity but also reaffirms its commitment to a rules-based international order.

India's response has been multifaceted. Initiatives like the International North-South Transport Corridor (INSTC), the Chabahar Port project, and active participation in

regional forums reflect India's commitment to offering alternative connectivity options that emphasise inclusivity and mutual respect. The INSTC, for instance, connects India, Iran, and Russia through a network of rail and sea routes, providing an alternative to traditional trade routes dominated by China. The Chabahar Port project enhances India's access to Afghanistan and Central Asia, countering Chinese influence in the region. Both projects underline India's commitment to enhancing regional connectivity and economic cooperation while promoting a rules-based international order.

It is fascinating to see the expanse of the INSTC using ship, rail, and road route for moving freight from South Asia to Europe through, is a multi- modal transportation route that links the Indian Ocean and Persian Gulf to the Caspian Sea via Iran and onwards to northern Europe. Goods from Mumbai, India to Bandar Abbas, Iran by sea, and from Bandar Abbas to Bandar-e Anzali, an Iranian port on the Caspian Sea, by road. From Bandar-e-Anzali, the route proceeds to the Russian port city of Astrakhan by ship across the Caspian Sea, and thereafter from Astrakhan to the other regions of the Russian Federation. From there, the goods are transported by truck or rail along the Volga River through Moscow to Northern Europe.

On the sidelines of the G20 Leaders' Summit, leaders of India, European Union, France, Germany, Italy, Saudi Arabia, UAE and US announced an MOU on 9 September 2023, committing to work together to develop a new India-Middle East-Europe Economic Corridor (IMEC). The IMEC will comprise of two separate corridors, the east corridor connecting India to the Gulf and northern corridor connecting Gulf to Europe.

The corridor will provide reliable and cost-effective cross-border ship to rail transit network that will supplement existing maritime routes. It intends to increase efficiency, reduce costs, secure regional supply chains, increase trade accessibility, enhance economic cooperation, generate jobs and lower greenhouse gas emission, resulting in a transformative integration of Asia, Europe and the Middle East (West Asia).

The IMEC corridor, which aims at integration of Asia, Europe and the Middle East, involves multiple stakeholders. It seeks to reimagine the natural connectivity of eras of the past. Historic trading links between the Indian subcontinent, the Middle East and Eurasia show that long distances are no barrier to shared interests. Indeed, geographical connectivity is what channels trade. However, the partition of the Indian subcontinent in 1947 ruptured India's historic corridors to the Middle East and Eurasia. Now, Delhi's strategic impetus is to reigj and rekindle these linkages.

Historically, the idea of connectivity has been pivotal in shaping international relations. The ancient Silk Road not only facilitated trade but also the exchange of culture and ideas, fostering a spirit of cooperation among diverse civilisations. Today, we must draw inspiration from this historical legacy as we seek to navigate the complexities of modern geopolitics.

However, while striving for positive outcomes through connectivity, we must also recognise the potential dangers that loom over us. The war in Ukraine and the escalating conflicts in the Middle East present significant challenges that can disrupt these initiatives. A realist perspective underscores the precarious nature of security in this zero-sum game, where power politics often lead to instability. Furthermore, the expanding conflicts in the Middle East, exacerbated by geopolitical rivalries, have implications for energy security and regional stability. As countries navigate these turbulent waters, the

risk of miscalculations and escalations increases, making it imperative for nations to engage in dialogue and cooperative mechanisms to address shared challenges.

This brings us to the crucial need for a paradigm shift in how we approach connectivity diplomacy. Instead of viewing the world through the lens of competition and rivalry, we must adopt a more cooperative approach that emphasises shared interests and mutual benefits. This requires a commitment to multilateralism and building partnerships that transcend traditional rivalries.

We must also recognise the importance of regional organisations and platforms that can facilitate dialogue and cooperation. The Shanghai Cooperation Organisation (SCO), the Eurasian Economic Union (EAEU), and other regional forums provide avenues to engage in constructive dialogue, share best practices, and collaborate on connectivity initiatives.

As we move forward, this invaluable volume of essays focuses not just on the challenges but also the opportunities for collaboration and partnership that exist within this complex landscape. By fostering a spirit of cooperation, we can create a more inclusive and prosperous Eurasian region, where the benefits of connectivity are shared by all.

I congratulate Professors Archana Upadhyay, Kuralay Baizakova, and Pierre Chabal for working tirelessly together in bringing out this exciting book.

PART 1

EURASIAN CONNECTIVITY: HISTORIC CONNECTS AND CONTEMPORARY CHALLENGES

Indo-Central Asian Connectivity During the Age of Empires: Trade, Diplomacy and Culture

Nandini Bhattacharya

This chapter traces the nature and the extent of connectivity between India and Central Asia through the Hindukush and Pamir-Badakhshan during the 19th and 20th centuries when the two great European Empires, namely Russia and England, hovered around the region with expansionist designs. It was during this time that the British power touched the frontiers of Afghanistan, stretching her colonial ambition across the north-western frontiers of the Indian sub-continent. The imperial ambition of Russia, on the other hand, had expanded around the vast expanse of Eurasia, covering large parts of Central Asia, which came too close to the Afghan frontiers.

The Anglo-Russian tension over this apparently forbidding terrain had significant geo-strategic implications and was commonly known as the 'great game' – a shorthand term involving many factors at work. This essay addresses the issues of connectivity at work, be that in terms of trade or cultural exchanges, in spite of the tensed and hostile conditions created by the two competing powers and estrangements generated through their diplomatic designs. The intense geo-strategic tension, as reflected in the popular perception of the 'great game', had represented this region as a risky, inhospitable danger-zone. Looking beyond this common perspective that mostly tainted the region as an unwelcome zone, one can actually trace the human connectivity and exchanges ever since the dawn of human civilisation.

This chapter focuses on the human connectivity even during this phase of acute estrangement imposed by the two ambitious Western Empires. It debunks the common perception of the detachment of these two geo-cultural zones due to hostile geo-strategic intervention during the age of empires. It argues that the diplomatic involvement between the two Western imperialist powers also led to increased travel and enhanced connectivity.

Hindukush and beyond in the British imagination: challenges and continuity through age-old passages

Communication between the Indian sub-continent through the north-western passes that open up beyond the Himalayas and Hindukush up to the Pamir and Badakhshan region on the other side were the gateways of communication between South and Central Asia since pre-historic days. The interactions intensified during the days of the Islamicate empires. However, British colonial rule had created a different viewpoint towards the north-west of the Indian sub-continent, perhaps because the English colonials did not use the mountain passes to enter India, as it was the oceanic ways that brought them to South Asia. British colonial texts painted the image of a forbidding land inhabited by strange people and their peculiar way of life with a different set of values and morals keeping to their natural circumstances that represented an alien culture to

depict the land and the people lying beyond the mountain passes.¹ This was part of a conscious theory that not only emphasised a sense of difference between two regions which were age-old neighbours but also inculcated a sense of insurmountable distance between the two, both geographically and culturally. In fact, it is interesting to observe how this image of a strange land and strange people was created and popularised under the colonial rule for public consumption. An observation by historian I. H. Siddiqui (1979) comes to mind:

The establishment of British supremacy in India in the beginning of the 19th Century opened a new phase of India's relations with Central Asian powers since the Hindukush no longer formed the natural boundary between India and the Central Asian kingdoms of Afghanistan and Bukhara as it did in the Mughal period, at least till 1739. The frontiers of the British Empire became exposed to the invaders from that side.²

Increasingly, there was a constant threat perception, which grew into a phobia on the North-western frontiers, popularly known as 'Russo phobia'. In diplomatic terms, this Anglo- Russian tension was coined 'the Great Game'.³

Since then, in common perception, an apparent disjunction was created, between India and Central Asia, as though the land and people beyond the Hindukush (the name of this mountain reminded the danger awaiting the people from Hind beyond this marker) belonged to a different world system. However, just beneath the consciously created curtain of ignorance, there was an obvious stream of communication – communication in terms of trade and commerce as well as travel – that continued. There are a number of insightful sources describing the region during the colonial days, namely, official memoirs, reports on diplomatic missions and various surveys, travelogues, , anthropological surveys, strategic analysis and even fictional literature. One such fiction was Rudyard Kipling's 'Kim' (1901). Kipling's 'Kim'⁴ was a novel entirely based on the diplomatic disjunction between India and Central Asia, which kept growing along the Anglo-Russian tension over diplomacy and strategic control.

The colonial rule consciously depicted Central Asia as inhospitable, challenging, treacherous and perilous, which discouraged communication. The Anglo-Russian rivalry in the context of Central Asia in reality had accentuated the Afghan policy of the British colonial power. Indeed, the 19th century witnessed a further intensification of official attention over there. As a result, the physical presence of officials, and military and diplomatic missions made the mountain passages relatively occupied during this period. Moreover, since the Anglo-Afghan Wars (1838-1842, the first Anglo-Afghan War and 1880-1882, the Second Anglo-Afghan War) did not establish absolute British control over these territories, there had to be understanding and collaboration with local rulers. One can take note of the renowned Bengali author and linguist Syed Mujtaba Ali (1904-1974), from his travelogue *Deshe Bideshe* (1948) where he sarcastically observed, "*Peshawar dine Ingrejer, ratre Pathaner.*" ("Peshawar belongs to the British in day time but continues to be owned by the Pathans at night.").⁵ This observation, made

1 Alexr Burnes, Ltut. F.R.S. (1840). *Travels into Bokhara*, 3 Vols., A Voyage of the Indus, London: John Murray.

2 Siddiqi, I.H. *Tarikh-I-Manazil-I-Bukhara* (1979). A Source Of Information For The Life And Conditions In The Kingdom Of Bukhara In The Early Nineteenth Century, Proceedings of the Indian History Congress , 1979, Vol. 40, p. 952 Available at <https://www.jstor.org/stable/44142053>

3 Conolly, Arthur (1834). *Journey to the North of India: Overland Through Russia, Persia and Afghanistan*, in 2 Vols, London.

4 Kipling, R (1915). *Kim*, "Go up the hill and ask. Here begins the Great Game." Vol. 1, last page. Last sentence, London: MacMillan and Co., p. 247.

5 Mujtaba Ali, Syed (2007). *Deshe Bideshe*, Kolkata: New Age Publishers (1949 first edition) p. 20.

during his travels around the region in the early 20th century, reflected the pulse of the region. In spite of the two victories, British attempts to keep their all-out control on this strategically important territory was limited.

Exploiting the geography, history and culture through the lenses of British orientalism

Although there was communication between the two geographical regions, yet suddenly the region of Central Asia that unfolded beyond the Hindukush appeared inaccessible and too disturbed to venture to from the Indian colonial perspective. Yet, despite the aridity, punishing climate, treacherous roads and poor economic state, the region was never abandoned. Rather, it became a site for global political contention between Britain and Russia.⁶

British officials wanted to study the area for its possible prospects. A large number of government commissions were organised to inspect the region's characteristic features. The Envoy of Monstuart Elphinstone in 1808 made a remarkable attempt to explore the region in and around the North Western passes.⁷ The reports of the Commission reflect upon the geography, ecology, culture and strategic perspective of the region. The other significant survey was the Forsyth Commission under the command of Thomas Douglas Forsyth between 1873 to 1875.⁸

These surveys often mentioned several passes that could have facilitated communication. Some of the passes connecting these two geo-cultural zones of Central and South Asia had been well-known since ancient times; the most famous being the Khyber Pass. The Khyber Pass continued to be significant under British rule as was evident from the memoirs of the British official, Major Henry George Raverty (1825-1906) of the Bombay Native Infantry. His official memoir entitled *Notes on Afghanistan and parts of Balochistan, Geography, Cartographical and Historical* (1888) was extremely relevant. Raverty had discussed, apart from the great passes such as Khyber, Bolan and Gomal, innumerable smaller passes connected to these larger ones (as many as 94).⁹ This was quite contrary to British propaganda, which depicted the region as difficult and isolated. In fact, Major Raverty's observation was also corroborated by Abul Faz'l Allami (1551-1602), the biographer of Mughal Emperor Akbar (1556-1605), who also mentioned about five routes to reach the Khyber Pass.

Service personnel on British secret missions, both of British and Indian origin, faced their own challenges and constraints. In fact, the inventor of the term 'Great Game', Arthur Conolly (1807-1842), was himself a victim of this threat and eventually lost his life in the fortress of Arkof Bukhara. Although the Central Asians were hospitable towards foreigners, they did not spare anyone found indulging in espionage activities. It was

6 Yapp, Malcom (2001). *The Legend of the Great Game*, Proceedings of the British Academy, 111, The British Academy, pp. 179-98.

7 Elphinstone, Mountstuart: *Papers relating to his mission to Kabul 1808-1809; and other papers relating to the history of Afghanistan and Central Asia*, Elphinstone Collection (2): Private Papers, Correspondence and Journals of Mountstuart Elphinstone (1779-1859), Bengal Civil Service from 1795, Envoy to Afghanistan 1808-09, Resident at Poona 1810-17, Co, British Library Asia, Pacific and Africa Collections, GB 59 MSS Eur F88 Series 10. Available at <https://archiveshub.jisc.ac.uk/search/archives/8194ea34-8291-3ce1-8996-f9caf03f0f6a?component=5f09314e-5670-3bd3-9c95-a58e3bf5b360>

8 Waller, Derek (1990). *The Pundits: British Exploration of Tibet and Central Asia*, USA: The University Press of Kentucky, pp.144-159.

9 Major Raverty, H.G (1888). "Notes on Afghanistan and parts of Balochistan, Geography, Cartographical and Historical", London.

rather obvious that if the original identities of the foreign intruders were disclosed, they invariably met with perilous fate.¹⁰

‘Kafiristan’ – a strange dialogue between the ‘civilised’ West and the ‘savage’ East

There were some interesting references in the travel accounts of Raverty as well as the fictional narrative of Kipling of a place called ‘Kafiristan’¹¹ and its people, and their unique way of life. Raverty had first-hand experience while he was on a survey accompanying Edward M. Conolly, (1808-1840), elder brother of Arthur Conolly, who was sent on a mission to Peshawar in Afghanistan.

“In the end of 1839 in December I think it was when the Shah and Sir W. Macnaghten had gone down to Jalalabad for winter quarters a deputation of the Siah Pak Kafirs came down to Jalalabad for winter quarters... If I recollect right, there were some thirty or forty of them, and they made their entry into our lines with bag-pipes playing. an Afghan peon sitting outside Edward Conolly’s tent, on seeing these savages rushed into his Master’s tent exclaiming , “Here they are, Sir! They are all come! Here are all your relations.”¹²

Conolly, amazed, looked up from his writings and asked what on earth he meant, when the peon, with a very innocent face, pointed out the skin-clad men of the mountains, saying, “There! Don’t you see them? Your relatives the Kafirs?”¹³ Kafiristan was never included in Afghanistan or the kingdom of the Ameers as has been recently asserted. The country inhabited by these Kafiri tribes is bounded on the north by Badakhshan and the formerly independent state of Kunduz, subdued within the last few years by the Barakzi Durrani, ruler of Afghanistan and new styled Afghan Turkestan....”¹⁴

Rudyard Kipling in his book, *The Man Who Would Be King* (1881), also reflected much upon Kafiristan and the Kafirs as a very unique breed of Central Asia – distinct because of their physical appearance, faith and practices as well as their cultural uniqueness. “You have to travel through Afghanistan to get to that country. It’s one mass of mountains and peaks and glaciers, and no Englishman has been through it. The people are utter brutes and even if you reached them, you couldn’t do anything.”¹⁵

Russian travel, diplomacy and trading network

The experience of Russia in the Central Asian lands was markedly different from that of the British. Russian envoys were present in the region for trading, travel and diplomacy for more than two to three centuries before the British. During the 15th to 17th centuries, the Russians struggled to establish a toe-hold in the region. However, slowly but steadily,

10 Lal, Mohan (1846). *Travels in the Punjab, Afghanistan and Turkistan, to Balkh, Bokhara and Herat and a Visit to Great Britain and Germany*, London: Wm. H. Allen & Co.

11 This mountainous zone was beyond the borders of Afghanistan and the people here were not followers of Islam and, therefore, considered heathen or non-believers; hence, they got the epithet of Kafir, literally meaning non-believer and their land Kafiristan.

12 Raverty, p.129.

13 Ibid.

14 Raverty, pp.132.

15 Kipling, R (1889). *The Man Who Would be King*, USA, p. 34.

they made their inroads as the Islamic empires gradually waned.¹⁶ By the 18th and 19th centuries, when the British were trying to increase their sphere of influence in and around Central Asia to expand their frontiers, Russia had already created a formidable power base, which was well-acknowledged in the entire region. Barring Afghanistan, the rest of Central Asia had already accepted Russian suzerainty and the Russian Empire had recognised the autonomy of local power elites.¹⁷

The Anglo-Russian rivalry in this region, therefore, was never on par. Russia was well ahead of Britain in terms of territorial proximity, historical connections and trade and travel exchanges. Britain, on the other hand, was actually trying to gain mileage out of their subject nation. Hindustan, which had its long historical connection with Central Asia and her people, had been well accepted and were held in high esteem, particularly in the era before the advent of colonial domination. This legacy of a favoured position of the people of Hindustan in Central Asia was taken into consideration when British envoys and commissions began to explore this unknown and trying terrain. The Russo-British tension or the Great Game was more a reflection of their rivalries in Europe, which was validated with the signing of the Triple Alliance of 1907. The British authorities' control over the Asian region had been weak and this even led to the deaths of many British officials in their diplomatic missions and espionage schemes as well as of their several Indian subordinates. The assassination of the leading proponent of the concept of the Great Game, Lt. Conolly, proved the futile and weak attempts of the British to play this game¹⁸.

Still, from within the diplomatic envoys emerged impressive travelogues which had expressed honest tribute to nature's bounty and the natural beauty of this region. One could mention the admiration of Lord Curzon, the Viceroy of British India from 1899 to 1905 for the mighty Oxus in this context.¹⁹ The beauty of local people, although regarded as savage and impertinent according to Western sensibility, was something that most travellers had acknowledged. In fact, the fair skin of these 'savages' remained an enigma for the British whose world of the master-slave, ruler and the ruled was governed in terms of the skin tones in their Afro-Asian colonial context. The travel narrative of Mohan Lal (1812-1877), an Indian from Delhi, as part of the British secret mission to Balkh, Bokhara and Herat for survey and mapping, had recollected how a local merchant of Indian origin reassured him that although it was apparent that he worked in connivance with the British (Firangis), he would not be harmed.²⁰ Given the secretive methods of the diplomatic missions, there were confusion and lack of trust that got reflected in the increasing death tolls of British officials and their Indian subordinates as their lesser accomplices.

Nevertheless, in spite of all the challenges and hindrances, journey to these forbidden lands continued from both the ends. Tensions between these two rival powers were,

16 Sela, Ron, (2014). "Prescribing the Boundaries of Knowledge: Seventeenth-Century Russian Diplomatic Missions to Central Asia" in Nile Green (ed.), *Writing Travel in Central Asian History*, USA: Indiana University Press, pp. 69-88.

17 Adle, Chahryar, Palat, Madhavan K. and Anara Tabyshalieva (2005) (eds.) *History of Civilizations of Central Asia Towards the contemporary period: from the mid-nineteenth to the end of the twentieth century*, Volume VI, UNESCO series.

18 Raj, Kapil (2002). "When human travellers become instruments: The Indo-British exploration of Central Asia in the nineteenth century", In Bourguet, Marie-Noëlle, Licoppe Christian and H. Otto Sibum (eds), *Instruments, Travel and Science: Itineraries of precision from the seventeenth to the twentieth century*, London: New York Routledge, 2002, p.159.

19 Teltscher, Kate (2014). "The Rubicon between the Empires" The River Oxus in the Nineteenth Century British Geographical Imaginary, in Nile Green Ed., *Writing Travel in Central Asian History*, USA: Indiana University Press, USA, pp.146-47.

20 Lal, Mohan (1846). *Travels in the Punjab, Afghanistan and Turkistan, to Balkh, Bokhara and Herat and a Visit to Great Britain and Germany*, London: Wm. H. Allen & Co., London, p.98.

hence, inevitable: Russia was almost a semi-legitimate supporting power for the local khanates while Britain was a new comer, ambitious to checkmate the already established foothold of their rival. Traders had to traverse the lands with an understanding of the multiple layers of power equations in practice, something they had been used to by generations of experiences; they were seasoned to accept the region as being under constantly shifting rubrics of power.²¹

Featuring trade and commerce in travelogues and fictional literature

In Kipling's *The Man Who Would be the King* (1888), there is a picturesque description of Kumharsen Sarai, situated on the way to Kafiristan.

The Kumharsen Sarai is the great four square sink of humanity where the strings of camels and horses from the north load and unload. All the nationalities of Central Asia may be found there and most of the folk of India proper. Bulkh and Bukhara there meet Bengal and Bombay, and try to draw eye teeth. You can buy ponies, turquoise, Persian pussy-cats, saddle bags, fat tailed sheep and mink in the Kumharsen Sarai and get many strange things for nothing.²²

In reality too, the significance of Samarcand, Bukhara and Tashkent as important centres of commerce and cultural exchanges continued much after the glorious phase of the Islamicate empires in the territories of South and West Asia waned. In fact, according Scott Levi's observation, the volume of Indian or Asian merchants' overland merchandise was far greater than the oceanic trade volume of the Europeans in and around 17th and 18th centuries. It was estimated that around this time, the entire region of Central Asia, Iran, Caucasus and the stretch from Astrakhan to Moscow and St Petersburg was inhabited at least by 35000 Indian merchants.²³

In *Deshe Bideshe*, Syed Mujtaba Ali mentioned the range of the trade network still operative in Peshawar, "The traders from Bukhara and Samarcand brought Pustan, from Tashkent, samovars; carpets came from Mazar-i-Sharif and red Rubi from Badakhshan."²⁴ In fact, Indian merchants where commonly known as the Multani merchants. A letter written in 1878 by a group of Indians living in Tashkent showed that these Indians were well known for their money-lending activities and they were all members of the same tribe living in Tashkent for more than 70 years. The banking and credit committee for the Central Administrative areas from 1929 to 1930 refers to India's trans-Khyber trade at the time being dominated by 50 Shikharpuri families in Peshawar, all of which were affiliated with "the Multani farm of Narayandas Chelaram", which had been established in Peshawar during the 18th century period of Durrani Afghan domination.²⁵

There were certain areas where these traders had their permanent lodging and they continued to stay years together. It has been mentioned in Scott Levi's account that around 8000 merchants and money-lenders lived as diaspora communities in the

21 Lal, Mohan (1846). *Travels in the Punjab, Afghanistan...*

22 Kipling, *The Man Who Would be King*, p. 43.

23 Chowdhury, Susil (2017). *Samudra Banijyer Prekshite Sthalabaniya*, Ananda, Kolkata.

24 Mujtaba Ali, Syed *Deshe Bideshe*, p. 33.

25 Levy, Scott (1999). "The Indian merchant diaspora in early modern central Asia and Iran", *Iranian Studies*, Volume 32(4) Fall p.494.

late 19th century Central Asia, not only in the market areas, but also in the agrarian countryside.²⁶ Well-known Tajik author of the Soviet era, Sadreddin Ainii (1878-1954), who originally had a Jadid background from Bukhara, suggested that the people of Bukhara, especially men serving the army, used to borrow money from the Hindu money lenders. According to him, the highest interest rate charged by these usurers went up to 300 per cent!²⁷

These traders, as they continued to carry on their business in and around the region, needed to carefully regulate and adjust their dealings and methods according to the ever-changing political and diplomatic scenario. Often, they tried to manipulate and score benefits out of the Russo-British diplomatic tensions. One such incident has been traced in a secret file of British India.²⁸

A letter from the agent to the Governor General and Chief Commissioner of North-west Frontier Province, number 931-P, dated October 25, 1910, carried a petition from Haji Karim Bakhsh and 12 other merchants of Peshawar city regarding their grievances in connection with their trade in Bukhara and Russian Turkestan.

In response to this letter, the appointment of a British Consul in Bukhara was suggested to the Russian government; the Russian Government in return, demanded they be allowed to appoint a Vice Consul in Bombay. Such was the diplomatic environment in Central Asia that signified the presence of the Great Game in its full vigour. Yet, instead of reducing the scope and volume of trade and communication between the two regions, the people trudging through the land began to adjust, adapt and manipulate this complexity in their own favour.

In conclusion, there is a clear dichotomy noticeable in the perception of the land and its people in these writings. Refuting Moreland and Stephen Dale's thesis on the disjunction between India and Central Asia with the advent of the Great Game, Niles Streensgard strongly contends that a vibrant economic and cultural dialogue between the two regions continued despite the changing political atmosphere and increasingly complex strategic perspectives.

Central Asia retained its economic vitality and continued to function as an important conduit for overland European commerce throughout the early modern period, contradicting the widely prevalent notion that the arrival and increased presence of European traders in the Indian Ocean isolated Central Asia.²⁹

In spite of the uneasy equation between Russia and Britain throughout the 19th century, there was evidently an active common space for commerce and cultural flows. The expansionist ambition of the Western powers in and around Central Asia had created an extremely complex interplay of strategy, economy, polity, culture and adventure. In spite of the frequent mentions of risk and danger, the region was never left alone, to be its own, by the two Western powers.

26 Ibid, p. 505.

27 Ibid, p.499.

28 Grievances of the British Indian Traders in Bokhara and Russian Turkestan: Question of the Appointment of a British Consul in Russian Central Asia. (1911),09 File number 15 - 40, National Archives of India.

29 Chowdhury, Susil (2017). *Samudra Banijyer*, p.132.

Over the past few years, scholars have been trying to incorporate eighteenth and nineteenth century Central Asia into the broader history of the global economy. As against established narratives that this was a time of decline of overland trade and regional isolationism, authors like Scott Levi in his recent book, *The Bukharan Crisis*, have sought to demonstrate Central Asia's sustained connectedness during this period.³⁰

In this connectivity, Indians, whether they be traders or money lenders or lesser officials or even as independent travellers, had their distinct viewpoint. The tough course of the journey they had undertaken became a lifetime experience for them, as they could surmount the challenges and enjoy the thrill and exposure to the land and its people. Their accounts, be those of official chronicles or private travelogues, added a third perspective to the image making of the region as neither insiders nor as completely alien as the Westerners. Indians, as mediators, actually helped cultural relations continue and commercial linkages flourish, despite the hindrances and uneasiness caused by the tension resulting from the imperial ambitions of Russia and Britain over the territory.

³⁰ Khan, Timur (2021). *Indian Merchants and Peshawar's Connections with Central Asia in the 18th and 19th Centuries*, The Oxus Society, for Central Asian Affairs, Updated on March 23, 2021.

Russia-India Trade Logistics in the Early 19th century: North-South Routes as seen by Mehti Rafailov, a Merchant from Russia

Anna Bochkovskaya

At the turn of the 19th century, South Asia remained a distant and unexplored area for the Russians. Trade contacts were sporadic, though since the time of Peter the Great (early 18th century), Russia had been interested in establishing direct commercial ties with India and in setting up profitable transit routes that would connect Eurasia with South Asia. Many commodities – textiles, shawls, gems, dyes, spices, cotton, sugar, etc. – were in high demand, and Russian merchants were keen to bypass the European, basically British, intermediacy in trade.

Quite a number of official documents addressed to Emperor Alexander I (reigned in 1801–1825) noted the necessity of discovering the easiest and most convenient routes from Russia to India, and obtaining information about local rulers, traditions and customs of the inhabitants of respective territories. The interest was expressed both by St. Petersburg-based top officials and by officers who resided in Russia's frontier towns – Askarkan, Semipalatinsk, Orenburg – located on the Eastern trade routes.³¹ They primarily looked at the Northwest of India – the areas that remained out of British control – Punjab, Sind, and Kashmir (the latter formally was part of Afghanistan's domain). Ruled by Maharaja Ranjit Singh between 1799 and 1839, Punjab seemed particularly promising and significant for the Russians.

In the early 19th century, Semipalatinsk – a city at the Irtysh boundary line in Siberia – was a departure point for caravans heading to East Turkestan and, farther, to India. Those were advantageous but dangerous undertakings as the routes through vast steppes and high mountains turned out to be extremely challenging, with robbery being yet another threat for the merchants. But the reward was huge profit that was worth taking risks for.

Merchants also supplied information to the Russian authorities about distant lands and their rulers. They were often requested to submit reports about their voyages, including the description of routes, specifics of trade, as well as traditions and beliefs of the locals. Thus, merchants acted as traders, envoys and diplomats, and the first-hand logistics information provided by them was relevant for Russia from the economic, political and military points of view. This became increasingly important in the early 19th century with the beginning of the Great Game – a rivalry between Russia and Great Britain to extend influence in Central Asia.

³¹ Volovnikov V.G. Puteshestviya rossiyskogo 'kuptsa-diplomata' // *Rossiyskiye puteshestvenniki v Indii. XIX – nachalo XX veka* [Volovnikov V.G. Voyages of a Russian 'Merchant-Diplomat' // Russian Travelers in India. XIX – Early XX cc.]. M.: Nauka, GRVL, 1990 (in Russian), p. 11.

Mehti Rafailov: A Russian Envoy to Ladakh, Kashmir and Punjab

One such trader-cum-envoy was Mehti Rafailov/Rafulla (also referred to in English-language sources as Aga Mehdi³²) – a merchant of Afghani or Persian origin who, according to his own testimony, had lived in Russia since 1802.³³ Russian archive sources lack detailed information about his background: he is basically referred to as a ‘Kabuliwala’ or a Kabuli Jew. More information comes from a volume by two officers of the East India Company, William Moorcroft and George Trebeck.³⁴

Moorcroft, the main author of the book, travelled with his companion in North India between the late 1810s and the early 1820s, one of his aims being to establish commercial contacts with Trans-Himalayan areas. He noted that he had never met Aga Mehti in person, but his assistants had been acquainted with Mehti’s salesmen. According to Moorcroft, Mehti was of Persian background, and his father – a Jew trader – died when Mehti was still a child. He also mentions that Mehti was brought up as a Shia Mohammedan who later converted to Christianity.³⁵ The latter seems rather doubtful,³⁶ and all Russian archival records state that Mehti was a Jew.

He first worked as a menial servant, as a peddler, and assistant to traders – his father’s friends. Later, he himself became a successful shawl merchant, which enabled him to reach Russia and its capital, St Petersburg, where luxurious Kashmiri shawls were in fashion at that time. He was bright, very competent in trade as well as in politics, geography and languages – Persian, Kashmiri and Punjabi (‘Indian’, according to Moorcroft), and Tartar – which contributed to his success along with his Asian origin: in many cases, he was not perceived as a Russian when travelling.

Mehti Rafailov started his long voyages to Ladakh³⁷ and Kashmir from Semipalatinsk. Owing to his command of languages, he was tasked by Russia’s Foreign Minister Nikolai Rumyantsev to provide reports about the areas of West China and North India, which he traversed with his caravans, in 1808. In 1812, he submitted a detailed report entitled *A Project for Opening Up the Routes from Russia to India* that featured comprehensive information about the geography and economics of those areas and suggested the best routes to facilitate trade connections between Russia and South Asia. The original document is available in the Foreign Policy Archives of the Russian Empire in St. Petersburg.

Mehti was honoured with a gold chain and medal (‘for useful deeds’) for the description of the best route discovered by him to the Chinese borders: all his efforts were highly esteemed by Russia’s Foreign Minister. In 1813, he undertook another voyage to North China with a large caravan. Besides trade, he was tasked to deliver a letter from Russia’s authorities to the ruler of Tibet inviting him to establish trade relations with the Russians; another task was to make notes about the logistics of the route.³⁸ That journey lasted for

32 Moorcroft W., Trebeck G. *Travels in the Himalayan Provinces of Hindustan and the Panjab; in Ladakh and Kashmir; in Peshawar, Kabul, Kunduz, and Bokhara; by Mr. William Moorcroft and Mr. George Trebeck, from 1819 to 1825*. Vol. I. L.: John Murray, Albemarle Street, 1841.

33 *Archive of the Foreign Policy of the Russian Federation (AFPRF)*. St. Petersburg Fund, Main Archive, II-3, 1811-1830, f. 5. p. 56.

34 Moorcroft W., Trebeck G. *Travels in the Himalayan ...* pp. 385-386.

35 Ibid.

36 Volovnikov V. G. *Puteshestviya...* p.15.

37 In the Russian documents related to Mehti Rafailov, the area is referred to as Tibet although it was actually Ladakh, or Minor Tibet. Andreyev A. Soviet Russia and Tibet: The Debacle of Secret Diplomacy, 1918-1930s (2003). Leiden: Brill, p.11.

38 AFPRF. St. Petersburg Fund, Main Archive, II-11, I. 50, 1819, f. 4. pp. 40-41.

almost two years, basically in Ladakh. At that time, Mehti did not visit Kashmir for shawls as he managed to purchase them in Ladakh. Upon arrival, he submitted yet another report to the Foreign Ministry and handed over a letter written in Persian from Mahmud Khan, the ruler ('Raja') of Minor Tibet. Mahmud Khan noted that he was ready to open up the Tibet route, which was 'safer and closer to India', unlike those via Bukharia, Kabul and India.³⁹

Mehti Rafailov, too, noted that renowned Indian, Afghani, Kashmiri and Persian merchants were willing to have permanent relations with Russian traders and were ready to set up their trade offices at and within Russia's borders – even following the local rules set by the Russian government. The ruler of Lahore, Ranjit Singh, was also seeking 'some support' considering his struggle with the East India Company.

In 1817, Mehti was awarded the title of the Counsellor of Commerce and later, in 1819, the title of Court Counsellor. It was then that he got another new important task: to deliver letters from the Russian government to the rulers of Punjab and Kashmir, and to the 'independent ruler of one part of Tibet – Ranjeet Akibet'.⁴⁰ He again started his journey in Semipalatinsk, heading to East Turkestan, then to Yarkend and Tibet, but on the way he suddenly fell ill and passed away somewhere in the mountains of Karakoram, of a sudden and violent disorder.⁴¹

His companions carried on with the trade in Tibet where some of Mehti's belongings were confiscated by the local authorities; these included letters from the Russian Foreign Ministry. Quite quickly, they got into William Moorcroft's hands: the British had actually followed him trying to interfere in the process of establishing relations and trade routes between Russia and the North Indian rulers. Moorcroft mentioned that his plans had been to meet Aga Mehti in person – the British traveller had known that his 'shrewd and able competitor' was involved in politics'.⁴²

In the decades that followed, Russia became more focused on Central Asia and acted more decisively: Great Britain was also greatly interested in Central Asia, and Russia was keen to resist. In 1849, the British established control over Punjab, which contributed to diverting Russia's attention from land trade routes to India. Trade exchange continued, but sporadically and on a small scale.

As to Mehti Rafailov's reports, they were used by quite a number of historians in the 19th century as well as in the Soviet and post-Soviet times. They were first published with some omissions in 1990 in a volume by the Russian Academy of Sciences.⁴³ But details of Mehti's route maps and its significance for Russia-India trade logistics in the 19th century have never been the focus of either Russian or foreign scholars.

39 Ibid. pp. 44-46.

40 AFPRF. St Petersburg Fund, Main Archive, II-11, I.50, 1819, f 4. pp.137-138

41 Moorcroft W., Trebeck G. Travels in the Himalayan ... p. 384.

42 Ibid.

43 Zapiski Mehti Rafailova // Rossiyskiye puteshestvenniki v Indii. XIX – nachalo XX veka [Russian Travelers in India. XIX – Early XX cc.]. M.: Nauka, GRVL, 1990 (in Russian), pp. 31-79.

'A Project for Opening up Routes from Russia to India': Four options for Trade Connections

Mehti Rafailov's report titled *A Project for Opening Up the Routes from Russia to India* encompassed a vast range of themes: geographic and ethnologic details of the areas covered by his caravan during the journey, local commodities and trade routes, specifics of administration, military arrangements etc. Mehti suggested four routes to facilitate trade connections between Russia and South Asia.

The **first, and the easiest and most comfortable, route** (67 days, 2,144 km⁴⁴) began in Semipalatinsk and covered Chinese possessions in East Turkestan (also called Little/ Small Bukharia, or southern Xinjiang). It started with crossing a large steppe to reach the Chinese town of Kashgar (Kashkar, Kasgar) within 35 days. Mehti noted that the steppe represented

'spacious territories that allow establishing populous settlements and setting up necessary fortresses that would become shelter both for settlers and caravans, and would restrain the Kyrgyz [people].⁴⁵ The soil all around is fertile, irrigated by rivers and springs, rich in grass, sufficient in wood – even in such trees that are most useful when constructing fortresses and dwellings... Caravans *en route* remain calm and cheerful, they do not lack anything as all the needful is produced by the soil while the Kyrgyz nomads provide them with cattle'⁴⁶.

Within the Chinese areas – closer to the prosperous town of Kashgar – travellers would come across watch stations and guards that examined each and every item in the caravans. Mehti mentions that it was possible to bypass the watch stations using open spaces around them; therefore, travelling across Little Bukharia was comfortable and easy.

The next destinations on the way were Yarkend (Yarkand) and Kokyar, following which the caravans would leave Chinese-controlled territory and go along the Mazar river 'flowing near the mountains of Tibet [Ladakh]'. Mehti noted that there were two roads starting close to the Aktau mountain: one would be a long (25 days to Ladakh) and difficult one, while the other – along the Nubra river valley – was much shorter. The latter was guarded by the locals who did not allow free passage to control trade routes 'with Tibet [Ladakh], Kashmir and the entire India'.⁴⁷ He suggested that the Russians should use the shorter route to reach the town of Dras – the gateway to Ladakh – in 11 days. The final leg of the journey from Dras to Kashmir would last for three days only.

Mehti Rafailov contended that the proposed route through Little Bukharia remained the most convenient in terms of travelling, replacing foodstuffs, and defending caravans from the local people who come in the way – as 'thousands of them can be frightened and driven away by just one gunshot'.⁴⁸ In his opinion 'extending protection' to the local Muslim rulers 'would encourage other Muslim peoples as well as the Kalmyks'⁴⁹. The

44 In the original document, distances are given in Russian units – versts or mile posts equal to approximately 1,07 km.

45 In this context Mehti Rafailov means robbers.

46 *Zapiski Mehti Rafailova // Rossiyskiye puteshestvenniki v Indii...* p. 37.

47 *Ibid.* p. 38.

48 *Ibid.* p. 39.

49 *Ibid.* pp. 39-40

Chinese rulers would present no threat as they remained apprehensive about outsiders and were quite weak from the military point of view: when not in feud, the nomads, too, had been able to successfully oppose them.

The Russian envoy further noted that from Ladakh, there were two routes to India: a peaceful and pleasant one through Kashmir, and a shorter but much tougher one through the mountains; the latter enabled directly reaching Amritsar and Lahore in Punjab. Within this context, Mehti reiterated that the rulers of Punjab were facing the danger of British expansion, and were interested in getting support from outside to retain their political independence.

The departure point for the **second route** was the Petropavlovskaya fortress at the Tobolsk province border. From there, caravans headed to Badakhshan via Kokand, and then to Lahore and Multan via Peshawar or Kashmir; the 3,090-km journey usually took 80 days.

The Kokand Khanate, according to Mehti, boasted fertile lands with grain, fruit, vegetables and cattle in abundance. The money turnover was very poor as the locals preferred to exchange products at the 'almost nonstop fairs underway in their towns'.⁵⁰ He described several towns with a special mention of Khujand (Khojnet) located at the grand Syr Darya river flowing to the Aral Sea that could successfully be used for the passage of large ships. To this end, he put forward the idea of establishing yet another corridor by constructing a canal that would connect the Aral Sea to the Caspian Sea 'to become a new wealth resource for the [Russian] State'⁵¹.

The journey from Kokand to Badakhshan usually took 20 days. The Badakhshan Khanate was described as another rich and fertile land inhabited by 'unfortunate, ignorant and poor people', unable to resist endless attacks from their 'predator-like neighbours' and rulers from more distant lands. Rafailov mentions the possibility of Russia's role in extending protection to Badakhshan, too, and its extraordinary importance for the Russian Empire considering the Khanate's strategic location and the vast mineral resources of that area.

Bordering Badakhshan were areas inhabited by the 'wild' nomadic people of the Hindu Kush. It was necessary to cross that dangerous area heading either to Kashmir, Peshawar or Kabul, which made the route much more complicated as compared to the first one. In Mehti's opinion, only routes to Kashmir and Peshawar were worth noting, and the latter seemed best to him; the caravans from Badakhshan would reach Peshawar in 20 days through easily negotiated mountainous roads with lots of benefits – water sources, woods, fodder – around.

Mehti praised the Peshawar-Lahore leg of the journey through peaceful roads, and described two options to reach Multan: by land (within 12 days) or by river (8 days). Multan impressed him as a perfectly located wealthy city that boasted 'healthy' air and water, good prices for all products, and inhabited by rich and 'compassionate' citizens. He was surprised by the fact that both Muslims and 'pagan' shared the same Indian language – unlike in other areas marked where he had seen great linguistic diversity.

50 Ibid. p.47.

51 Ibid. p. 48.

He describes in detail independent Punjab, which was under its own Indian rulers – the Sikhs. Noting that both the rulers and ordinary people in Punjab were ‘more militant’ in comparison to others, he stressed that it was the ‘openness’ of their territory and proximity to the British that had made Punjabis more willing to protect themselves. He evaluated their martial skills, concluding that despite their bravery and ‘martial spirit’ it seemed easy to defeat them as only one quarter of the military were armed with old-type guns, and there were just a few – possibly disabled – cannons at their disposal.

The **third route** via Kabul offered two options: by land (Orenburg-Bukhara-Balkh-Bamyan-Kabul: 64 days, 2,923 km) or by sea (Astrakhan-Mangyshlak-Aral-Urgench-Charju-Balkh-Bamyan-Kabul: 54 days, 2,432 km).

The importance of the overland Orenburg-Irgis (at the confluence of the Irgis and Syr-Darya rivers) vector was of special note: Mehti believed that by establishing that particular trade route, Russia could succeed in introducing itself not only to the merchants, but also to all local people and become closer to them: ‘such an untroublesome step without bloodshed would bring all Kyrgyz people and both Khans – those of Bukhara and Kokand – into Russia’s power’.⁵²

He gave a detailed description of the Emirate of Bukhara and its capital of the same name, especially noting the wealth of that area and the troubles of the places that lacked adequate supply of water. He was surprised to see that in summer in Bukhara, almost all water from the Zarafshan river was diverted to the fields, and citizens suffered from the lack of fresh water inflow and the poor quality of the stale water available in city tanks.

To reach Balkh and Bamyan, the caravans had to traverse the Hindu Kush ranges, which added to difficulties. Those areas were under Afghan control, together with the area inhabited by the Hazara people whom Mehti characterised as ‘wild and cruel’, and driven apart by internal wars and disputes ‘which plunge them in utmost poverty and austerity’⁵³.

As to Kabul, he called it ‘an Indian city, the current capital of Afghani Shahs’ that had not gained anything from such a status ‘besides its own decay’.⁵⁴ In the same context, he mentioned Peshawar – a fertile area that had been totally wasted by the Afghans. A big contrast to it was Dera Ismail Khan, the first large Indian city in the Multan area.

Having chosen the sea lane, merchants would start at Astrakhan and cross the Caspian Sea, heading to Sartash in the Mangyshak Bay, a quiet and safe place most suitable for building a fortress, that could contribute to developing Russia’s trade and provide protection to Russian citizens. From Sartash, the caravans would head to the town of Aral, and then move along the left bank of the Amu Darya river. The river served as a good route for delivering goods: they were fixed on vessels pulled by horses up to Urgench and further, to Charju, where the Amu Darya was to be crossed.

Urgench, and the next destination, the town of Khiva, were part of the Khiva Khanate infamously known for plundering by the locals; in Mehti’s opinion, their looting skills were ‘unprecedented’⁵⁵, which had to be kept in mind by the merchants. The remaining part of the route from Charju to Karshi (where both the land and sea routes to Kabul

52 Zapiski Mehti Rafailova // *Rossiyskiye puteshestvenniki v Indii...* p 54.

53 Ibid. p. 59

54 Ibid. pp. 59-60

55 Zapiski Mehti Rafailova // *Rossiyskiye puteshestvenniki v Indii...* p. 64

merged) covered the open and fertile lands with many settlements where foodstuffs could easily be replenished.

The final, **fourth route** started in Astrakhan. Having crossed the Caspian Sea, merchants would reach the town of Astrabat in Persia; then, caravans would head to Kandahar via Nishabur and Herat (42 days, 1,930 km) with Multan or Sindh as the two final destinations. Mehti considered that route to be most difficult in terms of logistics and safety. When travelling across Persia, one had to cross several fast-flowing rivers, especially in the Herat-Kandahar leg. Another option for the same leg was traversing the Baluchistan area, which comprised several dangers: a three-day route in the scorching heat of the sandy steppe with no food or fodder available, the absence of any water sources; and the 'killer wind' *samoon* burning out the entire steppe in summer.⁵⁶

In contrast, both further parts of the route from Kandahar to Sindh or Multan seemed most favourable in terms of the availability of water, grass for animals, and commodities that the caravan people would need en route.

Mehti Rafailov concluded his report reiterating that the first route through the Chinese towns in Little Bukharia was most preferable:

There are no other obstacles but the resistance of the Chinese; but no big efforts or expenditures from the Russian side would be required to oppose or destroy them. The only and major issue in this deed should be secrecy, which is to be unremittingly kept in order to reach targets unexpectedly [for others] and thus to prevent the intrigues of the British, who would never remain indifferent and calm spectators of the ventures that oppose their interests. But using a thick veil of secrecy to hide all actions, it would be easy to leave them in the dark or in error, and in the meanwhile, to most successfully achieve the desired goal.

It will be then that Russia will conquer and further control the route to India firmly and seamlessly and hold on to it steadily in the future.⁵⁷

The report produced by the Russian merchant-cum-envoy Mehti Rafailov was novel in that it offered a vision of the possible North-South routes that could connect Russia to India via Central Asia. It contributed to a better understanding by Russia of Inner Asia, which became the main battlefield of the Great Game between Russia and Great Britain in the years to come.

56 Ibid. p.68.

57 Zapiski Mehti Rafailova. // Rossiyskiye puteshestvenniki v Indii... pp 72-73.

Shifting Borders and Geopolitics: Challenges and Opportunities for Russia

Ajay Patnaik

Borders are geographical demarcations but also links to the outside world through the movement of goods, peoples and cultures. When the links are lost, borders lose meaning and become rigid boundaries, sometimes restrictive and even militarised. During the Cold War, the NATO and Warsaw Pact troops faced each other across the East-West divide. Western Europe was moving towards integration by forming the European Union (EU) that resulted in the free movement of people within member states. A similar situation prevailed within Eastern Europe. This paradox of rigid and militarised borders between the two parts of Europe and open borders within each continued until 1989-90, when the Berlin Wall fell and Germany was reunified.

Following the inclusion of Eastern European countries into the EU, borders within Europe became irrelevant. Within the former Soviet Union, however, the opposite happened. Borders came up where none existed previously. While some of these borders allow normal relations, others have become barricades serving only security and preventive functions. This chapter discusses the situation around Russia's borders, the prevailing geopolitical environment, and the challenges as well as opportunities for Russia in the changing context of its relations with Europe.

Russia's post-Cold War Borders

Among the post-Soviet states, Russia inherited the largest number of external borders. To its West are Finland, Norway and Sweden, the two Baltic states of Estonia and Latvia, and although Russia has no direct border with Poland, its exclave of Kaliningrad borders that country. Other countries in Russia's west and south are Belarus, Ukraine, Georgia, Azerbaijan and Kazakhstan. Such extensive and diverse borders are home to multiple challenges including security challenges.

Russia's western frontier is most problematic, with six countries (including Poland) being members of NATO, and Ukraine and Georgia having shown interest in NATO membership. Since the 'Special Operations in Ukraine' in 2022, the borders to the West are militarised and have made movement of goods and people from Russia extremely difficult. With NATO expansion first to Eastern Europe and then to former Soviet Baltic republics, Russia has focused on hard security on its western borders. In contrast, the southern and eastern borders have been managed well through Moscow's bilateral and multilateral initiatives.

Conflicts, Geopolitics and Borders in Eurasia

In the USSR, the fifteen republics were units of a single country. The borders were merely of administrative character. However, with the disintegration of the Soviet Union, the federal arrangement among the republics also collapsed and nationalism became the dominant ideology in many parts of the former USSR. Nationalism determined politics as leadership in the successor states tried to build their statehood on the basis of majoritarian cultural identity. Nationalism also challenged the Soviet-drawn borders

leading to border conflicts. The politics of nationalism in the post-Soviet space affected not just interstate relations but also deepened schisms among nationalities/ethnic groups living in a shared space.

The conflicts among and within states brought external powers to further their geopolitical and strategic objectives in the region. A series of “Coloured Revolutions” brought to power pro-Western governments in some Eurasian states. This increased Russia’s sense of encirclement, especially after the new leadership in Georgia and Ukraine expressed their desire to join NATO. Then came the regime changes in Ukraine, first in 2004. The second regime change in 2014 came in the backdrop of Ukraine’s positive response to Russia’s Eurasian integration initiatives. As the West/NATO moved eastwards to Russia’s borders, Russia also expanded westwards. With control of territories in the east and south of Ukraine, troops in the two independent regions of Georgia, and influence in Transnistria (Moldova), Russia today has an extended *de facto* border beyond its own boundaries.

As one goes south, the situation is different. Central Asian (CA) states have avoided major inter-ethnic conflicts and, therefore, inter-state wars, because of which the region is free from the conflicting West-Russia polarisation. These states have not joined Western sanctions against Russia and their trade with Russia has grown. While EU’s exports to Russia dropped by 53 per cent between 2021 and 2023, whereas Kazakhstan’s exports to Russia rose by 39 per cent, Kyrgyzstan’s by 90 per cent and Uzbekistan’s by 77 per cent. Uzbekistan benefits from imports of cheaper Russian gas.⁵⁸

In some part of Eurasia, however, there are conflicts that have affected relations and have disrupted normal cross-border mobility and connectivity.

Moldova’s borders have changed several times in the course of its modern history. North Bukovina and Bessarabia have been parts of Romania in the inter-war period (1919-1939). Transnistria, part of Ukraine until 1940, was joined with North Bukovina and Bessarabia after 1940-41 to form the Moldavian Soviet Socialist Republic.

Transnistria had a different historical-cultural trajectory to that of the other parts of Moldova. While Transnistria is dominated by Russians and Russian-speaking ethnic groups, the other part of the country is dominated by Romanian/Romance speaking nationality with a long-cherished desire to unite with Romania. Following the language law of 1989 that refused to accept Russian as a state language along with Romance and in the background of rising Moldovan nationalism, the people of Transnistria tried to pull away from Moldova. The intervention by the Moldavian interior ministry troops in 1990 led to a civil war resulting in the *de facto* independence of Transnistria. The break-away region took with it 38 per cent of the republic’s industry and 300,000 of its population. After a referendum in 2006, the region got its own flag and separate elections. Transnistria has at various time sought union with Russia. Geography stands in the way, since the region borders Ukraine with which Russia has been in conflict.⁵⁹

58 Russian gas was priced at USD 160 per 1,000 cubic metres for Uzbekistan in 2023, compared to USD 257 to Turkey and USD 320 reported for other markets. “Should the West Sanction Russia’s Neighbours in Central Asia?”, *The Moscow Times* September 16, 2024,. Available at <https://www.themoscowtimes.com/2024/09/16/should-the-west-sanction-russias-neighbors-in-central-asia-a86310> (Accessed on November 7, 2024).

59 *The Guardian* (1912), June 27-28 cited in Ajay Patnaik (1995). “The CIS: Who needs It?”, in Patnaik (Ed.) *Commonwealth of Independent States. Problems and Prospects*, New Delhi: Konark Publishers, p. 107.

In **Ukraine**, inter-ethnic relations deteriorated to such an extent that it created tensions with Russia. Crimea, where Russians constituted more than 68 per cent of the population at the time of Soviet disintegration, had seen a movement in favour of unification with Russia. A Crimean referendum was held in March 2014 and, following the vote, Moscow quickly integrated Crimea into Russia.⁶⁰ Since then extreme hostility has followed, leading to a war between the two countries in 2022.

However, as political and geopolitical trends changed in some cases. Russia benefits from such changes in the Caucasus.

The Armenia-Azerbaijan conflict began in 1994 over Nagorno Karabakh. For the next 30 years, the relations between the conflicting parties and that with countries outside the region have been very difficult. Due to the war, Azerbaijan could not access its landlocked exclave of Nakhchivan, which is bordered by Armenia, Iran and Turkey. The war finally ended in 2022-2023 after Azerbaijan succeeded in taking back all the contested territories, including Nagorno Karabakh.

The Armenia-Azerbaijan conflict affected their access to the outside world. Azerbaijan has no border with Turkey, while Armenia, with a border with Turkey, does not allow access. Georgia remains the only option for Azerbaijan, due to which the longer BTC pipeline through Georgia was constructed to take Azeri oil to Europe. Armenia, on the other hand, shares no border with Russia but is part of the Russia-led Collective Security Treaty Organisation (CSTO) and the Eurasian Economic Union (EEU).

Interestingly, however, the sanctions against Russia, in fact, made the Armenia-Georgia-Russia road link very active. In January 2022, before the start of Russia's operations in Ukraine, Armenia imported USD 2.8mn worth of cars from the US. But, according to news reports, that number increased to USD 29.5mn within a year and continued to rise. In April 2023, according to Ivanova and Cook, Armenia imported USD 34mn worth of mostly second-hand US cars, which are brought through Georgia's Black Sea port of Poti, then moved to Armenia, which as a member of the EEU, shares a customs-free regime with Russia. The Gyumri is a key hub from where the vehicles head north to Russia by road, crossing through Georgia again.⁶¹

In Georgia, two former autonomous areas – Abkhazia and South Ossetia – with different nationalities rebelled after losing their autonomy under the new nationalist leadership in Tbilisi. After a frozen conflict in the early 1990s, the escalation of 2008 resulted in a war with Russia. As a consequence, Georgia lost its sovereignty over the two regions, which have become independent. Though Russia has not incorporated these two entities, Moscow has practically expanded its defence borders by keeping troops there. Russia not only recognised the independence of Abkhazia and South Ossetia, but placed troops and military equipment in both. Russia, thus, *de facto* expanded its border towards Georgia.⁶²

60 "Crimeans 'vote' to join Russia", *Al Jazeera* (2014), March 17. Available at: <https://www.aljazeera.com/news/2014/3/17/crimeans-vote-to-join-russia> (Accessed on November 2, 2024).

61 Polina, Ivanova, Polina and Cook, Chris (2023). "Armenia: on the new silk road for goods to sanctions-hit Russia", July 18, *Financial Times*. Available at: <https://www.ft.com/content/0fc846f7-ac8-4a34-a7dd-3b0615bce983> (Accessed on March 2, 2024).

62 "Russian troop numbers to reach 3000 in S. Ossetia, Abkhazia", RIA NOVOSTI News, *Sputnik* (2009)., Moscow, August 5, 2009. Available at <http://en.rian.ru/russia/20090805/155733463.html> (Accessed on July 22, 2015).

While Moscow's influence dwindled in some parts of the Eurasian region, in others, Russia has been successful in turning its soft power to its geopolitical advantage. Russia is leading the integration process (Eurasian Economic Union with five members) and provides a huge market to labour from many post-Soviet states. It also supplies subsidised energy to some countries in the region. Today, Russia leads the post-Soviet security architecture (CSTO) and has bases in Kyrgyzstan and Tajikistan.

Changing nature of borders

As geopolitics and conflicts impacted its borders, Russia's connection to Europe has been extremely restricted and practically non-existent. Wars in the Caucasus, Moldova and Ukraine have also severely affected connectivity within Eurasia. Geopolitical competition among powers for influence is visible not just in political and security terms, but also in geo-economic terms.

The three Baltic states have dissociated themselves from their Soviet past. The joining of these states into Euro-Atlantic structures like the EU and NATO made relations with Russia difficult. Added to this, there were issues like nationalism based on anti-Russian narratives in terms of history, language, religion and culture.⁶³

The 2016 NATO Summit adopted the *Enhanced Forward Presence* initiative following which thousands of troops from 20 Alliance countries are now stationed in Estonia, Latvia, Lithuania and Poland. Against the background of the war in Ukraine, two more countries - Finland and Sweden - joined NATO. Finland adds more than 1,335 km to Russia's existing border with NATO, thereby more than doubling it.⁶⁴ Western borders are practically inaccessible for Russia.

Kaliningrad, a Russian enclave sandwiched between Lithuania and Poland, has been heavily militarised. Russia's land link to Kaliningrad is through the Suwałki Gap, which is a 100-km stretch of land between Belarus and Kaliningrad. This stretch is at the trijunction of Belarus, Lithuania and Poland. Since the corridor is officially in Poland, it could, in future, be a source of tension between Belarus and Poland, which could drag Russia into any potential conflict.⁶⁵

Managing post-Soviet Borders

While the links to the West are facing hurdles, Russia is more comfortable with countries in its south and east. Moscow has managed to create connectivity to the countries in these regions and beyond.

For the trade between Armenia, Azerbaijan and Russia, some modicum of relations, which had broken down in 2008, had to develop between Moscow and Tbilisi. The

⁶³ Coolican, Sarah (2021). "The Russian Diaspora in the Baltic States: The Trojan Horse that never was", LSE IDEAS, STRATEGIC UPDATE DECEMBER. Available at <https://www.lse.ac.uk/ideas/Assets/Documents/updates/LSE-IDEAS-Russian-Diaspora-Baltic-States.pdf> (Accessed on July 26, 2023).

⁶⁴ Baker, Sinead (2023). "Map shows how Russia's border with NATO more than doubles with Finland as a member", *Business Insider India*, April 04 2023. Available at <https://www.businessinsider.in/international/news/map-shows-how-russias-border-with-nato-would-more-than-double-with-finland-and-sweden-as-members/articleshow/91639509.cms> (Accessed on July 26, 2023).

⁶⁵ Regnier, Cindy "Is the Suwałki gap the most dangerous place on earth?", The Loop, ECPR's Political Science Blog, THE EUROPEAN CONSORTIUM FOR POLITICAL RESEARCH. Available at <https://theloop.ecpr.eu/is-the-suwalki-corridor-the-most-dangerous-place-on-earth/> (Accessed on July 25, 2023).

situation changed after four years, when the Western-backed party of Saakashvili lost in the parliamentary elections. This was a major loss for a leader who rode on a wave of protests that had led to the ‘Rose Revolution’ in 2003.

After its victory, the Georgian Dream party led by Ivanishvili promised to use diplomacy to “normalise” the country’s relationship with Russia. Further changes happened when the Georgian Dream party won majorities in the 2012, 2016, and 2020 general elections. The Parliamentary elections held in October 2024 resulted in a majority for the ruling party, which is likely to further improve relations with Russia. The Georgian government refused to join international sanctions against Russia. The influx of Russians to Georgia, estimated at around 100,000 in 2022, is due to Georgia’s open-door policy for Russians.⁶⁶ Georgia’s land border with Russia (more than 890 km) remains open, enabling many Russians to enter the country.⁶⁷

In the Central Asia region, the only difficult border at the moment is the Afghan border, shared by Tajikistan, Uzbekistan and Turkmenistan. The Tajik border is guarded by Russian troops. However, the Taliban has shown some willingness to have better relations with Russia, due to which the current Afghan government has refrained from taking steps reminiscent of the Taliban rule before 2001.

Turkmenistan shares a land border with Iran. This helps landlocked Central Asian countries reach the sea. The Mashad-Sarak railway line between the two neighbouring countries since 1996 connects CA with the Gulf via Iran. Tehran has also developed two ports – Bander Abbas and Chabahar – that connects Central Asia to Iran and the outside world (the second one is through Iran and Afghanistan). The International North South Transport Corridor (INSTC) project and the Ashgabat Four (Uzbekistan-Turkmenistan-Iran-Oman transport and transit route) are routes for trade between India-Iran-CA-Azerbaijan and Russia that reduce the time and cost of transportation.

Connecting to Eastern and Far Eastern borders

Russia’s Eastern and Far Eastern borders actually offer better opportunities. Incidentally, on this flank, the major economic and military power is China, which at the time of Soviet disintegration, was of great concern to Russia and CA. Earlier, the Soviets fought a border war with China in 1969. However, the negotiations in the 1990s not only led to a settlement of the border issues but also to the demilitarisation of the border with many confidence-building measures. The resolution of the border issue also took care of many other issues. Roads, rail links and pipelines have connected China to markets and resources in Russia and Central Asia.

Today, the border has radically transformed from a zone of conflict to a bridge of peace and prosperity. China and Russia share an extensive 4,184-km border. By the beginning of 2024, bilateral trade was at a record high of USD 240 billion and China is now Russia’s biggest trade partner.⁶⁸ Russia uses *Power of Siberia 1* pipeline to deliver gas to China;

66 Beard, Nadia (2022). “How the War In Ukraine Has Exposed Georgia’s Fault Lines”, RFE/RL, December 27, 2022. Available at <https://www.rferl.org/a/georgia-ukraine-war-russia-fault-lines/32195659.html> (Accessed on July 26, 2023).

67 Restle, Benjamin (2022). “Georgia: Popular with Russians, despite political tensions”, DW, Deutsche Welle, Available at <https://www.dw.com/en/georgia-popular-with-russian-tourists-despite-political-tensions/a-62762002> (accessed on July 26, 2023).

68 Megha Bahree, Megha (2024). “‘Russia needs China more’: Are Putin and Xi in a marriage of convenience?”, Al Jazeera, May 28. Available at <https://www.aljazeera.com/economy/2024/5/28/china-russia-new-era-relationship>, (Accessed on October 28, 2024).

it exported 22.7 billion cubic metres (bcm) in 2023. During his recent trip to Mongolia (September 2024), President Putin mentioned of a plan to build another pipeline from Russia to China that would pass through Mongolia. The Soyuz Vostok gas pipeline extension is part of the *Power of Siberia 2* (PS-2) pipeline, that will transport about 50 bcm of natural gas annually to China when completed.⁶⁹

The Sino-Russian railway bridge (opened November 2022) will shorten the journey between the Heilongjiang region and Moscow by 809 km, saving 10 hours of transit time compared to the journey through the border crossing of Suifenhe. The new railway bridge will promote the transportation of energy commodities from Russia to China by railway. The new Mohe-Dzhalinda railway bridge will also be the start of a new international corridor in the Russian Far East (Mohe-Magadan railway line).⁷⁰

Russia's relations with Western nations, formerly its main energy market, are at the lowest point due to the war in Ukraine. That makes Moscow increasingly reliant on oil and gas deliveries to growing Asian economies. China, the world's largest energy importer, is currently a key buyer of Russian oil and natural gas.⁷¹ Russia overtook Saudi Arabia to become China's top crude oil supplier in 2023 as Beijing defied Western sanctions to purchase vast quantities of discounted Russian oil. Russia supplied a record 107.02 million metric tonnes of crude oil to China in 2022, equivalent to 2.14 million barrels per day (bpd).⁷² According to the General Administration of Customs of China, Sino-Russian trade volume for the January-July 2024 reached \$136.67 billion, reflecting a 1.6 per cent increase over the previous year.⁷³

Both Russia and China have been supportive of multilateral initiatives like the SCO. Russia attaches great importance to the Belt and Road Initiative (BRI) and would like to further link it with the Eurasian Economic Union (EEU). According to Orozobekova, China plans to use a part of the BRI funding and invest USD 40 billion in infrastructure for trade routes from western China through CA and Russia to the Middle East and Europe.⁷⁴

The other borders of Russia in the direction of the East are with Mongolia and North Korea. The Mongols on both sides of the Russia-Mongolia border share cultural, religious and historical affinities. The travel between Buryat-Mongol Republic in Russia and Mongolia is much easier. For decades, Mongolia depended on old Soviet railway systems and highways for exports. Today, the Trans-Mongolian Railway links Ulan-Ude on the Trans-Siberian Railway in Russia's Buryatia with Jining in Inner Mongolia of China, via Mongolian capital Ulaanbaatar.

69 Lee, Christy (2024). "Putin makes renewed push for gas pipeline deal with China". Voice of America News, September 5. Available at <https://www.voanews.com/a/putin-makes-renewed-push-for-gas-pipeline-deal-with-china-7772134.html> (Accessed on October 28, 2024).

70 "A new rail bridge between China and Russia in the pipeline", RailFreight.com, March 20, 2023. Available at <https://www.railfreight.com/corridors/2023/03/20/a-new-rail-bridge-between-china-and-russia-to-be-built/?gdpr=accept> (Accessed on October 28, 2024).

71 "Russia, China to expand oil and gas trade", *The Economic Times*, May 18, 2024. Available at <https://economictimes.indiatimes.com/news/international/world-news/russia-china-to-expand-oil-and-gas-trade/articleshow/110217457.cms?from=mdr> (Accessed on October 28, 2024).

72 Hayley, Andrew (2024). "China defies sanctions to make Russia its biggest oil supplier in 2023", *Reuters*, January 22. Available at <https://www.reuters.com/business/energy/china-defies-sanctions-make-russia-its-biggest-oil-supplier-2023-2024-01-20/> (Accessed on October 28, 2024).

73 "Russia-China trade in 2024 set to surpass last year's record: Siluanov", *TRT World*. Available at <https://www.trtworld.com/business/russia-china-trade-in-2024-set-to-surpass-last-years-record-siluanov-18197647> (Accessed on October 28, 2024).

74 Orozobekova, Cholpon (2016). "Can China's Ambitious OBOR Mesh with Russian Plans in Eurasia?", *The Diplomat*, November 9, 2016. Available at <http://thediplomat.com/2016/11/can-chinas-ambitious-obor-mesh-with-russian-plans-in-eurasia/> (Accessed on November 17, 2024).

On the North Korea side, Russia has a land border of 17.3 km. There is one crossing on the North Korea-Russia border: the Friendship Bridge over the Tumen River. The crossing is by railway-only and is used by freight and passenger trains. In April 2015, the deputy transport ministers of Russia and North Korea signed an agreement to develop a road connection between the two countries.⁷⁵

Opportunities for India

Following Western sanctions, Russia made a quick shift over to trade in roubles and in other local currencies with friendly countries.⁷⁶ Russia offered oil at discounted prices to strategic partners like India. Russian oil exports to India climbed to record levels. Russia's share of India's oil imports increased significantly from less than 1 per cent of India's energy imports in 2021 to 35 per cent of India's total oil imports. By February 2023, Russia had replaced Iraq and Saudi Arabia from the top of the list. In May 2023, the volume of crude imports from Russia had increased to 2.16 million barrels per day.⁷⁷

Russia's trade with India nearly doubled to USD 65 billion in 2023, with the latter becoming a major importer of Russian oil after the imposition of Western sanctions.⁷⁸ Some sources put the trade figures at USD 71.12 billion in 2023. In comparison, the trade in 2021 was only 12.02 billion.⁷⁹

With Indo-Russian trade growing exponentially, the focus is shifting to transport corridors between India and Eurasia. The International North-South Transport Corridor (INSTC) has suddenly acquired significance and is expected to boost trade between Russia and India. Moreover, Azerbaijan, Iran, Kazakhstan and Turkmenistan will benefit from this link.

Both Russia and India have to expedite completion of the INSTC and India's Free Trade Pact or Comprehensive Economic Partnership Agreement (CEPA) with the EEU. Both these would facilitate trade with Eurasian Economic Union members, if sanctions make it difficult for direct trade with Russia.

Another route being activated is the Vladivostok-Chennai Maritime Corridor (VCMC), which has the potential to reset the trade route for India and Russia through Northeast Asia. Currently, India and Russia are connected via the Mumbai-St Petersburg shipping route, but the VCMC would cut that distance by half, saving significant economic costs. A Memorandum of Incorporation (MoI) was signed in early September 2019 during Indian Prime Minister Modi's visit to Vladivostok, formalising plans to construct this corridor. This potential route has numerous strategic implications. Modi's trip to Vladivostok for

⁷⁵ Zakharova, Liudmila (2016). "Economic cooperation between Russia and North Korea: New goals and new approaches", *Journal of Eurasian Studies*, Vol.7(2) July, pp. 151-161. Available at: <https://www.sciencedirect.com/science/article/pii/S1879366516300124> (Accessed on October 28, 2024).

⁷⁶ Around 90 per cent of trade between India and Russia is now being conducted using local or alternate currencies. Mukesh Jagota, "90 % of India-Russia trade in local currency now", *Financial Express*, November 13, 2024.

⁷⁷ *Russia Today* (2023). March 5; Fabrichnaya, Elena and Bryanski, Gleb (2024). "Russia-India trade nearly doubled to \$65 billion in 2023 amid western sanctions, says Sberbank", *Reuters*, *Live Mint*, September 3. Available at: <https://www.livemint.com/economy/russia-india-trade-nearly-doubled-to-65-billion-in-2023-amid-western-sanctions-says-russia-largest-bank-sberbank-report-11725323757842.html> (Accessed on November 17, 2024).

⁷⁸ *Business Standard*, September 3, 2024.

⁷⁹ India's total exports to Russia accounted for USD 4.05 billion in 2023, according to Russian import data and bilateral trade data. India's total imports from Russia totalled \$67.07 billion in 2023, based on Russian export data and India-Russia trade data. "India-Russia Bilateral Trade Set to Rise After BRICS 2024", *Tradeimex*. Available at: <https://www.tradeimex.in/blogs/india-russia-bilateral-trade> (Accessed on October 28, 2024).

the Eastern Economic Forum (EEF) significantly boosted India-Russia ties, with a number of agreements signed to meet bilateral trade goals set for 2025.

The VCMC is expected to increase India's involvement with the Russian Far East. In September, Modi launched his 'Far East policy' and extended USD 1 billion for the development of the Russian Far East to increase India's engagement in the region. This unprecedented loan from India for the development of the region complements Putin's attempts to diversify both sources of investment and the demographics of the Far East. Pursuing the Vladivostok-Chennai maritime corridor offers numerous mutual economic benefits. These include bilateral commercial trade, oil and gas shipments to India, Russia gaining a foothold in the larger Indo-Pacific, and a diversified trade route with Northeast Asia through the sea.⁸⁰

In Eurasia, the 1990s saw the rising tide of nationalism that damaged relations between ethnic and national groups. NATO expansion and 'colour revolutions' affected Russia's relations with its neighbours. Against this background, managing borders has become very challenging. Russia's experience also shows that geographical expansion is not necessarily rewarding as is visible in Russia's western frontier. Russia's gains in Ukraine, Moldova and Georgia in terms of territory have resulted in loss of access not only to these countries but also to Europe.

In the East, the borders are relatively more stable. Russian relations with China are robust in both economic and political terms. Infrastructural links with China, Mongolia and North Korea are on the upswing. India is a strong partner, which has not joined the sanctions and carries on enhanced trade with Russia. Iran is the hub for linking Eurasia and India through transport corridors.

On the whole, the south and east are thus becoming well connected with each other and with Russia. In short, in connectivity and accessibility terms, Russia's borders remain practically closed in Europe, while borders to its Asian partners in the east have opened up substantially. As Europe shuts its doors, the growing opportunity for emerging economies is a win-win situation for Russia as well.

⁸⁰ Sri Krishna, Mahika, "The Vladivostok-Chennai Maritime Corridor: The Implications for China", Institute of Security & Development Policy, 2019-11-22. Available at: <https://www.isdp.eu/vladivostok-chennai-maritime-corridor/> (Accessed on October 28, 2024).

Decoding the ‘Corridorisation’ of the Eurasian Geopolitical Space

Archana Upadhyay

International Trade Corridors (ITC) have become the hallmark of global politics in recent times. Broadly speaking, ITCs are understood as a complex arena of interconnected infrastructure projects that includes the spatial dynamics of physical linkages such as transportation, economic development, urbanisation and institutional functions through cross-border, transnational and inter-regional co-operation.⁸¹ It is beyond doubt that ITCs have become central to the geopolitics of the 21st century and their development is driven by the desire of states to project their influence through mega infrastructural projects such as the ITCs.

‘Connectivity’ as an idea and as a reality in modern times has assumed both quantitative and qualitative dimensions and, therefore, is different from the connectivity of earlier times. Furthermore, the traditional markers of power structures and the notion of sovereign state borders is being challenged by digital innovations in the domain of connectivity. Paradoxically, ITCs reflect both the globalisation and the regionalisation of the global economic architecture. They also reflect the polycentricity of the objectives to be achieved through the creation of what is understood as the “geography of logistical power” that in turn generates “dependencies, conflicts and circulations” in and around these mega corridors.⁸²

As the global world order gets increasingly challenged, there is a tendency towards both “de-territorialisation” and “re-territorialisation”, resulting in the creation of multi-layered networks, commercial arrangements and even new cultural codes. These developments hold the promise of unique partnerships as well as prospects for the reorganisation of the political, economic and social structures of the participating states. It is noteworthy that inherent to the infrastructural aspects of connectivity is its “geo-politicisation”. This begins with the process of “regionalisation”, largely propelled by the connectivity policies adopted and is then followed by the creation of an international space beyond the region, marked by economic corridors, transportation hubs and digital ecosystems. These co-operative spaces tend to get transformed into strategic spaces resulting in connectivity projects being proposed and pushed by the foreign policy compulsions of the stakeholders. States thus get caught in “horizontal” and “vertical” competitions that eventually results in the creation of new frontiers.⁸³

The Eurasian geopolitical landscape, clearly, is a case study for exploring the multifaceted aspects of trade corridors as integrated aspects of both the domestic and foreign policies of partner countries. Eurasian geopolitics, therefore, is a derivative of the strategies of the key players in the region and is largely determined by the activity or inactivity of the dominant stakeholders. Given the multitude of actors involved, and the importance of

⁸¹ For a comprehensive perspective on ‘Connectivity’ see Lobo-Guerrero, Luis, Alt, Sudi and Meijer, Maarten (2019). “Introduction”, *Imaginaries of Connectivity: The Creation of Novel Spaces of Governance*, London: Rowman & Littlefield: London, pp 1-12.

⁸² Neilson, Brett, Rossiter, Ned and Samaddar, Ranabir (2018) (Eds.), *Logistical Asia: The Labour of Making a World Region*, Singapore: Palgrave Macmillan, p.17.

⁸³ Plagemann, Johannes, Datta, Sreradha and Chu, Sinam (2021) “The Paradox of Competing Connectivity Strategies in Asia”, *Third World Quarterly* Vol. 42 (10) pp. 2265-2281.

the region across the wide spectrum of concerns in security, politics and economics, the geopolitical architecture of Eurasia is rather complex.⁸⁴

Although the nature of contestations in the region may have changed over time, the objectives have broadly remained the same, i.e., maintaining *de facto* spheres of influence and control over the resources of the region. What is particularly striking in the Eurasian context is the complex interplay of power, polarity and interests in the shaping of both power rivalries and the contours of co-operative endeavours in the region.

This chapter explores the context of corridor development in Eurasia and will reflect upon the geo-strategic and geo-economic imperatives driving these mega projects in the Eurasian landscape. It will also examine India's logistical vision and the strategies adopted to further its connectivity goals.

The 'Corridorisation' of Eurasia

Competing 'corridors', epitomising the geopolitical and geo-economic interests of key global players, have come to characterise the Eurasian landscape in the last two decades. Broadly understood as the "co-ordinated development and unification of technical parameters of the national trunk routes of several countries that form the international direction of transportation between large production and consumption centres, national norms for regulating transit and foreign trade transportation, logistics activities, and the widespread introduction of multimodal technologies in cargo delivery in this direction", including the spread of digital technologies, 'corridorisation' aptly defines the contemporary Eurasian reality.⁸⁵

The corridor approach to geopolitics has thus become the buzz word in governance and the geopolitical re-visioning of global politics.⁸⁶ Central to this approach is the acknowledgement of the existence of explicit linkages between ITC and the re-ordering of the global order. These mega transnational corridors represent three interconnected components of the power projection of states across time and space that includes "territorialisation", spread of culture and civilisation, and the extension and the metamorphosis of the state and its circulatory system through the construction of massive infrastructural projects such as railways, roads, ports, pipelines and maritime routes.⁸⁷

Two larger dynamics define the competitive context of the 'corridorisation' of Eurasia. The first is created by outside players and the second is the outcome of the contestations between regional players as they seek to redefine themselves along vertical and horizontal strategic lines. Significantly, central to the debates around the 'corridorisation' of Eurasia is the idea of a multipolar world offering space to the ambitions and aspirations of states in a highly diverse system of individual states.⁸⁸

84 Upadhyay, Archana (2022). (ed.) *Transitions in Post-Soviet Eurasia, Identity, Polity and Strategic Choices*, London, New York: Routledge pp 7-8.

85 Vardomsky, L.B. and Turaeva, M.O. (2018). "Development of Transport Corridors of the Post-Soviet Space in the Context of Modern Geopolitics and Economic Challenges", *Scientific Report*, Moscow, Inst. Ekon. Akad. Nauk, 2018.

86 Agnew, John (2003). *Geopolitics Re-visioning World, Politics*, London, New York: Routledge, pp. 2-5.

87 Burna-Asefi, Sophia, Nina (2024)."The 'Corridorization' of Asia: Cooperation, Competition, and Consequence", *The Diplomat*, July 24.

88 Petito, Fabio (2016). "Dialogue of Civilisations in a Multipolar World: Towards a Multi-civilisational -Multiplex World order", *International Studies Review*, Vol.18, pp.78-91.

Key players

China: With the unfolding of China's ambitious connectivity project, the Belt and Road Initiative (BRI), the Eurasian vector has become a top priority for China. Through massive investment in this ITC, China aims to diversify its heavy dependence on maritime routes and develop its own peripheries. Ever since its introduction in 2013, China's BRI has gone through several stages of conceptual promotion and engagements. Significantly, the Eurasian continent is at the heart of China's 'Go West' strategy and the key theatre for China's BRI is also Eurasia. It is noteworthy that out of the six economic corridors envisaged under BRI, five of them are either in the Eurasian region or pass through the Eurasian region.⁸⁹ This clearly makes Eurasia an important corridor, connecting China to West Asia, Africa and Europe.

The BRI represents the "*Chinese Dream*" of China playing a leading role globally as a country endowed with soft power, hard power and material durability. It is also a means to spread Chinese civilisation across the world to enhance China's international heft and leadership credentials.⁹⁰

Significantly the response to the BRI have varied. The common concerns about the BRI are economic and strategic: economic concerns about debt and financial risks and strategic concerns about the political purpose of the infrastructure building. China's claims of BRI being a neutral exercise, a 'win-win co-operation' among states through massive capital investments has been contested. In several quarters, BRI has been perceived as a 'one way road from China to the rest of the world'.⁹¹ The 'embedded conditionality' that characterise China's aid and funding practices have been a cause for concern and is seen more as a move that promotes a new version of neo-colonialism.⁹²

China's norms of aid practice differ from Western equivalents and is characterised by being a 'demand driven project based and flexible in modality'.⁹³ Concerns over the environmental and social repercussions of the BRI, in the ecologically sensitive regions through which its corridors are known to pass, have also been expressed in many forums.⁹⁴

Russia: Russia occupies a key position in the Eurasian space, having a vast neighbourhood: European Union , Belarus and Ukraine in the west,, China, Mongolia, Japan and South Korea in the east, and, the Central Asian states in the South. Russia also has access to the seas of the three oceans and this immensely adds to its transit potential. For several areas in its neighbourhood, Russia is the main transit country. Russia itself is

89 The six economic corridors are: (1) Bangladesh-China-India-Myanmar Economic Corridor;(2) the China-Central Asia-West Africa Economic Corridor;(3) the China-India China Peninsula Economic Corridor;(4) the China-Mongolia Russia Economic Corridor;(5) the China Pakistan Economic Corridor; and (6) the New Eurasian Land Bridge Economic Corridor. The largest of its six corridors is the *China-Pakistan Economic Corridor (CPEC)*.

90 Loh, Dylan, M.H (2021)."The 'Chinese Dream' and the 'Belt and Road Initiative': narratives, practices, and sub-state actors", *International Relations of the Asia-Pacific*, Volume 21 (2), pp.167–199.

91 Johnson, C.K. (2016). *President Xi Jinping's 'Belt and Road' Initiative: A Practical Assessment of the Chinese Communist Party's Roadmap of China's Global Resurgence*, Washington DC, Centre for Strategic and International Studies, p.17, emphasis added.

92 Ibid.

93 China is not a member of the Organisation for Economic Co-operation and Development, an inter-governmental economic organisation based in Paris; hence, China is not obliged to comply with its guidelines on foreign aid.

94 Nakano, Jane, (2019) "Greening or Greenwashing the Belt and Road Initiative: A Practical Assessment of the Chinese Communist Party's Roadmap for China's Global Resurgence", Washington DC, *CSIS Newsletter*, 1 May; Apostolopoulou, Elia. 2021. "How China's Belt and Road Initiative is Changing Cities – and Threatening Communities." *The Conversation*, February 21. Available at <https://theconversation.com/how-chinas-belt-and-road-initiative-is-changing-cities-and-threatening-communities-153515> (Accessed on 15 November 2024)

transit-dependent on neighbouring countries such as Belarus, Kazakhstan Ukraine, the Baltic states and Georgia (cargo links with Armenia is only through Georgia). *The Transport Strategy of the Russian Federation* unambiguously states that among Russia's top priority is its "integration into the global transport space and the realisation of the country's transit potential".⁹⁵ ITCs, therefore, have come to occupy centrality in Russia's foreign policy goals.

The geopolitical competition in the Eurasian region is primarily between Russia and the US-led West. Its sharpest manifestation in recent times has been the war in Ukraine. And against the background of the harsh sanctions imposed on it by the US-led West, Russia has been supporting connectivity projects across Eurasia in its quest for new alternatives. Notable among these are the International North-South Transport Corridor (INSTC), the Northern Sea Route and the Northern Corridor. In the INSTC, the number of member countries has grown. Besides the founding members Iran, Russia and India, the other participating countries include Oman, Turkey, Azerbaijan, Turkmenistan, Kazakhstan, Afghanistan, and Pakistan.

The Northern Sea Route, that connects Russia's northern coastline to the Pacific Ocean, is the shortest route between the western part of Eurasia and the Asia-Pacific. This route is central to Russia's Arctic Strategy and holds the promises of being a critical maritime corridor for Russia and its allies, and therefore developing this route is both a strategic and economic imperative for Russia.⁹⁶

The Northern Corridor is the longest of the main Eurasian transport corridors and its main arteries are the Trans-Siberian Railway, the Trans-Manchurian Railway, the Trans-Mongolian Railway and the Amur Mainline. This railway network is spread across approximately 5,400 km connecting Europe with China via Russia and Kazakhstan or Mongolia.

Russia's approach towards the ITC can be understood within the framework of its Greater Eurasian Partnership, described as its "flagship" foreign policy project that aims at linking development plans of the Eurasian Economic Union (EEAU) with the BRI, besides expanding deeper co-operation with the SCO and the Association of Southeast Asian Nations (ASEAN). In the words of foreign minister Lavrov, "Russia envisions the provision of mutually beneficially, interlinking infrastructure and the creation of a continent-wide architecture of peace and development and co-operation throughout Greater Eurasia."⁹⁷

The US and partner countries: The major corridors announced by this group of countries include the Partnership for Global Infrastructure and Investment (PGII) and the India-Middle East-Europe Economic Corridor. The PGII, first launched in 2021, gained greater traction when at the 2023 G7 Summit in Hiroshima, the G7 leaders affirmed their resolve to mobilise infrastructure investment for "delivering energy, physical, digital, health, and climate-resilient infrastructure" in low- and middle-income countries.⁹⁸ These "transformative economic corridors", it is believed will boost and connect economic

95 Report on the Implementation of the Transport Strategy of the Russian Federation for the Period up to 2023., Ministerstvo Trans. Ross. Fed: Moscow 2018. Available at: <https://www.mrtrans.ru/documents/7/9489> (Accessed on November 15, 2024).

96 Gupta, Prithvi, Parnerkar, Aneesh (2024). "Understanding the potential of the Northern Sea Route", Observer Research Foundation, September 01. Available at: <https://www.orfonline.org/english/expert-speak/understanding-the-potential-of-the-northern-sea-route> (Accessed on November 20, 2024).

97 "Greater Eurasian Partnership becomes Russia's flagship project, already in works-I Lavrov" (2023). *Tass News Agency*, June 19, 2023.

98 FACT SHEET (2023): Partnership for Global Infrastructure and Investment at the G8 Summit, *The White House Briefing*, May 20.

development across countries and sectors besides driving investment in quality global infrastructure. In some quarters, the PGII has been recognised as an answer to the BRI, but, being a privately led initiative, its funding is much lower than the state-driven BRI.

The **India-Middle East-Europe** economic corridor that includes the US, India, Saudi Arabia, the United Arab Emirates, France, Germany, Italy and the European Union was announced at the G20 Leaders' event in New Delhi in 2023. This corridor envisions stimulating economic growth through enhanced connectivity across the two continents with a railway, linked through ports that would connect Europe, the Middle East and Asia. Another transnational corridor endorsed by the US is the **Middle Corridor project**, also known as the Trans-Caspian International Transport Route (TITR). This, again, is a multimodal land and sea transport route stretching from China through Central Asia, across the Caspian Sea, through Azerbaijan and Georgia to the Black Sea.⁹⁹ This corridor has the potential to emerge as a viable, strategic alternative to some of the existing trade routes.

The **EU Global Gateway Initiative** is another major investment initiative launched by the EU and European development finance institutions in 2023. Its objective is to launch "a values-driven, high standard and transparent infrastructure partnership to meet global infrastructure development needs."¹⁰⁰ Similarly, the EU-funded **Regional Transport Programme**, to be adopted in 2025, promises to assist and promote ongoing and future transport related projects in Central Asia.

Being the dominant offshore balancer in the region, the primary strategic task of the US is to conserve the security orientation of its allies in its favour. This clearly implies not allowing competing centres of power to create a regional hegemony in Eurasia. The geopolitical objectives of these projects for the US and its partners is to secure western interests and contain the growing Chinese influence on the global economy.

India: India's geographical location, at the crossroads of several sub-regions – West Asia, Central Asia, South-East Asia – demands its enhanced engagement and expanded presence in the Eurasian landscape. India's 'Connect Central Asia' initiative, aimed at connecting beyond its immediate neighbourhood, has to be viewed in this context. Similarly, India's location in one of the most strategic oceanic spaces presents manifold opportunities for developing ports and shipping hubs connecting highways and rail routes. The launching of routes such as the Spice Route, Cotton Route, Project Mausam and Freedom Corridor are some notable initiatives in this direction.¹⁰¹ India's logistical vision is to revive both the traditional continental trade routes and the maritime multimodal routes that would connect Indian enterprises with the existing and proposed transport corridors. Its 'Act East' and 'Act West' policies are geared to deepen and broaden its engagements with countries in East Asia and with countries towards its West – especially the Persian Gulf countries.

99 Stoll, Hunter (2024). "The Middle Corridor: A Renaissance in Global Commerce, *The Diplomat*, March 11.

100 EU Global Gateway Overview. Available at: https://international-partnerships.ec.europa.eu/policies/global-gateway/global-gateway-overview_en (Accessed on November 15, 2024).

101 The Spice Route was a network of maritime routes that have connected the East and the West for over 2000 years. India was at the centre of the spice route. The cotton route refers to the maritime route in the Indian Ocean for the export of textiles from India to the rest of the world. Project Mausam seeks to revive India's ancient economic and cultural links with the countries of the Indian Ocean Region, with a new strategic focus on maritime security and economic connectivity in the Indo-Pacific region. The India-Japan Freedom Corridor centres around the creation of multiple infrastructure projects across Africa, Iran and South East Asia.

The Eurasian vector is of interest to India primarily in terms of entering the Central Asian markets and diversifying its hydrocarbon supplies. India was the first country to oppose the BRI and has publicly portrayed it as a non-transparent, neo-colonial enterprise aimed at attracting cash-starved states into a debt trap. Although China is an important economic partner for India, in the long-term, India views China as a political adversary and economic rival. India understands the importance of transnational transport corridors and has been pushing ITCs, envisioning the prospects of linking the Atlantic to the Pacific via Asia. Towards this goal, the three important corridors where India is an important stakeholder are the: India-Middle East-Europe Economic Corridor (IMEC) that aims to connect India to Europe through the Arabian Peninsula, the International North South Trade Corridor (INSTC) in the West connecting India to Russia through Iran and Central Asia, and the Chennai-Vladivostok route to the East that promises India's connectivity with the Russian Far East.

As the fastest growing economy in the world, transport corridors have become an imperative for India's growth story.¹⁰² In this context, it is noteworthy that India has recognised the importance of transport connectivity through regional economic corridors long before China launched its ambitious BRI in 2013. The INSTC was conceptualised in 2000, though it still remains to be completed. For sanction-ridden partners like Russia and Iran, the INSTC offers a viable trade route option. Recently, there have been conversations at the highest level to explore the possibility of a lateral "land-based" connectivity in the India Ocean. The India-Myanmar-Thailand (IMT) trilateral highway, the construction of which started in 2012, thus has come into focus.¹⁰³ Since 2000, this trilateral highway has been part of South Asia sub-regional economic co-operation (SAEC), which aims to bring Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal and Sri Lanka together to foster cross-border connectivity that would unleash the full potential of their markets.¹⁰⁴

In conclusion, ITCs have become the structural component of international politics. These mega projects are not only creating economic and strategic opportunities on an unprecedented scale, they are also intensifying competition over resources and finance and creating spheres of influence around the ownership of these infrastructural projects. Within the framework of the expanding connectivity networks in Eurasia, India has situated its logistics vision. Drawing from its historical antecedents and its growing global engagement with the outside world, India seeks new spheres of influence backed by its ability to make the most of the opportunities that accompany these multi-layered connectivity projects – both maritime and continental.

This is evident in India's connections with its Western and Eastern sub-regions – in its overland and maritime connectivity with the Central Asian region and its maritime connectivity with Southeast Asia, extending to the Indo-Pacific. India's 'Neighbourhood First Policy' includes its 'continental and maritime vicinity' through its proactive outreach policies and the leveraging of its shared heritage and economic complementarities.

102 "India's Economy to Remain Strong Despite Subdued Global Growth" *World Bank Press Release*, September 3, 2024. Available at: <https://www.worldbank.org/en/news/press-release/2024/09/03/india-s-economy-to-remain-strong-despite-subdued-global-growth> (Accessed on November 15, 2024).

103 Krishnankutty, Pia, Padmanabhan, Keshav "From East to West, India is making a big push for transnational transport corridors. Here's why" *The Print*, April 1, 2024.

104 Ibid.

However, it needs to be noted that seamless connectivity not only calls for suitable physical infrastructure but also requires putting into place the institutional mechanisms that are necessary to regulate the smooth movement of goods and services. The role of supporting infrastructure, thus, becomes very vital in the successful implementation of these multi-layered international trade corridors.

Central Asia as Link-Territory

Kuralay Baizakova

The contemporary global geopolitical and geo-economic environment has significantly impacted the dynamics of transport corridors all over the world, resulting in new tariff regulations and search for new supply chains. The imposition of comprehensive sanctions on Russia, in the aftermath of the war in Ukraine, resulted in the withdrawal of Western companies from the Russian market. This has had far reaching political and economic implications across continents. It has also affected all types of transportation. For the countries of Central Asia these developments have had a far reaching bearing on their foreign policy choices notably in regard to addressing infrastructure and connectivity projects in the region and beyond.

Transportation infrastructure

Central Asian countries have limited access to seaports and international transportation routes, which restricts their export and import capabilities for goods and services. Furthermore, the region's road infrastructure requires significant investment to ensure the safety and efficiency of transportation routes. Geopolitical turbulence in the world is radically transforming the infrastructure of transport flows in Central Asia. Asian countries are eager to send their cargo to Europe via the historic Silk Road.

The need for further development of the transport and logistics potential of Kazakhstan and the entire CA region as a whole has been repeatedly noted in the speeches of the head of state K.K. Tokayev¹⁰⁵. To achieve this goal, a number of transportation projects has been proposed to strengthen transport connectivity and facilitate the smooth movement of goods across the region.

If we look at the statistical data, the growth in the cargo transportation of Central Asian countries is noticeable. Thus, according to the Ministry of Transport of the Republic of Kazakhstan, 980.7 million tonnes of cargo were transported in 2023, which is 4.4 per cent more than in 2022¹⁰⁶.

In Kyrgyzstan, in 2023, the total volume of transported goods for all types of transport amounted to 51 million tonnes, which is 6.7 million tonnes more than in the previous year. In Tajikistan, the volume of international cargo transportation in 2023 amounted to 2.2 million tonnes which is slightly more than twice than in the previous year. In Uzbekistan, in 2023, international freight traffic reached 59.2 million tonnes, that is, 110.4 per cent of the 2022 figure. At the same time, the flow of imported goods was almost twice the export. And in case of Turkmenistan, there was a significant increase in the volume of work and services in the transport sector in 2023. The increase was by 21.3 per cent.¹⁰⁷

¹⁰⁵ Address of the Head of State Kassym-Jomart Tokayev to the people of Kazakhstan. Available at: https://www.akorda.kz/ru/addresses/addresses_of_president/poslanie-glavy-gosudarstva-kasym-zhomarta-tokaeva-narodu-kazahstana (Accessed on February 20, 2024).

¹⁰⁶ "Revenues from cargo transportation brought the budget of Kazakhstan 4.19 trillion tenge in 2023". Available at: <https://www.inform.kz/ru/mintransporta-nazvalo-dohodi-ot-vseh-gruzoperevozok-postupivshie-v-byudzhet-kazahstana-06cc50#:~:text=%> (Accessed on September 12, 2024).

¹⁰⁷ "Central Asian countries build new transport corridors and change logistics." Available at: <https://www.inform.kz/ru/strani-tsentralnoy-azii-stroyat-novie-transportnie-koridori-i-menayut-logistiku-6bdc74> (Accessed on September 15, 2024)

Logistics in Kazakhstan

Today, the Republic of Kazakhstan is actively engaged in shaping its transit policy, refining its directions, and establishing new vectors in its foreign policy outreach. It is crucial for Kazakhstan that this economic point becomes a model case. Here, it should be noted that the development of logistics corridors is inextricably linked to diplomacy. The advancement of further cooperation with partner countries in both near and far abroad entails determined efforts in developing logistics chains, which, in turn, is connected to Kazakhstan's diplomatic activities. Diplomatic missions are actively working at infrastructure integration to serve the interests of a country that has no access to the world's oceans.

Speaking about Kazakhstan's immediate neighbour Russia, the anti-Russian sanctions have put Kazakhstan in a challenging situation. On the one hand, the economic pressure on Russia has impacted Kazakhstan and other Central Asian countries, resulting in a part of the population experiencing the negative consequences of the sanctions, on the other hand the political elite has begun to seek new avenues for trade and business operations¹⁰⁸. The anti-Russian sanctions and the neutral position of the leadership in Kazakhstan has made it possible to attract many companies, and with them investments and the creation of new jobs in the country. This has had a positive effect on Kazakhstan's image; actually, being in the crossfire, the country has been able to maintain internal peace and stability.

Kazakhstan is playing a key role in the development of the China-Kazakhstan railway, which serves as the primary transportation corridor connecting China and Europe¹⁰⁹. The country believes that such infrastructure projects can contribute to economic growth and regional integration. For example, Kazakhstan has invested heavily in transportation infrastructure development, including the construction of the Khorgos Gateway, which links the country's rail network to China's extensive railway system¹¹⁰. This project has helped increase trade between Kazakhstan and China and has the potential to further strengthen economic ties between Central Asia and China.

In recent years, the railway transport between Kazakhstan and China has gained new momentum. The Russia-Ukraine conflict has forced several countries neighbouring Russia to seek alternative transport routes. At the same time, China is testing alternative routes to Europe via Kazakhstan. The most convenient alternative is considered to be the Middle Corridor also known as the Trans-Caspian transport route.

The world's leading countries are interested in developing the transportation infrastructure of Central Asian countries. One of the important logistic projects for the region is the Trans-Caspian International Transport Route, which runs through China, Kazakhstan, the Caspian Sea, Azerbaijan, Georgia and further to European countries. The purpose of this transportation project, also called the Middle Corridor, is to connect Turkey with China through a number of post-Soviet republics.

¹⁰⁸ "Anti-Russian sanctions. What does Kazakhstan lose and acquire?". Available at: <https://orda.kz/antirossijskie-sankcii-cto-teryaet-i-priobretayet-kazakhstan/> (Accessed on September 10, 2024).

¹⁰⁹ "China, Russia and their relationship in Central Asia." Available at: <https://www.caa-network.org/archives/24776/kitaj-rossiya-i-ih-otnosheniya-v-centralnoj-azii> (Accessed on August 19, 2024).

¹¹⁰ Buranelli, F. Costa, "Central Asian countries are developing their own ways of cooperation". Available at <https://cabar.asia/ru/filippo-kosta-buranelli-strany-tsentralnoj-azii-ravivayut-svoi-sobstvennye-puti-sotrudnichestva>. (Accessed on September 4, 2024).

Overall, the revival of the Trans-Caspian International Transport Corridor serves as an example of how geopolitical shifts can act as a catalyst for significant infrastructure and economic transformations. With the collective efforts of Kazakhstan, Azerbaijan, Georgia and Turkey and substantial international support, the Middle Corridor is poised to redefine Eurasian trade routes, offering a strategic alternative that promises greater efficiency and geopolitical balance in the global trade ecosystem¹¹¹.

In the medium term, it is planned to increase transportation volumes five-fold along this corridor. Developed port infrastructure, a unified transportation technology and effective tariff policies of the member countries of the new transport formation will contribute to the transportation of a high-quality container service, the potential of which is estimated at over 300 thousand containers. Uzbekistan is also interested in increasing cargo transportation along the Trans-Caspian International Corridor to the European Union¹¹².

The leadership of Kazakhstan has repeatedly emphasised on the importance of building effective cooperation with its key political and economic partner - the People's Republic of China. China is both the largest shipper and the largest customer¹¹³. Thus, in July 2024, Kazakhstan ratified the Agreement with China on the development of the Trans-Caspian international transportation route, including for container trains between China and Europe¹¹⁴. China will officially join the Middle Transport Corridor through the China Railway Container Transport Corporation's (CRTC) participation in the development of rail networks in Central Asia. Its participation will also extend to road transportation in Central Asia¹¹⁵. China's interest in the Middle Corridor is driven by its geoeconomic considerations.

The Middle Corridor is a very important project for Kazakhstan. Kazakhstan stands to benefit significantly from the project through economic diversification, new partnerships and an increase in the country's competitiveness, especially in the light of the war in Ukraine and the related supply disruptions. Until now, Kazakhstan supplied its energy resources primarily through Russia. The development of the Middle Corridor will provide a new route to deliver these resources to the European markets. At the same time, participation in the project creates new risks, including the deterioration of its relationship with Russia. However, the project is expected to yield financial benefits only after decades, given its long-term nature.

Shortcomings of the Middle Corridor

To increase freight traffic along the 'Middle Corridor' route, a container hub is planned to be established at the port of Aktau, with the involvement of leading global operators. A digital infrastructure for the transport corridor is also being created, to enable the use

111 Ibid.

112 "Uzbekistan intends to increase cargo transportation along the Trans-Caspian corridor to the EU". Available at: <https://www.inform.kz/ru/uvvelichit-gruzoperevozki-po-transkaspiskomu-koridoru-v-es-nameren-uzbekistan-64381d> (Accessed on August 14, 2024).

113 "Tokayev: It is extremely important to build interaction with the key partner of the EAEU - China". Available at: https://www.kt.kz/rus/politics/tokaev_krayne_vazhnym_viditsya_vystrayvanie_1377950541.html (accessed on September 1, 2024).

114 "Trans-Caspian route: Tokayev ratified agreements with China": July 01, 2024. Available at: https://tengrinews.kz/kazakhstan_news/transkaspiskiy-marshrut-tokaev-ratifikiroval-soglasheniya-540033/ (Accessed on September 12, 2024).

115 "China is ready to join in the modernisation of the Asian transport corridor." Available at: https://abw.by/news/in_world/2024/10/06/kitai-gotov-vkluchitsya-v-modernizaciu-aziatskogo-transportnogo-koridora (Accessed on September 18, 2024)

of unified IT solutions to manage supply chains. Nevertheless, the shortcomings of the Middle Corridor should also be pointed out. Freight traffic along the Middle Corridor increased sharply after the imposition of tough sanctions against Russia for its invasion of Ukraine. Because of the hostilities and sanctions, exporting companies are suspicious of the shorter northern route to European Union ports. But the Trans-Caspian route clearly lacks capacity and key infrastructure. These include railroads, seaports, transshipment hubs and roads. Not only Kazakhstan, but also other countries participating in the Middle Corridor are faced with these challenges.

It should be noted that geopolitical changes in recent years have contributed to the expansion of opportunities for Central Asian countries to sign new transport agreements with the EU and, accordingly, to attract new investments. Moreover, Kazakhstan is ready to connect its transit routes with the TEN-T (Trans-European Transport Network) to integrate land trade between East and West". Kazakhstan has proposed to the European Commission to begin discussions on establishing transit hubs in Kazakhstan that could become part of the region's connectivity projects. For example, Kazakhstan plans to invest up to USD 20 billion by 2025 to create new land corridors throughout the country¹¹⁶.

The European Union and its positions in the broad G7 context

The European Union, after assessing the prospects of the international route in January 2024, announced an investment of EUR10 billion to develop transport and logistics projects in Kazakhstan and Central Asian countries in the first phase and EUR 18.5 billion in the second phase so that roads, railways and seaports - Aktau and Kuryk - can ensure smart, safe and fast delivery of goods from China to the European Union¹¹⁷. If Kazakhstan serves as the gateway to China, then Georgia and Turkey, which are part of the Middle Corridor, act as the gateway to the EU.

TITC participants, as well as analysts from the EBRD and the World Bank are confident that by 2030 this route will be able to transport 10-11 million tonnes of cargo per year, and Kazakhstan has a crucial role to play not only as a transit route, but also as an independent supplier to the EU of critical cargo and materials from the extractive and agrarian industries. The new coordination platform of transport crossings was launched in October 2024 in Turkmenistan. According to experts, the creation of a coordination platform between the EU and Central Asia will turn the Trans-Caspian International Transport Corridor into a more stable and faster route connecting Europe and Central Asia, improve economic connectivity and reduce the time taken for cargo transportation between the countries of the region¹¹⁸.

Against the backdrop of geopolitical turmoil, the growing volumes of transportation along the Trans-Caspian International Transport Route (TITR) is attracting the interest of global players. Transportation giants are seeking to gain a foothold on new trade routes running through Central Asia - Caspian - South Caucasus, facilitating the movement of goods through these regions by increasing demand for maritime and logistics services. Thus, the G7 countries are ready to invest up to USD 200 billion in infrastructure projects

¹¹⁶ Ibid.

¹¹⁷ "How the Middle Corridor is changing the global economy. And the role of Kazakhstan in it." Available at: inform.kz (Accessed on September 27, 2024).

¹¹⁸ "Cargo from Asia to Europe in 15 days: the new platform will accelerate the Trans-Caspian route." Available at: <https://www.inform.kz/ru/gruzi-iz-azii-v-evropu-za-15-dney-novaya-platforma-uskorit-transkaspiskiy-marshrut-cc3f93> (Accessed on November 8, 2024).

in Central Asia; they have set themselves the goal of investing USD 600 billion by 2027 in developing countries, including USD 200 billion in Central Asia.¹¹⁹

Kazakhstan is one of the main destinations for the realisation of such projects. The EBRD believes that for the development of transport infrastructure in Central Asia it is necessary to attract investments worth EUR18.5 billion for 33 infrastructure projects. Of these 13 projects for EUR 5.5 billion will be in Kazakhstan. Then the potential of the Trans-Caspian route can be increased from the current 6 million tonnes to 26 million tonnes by 2040.¹²⁰

The US and other factors

The development of transportation and logistics opportunities of Central Asian countries is also being discussed with the United States in the format of “B5+1”, a forum of five Central Asian countries and the United States, united by a business agenda. When discussing the creation of new transportation routes, the head of Kazakhstan proposed the creation of a common market and strengthening business ties in Central Asia. In order to diversify, Kazakhstan access to the sea routes, it is East-West trade corridors.¹²¹ Another priority for Kazakhstan is the North-South transport corridor, which provides access to the Persian Gulf and the Indian Ocean. In order to diversify access to Kazakhstan's sea routes, it is planned to start the modernisation of the Kazakhstan section of the Bolashak-Chelyabinsk railway line.

Kazakh experts believe that for Kazakhstan, “the development of transport corridors in the southern direction is a strategic imperative, especially in terms of facilitating the transportation of Kazakh grain to Afghanistan via the Turkmen route.”¹²² According to several experts, “Russia is currently planning to develop it with the help of CIS partners, as well as Iran (the western branch of the North-South corridor) and Pakistan and India (the eastern branch of this ITC).”¹²³ As for the eastern segment, it encompasses countries such as Kazakhstan, Uzbekistan, Afghanistan, and Pakistan/India. This North-South branch can be useful for transportation of food and dry goods. On the margins of the first transport trade and export forum in Aktau in July 2024, a trilateral meeting of representatives of Kazakhstan, Turkmenistan, and Afghanistan was held to discuss the possibility of building a new railroad line from Turgundi to Spin-Buldak through Herat and Kandahar - Spin-Buldak that would run from the western border of Turkmenistan through Afghanistan to Pakistan and on to India¹²⁴.

Regarding the countries of the Middle East, it can be noted that Kazakhstan and the UAE are expanding oil transportation. Co-operation between Kazakhstan and the UAE in oil transportation across the Caspian Sea from Kazakhstani ports to Baku, Azerbaijan, is based on AD Ports Group's business in Kazakhstan, formalised in 2023, through

119 “G7 countries are ready to invest \$200 billion in the infrastructure of Central Asia. A significant part of the funds will be directed to Kazakhstan”. Available at <https://kz.kursiv.media/2024-07-22/zhzh-g7invest/> (Accessed on August 8, 2024).

120 Ibid.

121 “Almaty summed up the forum of five countries of Central Asia and the USA”. Available at: https://el.kz/ru/v-almaty-podveli-itogi-foruma-pyatistrani-tsentralkoy-azii-i-ssha_111185/ (Accessed on September 12, 2024)

122 “Central Asian countries build new transport corridors and change logistics.” Available at: <https://www.inform.kz/ru-strani-tsentralkoy-azii-stroyat-novie-transportnye-koridori-i-menyayut-logistiku-6bdc74> (Accessed on September 18, 2024)

123 Koshmaganbetov S., “Middle corridor: safe transportation of Kazakhstani oil to new markets”. Available at <https://www.inform.kz/ru/srednyi-koridor-bezopasnaya-transportirovka-kazahstanskoy-nefti-na-novie-rinki-8d2cca> (Accessed on November 3, 2024).

124 “Kazakhstan, Turkmenistan and Afghanistan want to build a new railway”. Available at: https://news.mail.ru/politics/62017729/?frommail=1&utm_partner_id=447 (accessed on September 5, 2024).

agreements between AD Ports Group and the State Oil Company of Azerbaijan (SOCAR). At the same time, at the ceremony in Aktau, it was stated that “the ships will operate along the strategic route across the Caspian Sea, serving as shuttle tankers carrying Kazakh oil to Azerbaijan and contributing to the diversification of Kazakhstan’s oil transportation routes.”¹²⁵

Central Asia as the core

As for the cooperation of the CA countries among themselves in the field of transportation, it should be noted that an important milestone was the Agreement on Strengthening Land Transport Interconnectivity in Central Asia, signed in 2023 by the governments of all five countries in the region. The main objectives of the agreement are: to create favourable conditions for the development of international land transport; to ensure a competitive environment in the transport services market in the Central Asian region; to improve the efficiency and formation of new international corridors, including multimodal corridors; to simplify the process of transportation and transit by land transport; to develop modern transport and logistics services; to introduce, and use innovative technologies, including digitalisation of the process of land transport. and to promote the use of new technologies, including the digitalisation of land transport.¹²⁶

Central Asian countries are poised for significant transformations in their logistics as plans to create new transportation corridors gain momentum. Despite progress, capacity constraints pose a serious challenge to the transportation and logistics industry. In addition, the industry periodically faces shortages of skilled professionals and long-haul truck drivers are directly involved in logistics management and freight transportation. Further, these countries have made insufficient efforts to eradicate the existing physical and non-physical barriers, with a lack of harmonised procedures and regulations at borders, including visas for drivers and other unreasonable customs formalities and control measures.

Another challenge facing the transport and logistics industry is the need to reduce its environmental impact. Transport is a major source of greenhouse gas emissions; so reducing emissions is a key priority for governments and transport businesses around the world. To address this, the industry is exploring new technologies such as electric and autonomous vehicles, and alternative fuels based on hydrogen and biofuels. These issues are being discussed at the highest level by the heads of states of the region. During the VI Consultative Meeting of Central Asian Heads of State in August 2024, the Kazakh president Kasym-Jomart Tokayev noted in his speech that:

a special place is given to such projects as the Trans-Caspian International Transport Route, the North-South Corridor, and the Belt and Road Initiative, in which all Central Asian countries are involved to a greater or lesser extent. Thanks to joint efforts, the potential of the Kazakhstan-Turkmenistan-Iran railroad is being consistently built up. Today it is the shortest route to the Persian Gulf countries. We consider the construction

¹²⁵ Koshmaganbetov S. “Middle Corridor”. Available at: <https://www.inform.kz/ru/sredniy-koridor-bezopasnaya-transportirovka-kazahstanskoy-nefti-na-novie-rinki-8d2cca> (Accessed on September 20, 2024).

¹²⁶ “Kazakhstan approves agreement with Central Asian countries on land transport”. Available at <https://www.zakon.kz/pravo/6406662-kazakhstan-odobril-soglashenie-so-stranami-tsentralnoy-aziii-po-nazemnomu-transportu.html> (Accessed on September 11, 2024).

of the Trans-Afghan railroad, which opens access to the markets of South Asia, to be promising. Kazakhstan carries out large-scale internal work in the transport and transit sphere. Until 2030, our country plans to modernise 11 thousand km and build more than 5 thousand km of new railroads.¹²⁷

The President also noted that the events of the past year once again clearly demonstrated the importance of the development of the North-South Transport Corridor as a key element of the “new global logistics.” In the words of the President “... we see significant synergies in the coordinated and systematic development of both routes. This is not only a growth point for industry, transportation and economy. These routes are capable of fundamentally changing the level of interaction and cooperation within the vast Eurasia.”¹²⁸

Thus, Central Asian countries attach special importance to the development of transit-transport infrastructure. In the challenging geopolitical processes of the post-Soviet space, they demonstrate determination in realising their transport and logistics capabilities. Kazakhstan, therefore, has outlined a large-scale modernisation of its infrastructure through investments.

The Multimodal Dimension

It has also become clear that it will be necessary to develop multimodal transport corridors to address the issue of limited access of Central Asian countries to seaports. This involves utilising multiple modes of transport (such as rail, road, maritime, and air) to move goods from one point to another. The creation of such corridors could enhance the economic competitiveness of Central Asian economies. An example of a multimodal corridor is the Central Asia-China transport corridor. Experts believe that “the positive factors contributing to the increase in cargo transportation volumes include the development of economic relations between the Central Asian countries and their neighbours, as well as with other global players.”¹²⁹ Investments in infrastructure, such as the construction or modernisation of railways, ports, freight terminals, and highways, will stimulate cargo transportation and transit through Central Asia. Additionally, it is crucial to establish agreements between countries in the region or with other nations regarding trade development. Political stability in the region also plays a key role in ensuring safety and predictability for freight transport.

In conclusion, Kazakhstan aims to become a connecting link, a transcontinental economic bridge facilitating interaction between European, Asia-Pacific, and South Asian economic systems. The development of regional and international transport communications in Central Asia is interconnected with the growth of the economy and international tourism in the region. To achieve progress in this area, it is essential to establish new routes along with the necessary infrastructure and services.

¹²⁷ “Tokayev: Kazakhstan will build more than 5 thousand km of new railways until 2030”. Available at <https://forbes.kz/articles/tokaev-kazakhstan-postroit-bolee-5-tys-km-novyyh-zheleznyh-dorog-do-2030-goda> (Accessed on September 19, 2024).

¹²⁸ Ibid.

¹²⁹ “Central Asian countries build new transport corridors and change logistics”. Available at: <https://www.inform.kz/ru/strani-tsentralnoy-azii-stroyat-novie-transportnie-koridori-i-menayut-logistiku-6bdc74> (Accessed on September 10, 2024).

Trilateral Diplomacy in the China-Mongolia-Russia Economic Corridor

Sharad K. Soni

Mongolia, a small but the world's largest landlocked nation strategically positioned between two major powers, Russia and China, on the bustling and economically active Eurasian continent, has increasingly embraced trilateralism. Scholars view this shift as a progression from "growing interdependence" to "globalisation," ensuring Mongolia remains connected with the world. A key example of this trilateral approach is the proposal to develop the China-Mongolia-Russia Economic Corridor (CMREC), a product of co-ordinated diplomacy among the three neighbouring countries, aimed at enhancing Eurasian connectivity and co-operation. It all started after Mongolia found itself in geo-strategic isolation as it was not included in the initial five economic corridors proposed by Chinese President Xi Jinping as part of the two-pronged plan: the overland Silk Road Economic Belt (SREB) and the 21th Century Maritime Silk Road (MSR), unveiled by Xi during his official visit to Kazakhstan and Indonesia in 2013. The two plans together came to be known as One Belt, One Road (OBOR), which was subsequently renamed the Belt and Road Initiative (BRI), sometimes referred to as the New Silk Road.¹³⁰ The vast geographic limits of the BRI run through the continents of Asia, Europe and Africa, connecting the East Asian economic circle at one end with the developed European economic circle at the other, covering countries having a very large potential for economic development. Moreover, in the decade since it was launched, the BRI project has eventually expanded to Africa, Oceania and Latin America, remarkably broadening China's economic and political influence.¹³¹

Having realised that it was left out of the CMREC project, Mongolian diplomacy began making renewed efforts to embrace both its neighbours – Russia and China. This resulted in the emergence of the idea of a CMREC at the first trilateral summit of the three heads of state in 2014 and, in 2016; a common understanding was reached on a plan to develop a trilateral economic corridor to speed up connectivity through greater synergy of China's Belt and Road Initiative (BRI), Mongolia's Steppe Road Initiative (SRI), and Russia's Eurasian Economic Union Initiative (EAU). At its core, the CMREC aims at co-operating in several railway, road and energy projects among the three participating countries to improve transport connectivity and cross-border trade through infrastructure development and increasing energy co-operation. Moreover, the spectrum of changes, in recent times, from competition to co-operation has encouraged them to become enthusiastic partners, so much so that they have even gone to link Russia's Eurasian vision with the BRI. Some experts, however, are sceptical of such an "alliance" happening anytime soon; they argue it would be "economically asymmetrical".¹³² Yet, the overall scenario appears to be conducive to policy responses, largely positive, if not in unison,

¹³⁰ MacBride, James, Berman, Noah and Chatzky, Andrew (2023). "China's Massive Belt and Road Initiative", *Council on Foreign Relations*, February 2, 2023. Available at: <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative> (Accessed on October 15, 2024).

¹³¹ Ibid.

¹³² Ibid.

from all the three actors involved in the CMREC, despite some inconclusive decisions on issues related to the natural gas pipeline connecting Russia and China through Mongolia. However, Mongolia, as a transit country, remains vulnerable due to its geographical compulsions and, therefore, has been pursuing a balance of power policy between the two neighbours, with its “third neighbours” acting as external balancers. In this backdrop, this chapter explores the evolution of the CMREC since its inception, focusing on what the trilateral diplomacy means in facilitating the overall development of the CMREC at a time when geopolitical restructuring is taking place in Eurasia. This helps us understand the current state of trilateral diplomacy in terms of not only co-operation but also challenges in the development of the corridor.

Evolution of China-Mongolia-Russia Economic Corridor

The CMREC is one of the six corridors being developed within the framework of China’s Belt and Road Initiative (BRI). On land, the BRI focuses on jointly building a new Eurasian land bridge, in addition to developing the China-Mongolia-Russia, China-Central Asia-West Asia and China-Indochina Peninsula economic corridors. At sea, the BRI pitches in jointly constructing smooth, secure and efficient transport routes connecting major sea ports along the BRI. The two other corridors include the China-Pakistan Economic Corridor (CPEC) and the Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC). The CMREC creates an overarching platform to draw on the potential and strengths of the three participating countries, i.e., China, Mongolia and Russia, “to expand development opportunities beneficial to all, promote regional economic integration, and enhance their collective competitiveness in the international market.”¹³³ As such, China’s province of Heilongjiang will turn out to be the gateway for Mongolia and Russia’s Far East as the area central to the development of the Eurasian high-speed transport corridor linking Beijing with Moscow. In comparison to the other five economic corridors, the CMREC covers more territory and is considered to be significant for both Eurasian as well as for Northeast Asian economic integration and transportation networks.¹³⁴

But what are the essential ingredients necessary to develop an economic corridor? In general, an economic corridor is developed through investment in rail and road infrastructure, implementation of regional development plans, facilitation of trade and support for cross-border trade, services and tourism, and synchronisation between government policy and regional development plans.¹³⁵ However, the implementation of such mega regional development plans also need to support plans for rural development and urbanisation to improve the overall infrastructural conditions in the partner countries. Moreover, it is essential to synchronise government policies and the regional development plans of the partner countries. This is as applicable to the CMREC as to any project elsewhere. Significantly, the CMREC development plan is in line with the individual policies of all the three countries involved: China’s “Silk Road Economic Belt”, Mongolia’s “Steppe Road” or “Prairie Road” Programme and Russia’s “Trans-Continental

¹³³ The State Council Information Office, The People’s Republic of China, “What are six economic corridors under Belt and Road Initiative?”, August 4, 2020, Available at: http://english.scio.gov.cn/beltandroad/2020-08/04/content_76345602.htm (Accessed on October 14, 2024).

¹³⁴ Soni, Sharad K., “China-Mongolia-Russia Economic Corridor: Opportunities and Challenges”, in B. R. Deepak (2018). (Ed.), *China’s Global Rebalancing and New Silk Road*, Singapore: Springer, pp.106.

¹³⁵ B. Ogtonsenseuren, B. (2015). “Mongolia-China-Russia Economic Corridor Infrastructure Cooperation”, *ERINA Report*, No.127, December, p.3. Available at: https://www.unii.ac.jp/erina-unp/archive/en/wp-content/uploads/2015/02/se12710_tss.pdf (Accessed on October 15, 2024).

Rail and Road” Plan.¹³⁶ This vision came to the fore during a trilateral leadership summit among the Presidents of China, Mongolia and Russia, on the sidelines of the 14th SCO summit (Dushanbe, Tajikistan, September 11, 2014). This was the first occasion that provided an opportunity for the then Mongolian President Ts. Elbegdorj to take advantage of deepening Sino-Russian economic relations in his country’s favour.

Contemplating that a “great game” to create a new version of the Eurasian Silk Road was being played out without any Mongolian input, Mongolia’s president used the occasion “to make certain that his two powerful neighbours do not proceed with transportation and energy co-operation without taking into account the role of a mineral-rich Mongolia.”¹³⁷ Mongolian diplomacy paid off as the three parties exchanged their views on trilateral co-operation, particularly on possibilities to develop infrastructure and transit transportation, advance existing railroads and establish new railroads that would help develop an economic corridor. At the second trilateral summit, which was held in June 2015 on the sidelines of the 15th SCO summit (Ufa, Russia), the three parties went a step further and signed a memorandum of understanding to create an economic corridor and adopted a mid-term roadmap to advance trilateral co-operation in the mining, transit transportation, infrastructure construction, tourism and environmental sectors.¹³⁸ This was done after they underlined that connecting the three countries through infrastructure would be the first and foremost priority of trilateral co-operation. However, it was the third summit held on the sidelines of the 16th SCO meeting in Tashkent, Uzbekistan (June 23, 2016) that the three heads of state signed a development plan to construct the China-Mongolia-Russia Economic Corridor.¹³⁹ The development plan of the CMREC aimed to strengthen trilateral co-operation by increasing the scale of trade, improving product competitiveness and facilitating cross-border transportation between the three countries.

At the fourth summit held on the sidelines of the 18th SCO meeting (Qingdao, China, June 9, 2018), the three leaders reviewed the achievements of trilateral co-operation and discussed priority tasks and directions for the next phase, including accelerating their co-operation in such areas as infrastructure interconnectivity, and promoting sub-regional co-operation in the adjacent areas of the three countries.¹⁴⁰ Further, the fifth summit held on the sidelines of the 19th SCO meeting (Bishkek, Kyrgyzstan, June 14, 2019) considered building a gas pipeline – “Power of Siberia-2” – from Russia to China through the territory of Mongolia, with a commitment to push forward the trilateral co-operation to construct the CMREC. The sixth summit held on the sidelines of the 21th SCO meeting (Samarkand, Uzbekistan, September 15, 2022) deliberated upon intensifying the implementation of the CMREC and making advancement in specific areas of trilateral co-operation by agreeing to actively promote the “Power of Siberia 2” gas pipeline, besides initiating the feasibility study for the modernisation and development of the central railway line of the economic corridor.¹⁴¹ But the most important decision

136 Soni, “China-Mongolia-Russia Economic Corridor”, p.107.

137 Campi, Alicia (2014). “Transforming Mongolia-Russia-China Relations: The Dushanbe Trilateral Summit”, *The Asia-Pacific Journal*, Vol. 12 (45), November 3, 2014. Available at <https://apjjf.org/wp-content/uploads/2023/11/article-1083.pdf> (Accessed on October 17, 2024).

138 Soni, “China-Mongolia-Russia Economic Corridor”, p.107.

139 “China, Russia, Mongolia sign economic corridor plan: Xinhua” (2016). *South China Morning Post*, 24 June 2016. Available at: <http://www.scmp.com/news/china/diplomacy-defence/article/1980597/china-russia-mongolia-sign-economic-corridor-plan> (Accessed on October 17, 2024).

140 “China, Russia, Mongolia vow to strengthen cooperation” (2018). *Xinhuanet*, 10 June 2018. Available at http://www.xinhuanet.com/english/2018-06/10/c_137243022.htm (Accessed on October, 20, 2024).

141 Unurzul, M. (2022). “Heads of State Mongolia, Russia and China meet in Samarkand”, *Montsame*, 16 September 2022,

that was taken by the three leaders was to extend the “plan on establishing the China-Mongolia-Russia Economic Corridor” by five years.

However, since 2023, there has been no tripartite leaders’ summit despite the fact that the CMREC involves co-operation among the three countries on 32 projects in various fields.

Priority Projects under CMREC

The CMREC focuses on developing transportation infrastructure and connectivity; intensifying port construction and the supervision of customs, inspection and quarantine; promoting co-operation in production capacity and investment, and reinforcing economic and trade co-operation between China, Mongolia and Russia. This economic corridor can provide opportunities for Mongolia’s cargo to reach Vladivostok in the east via China’s three north-eastern provinces, and reach Europe in the west via Chita.¹⁴² A USD 230-billion high-speed rail line project linking Beijing and Moscow through the Mongolian capital Ulaanbaatar appears to have the potential to boost the CMREC as it reduces the 7000-km journey from six to just two days. The economic corridor was originally conceived as a massive project “to expand the trade levels between Russia and China by developing a multi-mode transport network and transforming Mongolia as the transit hub in the process.”¹⁴³ In sum, the project structured under the CMREC can be outlined under the following heads:

1. Enhancing transport infrastructure and increasing transport facilities.
2. Renovating ports of entry and overhauling customs procedures.
3. Expediting closer co-operation in energy and mineral resources, high tech, manufacturing, agriculture and forestry.
4. Expanding trade at border regions and widening services trade.
5. Advancing co-operation in education, science and technology, culture, tourism, medical care and intellectual property.
6. Strengthening co-operation in environmental protection.
7. Promoting local and border co-operation.¹⁴⁴

Based on the above structure, 13 priority projects have been identified and approved, including eight railway construction projects and four highway projects. The development of these projects are at different stages – from determining economic efficiency to devising a legal framework, to concluding intergovernmental agreements.¹⁴⁵ The three most important projects that are currently underway include a central railway corridor, construction of a highway, and the “Power of Siberia-2” gas pipeline. Not only the central railway corridor but also the existing Trans-Mongolian railway, a southern branch of

Available at <https://www.montsame.mn/en/read/303980> (Accessed on October 20, 2024).

142 Ogtsuren, “Mongolia–China–Russia Economic Corridor Infrastructure Cooperation”, p.5.

143 Löchel, H and Nawaz, F (2018). “The Belt and Road Initiative of China – A Critical Analysis of its Feasibility”, Frankfurt School – *Working Paper Series* No. 226, March, pp.1-31. Available at: https://sgc.frankfurt-school.de/wp-content/uploads/2019/08/FS_Workingpaper-226_April-2018-1.pdf (Accessed on October 20, 2024).

144 Ibid; For full details, see Soni, “China-Mongolia-Russia Economic Corridor”, p.108-113.

145 Sysoeva, Natalia and Rudneva, Vera (2021). “Russian border regions in the economic corridor of China-Mongolia-Russia”, *Studies of the Industrial Geography Commission of the Polish Geographical Society*, Vol.35 (2), 20, p.54. Available at <https://prace-kgp.uken.krakow.pl/article/view/7676/7580> (Accessed on October 22, 2024).

the Trans-Siberian railway that connects Ulan-Ude with Beijing via Ulaanbaatar, will be double-tracked and used by the CMREC for strengthening trade and supply chains.¹⁴⁶ Meanwhile, in October 2022, a 745-km stretch of the AN-4 highway was commissioned in western Mongolia, passing through the Khovd and Bayan-Olgii provinces and connecting the Russian regions of Western Siberia with China's Xinjiang region.¹⁴⁷ This Mongolian stretch of the AN-4 highway is considered to be a reliable channel for Russian exports and imports as this stretch "is characterised by the safety of the transport route, passing through conflict-free territories, as well as by a great potential for transit, subject to infrastructural transformations".¹⁴⁸ As regards "Power of Siberia-2", its operators, Gazprom and Sinopec, have been instructed by Russian President Putin and Chinese President Xi to complete negotiations by an early date, as this pipeline would not just facilitate Russia and China alone, but Mongolia as well, in terms of its development as a gas transit and distribution hub.¹⁴⁹

Policy responses of the CMREC actors

Despite the presence of numerous projects, some being significant priority projects, nothing, in terms of the development of the CMREC, is visible on a massive scale. The question, thus, arises, of how the trilateral diplomacy works today at a time when intensifying confrontation between Russia and the West is in sight. The confrontational situation between Russia and the West opens a new reality for interaction with China, though one can notice that the spectrum ranging from competition to co-operation or even accommodation between Russia and China is complicated by the choices and policy responses of actors, such as Mongolia, "in between", as far as the corridor is concerned.¹⁵⁰ Recently, in July 2024, the foreign ministers of the three countries met on the sidelines of the SCO summit (Astana, Kazakhstan) to discuss issues concerning trilateral co-operation. Although this is for the first time that a trilateral meeting of the foreign ministers of China, Mongolia, and Russia has been held, this development can be interpreted from two very different perspectives. From one perspective, it is a sign of ever-growing relations, as the meeting between the foreign vice-ministers of the three countries has been upgraded to the foreign ministers' level. Another perspective points to the fact that "the foreign ministers' meeting is a downgrade from the summit mechanism among the heads of state of China, Mongolia, and Russia".¹⁵¹ For two consecutive years, no trilateral summit between the Presidents of China, Mongolia, and Russia on the sidelines of the SCO has been held, although all three of them were present at the SCO Astana summit. An analyst argues that there may be several reasons why the trilateral leaders' meeting was not held.¹⁵²

146 Russia's Pivot to Asia (2024). "Russia-Mongolia-China Economic Corridor to be developed", 5 July 2024. Available at <https://russiaspivottoasia.com/russia-mongolia-china-economic-corridor-to-be-developed/> (Accessed on October 23, 2024).

147 Namzhilova, Victoria (2022) "Economic Corridor "China-Mongolia-Russia": Infrastructure in Focus", *Modern Diplomacy*, 26 December. Available at <https://moderndiplomacy.eu/2022/12/26/economic-corridor-china-mongolia-russia-infrastructure-in-focus/> (Accessed on October 25, 2024).

148 Ibid.

149 Russia's Pivot to Asia, "Russia-Mongolia-China Economic Corridor to be developed".

150 Pleper, Moritz (2020) "The new silk road heads north: implications of the China-Mongolia-Russia economic corridor for Mongolian agency within Eurasian power shifts", *Eurasian Geography and Economics*, Vol. 65 (5-6), p.745. Available at <https://doi.org/10.1080/15387216.2020.1836985> (Accessed on October 28, 2024).

151 Chuluunbaatar, Sumiya (2024). "The Mongolia-China-Russia Trilateral after the Belt and Road Forum", *The Diplomat*, 16 July. Available at: <https://thediplomat.com/2023/10/the-mongolia-china-russia-trilateral-after-the-belt-and-road-forum/> (Accessed on October 30, 2024).

152 Ibid.

First, China appears to want to stay away from being part of extensive projects among the three countries, specifically the “Power of Siberia 2” gas pipeline project, the discussion on which cannot be avoided during a trilateral leaders’ meeting. Due to international sanctions against Russia, China may be thinking that it would be in its interest to avoid risks stemming from a new pipeline deal with Russia.

Second, in some areas, the core interests of China and Mongolia are uncompromising and mutually damaging, particularly when it comes to Mongolia’s Buddhist heritage. China does not want Mongolia to have any contact with the Dalai Lama, whom Beijing considers to be a “separatist”.

Third, China may not want to hold a trilateral leaders’ meeting unless and until Mongolia commits itself to officially join the SCO, twenty years after becoming the first observer-state to the SCO. On several occasions, Mongolia has emphasised the importance of its independent foreign policy in bilateral relations, *its third - neighbour diplomacy* since the early 1990s. Even after two decades, Mongolia’s refusal to upgrade its status from that of an observer to a full member in the SCO is a concern for both China and Russia. In that context, “China’s abandonment of the trilateral summit – and refusal of a bilateral meeting as well – may be a strong signal from Beijing to Mongolia”.¹⁵³

On this issue, the Russian thinking is not very different. In May 2024, Russian Foreign Minister Sergey Lavrov said that “The obvious next candidate for joining the Shanghai Cooperation Organisation (SCO) is Mongolia; all members of the organisation support its accession”.¹⁵⁴ However, neither Russia nor China could ignore the importance of the CMREC despite the fact that the trilateral diplomacy at the leaders’ level is not in operation. This is more so because of the radical change in the global geopolitical situation since February 2022, a clear challenge for the China-Mongolia-Russia Economic Corridor.¹⁵⁵ The escalating confrontation between Russia and the West thrusts a new reality for interaction, with China becoming increasingly active in promoting alternative transport routes.

Under these circumstances, what does the trilateral diplomacy look like, in terms of the individual approach of each of the three parties?

To begin with, Mongolia has been trying to pursue a weighted policy based on the balance of power between Russia and China and on maintaining partnerships with the United States, the European Union, Japan, South Korea, India and other countries under the “third neighbour” policy. Yet, Mongolia’s relationship with its major third-neighbours has undergone a remarkable turnaround due to China’s increasing politico-military assertiveness that poses formidable security challenges.¹⁵⁶ In such a situation, Mongolia, as of now, has signed a strategic partnership with five third-neighbour countries: Japan (2010), India (2015), the US (2019), South Korea (2021) and Germany (2024). The question that arises is why Mongolia has been expanding its strategic third-neighbour partnership. The answer lies in the fact that due to the increasing animosity between the US and the Russia-China alliance in Mongolia’s external environment, Mongolia

153 Ibid.

154 “Mongolia is obvious next candidate for SCO membership – Lavrov”, (2024). *Tass*, May 21, 2024. Available at <https://tass.com/politics/1791147> (Accessed on October 30, 2024).

155 Namzhilova, “Economic Corridor “China-Mongolia-Russia”: Infrastructure in Focus”.

156 Soni, Sharad, K., (2024), “The balancing act: Mongolia deepens its Strategic Partnership with ‘Third Neighbours’ within the Indo-Pacific Security Framework”, *Blitz India*, 7 March. Available at: <https://blitzindiamedia.com/the-balancing-act/> (Accessed on November 1, 2024).

is having to deal smartly with the surfacing geopolitical and economic realities in its neighbourhood, especially in Eurasia and the Indo-Pacific.

As far as Russia is concerned, the much-anticipated realignment of its foreign economic relations is already underway, with China on its way to replace the EU as its main trading partner in the long-run. Since Russia has been diversifying its foreign trade and international freightage by developing relevant infrastructure in its eastern regions, “a stepwise pivot of trade flows to the East might be a significant factor in the development of Siberia and Russia’s Far East”.¹⁵⁷ This would also help integrate eastern regions bordering Mongolia into the CMREC.

China’s experience in positioning its own, internal regions, especially the Inner Mongolia Autonomous Region, in the development of the CMREC is a learning experience for Russia’s eastern regions as installing an economic corridor also requires the consolidation of economic activities.

In conclusion, despite the odds at various levels in the development of the CMREC, the ongoing confrontation between Russia and the West provides fresh opportunity for trilateral interaction, with China becoming increasingly active in promoting alternative transport routes and Mongolia garnering mounting interest as a transit hub.

Whether it is the leaders-level summit or the foreign ministers-level summit, the role played by the trilateral diplomacy in implementing the CMREC holds significance. It points to the fact that at least the three sides are doing their bit to make the CMREC a reality, with China and Russia fostering overland, cross-border connectivity via Mongolia to the Russian Far East as well as deep into the heart of Eurasia as their trade ties intensify. At the same time, Russia considers trilateral co-operation in the CMREC as another way to break away from the West-imposed isolation and to diversify its energy exports away from the stagnant European market. Mongolia, on the other hand, sees the CMREC as a unique opportunity to strengthen trade linkages between Asia and Europe, while expanding its reach to new markets in Eurasia. China, however, would be glad to invest more in Mongolia to retain its status of being the largest investor in Mongolia, besides being the largest trading partner, with more than 80 per cent of Mongolia’s exports being to China.

¹⁵⁷ Namzhilova, “Economic Corridor “China-Mongolia-Russia”: Infrastructure in Focus”.

Trade Corridors in Eurasia: Geopolitical and Geo-Economic Implications

Aida Yerimpasheva

The sustainability of trade corridors contributes to “regional trade and improving connectivity between countries along the route”.¹⁵⁸ The Indian and Chinese corridors are grandiose endeavours of immense historical importance that have also shown their relevance in the contemporary world. The historical trade routes, such as the Silk Road and the Great Spice Route, significantly advanced civilisations and fostered economic prosperity in ancient times. Currently, economic corridors are enhancing the geopolitical sway of both India and China in Eurasia and beyond. Studying India’s and China’s initiatives is crucial to understand their economic impact, the potential benefits for participating countries, and geopolitical implications for the entire Eurasian region, including Central Asia.

India and China are the biggest and the most rapidly advancing nations of the 21st century. They are also two of the world’s most important manufacturing powerhouses. India is the fastest growing economy while China is the world’s second largest economy. The rapid advancement of both the nations in terms of economic capacity is commendable. The two countries resemble each other in several respects, including the antiquity of their civilisations and their ambitions to reclaim significant influence in global matters. However, the relations between the two countries has been problematic, peppered with diplomatic complexities, long-lasting territorial disputes, competition for regional supremacy, and the formation of alliances. Hence, Ogden (2022) characterises India-China ties as multifaceted.¹⁵⁹ At the same time, the war between Russia and Ukraine has indirectly affected the relationship between India and China. These effects are expected to have significant repercussions and shift global attitudes about the risks of war between major powers. These war-related impacts in the European region of Eurasia will hasten the decline of India-China ties.¹⁶⁰

Literature Review

The India-Middle East-Europe Economic Corridor (IMEC) is unique because of its dual routes – an eastern corridor connecting India to the Persian Gulf and a northern corridor connecting the Persian Gulf to Europe. The corridor comprises a comprehensive transportation infrastructure, including a railway network and marine and road lines.¹⁶¹ Most of the IMEC infrastructure has already been established. A mere 300 km of railway

¹⁵⁸ Press Release, World Bank Group (2023). Available at: <https://www.vsemirnyjbank.org/ru/news/press-release/2023/11/27/middle-corridor-through-central-asia-caucasus-can-boost-trade-connectivity-and-supply-chain-resilience> (Accessed on January 1, 2025)

¹⁵⁹ Ogden, C. (2022). “The Double-Edged Sword: Reviewing India–China Relations”, *India Quarterly*, Vol. 78 (2), pp. 210–228. Available at <https://doi.org/10.1177/09749284221089530>

¹⁶⁰ Markey, D., & Larsen, J. (2022). “From bad to worse,” *Asian Survey*, Vol. 62 (5–6), pp. 782–810. Available at <https://doi.org/10.1525/as.2022.1804494>

¹⁶¹ Siddiqui, H. (2023). “World leaders launch India-Middle East-Europe Economic Corridor seen as counter to China’s BRI” September 10, 2023- Defence News | *The Financial Express*. Available at: <https://www.financialexpress.com/business/defence-world-leaders-launch-india-middle-east-europe-economic-corridor-seen-as-counter-to-chinas-bri-3238862/> (Accessed on January 1, 2025).

construction is required to connect Saudi Arabia, Jordan, and Israel.¹⁶² The IMEC economic corridor was endorsed by the United States and its allies at the 18th G-20 summit. IMEC is strategically positioned as a “sustainable and technologically advanced connection between continents and cultures” and “the cornerstone of global commerce for many centuries to come”.¹⁶³ The initiative is seen as more political but is presented in the media as a viable alternative to China’s “Belt and Road” project.

Dinic (2022) states that “many countries and regions are seeking to counter the BRI.”¹⁶⁴ For instance, the Blue Dot Network was established to authenticate infrastructure projects based on their adherence to dependable criteria and standards. The Blue Dot Network, supported by the United States, United Kingdom, Spain, Australia and Japan, aims to advance the ideas of sustainable infrastructure development on a global scale. The “Global Gateway” is a European programme launched in 2021 to enhance intelligent, environment friendly and secure digital, energy, and transportation connections. Additionally, it intends to bolster global health, education, and research systems.¹⁶⁵ Pitlo III (2023) describes these efforts as a collection of alternative options to the BRI presented to divert some governments’ attention from the BRI.¹⁶⁶

Yan (2023) argues that ‘these actions are part of an information war to establish global influence and promote specific narratives. Further, the author states that the goal of these actions is the “stigmatisation and politicisation” of BRI.¹⁶⁷ According to Hillman (2019), Western-led initiatives are projected as “alternatives to China’s BRI,” which is accused of dragging countries into “debt traps.” Another cause for criticism is “corruption and fraud,” which has caused some Chinese companies to be excluded from multilateral development bank projects. Hillman (2019) insists that this policy is “risky and not strategic”, pointing out that when projects are suspended for “political or corruption reasons,” they tend not to generate revenue, and then it becomes difficult to repay the loans; as a result, public discontent grows, causing “widespread Sinophobia and soft power rejection”.¹⁶⁸ EU officials criticise the Chinese initiative for “interfering with free trade and providing privileged conditions to Chinese companies that Beijing subsidises”.¹⁶⁹

At the same time, there is another point of view, according to which the changing balance of power in Eurasia in the initiation and implementation of transport corridors is a natural

162 Pillai, K. S. (2023). “The India-Middle East-Europe Economic Corridor (IMEC) and China’s Belt and Road Initiative (BRI) offer a compelling perspective”. *LinkedIn*. Available at: <https://www.linkedin.com/pulse/india-middle-east-europe-economic-corridor-imeec-chinas-dr-ks-pillai> (Accessed on January 7, 2025).

163 Siddiqui, H. (2023). “World leaders launch India-Middle East-Europe Economic Corridor seen as counter to China’s BRI”, *Defence News | The Financial Express*, September 10., 2023. Available at: <https://www.financialexpress.com/business/defence-world-leaders-launch-india-middle-east-europe-economic-corridor-seen-as-counter-to-chinas-bri-3238862/> (Accessed on January 1, 2025).

164 Dinic, L. (2022). “Will the EU’s Global Gateway Undermine the BRI?”, *China-US Focus*. Available at: <https://www.chinausfocus.com/finance-economy/will-the-eus-global-gateway-undermine-the-br> (Accessed on January 1, 2025).

165 Strulkova A. (2023). “RIAC: EU Global Gateway Initiative in Central Asia. RIAC”. Available at: <https://russiancouncil.ru/analytics-and-comments/columns/postsoviet/initiativa-es-globalnye-vorota-v-tsentrальнuyu-azii/> (Accessed on January 1, 2025).

166 Pitlo III, L. B. (2023). “How History and Diplomacy Drive China’s Belt and Road as it Turns 10”, *China-US Focus*. Available at: <https://www.chinausfocus.com/finance-economy/how-history-and-diplomacy-drive-chinas-belt-and-road-as-it-turns-10> (Accessed on January 1, 2025).

167 Yan, L. (2023). “The Belt and Road Initiative 10 Years On”, *China-US Focus*. Available at: <https://www.chinausfocus.com/finance-economy/the-belt-and-road-initiative-10-years-on> (Accessed on January 1, 2025).

168 Hillman, J. E. (2019). “Corruption Flows Along China’s Belt and Road”, *Centre for Strategic and International Studies*. Available at: <https://www.csis.org/analysis/corruption-flows-along-chinas-belt-and-road> (Accessed on January 1, 2025).

169 Loginova, K. (2023). “Empty corridor: the USA and India decided to pave the way to Europe”. *Izvestiya*., September Available at: <https://iz.ru/1572244/kseniiia-loginova/pustoi-koridor-ssha-i-india-reshili-prolozhit-puti-v-evropu> (Accessed on January 1, 2025).

manifestation of the growing centres of production and power, which play a role in the implementation of these initiatives, the purpose of which is to access profitable markets in the West.¹⁷⁰ Moreover, “because of the collapse of ideas of globalisation,” transport corridors have become an essential mechanism in the processes of regionalisation and integration.¹⁷¹ Some authors believe that even pairing between these alternative initiatives is possible. Zakharov (2023) suggests combining International North-South Transport Corridor (INSTC) with the Europe-Caucasus-Asia Transport Corridor (TRACECA) and the Belt and Road Initiative is possible.¹⁷² This idea was also proposed by Grajewski (2022), who believes that attempts are being made to combine the Eurasian Economic Union, INSTC, and the BRI.¹⁷³

The INSTC was established in 2000 by Russia, India, and Iran. However, the partners made little effort to further the development of the corridor. Upon signing, each member country had its intentions about the future of the transit route. For example, Russia built the INSTC as an alternative to the Europe-Caucasus-Asia Transport Corridor (TRACECA). India saw the corridor as a means to access Central Asian and European markets, bypassing Pakistan, and Iran considered it a potential solution to evade sanctions.¹⁷⁴ After almost two decades, there have been significant changes in the global geopolitical landscape with a clearly visible shift from Euro Atlantic to the Asia/Indo-Pacific. The dominance of Asian economies on the world stage has resulted in a ‘revisiting of policies’ by the West. Connectivity diplomacy has come to occupy the centre stage in global geopolitics. As a result, the importance and demand for the INSTC have significantly increased at the regional and global levels. The current state of global geopolitics has once again emphasised the need for regional connections.¹⁷⁵

The initial goal of the INSTC was to establish connections between the Baltic States, Russia, Central Asia, India, Africa, Southeast Asia and the Middle East to avoid using the Suez Canal. In 2022, Russia emphasised this route. Due to the sanctions imposed on the Russian Federation, St. Petersburg is the final destination, which undoubtedly had a negative impact on the INSTC.¹⁷⁶ The first cargo under the INSTC was sent in the summer of 2022: Indian and Russian officials experimented by dispatching almost 40 tonnes of shipment from St. Petersburg to Mumbai. The journey was accomplished in 24 days - 16 days faster than if the cargo had been transported through the Suez Canal.¹⁷⁷ This effort arose from Russia’s attempt to mitigate the impact of the sanctions imposed by Western countries. India benefits by acquiring affordable Russian energy and

170 Kaya, E. (2023). “The Role of INSTC in India’s Central Asian Strategy,” *Ankara Centre for Crisis and Policy Studies*. Available at: <https://www.ankasam.org/the-role-of-instc-in-indias-central-asian-strategy/?lang=en> (Accessed on January 1, 2025).

171 Loginova, K. (2023). “Empty corridor: the USA and India decided to pave the way to Europe”. *Izvestiya*, September. Available at: <https://iz.ru/1572244/ksenia-loginova/pustoi-koridor-ssha-i-india-reshil-prolozhit-puti-v-evropu> (Accessed on January 1, 2025).

172 Zakharov, A. (2023). “The International North-South Transport Corridor: The Prospects and Challenges for Connectivity between Russia and India”, *Vestnik MGIMO-Universiteta*, Vol.16 (2), pp. 216–234. Available at <https://doi.org/10.24833/2071-8160-2023-2-89-216-234>

173 Grajewski, N. (2022). “An Illusory Entente: The Myth of a Russia-China-Iran “Axis.” *Asian Affairs*, Vol. 53(1), pp.164–183. Available at <https://doi.org/10.1080/03068374.2022.2029076>

174 Spector, R. A. (2002). “The North-South Transport Corridor”, *Brookings*, Available at: <https://www.brookings.edu/articles/the-north-south-transport-corridor> (Accessed on January 1, 2025).

175 Dinic, L. (2022). “Will the EU’s Global Gateway Undermine the BRI?”, *China-US Focus*. Available at <https://www.chinausfocus.com/finance-economy/will-the-eus-global-gateway-undermine-the-bri> (Accessed on January 1, 2025).

176 Ardashova, P. (2022). “The North-South transport corridor will connect Russia, India and Iran” *RGRU*. Available at: <https://rg.ru/2022/07/12/iz-mumbai-v-piter.html> (Accessed on January 1, 2025).

177 “INSTC and Chabahar Port – new corridors” (2022). *MKRU Kyrgyzstan*. Available at <https://www.mk.kg/economics/2022/10/26/mezhdunarodnyy-tran-sportnyy-koridor-severyug-instc-i-port-chabakhar-novye-koridory.html> (Accessed on January 1, 2025).

establishing itself as a manufacturing hub, potentially establishing connections with the European Union. At the global level, the INSTC is being proposed as a viable alternative to China's One Belt, One Road programme.¹⁷⁸ The BRI's "strategic importance" and role in covering and integrating the Eurasian region have made India "become more involved" in the geopolitics through corridors, which opens up opportunities related to "energy resources, trade, and activities in other areas".¹⁷⁹ According to Sharma & Atri (2023), India and Russia should continue to work together to maintain a multipolar Eurasia and reach a regional consensus on INSTC through the RIC (Russia-India-China), BRICS, and SCO platforms.¹⁸⁰:

Sarma (2018) proposes that implementing public-private partnerships along the INSTC route may facilitate the adoption of cutting-edge digital technologies, including blockchain and the Internet of Things, that can "effectively address the needs of the various activities taking place along the length of the corridor".¹⁸¹ In 2017, Passi predicted that the political landscape in the area would see substantial changes that could potentially pose challenges to the project's future. Therefore, it is crucial to shift the emphasis of the INSTC discussion towards economic aspects.¹⁸² From the Russian perspective, establishing the shortest transport route between the two countries was hampered by a) geographical distance, b) instability in Afghanistan, and c) border disputes between India and Pakistan. The sanctions imposed after the war with Ukraine has intensified Russia's efforts to establish ties with countries in the Global South.¹⁸³

From Pakistan's perspective, Chabahar port, which is critical to its strategic location, is a more critical issue. Haboudinejad and Ali (2022), using the term "port geopolitics," underline that India's decision to develop the Chabahar port is a response to the China-Pakistani projects.¹⁸⁴ The INSTC is vital to Pakistan as it seeks to strengthen its relations with Central Asian countries and tackle its "future energy challenges".¹⁸⁵ The China-Pakistan Economic Corridor (CPEC) is BRI's flagship. On the one hand, CPEC is an economic opportunity for Pakistan as it promotes regional and inter-regional economic and trade integration in Asia. On the other hand, CPEC faces some severe challenges, such as regional security, internal instability and political discontent among various political Pakistani players.¹⁸⁶

178 Kaya, E. (2023). "The Role of INSTC in India's Central Asian Strategy". *Ankara Centre for Crisis and Policy Studies*. Available at: <https://www.ankasam.org/the-role-of-instc-in-indias-central-asian-strategy/?lang=en> (Accessed on January 1, 2025).

179 Mukhia, A., & Zou, X. (2022). "Mapping India's (Re)Connection to Eurasia", *Russia in Global Affairs*, Vol.20(2), pp.184–204. Available at: <https://doi.org/10.31278/1810-6374-2022-20-2-184-204>

180 Sharma, R. K., & Atri, G. (2023). "India and Russia in International Organizations: Motives, Strategies, and Outcomes", *Vestnik MGIMO-Universiteta*, Vol. 16(2), pp.49-64. Available at: <https://doi.org/10.24833/2071-8160-2023-2-89-49-64>

181 Sarma, H. Ch. (2018). "Turning the International North-South Corridor into a Digital Corridor", *Sravnitel'naya Politika - Comparative Politics*, Vol. 9 (4), pp.124–138.

182 Passi, R. (2017). "Money Matters: Discussing the Economics of the INSTC". ORF Occasional Paper.

183 Zakharov, A. (2023). "The International North-South Transport Corridor: The Prospects and Challenges for Connectivity between Russia and India". *Vestnik MGIMO-Universiteta*, Vol. 16(2), pp. 216–234. Available at <https://doi.org/10.24833/2071-8160-2023-2-89-216-234>

184 Haboudinejad, G., & Ali, T. (2022). "Geopolitics of Ports: Balancing in India's Geopolitical Strategy" (Emphasising the Role of Chabahar Port). *Geopolitics Quarterly*, Vol. 18(65), pp.150–187.

185 Ullah, N., & Abbas Brohi, M. (2018). "International North-South Transport Corridor: Challenges and Opportunities for Pakistan". *Stratagem* Vol. 1, pp. 100–113. Available at: <http://journal.cscr.pk/stratagem/index.php/stratagem/article/view/10/>. (Accessed on January 1, 2025)

186 Ali, A. (2016). "China Pakistan Economic Corridor: Prospects and Challenges for Regional Integration", *Arts and Social Sciences Journal*, Vol. 7 (4). Available at <https://doi.org/10.4172/2151-6200.1000204>

Methodology and results

An analysis was conducted on the discourses of Russia, China, India and Pakistan. The study's novelty is in comparing the economic prospects of Eurasian megaprojects, focusing on geopolitical factors. INSTC and IMEC are alternatives to BRI. In fact, with INSTC and IMEC, India has challenged the evident dominance of the only player. India can now be considered an economic power on par with China and as the new centre of the big game, in which New Delhi is beginning to compete with Beijing for influence in the Eurasian region. In the light of China's macroeconomic crisis and demographic decline, the INSTC and IMEC transport corridors could be an innovation that rivals BRI's successes. Indeed, INSTC and IMEC open new economic opportunities for Eurasia, facilitating international trade with significant economies such as India, Iran and Russia. Roy and Roy (2017) argue that India is ready to build more meaningful partnerships with the CA region in the context of the new geopolitical changes.¹⁸⁷ In turn, the CA region is eager for India to be more active in addressing regional economic and security challenges. Mukhia & Zou (2022) perceive Eurasian geopolitics based on Halford John Mackinder's "heartland" theory, where the central role belongs to Eurasian countries, of which Central Asia is a part.¹⁸⁸

India is known to disagree with Pakistan and China on various issues. The realisation of the China-Pakistan Economic Corridor (CPEC) prompted India to abandon its containment policy, and respond by reaching out to Afghanistan and Central Asia through the INSTC. From this perspective, the process of normalising relations between India and the Taliban is explainable.¹⁸⁹ After February 2022, the outbreak of war in Ukraine, the prospects of the International North-South Transport Corridor and the Chabahar-Central Asia Corridor became the subject of active discourse in Central Asia.¹⁹⁰ India is actively investing in Central Asian countries, noting that the nature of the partnership is "incomparable to any other country in the region." CA experts tend to contrast the Chinese initiatives with the Indian ones and believe that India respects the sovereignty and territorial integrity of the CA countries. Thus, in a joint communiqué issued after the First India-Central Asia Meeting of NSAs/Secretaries of the Security Councils in 2022, it was stated that "connectivity initiatives should be based on the principles of transparency, broad participation, local priorities, financial sustainability and respect for the sovereignty and territorial integrity of all countries".¹⁹¹

In conclusion, India and China now have substantial influence in establishing trade channels and implementing ambitious initiatives to improve regional connectivity. Their contributions to global trade have consistently promoted the advancement and

¹⁸⁷ Roy, M. S., & Roy, R. (2017). "Placing India in the emerging regional dynamics of Central Asia", *Revista UNISCI*, , pp. 85–116. Available at: <https://doi.org/10.5209/REUNI.57285>

¹⁸⁸ Mukhia, A., & Zou, X. (2022). "Mapping India's (Re) Connection to Eurasia. Russia in Global Affairs", Vol. 20(2), pp.184–204. Available at <https://doi.org/10.31278/1810-6374-2022-20-2-184-204>

¹⁸⁹ Kaya, E. (2023). "The Role of INSTC in India's Central Asian Strategy", *Ankara Centre for Crisis and Policy Studies*. Available at: <https://www.ankasam.org/the-role-of-instc-in-indias-central-asian-strategy/?lang=en> (Accessed on January 1, 2025).

¹⁹⁰ "INSTC and Chabahar Port - new corridors" (2022). *MKRU Kyrgyzstan*. Available at: <https://www.mk.kg/economics/2022/10/26/mezhdunarodnyy-transportnyy-koridor-severyug-instc-i-port-chabakhar-novye-koridory.html> (Accessed on January 1, 2025).

¹⁹¹ "India becomes a key player" (2022). *Economic Times*. Available at <https://infra.economictimes.indiatimes.com/news/urban-infrastructure/india-becomes-a-key-player-in-central-asia-riding-on-infra-projects/96451374?redirect=1> (Accessed on January 1, 2025).

economic well-being of the peoples involved. The trade channels are tangible evidence of the intensifying rivalry between India and China and rivalry with other global players. The IMEC and INSTC economic corridors are developing transportation routes to connect India and Europe. India's establishing transportation corridors is not just a development but a strategic tool for exerting geopolitical influence.

Environmental Aspects of Europe-Central Asia Transport Connectivity

Gulnara Baikushikova

In the era of globalisation and accelerated technological progress, transport links between different regions of the world are becoming increasingly important. They play a key role in ensuring economic growth, development and integration. However, given current environmental challenges, it is important to strive for sustainable transport links. In this context, transport links between Europe and Central Asia are of particular interest. Central Asia, strategically located between Europe and Asia, holds immense potential for trade and economic development. However, the region faces significant challenges in transport infrastructure and connectivity. Central Asia's journey towards seamless connectivity requires concerted efforts to overcome existing challenges. Insufficient transport infrastructure and soft connectivity pose significant obstacles to the region's development. Recognising the need for change, the European Union (EU) envisions a comprehensive transport network that bridges infrastructure gaps and eliminates bottlenecks.

Achieving this transformative vision necessitates equal and fair access to networks for all regional players, along with co-ordinated investments in domestic networks aligned with international corridors. The region's unique geography, straddling Europe and Asia, presents an opportunity to become a crucial link in global trade routes. By leveraging the potential of The Trans-Caspian International Transport Route (Middle Corridor), which passes through major Central Asian cities, the region can foster economic growth and regional integration. As a global leader in connectivity, the EU assumes a pivotal role in helping shape Central Asia's transport future. Drawing from its successful experience with the Trans-European Transport Network, the EU brings invaluable expertise, resources and best practices to support Central Asia's infrastructure and connectivity aspirations. Collaboration, knowledge sharing, and strategic partnerships between the EU and Central Asian governments are crucial for implementing sustainable transport solutions.

The EU's support encompasses technical assistance, capacity building and funding opportunities. By leveraging its networks and facilitating dialogue, the EU can assist Central Asian governments in to implement effective transport policies, promote regulatory harmonisation, and foster regional co-operation. This collaboration will unlock the region's full potential, enabling it to become an integral part of global trade and economic development. Central Asia, once a land of untapped capabilities, now stands on the cusp of a transformative transport revolution, poised to reshape its future. With the support and engagement of the European Union, this region, teeming with vibrant cultures, bustling markets and rich history, can transcend its challenges and usher in a new era of growth, integration and prosperity. Through strategic partnerships and a shared vision, Central Asia has the potential to become the beating heart of a global trade nexus, connecting continents and unleashing the immense potential of a rapidly changing world.

Transport connections between Europe and Central Asia

The EU is the region's main trading partner, accounting for 23.6 per cent of the combined trade of Central Asian countries in 2021. According to data for 2022, EU goods imports from Central Asia continue to increase (by 67 per cent in 2022) as did its exports to Central Asia (by 77 per cent).¹⁹² Notably, two-thirds of this total trade volume consists of imports into the EU. The EU primarily imports mineral products, base metals, metal products and chemicals, which together account for 92 per cent of the EU's total imports from the region. Conversely, the main exports from the EU to Central Asia include machinery and equipment, chemical products and transport equipment, comprising 70.7 per cent of total EU exports to the region¹⁹³ (*Ibid*).

Despite this growth in trade between Europe and Central Asia, China continues to be the largest source of cargo in Central Asia; it is also one of the EU's two principal trading partners. Most trade in goods between Europe and China is conducted via maritime routes, estimated to constitute approximately 80-85 per cent of all trade, while land transport accounts for around 10 per cent, with air transport making up the remainder.

Land transport between Asia and Europe operates along three primary corridors:

- The Northern Corridor that connects China to Europe via Kazakhstan, Russia, and Belarus, entering the EU through Poland. Trains may also travel through Mongolia or directly via the Trans-Siberian Railway. This route spans approximately 10,000 km, with an average travel time of 14 days.
- The Trans-Caspian International Transport Route (Middle Corridor) links Asia and Europe through Kazakhstan and the Caspian Sea. Goods reach the Caucasus via the port of Baku in Azerbaijan, proceeding to Georgia, from which two alternative routes are available to enter the EU through Bulgaria or Romania: either overland through Turkey or by sea via the Black Sea. Although this route is shorter than the Northern Corridor at 7,000 km, it currently features an unpredictable timeframe that can vary from 14 to 45 days, potentially extending to 60 days depending on various circumstances such as weather conditions, technical challenges, infrastructure bottlenecks, customs and legal procedures and traffic congestion.
- The Southern Corridor traverses the Kyrgyz Republic, Tajikistan, Uzbekistan, Turkmenistan, Iran, and Turkey before reaching Europe through Bulgaria or Greece. An alternative route along the Southern Corridor could cross Afghanistan and Central Asia, proceeding to the EU via the Caucasus; however, this option was not evaluated in this study due to geopolitical considerations. The Southern Corridor is preferred by road carriers as it avoids the complexities associated with crossing the Caspian Sea, including port inefficiencies and variable ferry schedules. Reported transit time for non-EU destinations through this corridor is approximately 14-20 days, but can exceed up to 60 days.

Despite its strategic positioning as a land bridge between two continents, the Central Asian region faces frequent disruptions and delays – largely related to crossing the Caspian and Black Seas – along with numerous international border crossings that involve

¹⁹² EU trade relations with Central Asia. Facts, figures and latest developments. Available at: [https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/central-asia_en#:~:text=The%20EU%20is%20the%20region's,also%20grew%20\(by%2077%25\)](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/central-asia_en#:~:text=The%20EU%20is%20the%20region's,also%20grew%20(by%2077%25).). (Accessed on August 27, 2024).

¹⁹³ *Ibid*.

inconsistent transit procedures. These challenges hinder container shipping, resulting in a focus on transporting primarily urgent goods along the Central Asian corridors.

Environmental aspect of transport connections

Transport connections between Europe and Central Asia play an important role in the region's economic development. However, the growth of transport flows also poses serious environmental challenges. The development of transport corridors has a significant impact on ecosystems and the environment. In the environmental context, multimodal transportation corridors pose certain risks. An increase in cargo traffic leads to an increase in anthropogenic pressure on nature, increasing air and soil pollution, as well as the destruction of natural landscapes. Further, transportation of dangerous goods requires special measures to prevent leaks or accidents that can cause significant damage to the environment.¹⁹⁴ The key causes of environmental incidents in the multimodal transportation corridors can be the following:

1. Violation of technological standards during transportation, which can lead to leaks or accidents.
2. Natural disasters, such as earthquakes or floods, can cause containers with dangerous substances to depressurise.
3. Threats from terrorists seeking to use dangerous goods for criminal purposes, which requires strict security measures.¹⁹⁵

The impact of the transport industry on the environment includes pollution of air, water bodies and soil. In addition, intensive use of natural resources and heat generation lead to changes in local climatic conditions. Increased noise and vibration levels have a negative impact on ecosystems and public health. Transportation activities also provoke adverse natural processes such as soil erosion, waterlogging, and landslides, putting people and animals at risk of injury or death. Besides, it could lead to significant material damage as a result of accidents and transport disasters. According to the European Environment Agency, transport is one of the main sources of CO₂ emissions, responsible for 24 per cent of all emissions in the EU. According to the World Resources Institute, transport generates about 15.9 per cent of global greenhouse gas emissions, with the largest share coming from motor vehicles (11.9 per cent). Aviation and shipping generate 1.9 per cent and 1.7 per cent of global emissions respectively; the contribution of rail transport and pipelines is 5 times lower in comparison.¹⁹⁶ In Central Asia, the situation is even more critical due to an outdated fleet and low standards. Thirty per cent of reservoirs in

194 Tikhomirov A.N. (2006). "Metody povysheniya ekologicheskoy bezopasnosti mezhdunarodnyh transportnyh koridorov", *dissertaciya na soiskanie uchenoj stepeni kandidata tekhnicheskikh nauk Sankt-Peterburg* [Methods for improving Environment Safety of International Transport Corridors]. Available at <https://earthpapers.net/metody-povysheniya-ekologicheskoy-bezopasnosti-mezhdunarodnyh-transportnyh-koridorov> (Accessed on August 29, 2024).

195 Chumlyakov K.S., Chumlyakova D.V. (2016). "Ekologizatsiya i bezopasnost' v planakh razvitiya mezhdunarodnykh transportnykh koridorov" [Ecology and Safety in Development Plans of International Transport Corridors] *Vestn. Tom. gos. un-ta. EHkonomika*. Vol. 35 (3). (Accessed on September 3, 2024).

196 "Everything You Need to Know About the Fastest-Growing Source of Global Emissions: Transport". Available at: <https://www.wri.org/insights/everything-you-need-know-about-fastest-growing-source-global-emissions-transport> (Accessed on September 8, 2024).

Central Asia are subject to pollution due to transport activities. Fuel spills and wastewater from gas stations and transport hubs negatively affect water quality. The construction of new roads and railways often leads to the destruction of natural ecosystems and the loss of habitats for many species. For example, the construction of the Western Europe-Western China (WE-WC) highway has become an obstacle to the migration of steppe saigas, an endangered species listed in the Red Book of Kazakhstan.

In Kazakhstan, the Kyrgyz Republic and Uzbekistan, emissions are somewhat lower than the global average – around 11 per cent, 17 per cent and 15 per cent respectively. The transport sector's contribution to total emissions remains high in Tajikistan and Turkmenistan at 23 per cent and 22 per cent respectively. Either way, to achieve positive environmental outcomes, transport sector emissions need to decrease significantly, driven by targeted measures including, at least, a modal shift to less carbon-intensive travel alternatives, a scaling up of low-carbon fuels and energy efficiency measures. With the European Green Deal, the EU has set an ambitious target to reduce transport-related greenhouse gas (GHG) emissions by 90 per cent by 2050, and is promoting sustainable connectivity globally (including in Central Asia) through its Global Gateway Strategy. Global Gateway's initiatives reflect a strong commitment to the UN Sustainable Development Goals and the Paris Agreement.

The European Bank for Reconstruction and Development (EBRD) and the EU conducted a study in Central Asia as part of the Global Gateway Strategy to identify sustainable transport projects. The study had two main objectives: to identify the most sustainable transport corridors connecting Central Asian countries with the EU's trans-European transport network, and to plan actions for the development of these transport corridors, including actions aimed at investment in infrastructure and the necessary enabling conditions.¹⁹⁷ A central area of the EU-Central Asia partnership is connectivity, and transport is one of the most significant enablers of this. The EU, therefore, will provide technical assistance and infrastructure investment of at least €40 million, with additional funding to be provided by member states and international financial institutions.

On January 29, 2024, an investor forum was held in Brussels on issues of transport links between the European Union and Central Asia in the context of the EU "Global Gateway" strategy. Representatives of governments, financial institutions, companies and the public from Europe, Central Asia and other countries took part in it. Valdis Dombrovskis, European Commission Executive Vice-President responsible for an Economy that Works for People, who is also in charge of trade, said that European and international financial institutions present at the forum will commit €10 billion to develop sustainable transport connectivity in Central Asia. This amount includes both current and planned investments, as specified by the European Commission.¹⁹⁸ It is expected that this amount will be mobilised in the near future for sustainable transport development in Central Asia.

¹⁹⁷ "Sustainable transport connections between Europe and Central Asia". Final Report Submitted on 16/06/2023. Available at https://www.eeas.europa.eu/sites/default/files/documents/2023/Sustainable_transport_connections_between_Europe_and_Central_Asia.pdf (Accessed on September 4, 2024).

¹⁹⁸ "Global Gateway: EU and Central Asian countries agree on building blocks to develop the Trans-Caspian Transport Corridor". Available at: https://international-partnerships.ec.europa.eu/news-and-events/news/global-gateway-eu-and-central-asian-countries-agree-building-blocks-develop-trans-caspian-transport-2024-01-30_en (Accessed on September 4, 2024).

The forum also discussed the necessary investments to transform the Trans-Caspian Transport Corridor into an advanced, multimodal and efficient route that will connect Europe and Central Asia in 15 days. As part of the €10 billion total, several key commitments were made. Among them are the following: Teresa Czerwińska, Vice-President of the European Investment Bank (EIB), signed a memorandum of understanding for loans totalling €1.47 billion with the governments of Kazakhstan, Kyrgyzstan and Uzbekistan, as well as the Development Bank of Kazakhstan. These loans will be backed by guarantees provided by the European Commission. Later, Mark Bowman, Vice President for Policy and Partnerships of the European Bank for Reconstruction and Development (EBRD), signed a memorandum of understanding with Kazakhstan for investments worth €1.5 billion, including projects already in preparation to develop transport connectivity in the Central Asian region.¹⁹⁹

In addition, the European Union supports the Central Asian countries' environmental policies. The European Union-Central Asia Water, Environment and Climate Change Co-operation (WECOOP) project ran until 2023 and aimed to improve environment, climate change and water policies in Central Asia by aligning these with EU standards, and to stimulate green investments in the relevant economic sectors to contribute to achieving measurable reductions in human-induced pollution, including carbon dioxide (CO₂) emissions. The project's activities included support for the EU-CA Platform for Environment and Water Co-operation and its Working Group on Environment and Climate Change, as well as the EU's Green Deal in Central Asia to advance climate action.

Given the landlocked nature and geographic features of Central Asia, most cargo is moved by land, mostly by road. However, considering the vast distances that need to be crossed and the fact that rail is considered the most sustainable mode of transport, railway operations offer a cheaper, safer and faster alternative for long-haul cargo. Clearing large volumes of cargo at Border Control Posts (BCPs) on trains is also more efficient than clearing the same amount of cargo on trucks. Rail transport is significantly more environment friendly than other modes of transport. It is twice as environment friendly as water transport, and seven times more environment friendly than road transport. When considering emissions that include greenhouse gases, particulate matter and nitrogen oxides, rail transport clearly leads the way in terms of its low environmental impact.

Nevertheless, given the limited domestic railway connectivity of Central Asian countries, attention is being paid to the implementation of an integrated multimodal transport system, which involves the effective interaction of different modes of transport, united in single logistics chains. Rail transport in urban areas and around production facilities can be combined with other modes of transport to significantly reduce emissions from transport operations. Electrified rail transport is the least polluting mode of transport; hence, increasing the share of the railways in the transport modal mix helps improve environmental sustainability. It is also critical to ensuring well-functioning logistics, both domestically and internationally, which is a prerequisite to ensure global competitiveness.

¹⁹⁹ "Global Gateway: на Форуме инвесторов объявлено о намерении инвестировать" 10 млрд евро в Транскаспийский транспортный коридор, соединяющий Европу и Центральную Азию. Available at <https://www.eeas.europa.eu/delegations/tajikistan/global-gateway> (Accessed on September 7, 2024).

However, investments require regional co-ordination and co-operation, not only to improve the network, but also to introduce harmonised soft connectivity measures to make railways the preferred mode of transport.

In conclusion, transport complexes have a great impact on the environment and climate. Modes of transport with high carbon intensity and significant environmental impact include road transport. Rail and water (inland waterway and maritime) transport are characterised by low carbon intensity and low environmental impact, as well as low unit cost of transportation. Road transport is more expensive, though it negatively affects the environment and climate, but it is more convenient. Aviation transport is extremely carbon-intensive and expensive, but has two advantages - speed and the ability to move quickly over long distances, regardless of the nature of the terrain.

The environmental aspects of transport connections between Europe and Central Asia require urgent attention and an integrated approach. A sustainable transport connection between Europe and Central Asia can be created through the use of new technologies, infrastructure development, consolidation of regulatory mechanisms and increased co-operation between the regions. The introduction of sustainable technologies and co-operation at the international level can be a major step in ensuring a sustainable transport system in Central Asia.

The construction of new and developing existing transport corridors requires full compliance with environmental standards, as well as the harmonisation of legal, organisational and technical aspects of transportation. Some of the suggested measures to mitigate the negative impact of transport infrastructure between Europe and Central Asia on the environment include: modernisation of transport infrastructure, taking into account environmental regulations and requirements; shifting to a less carbon intensive transport modal mix; switching over to cleaner locomotive technologies, such as electric or hybrid engines, and; implementation of measures to optimise the efficiency of rail operations, including improved schedules and load management to help cope with increased freight traffic without a proportional increase in its environmental impact.

EU Global Gateway for Connectivity: from Europe towards Central Asia and South Asia

Esra Lagro

The concept of ‘connectivity’ is the new buzzword in both the geopolitical sense and in the economic, social, and cultural senses. Connectivity has become the most important concept in the 21st century owing to the huge demands of the market in terms of technology, consumption and investments; as part of the international economic order, it is considered complementary to globalisation. The free flow of goods, services and ideas is of utmost importance now more than ever before. The ever-evolving nature of connectivity is directly proportional to the needs of a global market economy generating shifts within itself. This chapter briefly presents what connectivity means for the European Union and how it is reflected through the EU Global Gateway in relation to Central Asia and South Asia. It offers a perspective on the connectivity paradigms in the making, both regionally and internationally.

EU Concept of Connectivity building towards the EU Global Gateway

The EU concept of ‘connectivity’ has not come into existence in one day but is a gradual development based on several factors and global partnerships and developments. Although the EU Connectivity strategy is often associated with the EU 2018 Communication,²⁰⁰ it goes back to 2016 when the EU had already linked connectivity and the influence of China in a policy document.²⁰¹ The EU 2018 Communication defines connectivity based on a definition agreed at the 13th Asia-Europe (ASEM) foreign ministers meeting. Accordingly, connectivity means “bringing countries people and societies closer together” in order to “to foster deeper economic and people-to-people ties”, covering a wide spectrum from “transport, institutions, infrastructure, financial co-operation, IT, digital links, energy, education and research, human resources development, tourism, cultural exchanges” to “customs, trade and investment facilitation.”²⁰²

As underlined in the 2018 Communication, “the EU experience enables it to promote an approach to connectivity, which is sustainable, comprehensive and rules-based.”²⁰³ On the basis of these three aspects complementing one another, the EU engagement with its partners, more specifically Asian partners, has been defined through three major strands:

²⁰⁰ Joint Communication - Connecting Europe and Asia - Building blocks for an EU Strategy, Brussels, 19.09.2021. Available at: https://www.eeas.europa.eu/sites/default/files/joint_communication_-_connecting_europe_and_asia_-_building_blocks_for_an_eu_strategy_2018-09-19.pdf. This Communication should be read together with the Commission’s proposal for the Multiannual Financial Framework in 2018 that sets clear priorities.

²⁰¹ EEAS (European Union External Action Service) (2016). Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union’s Foreign And Security Policy. Available at: <https://op.europa.eu/en/publication-detail/-/publication/3eaae2cf-9ac5-11e6-868c-01aa75ed71a1>

²⁰² “Connecting Europe and Asia – Building blocks for an EU Strategy – Council Conclusions,” 13097/18 of 15 October 2018. Available at https://www.eeas.europa.eu/sites/default/files/joint_communication_-_connecting_europe_and_asia_-_building_blocks_for_an_eu_strategy_2018-09-19.pdf (Accessed on February 28, 2025).

²⁰³ Ibid.

1. Contribution to efficient connections and networks between Europe and Asia through priority transport corridors, digital links and energy co-operation.
2. Establishing partnerships for connectivity based on commonly agreed rules and standards enabling better governance of flows of goods, people, capital and services.
3. Contribution to address the sizeable investment gaps through improved mobilisation of resources, reinforced leveraging of EU's financial resources and strengthened international partnerships.

Additionally, the EU also has a solid track record in financially supporting connectivity for a long time.²⁰⁴ Geographical investment facilities, such as the Investment Facility for Central Asia (IFCA) and the Asia Investment Facility (AIF), have been providing financing and technical assistance for infrastructure and connectivity. The Asia Investment and Central Asia Investment facilities alone have leveraged more than EUR 4.2 billion of investments between 2010 and mid-2018 through a blending of grants and loans.²⁰⁵

As observed by many, strategic steps have been initiated towards enhancing connectivity between the European Union, Central Asia and the South Asian sub-region (India, in particular). The EU's interest in promoting connectivity in the region stems from its desire to counter the challenges presented by China's Belt and Road Initiative.²⁰⁶ Given that Asia and Europe jointly account for nearly 60 per cent of the world's GDP and annual trade between the two regions is to the tune of USD 1.6 trillion, the EU's vision is to enhance its influence in the region through sustainable partnerships. The creation and the active lookout for different routes of transportation to establish new connections between the regions and sub-regions of the two continents is an attempt to facilitate existing trade and explore the yet underutilised economic potential that both Europe and Asia hold.

The EU Global Gateway in Context

Although the European Union is the largest financial contributor in the world, it does not have the political weight that is commensurate with the financial support it extends to its partners globally. The European Union offers its membership to partners who are interested in joining the bloc but this membership comes with attached conditions. The conditionality is meant to spread universal values, such as democracy, high human rights standards, sustainable economic growth through free markets and free trade, etc., that have been internalised by the bloc as its own values. This is also true to a degree of other aid or investment by the European Union. However, this is changing.

The Chinese Belt and Road Initiative and the well-known counter US initiatives led the European Union to change its attitude to the global political and economic environment, or as Brzezinski (1997) termed it, the global chess game.²⁰⁷ Thus, on December 1, 2021,

²⁰⁴ Between 2014 and mid-2018, the Western Balkans Investment Facility has leveraged around EUR 2.4 billion of investments in connectivity, whereas the Neighbourhood Investment Facility has leveraged around EUR 2.9 billion of investments in connectivity in Eastern partner countries.

²⁰⁵ The EIB contributes with EUR 70 million to Central Asia South Asia Electricity Transmission and Trade Project (CASA-1000), which enables electricity transmission between Kyrgyzstan, Tajikistan with Afghanistan and Pakistan.

²⁰⁶ The BRI, launched in 2013 and formerly known as the "One Belt, One Road" Initiative, already operates in some 70 countries on several continents advancing its core mission to create overland trade routes for the "belt" in Eurasia in particular, in addition to the maritime "road". World Bank (2019) *Belt and Road Economics: Opportunities and Risks of Transport Corridors*. Washington, DC: World Bank.

²⁰⁷ Brzezinski, Zbigniew (1997). *The Grand Chessboard, American Primacy and Its Geopolitical Imperatives*, the USA. ISBN

the European Union Global Gateway Strategy (EUGGS) was launched, building on the global priorities identified by the 2016 Paris Agreement on climate change and the 2030 Sustainable Development Goals. The Global Gateway aims to boost smart, green and secure links in the digital, energy and transport sectors, and strengthen health, education and research systems across the world by enhancing connectivity.

Here, it is important to mention that what distinguishes the EU Global Gateway declared in 2021 (from now on EUGG) from the earlier connectivity initiatives of the European Union is a relatively robust and concrete investment scheme, enabling the materialisation of a strategic plan. The EUGG aims to raise investments of EUR 300 billion by 2027, building on the “Team Europe” approach, which includes combining the efforts of the EU institutions, member states and European financial institutions. The dual objective of EU Global Gateway is to strengthen the EU’s role as a central geopolitical and geo-economic actor with a single policy narrative, and to strengthen partnerships with countries around the world which share the Union’s fundamental values.

The geographical scope also widened – while the 2018 European Union Connectivity Strategy (EUICS) named Asia and the Indo-Pacific region as the focus areas of the European Union policy, the EUGG is essentially global.²⁰⁸ South East Asia, as a part of the greater Indo-Pacific, is crucial in terms of its strategic location as well as its robust market and the opportunities in terms of both direct and portfolio investments. Geographically speaking, the region has recently come under increased global attention owing to the issues that several nations in the South East Asian region face with China in terms of sovereignty of land and sea borders.

Asia counts several international organisations and mechanisms with mandates over the issue of connectivity.²⁰⁹ The nature of EU’s involvement with these organisations depends on their activities and scope of action. ASEM is an important platform for collaborating with key Asian partners. The European Union is building closer ties with Southeast Asian countries and is promoting regional integration with the Association of Southeast Asian Nations (ASEAN), which is the European Union’s third-largest trading partner outside Europe (after China and the US). The region has several geostrategic concerns, such as the South China Sea dispute and the Taiwan issue, as well as environmental concerns, especially in the Mekong sub-region. The European Union is a strong economic player in Southeast Asia and a major donor, working to foster institution-building, democracy, good governance and human rights.²¹⁰

The EU and ASEAN launched a EUR 60 million initiative called the Sustainable Connectivity (SCOPE) TEI in December 2022. The plan will enhance sustainable transport, energy, and digital connections within the region under Global Gateway. For instance, the EU is investing EUR 10 million to set up the first Copernicus data centre in the Philippines; it has stepped up its investment for the rehabilitation of Port Victoria in the Seychelles and Mauritius, bringing its support to a total of EUR 15 million. It has also joined the India-Middle East-Europe Economic Corridor to improve infrastructure for green energy,

0465-02726-1

208 Karjalainen, T. (2023). “European Norms Trap? EU Connectivity Policies and the Case of the Global Gateway”. *East Asia* 40, pp. 293–316. Available at: <https://doi.org/10.1007/s12140-023-09403-x>

209 Including ASEM, ASEAN, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, Central Asian Regional Economic Cooperation, the South Asian Association of Regional Cooperation, South Asia Sub-regional Economic Co-operation and the Shanghai Co-operation Organisation

210 See, <https://www.europarl.europa.eu/factsheets/en/sheet/183/southeast-asia>

digital connectivity and transportation.²¹¹ Furthermore, the EU invests in various projects to support development in different regions such as the following:

The European Union's Indo-Pacific strategy, and the connectivity partnerships with Japan (2020) and India (2021) are key building blocks in the region. The nature of these ties points to a trend within the larger Indo-Pacific region, where like-minded democracies are coming together to foster increasing trade and economic partnerships.

The EU's Connectivity Strategy 2.0: Global Gateway in the Indo-Pacific

The European Union-India Connectivity Partnership (EUICP) adopted in 2020 stresses the importance of India as a geopolitical partner and the mutual interest in sustainable connectivity. The Indo-Pacific is undergoing rapid change and, as home to more than 50 per cent of the world's population, is becoming a key geostrategic region. Two-thirds of the world's container trade passes through the Indo-Pacific and its sea lanes are important routes for trade and energy supplies. The European Union Strategy for Co-operation in the Indo-Pacific (EUSCIP) was adopted in September 2021 to increase the European Union's engagement and build partnerships to address global challenges. The Global Gateway strategy feeds into the vision of the Indo-Pacific Strategy of boosting green, modern and resilient investments for sustainable connectivity, including infrastructure and regulatory frameworks.²¹²

The EU Indo-Pacific strategy focuses on seven priority areas as identified by the EC – sustainable and inclusive prosperity, green transition, ocean governance, digital governance and partnerships, connectivity, security and defence, and human security.²¹³ The EU and its Indo-Pacific partners have advanced concrete co-operation across all these seven priority areas.

The European Union and India are committed to fostering connectivity dialogue and projects with particular emphasis on social, economic, fiscal, climate and environmental sustainability. Transparency, good governance and ensuring a level playing field for economic operators are defined as essential features of all investments in infrastructure. This partnership aims to support sustainable digital, transport and energy networks, and the flow of people, goods, services, data and capital, centred on equity and inclusivity for the benefit of both the European Union and India.

Figure 1:
EU's Connectivity Strategy

At the India-European Union Connectivity Conference held in June 2023 in Shillong, in the north-eastern Indian state of Meghalaya, India and the European Union discussed



211 Ibid. See, https://www.eeas.europa.eu/eu-indo-pacific-connectivity_en

212 See, https://www.eeas.europa.eu/eu-indo-pacific-connectivity_en

213 See, https://www.eeas.europa.eu/eu-indo-pacific-strategy-topic_en

enhancing connectivity co-operation. The two sides are exploring ways to work together to boost digital, transport and energy connectivity in India's north-eastern region. India and the European Union are also looking to improve connectivity between India's northeast and neighbouring countries like Nepal, Bhutan and Bangladesh. Essentially, connectivity in the context of European Union means: Economic Connectivity; Institutional Connectivity and; People-to-People Connectivity.

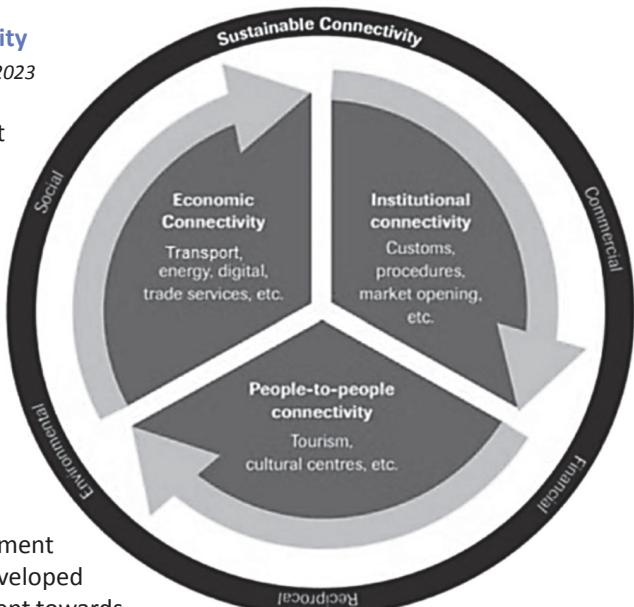
Figure 2: Sustainable Connectivity

Source: Okano-Heijmans, Maaike, 2023

The three dimensions are meant to support the security nexus in the region indirectly as well since the efforts of all parties are underpinned by geopolitical concerns.

The Significance of Central Asia in the EU Global Gateway and Beyond

In the past decades, EU engagement towards Central Asia has also developed gradually from limited engagement towards an important partnership. The EU is now one of the most important partners for Central Asian countries, especially in the fields of trade, energy, investment, and development aid.²¹⁴ This has been underlined through several political and economic summits organised by the two parties before as well.²¹⁵ The EU's initial strategy towards Central Asia was established in 2007 and updated in 2019, underlining "new momentum in regional co-operation" towards promoting sustainable Euro-Asian connectivity.²¹⁶ The new EU policy towards the region has been built upon the lessons learnt from EU engagement in the region, taking into consideration other strategies such as the Global Strategy for the European Union's Foreign and Security Policy,²¹⁷ the New European Consensus on Development,²¹⁸ the EU Strategy on Connecting Europe and Asia²¹⁹ and EU Strategy on Afghanistan,²²⁰ and is guided by the United Nations 2030 Agenda for Sustainable Development.²²¹ Both existing regional



²¹⁴ "The EU and Central Asia: A growing partnership with potential and ambition," Available at: https://www.eeas.europa.eu/node/449787_fr (Accessed on February 18, 2025)

²¹⁵ See, https://www.eeas.europa.eu/eeas/joint-declaration-eu-central-asia-connectivity-conference-global-gateway_en

²¹⁶ The EU and Central Asia: New Opportunities for a Stronger Partnership, 15.05.2019. Available at: https://www.eeas.europa.eu/sites/default/files/joint_communication_-_the_eu_and_central_asia_-_new_opportunities_for_a_stronger_partnership.pdf

²¹⁷ "Shared vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy", June 2016.

²¹⁸ 'New European Consensus on Development,' Our world, our dignity, our future' , OJ 2017/C 210/01 of 30 June 2017.

²¹⁹ Connecting Europe and Asia – Building blocks for an EU Strategy – Council conclusions, 13097/18 of 15 October 2018.

²²⁰ Afghanistan – Council conclusions, 13098/17 of 16 October 2017.

²²¹ "Transforming our world: the 2030 Agenda for Sustainable Development", Resolution adopted by the United Nations General Assembly on 25 September 2015.

partnerships and the enhanced partnership and co-operation agreements (EPCAs) for advancing bilateral relations between the EU and the countries of Central Asia are definitive grounds for enhanced EU Global Gateway initiatives for the region.

Although the roots of the Global Gateway seem to stem from the Indo-Pacific connectivity partnership (IPCP), Central Asia is a focal point to enhance connectivity because of its close proximity to the EU.²²² The EU has been increasing its engagement with Central Asia, including on regional co-operation, energy, and connectivity. As elsewhere around the globe, assistance provided by the European Union combined with assistance provided by European Union member states individually makes the European Union the number one contributor in the region. European Union assistance to Central Asia amounted to EUR1.1 billion for the period 2014-2020. A major step in this regard has been the *High-level European Union-Central Asia Connectivity Conference*, which brought the newly coined Global Gateway Strategy into perspective back in 2022 with the underlined phrase of “connectivity is going to be the keyword for the future.”²²³ To better tailor development programmes to each country’s specificities, the EU employs a differentiated approach to its assistance.

Simultaneously, of course, the EU’s assistance needs to be measured against the background of investments by the region’s two heavyweight neighbours. China is the biggest lender to the region, and all countries but Kazakhstan are heavily indebted to Beijing. Russia keeps its labour market open to economic migrants from Central Asia and is trying to serve as the main source of poverty alleviation in Kyrgyzstan, Tajikistan, and Uzbekistan.²²⁴ These are just two examples.

If the European Union aims to further enhance its status in the region, it needs to step up its efforts and present an alternative to the regional powers while preserving its reputation as a generous actor. The EU’s critical priorities in Central Asia are connectivity, security, and geopolitics, which broadly match the relevant countries’ own priorities. However, the progress made, for instance, on its long-running Transport Corridor Europe-Caucasus-Asia scheme (TRACECA), launched in 1993 to promote transportation links between Europe and the region, are still to be seen. If the European Union aims to enhance its status in the region, it needs to step up its efforts and present a positive alternative to the regional powers while preserving its present standing. The European Union can deploy significant tools and is held in high esteem as a source of cultural and social attraction, but it needs to be more engaged in addressing the security threats to the region. And the European Union is aware of this, particularly in view of the increasing strategic weight of Central Asia.

In the recent past, there has been a burst of activity related to improving connectivity between the EU and Central Asia. On January 29, 2023, Brussels hosted the Global Gateway Investors Forum for European Union-Central Asia Transport Connectivity. Only four months later, the International Institute for Central Asia hosted the expert conference on “Central Asia-European Union: A New Agenda for Security Co-operation”. Several European Union officials have recently visited the region, hoping to increase economic, diplomatic and security ties with Central Asian states. Most recently, the

222 Joint Declaration: EU-Central Asia Connectivity Conference: Global Gateway, 18.11.2022.

223 Available at <https://carnegieendowment.org/research/2023/04/a-new-opening-for-eu-central-asia-relations?lang=en¢er=europe>

224 Available at <https://carnegieendowment.org/research/2023/04/a-new-opening-for-eu-central-asia-relations?lang=en¢er=europe>

EU and representatives of Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) held another summit – The High-Level Political and Security Dialogue – on June 5, 2024, to discuss common security challenges. The EU reaffirmed its willingness to support efforts aiming to intensify the 27-nation bloc's co-operation with Central Asia, notably in thematic areas such as management of water-related challenges, energy, climate change, security and connectivity.²²⁵

The development of the Trans-Caspian Transport Corridor (TCTC) from Europe to Asia via Central Asia was another initiative that aimed to reduce dependence on the Northern Corridor via Russia. Although container traffic via the TCTC increased by around 30 per cent in 2022, the lack of modern transport infrastructure, and co-ordination and harmonisation between the numerous players involved have so far made transport along the corridor expensive, risky and, hence, uncompetitive. A study by the European Bank for Reconstruction and Development (EBRD) defined investment needs in all five Central Asian countries to the tune of EUR 18.5 billion to improve the corridor. At an investors' forum organised by the European Commission in January 2024, European and international financial institutions committed a sum of EUR 10 billion in investment. In mid-June 2024, the European Union and Central Asia launched a Corridor Co-ordination Platform, an important step forward in their relations.²²⁶

Intensifying global geopolitical conflicts require the Central Asian republics and the European Union (EU) to reassess their strategic standing.²²⁷ The Russia-Ukraine war has affected the geopolitical landscape, with consequences extending to the European Union and Central Asia. The harsh sanctions and disruptions as a result of the war have prevented European commodities from reaching Central Asia through Russia and interrupted direct access of hydrocarbon-rich Central Asia to European markets, thus prompting the European Union to seek secure alternative transit routes to bypass Russia and the Northern Route.²²⁸

Concurrently, the Palestine-Israel conflict has led to increasing concern over the Red Sea route, resulting in cargo rerouting, increased costs, longer transit times and capacity shortages. These geopolitical challenges and security problems have led both the European Union and Central Asia to reassess their foreign policy, particularly concerning strategic autonomy, sovereignty, safety and stability in greater Eurasia. China's increased economic and strategic presence in Central Asia also led both sides to reassess their strategic relations.

Countries across Eurasia are exploring alternative and more resilient connectivity corridors to facilitate new trade routes and sustainable transport methods. What is called the "Middle Corridor", also known as the Trans-Caspian International Trade Route

225 Available at <https://theloop.ecpr.eu/central-asia-becomes-key-strategic-region-for-the-eu>

226 Meister, Stefan, and Judith Heckenthaler (2024). "Upgrading EU-Central Asia Cooperation." *DGAP Policy Brief 13* (2024). German Council on Foreign Relations. August 2024. Available at; <https://dgap.org/en/research/publications/upgrading-eu-central-asia-cooperation>. (Accessed on 1 March 2025).

227 Available at: https://www.orfonline.org/research/the-middle-corridor-reviving-connectivity-for-eu-central-asia-trade-and-india-s-strategic-imperative#_edn2

228 Amparo Martí, Vitaliy Stepanyuk and Camino King, (2022) *Central Asian Pawns; Game of influences in Stan Region*, Centre for Global Affairs & Strategic Studies University of Navarra, 2022. Available at https://www.unav.edu/documents/16800098/17755721/CA_SAR_2022-Dic_VStepanyukCKingAMarti.pdf#:~:text=Russian%20War.%20Sanctions%20on%20Russia%20have%20prevented%20European,in%20the%20West%2C%20arresting%20their%20progress%20towards%20post-pande (Accessed on March 3, 2025).

(TCITR), is a geostrategic and geo-economic shift in the current vulnerable geopolitical environment and is crucial for enhancing connectivity between Asia and Europe.²²⁹

In conclusion, looking at Asia in general and Central Asia in particular, it would be correct to say that with the increasing geopolitical predominance of the region, its connectivity options are increasing. The important issue is to balance political realities with the strategic needs of the region in the economic and social context. This requires considering connectivity as a multidimensional paradigm still in the making while simultaneously taking into account the significance of global economic actors like the EU.

²²⁹ Amangeldy et al., *The Eurasian Transport Network*, Almaty, Eurasian Development Bank, 2024. Available at <https://eabr.org/en/analytics/special-reports/the-eurasian-transport-network/> (Accessed on March 3, 2025).

PART 2

GLOBALISATION AND GEOPOLITICS OF CONNECTIVITY IN EURASIA

The Geopolitics of Transport Corridors: Strategic Interplay of the BRI, the INSTC, and the Middle Corridor in Azerbaijan

Priyanshu Agarwal

Multilateral transport corridors have increasingly emerged as the new silk roads of the 21st century in the complex Eurasian geopolitics, bringing together nations, economies and strategic interests. At the heart of this intricate network lies Azerbaijan, a country whose geographic position has placed it in the spotlight of international attention. The geopolitical implications of three major transport corridors – China's Belt and Road Initiative (BRI), the International North-South Transport Corridor (INSTC) and the Trans-Caspian International Transport Route (TITR), also known as the Middle Corridor – are seen with a specific focus on their convergence and competition in Azerbaijan.

Beyond their logistical and geopolitical significance, Azerbaijan's transport infrastructure projects are pivotal in reshaping regional power dynamics, economic connections and strategic alignments. These corridors embody national ambitions, economic potential and the prospect of driving geopolitical shifts across Eurasia.²³⁰ At this pivotal point, Azerbaijan can significantly impact the outcome and course of these competing but potentially complementary projects.

The involvement of Azerbaijan in these initiatives suggests a multidimensional foreign policy strategy at its core, which maximises both political and economic influence while managing a balance with regional powers. By participating in these three initiatives, Azerbaijan seeks to diversify its economic partnerships, reduce dependence on exports of hydrocarbons and further establish its role as a central transit hub.²³¹ However, this strategy also requires careful and diplomatic navigation of the competing interests of major global powers such as China, Russia, and Turkey, and Western actors such as the USA and Europe.

An overview of the three transport corridors

The Belt and Road Initiative (BRI), launched by China in 2013 represents one of modern history's most ambitious infrastructure projects. With an estimated investment of \$1 trillion, BRI projects and investments have been carried out in many countries spanning Asia, Africa, Europe, and even South America. In recent months, more than 200 co-operation agreements under the BRI have been signed with over 150 countries and 30 international organisations.²³² These initiatives include building or upgrading roads, ports, railways, pipelines and other infrastructure critical for trade. The initiative

²³⁰ Blanchard, J. M. F., & Flint, C. (2017). "The Geopolitics of China's Maritime Silk Road Initiative", *Geopolitics*, Vol. 22(2), pp. 223-245.

²³¹ "President Aliyev Highlights Azerbaijan's Vital Role in International Transport Routes." *Caspian News*, July 5, 2024. Available at: <https://caspiannews.com/news-detail/president-aliyev-highlights-azerbaijans-vital-role-in-international-transport-routes-2024-7-5-0/>. (Accessed on October 10, 2024).

²³² *World Economic Forum*, "China's Belt and Road Initiative: Trade and the New Silk Road," November 2023. Available at: <https://www.weforum.org/stories/2023/11/china-belt-road-initiative-trade-bri-silk-road/> (Accessed on November 10, 2024).

consists of two main components: the land-based “Silk Road Economic Belt”²³³ and the oceangoing “Maritime Silk Road”.²³⁴

Azerbaijan has become an essential strategic partner in China’s BRI. As a transit country located at the crossroads of Europe and Asia, Azerbaijan has been actively participating in BRI projects since 2015. According to the latest data, Azerbaijan has signed over \$800 million worth of BRI-related agreements with China, focusing on infrastructure development, logistics and energy co-operation. Azerbaijan plays a pivotal role in the BRI, with projects like the Baku-Tbilisi-Kars railway and the Alat International Trade Port enhancing connectivity. Chinese investments in Azerbaijan’s oil and gas sector further strengthen energy ties, making the country key to China’s Eurasian integration ambitions.

The International North-South Transport Corridor (INSTC), launched in 2000 by Russia, Iran and India, is a 7,200 km multimodal network linking the Indian Ocean, Persian Gulf and Caspian Sea to northern Europe. It offers a faster, cost-effective trade alternative to the Suez Canal route, boosting regional connectivity. In recent years, government attention and investment have surged. Notably, India announced a substantial boost in project funding in 2023, specifically aimed at developing Iran’s Chabahar Port.²³⁵ Moscow has also ramped up efforts to fully operationalise the corridor, recognising the INSTC as a key connection to South Asian markets and beyond, particularly in response to Western sanctions. For Azerbaijan, the INSTC represents an opportunity to strengthen its position as a transit country between Russia and Iran, potentially opening up new trade routes and economic opportunities.²³⁶

According to recent reports, Iran has started the construction of the 162-km long Astara-Rasht railway link, a key section of the INSTC, with an interstate loan of €1.3 billion from Russia.²³⁷ Azerbaijan is also working to modernise and expand its Caspian Sea ports to handle increased freight volumes. In an August 2024 meeting with V. Putin, Azerbaijani President I. Aliyev highlighted the potential to transport between 15 and 30 million tonnes of cargo annually via the western route of the INSTC. He also mentioned that Azerbaijan allocated approximately \$120 million to modernise this railway section to achieve the necessary throughput capacity.²³⁸ Azerbaijan plans to integrate its transportation systems further with the INSTC to solidify its position as a significant logistics hub between South Asia, the Middle East, and Europe.

The Middle Corridor (Trans-Caspian International Transport Route) was launched in 2013 by Turkey, Azerbaijan, and Kazakhstan and spans 6,500 km, connecting China to Europe. This route can potentially cut transit times significantly, from 60 days to just 15, compared to the northern route through mainland Russia.²³⁹ The corridor has continually

233 The BRI comprises a Silk Road Economic Belt – a trans-continental passage that links China with south east Asia, south Asia, Central Asia, Russia and Europe by land.

234 The Maritime Silk Road is a sea route connecting China’s coastal regions with South East and South Asia, the South Pacific, the Middle East and Eastern Africa, all the way to Europe.

235 ICIS (2024). “India to Develop Iran’s Chabahar Port, Expand International Trade,” May 27, 2024. Available at <https://www.icis.com/explore/resources/news/2024/05/27/11002569/india-to-develop-iran-s-chabahar-port-expand-international-trade/> (Accessed on November 10, 2024).

236 Valiyev, A., & Mamishova, N. (2019). “Azerbaijan’s foreign policy towards Russia since independence: compromise achieved. Southeast European and Black Sea Studies”, Vol. 19(2), pp.269-291.

237 Eurasianet, (2023). “Russia and Iran Agree on New Rail Corridor via Azerbaijan,” May 26, 2023. Available at <https://eurasianet.org/russia-and-iran-agree-on-new-rail-corridor-via-azerbaijan> (Accessed on November 11, 2024).

238 The Hindu (2024). “Vladimir Putin Meets Azerbaijani President in Baku to Strengthen Ties as Regional Tensions Persist,” August 2024. Available at <https://www.thehindu.com/news/international/vladimir-putin-meets-azerbaijani-president-in-baku-to-strengthen-ties-as-regional-tensions-persist/article68545464.ece> (Accessed on October 12, 2024).

239 Middle Corridor, “Route,” Available at <https://middlecorridor.com/en/route> (Accessed on November 8, 2024).

attracted growing interest, mainly due to geopolitical challenges affecting the routes of the north through Russia. In recent years, the Middle Corridor has seen substantial infrastructure investments. The completion of the Baku-Tbilisi-Kars railway in 2017 was a significant milestone. In 2022, Turkey, Georgia, Azerbaijan and Kazakhstan signed a 2022-2027 roadmap to address bottlenecks and develop the Middle Corridor, outlining agreed principles, specific projects, clear timelines and responsible parties.²⁴⁰ In 2023, Kazakhstan, Georgia, and Azerbaijan established a trilateral partnership to create a jointly operated logistics company, which would help minimise operational delays and streamline the tariff process along the route.²⁴¹ They also implemented measures to accelerate transportation and increase the capacity of the Georgian section of the Baku-Tbilisi-Kars line, raising it to 5 million tonnes, with the upgrade completed in May 2024. These initiatives reduced transit time to 19-23 days by the end of 2023.²⁴²

In 2023, approximately 2.8 million tonnes of cargo were transported through the Middle Corridor, an 86 per cent increase over the volume transported in 2022. In 2024, the volume of cargo transportation is expected to exceed 4 million tonnes, with plans to send around 250 container block trains through the corridor by the end of the year.²⁴³ The Middle Corridor is especially crucial for Azerbaijan as it places the country as a key link between Europe and Asia while bypassing Russia and Iran, the two most sanctioned countries. This will also help Azerbaijan diversify its economy and reduce its dependence on oil and gas exports by becoming a significant transit hub.

Azerbaijan's strategic position and its geopolitical implications

Azerbaijan's strategic location at the crossroads of Europe and Asia positions it as a key bridge between the East and the West. A historic Silk Road link, it now anchors key transport corridors while balancing ties with the EU, Russia, and China to maximise its geopolitical and economic opportunities.²⁴⁴ Azerbaijan's economy has long relied on its abundant oil and gas reserves. However, recognising the need for diversification, the country increasingly positions itself as an essential transport and logistics hub.

As of 2024, Azerbaijan's economy has overcome global challenges. The country has made significant progress in enhancing its business environment. Central to Azerbaijan's 2030 economic diversification strategy is a strong focus on developing non-oil sectors, particularly building transport and logistics infrastructure.²⁴⁵ Azerbaijan seeks to leverage its strategic location by modernising its transport infrastructure, with key projects like the Alat Free Economic Zone and Port complex. By 2030, it aims to boost transit cargo volume to 30 million tonnes annually through upgrades to the East-West and North-

240 *Kazakhstan Ministry of Foreign Affairs* (2022), "Kazakhstan, Azerbaijan, Georgia and Turkey discussed the development of transport routes through the Caspian Sea", November 25, 2022. Available at <https://www.gov.kz/memleket/entities/mfa/press/news/details/466518?lang=en>. (Accessed on November 10, 2024).

241 *Carnegie Endowment for International Peace* (2024). "What Can Azerbaijan Expect from Its New Partnership with China? ". Available at <https://carnegieendowment.org/russia-eurasia/politika/2024/08/azerbaijan-china-relations?lang=en>. (Accessed on November 10, 2024).

242 *Observer Research Foundation*, (2024). "The Middle Corridor: Reviving Connectivity for EU-Central Asia Trade and India's Strategic Imperative" September 13. Available at <https://www.orfonline.org/research/the-middle-corridor-reviving-connectivity-for-eu-central-asia-trade-and-india-s-strategic-imperative>. (Accessed on November 10, 2024).

243 *Azernews* (2024). "The Middle Corridor: Azerbaijan's Role in Regional and Global Trade," September 19, 2024. Available at: <https://www.azernews.az/analysis/231424.html> (Accessed on 10 November 2024).

244 Lianlei, B., (2016) "Azerbaijan in the Silk Road Economic Belt: A Chinese Perspective", *Caucasus International*, Vol.6 (1), pp.27-39.

245 "Azerbaijan 2030: National Priorities for Socio-Economic Development," President of the Republic of Azerbaijan, 2021. Available at: <https://president.az/en/articles/view/50474> (Accessed on October 12, 2024).

South transport corridors.²⁴⁶ Azerbaijan is implementing digital transformation initiatives in customs and cargo operations to support these objectives, including a “single window” system for trade operations and innovative port technologies.²⁴⁷ In addition, the country also aims to position itself as a regional e-commerce hub, with plans to establish specialised logistics centres for e-commerce operations and develop air cargo infrastructure to handle increasing volumes of cross-border e-commerce shipments.²⁴⁸

These transport corridors are not just economic projects but instruments of soft power and strategic influence for their participating countries. **China** has covertly used the BRI to broaden its economic reach and political influence across Eurasia. For Beijing, Azerbaijan is an essential link in its concept of a New Silk Road, which provides an alternative path to Europe that bypasses Russia. This has led to more significant Chinese investments in Azerbaijan’s infrastructure and strengthened bilateral relations.²⁴⁹ **Russia** believes the INSTC is a means to maintain its influence in the South Caucasus and circumvent Western sanctions by opening new trade routes to the South.²⁵⁰ Azerbaijan’s participation in the INSTC is crucial for Moscow, as it provides access to warm-water ports and strengthens Russia’s economic ties with Iran and India.²⁵¹ The Middle Corridor, led and promoted by **Turkey**, represents its ambition to become a significant Eurasian power. By promoting this route, Turkey aims to increase its strategic importance and economic leverage.²⁵² Competing interests in Azerbaijan spark alliances and rivalries, with joint infrastructure projects offering co-operation opportunities amid struggles for influence. Azerbaijan’s challenge lies in balancing these dynamics to capitalise on its strategic position. The development of these corridors could reshape global trade patterns, reducing reliance on traditional maritime routes and shifting the global power balance.²⁵³

Azerbaijan’s multi-vector foreign policy

Azerbaijan’s strategic location shapes its foreign policy to a large extent. Baku maintains diplomatic balance by engaging with diverse global powers and avoiding over-reliance on any single nation. By joining these three transport corridor projects, it aims to boost economic partnerships and global influence. This approach helps retain its sovereignty while strengthening its position in the region.²⁵⁴ Azerbaijan’s focus on economic diversification away from hydrocarbons is also a crucial part of its strategy. This helps the country avoid becoming a victim of the resource curse or becoming a significant rentier

246 Azernews, (2024) “Azerbaijan sets ambitious goal to increase cargo transportation to 30 million tons by 2030”, Available at: <https://www.azernews.az/business/232872.html> (Accessed on November 12, 2024).

247 Tijan, E.; Agatić, A.; Jović, M.; Aksentijević, S. (2019). Maritime National Single Window—A Prerequisite for Sustainable Seaport Business. *Sustainability* 2019, 11, 4570. Available at: <https://doi.org/10.3390/su11174570>

248 U.S. Department of Commerce (International Trade Administration) (2023). “Azerbaijan: Transportation and Logistics.” Available at: <https://www.trade.gov/country-commercial-guides/azerbaijan-transportation-and-logistics> (Accessed on November 12, 2024).

249 Babayev, Bahruz and Ismailzade, Fariz (2020) . “Azerbaijan’s Contribution to the Chinese Belt & Road Initiative”. Policy Outputs, University of Kent No. GCRF COMPASS Policy Brief, May 13, 2020, pp. 1-10.

250 Carnegie Endowment for International Peace (2021). “What Is Russia Doing in the Black Sea?”, May. Available at: <https://carnegieendowment.org/posts/2021/05/what-is-russia-doing-in-the-black-sea?lang=en>. (Accessed on November 10, 2024).

251 Valiyev, A., & Mamishova, N. (2019). “Azerbaijan’s foreign policy towards Russia since independence: compromise achieved”, *Southeast European and Black Sea Studies*, Vol. 19(2), pp. 269-291.

252 Erşen, E., & Çelikpala, M. (2019). “Turkey and the changing energy geopolitics of Eurasia.”, *Energy Policy*, Vol 128 ,pp. 584-592.

253 Kenderdine, T., & Bucus, P. (2021). “Middle Corridor: Policy Development and Trade Potential of the Trans-Caspian International Transport Route”. Asian Development Bank Institute. Available at: <https://www.adb.org/sites/default/files/publication/705226/adb-wp1268.pdf> (Accessed on October 12, 2024).

254 Shiriiev, Z. (2019) “Azerbaijan’s Relations with Russia: Closer by Default?” Chatham House. Available at <https://www.chathamhouse.org/2019/03/azerbaijans-relations-russia-closer-default> (Accessed on November 10, 2024).

economy. This shift will help strengthen its logistics and transit sectors, paving the way for a more sustainable economy.²⁵⁵

Azerbaijan's strategic position is further enhanced by its role in the Organisation of Turkic States and its close ties with Turkey, which offer an additional upper hand in regional affairs.²⁵⁶ Azerbaijan's top five trading partners (imports) include Russia, China, Germany, Turkey and the USA, reflecting the success of intricate geopolitical balancing practised by Baku.²⁵⁷

Azerbaijan's foreign policy also emphasises maintaining neutrality in regional conflicts, as evident from its strategic neutrality in the Russia-Ukraine conflict.²⁵⁸ The country has skilfully navigated tensions between major powers such as Russia and the West or China and India, enabling it to serve as an impartial transit hub that accommodates all sides.²⁵⁹ This balanced approach has helped Azerbaijan attract investments from diverse countries and expand its role in regional diplomacy. However, maintaining this balance comes with real challenges. Azerbaijan has to manage its partners' complex expectations and competing interests, ensuring that working with one does not harm ties with another.

Economic opportunities and challenges

The convergence of major transport corridors in Azerbaijan offers economic opportunities and challenges. As to opportunities, Azerbaijan's role as a node in various transport initiatives positions it to benefit significantly from transit fees and related services. Expanding logistics, warehousing and customs processing facilities can drive economic growth. According to the World Bank, countries along the BRI corridors may experience trade growth of up to 9.7 per cent due to decreased trade costs and enhanced connectivity.²⁶⁰ Another advantage for Azerbaijan has been the influx of FDI. In 2023, the FDI in Azerbaijan's economy amounted to \$6.6 billion (6.1 per cent growth over the previous year), with a large share directed towards its transport and logistics sectors.²⁶¹ This surge not only promotes economic activity but also increases job creation. Moreover, Azerbaijan's engagement in international projects has enabled the transfer of advanced technologies and expertise, particularly in rail transport and port management.

The scale of Azerbaijan's infrastructure development is impressive. The development of the Baku International Sea Trade Port, with its 15 million-tonne capacity and 100,000 TEU (20-foot equivalent unit) container terminal, is noteworthy. Recent expansions have included the modernisation of 2,900 km of the rail network, supported by a total

255 Garibov, A. (2016). "The Trans-Caspian Corridor: Geopolitics of Transportation in Central Eurasia", *Caucasus International*, Vol. 6(1), pp. 67-83.

256 Azerbaijan.az, "Foreign Policy". Available at: <https://azerbaijan.az/en/information/801> (Accessed on November 10, 2024).

257 Observatory of Economic Complexity, Azerbaijan Trade Data. Available at: <https://oec.world/en/profile/country/aze?yearlyTradeFlowSelector=flow1> (Accessed on October 10, 2024).

258 Centre for Eastern Studies (OSW) (2024), "Putin Visits Baku: A Partnership of Convenience," August 21. Available at: <https://www.osw.waw.pl/en/publikacje/analyses/2024-08-21/putin-visits-baku-a-partnership-convenience> (Accessed on November 10, 2024).

259 Valiyev, A., & Mamishova, N. (2019). "Azerbaijan's foreign policy towards Russia since independence: compromise achieved. Southeast European and Black Sea Studies", Vol.19(2), pp. 269-291.

260 World Bank, "Belt and Road Initiative". Available at: <https://www.worldbank.org/en/topic/regional-integration/brief/belt-and-road-initiative> (Accessed on November 12, 2024).

261 State Statistical Committee of Azerbaijan. (2023). Foreign Direct Investment in Azerbaijan. Available at <https://www.stat.gov.az/source/finance/?lang=en> (Accessed on October 10, 2024).

investment of \$6.5 billion in transport infrastructure with the recent introduction of digital tracking systems along these routes, leading to improved cargo monitoring efficiency. The latest phase of development, announced in late 2023, includes plans for green energy integration at port facilities and the implementation of AI-driven logistics management systems, positioning Azerbaijan at the forefront of sustainable transport infrastructure development.

The challenges of these dynamics include the high cost of infrastructure development. Expanding and upgrading facilities to meet the requirements of multiple transport corridors demands extensive investment, posing difficulties in balancing these costs with other national priorities. Additionally, Baku must navigate the complexities of regulatory harmonisation. Integrating different transport systems necessitates aligning with varied standards and practices, which can be arduous.²⁶²

Geopolitical tensions also present a persistent challenge. Azerbaijan's strategic location forces it to balance the competing interests of major powers such as China, Russia, Turkey and the Western countries.²⁶³ Furthermore, increased transit activity raises environmental concerns, particularly regarding the ecologically sensitive Caspian Sea region. Security risks also emerge as a critical concern, as the expansion of transport routes could expose Azerbaijan to threats: smuggling and other illicit activities. Key friction points also include control over critical infrastructure, regulatory alignment, and the balance between economic gains and strategic autonomy.

Regional Dynamics and Conflict

Azerbaijan's involvement in these transport corridors significantly impacts its relations with neighbouring countries and influences regional conflict dynamics, particularly concerning the Nagorno-Karabakh issue.

Relations with Armenia. The development of transport corridors has added a new dimension to the Azerbaijan-Armenia conflict. The potential economic benefits of regional connectivity have been seen as a possible incentive for conflict resolution. The 2020 Nagorno-Karabakh ceasefire agreement includes provisions for unblocking transport links in the region, including the Lachin Corridor connecting Nagorno-Karabakh to Armenia and the Zangezur Corridor connecting the western areas of Azerbaijan with its Nakhchivan exclave.²⁶⁴ The proposed 43-km Zangezur Corridor represents a potential game-changer for regional connectivity as it would provide Azerbaijan with direct connectivity to its Nakhchivan exclave without halting at Armenian checkpoints.²⁶⁵ However, progress on this front has been slow due to ongoing tensions and mistrust between the two countries. The involvement of major powers like Russia, the USA and Iran has further complicated the issue.

262 Kenderdine, T., & Bucsky, P. (2021). "Middle Corridor: Policy Development and Trade Potential of the Trans-Caspian International Transport Route". Asian Development Bank Institute. Available at: <https://www.adb.org/sites/default/files/publication/705226/adb-wp1268.pdf> (Accessed on October 14, 2024).

263 Shiryev, Z. (2019). "Azerbaijan's Relations with Russia: Closer by Default?" Chatham House. Available at <https://www.chathamhouse.org/2019/03/azerbaijans-relations-russia-closer-default> (Accessed on November 14, 2024).

264 "Document: Full Text of the Agreement between the Leaders of Russia, Armenia and Azerbaijan," commonspace.eu, November 10, 2020. Available at: <https://www.commonspace.eu/opinion/opinion-new-narratives-necessary-armenia-azerbaijan-peace> (Accessed on November 14, 2024).

265 Umarova, Nargiza (2024). "On the Prospects of the Zangezur Corridor for Central Asia." Caspian Policy Centre, November 7, 2024. Available at: <https://www.caspianpolicy.com/research/security/on-the-prospects-of-the-zangezur-corridor-for-central-asia> (Accessed November 14, 2024).

Iran's Position

Iran, a key player in the INSTC, has viewed the development of the Middle Corridor with some concern, as it potentially reduces Iran's importance as a transit country. However, Iran has also sought to benefit from increased regional connectivity.²⁶⁶ In 2023, Iran, Azerbaijan, and Russia signed a trilateral agreement to develop the North-South transport corridor and to work on the Astara-Rasht-Qazvin railway line, indicating a pragmatic approach to regional co-operation despite underlying tensions.²⁶⁷

Impact on the Nagorno-Karabakh Conflict. The strategic importance of transport corridors has added to the complexity of the Nagorno-Karabakh conflict. Azerbaijan's strengthened economic position and strategic partnerships, partly due to its role in these corridors, have altered the balance of power in the region. This was evident in the outcome of the 2020 conflict, which resulted in significant territorial gains for Azerbaijan.²⁶⁸ The potential economic benefits of regional connectivity, particularly the proposed Zangezur Corridor, have been presented as incentives for conflict resolution. However, implementing these transport links remains contentious and subject to ongoing negotiations.

Broader regional stability. The development of these corridors has the potential to promote regional stability by creating shared economic interests. The concept of economic interdependence as a stabilising factor in international relations, proposed by liberals like Keohane and Nye, suggests that increased trade and economic co-operation could reduce the likelihood of conflict.²⁶⁹ Transport corridors could be a foundation for greater regional integration and collaboration. However, if the distribution of benefits is unfair, the corridors also risk escalating already existing tensions. Ensuring the financial benefits of greater connection leads to conflict settlement rather than escalating tensions is a problem for Azerbaijan and other regional players.²⁷⁰ This requires careful diplomacy and a commitment to inclusive economic development that benefits all countries in the region.

In conclusion, Azerbaijan's strategic position at the intersection of the BRI, INSTC, and Middle Corridor places the country within a new "Great Game" in Eurasian geopolitics. It is the only country that shares a land border with Russia and Iran, the two most sanctioned countries, thereby making the diplomatic arena even more difficult for Azerbaijan to navigate. Through its dynamic and multi-vector foreign policy, Azerbaijan has capitalised on its geographic advantage to enhance its economic prospects and geopolitical significance. The convergence of these transport corridors in Azerbaijan represents both an opportunity and a challenge for the country. While offering the potential for

²⁶⁶ "Iran's Role in Evolving Asia-Europe Transit Route" (2024). Press TV, October 13 2024. Available at <https://www.presstv.ir/Detail/2024/10/13/735157/Iran%2080%99s-role-in-evolving-Asia-Europe-transit-route> (Accessed on November 12, 2024).

²⁶⁷ Kaleji, Vali (2024). "Iran and Russia: Cooperation in the Construction of the Rasht-Astara Railway." Valdai Club, October 13, 2024. Available at: <https://valdaiclub.com/a/highlights/iran-and-russia-cooperation-in-the-construction/> (Accessed on November 12, 2024).

²⁶⁸ *Council on Foreign Relations*, "Nagorno-Karabakh Conflict". Available at: <https://www.cfr.org/global-conflict-tracker/conflict/nagorno-karabakh-conflict> (Accessed on November 12, 2024).

²⁶⁹ Keohane, Robert O., & Nye, Joseph S. (2012). *Power and Interdependence*. 4th ed. New York: Longman.

²⁷⁰ Valiyev, A., & Mamishova, N. (2019). "Azerbaijan's foreign policy towards Russia since independence: compromise achieved. Southeast European and Black Sea Studies", Vol. 19(2), pp.269-291

economic diversification and development, it also requires careful navigation of complex regional dynamics and competing significant power interests.²⁷¹

Azerbaijan's experience provides valuable insights into how medium-sized states can take advantage of their geographic position to enhance their strategic importance amidst competing transport corridors. It demonstrates the potential for infrastructure projects to reshape regional power dynamics and economic relations.²⁷² Global economic trends, particularly post-pandemic recovery and the ongoing shifts in global supply chains, will continue to reshape the viability and strategic importance of different transport routes. Technological advancements, especially in automation, digital tracking and intelligent infrastructure can transform the comparative advantages of different corridors, potentially altering established trade patterns.²⁷³ Environmental considerations are also becoming increasingly critical, with future corridor development needing to align with climate change mitigation goals and sustainable transportation initiatives.²⁷⁴

To sum up, the converging transit routes provide an excellent microcosm of greater Eurasian geopolitical forces. It emphasises the complex relationship between geography, infrastructural development and international relations in the 21st century. As the global order evolves, the strategies adopted by countries like Azerbaijan to use their geographic position and balance opposing interests will provide key insights into the changing character of geopolitics in an increasingly globalised world and dynamic geopolitical arena.

271 Dadaşlı, R., & Valiyev, O. (2024). Debating on Transport Corridors of Azerbaijan in the Context of Globalization. *Universal Journal of History and Culture*, 6(1), pp. 1-20. Available at: <https://doi.org/10.52613/ujhc.1411712>

272 Kenderdine, T., & Busky, P. (2021). Middle Corridor: Policy Development and Trade Potential of the Trans-Caspian International Transport Route. Asian Development Bank Institute. Available at: <https://www.adb.org/sites/default/files/publication/705226/adb-wp1268.pdf> (Accessed on October 12, 2024)

273 *Institute for Transportation and Development Policy* (ITDP) (2024), “What Digitalization Means for Transport,” March 01. Available at: <https://itdp.org/2024/03/01/what-digitalization-means-for-transport/> (Accessed on November 10, 2024).

274 Rodrigue, Jean-Paul. “Transportation, Sustainability and Decarbonization.” In *Transport Geography*, Chapter 4. Available at: <https://transportgeography.org/contents/chapter4/transportation-sustainability-decarbonization/> (Accessed on October 12, 2024).

Pipeline geopolitics in Central Asia: Regional Perspectives

Zhulduz Baizakova

Since 2022 Central Asian states have found themselves in geopolitical conundrum. Deep historical ties and strong economic interdependence with Russia and China, provide little manoeuvring space for the five Central Asian republics when it comes to considering new pipeline projects.

Currently pipeline geopolitics in Central Asia is closely tied to the broader geopolitical developments taking place in Europe, the Middle East and the Indo-Pacific regions. With the ongoing war in Ukraine, the Central Asian leadership continues to search for the new export routes; it is needed to diversify the transportation of Central Asian hydrocarbon resources to the Middle East, South Caucasus and European markets bypassing the territory of the Russian Federation.

For example, Kazakhstan continues to rely heavily upon Russia in terms of transportation of its crude oil via the Caspian Pipeline Consortium and Atyrau-Samara pipelines. Turkmenistan transports over 80 per cent of its gas to China which makes the country dependent on China.²⁷⁵

Few alternative routes are currently being considered to achieve the goal of diversification on the one hand and obtain additional leverage over the “core players” in the region: the Russian Federation and the People’s Republic of China.

This paper explores different perspectives in relation to the pipeline projects in Central Asia. The idea is to consider them through the prism of geopolitical developments occurring within and around the region. Pipeline geopolitics is in turn determined by the global configuration of power and energy politics, in particular issues of demand and supply.

The TAPI pipeline

The Turkmenistan-Afghanistan-Pakistan-India Pipeline (TAPI) was initially suggested in 1995 and since then has remained on the agenda of the four countries. Its future is being widely discussed in various international fora and conferences.

TAPI is regarded as one of the most complex pipeline projects in the region, due to technical, logistical, financial, geopolitical and security difficulties. The idea is to deliver Turkmen gas throughout the entire territory of Afghanistan to South Asian countries, Pakistan and India. If completed it would become the very first pipeline connecting Central Asia with South Asia and linking together both Pakistan and India into a long-term gas and trade alliance.

Since the beginning Western powers had been supporting and encouraging the construction of TAPI. Along with CASA 1000 project, TAPI pursued both logistical and

²⁷⁵ Danila Bochkarev, Turkmenistan: The gas monetization challenge, the Oxford Institute for Energy Studies, September 2024, <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2024/09/Turkmenistan-The-gas-monetization-challenge.pdf>. Accessed 5 October 2024.

geopolitical objectives, endorsed by Washington in order to distance the CA republics from Russia and bring it closer to American allies in the South Asian region.

Getting increasingly engulfed into Afghanistan affairs, Washington failed to put the funding behind such an ambitious enterprise. As part of its global war on terrorism, the US genuinely believed that by attempting to engage Afghanistan in several regional arrangements it might facilitate the country's economic development and allow Afghanistan to escape its historical isolation and finally integrate with the regional and world economical network.

TAPI's resource base is Galkynysh gas field, with several countries displaying their interests, including ADNOC (UAE) and Hyundai Engineering (South Korea).²⁷⁶ Galkynysh has been developed by Chinese companies since 2009.²⁷⁷

So far, Turkmenistan has completed building its section of the pipeline. Lately Ashgabat has been searching for investors to provide funding for the Afghan part of the pipeline. As of late September 2024, it was reported that construction had begun in the northern Afghanistan.²⁷⁸

There are also reports that to facilitate TAPI, Turkmenistan went as far as requesting United States to lift certain sanctions on Afghanistan.

Meanwhile, Taliban have repeatedly claimed that they are willing to have TAPI fully functioning and ready to commit to the project. It would also provide valuable opportunities for economic development of the country and its integration into regional logistics system. Currently TAPI's overall budget is estimated at around 10 billion USD with the capacity to transport over 33 billion cubic meters.²⁷⁹

Pakistan's leadership had also frequently reiterated their willingness to see TAPI completed.²⁸⁰

However, there are concerns that border tensions and other security related matters between Afghanistan and Pakistan might delay or temporarily prevent the construction of TAPI. Currently relations between Afghanistan and Pakistan remain rather tense, significantly affecting the future prospects of joint projects, including TAPI. The activities of the Tehrik-e Taliban Pakistan (TTP) have been steadily eroding the already fragile relations between Islamabad and Kabul, established after the Taliban overthrew the previous government and took over the leadership. Islamabad grew increasingly cautious and it might take a great deal of efforts to reconstruct the trust between the two countries.

Similarly, one should mention the long-lasting complex relations between Pakistan and India who are locked into constant confrontation and barely trust each other regarding various joint projects, including TAPI.

²⁷⁶ ADNOC and Turkmenengaz Will Develop the Third Phase at Galkynysh, January 11, 2024, <https://www.rogtecmagazine.com/adnoc-and-turkmenengaz-will-develop-the-third-phase-at-galkynysh/>. Accessed 27 September 2024.

²⁷⁷ <https://china.aidata.org/projects/40393/>. Accessed 23 September 2024.

²⁷⁸ Turkmenistan begins construction of gas pipeline to Afghanistan, 19/09/24, <https://centralasianlight.org/news/turkmenistan-begins-construction-of-gas-pipeline-to-afghanistan/>. Accessed 3 October 2024.

²⁷⁹ Ibid.

²⁸⁰ Пакистан хочет быстрее построить газопровод ТАПИ, 24 июля 2024, <https://oilcapital.ru/news/2024-07-24/pakistan-hochet-bystree-postroit-gazoprovod-tapi-5146985>. Accessed 21 September 2024.

So far TAPI remains incomplete, with many key actors continuing to explore opportunities, including Moscow's whose interest to get involved is obvious.

Central Asia – China Gas Pipeline

The Turkmenistan – Uzbekistan – Kazakhstan – China pipeline or Central Asia–China Gas pipeline remains one of the most successful pipelines currently functioning in the region.

It provides China with 55 billion cubic meters of gas, including 40 billion meters coming from Turkmenistan alone.²⁸¹ Kazakhstan and Uzbekistan are also part of this arrangement and supply the other 15 billion. However, the supply from Kazakhstan and Uzbekistan had been dwindling recently. With no additional alternatives envisaged in the near future China turned anxious in terms of expanding the pipeline capacity further.

The Central Asia–China gas pipeline consists of three sections, Line A, Line B and Line C and is presented as part of the Belt and Road Initiative (BRI).²⁸² Some experts believe that Turkmenistan has become too reliant on Beijing, forming an energy dependence, based on the fact that China is the largest buyer of Turkmen gas.²⁸³

Currently, Line D is to be constructed as an expansion of the first three lines with Ashgabat and Beijing facing some difficulties in implementation. Turkmenistan has been delaying the construction of the Line D, despite significant Chinese pressure and the call for enhancing bilateral strategic partnership. Line D capacity is expected to provide an additional 15 to 30 billion cubic meters to be exported towards China's Xinjiang province and further east.²⁸⁴

Beijing finds itself dependent upon the changing political and economic landscape in Central Asia which severely impacts gas supplies. One can highlight such events as the change of the leadership back to Gurbanguly Berdymukhamedov in Turkmenistan; violent local protests in Kazakhstan in January 2022; Uzbekistan's decision to curb gas supplies due to domestic shortages, etc. and other. Chinese strategy lies in preventing this sort of events resulting in the disruption of the gas supply. The situation is also exacerbated by the fact that Ashgabat had signed gas supply contracts with other customers, like Hungary, Turkey, Iraq and Austria.²⁸⁵

Also, Turkmenistan plans to export its gas to Turkey and other European countries either through the territory of Iran or the Trans Caspian pipelines, which is also generating concerns in Beijing. However, construction plans of the Trans Caspian pipeline emerged as too expensive and long term.²⁸⁶

In this context Turkmen considerations appear to fluctuate without clear and visible strategy which in turn causes certain grievances among its partners, particularly China.

281 https://www.cnpc.com.cn/en/CentralAsia/CentralAsia_index.shtml. Accessed 19 September 2024.

282 Genevieve Donnellon-May, Beijing digs in for the Central Asia-China gas pipeline, 13 Dec 2023, <https://www.lowyinstitute.org/the-interpreter/beijing-digs-central-asia-china-gas-pipeline>. Accessed 30 September 2024.

283 Ibid.

284 Гулшат Розыева, Кто больше выиграет от строительства газопроводной линии D –Туркменистан или Китай?, Kursiv.kz, 9 июня 2023, https://kz.kursiv.media/2023-06-09/print989-qlrz-d/?utm_campaign=endless_feed. Accessed 15 September 2024.

285 Sadokat Jalolova, Turkmenistan and Iraq Sign Gas Deal for Seasonal Supply via Iran, Times of Central Asia, 23 Oct 2024, <https://timesca.com/turkmenistan-and-iraq-sign-gas-deal-for-seasonal-supply-via-iran/>. Accessed 29 October 2024.

286 Why does Kazakhstan want to build an oil pipeline along the bottom of the Caspian Sea?, Petrocouncil.kz, 22 May 2024, <https://petrocouncil.kz/en/why-does-kazakhstan-want-to-build-an-oil-pipeline-along-the-bottom-of-the-caspian-sea/>. Accessed 1 October 2024.

There were few hurdles with Turkmenistan regarding the gas prices, the transportation and other, so China has to look elsewhere for additional volumes.

Since Turkmenistan proclaimed its neutrality, it managed to carve out certain space for greater flexibility in dealing with its Central Asian neighbours as well as other partners. Neutrality status allows Ashgabat to avoid unnecessary commitments and obligations. However, there were cases when Turkmen leadership did display certain geopolitical and foreign policy preferences at various periods depending on its political and economic agenda.

At times Moscow and Beijing found it challenging to deal with Turkmenistan, who can skilfully conceal its current priorities, preferences and interests. Overall, Turkmenistan's foreign policy is hard to forecast and research, however it has been noted that the country began shifting towards multi-dimensional approach recently.²⁸⁷

Another reason for Chinese anxiety related to its energy security lies in the fact that both Kazakhstan and Uzbekistan had dropped their gas production at national level. It happened due to several imminent reasons: both countries are currently experiencing massive population growth, putting enormous pressure upon the outdated infrastructure; severe gas shortages occur regularly due to the ongoing climate change; steady but solid increase in gas prices, among other factors.

Additionally, Central Asian republics been gradually transforming their approaches towards energy security. It no longer relies upon the traditional narratives and norms, as well as old Soviet schemes and mechanisms that run throughout the 1990-s. Central Asian population grew rapidly over the past decade. It now has reached 82,7 million.²⁸⁸ Such unprecedented growth entails further strain upon the existing energy and water infrastructure, built during Soviet times and exploited since. In other words, Central Asian republics find it hard to sufficiently provide their populations, not only in terms of energy, but also food and water security.

Climate change gets frequently overlooked while considering other key factors related to the present subject. With colder winters and hotter summers, population clearly consume more gas and electricity which also leads to energy shortages.²⁸⁹ This tendency might exacerbate even more in the future.

Pipeline geopolitics in Central Asia

Energy security in the region has been heavily affected by the regional geopolitics as well as the political and economic development of the Central Asian countries.

Regional core players, Russia and China at the same time have both been competing and cooperating in terms of energy geopolitics in Central Asia. Their interests got intertwined in the most complicated way, sometimes making it hard to differentiate between

²⁸⁷ Sadokat Jalolova, Turkmenistan and Iraq Sign Gas Deal for Seasonal Supply via Iran, Times of Central Asia, 23 Oct 2024, <https://timesca.com/turkmenistan-and-iraq-sign-gas-deal-for-seasonal-supply-via-iran/>. Accessed 30 October 2024.

²⁸⁸ See [https://www.worldometers.info/world-population/central-asia-population/#:~:text=Central%20Asia%20Population%20\(LIVE\)&text=The%20current%20population%20of%20Central,among%20subregions%20ranked%20by%20Population](https://www.worldometers.info/world-population/central-asia-population/#:~:text=Central%20Asia%20Population%20(LIVE)&text=The%20current%20population%20of%20Central,among%20subregions%20ranked%20by%20Population). Accessed 11 October 2024.

²⁸⁹ Marcin Popławski Filip Rudnik, Russian gas in Central Asia: a plan to deepen dependence, Centre for Eastern Studies, 31 Oct 2023, <https://www.osw.waw.pl/en/publikacje/analyses/2023-10-31/russian-gas-central-asia-a-plan-to-deepen-dependence>. Accessed 31 October 2024.

competition and cooperation; their primary objectives encompass direct access to Central Asian natural resources and their transportation routes.

Meanwhile CA countries themselves have no other choice but being entangled into this complex geopolitical network, consisting of both core players and other important external actors, like Iran, Turkey, Pakistan, India, South Korea, etc, who too continue advancing their own energy agendas. They have been attempting to find good opportunities to ensure their own political, economic and cultural presences within Central Asia to a certain degree.

International anti-Russian sanctions and ways to negotiate them with the strategic relationship with Moscow has become one of the major sources of anxiety and concern for CA countries. To put it simply, CA states are rather interested in diversifying their export and import routes to improve trade perspectives and regional connectivity in general.

Currently both Russia and Iran are searching for the new markets to export their abundant supply of gas. Whilst Moscow is looking towards China, Iran is considering South Asian countries, Pakistan and India as alternative options, since Pakistan borders Iran directly and India is known to have a great appetite for hydrocarbon resources. In fact, Russians also expressed their interest in delivering the gas via TAPI, when it would be completed.²⁹⁰

In June 2019 Tehran had signed agreement with Islamabad about constructing joint Iran-Pakistan pipeline, with Iranian section (1000 km) being completed back in 2012. In 2024 Pakistan committed to finish its own 80 km section (out of 780 km) from the border to the Gwadar port on the coast of the Arabian Sea.²⁹¹ Otherwise, Tehran has been threatening to sue Pakistani authorities for not upholding to the previous agreement, initially signed in 2009.²⁹²

Moreover, Pakistan authorities went as far as formally requesting the US to lift certain sanctions from Iran in order to complete subsequent phase of the project.²⁹³ In the context of the ongoing conflict in the Middle East and prominent Iranian role, it is highly unlikely that international sanctions would be lifted any time in the future. Washington had already suggested to forget about close energy cooperation with Iran to Islamabad.²⁹⁴

With Iran locked in permanent sanctions regime, its pipeline project to Pakistan can be considered as frozen. However potential for cooperation is evident.

Some observers commented that Russia is gradually turning into Central Asian competitor for the Chinese market. There are two pipelines: the Power of Siberia 1 has capacity of 38 billion cubic meters a year and according to some estimates increased supplies to about 20.8 billion cubic meters in 2024; the Power of Siberia 2, with capacity of roughly

290 Habib Rahman Qooyash, Russia Ready to Join TAPI Project: Envoy, 21 Jan 2023, <https://tolonews.com/business-181698>. Accessed 5 October 2024.

291 Sarah Zaman, US Does Not Support Pakistan Iran Pipeline, March 27, 2024, <https://www.voanews.com/a/us-does-not-support-pakistan-iran-pipeline-7545287.html>. Accessed 7 October 2024.

292 Michael Kugelman, Iran Puts Pakistan on Notice, Foreign Policy, September 4, 2024, <https://foreignpolicy.com/2024/09/04/iran-pakistan-pipeline-gas-arbitration-economy-sanctions/>. Accessed 19 September 2024.

293 Sarah Zaman, US Does Not Support Pakistan Iran Pipeline, March 27, 2024, <https://www.voanews.com/a/us-does-not-support-pakistan-iran-pipeline-7545287.html>. Accessed 19 August 2024.

294 Ibid.

50 billion cubic meters is supposed to be launched as early as 2028 and would deliver natural gas from Russian Yamal Peninsula reserves to Western China via Mongolia.²⁹⁵

Experts claim that the Power of Siberia 1 is falling short of expected profits, since Beijing has been purchasing the gas with considerable discount. For Moscow, China had played hard to bargain bearing in mind that whereas Beijing has plenty other options, including supplies of LNG from Australia, Qatar and its own domestic gas production, Russia remains somewhat limited due to the ongoing economic isolation.²⁹⁶

With the surplus of 150 billion cubic meters of gas, and European markets unavailable, Russia has been exploring different options. Moscow has already been dropping gas prices for China and India as its crucial trade partners.²⁹⁷

Furthermore, Russian President Vladimir Putin had officially requested to institutionalise the so called “gas union” with Kazakhstan and Uzbekistan by delivering gas via Central Asia – Centre (CAC) pipeline which would work in reverse and provide Russian natural gas to both Central Asian countries.²⁹⁸

Moscow highlighted the issues of internal consumption growing, dropping of the gas production in both countries, delayed supplies to China and Turkmenistan’s unstable energy policy as key points. International experts interpreted this new initiative as another attempt to bind two leading CA countries, Kazakhstan and Uzbekistan with more obligations, perhaps leading to some sort of political arrangement at a later stage.

Uzbekistan did indeed reduce its gas production and had to import it from Russian Federation via Central Asia - Centre pipeline through the territory of Kazakhstan. Two sides reached an agreement on delivery of up to 11 billion cubic meters in 2026.²⁹⁹

For the past decade Moscow has been trying in vain to involve Tashkent into one of its organisational networks, continuously suggesting to resume its past membership in the Collective Security Treaty Organization (CSTO) and offering to join Eurasian Economic Union.³⁰⁰ Tashkent kept politely declining by citing its independent foreign policy that prefers focusing upon the bilateral relations, rather than relying on multilateral commitments.

Today Uzbekistan is considered by some international observers as the leader of Central Asian region, who positioned itself as a key driver behind regional integration with Afghanistan, another land-locked country with abundant natural resources and few options of exporting it abroad.

295 Russia's Gas Flows to China Will Reach Capacity Ahead of Plan, Bloomberg, Sep 20, 2024, <https://www.energyconnects.com/news/gas-ing/2024/september/russia-s-gas-flows-to-china-will-reach-capacity-ahead-of-plan/>. Accessed 5 October 2024.

296 Tim Daiss, Power of Siberia 2 pipeline future hangs in the balance, Gas Outlook, 08.10.2024, <https://gasoutlook.com/analysis/power-of-siberia-2-pipeline-future-hangs-in-the-balance/>. Accessed 13 October 2024.

297 Temur Umarov, Is Putin About to Get His Gas Union With Kazakhstan and Uzbekistan?, Carnegie Endowment, March 13, 2023, <https://carnegieendowment.org/russia-eurasia/politika/2023/03/is-putin-about-to-get-his-gas-union-with-kazakhstan-and-uzbekistan?lang=en>. Accessed 13 August 2024.

298 Jamshid Aramov, Russia-Kazakhstan-Uzbekistan Gas Union: The Costs and Benefits for Uzbekistan, Central Asian Bureau for Analytical Reporting, 23.11.2023, <https://cabar.asia/en/russia-kazakhstan-uzbekistan-gas-union-the-costs-and-benefits-for-uzbekistan>. Accessed 11 August 2024.

299 See <https://www.gazeta.uz/ru/2023/01/22/uzb-china-gas/>. Accessed 7 August 2024.

300 Temur Umarov, Is Putin About to Get His Gas Union With Kazakhstan and Uzbekistan?, Carnegie Endowment, March 13, 2023, <https://carnegieendowment.org/russia-eurasia/politika/2023/03/is-putin-about-to-get-his-gas-union-with-kazakhstan-and-uzbekistan?lang=en>. Accessed 9 August 2024.

In conclusion, Central Asian geopolitical perspectives shape the systemic processes occurring in the Eurasian land mass and help to understand the future development strategy. Great regional powers involved in the region, like Russia, China, United States, Turkey, India and Iran invest both their resources and political leverage to reach certain gains in the region. Central Asian republics too are highly interested in facilitating their near to long-term goals of economic development, including the energy and logistics areas.

Bearing in mind the latest focus on green economy and sustainable development, the best option to connect Central Asian region to the rest of the world is by modernizing the existing pipeline and railway networks.

There are several points to make:

- Apart from the diversification attempts in searching for the new export routes, CA countries attempt to conduct balanced and pragmatic foreign policies towards all actors involved;
- At the same time, CA republics remain somewhat dependent upon Russia and China;
- CA republics are persisting in their attempts to construct additional and/or alternative pipelines, like TAPI, Central Asia – China (Line D), Trans Caspian and others, despite lack of funding, investments and various political impediments and implications;
- Several factors impede Kazakhstan and Uzbekistan from producing and exporting sufficient gas supplies towards China, including rapid population growth, greater local consumption, outdated energy infrastructure, growing gas prices and climate change issues;
- Russian Federation started playing rather competitive role towards Turkmenistan, offering alternatives to China (Power of Siberia pipelines), involving cheaper prices too. At the same time, Russians have been exploring the opportunities to connect with South Asia via Kazakhstan and Uzbekistan. If TAPI project would ever be finalized, Moscow certainly plans to become one of its first customers. So far, no transport project is being discussed in Central Asia without Russian involvement whatsoever. Russia on the other hand fully comprehends the economic and logistical dependence of Central Asian states, despite being snowed under numerous sanctions. Mounting pressure from the international community about trade restrictions with Russia has been taking its toll upon the region. Regional observers claim that Central Asian republics had adopted further restrictions in line with the sanctions regime; it stems from the legitimate concerns about becoming a target of the indirect sanctions, as European Union officials warned.³⁰¹

³⁰¹ KN Pandita, Russia's Clandestine Corridor Across Central Asian & Trans-Caspian Countries Circumvents Sanctions, Boosts Cooperation, August 26, 2023, <https://www.eurasiantimes.com/russias-clandestine-corridor-across-central-asian-trans/>. Accessed 21 August 2024.

Development of transport corridors in Central Asia: new regional initiatives in the transport, logistics and transit spheres

Saniya Nurdavletova

Countries located in the interior of continents, far from seas and major world markets, still face transport and logistics constraints, which significantly affect the development of these countries. Today, more than 90 per cent of freight transport in intercontinental trade between Asia and Europe is carried out by sea. Landlocked developing countries spend about 18 per cent of their export earnings on transport services, while developing countries as a whole spend 9 per cent. According to UNCTAD, for Central Asian countries, transport costs in many cases can account for 60 per cent of the cost of imported goods. As António Guterres noted in his speech at the plenary meeting of the General Assembly in December 2019, “The international community has an obligation to extend a helping hand to countries far from the sea, to facilitate access of their goods to world markets, and to provide them with technical and financial support to overcome the problems associated with their geographic isolation. The biggest obstacle to their access to international markets remains high shipping costs. Sometimes, transit costs for countries far from seaports equal 70 per cent of export earnings”³⁰².

Transport and logistics potential of Central Asia

The geographical location of the Central Asian region, which connects Asia with Europe, and the constant growth of traffic indicates that the countries have great transport, logistics and transit potential that can be effectively used. Today, Central Asian states are actively focusing on the development of their transport and logistics infrastructure to successfully integrate into the world economy and political community. In the current period of transition, it is especially important to increase the efficiency of transit transport routes and maximise the use of their potential. Countries of the region are actively striving to diversify transport routes and improve logistics solutions.

Central Asian countries need to have a well-developed and reliably functioning network of international transport corridors with access to sea and ocean ports, allowing for the development of effective international co-operation in order to achieve sustainable socio-economic development. In this context, Kazakhstan both puts forward initiatives and supports all proposals in this direction. Kazakhstan supports practical co-operation in the development of the Kazakhstan-Uzbekistan-Turkmenistan-Iran-Oman-India corridor, created in accordance with the Ashgabat Agreement, which is currently the shortest route to the ports of the Indian Ocean and the Persian Gulf. Kazakhstan also proposes to contribute to the formation of an integrated network of dry ports and

³⁰² Products from landlocked countries practically do not enter the international market. UN. (Продукция стран, не имеющих выхода к морю, практически не поступает на международный рынок. ООН). Available at <https://news.un.org/ru/story/2019/12/1368531> (Accessed on October 15, 2019).

logistics centres within the framework of the BRI, which will strengthen regional and interregional connectivity.

At the same time, much attention is being paid to the creation of new transport corridors connecting the railway systems of Central and South Asia. In this regard, it is impossible not to note the agreements reached on the construction of the Mazar-i-Sharif - Kabul - Peshawar railway, which will not only connect the promising markets of Central and South Asian countries by the shortest route, but will also become a powerful growth stimulant for national economies, regional and interregional trade. Kazakhstan also advocates the activation and full implementation of the provisions of the Basic Multilateral Agreement on International Transport for the Development of the Europe-Caucasus-Asia Corridor, i.e., the TRACECA corridor.

Considering the importance and relevance of the development of Central Asia as a single region, the countries of the region focus on the need to develop co-ordinated approaches in the field of transport and transit, more active use of transport corridors, increasing their competitiveness and improving overall transport connectivity in the region. Today, the Central Asian states face an important strategic task – to ensure deep integration of the region into global economic, transport and transit corridors.

It is important to ensure access through Central Asia to the main world markets, including China, India, Pakistan and other Asian countries, as well as from Azerbaijan and Turkey to European countries. The development of transport corridors in these areas and the joint implementation of large projects to create logistics infrastructure fully meet the common interests of countries in the region.³⁰³

Positive factors for increasing the volume of cargo transportation include the development of economic relations between the Central Asian countries and their neighbours, as well as with other global players. Investments in infrastructure in terms of construction or modernisation of roads, railways, ports and cargo terminals and signing trade agreements between the countries of the region or with other countries can stimulate cargo transportation and transit through Central Asia. Political stability in the region also plays a key role in ensuring security and predictability for cargo transportation.

Notably, geopolitical turbulence in the world has expanded the opportunities for Central Asian countries to attract new sources of investment and conclude transport agreements with the European Union. The countries of Central Asia are poised for significant changes in their logistics, as plans to create new transport corridors are gaining momentum. Among the key milestones is the start of construction of the China-Kyrgyzstan-Uzbekistan railway for multimodal freight transport, which will be a major milestone in developing regional connectivity and facilitating trade.

Two additional routes are being developed to build on this initiative. The first route is aimed at Europe, while the second route is headed south. The southbound route, starting from Bishkek via the Dostuk checkpoint in the Osh region, will pass through Uzbekistan and Turkmenistan before crossing the Caspian Sea by ferry to reach the port of Olya in the Astrakhan region of Russia. Cargo transit from Uzbekistan to Turkmenistan

³⁰³ President of the Republic of Uzbekistan Mirziyoyev Sh. Informal summit of the Turkic Council in the format of a video conference, 2021 (Президент Республики Узбекистан Мирзиёев Ш. Неформальный саммит Тюркского совета в формате видеоконференции, 2021). Available at <https://president.uz/ru/lists/view/4271> (accessed on December 12, 2020).

will be carried out via the Uzbek checkpoint of Alat-Farap, underscoring the strategic importance of this emerging transport corridor.³⁰⁴

Turkmenistan plays a key role in facilitating regional connectivity, especially in the creation of the Trans-Iranian Corridor from Uzbekistan to Iran. Turkmenistan's position as a gateway to Turkish seaports and the Mediterranean via the Trans-Caspian International Transport Corridor speaks of its importance in facilitating regional trade and economic integration. Tajikistan can also benefit from these developments given its geographic limitations in accessing a Caspian seaport. The synergy between Uzbekistan, Turkmenistan and Tajikistan in developing transport corridors to the south offers great potential for strengthening regional connectivity and unlocking economic opportunities.

Transport and logistics potential of the Republic of Kazakhstan

One of the main sectors of the economy of Kazakhstan is the transport and logistics sector. This sector determines the production, socio-economic and scientific-technical potential of the country, as well as its ability to expand and strengthen trade and economic ties with foreign countries. Kazakhstan's transport system is of crucial importance since it helps maintain control over its economy, facilitates international trade, and enhances its security and regional stature. This is due to the huge area of 2,725 thousand sq. km and low population density (an average of 6 people per square kilometre) and the dispersion of raw materials and production resources.³⁰⁵

Logistics infrastructure is becoming increasingly important for the economy as it contributes to economic diversification and improves supply chains both domestically and internationally. Rather than focusing on the origin and destination of individual goods, a modern logistics system is oriented towards the centre or "fan-shaped" structure of the supply chain. Good logistics infrastructure reduces costs and delays, improves reliability and increases production.

For example, from 1998 to 2019, there were 26 transport and logistics centres in Kazakhstan with a capacity of 10 to 1 thousand tonnes per year.³⁰⁶

The dry port "Khorgos – Gateway to Europe" will become a transport and logistics hub with two railway crossings on the border with China and the Western Europe-Western China highway. It will allow the transportation of goods from China to Europe as well as to Turkey, Central Asia and the Gulf countries.

Five of thirteen international railway corridors pass through Kazakhstan. These are:

- The Northern Corridor of the Trans-Asian Railway (TAR), which carries containers between China, Russia and Europe.
- The Southern Corridor of the TAR connects Southeast Europe with China, as well as Southeast Asia via Turkey, Iran and the Central Asian countries.

304 "Central Asian countries build new transport corridors and change logistics" (Страны Центральной Азии строят новые транспортные коридоры и меняют логистику). Available at: <https://www.inform.kz/ru/strani-tsentralnoy-azii-stroyat-novye-transportnie-koridori-i-menyayut-logistiku-6bdc74> (Accessed on May 5, 2021)

305 Main socio-economic indicators of the Republic of Kazakhstan (Основные социально-экономические показатели Республики Казахстан). Available at <http://stat.gov.kz/important/dynamic> (Accessed on March 17, 2020).

306 Law of the Republic of Kazakhstan dated April 17, 2014 No. 194-V "On Road Traffic" (Закон Республики Казахстан от 17 апреля 2014 года № 194-В «О дорожном движении»). Available at: https://online.zakon.kz/Document/?doc_id=31536713 (Accessed on March 10, 2024)

- The Central Corridor of the TAR includes the regions of Central Asia and Northwest Europe.
- North-South (Russia-Kazakhstan-Iran) railway line that has been operating since 2013 between Kazakhstan and Turkmenistan, and since 2014, between Turkmenistan and Iran.
- TRACECA: via the Black Sea, the Caucasus and the Caspian Sea from Eastern Europe to Central Asia. Based on this, the Trans-Caspian International Transport Route (TITR) carries goods from China and the Pacific countries to Europe via the Caspian Sea, the Caucasus, the Black Sea and Ukraine.

In the West, the international transport corridors under consideration are connected with European corridors, in the East with the Trans-Asian Railway (TAR), which connects Kazakhstan with regions of high economic activity, such as Southeast and East China and Southeast Asia, and in the South with the countries of Central Asia, Transcaucasia, Turkey, Iran and the Arab countries of the Persian Gulf.

At the plenary session of the VIII Astana Economic Forum on May 22, 2015, Kazakhstan proposed the creation of the Eurasian transcontinental corridor. The creation of a new transport highway was supposed to stimulate economic growth in the countries through which it passes.³⁰⁷

Three directions of international transport routes are being considered within the framework of the Eurasian transcontinental corridor:

1. China-Russia-Europe (via China access to the Pacific region, etc.).
2. Caspian Sea-Caucasus Black Sea-Europe.
3. China-East and via the Caspian Sea to the south (Iran and other countries).

These three routes are linked to Kazakhstan's trade and economic interests. The corridor, consisting of China, Kazakhstan, Azerbaijan, Georgia and Turkey, unites all participating countries. The implementation of the Eurasian Transcontinental Corridor, a similarly large-scale project, will increase Kazakhstan's potential to create its own transport system. This is especially important given the growing ties between the EU and China, as well as the opening of the Iranian market.³⁰⁸

Of the total air route length of 83,876 km, 90 air routes pass through Kazakhstan, of which 87 are international routes with a length of 82,561 km (98.4 per cent) and three domestic routes (3.3 per cent) with a length of 1,315 km (1.6 per cent). Kazakhstan has 73 air corridors on its borders with other countries, including 30 corridors with Russia and Uzbekistan, six corridors with Kyrgyzstan, three each with Azerbaijan and China, and two with Turkmenistan.³⁰⁹ Eighty per cent of transit air traffic of foreign airlines goes through Kazakhstan. This includes routes between South Asia (Middle East) and Europe, the cross-polar routes of Asia (UAE, India) to the USA and Canada, as well as routes connecting Southeast Asia with Europe.

307 Dubovitskikh Yu. "Nazabayev proposed to create a transcontinental corridor" (Дубовицких Ю. Трансконтинентальный коридор предложил создать Назарбаев). Available at: <http://www.forbes.2015> (Accessed on August 3, 2016).

308 Kovaleva T. Eurasian transcontinental corridor will help increase the volume of transportation to 33 million tons (Ковалева Т. Евразийский трансконтинентальный коридор поможет увеличить объем перевозок до 33 млн. тонн). Available at <https://www.zakon.kz/4783550-evrazijjskijtranskontinentalnyj.html>. (Accessed on July 31, 2016)

309 Prokofieva T.A., Sergeev V.I. (2022). "Logistics centres in the transport system of Russia:" Textbook., Publishing house "Economic newspaper", p.524

Work is currently underway on a project aimed at integrating global infrastructure, as well as creating an external terminal network in the markets of Europe and Asia. In addition, a network of centres for the consolidation and distribution of cargo flows with access to the world's oceans is being created. The external terminal network includes cargo consolidation and distribution points in China, Russia, Europe, Turkey, India, Central Asia and the Persian Gulf. Kazakhstan participates in the infrastructure of the port of Lianyungang, located on the east coast of China. In December 2014, its own terminal was opened on its territory.

There is a SWOT-analysis that shows all the advantages and disadvantages of the country's transport and logistics potential.

Table 1: SWOT analysis of transport logistics in Kazakhstan

Strengths	Weaknesses
<ul style="list-style-type: none"> convenient geographical location of Kazakhstan for transportation of goods along international corridors developed network of railways and roads developed logistics and multimodal transportation 	<ul style="list-style-type: none"> underdeveloped regional connectivity overdependence on rail aging infrastructure, parts of Kazakhstan's transport infrastructure, particularly roads, are outdated and in need of repair and upgrading logistical complexity
Opportunities	Threats
<ul style="list-style-type: none"> simplification of customs procedures, reduction of administrative barriers introduction of information technologies expansion and development of transport corridors based on existing agreements 	<ul style="list-style-type: none"> outflow of cargo to more efficient transport corridors decrease in competitiveness of domestic freight carriers in the international market shortage of highly qualified personnel

As we can see from the SWOT-analysis, the following conclusions can be made:

Strengths:

1. Convenient geographical location. Kazakhstan's central position in Eurasia helps it serve as a critical transit hub for international trade routes. This advantageous location facilitates the movement of goods between China, Central Asia, Russia, and Europe. The country is at the core of the Belt and Road Initiative, cementing its position as a key player in global logistics. This geographic advantage makes Kazakhstan an important logistics hub, reducing travel time and costs for trade between continents.
2. Developed network of railways and roads. Kazakhstan boasts an extensive and well-developed network of railways and roads that connect major cities and trade routes. The country's rail infrastructure, in particular, is one of the most extensive in Central Asia. Key transport corridors, such as the Western Europe-Western China highway, provide essential links between Kazakhstan and global markets. This robust transport network supports the efficient movement of goods across the country and facilitates the transportation of large volumes of freight.
3. Developed Logistics and Multimodal Transportation. Kazakhstan has significantly invested in its logistics infrastructure, making it one of the leading countries in Central Asia for multimodal transportation. The integration of rail, road and maritime transport allows goods to be moved quickly and efficiently across long

distances. Multimodal transport hubs, such as the Dry Port at Khorgos, streamline cargo handling, providing cost-effective and time-efficient transportation solutions for international trade.

Weaknesses:

1. Underdeveloped regional connectivity. While Kazakhstan's major transport corridors are well-developed, connectivity within the country remains limited. Smaller regions, particularly in the rural and remote areas of the country, lack adequate transport infrastructure. This lack of connectivity restricts economic integration and access to the international market for local businesses, limiting the potential for regional trade.
2. Overdependence on rail. Given its well-established rail network, Kazakhstan's logistics system is heavily dependent on rail transportation. This reliance creates vulnerabilities. In of rail disruptions or delays, it could significantly affect the overall logistics chain, leading to slowdowns in goods movement and impacting trade timelines.
3. Aging infrastructure. Many parts of Kazakhstan's transport infrastructure, particularly roads, are outdated and in need of significant repair and modernisation. This aging infrastructure presents challenges for the logistics sector, resulting in increased maintenance costs, delays, and potential safety issues. The need for continual investment in infrastructure upgrades is critical to maintain efficient logistics operations and meet the growing demand for transportation services.
4. Logistical complexity. The vast size of Kazakhstan, combined with its diverse geographical features, adds complexity to transportation logistics. The challenges posed by harsh weather conditions, such as severe winters, can disrupt road and rail transport, causing delays in cargo delivery. The country's vast terrain also increases the cost and time needed to transport goods across regions, adding to logistical inefficiencies.

Opportunities:

1. Simplification of customs procedures and reduction of administrative barriers. Streamlining customs procedures and reducing bureaucratic hurdles would significantly enhance the efficiency of Kazakhstan's logistics sector. By simplifying cross-border trade and minimising administrative barriers, Kazakhstan can increase its competitiveness and facilitate smoother, faster movement of goods. This would attract more foreign investment, increase trade volume, and improve the overall logistics performance of the country.
2. Introduction of information technologies. The adoption of advanced technologies such as AI, IoT, blockchain and automation in logistics operations could significantly improve efficiency and reduce operational costs. The integration of smart logistics systems, data analytics and real-time tracking of shipments can optimise supply chains, reduce delays and enhance transparency. Digitalising logistics operations can also increase Kazakhstan's attractiveness as a logistics hub for global trade.
3. Expansion and development of transport corridors. Kazakhstan has the opportunity to expand and develop new transport corridors based on existing international agreements. By capitalising on the Belt and Road Initiative and its role in Eurasian transit, Kazakhstan can enhance connectivity to key markets in Europe, China, and

beyond. Developing alternative transport routes, particularly for specialised or high-value goods, will strengthen the country's position as a key transit and logistics hub.

Threats:

1. Outflow of cargo to more efficient transport corridors. As global trade networks evolve, Kazakhstan faces the risk of cargo being diverted to more efficient or cost-effective transport corridors. Competing regions, such as those along alternative Belt and Road routes, may offer more advanced infrastructure or more competitive pricing, potentially reducing Kazakhstan's share of transit traffic. If the country fails to improve its logistics infrastructure and services, it could lose significant trade volume to other routes.
2. Decrease in the competitiveness of domestic freight carriers. The logistics sector in Kazakhstan faces increasing competition from international freight carriers, which often have more advanced technology, better infrastructure and lower operational costs. As the global logistics industry becomes more competitive, domestic freight carriers may struggle to compete in the international market. The lack of modernisation in domestic services could diminish the appeal of Kazakhstan as a transport hub.
3. Shortage of highly qualified personnel. The logistics sector in Kazakhstan is facing a shortage of skilled professionals, including engineers, drivers and supply chain experts. As the industry becomes more complex and technology-driven, the demand for qualified personnel will continue to grow. Lack of skilled labour may hinder the ability to modernise and improve logistics operations, which could limit the sector's ability to meet future challenges and capitalise on emerging opportunities.

So, as we can see Kazakhstan's transport logistics sector holds great potential due to its strategic geographical location, developed infrastructure, and multimodal transport capabilities. However, challenges such as regional connectivity gaps, overreliance on rail, aging infrastructure, and logistical complexities must be addressed to ensure continued growth and competitiveness. By seizing opportunities like streamlining customs procedures, embracing new technologies, and expanding transport corridors, Kazakhstan can strengthen its position as a critical hub in global trade. However, it must also be mindful of threats such as the outflow of cargo to more efficient corridors, decreasing competitiveness, and the shortage of skilled labour. With targeted investments and strategic planning, Kazakhstan can enhance its logistics sector and continue to grow as a key player in the global transportation network. Kazakhstan's geographical location makes it an attractive place for cargo transit along international transport corridors and to facilitate the outflow of cargo to other transport corridors.

Intensive economic development in the west and centre of China provides an opportunity to increase cargo flow, gravitating towards rail transportation through Kazakhstan to Central Asia, Europe, the Caspian Sea and the Middle East. Today, there is significant transit potential through the territory of the EAEU due to China's BRI policy, which is aimed at creating alternative land routes to sea routes. The potential arises because it will necessitate cargo to pass only one customs border when delivering cargo from China to the European Common Market, since the transport routes pass through Kazakhstan, Russia and Belarus, all of which are part of the EAEU.

In Kazakhstan, a one-stop logistics services system is being created and competence centres are being established. Increasing the availability of logistics services by learning

from best global practices and experience, creating information systems for consumers of logistics services that enable real-time tracking, seamless communication, and optimised supply chain management are some of the measures being initiated to enhance efficiency, reduce costs, and improve customer satisfaction. However, the problem of providing the industry with high-level professionals remains unresolved. Besides, while the existing transport corridors through Kazakhstan make it possible to increase the volume of transportation and develop the logistics services market, the existing infrastructure is not sufficiently well-equipped to meet increased the needs of shippers and hinders the development of transport logistics.

Kazakhstan's infrastructure development priorities have been successfully aligned with those of neighbouring countries. The alignment of the state programme of industrial development with China's BRI will allow the unification of transport and logistics systems, which will lead to the creation of a new transcontinental corridor architecture. Plans and projects for infrastructure development in the ports of Kazakhstan, Azerbaijan, Georgia, Turkey and the Caspian Sea have ensured speed and technological integration in multimodal transportation.

In September 2023, President K. Tokayev outlined Kazakhstan's vision to strengthen its position as a key transit hub in Eurasia, eventually becoming a major transport and logistics power. In his address, the President of Kazakhstan emphasised the strategic importance of leveraging the country's geographic advantage to stimulate the development of the transport and logistics industry. In an effort to diversify access to sea routes, Kazakhstan is also prioritising the development of the North-South transport corridor, providing access to the Persian Gulf and the Indian Ocean.

Central Asian countries are recording an increase in cargo transportation. Cargo transit through the territory of Kazakhstan in January-November 2023 alone increased by 21 per cent compared to 2022 and amounted to 29 million tonnes. In total, 980.7 million tonnes of cargo were transported through Central Asian countries in 2023, which is 4.4 per cent more than in 2022.³¹⁰

In Uzbekistan, international cargo transportation reached 59.2 million tonnes in 2023, that is, 110.4 per cent of the 2022 figure. At the same time, the flow of imported cargo is almost twice as high as exports. Uzbekistan imported 29.7 million tonnes of cargo and exported 15.5 million tonnes. The growth rates are 114.1 per cent and 100.8 per cent respectively. The volume of transit cargo transported through the territory of Uzbekistan amounted to 13.9 million tonnes.³¹¹

In Kyrgyzstan, in 2023, the total volume of cargo transported by all modes of transport amounted to 51 million tonnes, which is 6.7 million tonnes more than in the previous year. Of the total volume of cargo, 41.2 million tonnes were transported by road, indicating the high modal share of road transportation. Rail transportation also had a significant share, amounting to 9.3 million tonnes of cargo.

³¹⁰ Kizdarbekova M. Zh.(2017). "Problems and prospects of logistics development in Kazakhstan", *Young scientist* 2017. (14),pp. 363-365 .Available at: <https://moluch.ru/archive/148/41797/> (Accessed on September 21, 2017).

³¹¹ Central Asian countries build new transport corridors and change logistics (Страны Центральной Азии строят новые транспортные коридоры и меняют логистику). Available at: <https://www.inform.kz/ru/strani-tsentralnoy-azii-stroyat-novye-transportnie-koridori-i-menyaют-logistiku-6bdc74> (Accessed on October 6,2024)

The head of the Ministry of Transport of Tajikistan reported that in January-November 2023, the volume of freight traffic amounted to 32.6 million tonnes, which is 14 per cent more than in the same period in 2022. The volume of international cargo transportation amounted to 2.2 million tonnes. International transportation was mainly carried out with China, Uzbekistan, Afghanistan, Kazakhstan, Russia, Turkey and Iran.

One of the most dynamically developing sectors of the economy of Turkmenistan in 2023 was transport. Over the 11 months of 2023, this sector saw a significant increase in the volume of work and services – by 21.3 per cent. According to vestiabad.ru, freight traffic increased by 3.9 per cent. All sectors showed high growth rates: rail transport increased by 6.5 per cent, road by 17 per cent, air by 100 per cent and sea and river by 5.2 per cent.³¹²

In conclusion, it can be stated that co-operation in the transport sector is acquiring a strategic nature for all Central Asian states. The countries of the region demonstrate a high interest in the formation of a new regional model of transport and communication interconnectivity and will continue active transport diplomacy, which will allow the synchronisation of national projects of the states of the region with the international North-South and West-East transport corridors, turning Central Asia into an important link in interregional interconnectivity.

³¹² Central Asian countries build new transport corridors and change logistics. Available at: <https://www.inform.kz/ru/strani-tsentralnoy-azii-stroyat-novie-transportnie-koridori-i-menyayut-logistiku-6bdc74> (Accessed on March 30, 2023).

New Trajectories for Transport Corridors in Central Asia and Afghanistan

Parviz Mullojonov

In recent years, a gradual and large-scale transformation of the entire system of transportation routes and corridors in Eurasia is under way, particularly in Central Asia. Changes of this magnitude happen only a few times in a century, and as a rule, they are caused by equally large-scale changes in global geopolitics and geo-economics. Correspondingly, the current restructuring of the transportation network is already having a significant impact on global geopolitics as well as on the political, economic and social development of the countries located on the path of the new transport corridors. In turn, these changes themselves cause far-reaching consequences that further affect geopolitical alignments and landscapes both at the international level and at the domestic level in the case of the countries involved.

An in-depth analysis and exploration of these changes will help make a more realistic projection of the likely political and economic developments at both the regional/global and state levels. The purpose of this chapter is to study the ongoing changes in Eurasia's transport network, mainly in post-Soviet Central Asia and Afghanistan. This article focuses on three aspects of these changes. First, it presents a brief analysis of the factors that led to this new transportation restructuring, which will help us determine the long-term effectiveness and sustainability of the changes in Eurasia's transport sector. The outcome of the Russian-Ukrainian war and the economic challenges in China could either hamper or accelerate the implementation of large-scale transport and infrastructure projects in Eurasia. In addition, the implementation of global transportation initiatives may be influenced by such factors as the long-term political and economic stability of Central Asia and Afghanistan.

Second, we briefly review the main ongoing and expected changes in international transportation networks – especially in Central Asia and Afghanistan. Third, the paper attempts to answer a set of important questions that arise in this regard: for example, to what extent will the new large-scale transport projects of the Afghan corridor contribute to the political success of the Taliban movement both globally and within Afghanistan? To what extent do these global infrastructure projects correspond to the current economic development strategy of the Taliban movement? Will the Taliban be able to achieve international recognition in the international arena because of the successful implementation of major infrastructure projects without being forced to sacrifice their ideological principles and beliefs? And will these projects contribute to strengthening the Taliban's power inside the country, gaining wider public support and neutralising the political opposition?

Search for New Alternatives

For many years, the transportation and trading routes network in Eurasia that existed since the middle of the 20th century seemed rather sustainable and efficient. Thus, most of the trade between Central Asian countries and the EU passed through Russian territory. It was an old cargo transportation system, built and developed back in the days of the Soviet Union; part of the cargo from China also passed along this route. In

general, until recently, most trade between the West and the East of Eurasia was carried out through the sea.

The newly independent Central Asian republics were apparently less satisfied with their excessive dependence on the northern transportation route – partly for economic reasons, as it negatively affected the cost of transportation. In addition, transport dependence increased their political and economic subordination to Moscow. Therefore, in the early 1990s, Central Asian states launched their search for alternative transport routes to Europe and the outer world – largely with the help of foreign donors, who were also interested in promoting the independence of the former Soviet republics from Moscow. Thus, in 1993, international and local stakeholders established the Transport Corridor Europe-Caucasus-Asia (TRACECA) programme funded by the European Union and the European Commission. The TRACECA goal was to develop alternative transport corridors to Europe, mainly through the Central Asian and Caucasian regions. In addition, after the collapse of the USSR, the countries of the Central Asian region opened new transport routes directly to China, as well as to the south – to the Persian Gulf ports through Iran.³¹³

However, this was clearly not enough for the newly independent countries of Central Asia, especially for oil and gas-rich Uzbekistan, Turkmenistan and Kazakhstan. These former Soviet republics were interested in new alternative routes, which would allow them to reduce transportation costs and earn higher revenues from the sale of their resources, to transport their resources abroad and get access to the new markets. In this regard, the idea of opening a new transport corridor to the South, through Afghanistan to the Pakistani port of Karachi, which is one of South Asia's largest and busiest deep-water seaports, seemed extremely attractive. Thus, according to preliminary calculations, the complete realisation of Afghanistan's transport and infrastructure potential would reduce the time for transporting goods, for example, from Uzbekistan to Pakistan from 30-35 days to 10-15 days. Freight transportation by the new railway could reduce transportation costs between Russia and Pakistan by 15-20 per cent, and between Central Asian countries and Pakistan by 30-35 per cent.³¹⁴ Therefore, it is not surprising that, leaders of the Central Asian republics were fascinated by the geopolitical opportunities and prospects of opening up, thanks to new pipelines and transport routes to the south.

As a result, Tashkent and Ashgabat were among the first countries that actively attempted to establish closer relations with the first Taliban Government after it came to power in 1996. Thus, in the autumn of 2000, President Islam Karimov stated that Tashkent was ready to initiate a dialogue with the Taliban movement if it ensured control over the situation in Afghanistan, and stressing that "it is important for us that someone ensures security and stability in this country."³¹⁵ Saparmurat Niyazov, the President of Turkmenistan, was even more insistent; in March 1995, Niyazov and Pakistan's Prime Minister Benazir Bhutto signed in Islamabad a memorandum on the construction of a gas pipeline from

313 Grosheva, Daniela (2023). "Competition of international transport corridors for development in Central Asia," *IA Cabar Asia, IWPR*. Available at: <https://cabar.asia/en/competition-of-international-transport-corridors-for-development-in-central-asia>

314 Nachalas realizatsia Transafganskoi zheleznoi dorogi (The implementation of the Trans-Afghan Railway has started), *Gazeta.uz*. Available at: <https://www.gazeta.uz/ru/2022/07/20/railway/>

315 Gerasimov, Mikhail Chto vinuzhaet Tashkent smyagchit svoyo otnoshenie k talibam (2021). (What forces Tashkent to mitigate its attitude towards the Taliban) NG. Available at: https://www.ng.ru/cis/2001-01-30/5_tashkent.html (Accessed on September 11, 2024).

Turkmenistan to Pakistan through Afghanistan. The construction was undertaken by the Unocal-Delta Consortium founded by Unocal (USA) and Delta Oil Company (Saudi Arabia). In addition to the gas pipeline (at an estimated cost of about USD 2 billion), the consortium planned to build an oil pipeline to the Pakistani coast on the Indian Ocean (Gwadar port, at an estimated cost of about USD 4 billion).³¹⁶ The initiative was also actively promoted by Pakistan to such a degree that one Russian journalist of that period proclaimed that “the Taliban are just an advance detachment of Pakistani oil workers” and, therefore, “the Taliban will not be allowed to fight anymore”.³¹⁷ Later, Uzbekistan and Russia’s Gazprom joined this consortium, but the September 11, 2001 attack and the subsequent fall of the first Taliban government prevented the implementation of this large-scale infrastructure project.

During the subsequent decades of the new Afghan democratic government, the Central Asian republics as well as other interested international actors actively sought to promote the idea of the trans-Afghan corridor. However, since political stability in the country has not been achieved, the implementation of these large-scale infrastructure projects has proved practically impossible. In addition, the restraining role of the Russian Federation, which at that time fully dominated the region, should be also considered. In general, Moscow was quite satisfied with the existing status quo and was not interested in opening alternative transport routes that would potentially compete with the Northern Transport Corridor. On the other hand, by the mid-90s, the Russian government could no longer completely block TRACECA and, hence, eventually joined it through Gazprom.

The situation has changed dramatically with the victorious and rapid rise of the Taliban movement to power in Afghanistan in August 2021. The devastating defeat of the anti-Taliban forces inspired new hopes among supporters and proponents of the idea of Trans-Afghan Transport Corridor. They started to believe that the new Taliban government will finally be able to ensure political stability and security throughout the country – the main prerequisite for the successful implementation of this large-scale infrastructural initiative.

Accordingly, starting in 2021, there was a sharp intensification of diplomatic efforts by a number of neighbouring countries and interested donors to push forward the implementation of the Trans-Afghan Corridor initiative. Most of these infrastructural projects had already been designed in the 2000s, but the political situation in Afghanistan did not allow their implementation. Today, we are witnessing an increase in the number of stakeholders who consider the Trans-Afghan Corridor a real prospect. As a result, in February 2021, Uzbekistan, Afghanistan and Pakistan signed a roadmap for the construction of the Mazar-i-Sharif - Kabul - Peshawar railway in Tashkent. The cost of the project is estimated at USD 5 billion, and work on the project was officially launched in 2022.³¹⁸ Already, the delivery of liquefied natural gas (LNG) from Turkmenistan to Pakistan by road in tankers has been established. In the future, energy supplies to

³¹⁶ Mursaliev, Azer *Taliban: internatsionalni dolg otdan* (2024) (The Taliban: the international debt has been paid), 08.10.1996, *Journal Kommersant Vlast*, September 12, 2024. Available at: <https://www.kommersant.ru/doc/12995> (Accessed on September 12, 2024)

³¹⁷ Ibid.

³¹⁸ Nachalas realizatsia Transafganskoi zheleznoi dorogi (2024).[The implementation of the Trans-Afghan Railway has started], *Gazeta.uz*, September 12, 2024. Available at: <https://www.gazeta.uz/ru/2022/07/20/railway/> (Accessed on September 12, 2024).

Pakistan and India are planned to be carried out under the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project.³¹⁹

Driving Factors

It should be noted that the prospects for the construction of the Trans-Afghan corridor were influenced by several factors, including profound shifts in the geopolitical situation at the global and regional levels. The first factor was the war in Ukraine and the increasing confrontation between the Russian Federation and the West, which forced the leadership in Moscow to revise the country's trade and transportation strategy. The earlier transport route through Russia to Europe was practically closed due to the war. More importantly, direct Russian gas supplies to the European Union countries have become impossible; Russia has lost the European gas market for a long time, if not forever. As a result, the Russian leadership has been forced to reorient cargo flows and the supply of energy resources from the West to the East.

The introduction of large-scale Western sanctions against Russia, including protective measures in transport logistics, forced Central Asian countries and China to look for workarounds for supplies from Europe and develop new transport routes. Experts today call these changes "tectonic shifts" in the once monolithic international transport logistics focused on Western countries. On the one hand, in Russia's new transport strategy, a new logistics "hub" connecting Russia with the countries of Europe and Near Asia is Turkey. On the other hand, the countries of Central Asia are becoming the second strategic direction for Moscow strategists. In this new vision, Afghanistan is seen as one of the potential hubs in the southern direction towards the markets of South and East Asia. Thus, in the new geopolitical conditions, an important task today for the Russian economy is to turn to the East, which is undoubtedly impossible without creating new logistics corridors and expanding the transportation capacities of existing ones. Accordingly, Russia today has become one of the main proponents and pushers of the idea of turning to the East and the Global South – through post-Soviet Central Asia and Afghanistan.

The second significant factor is related to China and its global 'One Belt, One Road' initiative. The project aims to create new trade routes, transport and economic corridors linking China with the countries of Central Asia, Europe and Africa. China intends to create the world's longest economic corridor, which will cover 4.4 billion people. As of April 2022, 148 countries and 32 international organisations have signed documents on co-operation with China in this direction.³²⁰ By implementing this initiative, the Chinese leadership pursues two goals: first, it diversifies the system of international cargo transportation of the People's Republic of China, which remains predominantly one-sided; currently, up to 90 per cent of cargo is transported to/from China by sea.³²¹ Such

³¹⁹ Szhizhenni gaz iz Turkemistana pribil v Pakistan cherez Afghanistan (2023) [Liquefied Gas from Turkmenistan arrived in Pakistan via Afghanistan] *News of Central Asia*, 2023. Available at: <https://www.newscentralasia.net/2023/06/15/szhizhennyy-gaz-iz-uzbekistana-i-turkmenistana-pribyl-v-pakistan-cherez-afghanistan/> (Accessed on September 12, 2024).

³²⁰ Talibi dodgovorilis of vkluchenii Kabula v "Odin poyas-Odin put'" (2023). [The Taliban agreed with China to include Kabul in the project One Belt-One Road", May 7,2023, RBK]. Available at: <https://www.rbc.ru/economics/07/05/2023/64575af79a79472738532603> (Accessed on September 10, 2024).

³²¹ Logistics from China to Europe: Transport Routes, Duration, and Costs. (31.01.2022) DHL, Business. Available at <https://dhl-freight-connections.com/en/business/logistics-from-china-to-europe-transport-routes-duration-and-costs/#:~:text=China%20Import%20to%20Europe%3A%20Duration%20of%20the%20Transport%20Routes&text=These%20large%20volumes%20are%20likely,Europe%20by%20ship%20in%202021> (Accessed on September 10, 2024).

unilateral and excessive dependence on maritime supplies makes the Chinese economy extremely vulnerable to external factors – for example, in the case of a potential confrontation with the USA and the West over Taiwan. Transferring a significant part of the cargo flow to rail and road transport routes could significantly reduce this dependence and the associated geopolitical risks for China.

The third reason is China's export-focused industry, which faces growing competition in global markets. China is interested in ensuring direct access to mineral resources abroad and reducing the cost of their imports for Chinese factories and processing enterprises. In addition, the developed road infrastructure will allow China to gain direct access to markets throughout Eurasia. Ultimately, the implementation of the One Belt-One Road programme is designed to ensure the advantage and competitiveness of Chinese industry and manufactured goods in world markets.

The new geopolitical situation also means a global turn in the diplomatic strategy of the post-Soviet countries, primarily Russia, Turkmenistan, Uzbekistan and Kazakhstan. Their efforts today are, on the one hand, aimed at lobbying for the establishment of good relations between Afghanistan and the international community. This also means lobbying for international recognition of the Taliban regime, which is also one of the necessary prerequisites for the implementation of the Trans-Afghan Corridor. On the other, post-Soviet countries understand that the international recognition of the Taliban regime is impossible without certain concessions on its side, primarily in the field of human rights and gender equality. Therefore, part of their diplomatic strategy is to convince the more moderate factions of the Taliban regime to make at least minimal and demonstrative concessions in this direction to make their mediation efforts more efficient and successful.

Another significant direction of the diplomatic activities of this group of 'friendly' countries is the normalisation of their direct political and economic relations with the Taliban Government. It also implies the promotion of gradual de-facto recognition of the Taliban by excluding the movement from the list of terrorist organisations, receiving its diplomatic missions, inviting it to international gatherings and summits, and involving the Taliban in various international economic initiatives and projects. The decision to exclude the Taliban from the list of terrorist organisations has already been made in Moscow at the highest level. This was announced by Zamir Kabulov, special representative of the president of the Russian Federation for Afghanistan.³²²

Kazakhstan went even further: Astana has excluded the Taliban from the list of banned organisations. In early June 2024, Kazakh President Kassym-Jomart Tokayev announced that the Kazakh authorities had excluded the Afghan Taliban movement from the list of terrorist organisations. According to Tokayev, this was done based on the need for co-operation with Afghanistan as "the current regime will be a long-term factor."³²³ The involvement of the Taliban in large-scale economic projects is also underway: already in May 2023, Beijing and Islamabad agreed to the Taliban's demand to include Afghanistan in the China-Pakistan Economic Corridor; USD 60 billion worth of projects are expected come up along the corridor. In the future, this will allow Afghanistan, which is under UN

322 Сергей Ромашенко RF iskluchit Taliba iz spiska terroisticheskikh organizatsii DW. Available at: <https://www.dw.com/ru/rossiya-iskluchit-taliban-iz-spiska-terroristicheskikh-organizacij/a-70406508> (Accessed on October 3, 2024)

323 Kazakhstan iskluchil Taliban is spiska terroristicheskikh organizatsii (2024). [Kazakhstan excluded Taliban from the list of terrorist organisations], *Radio Svoboda*, May 3, 2024. Available at <https://www.svoboda.org/a/kazakhstan-isklyuchil-taliban-iz-spiska-terroristicheskikh-organizatsiy/32977458.html> (Accessed on September 10, 2024).

and US sanctions, to attract billions of dollars in investments to finance infrastructure projects.³²⁴ Tashkent actively promotes the construction of the Mazar-i-Sharif – Kabul – Peshawar railway between Uzbekistan, Afghanistan and Pakistan; the project roadmap was signed in February 2021. The project involves the construction of a 573-km highway and a transit potential of up to 20 million tonnes of cargo per year connecting “the European Union, Russia, Uzbekistan, Afghanistan, Pakistan, India and further Southeast Asian states”.³²⁵

It should be noted that today there is a range of driving factors that favour the implementation of the Trans-Afghan Corridor project. As described above, the geopolitical situation in the region has become considerably more conducive for project implementation. Besides, the Taliban government is basing its claims to legitimacy on the Trans-Afghan Corridor and other large-scale infrastructure projects such as the construction of the Qush-tepa irrigational channel in Northern Afghanistan. In other words, the Taliban leadership considers large-scale infrastructure projects as the main tool for resolving both its internal and external challenges and problems. Thus, the significant interest of neighbouring post-Soviet countries and China in the implementation of Trans-Afghan transport projects allows the Taliban leadership to hope for the possibility of obtaining international recognition in the foreseeable future. At the same time, the Taliban has reasons to believe that in the new geopolitical conditions, they will be able to achieve international recognition without having to make any serious concessions in power-sharing or over the issue of human rights. Thus, Maulawi Abdul Kabir, political deputy of the ministry of foreign affairs, stated last year that the Islamic Emirate already has embassies in 16 countries of the world and “the world has no other way but to interact with the Islamic Emirate”.³²⁶ In the view of the Taliban leadership, large-scale infrastructure projects should play a special role as catalysts for the diplomatic process of international recognition of the Taliban regime.

Such an excessive fixation on various mega-projects – whether it is the Trans-Afghan Corridor, the construction of the Qush-tepa or the reconstruction of Kabul – is a typical feature of many political regimes that came to power in a “revolutionary” way. In a situation in which they have neither enough qualified and educated personnel and experienced managers, nor an understanding of economics and finance, such “revolutionary” governments are usually forced to rely on mega-projects considering them as a kind of “miracle tool” designed to solve all problems in a short time. A classic example is the Russian Bolshevik movement, which also came to power in a situation of complete economic ruin and decline. The Bolshevik leadership, led by Stalin, saw the way out in the implementation of infrastructural mega projects. In the 1920s and 1930s, the Bolsheviks implemented dozens of infrastructure mega projects ranging from the construction of grandiose water channels to the building of gigantic power plants. As a result, the Soviet government managed to stabilise the political and economic situation inside the country and obtain international recognition.

324 Talibi dodgovorilis of vkluchenii Kabula v “Odin poyas-Odin put” (2023) [The Taliban agreed with China to include Kabul in the “One Belt-One Road” project], May 7, 2023, RBK. Available at <https://www.rbc.ru/economics/07/05/2023/64575af79a79472738532603> (Accessed on September 11, 2024).

325 “The Trans-Afghan Railway Line: Back on Track?” (2022) *The Diplomat*. Available at <https://thediplomat.com/2022/07/the-trans-afghan-railway-line-back-on-track/> (Accessed on September 14, 2024).

326 “Mavlavi Abdu Karim on International Relations,” (2023) *Tolo News*, August 19, 2023. Available at: <https://x.com/TOLOnews/status/1692783271543726565> (Accessed on September 12, 2024).

Throughout the rest of Soviet history, this feature remained a distinctive feature of the Soviet management system; at the same time, it ensured that the largely agrarian economy of the Soviet Union got transformed to one of the most highly industrialised and modern economies with considerable political clout on the international stage. There were certain spillover effects of such a policy, but the policies themselves remained relevant then and continue to do so even today. Apparently, the Taliban leadership is going to follow the same path, giving prevalence to the macro-economy over the micro-economic, small business sector, using the geographical location and mineral reserves of Afghanistan as the main geopolitical resource. Infrastructural mega projects are supposed to play a strategic role and help pull the country out of an economic crisis, promote international recognition, and ensure the political stability and long-term domination of the ruling regime.

At first glance, given the favourable geopolitical situation and the Taliban's control over all regions of the country, we can assume that at least some of the above goals look quite achievable. Thus, with stable financing, the construction of the trans-Afghan railway and automobile routes can be completed within a few years. In this case, the Taliban government will be able to replenish the state exchequer and strengthen its power over the country, although, of course, even a full-fledged launch of the Trans-Afghan Corridor will not ensure a strong increase in employment and an improvement in the living standards of the population – first because, as a rule, large-scale infrastructure projects are not labour intensive and hence, do not directly involve the creation of jobs and second because, as international experience shows, a sustainable increase in state budget revenues does not always mean a fair distribution of its funds among the population. Of course, the inflow of foreign currency will have a positive effect on the economy, but raising living standards requires more time and a well-directed and properly targeted economic policy.

However, the biggest question is the real feasibility of the Trans-Afghan Corridor project. Currently, as the opponents of this project claim, the Afghan government indeed controls the entire territory of the country. However, there are still armed opposition groups in the country, not to mention a fairly significant number of ISIS-Khorasan supporters. There is no guarantee that the ISIS militants will not choose the infrastructure facilities of the transport corridor as their legitimate target in the future as they are well aware of its importance for the Taliban authorities. Even one terrorist attack can ensure the complete paralysis of any transport route – railway tracks, power lines or gas pipes. In other words, in this case, the scale of a partisan or opposition movement does not matter as a terrorist attack could be conducted even by a small group. If the Trans-Afghan transport routes is even partially blocked, it could cause considerable financial losses and undermine the trust and confidence among the project's investors and stakeholders. Afghanistan is witnessing the strengthening and activation of the most radical fundamentalist group in its territory. The ISIS-Khorasan has significantly strengthened its position in the northern and central regions of the country over the past year, gaining supporters among representatives of national minorities. In this situation, the Taliban's ability to ensure the security of the Trans-Afghan corridor facilities in the long term will continue to raise questions. Accordingly, questions regarding the economic sustainability and the feasibility and long-term sustainability of the Trans-Afghan Corridor will continue to remain.

Iran's Strategic Port Position in Connecting Eurasia to South Asia

Jahangir Karami

For more than three decades, the Eurasian region has occupied centre-stage in the study of international relations and geopolitical studies. One of the most important aspects of this region lies in the fact that it sits on the cusp of both Europe and Asia, which makes it a hotbed of opportunities and challenges on the world stage. The region has become a flash point for global competition between Russia and the USA. Another factor which complicates the situation in the region is the landlocked topography that certain Central Asian countries have. The natural geographical factors and the condition of the Soviet era transportation infrastructure have made access an important concern in the new era. This chapter explores Iran's role in connecting Eurasian countries to South Asia. Iran, due to its maritime borders in the Caspian Sea, the Persian Gulf, the Sea of Oman, and the numerous ports along these seas, especially Chabahar Port, has strategic possibilities for Eurasia's access to South Asia. Iran's connectivity potential and ability to act as a link between Eurasia and South Asia is the focus of this chapter. The paper argues that if Iran can reach an effective agreement to bring the present US sanctions regime to an end, it can play a strategic role as a bridge for inter-regional ties to flourish among Eurasian nation states and operationalise the North-South and Southern Corridors.

Iran's logistics and transportation situation

Iran is located at the heart of three vital global geostrategic locations, namely the Middle East, Central Eurasia and South Asia. Since 1991, after the collapse of the Soviet Union, several new trade routes have been explored to provide a link between the Central Asian states and South Asia. The North-South Corridor, the Belt and Road Initiative (BRI)³²⁷ and the South Corridor of the Economic Cooperation Organization (ECO)³²⁸ pass through Iran. Iran has also been a member of the Transport Corridor Europe-Caucasus-Asia (TRACECA)³²⁹ Corridor since 2020 and the Ashgabat Treaty since 2011.³³⁰ Therefore, Iran is part of five international transit corridors: the International North-South Transport Corridor, Transport Corridor Europe-Caucasus-Asia, BRI, ECO's Kyrgyzstan-Tajikistan-Afghanistan-Iran (KTAI) Road Corridor,³³¹ and the Islamabad-Tehran-Istanbul (ITI) Road Corridor³³² or Southern Corridor.³³³ About Iran's role in the North-South corridor that connects Eurasia to South Asia, Boltuce writes that since the strategic role that the INSTC³³⁴ will be playing in the Eurasian geopolitical chessboard is so evident, Iran has adopted a strategy aimed

327 The Belt and Road Initiative (BRI), known in China as the One Belt One Road and sometimes referred to as the New Silk Road, is a global infrastructure development strategy adopted by the government of the People's Republic of China in 2013 to invest in more than 150 countries and international organisations.

328 The Southern Corridor connects South Asian countries to Turkey and Europe via Iran. This corridor was established within the framework of the railway agreements from Istanbul to Bandar Abbas and from Bishkek to Chabahar.

329 Transport Corridor Europe-Caucasus-Asia.

330 The Ashgabat Agreement was signed in 2011 to create an international multimodal transport and transit corridor between Central Asia and the Persian Gulf. The agreement was originally signed by Iran, Oman, Qatar, Turkmenistan and Uzbekistan on April 25, 2011.

331 Kyrgyzstan-Tajikistan-Afghanistan-Iran (KTAI) agreement signed in 2020.

332 ECO-ITI (Islamabad-Tehran- Istanbul) Road Corridor.

333 Available at <https://ilia.co/insights/iran-logistics-industry>, (Accessed on March 12, 2024)

334 International North-South Transport Corridor.

at exploiting the benefit of these logistics projects and is therefore promoting national companies such as the IRISL Group. At the ECO³³⁵ Summit in Tashkent on November 9, 2023, Kazakhstan, Russia, Iran, and Turkmenistan collaborated on advancing a roadmap for the development of the INSTC. This plan outlines an increase in the logistics route's capacity to 15 million tonnes by the year 2027. Iran's strategy within the INSTC involves a multi-faceted approach centred on fostering investment, enhancing infrastructure, and optimising transport logistics".³³⁶

Figure 1: Map of Iran



Source: <https://safety4sea.com/irans-islamic-revolutionary-guard-corps-seize-tanker-for-fuel-smuggling>.

The South Asian market offers a hopeful solution to the Central Asian countries in terms of opportunities. The difficult question lies in the topography of Central Asia and the geopolitical realities of the region where the connecting routes are located. Central Asian geography makes movement of goods profitable and economically viable via Afghanistan, but Afghanistan's internal problems, coupled with its shaky relations with Pakistan, makes it an unreliable route. Apart from politics, geography plays an important role too, as the Afghanistan route goes through mountainous terrain, which makes laying down railway lines a challenge and renders road transport unprofitable. The tensions between Pakistan and India makes the Afghanistan route all the more difficult to realise. These are some of the factors why a route through Iran will be easier for South Asian countries. India's presence in the North-South corridor agreement since 2000 and its participation in the operationalisation of this corridor shows that it is a logical option for India to access Central Asia and the Caucasus through Iran.

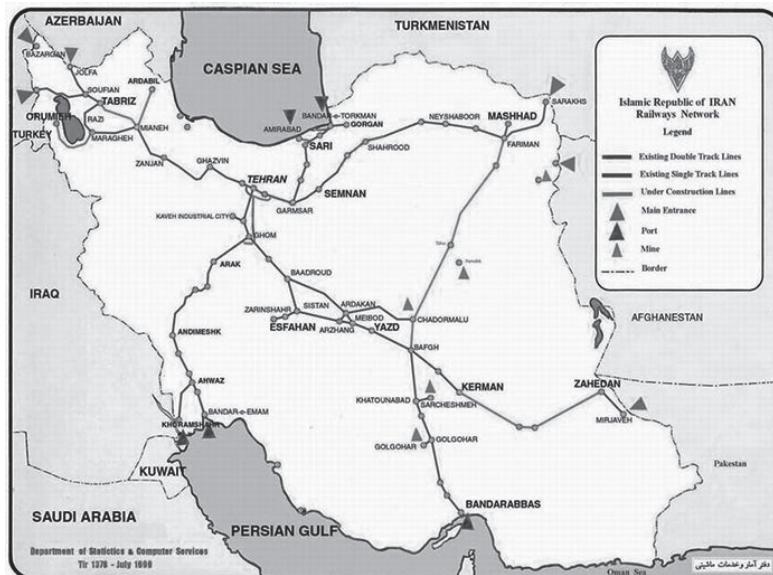
335 Economic Co-operation Organisation.

336 Boltuce, Silvia (2023), Iran and the IRISL Group's Crucial Role in the International North-South Transport Corridor (INSTC), Special Eurasia. Available at: <https://www.specialeurasia.com/2023/11/30/iran-irisl-group-instc> (Accessed on March 14, 2024)

Since the beginning of the war in Ukraine, the North-South Corridor has seen a spike in activities. Iran's railway lines connect the northern borders of Central Asia (Turkmenistan) and South Caucasus (the Republics of Azerbaijan and Armenia) to Iranian ports. Considering that Central Asian countries lack access to the open seas, Iran is their closest access route. Since the independence of the Central Asian countries in 1991, Iran has tried to facilitate access for the countries of the region through the expansion of the ECO,³³⁷ multilateral and bilateral agreements, and investment in transport infrastructure. Since then, Iran's economic development programmes have given special priority to transportation routes from the north to the south of the country.

Iran is now a transit transportation hub for neighbouring countries. Central Asian nations, worried about bottlenecks at Caspian Sea ports that have caused weeks of delays, and the war raging in Ukraine that has impeded Eurasian traffic, are looking towards Iran to facilitate trade and free movement. Commercially, using Iran as a land route makes sense. A global container shortage has upped the cost of sea freight and the threat of piracy and terrorism at sea has jacked up insurance rates. A land option, roughly coinciding with the ancient Silk Road, connecting Asia to Europe reduces transit times, lowers insurance and refrigeration costs, eases other transport bottlenecks, and could alleviate supply-chain shortages, benefiting businesses and consumers worldwide.³³⁸

Figure 2: Iran's Railway Lines



Source: <https://www.middleeastbriefing.com/news/iran-developing-as-a-regional-freight-rail-hub/>

In 2021, Iran ranked 26th among 148 countries in the world's rail transport sector with 11,100 km of rail lines and 23rd in the road transportation sector with 223,485 km of

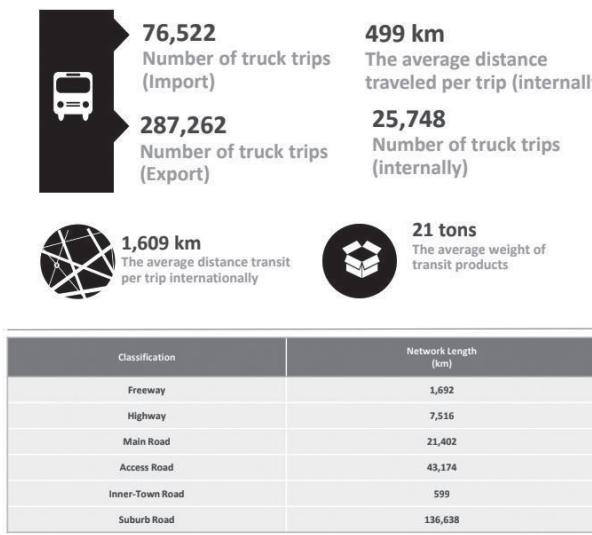
337 The Economic Co-operation Organization was the successor organisation of what was the Regional Co-operation for Development (RCD), founded in 1964, which was wound up in 1979. In 1985 Iran, Pakistan and Turkey joined to form the ECO.

338 Dargahi, Borzou (2022). "Iran is now a transit transportation hub for neighbouring countries. Here's how it happened", *Atlantic Council*. Available at: <https://www.atlanticcouncil.org/blogs/iran-source/iran-is-now-a-transit-transportation-hub-for-neighboring-countries-heres-how-it-happened> (Accessed on September 3, 2024).

road length and highway coverage. The most important part of a country's transportation is related to the maritime sector in which, according to global statistics, Iran ranks 30th in the world with 739 ships. There are significant plans to invest and expand railway infrastructure with an expected expenditure of over USD 8 billion in the coming five years. The ultimate goal is to expand the rail network to over 25,000 km by 2025. This is much needed and should add significant value to Iran's economy over time, allowing more domestic and international trade.³³⁹ A recently published report by the World Economic Forum on the quality of infrastructure in different countries ranked Iran at the 81st position among 143 countries. Iran ranked 80th in terms of port infrastructure quality.³⁴⁰

Rail freight traffic in 2021 totalled 32.92 billion tonnes, and passenger traffic reached 11.23 billion passenger-kilometres. In the same year, about 1.55 million cargo containers were transported via inland waterways. The road and highway network has a total length of 223,485 kilometres, which is 2.51 metres for each of the country's 89.17 million people, which gives Iran a global rank of 23; 88 per cent of the roads or 195,618 kilometres is paved.³⁴¹

Figure 3: Iran's Road Network in 2021



Source: <https://ilia.co/insights/iran-logistics-industry>

Certain problems have led to limiting Iran's role in establishing regional transportation and logistics networks.³⁴² The tensions in relations with the Western world, especially with the US, and the sanctions related to the nuclear issue have impeded investment in the development of transportation. Despite these problems, Iran's naturally advantageous geography and extensive infrastructure from the Caspian Sea to the Persian Gulf, the

339 See <https://ilia.co/insights/iran-logistics-industry> (Accessed on March 12, 2024)

340 See <https://www.tinn.ir/2/27268> (Accessed on April 6, 2024)

341 See https://www.worlddata.info/asia/iran/transport.php#google_vignette (Accessed on April 7, 2024)

342 See Motalibi, Mohammad Ali and Kafilli, Vahid (2019). "Investigating the position of Iran's maritime transport in Iran's economy and the world arena," *Journal of Defense Economics and Sustainable Development*, Vol 4 (14) pp.38-40.

Oman Sea and the Indian Ocean have provided many opportunities for Iranian logistics and helped it play a role in linking Central Asia and the Caspian Sea basin to South Asia and other regions of the world.

Iranian ports in the Caspian Sea and the Persian Gulf

According to the maritime transport statistics for the year 2021, about 80 per cent of world trade in terms of weight and more than 70 per cent in terms of value is carried out by sea and moved via ports.³⁴³ Given the geographical conditions and the re-emergence of geopolitical competition, regional connectivity through ports has taken a pivotal position in bilateral and multilateral engagements.³⁴⁴ Present day trade across the globe is largely dependent on maritime routes because of easy availability of routes and in-depth knowledge of navigation acquired through centuries of experience. The amount of goods changing hands in today's globalised world is huge and much of it is transported by maritime routes.

Iran's location between the Caspian Sea and the Persian Gulf gives it a strategic advantage in terms of access to the Central Asian and Caucasus markets and as a maritime link between these and South Asian markets. Besides, highway and railway lines connect Iran's northern ports in the Caspian Sea with major ports in the Persian Gulf and Oman Sea. The distance between Iran's ports in the Caspian Sea and the Persian Gulf is about 1500 km.

Figure 4: Iran's Major Ports



Source: Majidi, Ali & Mirzapour Al-e-hashem, S.M.J. & Zolfani, Sarfaraz³⁴⁵

343 See <https://unctad.org/publication/review-maritime-transport-2021> (Accessed on January 15, 2024).

344 Singh, Sandeep & Bawa Singh (2019). Geopolitics of ports: Factoring Iran in India's counterbalancing strategy for "Sino-Pak Axis", *Journal of Eurasian Studies*, Vol.10(1):187936651985071, DOI: 10.1177/1879366519850712, Available https://www.researchgate.net/publication/333780150_Geopolitics_of_ports_Factoring_Iran_in_India's_counterbalancing_strategy_for_Sino-Pak_Axis, (Accessed on April 11, 2024).

345 Majidi, Ali & Mirzapour Al-e-hashem, S.M.J. & Zolfani, Sarfaraz. (2021), "Mathematics Sustainability Ranking of the Iranian Major Ports by Using MCDM Methods. Mathematics" 9. 10.3390/math9192451 (Accessed on March 10, 2024).

The length of Iran's water border with the Persian Gulf, including the islands, is about 1,800 km; it is about 1,400 km excluding the islands. The length of the Persian Gulf from the Strait of Hormuz to the last point of its advance in the west is about 805 km. In total, Iran has 2,700 km of coastline in the Caspian Sea, the Persian Gulf and the Sea of Oman. There are five Iranian ports on the Caspian Sea, three of which hold potential for extensive maritime trade. The Persian Gulf and Oman Sea includes more than ten major commercial ports.

Iran's three main commercial ports in the Caspian Sea are Amirabad, Nowshahr and Anzali. Amirabad port is located on the coast of the Caspian Sea in Iran; it was established to facilitate goods movement from the Caspian Sea. Nowshahr port is located on the southern coast of the Caspian Sea, 194 km north of Tehran, and covers an area of 44 hectares, including numerous docks equipped with coastal and marine equipment. This port annually hosts more than 500 ships and handles 1.5 million tonnes of cargo annually. It also includes the Caspian Special Economic Zone. Anzali port handles about 1300 ships and 4 million tonnes of cargo annually. The Caspian Sea ports mostly handle trade with Russia and the Commonwealth of Independent States (CIS) and transit shipments. Other Caspian Sea ports (Amirabad and Anzali ports) mainly handle tankers, small craft and fishing boats.³⁴⁶

There are many ports in the south of Iran, among which Bandar Abbas, Imam Khomeini, and Chabahar have a wider international role. Bandar Abbas is known as the largest economic port of Iran and is a major hub of international trade. It is Iran's largest port with a length of 1400 metres and a width of 200 metres, capable of handling large ships.³⁴⁷ This port also has facilities such as cold and hot warehouses, rail transportation terminal and road transportation lines. Considering that Bandar Abbas is located near the countries of the Persian Gulf and South Asia, trade with these countries can be done easily.

Figure 5: Main & Subsidiary Ports



Source: <https://ilia.co/insights/iran-logistics-Industry>

346 See <https://maroos.net/iranian-ports> (Accessed on March 17, 2024).

347 See <https://aslforwarder.com/blog>, (Accessed on March 23, 2024).

Imam Khomeini port, which is located in the north-western region of the Persian Gulf, has an area of 11,041 hectares and receives oil tankers, bulk and container shipments that come from the Persian Gulf, Oman sea, the Strait of Hormuz and the Indian Ocean. This port is the most modern and the largest port in Iran in terms of size, and although it handles minerals, ores, general cargo and container transportation, it is known as one of the major petrochemical export centres. This port is an important railway terminal and moves about 1,650,000 tonnes of cargo and 6,300 passengers annually. The port is well connected to the national railway network and roads leading to major industrial centres and cities and has commercial connections with Iraq, the countries in the Caucasian region, Turkey and Eastern Europe.

International position of Chabahar port

Chabahar is the only ocean port in Iran that has direct access to the Indian Ocean. This port has a strategic role in the north-south corridor and can reach different points and make different countries and cities accessible through road and rail lines. It is the only port in Iran that is exempted from US sanctions.³⁴⁸ This port currently has a lot of activity and is especially important for the countries of the region. According to Afghan officials, in 2024, “most of the country’s foreign trade will be carried out through this port”.³⁴⁹ The distance between Chabahar port and some important points is as follows: Mumbai: 768 nautical miles; Sharjah: 375 nautical miles; Dubai: 364 nautical miles; Karachi: 360 nautical miles; Afghanistan border: 900 km; and Ashgabat: 1919 km.

Tehran perceives Chabahar as the only Iranian port that fulfils its strategic goals of becoming the prime trade and transit hub between Central Asia and South Asia. For the realisation of strategic and economic goals, Iran has not only developed the infrastructure of this port but has also been involved with other states to further improve its transit potential.³⁵⁰ One of the important features of Chabahar port is its location in connection with South Asia; it is next to the port of Gwadar in Pakistan and has close sea access to the western ports of India. India has many geopolitical, geostrategic and geo-economic interests in the Eurasian region. However, the port’s potential has not been realised yet due to the lack of geographical connectivity. In the backdrop of the emerging Sino-Pak axis, their moves and countermoves have been limiting India’s multilateral interests, including the connectivity across the Eurasian region. Rai writes about the economic importance of this port for India:

This Iranian port, closest to India and providing easy and secure access for large cargo ships and initially proposed for development by New Delhi in 2003, will serve as a crucial gateway for Indian goods to access landlocked Afghanistan and Central Asia. To better realise its commercial and strategic potential, the development of the port must be integrated with the larger connectivity project of the INSTC. The INSTC envisages the movement of goods from Mumbai to Bandar Abbas in Iran by sea; from Bandar Abbas

³⁴⁸ See: Koolaei, Elahe & Emami, Nabi Alla (2021). “The Position of Chabahar in Deepening Cooperation between Iran and Central Asia,” *Iranian Journal of Central Eurasian Studies*, Vol 16 (2) DOI: 10.22059/jcep.2021.317262.449974. Available at https://jcep.ut.ac.ir/article_93517.html?lang=en (Accessed on April 10, 2024).

³⁴⁹ For details see <https://www.irna.ir/news/85424658m> (Accessed on April 12, 2024).

³⁵⁰ Munir, F. Ul, Khan ,Shaukat, & Ihsan, N. (2021) “Strategic and Economic Importance of Chabahar Port”, June, *Global Economics Review* VI (II), pp.67-74. Available at https://www.researchgate.net/publication/357210738_Strategic_and_Economic_Importance_of_Chabahar_Port, DOI: 10.31703/ger.2021 (Accessed on March 15, 2024).

to Anzali, an Iranian port on the Caspian Sea, by road; from Anzali to Astrakhan, a Caspian port in Russia by ship across the Caspian Sea; and onward to other parts of Russia and Europe by rail.³⁵¹

Chabahar is India's gateway to the Central and broader region of West Asia. The linking of Chabahar port with trade routes within Central Asia and beyond will pave the way for further co-operation among the stake holders. With the expansion of connections between South Asia and Central Asia, West Asian countries and Europe via Chabahar, both Iran and other nations in the region will gain. Iran will be able to play a key role as a result of these linkages, which will increase the strategic importance of Iran and Chabahar.³⁵²

For India, the importance of Chabahar port in terms of regional stability and balancing China's influence in the region has not decreased. For these reasons, Indian Foreign Minister Jaishankar asked American officials not to take a narrow view of the port agreement with Iran. India is currently the world's fastest growing economy and is set to become a USD 5 trillion economy in the next two years. To maintain its growth momentum and make India a global manufacturing hub by 2030, New Delhi needs to develop flexible, reliable and diversified supply chains and transport connectivity across Eurasia to sustain its growth momentum.³⁵³

On May 13, 2024, a long-term agreement was formalised between Indian Ports Global Limited (IPGL) and the Port & Maritime Organization of Iran. IPGL is set to invest approximately USD 120 million, with an additional USD 250 million to be sourced through debt financing. Iran started constructing a rail line from the port with assured Indian assistance; the first phase of the line from Chabahar to Zahedan is expected to be completed soon.³⁵⁴ The upgrading of the port will give India international access to a North-South route that will save time and transport costs between India and Eurasia. Estimates are that the Chabahar Port will bring about a 60 per cent reduction in shipping costs and will halve shipping time from India to Central Asia.³⁵⁵ Many analysts of international issues believe that India's investment in Chabahar goes beyond the economic value of this port and includes more important political and strategic dimensions. In this regard, Amus (2024) writes:

The port will allow India a shorter alternative trade route with Afghanistan and from there to the rest of Central Asia, thereby strengthening India's influence and geopolitical standing in Central Asia. Furthermore, India will be able to bypass Pakistan and establish a more formidable presence next to that country. For example, a transit at the Chabahar Port will allow India direct access to the air force base it maintains in Tajikistan.³⁵⁶

351 Rai, Vinod (2024). "India-Iran Agreement on Chabahar Port: Boost for Global Supply Chain", *ISAS Briefs*; Quick analytical responses to occurrences in South Asia. Available at <https://www.isas.nus.edu.sg/papers/india-iran-agreement-on-chabahar-port-boost-for-global-supply-chain> (Accessed on March 10, 2024).

352 Munir, F. Ul, Khan ,Shaukat, & Ihsan, N. (2021). "Strategic and Economic Importance of Chabahar Port," p. 67.

353 Amir Ahmadian, Bahram (2023) "Chabahar port awaiting a fateful future" *Iranian Diplomacy*. Available at: <http://www.irdiplomacy.ir/fa/news/2026253>(Accessed on March 10, 2024).

354 Menon, Rajesh (2024)."Strategic Significance of Chabahar Port". Available at: <https://www.linkedin.com/pulse/strategic-significance-chabahar-port-rajesh-menon-arfff>, (Accessed on April 24, 2024).

355 Dagan Amus, Lauren (2024)."Chabahar Port – India's Entrance into Geopolitical Influence", *BESA*. Available at <https://bescenter.org/chabahar-port-indias-entrance-into-geopolitical-influence> (Accessed on March 12, 2024).

356 Ibid.

Figure 6: Chabahar Port



Source: Menon, Rajesh (2024). *Strategic Significance of Chabahar Port*, Available at: <https://www.linkedin.com/pulse/strategic-significance-chabahar-port-rajesh-menon-arfff>.

In 2018, the US State Department announced Chabahar's exemption from sanctions.³⁵⁷ This announcement provided a boost to the development of this port.

Iran's geographical location and the capacity of its logistics and transportation infrastructure provides it a unique opportunity to play the role of a trade hub as it has access to the Caspian Sea, the Persian Gulf and the Sea of Oman. Some statistics show that these ports have a large capacity for sea transportation. Over the last 35 years, the Iranian government has tried to establish economic relations with the countries of the region through neighbourhood diplomacy. The relations between Iran and the countries of Central Asia and South Asia are robust and growing and there is minimal tension between them. The ten-year co-operation agreement signed between India and Iran at the beginning of 2024 is an important step to strengthen interactions between Delhi, Tehran and Central Asia. Iran and India's membership in the Shanghai Cooperation Organization has the potential for both countries to pursue clear policies for co-operation and convergence on common regional interests in Central Asia.

However, Iran's ability to play a significant role as a bridge between Europe, Central Asia and South Asia, particularly India, has been limited by the US sanction against Iran. This is despite the Indian government's success in ensuring, through its relations with the United States, that Chabahar Port remains out of the ambit of US sanctions. These sanctions have both limited Iran's domestic capabilities and prevented the growth of foreign investment in the country. Therefore, it seems that active diplomacy is needed to ensure that Iran can effectively pursue common regional interests.

³⁵⁷ Available at <https://www.fdd.org/analysis/2024/05/22/u-s-should-revoke-chabahars-sanctions-waiver> (Accessed on March 6, 2024).

From Pan-Asia-Centrism to Pan-Region-Centrism: Afghanistan and its Promising Role in Central-Asian Logistics

Coline Seigneur & Pierre Chabal

In May 2024, following a summit on the role of Afghanistan in the International North-South Transport Corridor³⁵⁸ (INSTC) with Kazakhstan and Turkmenistan, Taliban Minister of Trade Nuruddin Azizi declared that “a logistics centre is going to be established in Herat province, which can connect the North to South Asia”.³⁵⁹ This province is coined a logistical hub that could serve as a distribution channel between Central Asia (CA) and South Asia, illustrating on a regional scale the importance of Afghan territories in the development of an Asian regional logistics centre. The rise of a competitive Asian region is further underscored by Professor Ibrachev’s concept of “*Pan-Asia-Centrism*”, which highlights the prominence of various geopolitical centres coexisting and thus departing from Mackinder’s heartland theory.³⁶⁰ Nonetheless, this theory retains logistical relevance within the region, as demonstrated by the case of Afghanistan and its integration into the INSTC, which will open CA to South Asia, from Russia to the Indian Ocean.

In this context, Afghanistan could break its isolation by serving as a key logistics hub for its neighbours – China, India, Iran, and nearby Central Asian countries,³⁶¹ who see it as an asset to enlarge the horizons of a cross-road region to the rest of the world. However, this cross-road dimension depends on the willingness of regional actors to invest in a country filled with instability, threatening the long-term stability of any infrastructure, which could undermine the stability of the region itself. Afghanistan’s logistical promises demonstrate the greater role of the Asian region in world logistics, leading to the following research question: *How can the integration of Afghanistan in Central-Asian logistics contribute to the rise of Pan-Asia centrism?*

This chapter argues that Afghanistan can be integrated into Central Asian regionalism by expanding the diplomatic concept of “Pan-Asia centrism” and including it in regional institutions. Furthermore, it argues that as Afghanistan constitutes a logistical asset in the region, it has the potential to confirm the rise of a competitive “Pan-Asia centrism”, strengthening an already promising Central Asian world logistics platform.

358 “Russia Expands Oil Trade South Via Afghanistan, Seeking Warm Water Ports”. (n.d.). Available at <https://thediplomat.com/2024/05/russia-expands-oil-trade-south-via-afghanistan-seeking-warm-water-ports/> (Accessed on August 22, 2024). The International North-South Transport Corridor is a 7,200-km transport network, initiated in 2000 by Iran, Russia, and India. Since its opening, the corridor has grown to include 14 countries, notably Afghanistan.

359 Yawar, M. Y., & Greenfield, C. (2024). “Taliban plan regional energy trade hub with Russian oil in mind.” *Reuters.*, May 2, 2024. Available at <https://www.reuters.com/markets/commodities/taliban-plan-regional-energy-trade-hub-with-russian-oil-mind-2024-05-02/>

360 Mackinder contended that whoever controlled the heartland – the region spanning Eastern Europe, Central Asia and parts of Russia – could control the world, given the region’s resources and strategic location.

361 Chabal, P. (2013). “Pan-Kazakh Centrism and the Construction of a Regional Axis in the ‘Innovated’ Asia”. *Acta Universitatis Danubius. Œconomica*, Vol. 9(4), pp.300–305. “*Immediate neighbours*” refers to the countries sharing borders with the case study, in our case Afghanistan. P. Chabal presents the notion of “*good neighbours*” as part of the SCO philosophy since the 2002 June Charter: SCO’s member-states not sharing borders share common interests and establish logistical co-operation to also pursue national interest.

‘Pan-Asia-Centrism’ diplomatic dimension: including Afghanistan in CA regionalism

In the context of the sustained advancement of regionalism in CA, marked by the establishment of the Shanghai Co-operation Organisation (SCO),³⁶² our analysis indicates that Afghanistan’s integration into regional institutions would serve to stabilise the country’s economy. This integration represents an economically advantageous proposition for the countries involved in CA dynamics. Furthermore, this institutional integration is particularly attractive from a security perspective, as Afghanistan’s integration would mitigate the security concerns associated with the country.

a) Stabilising Afghan politics and economy by affiliating with the SCO

Afghanistan’s stabilisation largely hinges on the interests of its neighbours. Integration with the SCO and access to Central Asian markets would significantly benefit the Afghan economy. For instance, from 2017 to 2018, Afghanistan acquired more than 87 per cent of its goods from SCO member-states, while exporting over 57 per cent of its production to these countries. Overall, SCO member-states accounted for 60 per cent of Afghanistan’s total trade.³⁶³

However, the benefits are greater for SCO member states than they are for Afghanistan as the country’s SCO membership would open CA to the South Asian market. In this regard, Pan-Asia-centrism posits that Afghanistan serves as a platform for economic expansion for SCO member-states, facilitating their integration into a more open regional market. This strengthens the idea of creating a competitive, integrated regional economic hub. Indeed, Afghanistan’s strategic location, bordering economic giants such as China and India and positioned between energy powers such as Iran and Turkmenistan, establishes it as a key geographical link between South Asia and Central Asia, and, more broadly, East Asia and the Middle East. Afghanistan has the potential to become one of the largest “*consumer-supplier-complex*”³⁶⁴ in the region, as part of the larger Central Asian logistical platform.

Addressing some of the regional economic concerns of SCO member-states, particularly China with its Belt and Road Initiative (BRI), could be a valuable addition to the Organisation’s agenda. For instance, China’s interest in Afghanistan was made evident in its May 2008 commitment to build a 400-megawatt power plant to serve much of Kabul.³⁶⁵ This type of investment underlines China’s real concerns. Indeed, chaos in Afghanistan may jeopardise its economic plans as the BRI is implemented in CA close to Afghanistan’s borders. Tensions on the Afghanistan-Pakistan border have already shown how dangerous it can prove for the China-Pakistan transport corridor. This led China, in September 2016, to propose Afghanistan’s inclusion in the BRI, a proposal that coincided with the completion of a new freight train line spanning 7,000 km from Nantong, in Eastern China, to Hairatan in Afghanistan, crossing Kazakhstan and Uzbekistan.³⁶⁶

362 The Shanghai Co-operation Organisation is a regional organisation created in 2001 by China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan

363 “Afghanistan and the Shanghai Co-operation Organisation”. (n.d.). Available at <https://thediplomat.com/2021/07/afghanistan-and-the-shanghai-cooperation-organization/> (Accessed on August 27, 2024).

364 Fei, G., & Yu, X. (2014). “What Can the Shanghai Cooperation Organization and China Bring to Post-2014 Afghanistan?”, in *Asian Perspective*, 38(4), pp. 519–540 .Available at . <https://doi.org/10.1353/apr.2014.0023>

365 Fei, G., & Yu, X. (2014). “What Can the SCO...”, *Ibid.*

366 Roy, M. S. (2017). “Afghanistan and the Belt and Road Initiative: Hope, Scope, and Challenges”, in *Asia Policy*, 24, pp. 103-109. Available at: <https://www.jstor.org/stable/26403208>

Nevertheless, the success of the BRI depends at least equally, if not more, on Pakistan, and the East Asian and West Asian countries.³⁶⁷ China's interests lie in stabilising Afghanistan as a platform for securing its economic projects through Afghanistan even if Kabul is not yet an active economic actor. Instead, Chinese investments have been focused on countries around Afghanistan. China has committed only USD 100 million to Afghanistan, in comparison with USD 62 billion to Pakistan and USD 31 billion to Central Asian Republics under the CPEC project.³⁶⁸

b) Integrating Afghanistan for greater regional security

Not only is Afghanistan an economically vibrant option for the SCO member states, it also holds the potential to resolve security concerns, a core incentive for regional actors. Indeed, by reducing security threats, the region would be more integrated as security is the basis for infrastructure development. Within the SCO, the "*fight against the three evils*"³⁶⁹ constitutes the main channel of co-operation for regional security. Enacted in Afghanistan, this fight would serve as a bridge for co-operation and for building a stronger sense of regionality. Additionally, it could serve as a springboard for the region to demonstrate its capacity to address security concerns independently, without relying on traditional (but not regional) geopolitical powers such as the United States.

China is a good example of this dynamic as it has demonstrated a keen interest in ensuring that the Afghan military effectively safeguard the border between the two countries, particularly to prevent Uyghur activism in both Xinjiang and Afghanistan. Alternatively, an unstable Afghanistan would, in the eyes of the PRC, serve as a "*breeding ground for radical groups wanting to split off Xinjiang from China*".³⁷⁰ It explains China's deep concern over the increase of Islamist militancy on its Western borders, marked by attacks of the Turkistan Islamic Party. Granting Afghanistan SCO membership would foster deeper collaboration on military and intelligence matters, strengthening efforts to control separatist movements in Xinjiang and stabilise the borders of Pakistan, Afghanistan and Xinjiang in line with SCO resolutions on border issues.³⁷¹

Outside diplomatic institutions, Afghanistan is located at the gates of a logistical platform and Afghan territories represent infrastructural challenges and promises that could bolster its informal integration through infrastructural development.

Afghanistan's logistical assets: a competitive Pan-Asia-Centrism and logistics platform

In the last decades, Central Asia has proven to be a growing world logistical platform, even more so since the development of the BRI. Afghanistan is at the crossroads of these logistical dynamics, making its territories a strategic element in the development of infrastructures connecting Europe, Asia and the Middle-East. This chapter suggests that

367 Roy, M. S. (2017). "Afghanistan...", Ibid.

368 Roy, M. S. (2017). "Afghanistan...", Ibid. The China-Pakistan Economic Corridor is one of the most important branches of the Silk Road from China to the port of Gwadar and Karachi. It gives China access to the Indian Ocean without entering Indian territories.

369 Charter of the Shanghai Co-operation Organisation 2002, Article 1. Goals and Tasks. Terrorism, Separatism & Extremism.

370 Fei, G., & Yu, X. (2014). "What can the SCO...", Ibid.

371 Chabal, P. (2019). "La Coopération de Shanghai: Conceptualiser la nouvelle Asie". Presses Universitaires de Liège, 271. With the 2002 SCO Charter, the "Shanghai spirit" has developed on the resolution of border issues between Post-Soviet Republics. With what Chabal calls "*juxta-sovereignty*", the reaffirmations of the sovereignty by these countries following the fall of the USSR have led to some relative integrative cooperation.

Afghanistan's integration in regional infrastructural development is possible through the investment of its neighbours in developing land and maritime transport that enlarge Central Asia's access to South Asian and East Asian markets. This integration would also scale up Central Asian energy logistics, reinforcing the weight of the region in the world energy market.

a) Competition for the supply chain of Afghan transportation

Asia has become one of the most economically competitive world regions, as evidenced by the ongoing Chinese-Indian race for success. This has been driven by the development of infrastructure, underscoring the key role of logistics in regional global integration. Afghanistan, at the crossroads of Central, East, and South Asia, is a key interest for its "*immediate*" and "*good neighbours*",³⁷² crucial in shaping the region's direction. Its integration relies more on the willingness of these "*neighbours*" rather than on traditional geopolitical powers, as declining Western dominance is exploited by new global and regional powers such as China, Russia, and Iran.³⁷³ This is why Afghanistan's "*immediate neighbours*", to affirm their independence from the West, have a great interest in integrating the country through logistics.³⁷⁴ However, it is important to recognise that not all regional actors have the same capacity to invest in an unstable country such as Afghanistan. Additionally, competition among these actors could weaken Pan-Asian unity, with national interests overshadowing common regional goals.

i) The role of "*immediate neighbours*" in developing land transport: unlocking Afghanistan

Roads and railways are crucial for opening a land-locked strategic area such as Afghanistan. Their development should be closely monitored, as it provides the most effective and practical way to integrate Afghanistan, potentially enhancing Central Asia's role as a multimodal global platform. This intensifies competition among regional actors to provide Afghanistan with land transportation, underscoring the increasing importance of a Central Asian transport corridor. **Iran** has proven to be the most competitive "*immediate neighbour*", investing in Afghanistan railways and roads. This is illustrated by the Iranian South-Asian Belt, whose biggest railway corridor goes from Hairatan (at the border with Uzbekistan) and Sherkan Bandar (at the border with Tajikistan) to Herat (Afghanistan) and finally to Chah-Sorkh (Iran), providing trade between Iran and Central Asia³⁷⁵ (Figure 1, blue road). This road is connected to Iranian territories all the way to the Oman Gulf. It serves land-locked Central Asian republics to gain greater access to the Middle-East and the world energy market.

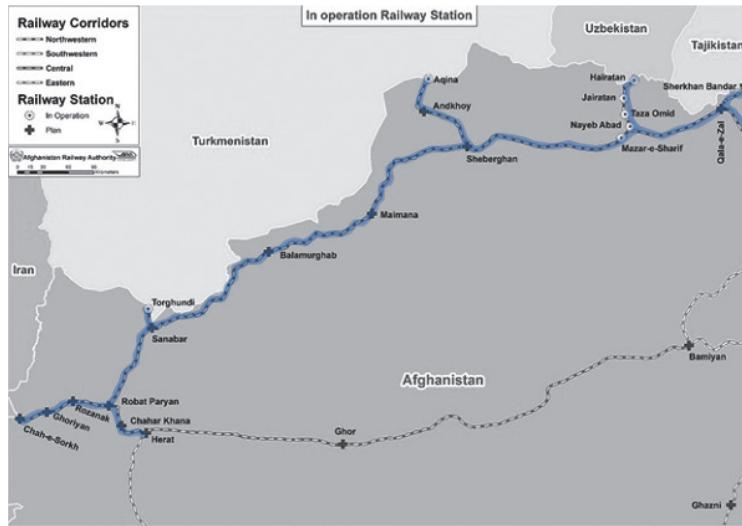
372 Chabal, P. (2013) "Pan-Kazakh Centrism...", *Ibid.*

373 Lévy, B.-H., & Kennedy, S. B. (2019). *The Empire and the Five Kings: America's Abdication and the Fate of the World (First U.S. edition)*. Henry Holt and Company, p. 288.

374 However, a new form of dominance has been generated by the main regional powers. Central-Asian Republics are getting more dependent on Chinese and Russian exports, and infrastructural and financial investments and security concerns are mainly dictated by the concerns of these two giants.

375 This railway corridor facilitates trade between Central Asia and the Gulf monarchies. Indeed, by crossing Afghanistan, it gives Central Asian countries access to Iranian ports and indirectly to the Arabian Sea and the Oman Gulf. This corridor is an important addition to Turkmenistan's existing rail network, enabling other Central Asian republics and Russia to access Iranian ports while reducing their reliance on Turkmenistan to access the Arabian Sea and the Oman Gulf.

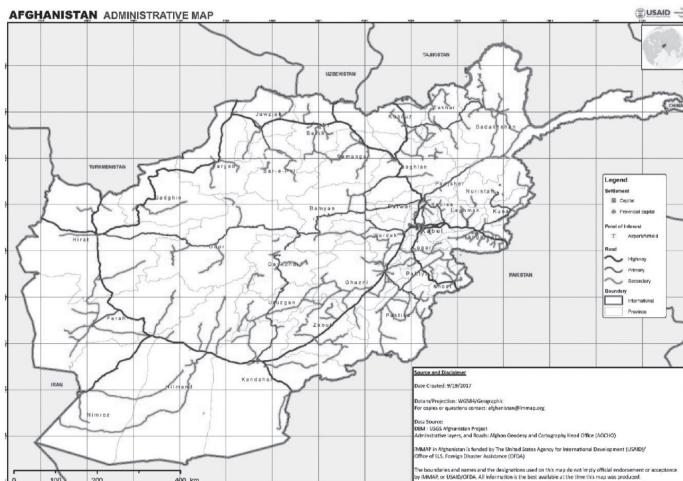
Figure 1: Iranian South-Asian Belt



Source: "Stations" | afgov. (n.d.). Retrieved September 1, 2024 from <https://ara.gov.af/index.php/en/stations>

Similarly, Iran invests in existing highways such as the Highway A (AO1) – a 2,200-km two-lane road network inside Afghanistan, connecting Mazar, Kabul, Ghazni, Kandahar, Farah and Herat, with extensions connecting Jalalabad, Lashkar Gah, Delaram, Islam Qala and other cities.³⁷⁶

Figure 2: Afghanistan Road Network



Source: "2. 3 Afghanistan Road Network" | Digital Logistics Capacity Assessments. (n.d.). Retrieved August 30, 2024, from <https://lca.logcluster.org/23-afghanistan-road-network>
AO1 is in dark red clockwise.

³⁷⁶ "2. 3 Afghanistan Road Network" | Digital Logistics Capacity Assessments. (n.d.). Available at <https://lca.logcluster.org/23-afghanistan-road-network> (Accessed on August 30, 2024)

However, Iranian infrastructural projects in Afghanistan have slowed down due to security threats tied to the Afghan regime and its arduous regional diplomatic integration. The infrastructure is still exposed to the danger of land-mines³⁷⁷ and issues of crimes,³⁷⁸ which remain the main cause of reticence from regional actors to invest in the country. Further, due to the poor economic and financial performance of the Taliban regime, it has not been able to ensure road safety or proper maintenance of roads.³⁷⁹

Despite these disincentives, regional actors such as **China** and **India** compete in investing in Afghan roads and railways. In the realm of the INSTC, India has sought access to Central Asia, already invested by the BRI, intensifying India's resolve to develop an alternative to China's ambitions. India considers Afghanistan as a potential option to counter China in CA. Afghanistan is not a major logistical asset for the BRI since it already has access to CA, SA and the Oman Gulf through Pakistan. Thus, one can doubt the impact of China's large investments in Afghanistan. These last decades, Afghan-Chinese co-operation has been characterised by "on-the-spot"³⁸⁰ involvements, mainly in the Wakhan corridor and the province of Badakhshan rather than through the absorption of Afghanistan into the BRI.

ii) Afghanistan's 'good neighbours': developing maritime infrastructures

The notion of "*maritime Afghan logistics*" appears surprising given that Afghanistan is a landlocked country. However, this approach makes sense when looking at the infrastructural connections established by the "*good neighbours*". These countries play a central role in unlocking Afghanistan but also, more strategically, CA, to the main maritime roads. The development of such a form of logistics illustrates the rise of a competitive region, Central Asia, that remains dependent on the degree of co-operation among regional actors. "*We see clearly that Afghanistan's fortunes remain tied to its neighbourhood just as the neighbourhood's fortunes remain tied to Afghanistan*".³⁸¹ This statement by US Deputy of State W. Burns sheds light on the mutual dependence between Afghanistan and its regional neighbours, which is more than on traditional geopolitical powers.

Among these "*good neighbours*", **India** is "*leading*" in opening CA to SA and the Oman Gulf. Delhi sees in Afghanistan a gateway to CA to compete with the BRI, which has not deployed yet across Afghanistan. While perceiving a regional "*arc of instability*",³⁸² integrating Afghanistan would enable India to assert its security concerns in the region. India has already started with the *2012 Connect Central Asia Foreign Policy Initiative*.³⁸³ To operationalise this policy, India has chosen to connect land infrastructures to ports

377 "2. 3 Afghanistan Road Network" | *Digital Logistics Capacity Assessments*. (n.d.), Ibid. The majority of the remnants in the countryside are from the Soviet-Afghan war.

378 "2. 3 Afghanistan Road Network" | *Digital Logistics Capacity Assessments*. (n.d.), Ibid. Robbery, kidnapping outside main cities

379 "2. 3 Afghanistan Road Network" | *Digital Logistics Capacity Assessments*. (n.d.), Ibid. Marginal transportation, vehicles poorly maintained, often overload, traffic laws not enforced, chaotic rural roads not paved.

380 Okochi, M., Nawabi, F., Hemmi, S., & Takemoto, T. (2022). "Restabilising Afghanistan through a Comprehensive Logistics Framework for the Access to Ports". *TransNav, the International Journal on Marine Navigation and Safety of Sea Transportation*, Vol. 16(3), pp. 429–438. Available at: <https://doi.org/10.12716/1001.16.03.03>

381 Baizakova, K., & Baizakova, Zh. (2014). "Connect Central Asia: Role of Afghanistan". *Public Administration and Regional Studies*, Vol. 7(2), pp. 94–104.

382 Baizakova, K., & Baizakova, Zh. (2014). "Connect Central Asia...", Ibid. The authors underline the fact that India is currently perceiving itself surrounded by unsafe and disturbing neighbours, referring not only to Pakistan and Afghanistan, but also to China, a geopolitical and economic power with which India is trying to compete.

383 Baizakova, K., & Baizakova, Zh. (2014). "Connect Central Asia...", Ibid. This policy aims to strengthen political, military, and logistical ties between India and Central Asia, to enhance mutual trade and energy co-operation, and to establish a reliable partnership to address modern terrorism.

by giving access to the port of Chabahar, in addition to railway connections with Iran, Uzbekistan and highways and tunnels towards CA.

With the operationalisation of Chabahar port in December 2017, followed by a commercial agreement to manage port operations in February 2018,³⁸⁴ the port has handled over 5,000 containers ferrying over 110,000 tonnes of wheat and over 2,000 tonnes of pulses sent by India as assistance to Afghanistan. In 2019, India has received 700 tonnes of agricultural and minerals products from Afghanistan through the same port.³⁸⁵ Afghanistan has become the “Indian land gate” to CA, providing India facilitated access to the Central Asian markets – with the shipping time between India and Afghanistan being less than two weeks – effectively bypassing Pakistan, which has prohibited India from transporting goods through its territory to Afghanistan.

The involvement of other regional actors, such as Iran, intensifies the competitive dynamics in Central Asia. This is exemplified by the Iranian-Indian co-operation in connecting Afghanistan to Central Asia and South Asia. From a Middle-Eastern viewpoint, Afghanistan can be considered as a gate between the Middle-East and Asia. In 2016, India and Iran signed a bilateral contract granting India the rights to develop and operate two terminals and five berths with cargo-handling capacity in Chabahar port for ten years.³⁸⁶ India believes that these Iranian routes can be the solution to bypassing Pakistan and not allowing Pakistan (and indirectly China) to control the supply chain between India, Afghanistan and Central Asia. It stresses the importance of collaboration in feeding Pan-Asia centrism between “*good and immediate neighbours*” to Afghanistan. This strategic collaboration opens the region to worldwide maritime commerce through a combined land and maritime infrastructure, enabling Central Asia to be involved in world trade on a larger scale. The INSTC shows this by enabling land-trade instead of the more time-consuming Suez Canal and Atlantic routes: the distance from Jawaharlal Nehru Port to St. Petersburg via the Suez takes 40-60 days; the INSTC reduces this to 25-30 days, enabling India to cut down the shipping time to Europe.

b) Enlarging Central Asian energy logistics as a tool for Pan-Asia centrism

Central Asia has proven to be an energy logistical hub, especially between Europe and Asia, two regions that are looking for alternatives to the oil-rich Gulf monarchies. The expansion of the Central Asian energy club to Afghanistan will serve to increase the influence of the region in the global energy market. This is particularly so given the increasing energy imports from the region by major consumers such as China and the EU. In fact, since the late 1990s, foreign direct investment in cross-border energy transit has been seen as an influential apparatus for stability in CA.³⁸⁷ Already in 1998, the Vice President of the Union Oil Company of California, J. Maresca, used the term “*peace pipeline*”, highlighting the role of energy logistics in stabilising the region. Afghanistan could benefit from these “*peace pipelines*” for its stabilisation and better integration, enhancing regional cohesion and security. This would be further supported by the development of Afghanistan’s energy reserves: around a trillion dollars’ worth of cobalt, copper, iron and lithium reserves are scattered across the country.³⁸⁸

384 Embassy of India. (2020, August). *Kabul Bilateral Brief*. Ministry of External Affairs, Government of India. Available at <https://eoii.gov.in/eoiosearch/MyPrint.php?0354?000/0001>

385 Embassy of India. *Kabul Bilateral Brief*. Ministry of External Affairs, Government of India.

386 Okochi, M., Nawabi, F., Hemmi, S., & Takemoto, T. (2022). “Restabilising Afghanistan...”, *Ibid*.

387 Okochi, M., Nawabi, F., Hemmi, S., & Takemoto, T. (2022). “Restabilising Afghanistan...”, *Ibid*.

388 Reddy, P. K. M. (2013). “Afghanistan’s Political Future: Relations with China and the Shanghai Cooperation Organisation”.

Therefore, Afghanistan's integration into energy logistics could enable CA to reaffirm a sense of competition with Gulf monarchies while not overthrowing them. It exemplifies the theory of Pan-Asia centrism as CA has the potential to become a competitive energy actor, addressing the needs of other regional actors purchasing from both the ME and CA. For example, in 2023 "*around 80 per cent of (Kazakh) oil is exported. Almost all exports pass through Russia, mainly via the Caspian Pipeline Consortium*³⁸⁹ *route*".³⁹⁰ Therefore, the energy integration of Afghanistan could potentially open CA to European and South Asian energy markets. This is already the case with the TAPI, an 1814-km gas pipeline between Turkmenistan, Afghanistan, Pakistan and India with an annual capacity to transport 33 billion m³ of gas.

In conclusion, although Afghanistan has proved to be an unstable country, scaring away regional or international investors, the regional institutional framework led by the SCO presents a potential and strategic channel of integration for a land-locked country attracting the interests of various regional actors. The integration of Afghanistan into this regional institutional framework is an incentive for these actors to secure favourable circumstances for economic growth and regional security, two conditions essential for the integration of CA in world geopolitics, which is partly led by regional dynamics. This chapter suggests that the development of Pan-Asia centrism and, thus, of an Asian region capable of interacting and competing with other world regions, depends first and foremost on its logistical capacities. In CA, the integration of Afghanistan through land and sea infrastructure into this logistics network will improve regional competitiveness, as illustrated by the Indian interest in Afghanistan as a channel of competition with China, and by the Iranian investments to gain greater access to Central Asia.

World Affairs: The Journal of International Issues, Vol. 17(4), pp.130–147. Available at <https://www.jstor.org/stable/48505100389> Kieval, M. (2023, March 7). "The Caspian Pipeline Consortium: Russian and Western Accountability in the Oil and Gas Sector During Wartime" Available at <https://crudeaccountability.org/the-caspian-pipeline-consortium-russian-and-western-accountability-in-the-oil-and-gas-sector-during-wartime/> The CPC is a pipeline operating between the oil field of Tengiz in Kazakhstan and the Black Sea port of Novorossiysk in Russia.

³⁹⁰ International Energy Agency. (2022). *Kazakhstan 2022 Energy Sector Review*. OECD. Available at <https://doi.org/10.1787/73d1d69f-en>

Power Grids from Central Asia to South Asia. Project CASA-1000: Perspectives and Challenges for the Kyrgyz Republic

Jildiz Nicharapova

The CASA-1000 project is designed to connect the energy systems of Central Asia (Kyrgyzstan and Tajikistan) with South Asia (Afghanistan and Pakistan) and develop tools for trading electricity according to international standards. There are plans to modernise the necessary electrical grid complex and build new substations and a high-voltage power transmission line to enable Kyrgyzstan and Tajikistan to export electricity during the summer to Pakistan and Afghanistan. It is necessary to lay 1.4 thousand km of power lines and construct converter substations in Tajikistan and Pakistan. The total cost of the project is USD 1.1 billion (according to the World Bank, USD 1.2 billion). To implement this project, the highest investment will be needed from Tajikistan (USD 314 million), followed by Afghanistan USD 354 million, Kyrgyzstan USD 233 million, and Pakistan USD 209 million.³⁹¹

The perspectives and challenges of Kyrgyzstan's participation will be discussed in this chapter. The country announced its readiness to begin the construction of power lines; one-third of the power transmission line (length 455 km) will pass through the territory of the Kyrgyz Republic. For the most part, the transmission line's route crosses 25 communities in thinly populated areas of the three Southern regions of Kyrgyzstan. One of the challenges linked with CASA-1000 is that the populated areas are not far from power grids; their impact on the people and ecology is a matter of concern. Another is the impact of CASA-1000 on Kyrgyzstan's energy security, given the country's electricity shortage and its likely effect on the economy. The idea of creating an interconnected power grid between Central and South Asia (CASA-1000) originated in 2008³⁹² and was launched in 2016. It was expected to be completed by 2018, but according to the Kyrgyz Minister of Energy, this project will be completed in 2025.³⁹³ Minister of Energy and Water Resources of Tajikistan Daler Juma declared that the project will be completed in 2026.³⁹⁴

Given the relative scarcity of literature on the CASA-1000 project, this will be among the first to analyse Kyrgyz participation in the project, the challenges the country is likely to face in implementing the project and its impact on regional cooperation among the participating countries. We have relied on some policy briefs, analytical reports, speeches, news from news portals, official information from official websites of the

391 Marat, Z. (2016). Risks for Kyrgyzstan and Central Asia after the launch of the CASA-1000 energy project. *Eurasia Expert*, 2016. Available at: <https://eurasia.expert/riski-posle-zapuska-casa-1000/> (Accessed on June 20, 2024)

392 CAREC Institute (2016). Project CASA-1000 Central Asia - South Asia. Regional power line network interconnection. Available at: <https://www.carecprogram.org/uploads/CASA-1000-Project-Central-Asia-South-Asia-Regional-Power-Connectivity-ru.pdf> (Accessed on June 25, 2024)

393 TASS (2024). Kyrgyzstan announced that the CASA-1000 project will be implemented by the end of 2025. URL: <https://tass.ru/ekonomika/21160665> (Accessed on July 28, 2024)

394 *Energo News* (2024, July). The CASA-1000 project is expected to be launched in 2026. Available at: <https://energo-news.ru/archives/186369> (Accessed on July 30, 2024).

CASA-1000 project, state organisations, and interviews with relevant people for the analysis. The main research question is: what is the CASA-1000 project and what are opportunities and challenges for Kyrgyzstan?

The methodology used is qualitative – analysing secondary and primary data to answer our research question. The time period considered for the purpose of this chapter is from the beginning of the CASA-1000 to the present day as there is no proper research document found dealing with the research outputs on the CASA-1000 project and its impact on Kyrgyzstan and regional co-operation. The chapter is organised into three sections. The first section will study and analyse the project since its inception to the present day. The second section will analyse the importance of the CASA-1000 project for South and Central Asia and participating states. The power transmission system will be studied. The third section will deal with the opportunities and issues for Kyrgyzstan linked to the CASA-1000 project. It will also shed some light on the construction works and community support programmes, especially in the Kyrgyz Republic.

CASA-1000 project and its goals

The CASA-1000 project is about the upstream states Kyrgyzstan and Tajikistan trading 1,300 megawatts of extra hydropower produced in summer with electricity-starved Afghanistan and Pakistan.³⁹⁵ This multi-country, multi-donor infrastructure project increases access to renewable energy in both regions, bringing benefits to regional power grids and individual electricity consumers. Kyrgyzstan and Tajikistan are two countries in Central Asia that have the world's largest reserves of clean hydropower resources. Both countries generate surplus electricity in the summer because, during the summer, there is a good amount of rainfall that brings a heavy influx of water from mountain peaks.³⁹⁶

The construction of the project will enable the governments of Afghanistan, Kyrgyzstan, Pakistan, and Tajikistan to harness clean energy, construct a common regional electricity market, fight the effects of climate change and improve the living standards of people.³⁹⁷ The World Bank says that the USD 1.2 billion project will help develop the energy sector in all four participating countries.³⁹⁸

Elzada Sargashkayeva, a spokeswoman for the National Electric Station of Kyrgyzstan, has stated that the expectation is that Tajikistan will provide 70 per cent of the power delivered via the CASA-1000 grid, while Kyrgyzstan will provide the remaining 30 per cent.³⁹⁹

To implement the CASA-1000 project, it will be necessary to build the following:

- A 500 kV power transmission line from the Datka substation to the Sugd-500 substation with a length of 477 km;
- A converter substation with a capacity of 1300 MW in Sangtuda (Tajikistan);

395 Eurasianet (2024). "Kyrgyzstan, Tajikistan cheer as CASA-1000 sputters back to life." March 2024. Available at: <https://eurasianet.org/kyrgyzstan-tajikistan-cheer-as-casa-1000-sputters-back-to-life> (Accessed on July 28, 2024).

396 Web site of CASA-1000 project. Available at: <https://www.casa-1000.org/ru/home-ru/> (Accessed on June 28, 2024).

397 Web site of CASA-1000 project. *Ibid.*

398 Azattyk (2024). "The Taliban has joined the CASA-1000 project," March 11, 2024. Available at <https://rus.azattyk.org/a/32856510.html> (Accessed on June 21, 2024)

399 Eurasianet (2024). *Ibid.*

- A high-voltage direct current power line with a length of 750 km from Sangtuda (Tajikistan) to Nowshera (Pakistan);
- A converter substation with a capacity of 1300 MW in Nowshera (Pakistan).⁴⁰⁰

The CASA-1000 system, when accomplished, will have 1,387 km of high-voltage alternating current (HVAC) and high-voltage direct current (HVDC) transmission lines. The total number of transmission towers planned under the project is 4,264 and the total available electricity capacity for trading is 1300 MW per year of which, 1000 MW is intended for Pakistan, and the remaining 300 MW for Afghanistan.⁴⁰¹

Figure 1: CASA 1000 Project



Source: <https://eurasianet.org/kyrgyzstan-tajikistan-cheer-as-casa-1000-sputters-back-to-life>

As mentioned before, the project is a multi-donor project and is supported by the World Bank Group, the Islamic Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the US Agency for International Development (USAID), the US State Department, the UK Department for International Co-operation (DFID) and several other donors.⁴⁰² The Institute for Strategic Analysis and Forecasting, which is a member of the CSTO analytical association, considers this project more geopolitical than an economic or energy one. The “main goal of this geopolitical strategy is to break the economic and political ties between the Central Asian republics

400 Ministry of Energy and Water Resources of Tajikistan (2018). *Project CASA-1000*. Available at <https://www.mewr.tj/?p=199> (Accessed on June 28, 2024)

401 ISAP (2022). *CASA-1000: Risks and Prospects of the Project*. Institute for Strategic Analysis and Forecasting. December 22, 2022. Available at <https://www.isap.center/analytics/105> (Accessed on June 29, 2024)

402 Ministry of Energy and Water Resources of Tajikistan (2018). *Ibid*.

that have been developing for decades".⁴⁰³ The United States has invested US\$15 million in the project.⁴⁰⁴ USAID continues to insist on its vision of the energy future of Central Asia, namely the creation of a regional electricity market in Central and South Asia (CASAREM), towards which the CASA-1000 project is a step. The project is considered by Washington as a tool for regulating relations between states in Central Asia according to its own national and regional interests. Zulfiya Marat considers this project as a part of the US project "Greater Central Asia", which includes Afghanistan as a part of the Central Asian region.⁴⁰⁵

In March 2024, during a CASA-1000 Joint Working Group Meeting, Mohamed Ishtiaq Akbar, operations manager at the IDB Group Regional Hub Türkiye, talked about the huge importance of this project in improving lives, empowering communities and fostering sustainable development across the region.⁴⁰⁶ State participants of the CASA-1000 believe that this initiative will not only improve the living standards of people but will also make a significant contribution to the fight against climate change.⁴⁰⁷

The CASA-1000 project can worsen relations among Central Asian countries. Kazakhstan and Uzbekistan need water resources and oppose any initiative to build hydroelectric power stations in Kyrgyzstan and Tajikistan that will lead to a lack of water for other Central Asian countries. Uzbekistan opposed the construction of large hydroelectric power stations in Tajikistan and Kyrgyzstan: Rogunskaya and Kambarata-1.⁴⁰⁸ This means that the CASA-1000 project can lead to disagreement among the countries of Central Asia and may lead to the disintegration of the region.

Opportunities and Challenges for the Kyrgyz Republic

For the Kyrgyz Republic, the CASA-1000 project involves the building of alternating 500 kV power lines with a length of about 456 km.⁴⁰⁹ As part of the environmental impact assessment (EIA) and development of the resettlement action plan (RAP) for the project, the impact of the project on the land within the right-of-way and adjacent lands were carefully assessed. The contracting company took into account all the recommendations of the EIA and took several measures to implement them when designing the route and drawing up a construction plan for the project.⁴¹⁰ The construction work continues on the 500 kV Datka-Sugd power transmission line and the 500 kV cell at the Datka substation, and the construction of power transmission towers continues along the entire length of the CASA-1000 system. According to the National Electric Station System of the Kyrgyz Republic in June 2024, work was completed on laying access roads to the supports

403 ISAP (2022). *Ibid*.

404 BBC (2016). "The CASA-1000 project will connect Central and South Asia". Available at: https://www.bbc.com/russian/international/2016/05/160512_casa_project_launch (Accessed on June 8, 2024)

405 Marat, Z. (2016). *Ibid*.

406 Ergöçün, G. (2024). "Islamic Development Bank reaffirms its commitment to accelerate the implementation of the CASA-1000 project". Available at: <https://www.aa.com.tr/en/economy/islamic-development-bank-reaffirms-commitment-to-accelerate-implementation-of-casa-1000-project/3158762> (Accessed on August 2, 2024).

407 CIS E-portal (2023). "Tajikistan, Kyrgyzstan and Pakistan intend to accelerate the implementation of the CASA-1000 energy project.". Available at: <https://e-cis.info/news/568/114275/> (Accessed on June 28, 2024)

408 Marat, Z. (2016). *Ibid*.

409 World Bank (2023). "The Kyrgyz Republic will create conditions for sustainable electricity trade within the framework of the CASA-1000 project with the support of the World Bank." *Press Release*. Available at: <https://www.vsemirnyjbank.org/ru/news/press-release/2023/11/01/additional-financing-for-casa-1000-project-for-the-kyrgyz-republic> (Accessed on July 8, 2024).

410 Web site of CASA-1000 project. *Ibid*.

(100 per cent), digging mines (100 per cent), and pouring concrete foundations (100 per cent) of all 1243 supports. Besides, the installation of supports was also completed.⁴¹¹

Major construction and installation works have been completed at the Datka substation. In particular, a 500 kV shunt reactor with components, neutral, oil pit, and fire barriers, three sets of 500 kV circuit breakers, three sets of 500 kV current transformers, six 500 kV lightning rods, and other equipment were installed, as well as more than 475 metres of power and control cables. The issues of environmental assessment of the CASA-1000 project, land transformation in Batken, Osh, and Jalal-Abad regions for the construction of project facilities and compensation for persons affected by the project as part of resettlement work have been fully resolved.⁴¹²

According to recent data, in 2015-2016, the Islamic Development Bank allocated US\$50 million, and the European Investment Bank about US\$85 million for the project. The total amount of financing as of the date of signing of the financing agreements was approximately USD 180 million, and the amount committed was USD 163.4 million. The allocated funds were not enough to implement the project, since the prices of metal, aluminium, and labour rose above that specified in the contract agreements, pushing costs by USD 40 million. As a result of negotiations, the IDB will provide Kyrgyzstan with additional financing of USD 13 million for 25 years at 1.5 per cent per annum and a 7-year deferment on loan repayments, while the International Development Association will provide US\$18.3 million for 50 years without interest with a 10-year deferment on the loan.⁴¹³

Along with the CASA-1000 construction work, a community support programme (CSP) is being implemented, which is based on the involvement of residents of affected villages in the planning, decision-making, implementation, monitoring, and evaluation of investments at the local level, as well as capacity-building activities. The programme covers 77 settlements (36 ayl aimaks (rural areas) and five cities in Osh, Jalal-Abad and Batken regions. It aims to improve electricity supply, improve social infrastructure and services, and finance income-generating activities.⁴¹⁴ The head of the project implementation group of OJSC “National Electric Stations of Kyrgyzstan” said that the owners of the land through which the transmission line passes will be given monetary compensation.⁴¹⁵

“The successful implementation of the CASA-1000 project is expected to lead to significant positive changes in the energy sector of the Kyrgyz Republic and other countries participating in the project, and will also contribute to strengthening economic stability and regional cooperation,” emphasised Navid Hassan Naqvi, head of the World Bank Office in the Kyrgyz Republic.⁴¹⁶ Among the main benefits from the project, Mr. Naqvi noted the following: 1) improving and increasing access to energy resources 2) contribution to global efforts to fight climate change through the use of renewable

411 NESK (2024). About the construction of the project. June 6, 2024. Available at: <https://nesk.kg/ru/press-centr/novosti-i-press-relyzy/informaciya-o-hode-stroitelstva-casa-1000-v-kyrgyzstane-2024/> (Accessed on June 28, 2024).

412 Web site of CASA-1000 project. Ibid.

413 24.kg (2024). “Kyrgyzstan will take two loans for the CASA-1000 project,” July 24, 2024. Available at: https://24.kg/ekonomika/300085_kyrgyzstan_vozmet_dva_kredita_naprakta_CASA-1000/ (Accessed on June 30, 2024).

414 Web site of CASA-1000 project. Ibid.

415 Sputnik Kyrgyzstan (2021). “How will resettlement take place due to CASA-1000 - an expert’s answer”. Available at: <https://ru.sputnik.kg/20210415/sasa-1000-lehp-stroitelstvo-uchastok-zemlya-kompensaciya-1052146109.html> (Accessed on August 2, 2024).

416 World Bank (2023). Ibid.

resources and 3) trade in electricity on mutually beneficial terms as a result of the successful integration of the energy systems of Central Asia and South Asia.⁴¹⁷ President Sadyr Japarov announced that the main benefit for Kyrgyzstan will be an increase in export potential and the attraction of additional investments for the construction of new energy capacities.⁴¹⁸ However, the Executive Director of the Centre for Strategic Solutions “Applicata”, Kubatbek Rakhimov, felt that the CASA-1000 project will lead to huge problems, political destabilisation, a debt war with international financial institutions, and destroys Kyrgyzstan’s statehood.⁴¹⁹

Challenges for Kyrgyzstan

Former energy specialist in the office of the President of the Kyrgyz Republic, energy engineer Nikolai Kravtsov openly opposed the project by noting that “This is a World Bank project, and I consider it inappropriate for us, at least for another 10 years. We simply have nothing to sell. There’s already not enough energy”.⁴²⁰ In recent years, Kyrgyzstan has exported on average approximately 2,500 GWh per year, mainly to Kazakhstan and Uzbekistan, whose economies are developing tremendously, and whose energy demand is likely to increase⁴²¹. International obligations to export electricity in certain volumes when there is a shortage of electricity in the domestic market may lead to consumers in Kyrgyzstan and Tajikistan being deprived of access to such a strategically important resource⁴²². There is a shortage of electricity in both countries of Central Asia.

Expert Rasul Umbetaliev says that the Asian Development Bank refused to finance the CASA-1000 project in 2015 because of the riskiness of this project. Kyrgyzstan will not always be able to export electricity even in the summer due to a low-water period.⁴²³ The head of the Association of Women in Energy of Kyrgyzstan, Altynai Abdykerimova, told Economist.kg in an interview in 2022 that last three years, Kyrgyzstan has been importing electricity from other countries to provide domestic consumers because of the shortage of electricity.⁴²⁴ The Russian newspaper Nezavisimaya Gazeta estimates that in the current energy crisis, the CASA-1000 project is losing its relevance.⁴²⁵

Energy expert Zulfiya Marat believes that the benefits for Kyrgyzstan from this project are minimal, but debt obligations can only aggravate the problems in the country’s economy. “An extra burden on an already weak budget when repaying a loan, and an increase in external debt will not have a very good effect on the economy. But the benefits of the project, in my opinion, are not so obvious”.⁴²⁶ In 2016, this expert said that the country’s

417 World Bank (2023). *Ibid*.

418 Kabar (April, 2021). “Sadyr Japarov: The CASA-1000 project opens a new page in the field of energy development”. Available at: <https://kabar.kg/news/sadyr-zhaporov-proekt-casa-1000-otkryvaet-novuiu-stranitcu-v-oblasti-razvitiia-energetiki> (Accessed on June 7, 2024).

419 Nezavisimaya Gazeta (2024). “The CASA-1000 project hangs over Kyrgyzstan like the sword of Damocles”. Available at: https://www.ng.ru/cis/2024-03-19/5_8973_kyrgyzstan.html (Accessed on August 28, 2024).

420 ISAP (2022). *Ibid*.

421 ISAP (2022). *Ibid*.

422 Marat, Z. (2016). “Risks for Kyrgyzstan and Central Asia after the launch of the CASA-1000 energy project. Eurasia Expert”, p. 201, *Ibid*.

423 Vecherniy Bishkek (2018). CASA-1000: a profitable or risky project? Available at: https://www.vb.kg/doc/373844_casa_1000_proekt_vygodnyy ili_riskovanny.html (Accessed on June 28, 2024).

424 Economist.kg (2022). “Electric Power Plants May Fail to Fulfil CASA-1000 Project Obligations Due to Capacity Shortage.”, November. Available at <https://economist.kg/novosti/2022/11/29/elektricheskie-stancii-mogut-ne-vypolnit-obyazatelstva-po-proektu-casa-1000-iz-za-nehvatki-moshhnostej/> (Accessed on June 31, 2024).

425 Nezavisimaya Gazeta (2024). *Ibid*.

426 Sputnik (2016). CASA-1000. Pros and Cons. Available at <https://ru.sputnik.kg/20160512/1025189083.html> (Accessed on June 28, 2024).

energy sector is burdened with a debt exceeding US\$1.7 billion, which was about half of the country's external debt, and energy companies pay fines for late repayment of these debts.⁴²⁷ However, the President of the Kyrgyz Republic Sadyr Japarov declared in April 2021 that the financial obligations under this project will be fully covered by the sale of electricity, without burdening the state budget.⁴²⁸

In conclusion, this chapter analysed the CASA-1000 project and its impact on regional co-operation within and outside Central Asia. We have also analysed the benefits and losses for Kyrgyzstan in participating in this project. CASA-1000 is a very ambitious project that connects two big regions of Eurasia – Central Asia and South Asia. This project is a geopolitically important with several donors like the USAID, IDB and the WB interested in its implementation.

CASA-1000 plays a huge positive role in connecting two regions; however, it can have negative effects on regional co-operation in Central Asia since some Central Asian countries are not interested in this project. The second finding is that despite its many benefits, the project is likely to lead to problems for Kyrgyzstan. These include aggravating the existing shortage of electricity in the country and disrupting exports to neighbouring countries as electricity exports are diverted to South Asia, negatively affecting relations between Kyrgyzstan and its immediate neighbours. It is also likely to lead to an increase in Kyrgyzstan's external debt. And finally, Kyrgyzstan may be unable to fully meet its export obligations to South Asia as laid out under the project, leading to strained ties with the region and adversely affecting Kyrgyzstan's international image.

427 Marat, Z. (2016). *Ibid.*

428 Kabar (April, 2021). *Ibid.*

Geopolitical and Technological Challenges to Digital Connectivity in Europe-Asia

Kairat Bekov

The co-operation between Europe and Asia will be determined the advent of digital means in this new age of technology. There is a plethora of untapped potential that remains hidden and digital connectivity is an answer to bring out the best from the ongoing and ever developing technological innovations in the realm of connectivity. Modern-day logistics and transportation systems can reach their full potential if facilitated by modern digital infrastructure. Yet digital connectivity lags in furthering the integration needed to reduce regional non-co-operation and fragmentation.⁴²⁹ Digital connectivity in Eurasia, a region encompassing Europe and Asia, presents numerous opportunities for economic growth, innovation, and integration. However, it also faces significant challenges and risks that need to be addressed to ensure sustainable and secure development. This analysis explores these challenges and risks, drawing on various sources and perspectives.

Eurasia is a region marked by complex geopolitical dynamics, involving major powers such as Russia, China, the European Union and India plus emerging regional powers such as Iran. These tensions can impact digital connectivity projects, leading to fragmented policies and initiatives. For instance, the competition between China's Belt and Road Initiative (BRI) and the European Union's connectivity strategies can create conflicting standards and priorities. Additionally, the strategic rivalry between the United States and China over technological dominance further complicates the landscape.⁴³⁰ Digital connectivity is a cornerstone of modern economic and social development, but it is also subject to significant geopolitical risks. In Eurasia, these risks are particularly pronounced due to the region's complex political landscape and strategic importance. This text explores the key geopolitical risks affecting regional digital connectivity, drawing on various sources and perspectives.

Geopolitics of Connectivity: Fragmentation, Competition and Dependence

Eurasia is a competitive space for geopolitical influence among major powers such as China, Russia, the European Union, and the United States. These rivalries in the political and economic spheres have the potential disrupt digital connectivity projects and create fragmented digital ecosystems. China's Belt and Road Initiative (BRI) includes significant investments in digital infrastructure, but it also raises concerns about technological dependence and strategic control. Similarly, the EU's connectivity strategy aims to offer an alternative to the BRI, promoting sustainable and inclusive digital infrastructure. Cybersecurity is a critical concern in the context of geopolitical tensions. State-sponsored cyberattacks can target critical digital infrastructure, leading to disruptions and loss of

429 A digital platform for Eurasia could help overcome region's distance and fragmentation. Available at: <https://www.weforum.org/stories/2021/06/a-digital-platform-for-eurasia/> (Accessed on September 24, 2024).

430 "The Challenges of Implementing the EAEU's Digital Agenda". Available at: <https://iorj.hse.ru/en/2021-16-1/459406007.html> (Accessed on November 24, 2024).

trust. For example, the increasing frequency of cyberattacks attributed to state actors highlights the vulnerability of digital networks to geopolitical conflicts. These attacks can have far-reaching consequences, affecting not only the targeted countries but also their regional partners.

Different countries in Eurasia have varying regulatory frameworks for digital connectivity, which can create barriers to seamless integration. The lack of harmonised regulations on data protection, cybersecurity and digital trade can hinder cross-border digital services and investments. Efforts to create unified regulatory standards, such as those by the Eurasian Economic Union (EAEU), face challenges due to national sovereignty and differing levels of digital development. Many Eurasian countries rely heavily on foreign technology and expertise for their digital infrastructure. This dependence can create vulnerabilities as geopolitical tensions or trade restrictions can disrupt access to critical technologies. For instance, the reliance on Chinese technology for 5G networks has sparked debates about security and control. Developing indigenous technological capabilities is essential to reduce this dependence and ensure long-term digital sovereignty.⁴³¹ Technological sovereignty is a growing concern for many countries in Eurasia.

Technological sovereignty has become a pivotal topic in contemporary political discourse, especially in the context of global geopolitical tensions and the rapid advancement of technology. This concept refers to a nation's ability to control and protect its technological infrastructure, ensuring that it aligns with national interests and security needs. The political aspects of technological sovereignty are multifaceted, encompassing national security, economic independence and international co-operation. One of the primary political aspects of technological sovereignty is national security. In an era where cyber threats and digital espionage are prevalent, countries are increasingly focused on securing their technological infrastructure. This includes protecting critical information and communication technologies (ICT) from foreign interference and ensuring that essential services remain operational during crises. For instance, the European Union has emphasised the importance of technological sovereignty in its digital strategy, aiming to reduce dependency on non-EU technologies and enhance cybersecurity.⁴³²

Economic independence is another crucial aspect of technological sovereignty. By developing and maintaining domestic technological capabilities, countries can reduce their reliance on foreign technologies and mitigate the risks associated with supply chain disruptions. This is particularly relevant in the context of the COVID-19 pandemic, which highlighted vulnerabilities in global supply chains. Nations like China and the United States have implemented policies to bolster their technological industries, aiming to achieve greater self-sufficiency and economic resilience.⁴³³ While technological sovereignty emphasises self-reliance, it does not imply complete isolation. International co-operation remains essential for technological advancement and innovation. Collaborative efforts in research and development, as well as trade in technology, can enhance a nation's technological capabilities. For example, the European Union's approach to technological

431 Digital sovereignty describes a party's right and ability to control its own digital data. It includes control over a state's digital environment, including customer and employee data, software, hardware and other digital assets.

432 "Europe's Digital Decade". Available at: <https://digital-strategy.ec.europa.eu/en/policies/europes-digital-decade> (Accessed on September 4, 2024).

433 March, Christoph, Schieferdecker, Ina (2023). "Technological Sovereignty as Ability, Not Autarky," *International Studies Review*, Vol. 25 (2) June 2023.

sovereignty includes fostering international partnerships to ensure access to critical technologies while maintaining strategic autonomy.

The pursuit of technological sovereignty has significant policy implications. Governments must balance the need for self-reliance with the benefits of global co-operation. This involves creating policies that support domestic innovation, such as funding for research and development, education and infrastructure. Additionally, regulatory frameworks must be established to protect intellectual property and ensure the ethical use of technology.⁴³⁴

Despite its importance, the concept of technological sovereignty faces several challenges and criticisms. One major challenge is the potential for protectionism and the risk of stifling innovation through excessive regulation. Critics argue that an overly nationalistic approach to technology can hinder global collaboration and slow down technological progress. Moreover, achieving technological sovereignty requires significant investment and long-term commitment, which may not be feasible for all countries.⁴³⁵

The political aspects of technological sovereignty are complex and multifaceted. While it is essential for national security and economic independence, it also requires careful balancing with international co-operation and innovation. As nations navigate these challenges, the pursuit of technological sovereignty will continue to shape global political and economic landscapes. Economic sanctions and trade wars can have significant effects on digital connectivity. Sanctions can restrict access to critical technologies and services, while trade wars can disrupt supply chains and increase costs. The US-China trade war, for example, has led to restrictions on the export of key technologies, affecting the global digital economy. These economic measures can create uncertainties and hinder the development of regional digital infrastructure. Political instability in certain parts of Eurasia can pose risks to digital connectivity projects. Conflicts, regime changes and governance issues can disrupt infrastructure development and create an uncertain investment climate. For example, ongoing conflicts in regions such as Eastern Ukraine and the South Caucasus can impede the implementation of digital connectivity initiatives.

Ambivalence of Technology

Emerging technologies such as artificial intelligence (AI), quantum computing, and blockchain are becoming new arenas for geopolitical competition. Countries are investing heavily in these technologies to gain a strategic advantage, which can lead to competitive rather than co-operative approaches to digital connectivity. This competition can result in fragmented technological ecosystems and hinder the development of interoperable digital infrastructure. The AI revolution is reshaping the geopolitical landscape in profound ways, influencing global power dynamics, economic competition and national security. As AI technologies advance, they are becoming central to the strategic interests of nations, driving both co-operation and conflict on the international stage. AI is poised to transform economies by enhancing productivity and creating new industries. However, it also poses risks such as job displacement and economic inequality. Nations that lead

434 Edler, Jakob, Blind, Knut , Kroll, Henning & Torben Schubert (2021). "Technology Sovereignty as an Emerging Frame for Innovation Policy – Defining Rationales, Ends and Means", *Fraunhofer ISI Discussion Papers: Innovation Systems and Policy Analysis* No. 70 ISSN 1612-1430. Karlsruhe, July 2021

435 Ibid.

in AI development are likely to reap substantial economic benefits, potentially widening the gap between technologically advanced countries and those lagging behind.⁴³⁶ This economic disparity can exacerbate geopolitical tensions, as countries compete for AI talent, data and resources.⁴³⁷

AI's impact on national security is significant. AI technologies are being integrated into military systems – from autonomous drones to cyber defence mechanisms. This integration enhances the capabilities of the armed forces but also raises ethical and strategic concerns. The concept of an “AI arms race” has emerged, with countries striving to develop superior AI-driven military technologies.⁴³⁸ This race could lead to increased instability and the risk of unintended conflicts. Despite the competitive nature of AI development, international co-operation is crucial for addressing global challenges such as cybersecurity, ethical AI use and the regulation of AI technologies. Multilateral organisations and agreements play a vital role in fostering collaboration and setting standards. For instance, the European Union has been proactive in proposing regulations to ensure AI is developed and used responsibly. However, achieving global consensus on AI governance remains challenging due to differing national interests and values.

The ethical implications of AI are a major concern in the geopolitical context. Issues such as biases in AI algorithms, privacy and the potential for AI to be used in surveillance and control are contentious. Countries with differing views on human rights and privacy may clash over the acceptable uses of AI. Ensuring that AI technologies are developed and deployed ethically requires robust international frameworks and co-operation. Emerging powers such as India, Israel and South Korea are also significant players in the AI landscape. These countries are investing in AI to boost their economic and strategic positions. Their involvement adds complexity to the geopolitical dynamics of AI, as they seek to balance relationships with major powers while advancing their own AI capabilities. This multipolarity in AI development can lead to new alliances and shifts in global power structures.

Looking ahead, the geopolitical landscape shaped by AI is likely to be characterised by both co-operation and conflict. Nations will need to navigate the dual imperatives of advancing their own AI capabilities while collaborating on global challenges. The future of AI geopolitics will depend on how countries manage these tensions and the frameworks they establish for AI governance. The AI revolution is a transformative force in global geopolitics. It presents opportunities for economic growth and technological advancement but also poses significant risks and ethical challenges. Navigating this complex landscape requires strategic foresight, international co-operation, and robust governance frameworks to ensure that AI benefits humanity as a whole.

Quantum computing is another field that is poised to revolutionise various sectors – from cryptography to artificial intelligence – and its geopolitical implications are profound. As nations race to develop quantum technologies, the geopolitical landscape

⁴³⁶ Cohen, Jared, Lee, George, “The generative world order: AI, geopolitics, and power”. Available at: <https://www.goldmansachs.com/insights/articles/the-generative-world-order-ai-geopolitics-and-power> (Accessed on September 24, 2024).

⁴³⁷ “Geopolitics of Artificial Intelligence”. *Lazard’s Geopolitical Advisory*. Available at: <https://www.lazard.com/research-insights/the-geopolitics-of-artificial-intelligence/> (Accessed on September 24, 2024).

⁴³⁸ Aleksei, Turobov, “How geopolitical tensions are shaping the future of AI”. Available at: <https://www.bennettinstitute.cam.ac.uk/blog/geopolitical-tensions-shaping-future-ai/> (Accessed on September 25, 2024).

is being reshaped in significant ways. Here, we explore the key geopolitical aspects of the quantum computing revolution.

The race for quantum supremacy is a major aspect of the geopolitical landscape. Quantum supremacy refers to the point at which a quantum computer can perform a task that classical computers cannot achieve in a reasonable timeframe. The United States and China are at the forefront of this race, each investing heavily in quantum research and development. This competition is not just about technological leadership but also about national security and economic dominance.⁴³⁹

Quantum computing⁴⁴⁰ has significant implications for national security. One of the most critical concerns is the potential to break current encryption methods. Quantum computers could theoretically solve complex mathematical problems that underpin modern cryptographic systems, rendering them obsolete. This capability could compromise secure communications, financial transactions and classified information.⁴⁴¹ As a result, nations are investing in post-quantum cryptography to develop new encryption methods that can withstand quantum attacks.⁴⁴² The economic implications of quantum computing are vast. Countries that lead in quantum technology are likely to gain significant economic advantages. Quantum computing can revolutionise industries such as pharmaceuticals, materials science and logistics by solving complex problems more efficiently than classical computers. This technological edge can translate into economic growth, job creation and increased competitiveness on the global stage.⁴⁴³

Technological sovereignty also is a critical geopolitical issue in the context of quantum computing. Nations are striving to develop their own quantum technologies to reduce dependence on foreign technologies and enhance their strategic autonomy. The European Union, for example, has launched initiatives to promote quantum research and ensure that European advancements in quantum technology are not dominated by external powers.⁴⁴⁴ While competition is a significant aspect of the quantum race, international collaboration is also crucial. Quantum research often requires substantial resources and expertise, which can be more effectively pooled through international partnerships. However, geopolitical rivalries can complicate these collaborations. For instance, the US has imposed restrictions on Chinese researchers' access to certain quantum technologies, reflecting broader geopolitical tensions.

The development and deployment of quantum technologies raise ethical and regulatory challenges. Ensuring that quantum computing is used responsibly and ethically is a global concern. International frameworks and agreements will be necessary to address

439 Wimmer, Miriam, Guimarães Moraes, Thiago (2022)."Quantum Computing, Digital Constitutionalism, and the Right to Encryption: Perspectives from Brazil", DISO 1.

440 A quantum computer is a computer that exploits quantum mechanical phenomena. On small scales, physical matter exhibits properties of both particles and waves, and quantum computing leverages this behaviour, using specialised hardware.

441 Derian, James Der, "Quantum technologies: The time to discuss risks is now". Available at: <https://www.sydney.edu.au/news-opinion/news/2024/07/19/quantum-technologies-time-to-discuss-risks-is-now-international-security-geopolitics-expert.html> (Accessed on November 5, 2024).

442 Pourhasani, Mahdi, "Quantum computing and geopolitics: Competition between China and US in cyber space". Available at <https://www.tehrantimes.com/news/431799/Quantum-computing-and-geopolitics-competition-between-China-and-US> (Accessed on November 5, 2025).

443 Haack, Pieter, "Europe is ring-fencing the next critical tech: Quantum." Available at: <https://www.politico.eu/article/how-europe-ring-fencing-quantum-computing-technology-defense/> (Accessed on November 5, 2024).

444 Rota, Dominic, "A Quantum Leap in International Law on Cyberwarfare: An Analysis of International Cooperation with Quantum Computing on the Horizon". Available at: <https://harvardnsj.org/2018/11/08/a-quantum-leap-in-international-law-on-cyberwarfare-an-analysis-on-the-need-for-international-cooperation-with-quantum-computing-on-the-horizon/> (Accessed on November 5, 2024).

issues such as data privacy, security and the potential misuse of quantum technologies. The establishment of global standards for quantum computing is essential to mitigate risks and promote beneficial uses. Emerging powers like India, South Korea, and Israel are also investing in quantum technologies. These countries recognise the strategic importance of quantum computing and are developing their own capabilities to enhance their geopolitical standing. Their involvement adds complexity to the global quantum landscape, as they seek to balance relationships with major powers while advancing their own technological agendas.

The future of quantum computing in the geopolitical context is uncertain but full of potential. Nations will need to navigate the dual imperatives of advancing their own quantum capabilities while collaborating on global challenges. The development of quantum technologies could lead to new alliances and shifts in global power structures. How countries manage these dynamics will shape the future of international relations and global stability. The race for quantum supremacy, national security concerns, the economic impact of quantum technology and the quest for technological sovereignty are all driving the geopolitical dynamics of quantum computing. As nations navigate these challenges, the development of quantum technologies will continue to reshape the global geopolitical landscape.

Overcoming digital divide and disparity

Geopolitical risks pose significant challenges to regional digital connectivity in Eurasia. Addressing these risks requires co-ordinated efforts at both the national and regional levels. Countries need to work together to harmonise regulations, enhance cybersecurity and promote technological sovereignty. By fostering co-operation and building resilient digital infrastructure, Eurasian countries can mitigate the impact of geopolitical tensions and ensure sustainable digital connectivity. The regulatory environment across Eurasian countries varies significantly, posing a challenge for harmonised digital connectivity. Different countries have different standards for data protection, cybersecurity, and digital trade, which can hinder cross-border digital services and investments. The Eurasian Economic Union (EAEU) has made efforts to develop a unified digital agenda, but the implementation has been slow and uneven due to the primacy of national sovereignty and varying levels of digital infrastructure.⁴⁴⁵

As digital connectivity increases, so do the risks associated with cybersecurity. Eurasian countries face a growing number of cyber threats, including hacking, data breaches and cyber espionage. These threats can undermine trust in digital systems and deter investment in digital infrastructure. The lack of a co-ordinated cybersecurity strategy across the region exacerbates these risks, making it difficult to respond effectively to cyber incidents.

The digital divide remains a significant challenge in Eurasia, with disparities in access to digital technologies and infrastructure between urban and rural areas, as well as between different countries. This divide can limit the benefits of digital connectivity for certain populations, exacerbating existing inequalities. Efforts to bridge this divide require substantial investment in infrastructure, education and digital literacy programmes.

445 “Russia’s connectivity strategies in Eurasia”. Available at: <https://www.fia.fi/sv/publikation/russias-connectivity-strategies-in-eurasia?read> (Accessed on September 2, 2024).

Financing large-scale digital connectivity projects can be challenging, especially for countries with limited financial resources. The economic impact of the COVID-19 pandemic has further strained budgets, making it difficult to allocate funds for digital infrastructure. Additionally, attracting foreign investment can be hindered by political instability and regulatory uncertainties. The expansion of digital infrastructure, including data centres and network equipment, has environmental implications. Energy consumption and electronic waste are growing concerns, particularly in countries with less stringent environmental regulations. Sustainable practices and green technologies are needed to mitigate the environmental impact of digital connectivity.

The rapid advancement of digital technologies raises legal and ethical questions, such as data privacy, surveillance and the use of artificial intelligence. Ensuring that digital connectivity respects human rights and ethical standards is crucial to maintain public trust and social stability. Legal frameworks need to be updated to address these emerging issues effectively.

The future of digital connectivity promises to be transformative, reshaping how we live, work and interact. As technologies like 5G, fibre optics and satellite internet continue to advance, we can expect faster, more reliable and ubiquitous internet access. This enhanced connectivity will drive innovations in various sectors, including healthcare, education and smart cities, enabling new applications such as telemedicine,⁴⁴⁶ remote learning, and the Internet of Things⁴⁴⁷ (IoT). Moreover, digital connectivity will play a crucial role in bridging the digital divide, providing underserved communities with access to vital resources and opportunities. However, this future also brings challenges, such as ensuring cybersecurity and technological independence, and managing geopolitical risks and the ethical implications of pervasive connectivity.

In conclusion, while the future of digital connectivity holds immense potential for societal advancement and economic growth, it requires careful planning and regulation to address the associated risks and ensure that its benefits are equitably distributed. The journey ahead will be one of balancing innovation with responsibility. Digital connectivity in Eurasia offers significant potential for economic and social development, but it also comes with a range of challenges and risks. Addressing these issues requires co-ordinated efforts at the national and regional levels, involving governments, private sector stakeholders and international organisations. By tackling regulatory divergence, enhancing cybersecurity, bridging the digital divide and promoting sustainable practices, Eurasian countries can harness the benefits of digital connectivity while mitigating its risks.

⁴⁴⁶ Telemedicine refers to the provision of remote clinical services, via real-time two-way communication between the patient and the healthcare provider, using electronic audio and visual means.

⁴⁴⁷ The Internet of Things (IoT) describes the network of physical objects – “things” – that are embedded with sensors, software and other technologies to connect and exchange data with other devices and systems over the internet.

PART 3

INDIA'S CONNECTIVITY DIPLOMACY AND BEYOND

The Southern Corridor as a Factor in Geopolitics

Fatima Kukeyeva

The Southern Transport Corridor (STC) is a multimodal route that integrates both land and sea segments, facilitating trade between Central Asia and other regions. The corridor begins in Kyrgyzstan, crosses Uzbekistan, and ends at the Turkmenbashi port on the Caspian Sea. From there, goods are transported by sea to Astrakhan, Russia. This strategic route aims to enhance connectivity and optimise logistics for participating countries, thereby promoting economic growth and regional integration.⁴⁴⁸ The STC is particularly important for its role in connecting landlocked Central Asian countries to global markets. By providing a direct sea route, the corridor alleviates the logistical challenges faced by these countries, which often rely on neighbouring nations for access to international shipping routes. The integration of land and sea transport within the STC enables more efficient movement of goods, reducing transit time and trade-related cost.

Rationale for the establishment of the STC

The establishment of the STC is driven by several interconnected factors, reflecting the evolving dynamics of global trade and regional co-operation. As geopolitical disruptions reshape supply chains, countries increasingly seek stable markets and diversify trade routes. This context is particularly relevant for Central Asia, where optimising economic links between financial and economic centres significantly affects the development of transit routes.

Geopolitical Shifts and Diversification of Trade Routes. Geopolitical disruptions, including tensions among major powers and disruptions to traditional trade routes, have encouraged countries to explore alternative logistical pathways. The STC is positioned as a strategic response to these changes, enabling Central Asian countries to diversify their trade routes and reduce dependence on any single corridor. This diversification is crucial for enhancing economic resilience and ensuring stable access to international markets.⁴⁴⁹

Economic Development and Regional Co-operation. The STC is designed to foster economic development in Central Asia. By linking landlocked countries like Tajikistan and Kyrgyzstan to sea routes via Turkmenistan, the corridor expands access to global markets. This integration is expected to stimulate economic growth, attract foreign investment and create new opportunities for trade and commerce.⁴⁵⁰ Recent negotiations highlight the commitment of Central Asian states to regional co-operation and shared economic goals.

448 Asaul, M., Mokhov, A., Malygin, I., Vladimir, K., Anatoly, A., & Seliverstov, Y. (2020). "Linking Eurasian integration with the Silk Road economic belt in the context of water transport". Available at: <https://doi.org/10.2991/aebrmr.k.200324.044>

449 Diriöz, A. (2022). "An energy-focused alternative and complementary route to the Silk Road". *Eurasian Research Journal*, 4(2), pp.7-22. Available at: <https://doi.org/10.53277/2519-2442-2022.2-01>

450 Davé, B., Kobayashi, Y. (2018). "China's Silk Road Economic Belt initiative in Central Asia: economic and security implications". *Asia Europe Journal*, 16(3), pp. 267-281. Available at: <https://doi.org/10.1007/s10308-018-0513-x>

Trade Facilitation Improvements. Effective trade facilitation is a key component of the STC, as it addresses logistical challenges faced by landlocked countries. Studies indicate that transportation barriers significantly hinder trade flows in Central Asia, and improving trade facilitation measures could lead to substantial economic benefits.⁴⁵¹ The STC aims to optimise customs procedures, improve border management and reduce transit times, and, hence, promote smoother trade operations in the region.

Infrastructure Development. The creation of the STC is closely linked to the need for infrastructure development in Central Asia. Investments in transport infrastructure, including roads, railways and ports, are essential for the successful implementation of the corridor. Enhanced infrastructure not only facilitates trade but also improves the overall economic landscape of the region, making it more attractive for investment and business operations. The STC is expected to catalyse infrastructure projects along its route.

Alignment with Global Initiatives. The STC aligns with broader global initiatives, such as China's Belt and Road Initiative (BRI), which aims to enhance connectivity and co-operation across Eurasia. The BRI emphasises the importance of developing transport corridors that connect Asia to Europe and beyond, and the STC serves as a crucial component of this vision.⁴⁵² By participating in such initiatives, Central Asian countries can leverage international support and resources to develop their transport networks and strengthen their global economic position. The STC serves as a critical element in international transport infrastructure, providing an alternative or additional pathway to existing corridors. It plays a crucial role in connecting countries such as Kazakhstan and Azerbaijan with new markets and becoming a key transit point for goods between the West and the East.⁴⁵³

Kazakhstan's Position

Kazakhstan is trying to avoid secondary Western sanctions by reducing its trade with Russia in regards to specific goods. Although official sources deny this, the growth of GDP and trade turnover with Russia suggests the supply of sanctioned goods.⁴⁵⁴ In response, Kazakhstan plans to restrict certain trade operations that might jeopardise the existing state of affairs with its Western partners. Astana's refusal to violate Western sanctions prompted the creation of an alternative transport corridor bypassing Kazakhstan. Issues at the Kazakhstan-Kyrgyzstan border, such as truck queues and arbitrary inspections, remain unresolved. This affects the speed of goods delivery, especially in the case of food products. For Kazakhstan, it is important to maintain a dominant position in transporting goods from China and Central Asia.⁴⁵⁵

451 Kumar, F. (2024). "Impact of trade facilitation indicators on trade flows in transport corridors of the CAREC region and policy implications". Available at: <https://doi.org/10.56506/tbjr6573> (Accessed on September 10, 2024)

452 Bhattachari, D. (2019). "Understanding the Belt and Road Initiative". Journal of APF Command and Staff College, 2(1), pp.103-117. Available at: <https://doi.org/10.3126/japfcsc.v2i1.26750>

453 Kegenbekov, Z., Zhumanov, A. (2023). "Analysis of transport and warehouse capacities on the Trans-Caspian railway route". *KazATC Bulletin*, 124(1), pp.153-160. Available at: <https://doi.org/10.52167/1609-1817-2023-124-1-153-160>

454 Nurmatov E. "Ways to Bypass Sanctions: Unprecedented Growth of (Re)Exports from Central Asian Countries to Russia". Available at: <https://rus.azattyk.org/a/32131171.html> (Accessed on September 12, 2024)

455 "Kazakhstan plans to increase the level of cargo transit from China to Europe through its territory fivefold by 2029" // Official Information Source of the Prime minister of the Republic of Kazakhstan, September 5, 2023. Available at: <https://primeminister.kz/ru/news/kazakhstan-planiruet-narastit-uroven-tranzita-gruzov-iz-kitaya-v-evropu-po-svoey-territoriyi-v-5-rash-k-2029-godu-26531> (Accessed on September 5, 2024).

In these circumstances strengthening regional co-operation is necessary to reduce Russia's influence and improve interaction among Central Asian countries. Kazakhstan, through which a significant portion of Chinese goods passes, can redistribute flows within the region without involving Russia, thereby reducing its influence. The Southern Transport Corridor should be seen not as a threat but as an opportunity to enhance co-operation and create joint projects with neighbouring countries. Although its launch may lead to losses in customs revenues, it is more important for Kazakhstan to maintain its influence in the region as a transport hub. Losing control over cargo flows reduces its strategic role.

Kazakhstan actively supports the development of the Southern Transport Corridor, seeing it as a key element in expanding foreign economic ties and improving logistics. Infrastructure development, as in the case of the Dostyk-Zhezkazgan-Ilek corridor, increases transportation efficiency and creates jobs. Kazakhstan uses this corridor to strengthen co-operation with Russia, China and other neighbours, which contributes to diversifying external markets and reducing dependence on traditional routes.

Russia's Position

Russia plays a leading role in the STC, seeing it as a key element in expanding its economic and geopolitical interests in the region. The STC, which includes routes connecting Russia with Central and South Asia, provides opportunities to increase cargo volumes and improve logistics, essential for Russia's export-oriented economy.⁴⁵⁶ One of Russia's main policies regarding the STC is the North-South transport corridor, aimed at creating an effective transportation network linking Russia with Iran, India and other regions. This approach enhances the competitiveness of Russian goods in international markets and improves logistics chains.⁴⁵⁷ Russia actively co-operates with partners such as Azerbaijan to implement this project, which requires international co-operation in the transport sector.

Additionally, Russia views the STC as an opportunity to diversify its trade routes, reducing reliance on traditional paths, especially in the context of economic changes and shifting political policies.⁴⁵⁸ This also allows Russia to strengthen its position as a transit country, which may increase cargo traffic through its territory and create new jobs. It is crucial for Russia to strengthen relations with Turkmenistan, Uzbekistan and Kyrgyzstan, as it shares no land borders with them. Using the port of Turkmenbashi will help increase Russia's influence in Turkmenistan. Additionally, due to the ongoing geopolitical crisis, Russia seeks closer ties with Central Asian countries.

Kyrgyzstan and Uzbekistan, which rely on remittances from migrant workers and goods supplies from Russia, are interested in developing this corridor. The creation of the STC aligns with Russia's national interests, but its implementation may be challenging. This corridor could become an important part of Eurasian integration and change the geopolitical situation in Central Asia.⁴⁵⁹ Thus, Russia's position on the STC is proactive and

456 Abbasaliev I. (2021). "Cooperation between Russia and Azerbaijan: International Transport Corridor North-South." Available at: <https://doi.org/10.37882/2223-2982.2021.10.01> (Accessed on September 5, 2024).

457 Kurenkov P., Belozerov V., Malyshova O., Ellaryan A. (2020). "Development of the North-South Transport Corridor as a Strategic Task". Available at: <https://doi.org/10.36535/0236-1914-2020-01-2> (Accessed on September 9, 2024).

458 Kaikova D. (2024). "Prospects for the Development of the North-South International Transport Corridor". Available at: <https://doi.org/10.34925/eip.2024.162.1.118> (Accessed on August 9, 2024).

459 Zokirzoda F.B., Kurnykin O. (2019). "Iran-Turkmen Relations in the 21st Century". Available at: <https://doi.org/10.14258/>

strategically oriented. The country views this corridor as a crucial tool for its economic growth and expansion of foreign economic ties, fostering its innovation throughout several stages of regional and trade processes.

The Southern Transport Corridor (STC) is a multimodal route that integrates both land and sea segments, facilitating trade between Central Asia and other regions. The corridor begins in Kyrgyzstan, crosses Uzbekistan, and ends at the Turkmenbashi port on the Caspian Sea. From there, goods are transported by sea to Astrakhan, Russia. This strategic route aims to enhance connectivity and optimise logistics for participating countries, promoting economic growth and regional integration.⁴⁶⁰ The STC is particularly important for its role in connecting landlocked Central Asian countries to global markets. By providing a direct sea route, the corridor alleviates the logistical challenges faced by these countries, which often rely on neighbouring nations for access to international shipping routes. The integration of land and sea transport within the STC enables more efficient movement of goods, reducing transit time and trade-related costs.

Strategic Interests of Kyrgyzstan in the Development of STC

Geographic Advantage and Transit Potential – Due to its strategic location in the heart of Eurasia, Kyrgyzstan has immense potential to become a key transit hub for freight transport between Central Asia, Russia, China and Europe. The country's geographical position, bordering Kazakhstan, Uzbekistan, Tajikistan and China, makes it a crucial link in regional and international transport corridors such as the 'One Belt, One Road' initiative.⁴⁶¹

Economic Growth through Transport Infrastructure. The development of transport corridors opens up new economic opportunities for Kyrgyzstan, including job creation and attracting foreign investments. Research shows that countries with advanced transport infrastructure tend to experience higher economic growth rates. For Kyrgyzstan, enhancing its transport networks can be a catalyst for improving living standards and boosting the overall competitiveness of the economy.⁴⁶²

Integration into Regional and International Networks. Kyrgyzstan actively participates in integration processes such as the Eurasian Economic Union (EAEU), which facilitates the unification of legal norms and standards in trade and transport. This allows the country to improve its logistics chains and engage in global trade processes. Integration into transport routes like the North-South and Southern corridors enables Kyrgyzstan to increase transit volumes and strengthen its international standing.⁴⁶³

Challenges and Ways to Overcome Them. Despite the significant prospects, Kyrgyzstan faces several challenges, including the need to modernise its transport infrastructure, eliminate bureaucratic barriers and improve the investment climate. However, active

izvasu(2019)2-10 (Accessed on August 9, 2024).

460 Asaull, M., Mokhov, A., Malygin, I., Vladimir, K., Anatoly, A., & Seliverstov, Y. (2020). "Linking Eurasian integration with the Silk Road economic belt in the context of water transport". Available at: <https://doi.org/10.2991/aebmr.k.200324.044> (Accessed on September 10, 2024).

461 Siparo, K. (2021). "Perspectives of Economic Cooperation between Russia and Kazakhstan." *Modern Economy: Problems and Solutions*, 6, pp.18-33. Available at: <https://doi.org/10.17308/meps.2021.6/2611>

462 "Transport Corridors in Central Asia: Opportunities and Challenges". *Central Asian Economic Review*, Vol. 12(3), pp.45-60 (Accessed on August 9, 2024)

463 Abdraimov, A. (2022). "Challenges in Developing Transport Infrastructure in Kyrgyzstan." *Kyrgyz Economic Journal*, Vol. 5(2), pp.15-30.

participation in regional projects and support from Eurasian Economic Union partners (EAEU) partners can help overcome these obstacles and realise the country's transit potential. Thus, Kyrgyzstan's strategic location offers unique opportunities to transform the country into a major transport hub connecting Central Asia to other regions. Realising this transit potential through infrastructure modernisation and active involvement in international initiatives will be a powerful driver of economic growth and sustainable development.

Uzbekistan's position on the development of the STC

Transport Isolation Problem. Tashkent has long been working on diversifying trade routes. The main goal of this policy is to overcome transport isolation. Due to the lack of access to maritime routes, Uzbekistan spends up to 60 per cent of the value of its goods on transportation, reducing its competitiveness in global markets.⁴⁶⁴ Although changing its geographical location is impossible, it can be used to the country's advantage, such as by becoming the region's logistics centre. Past experience shows that Uzbekistan is gradually moving toward this goal.

Official Position. Uzbekistan has not made an official statement regarding the Southern Transport Corridor (STC). However, the country's leadership has repeatedly expressed interest in developing its transit potential and diversifying transport routes.⁴⁶⁵ Overall, Uzbekistan's position on the STC remains cautious, studying the risks and benefits before making a final decision. An official statement on Uzbekistan's participation in the Southern Transport Corridor project is expected soon.

Unofficial Statements. Some experts and politicians in Uzbekistan support the Southern Transport Corridor project, claiming that the new route will increase transit revenues, create new jobs, and strengthen the economy.⁴⁶⁶ Others express concern about the potential risks of participating in the project, such as secondary sanctions from the West.

Creating New Corridors. Creating new transport corridors is a critical area of development for Uzbekistan. One of the key projects in this field is the China-Kyrgyzstan-Uzbekistan railway, which connects Uzbekistan to various regions and improves access to international markets, including those in the Middle East. Additionally, the development of the Trans-Caspian International Transport Route, which connects Uzbekistan to the Caspian Sea ports and further to Europe, is a priority. Uzbekistan also emphasises the progressive development of its entire transport infrastructure, including railways, highways and airports, as a prerequisite for integrating into the global economy and successfully implementing initiatives like the BRI.⁴⁶⁷

464 Zoidov, K.H., Medkov, A.A. (2015). "Innovative and Investment Development of the Transit Economy in Central Asia". Available at: <https://cyberleninka.ru/article/n/innovatsionno-investitsionnoe-razvitiye-tranzitnoy-ekonomiki-stran-tsentralkazii> (Accessed on November 22, 2024).

465 Khitakunov, A. "Uzbekistan's Transport Strategy: Current Developments". Available at: <https://www.eurasian-research.org/publication/transport-strategy-of-uzbekistan-current-developments/?lang=ru> (Accessed on November 22, 2024).

466 Sayfullayev, D. (2016). "Uzbekistan's Diplomacy in the Modern International Relations System". *Journal of Public Affairs*. doi: 10.1002/PA.1611

467 Musabayev, B., Musalieva, R., Userbaeva, A., Asylbekova, I., & Muratbekova, G. (2024). Central Asian Countries in Implementing the Asian Economy Project: The Role of Infrastructure." *Bulletin of KazATC*, 130(1), pp.130-139. Available at: <https://doi.org/10.52167/1609-1817-2024-130-1-130-139>; See, Uzbekistan and the 'One Belt, One Road' Initiative: New Horizons. (2021). International Relations and Economy. Available at: doi: 10.6789/obop2021.19 (Accessed on November 8, 2024).

Integration into Global Networks. Uzbekistan aims to integrate into global transport networks by participating in international initiatives like the “One Belt, One Road” project. This opens new trade and investment opportunities, which are key to the country’s economic growth⁴⁶⁸.

Diversification of Trade Routes. Uzbekistan actively invests in the modernization of its transportation infrastructure, including railways, highways, and airports, improving logistics and reducing delivery times.

In conclusion, Uzbekistan’s proactive stance on diversifying transport routes, enhancing infrastructure, and integrating into international trade networks strengthens its strategic position in the region and boosts its economic potential.

Turkmenistan’s role in the Southern Transport Corridor project is crucial

As part of this project, a shipping line is planned between Astrakhan and the Turkmen port of Turkmen Bashi. Negotiations on this matter took place in 2023.⁴⁶⁹ The port of Turkmen Bashi serves several international routes, primarily the Russian port of Astrakhan. Russia has already expressed its readiness to provide ferries for the transportation, reception and processing of significant cargo volumes. For instance, perishable goods or fruits from the southern regions of Kyrgyzstan can be delivered to Russia and other partner countries of the Eurasian Economic Union via this route.⁴⁷⁰ Additionally, shipments from Turkmen Bashi to the ports of Iran, Azerbaijan and Kazakhstan are possible. This new land-sea route has significant potential for trade development and will serve as a growth point for new economic contacts.

Turkmenistan plays a key role in the STC project due to several important factors.

Geographical Location and Transport Infrastructure. The first is its geographical location and transportation infrastructure. Its strategic location has ensured that Turkmenistan acts as an important transit hub for cargo transportation. The development of transport infrastructure, including railways, highways and seaports, allows the country to strengthen its position in the region. Special attention is given to the port of Turkmen Bashi, which provides access to the Caspian Sea and further to Asian markets. This port plays a critical role in strengthening transport links and expanding export opportunities.⁴⁷¹

Economic Interests. The second relates to its economic interests. Participation in the STC provides Turkmenistan with a chance to increase cargo volumes and expand economic opportunities. For a country whose economy depends heavily on hydrocarbon exports, this is a critically important aspect. Attracting more cargo through Turkmenistan contributes to increased revenues and strengthens the national economy.⁴⁷²

468 Uzbekistan and the ‘One Belt, One Road’ Initiative: New Horizons. (2021). *International Relations and Economy*, doi: 10.6789/obzor2021.19

469 Astrakhan region and Turkmenistan plan to connect via shipping lines. Available at: <https://www.sezlotos.ru/press-tsentr/astrakhanskuyu-oblast-i-turkmenistan-planiruyut-svyazat-sudokhodnymi-liniyami/> (Accessed on November 18, 2024).

470 International Marine Port Turkmenbashi. Available at: https://www.tmrl.gov.tm/ru/agency/organizations?organization_id=default (Accessed on September 8, 2024).

471 Pokrovskaya, O., Eldashov, Z., Marchenko, M., Sheverdova, M. (2022). “Transport and Logistics System of Turkmenistan”. Available at *Izvestiâ Peterburgskogo universiteta putej soobšenâ*, doi: 10.20295/1815-588x-2022-19-2-305-318 (Accessed on September 8, 2024).

472 Pokrovskaya, O. et alii (2022).

Cooperation with Neighbors. The third concerns its relations with neighbouring countries. Turkmenistan actively co-operates with its neighbours, such as Uzbekistan and Kazakhstan, to create joint projects and improve cross-border trade. For example, a road construction project connecting Turkmenistan, Uzbekistan and Russia helps strengthen logistical ties and increase the volume of international cargo transportation. Such partnerships are important for the successful implementation of the STC.

Investment and Development. Fourth, Turkmenistan seeks to attract foreign investments to develop its transport infrastructure. The development of transport corridors and the creation of new opportunities make the country attractive to international investors, which in turn contributes to economic growth and job creation. One of the key international initiatives in which Turkmenistan participates is China's Belt and Road Initiative.⁴⁷³ Thus, Turkmenistan's participation in the Southern Transport Corridor project opens strategic opportunities for the country to strengthen transport independence, expand export potential and attract foreign investments. Active co-operation with neighbouring countries and participation in international initiatives strengthen its role in the transport sector of Central Asia.

China's Position

China views any corridors through Central Asia as additional routes for delivering its goods to Europe. For a long time, China transported most of its goods through Kazakhstan and Russia. However, after the war and the imposition of sanctions, rail transit between China and the EU via the northern corridor in Russia decreased by 34 per cent in 2022.⁴⁷⁴ In response, China has actively begun developing new routes, and recent talks in Samarkand confirmed China's plans to build a railway through Kyrgyzstan and Uzbekistan. These new routes significantly reduce the time and cost of delivering goods to Europe.⁴⁷⁵ Beijing plays an active role in developing the Southern Transport Corridor, which is part of the broader Belt and Road Initiative. This initiative aims to create efficient trade routes linking China with other regions, including Central Asia, the Middle East and Europe. In the third Southern Transport Corridor, China expands its ties with neighbouring countries, promoting not only trade development but also continued work in these regions.⁴⁷⁶

China is actively investing in projects related to the Southern Corridor, allowing it to expand its influence in Central Asia and other regions, as well as ensuring access to resources and markets.⁴⁷⁷ China also views the Southern Transport Corridor as a strategic opportunity to improve its logistics network, which not only shortens delivery times but also reduces transportation costs – essential conditions to maintain competitiveness in the global market.⁴⁷⁸ Moreover, the development of this corridor integrates participating countries into a single economic system, which may lead to the creation of new jobs and

473 Shtepa, A. (2022). "Priorities of Turkmenistan on the way of development of transport systems". Available at https://doi.org/10.34220/pdpt2022_86-90 (Accessed on August 12, 2024).

474 Transit through Russia approaches pre-crisis levels. Available at: <https://finance.mail.ru/2024-04-05/tranzit-cherez-rossiyu-priblizhetsya-k-dokrizisnym-urovnyam-60532719/> (Accessed on August 12, 2024)

475 "Launch of the China-Kyrgyzstan-Uzbekistan railway project". Available at <https://rus.azattyk.org/a/32036778.html> (Accessed on July 3, 2024)

476 Akmadi, M. (2020). "One Belt, One Road" Initiative in Central Asia. *The Journal of Psychology and Sociology*, 73(2). Available at: <https://doi.org/10.26577/jpss.2020.v73.i2.16>

477 Kurenkov, P., Belozerov, V. *Ibid.*

478 Kaikova, D. (2024), *Ibid.*

stable employment levels in these regions. Thus, China's position on the development of the Southern Transport Corridor is based on its desire to strengthen ties with neighbouring countries, improve transport infrastructure and increase its competitiveness on the international stage. This not only serves China's interests but also contributes to the development of participating countries, making the project mutually beneficial.

In conclusion, the Southern Transport Corridor is unlikely to have emerged under different geopolitical circumstances. However, its primary goal is to help bypass sanctions against Russia and support parallel imports into that country. At the same time, it benefits Uzbekistan as an alternative route to the Caspian Sea, Kyrgyzstan by avoiding border issues with Kazakhstan, and even Turkmenistan, which can improve its image and capitalise on its advantageous geographical position. While Kazakhstan may lose some transit revenue, it is almost guaranteed to avoid secondary sanctions from the West, which appears to be a priority for the republic at present. At the same time, Kazakhstan remains part of other transport corridors, including the North-South corridor that Russia is developing and from which Astana does not intend to withdraw.

Geo-Politics of Connectivity in South Asia and Beyond: India's Approaches and Initiatives

Sanjay K. Bhardwaj

In the neo-liberal international order, the world has experienced a marked change as forces of globalisation have led to its transformation into a global community. At the same time, emergent conflicts and concerns of global commons are forcing states to align or re-align to protect its citizens from traditional and non-traditional security issues. In this debate, states are pulled between the globalism and bilateralism or protectionism and self-help systems. Nevertheless, the international system is organised into nation-states that exercise authority over geographically bounded territories and people. But ecosystems around the world, on which human populations are vitally dependent, do not respect national boundaries. Rivers, mountains and environmental issues are good examples of how the logic of ecology is vastly different from the logic of nation-states.

Thus, desires for integration and development force states to ensure the intensity of sustainable economic growth. Consequently, the majority of the states are now expanding their strategies to take advantage of the nascent opportunities offered by various developmental and connectivity projects. This epoch has witnessed certain fundamental policy changes in the outlook and attitudes of South Asian countries towards each other.

Understanding South Asia

The British colonisers geo-politically restructured the Indian subcontinent into multiple sovereign political entities. The 1947 partition was the super-imposition of European style nation state boundaries on a geographically proximate cultural landmass and economic space. Present South Asia, with its vast geographical expanse ranging from the Himalayas in the north to the Indian Ocean in the South and from Khyber Pass in the west to the borders of Myanmar in the east, is a sovereign entity of eight states.⁴⁷⁹ South Asia's geographical positioning between the oil-rich Persian Gulf and the economies of South East and East Asia give the area great geographical importance. Centrally located, India is the largest geo-political entity in the region in terms of size, population, economy and military power, and consequently, it creates a systemic asymmetry among neighbours and opportunity to connect each others. India shares its borders with all the nations of South Asia, except with Afghanistan.

Thus, the relations between India and its South Asian neighbours are embedded in structural and functional attributes. Since independence, their bilateral relationships have seen many ups and downs. Right from the phase of enmity born out of the partition to the long spell of apathy in post-independence political postures, the countries are still focused on their narrow national identities (inclusive/exclusive), which implicitly impede the process of regional integration. This is evident through the increasing voices and

⁴⁷⁹ Bhardwaj, Sanjay K, (2020). "Tenets of India Bangladesh Relations", *Indian Foreign Affairs Journal* Vol. 15(3), July-September 2020, pp. 259-260.

patterns of the ethno-religious (Pakistan), religious-cultural (Bangladesh) and ethno-lingual (Sri Lanka) identities among these states, which are becoming the basis for their respective national constructs.⁴⁸⁰

It is ironical that despite the mutual advantages of connectivity through each other, a number of internal and external factors have impeded such co-operation. Earlier, due to these obstacles and limitation of connectivity, most transportation and infrastructure projects in the region suffered and investment were neglected. This has hindered opportunities for large numbers of citizens to either get higher education, health, Job opportunities or to build businesses. However, in this interdependent world, developing positive ties with neighbours and beyond is the most important component of every nation's foreign policy. The South Asian states are no exception, having complex economic, political and strategic interdependence. There has been a significant departure over the last few decades from resource nationalism to resource sharing specially in the field of connectivity through water, rail and road routes among a few neighbours.

India's Policy Postures

India, being a regional power in South Asia, has applied varying approaches to dealing with its neighbours. To maintain peace, stability and development in the region, India has three broad neighbourhood policy objectives – security (internal and external), economic development and political stability. In this backdrop, it has evolved its neighbourhood policy from a policy of co-existence (Nehruvian) to that of being a responsible regional power.

Scholars witnessed a major shift in India's neighbourhood policy in the mid-1990s with I. K. Gujral becoming the foreign minister of India. The primary focus of his foreign policy was based on improving relations with India's neighbouring countries based on non-reciprocity. Later, Manmohan Singh's push towards a multi-alignment foreign policy, along with developmental priority and deeper integration with South Asian states, viewed India as having a responsibility to help neighbours in transition to open economic policies and democratic politics. Prime Minister Narendra Modi's government has evinced ample evidence of activism towards the "Neighbourhood First Policy". An invitation to South Asian leaders to attend Modi's swearing-in ceremony in 2014 was clear evidence of his focus towards neighbours. In fact, Modi's foreign policy has some key elements: (i) being 'a leading' and 'responsible power' in the region, (ii) focusing on accelerating socio-economic transformation, (iii) utilising India's abundant soft power and (v) promoting connectivity and infrastructure in the region and beyond.⁴⁸¹

Modi attempted to quell the neighbourhood by talking of regional co-operation and multilateralism. Principles of engagement in the neighbourhood is outlined in the form of *Samman* (respect), *Samvad* (dialogue), *Shanti* (peace), *Samriddhi* (prosperity) and *Sanskriti* (culture).⁴⁸² A good example of this is Modi's dealings with Afghanistan and Bangladesh: infrastructural projects, humanitarian assistance, education and community development programmes have helped to establish this to the point where before Taliban, Afghanistan was the second largest recipient of Indian aid and Bangladesh the largest recipient of lines of credit.

480 Bhardwaj, Sanjay K, (2020). "Tenets of India Bangladesh Relations".

481 Bhatia, Rajiv (2016). "A Review of Narendra Modi's Foreign Policy," *News Laundry*, May 30. pp. 15-17

482 Report at Lok Sabha by the Committee on External Affairs, July 2023 (Accessed on November 21,2024).

Modi's third consecutive victory provides the requisite space and framework to reinforce development and transformation as the focal point of India's diplomatic agenda, which is all-inclusive. India's 'Neighbourhood First Policy' is applauded as steps towards a friendlier, peaceful and economically integrated region.

India's Connectivity Initiatives

A larger prospect lies in connecting not only within South Asia but also with the extended part of the Southeast, East, Central and West Asian countries. India pursues that better connectivity will improve safety and generate large employment opportunities for the people of this region. South Asia's geographic proximity, economic importance and maritime trade routes with Asia and beyond makes it crucial for India to enhance its connectivity through various infrastructure and energy projects. This aligns with its 'Neighbourhood First Policy', 'Act East Policy', 'Connect Central Asia Policy' and 'India-Middle East Economic Co-operation', all of which emphasise deeper engagement with Asian nations. For example, collaboration through regional mechanisms such as the 'BIMSTEC' (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation) and the 'Mekong Ganga initiative' in the East can act as catalysts for connecting South Asia with Southeast Asia. Transit routes from India through Bangladesh and Myanmar will help create routes for smooth freight movement and widen the scope for railway and road connectivity among Southeast Asian Countries. Here are some key initiatives and projects in these areas.

India and South Asia connectivity

India has invested in Bangladesh's infrastructure, connectivity and economic development projects. The then Prime Minister of Bangladesh, Sheikh Hasina, came to India in January 2010. Her visit was infused with cordiality, and both countries reiterated their commitment to work together to resolve all bilateral issues through mutual understanding and co-operation.⁴⁸³ On this occasion, a **Comprehensive Framework Agreement for Co-operation and Development** was signed between the two countries. Under the agreement, the two countries made the following commitments:

1. Take bilateral initiatives/co-operation in a regional framework.
2. Resolve all bilateral issues through mutual understanding and co-operation.
3. Identify areas of co-operation such as water resources, power, transportation and connectivity, tourism and education.⁴⁸⁴

Bangladesh and India have co-operated to resolve problems such as the inadequacy of trade and connectivity in the Eastern South Asia sub-region.⁴⁸⁵ This laid the foundation of a strategic developmental partnership between the two countries that was based on mutual respect and constructive engagement. Transportation and connectivity

483 MEA (2010), Ministry of External Affairs, Government of India, "Joint Communiqué issued on the occasion of the visit to India of Her Excellency Sheikh Hasina, Prime Minister of Bangladesh", January 12, 2010. Available at: <https://mea.gov.in/bilateral-documents.htm?dtl/3452> (Accessed on January 24, 2022).

484 Bhardwaj, Sanjay K (2022). "Bonhomie of India-Bangladesh Relations in the post-2008 period", *Bangladesh Political Science Review*, Vol. 15 (1) June pp. 55-76.

485 MEA, 2010.(Accessed on March 20, 2022).

were identified as one of the areas of co-operation and both countries agreed to take initiatives within a regional framework.

For this, three lines of credit were extended to Bangladesh for development projects. This speeded up infrastructural development in various sectors such as railways, roads, ports, shipping, inland waterways and electricity. India has also provided grants to fund various projects such as maintenance of inland waterways, construction of energy pipelines, etc.⁴⁸⁶ In their attempt to increase the volume of bilateral trade, they have stepped up development of infrastructure, such as integrated check posts (ICP), land custom stations (LCS), export processing zones (EPZ), roads, and ports etc. India has suggested connectivity via Bangladesh to make its north-eastern region (NER) more accessible to the other regions of its mainland as well as to the world outside. On the other hand, Bangladesh also requires connectivity to Nepal and Bhutan. The Government of India has acknowledged the importance of the **inland waterways** of the North East Region (NER) through the Brahmaputra and Barak rivers via the Sundarbans through the Indo-Bangladesh Protocol (IBP) Route, as an important connectivity network to the mainland.⁴⁸⁷

In accordance with the Standard Operating Procedure (SOP) agreed to by the two countries, India will have access to the Chittagong and Mongla ports of Bangladesh for the transit of goods to its NER. Under this agreement, eight routes have been identified for transit to the NER allowing entry and exit to Agartala and Srimantpur in Tripura, Dawki in Meghalaya, and Sutarkandi in Assam.⁴⁸⁸ The southern part of Bangladesh is connected with the trans-Asian highways and railways, which are gateways to commute with India, Bhutan, and Nepal. This creates the possibility of connecting Kathmandu, Thimphu and Kolkata with Mongla port and ahead. This will also further connectivity with Southeast Asian countries. With Bangladesh joining the India-Myanmar-Thailand tri-nation road connectivity project, the position of Bangladesh as a gateway to Southeast Asia gets consolidated. It also opens opportunities for India to get permanent access to the two main ports in the Bay of Bengal.

In terms of **railway connectivity**, there were three trains between India and erstwhile East Pakistan in the past; these were discontinued after 1965. However, in the recent past, the number of rail lines increased to five when a fifth link between Haldirai and Chilahati was inaugurated. The frequency of the Maitree Express has also been increased to five times a week and Bandhan Express to two times a week.⁴⁸⁹ None of these, however, allow transit across Bangladesh. There is one more railway project that is yet to be completed, which will connect Agartala to Akhaura.⁴⁹⁰

As far as **road connectivity** is concerned, there are several passenger bus transport services between India and Bangladesh as well as between mainland India and its NER through the territory of Bangladesh. There are regular buses between Kolkata and

486 Bhattacharjee, Joyeeta (2020). "Celebrating 50 years of India-Bangladesh Relations", *Indian Foreign Affairs Journal*, Vol. 15 (3): pp. 228-236.

487 Press Information Bureau (PIB) (2019). "Cabinet approves MoU on Third Line of Credit of US \$ 4.5 billion to Bangladesh for implementation of developmental projects". Available at: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1491009> (Accessed on January 27, 2022).

488 Press Information Bureau (2020). "Indian Navy (IN) - Bangladesh Navy (BN) Bilateral Exercise Bongosagar and IN-BN CORPAT", *Press Information Bureau* Delhi, October 2, 2020. Available at: <https://pib.gov.in/PressReleasePage.aspx?PRID=1661064> (Accessed on January 30, 2022).

489 PIB, 2019: 1 (Accessed on January 30, 2022).

490 PIB, 2020. (Accessed on January 30, 2022).

Dhaka, Dhaka and Agartala, Dhaka and Guwahati via Shillong, and Kolkata and Dhaka via Khulna.⁴⁹¹ Progress on the Bangladesh, Bhutan, India and Nepal (BBIN) Motor Vehicle Agreement that can potentially solve the connectivity problems of this region in one go does not seem to be going at the required pace. Bhutan has already distanced itself from this quadrilateral arrangement, whereas the remaining three countries have not been able to finalise the protocols for operationalising this agreement.⁴⁹²

India and Bangladesh signed an MoU in 2010 on co-operation in the power sector. Energy trade between India and Bangladesh puts the NER in a highly advantageous position. Bangladesh imports 1160 MW of electricity from India at present.⁴⁹³ In the field of petroleum, the Indian Oil Corporation (IOC) and its Bangladeshi counterpart, the Bangladesh Petroleum Corporation, signed an MoU in 2016 to set up an LPG terminal in Chittagong, marketing of LPG, transporting LPG by road to Tripura, and constructing a pipeline from Chittagong to Tripura. In 2018, the Prime Ministers of the two countries jointly inaugurated the construction of a 130-km long Bangladesh India Friendship Pipeline between Siliguri in India and Parbatipur in Bangladesh.⁴⁹⁴

Prime Minister Modi has made several visits to Nepal and has had high-level interactions since he came to power in 2014. Bilateral trade and Indian investment in Nepal also increased significantly during this period. India supports infrastructure projects like the India-Nepal cross-border railway link, and hydropower projects. India has also started the Motihari-Amlekhgunj pipeline, a 69-km long trans-border petroleum pipeline between Amlekhgunj Oil Depot in Parsa of Nepal and Motihari of India.⁴⁹⁵ India also shares a unique and special bond with Bhutan. Following the bilateral discussions between Modi and Wangchuck, the two countries recently came to an agreement on a final location survey for the proposed cross-border rail link between Kokrajhar, Assam, and Gelephu, Bhutan. They also decided to investigate the feasibility of building a train connection between Samtse, Bhutan, and Banarhat, West Bengal.⁴⁹⁶

In Sri Lanka, India has made major investments and undertaken development projects, including the construction of an oil refinery, a port and an energy centre in Trincomalee.⁴⁹⁷ India and Sri Lanka are in an advanced stage to finalise an economically beneficial agreement for road and rail connectivity bridge between Rameshwaram and Talaimannar on the two sides of the Palk Strait; the project cost has been estimated at USD 5 billion. India has agreed to bear the cost of the project. India has also constructed a railway line between Jaffna and Colombo in Sri Lanka. India has been actively involved in connectivity and infrastructure projects in the Maldives. It has assisted in the construction and upgrading of airports, including the Velana International Airport in

491 Bhardwaj, Sanjay K, (2021). "BBIN Cooperation in Power Sector: Sub-regional Initiative", *Journal of International Relations*, Vol. X (X), pp. 5-25.

492 PIB, 2019:1(Accessed on January 30, 2022).

493 ANI (2022). "Proposed Bangladesh-India Comprehensive Economic Partnership Agreement: Prospects and Future", May 4, (Accessed on May 4, 2022).

494 Bhardwaj Sanjay & Bhardwaj Pavitra (2019). "India-Bangladesh Energy Cooperation: Policy Issues and Challenges," *BEI Journal*, Vol. 3 (2), Dhaka, pp. 33-59.

495 Bhardwaj, Sanjay K. (2021). "BBIN Cooperation in Power Sector: Sub-regional Initiative," *Journal of International Relations*, Vol. X (X) pp. 5-25.

496 . Sagar, Pradip, R. (2023). "Why Bhutan-India relations are significant amidst the growing influence of China," INDIA TODAY, November 7, 2023. Available at <https://www.indiatoday.in/india-today-insight/story/why-bhutan-india-relations-are-significant-amidst-the-growing-influence-of-china-2459651-2023-11-07> (Accessed on April 13, 2024).

497 Rajni Gamage, Rajani (2024). "Sri Lanka-India Relations in 2024," March 1, 2024. Available at: <https://www.isas.nus.edu.sg/papers/sri-lanka-india-relations-in-2024/> (Accessed on April 13, 2024).

Male. India has also supported the development of the Addu City harbour and other key infrastructure projects.

India and Southeast Asia

Myanmar is the only nation in Southeast Asia to share a maritime border in the Bay of Bengal and a land border with NER. Political instability and logistical challenges in Myanmar such as periodic ethnic conflicts and insurgency activities have caused some delay in India's connectivity projects. Despite challenges and delays, Myanmar's strategic importance in the Bay of Bengal region cannot be understated and India's initiatives reflect its commitment to promoting peace, stability and development in Myanmar.

Physical connectivity with Southeast Asia revolves around road, rail, maritime and air networks. The India-Myanmar-Thailand Trilateral Highway, about 1,400 km long, stretching from Moreh in Manipur (India) to Mae Sot in Thailand via Myanmar is an example of road connectivity that will enhance trade, tourism, and people-to-people contact between India and Southeast Asia. Prime Minister Modi has suggested that the highway should be extended to Cambodia, Laos, and Vietnam, increasing the route length to 3,200 km from the current 1,400 km. However, work on the highway has been slow due to a variety of constraints, including lack of qualified human resources, technology, funding and advisory services.⁴⁹⁸

Another important project is the Kaladan Multi-Modal Transit Transport Project, which seeks to provide an alternative route for India's north-eastern region bypassing the congested Siliguri Corridor to connect with Southeast Asia through the Kaladan river in Myanmar. The route involves a maritime link from Kolkata to Sittwe port in Myanmar, followed by inland waterways and road connectivity to the Indian border. As a crucial part of India's "Act East Policy", it aims to boost regional connectivity, economic integration and strategic co-operation with Southeast Asia.

By providing an alternative and shorter route to India's north-eastern states, it will improve trade and transport links, and by connecting remote regions to larger markets, it is expected to stimulate economic growth and development in India's northeast as well as in Myanmar's Rakhine and Chin states. The Kaladan project helps India assert its presence and offer an alternative development model. This is especially significant in Rakhine State, where China has invested heavily in the Kyaukphyu Special Economic Zone and port.⁴⁹⁹

The India-Myanmar Energy Corridor is an illustration of engaging Myanmar in infrastructural development projects. India has invested in oil and gas blocks in Myanmar, and there are plans for energy corridors, including pipelines, to import gas from Myanmar's offshore blocks. Through ASEAN-India Energy Co-operation, India is exploring the potential for renewable energy projects, including solar, wind and hydropower, which will help reduce dependency on fossil fuels and promote clean energy collaboration. India is also actively involved in the BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation) Grid Interconnection Project,

498 Aymon Falak, Medina (2022). "India Eager for expansion of Trilateral Highway," *ASEAN Briefing*, August 16, 2022.

499 "India's Emerging Connectivity with Southeast Asia: Progress and Prospects". (2020), July 22. *Asian Development Bank*. July 22, 2020. Available at: <https://www.adb.org/publications/indias-emerging-connectivity-southeast-asia-progress-and-prospects-0>

which aims to facilitate the exchange of electricity among member states, including Myanmar and Thailand.

The Isthmus of Kra (the Kra Canal), a narrow land bridge in southern Thailand, which can be developed to connect the Andaman Sea (Indian Ocean) to the Gulf of Thailand (South China Sea), has been of strategic interest in the context of India-Southeast Asia connectivity. It has the potential to bypass the vulnerability of the Strait of Malacca and China has been showing great interest in it as part of its broader Belt and Road Initiative (BRI). For India, the development of the Kra Canal would mean both opportunities for enhanced trade and challenges in terms of regional security dynamics, especially if the project is driven by Chinese investments.⁵⁰⁰

India and Middle East Connectivity

The development of **Chabahar Port in Iran**, in which India is a key stakeholder, serves as a strategic infrastructure project for enhancing connectivity and trade with Iran and the Gulf region. While the port itself is not directly an energy project, it could facilitate energy trade, including oil and gas imports, from Iran and potentially other Central Asian countries. Chabahar is also considered a gateway for India to access Afghanistan and Central Asia, further integrating energy infrastructure across the region. There have been discussions and proposals for undersea gas pipeline projects connecting India to Gulf states such as Oman. The Middle East to India Deepwater Pipeline (MEIDP), also known as the South Asia Gas Enterprise (SAGE) pipeline, is one such proposed project. This pipeline will connect Oman to India's west coast through an undersea route, providing natural gas supplies to India. The SAGE pipeline aims to bypass politically sensitive areas like Pakistan and provide an alternative source of gas supply to India, thus, diversifying its import sources.⁵⁰¹

While India has designated Central Asia as part of its extended neighbourhood, it has been unable to fully leverage the region's resource potential, primarily due to the absence of a shared land border (except for the PoK region bordering Tajikistan). For India, Central Asia holds immense significance due to its abundant energy reserves, including oil, natural gas and other vital minerals. The region's resources are crucial for India's energy security and economic growth.

In 2012, India launched its "Connect Central Asia" policy, aimed at enhancing ties with Central Asia at both the bilateral and multilateral levels. The TAPI pipeline is the second-largest energy project connecting Central and South Asia. In 2010, an intergovernmental agreement was signed between Turkmenistan, Afghanistan, Pakistan and India, with Turkmenistan expecting to export 33 billion m³ of gas annually. The TAPI has the potential to bring neighbouring countries together – especially Afghanistan, Pakistan and India – hence, the nickname "peace pipeline" as a model for other regional joint ventures.⁵⁰² However, significant obstacles still threaten the project's timely execution. Chief among these is the ongoing tension between India and Pakistan, which complicates collaboration. Additionally, India has raised concerns about the pipeline crossing through regions considered unsafe or controlled by terrorist groups, adding a layer of security

500 Kanisetti, A. (2019). THE KRA CANAL: WHAT DOES IT MEAN FOR INDIA? Map-india. Available at: https://www.academia.edu/39593649/THE_KRA_CANAL_WHAT_DOES_IT_MEAN_FOR_INDIA

501 Available at: <https://www.orfonline.org/research/the-chabahar-gambit-india-s-play-for-influence-in-central-asia>

502 Available at https://sprf.in/wp-content/uploads/2022/07/SPRF-2022_IB_India-Central-Asia-Energy-Relations.pdf

risks. The unstable relations between Afghanistan and Pakistan further complicate the prospects of smooth implementation, casting doubts on the project's completion within the planned timeline.

In conclusion, India's constructive policy initiatives and collaborative efforts may become instrumental in connecting Asia from the West to the East through the International North-South Transport Corridor (INSTC). Primarily a trade and transport corridor, the INSTC – which involves India, Iran, Russia, and several Central Asian countries – has the potential to develop logistics and transport infrastructure up to Southeast Asia, and energy supplies from Iran and beyond could be more accessible to this region. Several fora and platforms have been established to enhance India's connectivity with the Gulf states, Iran, and like-minded countries in South Asia and Southeast Asia. This will pave the way for India becoming a connecting point between connecting Asia and a voice for the development of the Global South.

The India Middle-East-Europe Economic Corridor: Making it Possible

Sameena Hameed

The India-Middle East-Europe Economic Corridor (IMEC) was conceived as a transport corridor connecting India with Europe through the Middle East. It was signed in September 2023 during the G20 Summit hosted in New Delhi. The signatories were India, the United States, the United Arab Emirates, Saudi Arabia, France, Germany, Italy and the European Union. They committed to advancing a connectivity project that addresses multiple geopolitical and economic challenges. The MoU's unique and most challenging aspect is that it explicitly mentions Haifa port in Israel in its route. Although the UAE established diplomatic relations with Israel in 2020 through the Abraham Accords, Saudi Arabia is yet to normalise its relations with Israel. One of the American goals of the IMEC was to further integrate Israel in the Middle East region⁵⁰³ through the Abraham Accords and I2U2.

The IMEC envisages having an eastern corridor connecting India with the Middle East and a Western corridor connecting the Middle East with Europe. The transport corridor would essentially be a multi-modal route from India, then a land bridge across the Arabian Peninsula through Saudi Arabia, Jordan and Israel to reduce transit time and costs to Europe. However, the ongoing war in Gaza and global sentiments over the Palestinian issue once again pose a grave challenge to the willingness of regional actors to collaborate with Israel both in political and economic aspects. Saudi Arabia has reiterated that unless the Palestinian issue is resolved within a two-state solution, it would not normalise relations with Israel.⁵⁰⁴ This chapter explores how the IMEC can add a crucial chapter in regional commercial engagements that can potentially yield significant peace dividends.

Political-economy of Israel-Arab Relations

Arab-Israel relations have passed through wars and simmering hostility fuelled by explicit political hostility, economic boycotts and mutual exclusion. Since 1948, the Arab countries imposed a boycott of Israel at three levels: against direct transactions or engagements, sanction of entities dealing with Israel and those having engagements with entities already blacklisted by the Arab League. Then, Egypt signed the 1978 Camp David agreements with Israel, but the bilateral relations remained that of 'cold peace' and not of closer ties. The Gulf Co-operation Council (GCC) countries, given their dependence on US arms supply and security arrangements, abandoned the secondary and tertiary boycott of Israel in 1994 following the signing of the Oslo Accords in 1993. Besides, the region was looking forward to attracting foreign investments, mostly from Western countries. The 1993 Oslo Accords aimed for wider recognition of Israel by

503 White House *FACT SHEET* (2023). "World leaders launch a landmark India-Middle East-Europe Economic Corridor". The White House. September 9, 2023. Available at: <https://www.whitehouse.gov/briefing-room/statements-releases/2023/09/09/fact-sheet-world-leaders-launch-a-landmark-india-middle-east-europe-economic-corridor/> (Accessed on December 22, 2024).

504 The Guardian. (2024). "Normalisation of Saudi Arabia-Israel relations depends on two-state solution", *The Guardian*, October 2, 2024. Available at: <https://www.theguardian.com/world/2024/oct/02/normalisation-of-saudi-arabia-israel-relations-depends-on-two-state-solution>, (Accessed on February 12, 2025).

the Arab countries and were seen as bringing economic prosperity through regional economic engagements. However, only Jordan normalised relations with Israel in 1994, and some Arab countries briefly maintained low-level counsellor relations with Israel until the outbreak of the Al-Aqsa Intifada in September 2000.

Despite hostilities, boycotts and asymmetric power relations, there have always been instances of Arab-Israeli co-operation and collaboration, often in unlikely and counter-intuitive ways. During the Mandate period, the Histadrut – Jewish Labour Union in Mandate Palestine – was also tasked with organising Arab labour through a dedicated department, and it succeeded in organising a section of Arab railway workers within a Jewish-Arab union.⁵⁰⁵ The motivation for organising the Arab workers stemmed from the desire to prevent wages for Jewish labour from falling due to the availability of cheap, unorganised Arab labour in Mandate Palestine. In the 1940s, there were several instances of co-operation between Jewish and Arab workers in the railways to demand better wages and Hashomer Hatz'a'ir, the second largest Zionist labour force in Mandate Palestine, worked more with the Arab villages surrounding the Kibbutzim.⁵⁰⁶ Things changed later, especially since the 1990s. As the economic, technological and military achievements of Israel captured global and regional interest, several Middle Eastern states that had no relations with the Jewish state sought clandestine engagements for military, cyber technology and, often, medical help.⁵⁰⁷

In 2020, the UAE, Bahrain, Morocco and Sudan normalised relations with Israel and established diplomatic relations. The growing threat from regional adversaries such as Iran and its proxies provided compelling reasons for countries like the UAE and Bahrain to capitalise on the US-led initiatives for the Abraham Accords. A flurry of bilateral visits, agreements and commercial engagements soon followed. Unlike the previous peace agreements with Israel, the Abraham Accords were between countries that were not in direct conflict with Israel and more people-to-people engagements followed. Consequently, the UAE signed a Comprehensive Economic Partnership Agreement (CEPA) with Israel in May 2022 to enhance bilateral trade to over USD10 billion in five years.⁵⁰⁸

The Palestinian economy is small and trade-reliant.⁵⁰⁹ The geopolitical economy of the West Bank and Gaza made the two parts of Palestine dependent on trade with Israel as well as Israeli sea and airports. Thus, the Arab boycott of Israel had a stifling effect on the trade and growth of the West Bank and Gaza Strip. The 1993 Oslo Accords and consequent Arab-Israel détente positively affected Palestinian trade (Table 1). Palestinian exports of goods and services as a percentage of GDP increased from about 13 per cent in 1994 to 18 per cent in 1999. Exports increased from USD 456 million to USD 740 million in 1999, before the outbreak of the second intifada in 2000. The GDP at current prices also increased from USD 2.84 billion to USD 4.2 billion in the same period. Similarly, in the

505 Syrkin, Marie. (1936). "Histadrut and Arab Labour", *The Jewish Frontier*. Vol. 3(7). pp.18-21.

506 Lockman, Z. (1996). *Comrades and Enemies: Arab and Jewish Workers in Palestine, 1906-1948*. Berkeley: University of California Press.

507 Podeh, Elie. (2022). "Israel's Clandestine Relations in the Middle East". In: Kumaraswamy, P.R. (eds.) *The Palgrave International Handbook of Israel*, Singapore: Palgrave Macmillan.

508 UAE Ministry of Economy. (2023). "UAE-Israel Comprehensive Economic Partnership Agreement (CEPA) enters into force. WAM", Emirates News Agency. Available at: <https://wam.ae/en/details/1395303143828>, (Accessed on February 12, 2025).

509 World Bank. (2017). *Unlocking the trade potential of the Palestinian economy: Immediate measures and a long-term vision to improve Palestinian trade and economic outcomes (Policy Note)*. World Bank. Available at: <https://openknowledge.worldbank.org/handle/10986/29057> (Accessed on February 12, 2025).

years following the 2000 Abraham Accords, Palestinian exports improved significantly from USD 1.07 billion in 2019 to USD 1.58 billion in 2022, increasing by nearly 50 per cent (Table 2).

Table 1: Palestinian Trade, 1994-1999

Year	Total Exports of goods and services (USD million)	Total Imports (USD million)	Total trade (USD million)	GDP at current (USD billion)*
1994	456	1,433	1889	2.84
1995	611	2089	2700	3.28
1996	653	2509	3162	3.41
1997	661	2735	3396	3.76
1998	730	3169	3899	4.07
1999	740	3398	4138	4.27

Sources: IMF staff estimates based on data from the Palestinian Central Bureau of Statistics;

*IMF GDP at current prices database 2024

Table 2: Palestinian Trade, 2019-2022

Year	Total Exports of goods (USD million)	Total Imports of Goods (USD million)	Total trade (USD million)	GDP at current (USD billion)*
2019	1068.2	5776.1	6844.3	17.13
2020	1093.8	5021.7	6114.7	15.53
2021	1458.4	6420.4	7878.8	18.11
2022	1584.7	8197.0	9781.7	19.17

Source: Palestinian Central Bureau of Statistics, Trade Statistics 2011-2022.

*IMF GDP at current prices database 2024

Thus, potential peace dividends could be reaped through regional projects that seek the engagement of Israel and Palestine within a multilateral connectivity paradigm.

Transport connectivity, supply chains, and economic corridors

Due to its strategic location at the crossroads of three continents, the Middle East region was host to the most ancient and most travelled Silk Roads. The transcontinental Silk Roads passed through lands controlled by several empires, kingdoms and city-states and thrived for nearly 1400 years through the challenges of political instability, rivalry and uncertainty across borders as well as changes in trade policies.⁵¹⁰ Indeed, the prosperity of the Middle East region, as fabled in the Greek ‘Periplus of Erythraean’ was due to extensive trade among countries on the coastlines of the Indian Ocean and the Persian

⁵¹⁰ Vichare, Jeevan. (2024). “The impact of the Silk Road on global trade: A historical perspective”, *International Journal of Novel Research and Development*, Vol. 9(5). Available at: <https://www.ijnrd.org/papers/IJNRDC001014.pdf>, (Accessed on February 12, 2025).

Gulf and through land routes. Thus, forging connectivity to cater to material needs and intellectual quests is a human impulse that can transcend political challenges. In 2013, the silk routes were revived with China launching a massive transcontinental connectivity project called the Belt and Road Initiative (BRI).

Since the end of the 19th century, there have been several transnational and transcontinental transport projects such as the Pacific Rail in North America, Trans-Siberian railways and Eurasian Land Bridge in Eurasia. On the contrary, the trans-regional connectivity in the Middle East has been disrupted by the two World Wars and the geopolitical conflicts in its aftermath. The Hijaz railways that connected Damascus to Mecca, the Baghdad Railways and the Trans-Arabian oil pipeline that connected Saudi Arabia to Lebanon were discontinued, making the region one of the most geographically fragmented regions in the world. The border controls and trade barriers made intraregional trade difficult and, for several countries such as Tunisia or Jordan, it was easier to trade with European countries than with regional partners.⁵¹¹

According to UNCTAD, global commerce has witnessed the fastest growth in trade in intermediate commodities, which comprise bulk (40 per cent) of the total global total.⁵¹² The growing trade in intermediates leads to the formation of supply chains at the global and regional levels. Supply chains are producers, transporters, and distributors ecosystems that transform raw inputs into goods and services deliverable to consumers in different parts of the world. A smartphone assembled in Vietnam would source inputs from different countries, including semiconductors from Taiwan, display panels from South Korea, camera modules from Japan and various other parts from Germany and China, and the operating software from the US. Hence, global and regional supply chains emerge along efficient transport corridors that ease the movement of goods and services across borders.

Some supply-chains prefer speedy transport over economical ones. The Eurasian rail corridor made block trains run between Germany and China through Poland, Belarus, Russia and Kazakhstan. Rail transport was more expensive per unit container, but it took less than half the time by sea, and therefore, the Eurasian rail corridor was extensively and most profitably used by automobile and electronic firms in 2017.⁵¹³ The rail land bridge remained functionally robust through the deteriorating Europe-Russia relations after 2014 and during the 2020-21 Covid pandemic, connecting the European and Chinese parts of electronics and automobile supply chains.⁵¹⁴ Similarly, road transport is speedier than rail transport and is preferred in times of crisis for prompt delivery of food, fuel, medicines, medical equipment etc.

Economic corridors connect hubs through a host of transport networks and a wide spectrum of institutional, technical and technological transit arrangements. It marks a shift from a transport-centric approach to a more comprehensive spatial strategy of economic engagements to address regional challenges and promote economic growth

511 Malik, Adeel. (2011). "The economics of the Arab Spring." *Al Jazeera*, October 13, 2011. Available at: <https://www.aljazeera.com/opinions/2011/10/13/the-economics-of-the-arab-spring/>, (Accessed on February 12, 2025).

512 UNCTAD (2023). *Key Statistics and Trends in International Trade 2023*.

513 Pomfret, Richard (2018). "Eurasian land bridge: role of service providers in linking regional value chain in East Asia and Europe in union currencies", *ERIA Discussion Paper Series* No. 2018-01, Economic Research Institute for ASEAN and East Asia.

514 Asian Development Bank Institute (2023). "Rail transport corridors in the CAREC region: Long-Term supply chain resilience and short-term shocks", *ADBI Working Paper Series*, No. 1422. Asian Development Bank Institute. Available at: <https://www.adb.org/sites/default/files/publication/929901/adbi-wp1422.pdf>, (Accessed on February 12, 2025).

and development with increasing job opportunities.⁵¹⁵ The regions hosting economic corridors are seen to grow faster than those without them.⁵¹⁶ They are also seen to promote regional growth and integration as in the South Caucasus and Central Asian countries and the Greater Mekong region.⁵¹⁷ Though economic corridors are theorised to bring regional growth, development and integration, there are also references to their adverse impact on border communities, power asymmetries and class struggle.⁵¹⁸

However, economic corridors as tools for regional stability and socio-economic development would require understanding, common ground and trust between stakeholders across borders. Different laws, regulations and inspection regimes that apply between countries need to be synchronised for transport routes to become economic corridors. Mutual recognition of each other's licences, permits and inspection documents would reduce transit time and cost across borders. The technological development that can aid in reducing cross-border procedural delays includes using high-speed trains or international express trains like Eurostar, TGV (*Train à Grande Vitesse*), Thalys, Railjet, and inter-city express, among others. They have advanced technology and streamlined processes for smooth and efficient travel across countries. Block trains have successfully reduced transit time for bulk cargo across several countries in Northern America and the Central Asia Regional Economic Co-operation (CAREC) transport corridors. Besides, digitising data flows and processes across borders and meeting the security concerns of countries using AI, GPS and blockchain technologies can improve the operational efficiency of transnational transport corridors.

The peace dividends of the IMEC

The India-Middle East-Europe Corridor envisages connectivity projects linking India to Europe through the Arabian Peninsula. The existing India-Europe route is through the Suez Canal and it accounts for half of India's total exports and a little less than one-third of its imports. The Suez Canal has been the busiest trade route, witnessing several episodes of congestion and geopolitical attacks. The average transit cost through the Suez Canal route has increased significantly, and the Suez Canal Authority announced a hike in transit fees of about 5-15 per cent effective January 2024. The increasing cost and escalating risks compelled several cargo shippers to avoid the route. In this context, the IMEC derives importance as providing an alternative route for trading countries.

Much of the connectivity that could potentially serve the goals of the IMEC has already been built or is in various stages of implementation. Since the turn of the century, several Middle Eastern connectivity projects have been implemented, especially in the Gulf Co-operation Council (GCC) countries. To diversify their economies, they have invested in infrastructural development, especially road- and rail connectivity projects, to boost the manufacturing and service sectors. Launched in 2009, the GCC railways seek to connect

515 Asian Development Bank (2023). "Economic Corridor Development: From Conceptual Framework to Practical Implementation—Guidance Note." Asian Development Bank.

516 Bezpalo, Valery, Gukasyan, Gurgen., & Okhrimenko, Igor. (2022). "Economic corridors in the context of the development of macro-regions.", *Innovative Infrastructure Solutions*, Vol. 7(275). Available at <https://doi.org/10.1007/s41062-022-00848-2> (Accessed on February 12, 2025).

517 Fujimura, Manabu. (2008). "Economic Integration in the Greater Mekong Subregion and Cross-Border Transport Infrastructure". *Journal of GMS Development Studies*, 4, pp. 21-41; Alkaramov, Tusi. (2023). "Importance of Economic Corridors as Driver of Regional Integration: South Caucasus and Central Asian Context", *Journal of Economics, Finance and Management Studies*, Vol. 6(9), p. 56.

518 Thame, Charlie. (2021). "The Economic Corridors Paradigm as Extractivism: Four Theses for a Historical Materialist Framework". *Review of International Studies*, Vol. 47(4), pp. 549-569.

their urban centres through an ambitious project of 2177 km. All the seven emirates in the UAE are connected and Al Fujairah is linked to the Saudi border at Ghuweifat.

Saudi Arabia, an important transit country in the IMEC, has several ambitious railway projects in the implementation phase. The rail link from the UAE border to Riyadh is under development. Riyadh will be the railway junction for East-West and North-South railways. The North-South railway line in Saudi Arabia passes through several important economic centres such as Hail and Buraida and connects with Dammam, a major port city in the Eastern Province. East-West connectivity is through another rail and road project (Land Bridge Project), a part of Vision 2030 that will connect with the North-South railways. The North-South railway line connects Riyadh with Al Haditha (near the Jordanian border) and can also serve as a connectivity corridor for the IMEC. The GCC Rail Authority and the GCC Ministers of Transport and Communications meetings facilitate the project's budget and harmonisation of other administrative, financial, accounting, procurement and storage regulations to enhance cross-border transit efficacy. The national railways development in these countries is in the implementation phase and can be built on standard train-gauges for seamless cross-border connectivity. The GCC countries have also signed agreements to partner with China's BRI and have their national vision plans aligned for infrastructural and digital connectivity. The IMEC will require connectivity rail connectivity between the UAE and Riyadh and between Jordan-Israel border. In Israel, freight railway connectivity exists from Bet Shean (near the border with Jordan) to Haifa. The road transport, which is the quickest between UAE and Haifa, was already been used by UAE and Israeli transport companies in pilot mode in December 2023.⁵¹⁹

In Europe, most countries are well connected by the standard gauge railway that enables seamless connectivity across countries. Thus, the IMEC can connect with several commercial and logistic centres such as the Piraeus in Greece, Milan in Italy or Marseille in France. The Piraeus is one of the busiest ports in the Mediterranean Sea. If railway connectivity from Piraeus seaport to Stara Zagora rail yard or Sofia intermodal terminal (Bulgaria) is built, it could connect with the Istanbul-Bulgaria-Bucharest railway route. Bucharest (Romania) is also a strong industrial hub in Eastern Europe with an intermodal terminal and has continuous rail connectivity to Budapest (Hungary), a key logistics centre in Western Europe, and further with Munich (Germany). Munich is a major industrial centre with extensive global trade and can add volume to traffic along the IMEC. It takes about half the transit time from the Piraeus to Munich by road as compared to railways. The transit by sea from the Piraeus to Munich would take almost double the time that it would by the railways. Thus, the IMEC could potentially decongest the Suez Canal traffic, provide an alternative route in case of heightened risk in the Red Sea and emerge as *the fastest route for industries that prefer speedy delivery over the cheapest routes*.

The IMEC matters in creating several stakeholders in regional growth and stability. The shortest route to Europe for Jordan, Palestine and the Arabian Peninsula would be through the Haifa port. The fastest route is important for several perishable agricultural goods, intermediate goods in electronics and automobile industries, and critical goods such

519 *The New Arab.* (2024) "Will the UAE-Israel land corridor replace Red Sea routes?" February 1. Available at: <https://www.newarab.com/analysis/will-uae-israel-land-corridor-replace-red-sea-routes>. Wrobel, Sharon. (2023). "Israel logistics startup forges overland trade route to bypass Houthi Red Sea crisis", *The Times of Israel.* , December 27. Available at <https://www.timesofisrael.com/israel-logistics-startup-forges-overlandtrade-route-to-bypass-houthi-red-sea-crisis/> (Accessed on February 12, 2025)

as pharmaceuticals, medical supplies, fuel, etc. These goods are important in meeting basic needs and boosting regional economic diversification. The only land connection between the Palestinian territory in the West Bank and the world is through the Allenby/ King Hussein Bridge to Jordan. Palestinian exports are loaded onto Jordanian trucks in back-to-back transfers of goods on shipping pallets (containers are banned), adding significant costs and causing delays. At present, the only connectivity for Palestinian territory in the Gaza Strip with the world is through the Kerem Shalom/Kerem Abu Salem crossing to Israel and the Rafah crossing into Egypt. Despite the long sea coast, there are no functional sea or airports. In other words, once the ongoing conflict ends, the Gaza reconstruction and rehabilitation of the Palestinian economy would be practically difficult without the co-operation of Israel. Thus, more than just a transport route, the IMEC can potentially be the corridor of a wide spectrum of economic, technological and multilateral engagements aiding the reconstruction of the Palestinian economy and livelihoods.

Several cross-border energy projects are also in the implementation phase that can potentially boost commerce and regional development along the IMEC, such as the Jordan-Iraq oil pipelines and the Arab Gas pipeline. Significant oil and gas resources have been estimated to be found in Israel, the Gaza Strip and the West Bank (Area C).⁵²⁰ Besides, the offshore and onshore oil and gas resources that straddle across boundaries can best be exploited by co-operation among all stakeholders. The East Mediterranean Gas Forum (2020), which for the first time included Israel in a regional organisation along with other members (Jordan, the Palestinian Authority, the Republic of Cyprus, Greece, Italy and France), will find significant opportunities in catering to regional economies as well as to Europe.

The IMEC seeks to deepen India's relations with the Middle Eastern and European countries, and its friendly relations with all countries in the region give it a vantage point in steering it forward. An Indian company has acquired the management of the Haifa port in Israel at about US\$1.8 billion. By participating in the I2U2 initiative and successfully executing the International North South Transport Corridor (INSTC) between Russia and India via Central Asia and Iran, India has earned confidence and credibility for its multilateral diplomacy.

In conclusion, the unique aspect of the IMEC, and its most challenging one, is the inclusion of Israel, which has been subject to regional boycotts since its formation. The political economy of Israel-Arab relations with economic and political boycotts as non-military tools had a stifling effect on the trade and growth of the Palestinian economy. On the contrary, the periods of engagements with Israel have yielded positive benefits for Palestinian trade and economic growth. Once the ongoing conflict ends, the Gaza reconstruction and rehabilitation of the Palestinian economy would be practically difficult without the co-operation of Israel. More than just a transport route, IMEC can potentially be the corridor of a wide spectrum of economic, technological and multilateral engagements, aiding the reconstruction of the Palestinian economy and livelihoods. Most of the transport connectivity envisaged under the IMEC has already been built

520 UNCTAD (2019). "The economic costs of the Israeli occupation for the Palestinian people: The unrealized oil and natural gas potential," *United Nations* Available at: <https://unctad.org/publication/economic-costs-israeli-occupation-palestinian-people-unrealized-oil-and-natural-gas> (Accessed on February 12, 2025).

or is in various stages of implementation as part of national vision plans and can be synchronised for seamless connectivity. With India – which has friendly relations with all the stakeholders and development diplomacy at its core – as an important player, the potential of IMEC to create multilateral stakes in regional peace and stability is immense.

Geopolitics of Ports: Emerging Linkages from Central Asia, India and the Mediterranean

Yann Alix

From the Mediterranean to the Arabian Sea, the world's changing geopolitical landscape is stimulating logistics and diplomacy. China, Russia, India, Iran, the European Union, the Arabian Peninsula states, the United States of America – no nation is excluded from the great Eurasian geopolitical and geostrategic dynamics. For the landlocked states of Central Asia, the corridors remain vital arteries of connectivity. Port terminals, from India to Mediterranean Europe, are receiving particular political and economic attention in the light of tensions in Ukraine, Palestine, Iran and Yemen. The aim of this paper is to put into perspective the new political and commercial competitions that are driving port interfaces as never seen before.

The contemporary geopolitical crisis highlights the crucial importance of isthmuses, canals and straits in international maritime traffic.⁵²¹ Our world economy is based on global commerce, which itself is merely the fruit of a geographical organisation of production made possible by maritime hyper-connectivity.⁵²² Since the COVID-19 pandemic, modern societies have grasped their dependencies and understood their interdependence on logistics, which has become an inexact science with unsuspected direct and indirect outcomes.⁵²³ Global consumers, particularly those living in economies relying on the reliability of maritime services, have discovered how critical manufacturing and industrial dependence on China can be.⁵²⁴ Consumers in Africa and the Mediterranean, in particular, have been directly affected by the supply of essential cereal products, which have become tools of war and blackmail with the exacerbation of the war in Ukraine.⁵²⁵ The whole world continues to wonder about the long-term consequences of the Houthi rebels' warlike attacks on merchant ships plying the Gulf of Aden and the Suez Canal.⁵²⁶ As these attacks are primarily the result of the ideological solidarity with the Palestinian people following the Israeli reaction to the attacks of October 7, 2024, they are a reminder of the interrelated nature of maritime logistics and

521 Biaggi, C. & Carroué, L (2024). « Les grands détroits et canaux internationaux dans la géopolitique des mers et océans, un système très hiérarchisé sous tensions multiformes ». *Géoconfluences*, juin 2024. Available at: <https://geoconfluences.ens-lyon.fr/informations-scientifiques/dossiers-thematiques/oceanetmondialisation/articles-scientifiques/passages-strategiques-maritimes-ppo-geopolitique> (Accessed on 26 August 2024)

522 Alix, Y., (2024). "Ports et portes dans un monde maritime turbulent: Leçons géopolitiques et pensées prospectives.", *Les Colloques Cerisy Ports et Portes. Session Perceptions, récits, imaginaires, histoire et futurs des ports*. 4 au Septembre 11, 2024. Cerisy. France.

523 UNCTAD (2021). "COVID-19 and Maritime Transport. Impact and Responses". *Transport and Trade Facilitation Series No15*. United Nations. Geneva; Li, Z., Gu, W., & Meng, Q (2023) "The Impact of COVID-19 on Logistics and Coping Strategies: A Literature Review", *Regional Science Policy & Practice*, Vol. 15(8).

524 Prosper, B., Plaisent, M., & Macdonald, R.(2021). "Impact de la COVID-19 sur la Mondialisation: Perceptions Chinoise et Canadienne. *Revue Interventions économiques* [En ligne], Hors-série. Transformations | 2021, online on 10 Nov. 2021. Available at: <http://journals.openedition.org/interventionseconomiques/14810>; DOI; Hebrard, P., (2020). "L'impact de la Covid-19 sur le monde maritime", Note n°24/20. *Fondation pour la recherche stratégique*. Paris.

525 UNCTAD, (2022). "The impact on trade and development of the war in Ukraine", *UNCTAD Rapid Assessment*. UNCTAD/OSG/INF/2022/1, March 16, 2022. United Nations (2022). "Agence Française de Développement, 2022. Afrique: la guerre en Ukraine décuple la crise alimentaire". Publié le juillet 22, 2022. Available at: <https://www.afd.fr/fr/actualites/afrique-la-guerre-en-ukraine-decuple-la-crise-alimentaire> (Accessed on 17 August 2022).

526 Loizzo, C. (2024). "La crise en Mer Rouge, révélatrice de la vulnérabilité des grandes routes maritimes mondiales". *Géoconfluences*, janvier 2024. Available at: <https://geoconfluences.ens-lyon.fr/actualites/veille/breves/mer-rouge-houthis>

world geopolitics. Significantly, the strategic port of Hodeïda was partially destroyed by Israel in July 2024, in response to a drone attack by the Houthi rebels. This port had been facilitating the import of petroleum products and humanitarian aid to Yemen and was also a gateway for the supply of Iranian weapons to the rebels⁵²⁷.

This paper examines these critical issues from the perspective of landlocked Central Asian countries, where borders can become insurmountable barriers and where maritime access can become a vital geopolitical issue.⁵²⁸ Far more than just physical and political, the potential of maritime outlets, logistics corridors and port terminals need to be considered in terms of the opportunities it provides for securing shipments. from one destination to another. India, Pakistan and the Republic of Iran on the one hand, and the Caucasian nations of Azerbaijan and Georgia on the other, as well as the Baltic states of Lithuania, Latvia and, to a lesser extent, Estonia, all represent possible gateways of connectivity. Of course, this is without taking into account the historical geopolitical tutelage symbolised by Russia and China, with their competing ambitions to secure reliable commercial and strategic relations with the territories of Central Asia.⁵²⁹

This paper, in the form of open reflections, aims to put into perspective the potential roles of the main port entities stretching from the Indian shores of the Arabian Sea to the European Mediterranean rim. This provides an opportunity to discuss the geopolitical and geostrategic issues driving the competition for new ports and logistics. The paper aims to open the debate on the logistical possibilities that can be offered to the landlocked countries of Central Asia, particularly with the strengthening of ports on the Arabian Peninsula, as crossroads for new transport corridors.

From Mumbai to Marseilles: Ports at the heart of Geopolitics

The geographical isolation of Central Asia poses a challenge to maritime and port connectivity that goes beyond the socio-economic and strategic interests of the nations concerned.⁵³⁰ From China's global Belt and Road Initiative ambitions to Moscow's infrastructural adjustments to the North-South Transnational Corridor, rail and land struggles in Central Asia's vastness often begin and end at a port, which is considered a gateway to international trade flows. Whether it is the Trans-Siberian, Trans-Caspian or Eurasian corridors, they all have the distinctive feature of freight transport networks that both cross and drain the landlocked economic areas of Central Asia. Kazakhstan is probably at the heart of this complex infrastructural projection, where fierce international geopolitical competition converges.⁵³¹ The power of rail networks to develop Eurasia

527 *Journal de la Marine Marchande* (2024). "Mer Rouge: le port de Hodeïda toujours en feu suite à une frappe israélienne", Publié le juillet 22, 2024. Available at: <https://www.actu-transport-logistique.fr/journal-de-lamarine-marchande/port/yemen-le-port-de-hodeida-toujours-en-feu-suite-a-une-frappe-israelienne-917828.php>

528 Alix, Y. (2021). "Transport and Value Chain Management for Asian Landlocked Countries on a Post-Covid Trade Pattern". Paper presented in the International Conference on *Central and South Asia: Regional Connectivity. Challenges and Opportunities*, 15-16, 2021, Tashkent, Uzbekistan.

529 Alix, Y. (2021). "TransArctic Russian Maritime Highway: Some perspective about the future Eurasian Trade Pattern". In Alix, Y., Baizakova, K., & Chabal, P. (2022) *Evolving Regional Values and Mobilities in Global Contexts*, Collection Enjeux Internationaux. P.I.E., Brussels: Peter Lang Editions.

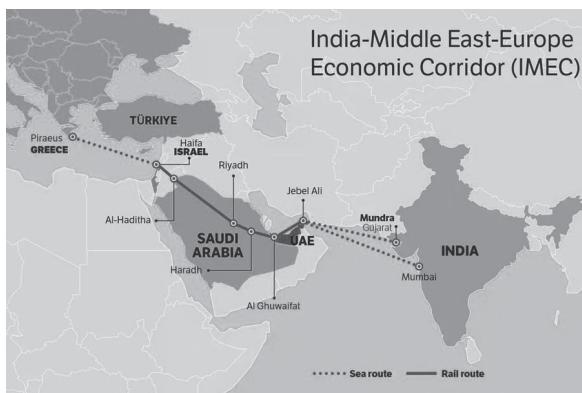
530 Alix, Y. (2022). "Logistics and Diplomacy: Converting Central Asia's Landlockedness into an effective 'Landlinkedness' Connectivity". In Alix, Y., Baizakova, K., Nicharapova, J. & Rakhimov, M., (2022). (Eds.), *Logistics & Diplomacy in Central Asia*. Editions EMS Caen. pp. 99-113.

531 Radvanyi, J. (2022, "Réseaux de transport, réseaux d'influence : nouveaux enjeux stratégiques autour de la Russie," *Revue Hérodote: La Russie dix ans après*, No.104; Lasserre, F. (2024). Le train, au cœur des rivalités des nouvelles routes de la soie". Carto No. 81, pp. 32- 33; Lasserre, F., & Alexeeva, O. (2022). "Belt and Road Initiative en Asie centrale, coopération ou rivalités entre puissances régionales autour des axes ferroviaires?", *Paix et sécurité européenne et internationale*, No18, fffalshs-03739469v2f

needs no further demonstration. Just as roads can precede development in many landlocked situations, rail solutions are also political tools of influence that go beyond their mere operational and logistical utility in the geographical and geophysical vastness of Eurasia.⁵³²

Port investments by various Chinese, Russian, Indian, Turkish and European financing structures illustrate the exacerbation of regional logistics competition. Whether we consider the terminals at Aktau in Kazakhstan, Baku in Azerbaijan, Chabahar and Bandar Abbas in Iran, or Gwadar and Karachi in Pakistan, these ports are crucial links in transport organisations that subtly combine diplomatic, strategic and logistical interests. The IMEC project - India-Middle East-Europe Economic Corridor - is part of this great game of influence, made even more complex by the operational avoidance of Russian Trans-Siberian networks since the launch of international sanctions against President Putin's regime. On the occasion of the G20 meeting in New Delhi on September 9 and 10, 2023, India boasted of launching a huge trade corridor project linking India's main ports on the Arabian Sea to those of Mediterranean Europe via future railway lines crossing the Arabian Peninsula, thus avoiding the Isthmus of Suez.⁵³³

Figure 1: Main components of the India-Middle East-Europe Economic Corridor



Source: *Frontline - The Hindu* 2024

Supporters of this project, which is quickly being seen as a response to the infrastructure networks created by BRI, include the USA, France and Italy, as well as Saudi Arabia and the United Arab Emirates, who would like to make Jebel Ali an essential link between the strategic ports of Mumbai and Kandla on the one hand, and Haifa, Piraeus, Gioia Tauro and Marseille on the other.

The Gulf States, India and Europe are making this EUR 600-billion project (including USD 200 billion in funding announced by the United States alone) a strategic one that would secure a new trade artery between India, the Persian Gulf and Europe, which will help exploit the commercial potential of major demographic powers such as Iran, Turkey,

532 Demircan, N. (2024). "Rising Importance of Railways in the Eurasian Geopolitics: Potential Advantages and Risks," *International Economy Politics Congress on "Present and Future of Economy Politics in Eurasia"*. Istanbul. International Transport Forum (2022). "Transport Connectivity in Central Asia: Strengthening Alte, Native Trade Corridors between Europe and Asia"; *International Transport Forum*, "Transport policy Responses to the War in Ukraine, No 2, October 24, 2022.

533 Rizzi, A. (2024). The Infinite Connection: How to Make the India-Middle East-Europe Economic Corridor Happen. *Policy Brief European Council on Foreign Relations*, April 13. 2024.

Egypt and, of course, all the landlocked populations of Central Asia. Gérard Mestrallet, the French representative appointed by the Macron presidency to IMEC's multilateral governing body, insisted on the full inclusion of Western Europe, arguing that the port of Marseille should rank alongside the Greek port of Piraeus.⁵³⁴

India-Iran axis at the heart of new regional port dynamic: Countering Chinese geostrategic ambitions in the Indo-Pacific

The Chinese were among the first to shake up regional port and logistics dynamics with the mammoth CPEC (China-Pakistan Economic Corridor) project, which turned a small port (Gwadar) into a new bridgehead in the heart of Pakistan's troubled Baluchistan province. Gwadar firmly establishes Chinese interests in India's historic maritime geostrategy. Located 600 km from the Strait of Hormuz, through which over a third of the world's oil transits, Gwadar is a military-strategic pawn, even if the official discourse makes a case for the socio-economic development generated by the rail and road corridor linking the Pakistani port to the Chinese city of Kashgar in Xinjiang province. However, recent images taken at Gwadar's port terminals tend to show that commercial success has not been forthcoming (Figure 2) with returns on investment largely in deficit.⁵³⁵

Figure 2: Port of Gwadar located in Baluchistan Province of Pakistan



Source: Schacht, 2024

534 *Journal de la Marine Marchande*, (2024). Gérard Mestrallet, représentant de l'IMEC pour la France: Le port de Marseille doit être la tête de pont européenne du futur corridor. Publié le 22 mai 2024. Available at: <https://www.actu-transport-logistique.fr/journal-de-la-marine-marchande/logistique/gerard-mestralletrepresentant-de-limec-pour-la-france-le-port-de-marseille-doit-etre-la-tete-de-pont-europeenne-du-futurcorridor-905673.php> (Accessed on 15 June 2024).

535 Schacht, K. (2024). *Pakistan's Gwadar port shows China's Belt and Road can fail*. Publié le 13 mai 2024. DW. Available at: <https://www.dw.com/en/pakistans-gwadar-port-shows-chinas-belt-and-road-can-fail/a-68992914>.

Gwadar is not an isolated case. Beijing has invested heavily in the ports of Chittagong in Bangladesh and Kyaukpyu in Myanmar, turning them into strategic industrial extensions located between the delicate passages of the Straits of Malacca and Hormuz. It should also be remembered that Beijing orchestrated the 99-year trusteeship of the new Sri Lankan deepwater port (-17 metres) of Hambantota following the Sri Lankan state's inability to repay a Chinese loan contracted in 2017 (Figure 3).

Figure 3: Aerial view of Hambantota Port



Source: Sri Lanka Ports Authority

Djibouti and the modest island states of the Maldives and Mauritius are the other components of China's maritime and port strategy. They all boast interesting port infrastructure, and ambitious manufacturing, industrial and energy projects (notably via integrated free zone models), promise socio-economic developments that will benefit local populations.

This 'string of port pearls' cannot be summed up as mere components of a string of trading posts and infrastructural relays thought out by China. They will participate in perpetuation of the reinforcement of the military expansion of Chinese power in the international waters of the Indo-Pacific.⁵³⁶ What is interesting is that most of these ports enable the meshing of land-based logistical potential that consolidate continuums between the international maritime space and inland spaces right up to the confines of the landlocked markets of Central Asia and Africa. Djibouti is an interesting illustration of the logistical and industrial flows from Ethiopia via a rail link financed entirely by Chinese interests. Djibouti has become one of the most powerful international military bases, positioning Beijing as close as possible to the major geostrategic passage of the Bab-el-Manded Strait.⁵³⁷ These ports are critical to Beijing's strategy of channelising energy and mining potential to China's industrial system.

In the turmoil of international sanctions against the Republic of Iran, the ocean port of Chabahar stands out as an exception, and this is significant when we look at the development of this infrastructure, ideally located in the Gulf of Oman. In a way, Chabahar is a "response" to India's geostrategic encirclement by Chinese maritime and

536 *Le Monde*, (2018). *Les ports, « perles » stratégiques de l'expansion chinoise*. Publié le September 7, Available at: https://www.lemonde.fr/international/article/2018/09/07/les-ports-perles-strategiques-de-l-expansionchinoise_5351687_3210.html

537 Alix, Y. (2023). "Logistics and Diplomacy: Converting Central Asia's Landlockedness into an effective "Landlinkedness" Connectivity." In Alix, Y., Baizakova, K., Nicharapova, J. & Rakhimov, M., (Eds.), 2022, *Logistics & Diplomacy in Central Asia*. Editions EMS Caen. pp. 99-113.

port interests. Located just 76 nautical miles from Gwadar, Chabahar is the hub of a three-dimensional relationship for Indian interests:

- The first is maritime connectivity, which links the Iranian port, financed from the outset by Indian interests, to the ports of Kandla and Mumbai
- The second is Chabahar's potential connectivity to the landlocked markets of Central Asia, bypassing Pakistani logistics corridors to first reach the markets of Afghanistan before extending into the landlocked territories of Central Asia⁵³⁸; and
- The third dimension is a sort of geopolitical gamble on the part of India, which, having financed the construction of the port of Chabahar, will become its sole commercial and strategic operator for the next 10 years, following the signing of a highly symbolic agreement between the Iranian and Indian authorities on May 13, 2024 (Figure 4).

Figure 4: Indo-Iranian Agreement on the Chabahar Port, May 13, 2024



Source: Le Marin, 2024

Ports as gateways to geopolitical and geostrategic opportunities

Ports are, in a way, the infrastructural expression of geopolitical opportunities that concretise geostrategic agreements between sovereign interests. Both Gwadar and Chabahar demonstrate in their own way the circumstances that link China and Pakistan on the one hand and, on the other, cement partnerships between India, Iran and, incidentally, landlocked Afghanistan, satisfied with having an alternative to Pakistan's port and logistics solutions. As for IMEC, it broadens the geographical and temporal spectrum by projecting a commercial artery connecting Europe and India via the interests of the Persian Gulf. If we add Russian ambitions, notably to partner ports on the Caspian, an ambivalent port-geopolitics emerges, which both opens up and tightens the connectivity capacities of Central Asia's landlocked economies.

538 Daudet, B., Alix, Y. (2016) . "The Republic of Iran: Geopolitics game changer thanks to the railway sector?" *World Affairs*, National University of Mongolia. School of International Relations and Public Administration, No2/33 p. 459

As in the case of Kazakhstan and Uzbekistan, a subtle balance is struck between the preservation of national sovereignty and the often economic-financial demands for bilateral support from the “historical and strategic big brothers”. Moscow and Beijing, of course, and to a lesser extent Mumbai, Brussels or even Karachi and Teheran, seek to steer flows in the direction of port terminals in which they are actively (or passively) involved. From Mumbai to Marseille, from Istanbul to Chittagong, a certain vision of the maritime and port world is being decided, aimed at securing global energy and strategic supplies. Commercial, political and ideological influences intermingle to make or break multimodal transport corridors. The resurgence of the Middle Corridor to bypass Russian territory and international sanctions is a case in point.⁵³⁹ Iran’s role in ideological activism in the Middle East is another example, with undeniable maritime and port effects.

The landlocked states of Kazakhstan and Turkmenistan, as well as Caspian countries such as Azerbaijan and Iran, are taking advantage of this “geopolitical opportunity” created by the Ukrainian conflict and Russia’s unilateral stance in the face of Western sanctions. These developments, exploited by Ankara in a manner that is both timely and ambivalent, enhances attractiveness of Turkish ports to preserve logistical connectivity with territories that have similar linguistic heritages and identities. This also makes it possible to consider alternatives such as the IMEC project, which projects a new conception of the world with a corridor that challenges a vision where all the world’s energy routes could lead to Beijing, to paraphrase a famous quote about Rome and the Roman Empire.

The long timeframe of diplomacy and the much shorter timeframe of logistics combine to ensure that the flow of materials and goods to and from landlocked Central Asia is guaranteed and, above all, optimised. The emblematic case of Kazakhstan’s natural uranium resources, and to a lesser extent those of Uzbekistan, remains symptomatic of this multidimensional competition. From the French presidential visit to Kazakhstan in 2023 to joint ventures with Chinese companies and Russian pressure on supply contracts, the organisation of shipments largely depends on the guarantee of reliable and efficient transport networks that carry large volumes to the final processing/consumption markets. Rail corridors and their indispensable port terminations are “vital strategic assets” that embody the interdependencies between logistics and diplomacy. The uranium example is just one illustration in a liberal market world where tomorrow’s energy security is being co-constructed today through the prism of often private economic/financial interests and the sovereign and regal ambitions of states.

The Persian Gulf’s skilful geopolitics of combining diplomacy and logistics is a shinning example. IMEC is a central piece in an immense puzzle in which the Gulf States, often in direct competition with each other, invest in huge port complexes. DP World remains a model in this respect, having turned Jebel Ali into a container transhipment centre and a hub for the integration of logistics services between Europe and Asia. Oman, Saudi Arabia and Abu Dhabi are all considering the deployment of new ports, both on their own territory and internationally, from a similar geostrategic perspective.

539 Lasserre, F. (2024). “Le train, au coeur des rivalités des nouvelles routes de la soie”. *Carto* No. 81, pp. 32-33.

Figure 5: The Duqm Port in the Sultanate of Oman



Source: Port of Duqm, 2024

The purpose of these infrastructural developments is as much commercial as it is political. For landlocked countries in particular, these global port rivalries represent new doors that can be opened. Diversification of transport solutions is essential if they are not to be dependent on a single corridor dominated by a single power. The landlocked states of Central Asia have distinct options that include remote ports such as Klaipeda in Lithuania, or even several port options on the Arctic port row in the perspective of long-term North-South connectivity for oil and gas products.⁵⁴⁰

The economic and logistical performance of port interfaces alone does not predestine competition between transport corridors crossing Central Asia. The pairing of logistics and diplomacy has never worked so well since the reactivation of projects that bypass Russia's vast geography. Connectivity remains dependent on geopolitical and geostrategic postures. Port interfaces embody infrastructural potential that facilitates or restricts access to international maritime traffic. The three conflict zones of Ukraine, Gaza, and Yemen are reshaping port possibilities and influencing the logistical realities that connect Central Asia with the rest of the world. When Iran seized a container ship belonging to the Italian-Swiss company MSC Shipping and anchored it opposite the port of Bandar Abbas, it opened/closed logistical circuits that impacted Central Asian importers and exporters.⁵⁴¹

At the same time, China's geostrategic ambitions in the Indian Ocean are driving political negotiations to consolidate port positions, as in Chabahar and Duqm on the Arabian Peninsula. While rail corridors have long been scrutinised by analysts and observers, it is worthwhile to deepen our knowledge and research into the structuring role of diplomacy and logistics in port matters.

540 Olivier Faury, O., Alix, Y., & Montier, N. (2021). "From the USSR to the polar silk road: the rise of the strategic Russian Arctic port range". *Post-Communist Economies*.

541 *The Times of India*, (2024). "MSC cargo ship, with 17 Indians onboard, seized for ‘isolating maritime laws’, Iran says". Published on April 15, 2024.

Emerging Eurasian Geopolitics, India and the INSTC

Rajan Kumar

Two types of connectivity projects dominate the global landscape – Western initiatives led by the United States and Sinic projects spearheaded by China. The International North-South Transport Corridor (INSTC) stands out as a unique third alternative, which involves neither China nor the West. As a multi-modal Eurasian connectivity project, the INSTC aims to enhance trade and transport linkages between South Asia, Central Asia and Russia. Its successful implementation will project India and Russia as leaders of connectivity in Eurasia. However, the INSTC, at present, is affected by several conflicts in the Eurasian region – first, the Russia-Ukraine war and, more recently, the Israel-Hamas conflict involving Iran that have put a question mark on the viability of the INSTC. Trump administration's policy to put maximum pressure on Iran will add further uncertainties to this project.

The INSTC was announced in 2000, but even after two decades, it remains incomplete. The lack of institutionalised mechanisms for co-ordination, low financial commitment, regional conflicts and Western sanctions have stalled its progress. The INSTC members continued reiterating their commitment to the project, but its progress has been frustratingly slow. By contrast, the BRI, which started in 2013, has spread its tentacles everywhere. Central Asia is witness to its fairly successful implementation. The INSTC, however, which predates the BRI by a decade, is still conducting trial runs and discussing its potential benefits. Nevertheless, as a sign of hope, the INSTC reached a significant milestone when the first major commercial consignment from Russia using this route reached India in 2022. Clearly, there is a long way to go and the stakeholder will have to negotiate hard to make it successful.

Over the past two years, the INSTC has regained prominence as a key focus for policymakers in Eurasia. Three notable developments have contributed to its significance: first, the Western sanctions on Russia and Iran, second, a vast increase in the trade volume between Russia and India; and third, the difficulty in implementing the projected India-Middle East Economic Corridor (IMEC) project. The IMEC would have provided an alternative land route to reach Europe, but the on-going war in Gaza has stalled such a possibility in the short term. It, therefore, can be argued that the emerging geopolitics in Eurasia might favour a speedy completion of the INSTC project. Both Russia and Iran, sanctioned heavily by the West, are working to make this route operational. India is equally keen to begin trading through this route.

The INSTC is vital for India for several reasons. India's growth and increasing footprint in Eurasia will require a safe and stable trade route. Developing a trade route is time-consuming and is based on estimates of future trade volume. India's trade is projected to grow exponentially as its GDP moves towards achieving the projected target of USD 35 trillion in the next two and half decades.⁵⁴² A secure and smooth road and rail network

⁵⁴² *Business Today*, (2024). "Indian economy to expand to \$35 trillion in 25 years: Piyush Goyal," November 8, 2024 Available at: <https://www.businesstoday.in/latest/economy/story/indian-economy-to-expand-to-35-trillion-in-25-years-piyush-goyal-453054-2024-11-08#> (Accessed on November 20, 2024).

must be created to achieve that objective. The INSTC has strategic significance as it helps India overcome the physical and psychological barrier created by the Sino-Pakistani axis in the region. It can connect to Eurasia, circumventing Pakistan. The success of the INSTC rests solely on India and Russia, with active co-operation from Iran.

Against this backdrop, this chapter elaborates on the geopolitical complexities and strategic challenges surrounding the INSTC. The first part summarises the advantages and basic features of the INSTC. The second part discusses the emerging geopolitics in Eurasia and its implications for the INSTC. The third part examines India's interests in implementing the INSTC and its associated concerns. In conclusion, the chapter offers some suggestions for the successful implementation of the project.

The INSTC as a Eurasian Connectivity Project

Connectivity, physical and digital, defines globalisation in the 21st century. New growth centres in Asia require speedy and secure transport of goods and services from around the world. Traditional maritime routes that take a longer time are inadequate for the large volumes of good to be delivered at a high speed across the globe. Thus, emerging powers have started developing their own transport networks to overcome this transport handicap. The most significant push to connectivity has come from China's Belt and Road Initiative (BRI), which includes its ambitious maritime and land connectivity projects. China has successfully implemented its unilateral projects in several parts of the world. Other countries are also trying to develop their networks which are largely multilateral. For instance, the US came up with the New Silk Road project for Central Asia; the US, Japan and Australia initiated the Blue Dot Network; the European Union has come up with the Global Gateway initiative; the Group of Seven (G7) have proposed a Build Back Better World (B3W); and the US, Israel and India have envisioned the India-Middle East Economic Corridor (IMEC).

The INSTC was conceived as an ambitious project to connect Eurasia and South Asia, with the prospect of extending it further to Europe and South East Asia in the future. At its initial discussion in 2000, it was estimated to be a 7200-km sea, rail and road network in which Russia, Iran and India were to play the leading role, given their economic and diplomatic heft. Ten other countries (Azerbaijan, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Ukraine, Belarus, Oman and Syria) also signed the deal. This was conceived to be a Eurasian project with Europe in its North, Turkey in its West, China in its East and India in its South East. The high point of this project is that it will easily connect the resource-rich countries with the most populated parts of the world.

The INSTC has significant advantages in terms of saving transit time and freight costs. Compared to the existing Suez Canal Sea route, it may cut down the freight cost by about 30 per cent and transport time by about 40 per cent. For instance, the existing sea trade route between Mumbai and St. Petersburg, passing through the Suez Canal, covers a distance of 8,675 nautical miles and takes approximately 35 to 40 days.⁵⁴³ The INSTC route will take only 19-21 days. India intends to send goods from the Jawaharlal Nehru and Kandla ports on India's west coast to Bandar Abbas port in Iran by sea, and from there to Bandar-e-Anzali Iranian port on the Caspian Sea by road and finally

⁵⁴³ ET Bureau (2023). "India-Russia mull speedy operations on new sea route", September 12, 2023. Available at: <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-russia-mull-speedy-operations-on-new-sea-route/articleshow/103612923.cms?from=mdr> (Accessed on November 10, 2024)

Astrakhan, a Caspian port in Russia, by sea.⁵⁴⁴ Astrakhan is connected to Moscow by rail and road. There is an alternate plan to avoid the Caspian Sea and develop a rail and road network from Iran to Azerbaijan and then to Russia. Azerbaijan is keen to develop Baku as a transport hub.⁵⁴⁵ Though this route is incomplete, this might be the most efficient route in this corridor. The advantage of this route is that it can transport products directly from Bandar Abbas in Iran to Moscow in Russia through a rail-network, which would be cheaper and much faster. Azerbaijan is actively pursuing the development of the missing 170-km rail link between Rasht (Iran) and Astara (Azerbaijan), construction on which has already begun. In a significant development, Russia and Iran signed a deal in 2023 to develop the Rasht-Astara railroad, the last missing link in the INSTC. Russia has pledged an investment of €1.6 billion to finance the completion of this missing rail link. This rail line will have nine stations and is set for completion by 2026.⁵⁴⁶ The project was jointly inaugurated in June 2023. Completing the project would mean a breakthrough for the INSTC project. Fortunately, Russia and Iran have excellent ties, while Azerbaijan is also favourably disposed towards this project.

In 2014, India's Ministry of Commerce and Industry undertook a trial run from Mumbai to Bandar Abbas by sea, Tehran to Bandar Anzali by rail and then by using the Caspian Sea to reach Astrakhan in Russia.⁵⁴⁷ Another dry run was conducted in 2017, from Iran to Azerbaijan and then to Astrakhan via the Caspian Sea. In a breakthrough development, the first significant consignment was sent from Russia to Mumbai using the INSTC route in 2022. The cargo consisted of wood laminates and not oil. It created buzz across Eurasia, underlining the significance of this route for trade.

In a related development, India signed the Ashgabat Agreement in 2018, which seeks to establish an international transport and transit corridor between Central Asia and the Persian Gulf. The Ashgabat Agreement, signed by Turkmenistan, Uzbekistan, Oman, Iran, and Qatar came into force in April 2016. Kazakhstan's entry into the Agreement offers a significant advantage as it expands the route further to the borders of China and Russia. The Iran-Turkmenistan-Kazakhstan (ITK) corridor, the key railway line in this project, has been operational since 2014.⁵⁴⁸ This Agreement makes it easier for India to access Central Asian resources and co-ordinate with other Eurasian countries. India's trade with Central Asia and South Caucasia was less than USD 5 billion in 2024, while it has the potential to reach up to USD 170 billion.⁵⁴⁹ Hence, the INSTC and Ashgabat Agreement are key instruments to India's 'Connect Central Asia' policy.

544 Pia Krishnakutty, Pia (2024). "A dormant transport corridor between India, Russia and Iran is active 20 years later. Here's why", *The Print*, April 3, 2024. Available at: <https://theprint.in/diplomacy/a-dormant-transportcorridor-between-india-russia-iran-is-active-20-years-later-heres-why/2024254/> (Accessed on November 10, 2024).

545 Passi, Ritika (2017), "Money matters: Discussing the economics of the INSTC", ORF, April 24, 2017. Available at: <https://www.orfonline.org/research/money-matters-discussing-the-economics-of-the-instc> (Accessed on November 12, 2024).

546 Bayramli, Nigar (2024). "Iran, Russia Inaugurate Rasht-Caspian Railway, Strengthening International Transport Corridor", *Caspian News*, June 22, 2024. Available at: <https://caspiannews.com/news-detail/iranrussia-inaugurate-rasht-caspian-railway-strengthening-international-transport-corridor-2024-6-20-0/> (Accessed on November 15, 2024).

547 Srivastava, D.P. (2016). "International North-South Transit Corridor", *Vivekanand International Foundation*, October 24, 2016. Available at <https://www.vifindia.org/article/2016/october/24/international-north-southtransit-corridor> (Accessed on December 5, 2024).

548 Stobdan, P. (2021). "Significance of India joining the Ashgabat agreement", IDSA Comment, February 2, 2021. Available at: https://idsa.in/idsacomments/significance-of-india-joining-the-ashgabat-agreement_pstobdan-120218

549 Wani, Ayaz (2024). "The Chabahar Gambit: India's play for influence in Central Asia", Special report, ORF, September 30, 2024. Available at: <https://www.orfonline.org/research/the-chabahar-gambit-india-s-play-forinfluence-in-central-asia> (Accessed on October 5, 2024).

Figure 1: Suez Canal and INSTC route



Source: Eurasian Times (2021).⁵⁵⁰

Emerging Geopolitics and the INSTC

At the time of the INSTC's inception in 2000, the world was not caught in so many conflicts. The US was the sole hegemon and China was expanding its economic outreach. Most of the countries were looking to the West for trade, technology and investment. Russia was still emerging from its own troubles of transition and looked towards the West for trade and investment. The US did not view China and Russia as strategic rivals – for instance, the US involvement in Afghanistan had the tacit approval of Russia. In that context, the INSTC was viewed as a benign project requiring active co-operation from member-states. The member-states lapped up the grand idea without committing the requisite diplomatic and financial resources to its implementation. The implementation of the project was left entirely to each member state. We have only recently witnessed a joint collaboration between Russia and Iran to complete the Rasht-Astara railway line.

With delays in its implementation, the INSTC became a victim of regional geopolitics. It suffered a severe blow when the first Trump administration in Washington decided to exit from the nuclear talks with Iran and placed Iran under maximum sanctions. Trading with Iran became difficult as companies and financial institutions feared secondary sanctions on them. India managed to keep the Chabahar port out of American sanction by underlining its importance to Afghanistan, but its other projects in Iran halted. It is believed that India dropped out of the Chabahar-Zahedan rail project because private suppliers were unwilling to send products to Iran. There are reports that India and Iran have begun talks on reviving the rail connectivity project between the Chabahar port and Zahedan city.⁵⁵¹ However, the emerging geopolitics in the region may jeopardise

550 Eurasian Times (2021). "How An India-Backed Global Transit Corridor (INSTC) Could Be An Alternative To The Suez Canal", June 5, 2021. Available at: <https://www.eurasiantimes.com/how-an-india-backed-global-transit-corridor-instc-could-be-an-alternative-to-the-suez-canal/> (Accessed on October 5, 2024).

551 Narayan, Subhash (2024). "India, Iran may restart rail connectivity project between Chabahar and Zahedan," The Mint, July 1 2024. Available at: <https://www.livemint.com/politics/policy/india-iran-may-restart-rail-connectivity-project-between-chabahar-and-zahedan-11719732939940.html> (Accessed on October 5, 2024).

the normalisation of ties with Iran. In the West, Iran is viewed as the main cause of the conflict between Israel and the Hamas. The second Trump administration is likely to follow a harsh policy towards Iran, and therefore, it may not be easy to work on projects in Iran for the next few years. New Delhi will have to negotiate hard with the Trump administration to acquire any concession.

The Russia-Ukraine war is another impediment to the successful implementation of the INSTC, as it diverted Russia from developmental projects to entirely focusing on mobilising resources for defence and military purposes. The Western sanctions on Russia mean that it cannot receive financial and technological support from the West. Acquiring basic material has become a challenge and companies with exposure to the West will avoid working with Russia. Under such circumstances, Russia will have to rely primarily on Chinese supply chains. The emerging Russia-Iran military co-operation might complicate the development of the INSTC.

However, the emerging geopolitics in Eurasia also throws opportunities for the INSTC. Before 2022, the trade volume between Russia and India was very low. It was less than USD 10 billion. Therefore, Russia and India did not push for the speedy completion of this trade route. But after the Russia-Ukraine war, trade between Russia and India in 2023-2024 shot up to USD 65 billion.⁵⁵² This largely consists of India's energy imports from Russia. India's export to Russia is less than USD 7 billion. Hence, there is an incentive for both Russia and India to work on the INSTC. This unexpected development has enhanced the operational value of the INSTC. In addition, Western sanctions might favour the INSTC. Iran and Russia are under heavy Western sanctions, and they do not have many avenues for trade. Therefore, these states are more likely to invest in non-Western trade routes and markets. Iran is likely to gain high transit fees if the INSTC becomes fully operational.

India's interests in the INSTC

From New Delhi's perspective, the INSTC is significant for two reasons: circumventing Pakistan and getting access to the Eurasian landmass. If all the branches of the INSTC develop, India will have easy access to Central Asia, Caucasia, Russia and even Europe. These countries are rich in minerals and India will benefit immensely with access to these resources. However, India's trade with Central Asia is very low and lack of land connectivity is one of the main reasons. Over the last few years, India has begun to focus on connectivity in its neighbourhood.

The INSTC features prominently in India's 'Connect Central Asia' policy. The First India-Central Asia Summit took place on January 27, 2022, in which Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan participated.⁵⁵³ The INSTC was discussed in this summit. Further, India has started negotiating a free trade agreement (FTA) with the Eurasian Economic Union (EEAU), which includes Russia, Kyrgyzstan and Kazakhstan. It might benefit both India and Central Asia, but these states will have to ensure that the

552 Jagota, Mukesh (2024). "90 percent of India-Russia trade in local currency now", *The Financial Express*, November 13, 2024. Available at: <https://www.financialexpress.com/business/industry-90-per-cent-of-india-russia-trade-in-local-currency-now-3663287/> [~:text=India%20runs%20a%20huge%20trade%20deficit%20with%20Russia%20—%20in%202023,while%20exports%20were%20%242.2%20billion. (Accessed on November 13, 2024).

553 Pradhan, S.D (2023). "Second India-Central Asia NSAs meet: India accelerated Connect Central Asia Policy," *Times of India*, October 23, 2023. Available at: <https://timesofindia.indiatimes.com/blogs/ChankayaCode/second-india-central-asias-meet-india-accelerates-connect-central-asia-policy/> (Accessed on November 13, 2024).

Chinese products are not repackaged and rerouted through the EAEU. Prime Minister Modi's visit to Central Asia in 2015 reactivated India's diplomacy to forge strong ties with its extended neighbourhood.⁵⁵⁴ Kazakhstan and Uzbekistan are especially important for India from the economic and security perspective. India is striving to increase its trade in the region and develop secure routes. Its investment in Chabahar is an important milestone in this direction. It is one of the first significant ports to be developed by India in the region.

India has invested considerable diplomatic and financial resources in executing the Chabahar project. It involves the construction of a port and associated transport networks to Afghanistan and Central Asia. Located off the Gulf of Oman in the Sistan-Baluchistan province, the Chabahar port provides India with a strategic foothold and a gateway to the landlocked regions of Eurasia. After years of negotiation, a decisive trilateral agreement comprising India, Iran and Afghanistan was signed during Prime Minister Modi's visit to Iran in 2016. India committed \$500 million to the development of Chabahar Port. An Indian government-owned corporation called Ircon International Limited was asked to assess the feasibility of the Chabahar-Zahedan rail network in collaboration with Iran's Construction and Development of Transportation Infrastructure Company. An excessive delay in the construction of this project prompted Iran to work independently on this project, much to the discomfort of India. The main reason for the delay from the Indian side was the US sanctions, which deterred private companies from supplying steel and other material to Iran. There are reports suggesting that the two sides have once again resumed talks to collaborate on this project. However, India will have to negotiate with the second Trump administration to rescue it from renewed US sanctions on Iran.

Iran occupies a special place in India's worldview because of its geo-strategic location, civilisational links and a vast history of political and cultural exchanges. However, India has always been hamstrung by the US policy of sanctions towards Iran ever since the Shah was deposed in the Islamic Revolution of 1979. For instance, US pressure compelled India to abandon the Iran-India gas pipeline and settle for an alternative Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline. The supply of crude oil from Iran, the third-largest supplier, halted completely following sanctions. New Delhi resents such arbitrary and unilateral decisions by the US but is unwilling to take measures that may antagonise the US administration and put a brake on its evolving military ties.

Chabahar has a strategic value because it is located merely 72 km West of China's Gwadar port in Pakistan. Gwadar is the exit point of the China-Pakistan Economic Corridor (CPEC) into the Indian Ocean, while Chabahar is the entry point for India into the Eurasian landmass. If, at any point in the future, India and China decide to collaborate on connectivity projects, the entire landmass of Asia will become drivable. Chabahar has the potential to become the main transit route for landlocked Afghanistan, which is otherwise dependent either on Pakistan or the Bandar Abbas port in Iran. Bandar Abbas handles the bulk of the shipping for Iran, but it cannot harbour high-tonnage ships. Big ships offload at the docks of the United Arab Emirates (UAE), and goods are transferred through smaller ships. The oceanic port of Chabahar can harbour all kinds of ships and has unhindered access to the Indian Ocean. Iran can save its transit fees and will not depend on the UAE.

⁵⁵⁴ Wani, Avzai "The Chabahar Gambit ..."

India began to transit consignments of wheat and rice to Afghanistan through the Chabahar Port in 2017. A 75,000-metric tonne consignment of Indian wheat was sent to Afghanistan through this port.⁵⁵⁵ This port actively handles cargo from various places. The first Trump 2016-2020 administration allowed this port to be exempted from sanctions partly because of its potential to augment Afghan trade with India and other countries. It remains to be seen whether that policy will continue under the second Trump administration (2025-2028). The Chabahar project has been touted as the cornerstone of India's grand vision of gaining access to the Eurasian landmass and connecting with the proposed International North-South Transport Corridor (INSTC). Its major advantage was in connecting to Afghanistan where India invested roughly USD 3 billion in developing infrastructure.⁵⁵⁶ However, the Taliban takeover of Afghanistan has changed India's calculations. The Israel-Gaza conflict has posed new challenges to investments in Iran. Chabahar port is functional and New Delhi wants it to become a part of the INSTC.

In conclusion, the emerging Eurasian geopolitics has thrown up both challenges and opportunities for the INSTC. While the two wars in the region (Ukraine, Gaza) have affected its implementation, all sides have demonstrated a renewed interest in completing the INSTC project. The Western sanctions have pushed Russia to search for alternative routes and markets in the East. Russia's trade with India has multiplied and it would like to develop a shorter and secure route to maintain that trade volume. Russia is working with Iran to finalise the missing rail link between Rasht and Astara. The completion of that link will enhance the value of the INSTC. On the other side, India would like to export more products to Russia and Central Asia to overcome its trade deficit. However, the fate of the INSTC hangs in balance because of the ongoing conflict in West Asia and the US sanctions on Iran.

The INSTC should not be viewed as an instrument to counter the BRI. Russia and Iran will never be part of a project that seeks to counter China. Therefore, any suggestion that the INSTC seeks to counter China is misleading. Instead, the INSTC seeks to connect the two regions that remain united by history but divided by geopolitics.

555 *Tehran Times* (2020). "Indian wheat for Afghanistan arrives in Iran's Chabahar port", April 17, 2020. Available at: <https://www.tehrantimes.com/news/446860/Indian-wheat-for-Afghanistan-arrives-in-Iran-s-Chabahar-port> (Accessed on December 5, 2024).

556 *Business Standard* (2022). "India invested over \$3 billion in Afghanistan: MoS Muraleedharan", February 5, 2022. Available at https://www.business-standard.com/article/current-affairs/india-invested-more-than-3-billion-in-afghanistan-mos-muraleedharan-122020500307_1.html (Accessed on December 5, 2025).

Russia's Connectivity Outreach to South Asia: The Case of the INSTC

Aleksei Zakharov

One of the most significant obstacles to the advancement of trade co-operation between Russia and India is the lack of robust connectivity. The considerable geographical distance between the two countries, coupled with the prevailing unstable security environment in Afghanistan and the divergences between India and Pakistan, have impeded the realisation of pivotal transport and energy infrastructure projects.

Historically, trade between India and Russia has relied on shipping routes passing through the Suez Canal and the maritime link between Vladivostok and Chennai. Both of these are currently used for the supply of various commodities, primarily Russian raw materials to India. The land connectivity project in development since the early 2000s and perceived as an alternative to maritime links is the International North-South Transport Corridor (INSTC). The US and European sanctions against the Russian economy, coupled with the subsequent difficulties in transporting goods by sea, have led to renewed momentum in Russia's efforts to complete the INSTC and open up new export destinations in Asia.

For a long time, the promotion of the INSTC was on the periphery of Russia's foreign policy priorities. The project was seen mainly as an alternative to traditional sea routes such as the Suez Canal, which was subject to occasional disruptions. Even though the INSTC attracted a dozen interested states, it was not operational for various reasons and remained a shelved geopolitical project rather than a logistical solution to improve trade.

Moscow's attitude to the project has changed rapidly after February 2022, when the Russian economy faced a raft of international sanctions following the start of the 'special military operation' in Ukraine. As Russian trade with and logistics through the European Union, previously Russia's largest trading partner, were dramatically affected, the Russian authorities began to look for new markets in the Global South and to improve connectivity with these countries. Against this backdrop, the idea of the INSTC re-emerged in the Russian geo-economic imagination, and this corridor was reconsidered as a gateway not only to India, but more broadly to South Asia, the Gulf and even East Africa.

The Complexities of INSTC's implementation

The INSTC is not a single-dimensional transport corridor but rather a set of different roads, including railways, automobile highways and shipping lines. The corridor is a multimodal project consisting of three routes, each of which has its own distinctive features. The **Western branch** traverses the border points of Samur (Russia), Yamala (Azerbaijan), and Astara (Azerbaijan-Iran border point), subsequently proceeding through the Iranian railway network. The absence of the Astara-Rasht section has resulted in the necessity for cargo to be transferred twice from railway cars to trucks, which has led to increased costs and extended delivery times, and has rendered the transportation of goods commercially viable only in exceptional circumstances. In this section of the corridor, trucks represent the predominant mode of freight transportation. Russia has pledged EUR1.3 billion for the development of the Astara-Rasht section, which is expected to be

completed by 2027-2028. The first stage of the line, the 37-km Rasht-Caspian railway, was inaugurated by Iranian and Russian officials in June 2024.⁵⁵⁷

The protracted construction of the missing rail link has brought to the fore the idea of a new broad-gauge (1520mm) line from Astara in Iran to the country's southern port of Bandar Abbas. Proponents of the idea say that even if the Astara-Rasht line is completed, it will not be a game-changer because transhipment at the Iran-Azerbaijan border will remain due to the difference in gauge. By this logic, the new line should eliminate the problem of unnecessary transhipment of goods, paving the way for the opening of regular container traffic and creating seamless connectivity along the Western route. One caveat, however, is that a brand new line will require a massive investment of around USD 18-20 billion.

The **Trans-Caspian branch** connects the Russian Caspian ports of Olya (Astrakhan region) and Makhachkala (Republic of Dagestan) with the Iranian ports of Anzali, Caspian, Nowshahr and Amirabad. This route could be in particular demand for the transport of metals, timber, chemical fertilisers, grain and containerised cargo, opening up opportunities for the transport of goods by river-sea vessels. However, the development of a transit route through the Caspian Sea is hampered by several factors. First, there is the double transhipment in the ports of Iran and Russia, which has a serious impact on the duration of shipments. Second, the volume of traffic is significantly limited by the number and condition of the fleet available to carry cargo along the route. Thirdly, its use is constrained by the low capacity of inland waterways in Russia and the drifting of sections of the Volga-Caspian waterway. Finally, the route is subject to seasonal changes due to the freezing of the northern ports of the Caspian basin in winter.⁵⁵⁸

The **Eastern branch** passes through the territories of Russia, Kazakhstan, Turkmenistan and Iran. From the Russian point of view, this route offers the potential to deliver cargo from Western Siberia and the Urals to the Iranian port of Bandar Abbas and further to new markets. For India, the emphasis is on integrating the Chabahar port into the INSTC railway infrastructure. Connecting the port to the INSTC's Eastern route at the Sarakhs transit point on the Iran-Turkmenistan border is arguably the optimal way to achieve this goal. This will not only improve India's trade with Central Asia, but also provide Turkmenistan with access to the high seas. Importantly, a functioning rail link could activate the Chabahar port, which is currently mainly serving trade between India and Afghanistan. It is estimated that the port's total cargo traffic is no more than 3 million tonnes per year out of its capacity of around 26 million tonnes per year.⁵⁵⁹ The completion of the Chabahar-Zahedan railway line and the construction of the missing link from Zahedan to Birjand (about 900 km), which has made only limited progress to date, are crucial to the development and use of the port.⁵⁶⁰

At present, none of the three INSTC routes provides seamless connectivity, which is a key requirement for the flow of goods and commodities. The Eurasian Development Bank report has identified over 40 infrastructural, administrative, tariff and financial

557 Bayramli, Nigar (2024). "Iran, Russia Inaugurate Rasht-Caspian Railway, Strengthening International Transport Corridor," *Caspian News*, June 22, 2024. Available at: <https://caspiannews.com/news-detail/iran-russia-inaugurate-rasht-caspian-railway-strengthening-international-transport-corridor-2024-6-20-0/> (Accessed on November 17, 2024).

558 "Iz varyag v persy": perspektivny razvitiya MTK "Sever-Yug" ["From Varangians to Persians: Prospects for the Development of the North-South ITC]," N.TransLab Report. 2024. p.9.

559 "From Varangians to Persians...". P. 16.

560 Zakharov A. (2023). "The International North-South Transport Corridor: The Prospects and Challenges for Connectivity between Russia and India". *MGIMO Review of International Relations*. 2023, Vol.16(2). pp. 230-231.

obstacles to the implementation of the project. The study indicates that the corridor is most adversely affected by the absence of connecting infrastructure, deficiencies in transportation and infrastructural bottlenecks, a lack of co-ordination in customs procedures and the red tape associated with border crossings.⁵⁶¹

Clearly, the participant states have been struggling to align their efforts. As a result, there is no system of tracking goods, the tariffs are different and prone to fluctuations. The member states' priorities may also significantly vary. To illustrate, while Russia places a premium on the Western route, India is more inclined to prioritise the Eastern branch of the corridor,⁵⁶² which offers greater potential for enhancing connectivity with Central Asia. Similarly, divergent interests among stakeholders within member states give rise to inconsistencies in infrastructure development. In Russia, for instance, regional authorities, various businesses, transport companies and freight forwarders – all lobby for their specific interests, which ultimately affects the government's view of the priorities for implementing the INSTC.

The Role of the INSTC in Russia's relations with South Asia

As Russia has found herself isolated and in need of new avenues for co-operation with the Global South, her push for connectivity projects has gained new momentum. The INSTC has begun to feature prominently in Russia's high-level diplomacy with partners across the regions. In South Asia, it is worth looking at India, the largest trading destination for Russian commodities, as well as Pakistan and Sri Lanka, which may join the project in the future.

India – Since 2022, the INSTC has occasionally made headlines with shipments from Russia to India. In July 2022, Russia's public company RZD Logistics announced the start of full container train transport from Russia to India.⁵⁶³ In May 2024, the first Agroexpress, comprising 31 twenty-foot containers of oat flakes and cereals, was sent from Russia's Chelyabinsk region to the Indian port of Mundra.⁵⁶⁴ In June 2024, two trains from the Kemerovo region delivered Russian coal to Bandar Abbas and then by sea to Mumbai.⁵⁶⁵

While all these shipments have received a lot of media attention and have been seen as a manifestation of the INSTC's growing role in Indo-Russian trade, there are several features to note. First, all these shipments were made via the Eastern branch of the corridor, suggesting that this route may indeed be particularly important for connectivity with the Urals and the Western Siberian regions of Russia. Second, these were one-off shipments, which have so far lacked regularity and sufficient volume. This can be explained by the fact that the existing INSTC infrastructure is inadequate for some commodities. Coal, for example, is a bulk cargo whose transport costs depend largely

561 Vinokurov E, Ahunbaev A, Usmanov N, Zaboev A. (2022). International North–South Transport Corridor: Investments and Soft Infrastructure. *Reports and Working Papers* 22/2. Eurasian Development Bank, Almaty, Moscow. p. 4.

562 Sharma, Raj Kumar (2024). "INSTC and Chabahar: Economic and Strategic Aspects of India's Connectivity Efforts in Eurasia," in Khashif Hasan Khan (ed.) *India's Economic Corridor Initiatives: INSTC and Chabahar Port*. 2024. London: Routledge. p. 46.

563 "RZD Logistics launches new railway container service on eastern branch of North-South ITC," Russian railways, July 5, 2022. Available at: <https://eng.rzd.ru/en/9631/page/78314?id=203583> (Accessed on November 23, 2024).

564 "RZD Logistics organized the delivery by the first full-fledged Agroexpress along the INSTC," RZD Logistics, May 2, 2024. Available at: <https://rzdlog.com/press-center/news/rzd-logistics-organized-the-delivery-by-the-first-full-fledged-agroexpress-along-instc/> (Accessed on November 20, 2024).

565 "The train from Russia: How a new route can change things," *The Economic Times*, June 27, 2024. Available at: <https://economictimes.indiatimes.com/news/economy/foreign-trade/the-train-from-russia-how-a-new-route-can-change-things-for-india/articleshow/111290149.cms> (Accessed on November 20, 2024).

on the number of transhipments. There are at least two transhipment points along the way, at the Sarakhs border point and at the Bandar Abbas Port, which makes delivery less feasible than via traditional sea routes.

Maritime logistics is currently the main gateway for Russia-India trade. For example, most of Russia's coal is shipped to India either from the port of Murmansk via the Northern Sea Route⁵⁶⁶ or from Russian ports in the Far East. For container shipments, the Suez Canal is the most used route. It takes about 17 days for cargo to travel between Mundra and Novorossiysk or vice versa and 23 days between India's Western ports and St Petersburg. Both options are faster than sending a cargo via the INSTC routes, which takes an average of 30-35 days. The cost of shipping a 40-foot cube container via the Suez Canal ranges from USD 3,500 to USD 3,800, while the cost via the land corridor branches is USD 5,800 to USD 6,000. The problem, however, is that demand for the maritime option is high, resulting in a shortage of available space on cargo ships. The eastern sea route, linking Indian ports with the Russian Far East, is even more expensive and takes longer, so it is mainly used when other options are problematic.⁵⁶⁷

As Russia-India economic co-operation has been gaining traction, the issue of establishing functional and cost-effective connectivity between the two countries appears to be receiving more attention. From a geopolitical perspective, Indian and Russian involvement in the development of the INSTC is being promoted as an example of "share[d] approaches [to] building a new architecture of stable and efficient transport corridors [in] a Greater Eurasian space."⁵⁶⁸

From a trade and business viewpoint, much remains to be done, as recognised by both governments. One of the pertinent issues, which has a multiple impact on connectivity, business links and facilitation of payments, is the trade imbalance. As long as bilateral trade is so lopsided in Russia's favour, it will be difficult to realise the full potential of the developing connectivity. The trade balance, as noted by Indian External Affairs Minister Dr. S. Jaishankar, "needs urgent redressal" along with addressing non-tariff barriers and regulatory impediments.⁵⁶⁹ This would require another component that is currently lacking – the increased interest of Indian private companies in exploring the Russian market. However, the change in their attitude towards doing business in and with Russia may not happen soon, as Russia is the most sanctioned country in the world, which, despite existing loopholes, still affects the country's image and poses additional risks, especially for private sector entities.

Pakistan – Despite the absence of a formal Pakistani accession to the INSTC, Russian companies have been utilising its routes for the transportation of goods to and imports from Pakistan. In September 2023, Russia delivered the inaugural consignment of liquefied petroleum gas (LPG) to Pakistan. A consignment of 100,000 tonnes of LPG was

566 Ramakrishnan, T (2023). "India accounts for 35% of cargo handled by Murmansk this year," *The Hindu*, August 15, 2023. Available at: <https://www.thehindu.com/business/india-accounts-for-35-of-cargo-handled-by-murmansk-this-year/article67198820.ece> (Accessed on November 22, 2024).

567 "Pathways of cooperation: Russia-India cargo routes," *Sberbank India*, July 9, 2024. Available at: <https://sberbank.co.in/media/publications/pathways-of-cooperation-russia-india-cargo-routes> (Accessed on November 25, 2024).

568 "Joint Statement following the 22nd India-Russia Annual Summit," Prime Minister of India, July 9, 2024. Available at: https://www.pmindia.gov.in/en/news_updates/joint-statement-following-the-22nd-india-russia-annual-summit/ (Accessed on November 15, 2024).

569 "Address by External Affairs Minister, Dr. S. Jaishankar at the India-Russia Business Forum, Mumbai," Ministry of External Affairs, Government of India, November 11, 2024. Available at: <https://www.meia.gov.in/Speeches-Statements.htm?dtl/38502/Address+by+External+Affairs+Minister+Dr+S+Jaishankar+at+the+IndiaRussia+Business+Forum+Mumbai> (Accessed on November 16, 2024).

shipped from Russia's Orsk refinery in Orenburg region through Iran's Sarakhs special economic zone,⁵⁷⁰ employing the transport infrastructure of the INSTC's Eastern branch. Nevertheless, subsequent shipments of LPG to Pakistan have yet to materialise, despite ongoing talks.

In March 2024, the Pakistani National Logistics Corporation (NLC) dispatched a convoy of 16 trucks laden with kinnows (a type of mandarin cultivated in Punjab) to Russia. The trucks traversed the Western branch of the INSTC, passing through the territories of Iran and Azerbaijan en route to the Russian cities of Derbent and Grozny.⁵⁷¹ It is plausible that the food shipments via this route will become a regular occurrence. First, the bilateral trade between Pakistan and Russia is on the rise, exceeding \$1 billion. Second, a number of agreements were signed between the two countries, facilitating customs procedures and providing tariff preference for Pakistani products.

Yet, it must be acknowledged that several persistent issues impede the further development of bilateral trade and business connections. The economic crisis in Pakistan, coupled with Western sanctions on the Russian economy, has resulted in the lack of a viable solution to the issue of transactions. Interestingly, during his meeting with President Vladimir Putin on the sidelines of the SCO summit in Astana in July 2024, Prime Minister Shehbaz Sharif suggested expanding bilateral trade through the barter system to overcome financial and banking problems.⁵⁷² Subsequently, two agricultural companies from Russia and Pakistan entered into agreements on barter trade. Under the first contract, Russia's Astarta-Agrotrading agreed to supply 20,000 tonnes of chickpeas in exchange for 20,000 tonnes of rice from Pakistan's Meskay & Femtee Trading Company. Under another contract, Astarta will supply 15,000 tonnes of chickpeas and 10,000 tonnes of lentils in exchange for 15,000 tonnes of Pakistani mandarins and 10,000 tonnes of potatoes.⁵⁷³

The absence of a direct transport link between Russia and Pakistan has resulted in significant challenges pertaining to trade logistics. The transfer of goods between the two countries is primarily reliant on either multimodal or auto-truck transportation, with the shipments traversing Iranian and Afghan territory.

Pakistan could form part of a wider INSTC rail network, but its railways are in need of modernisation, particularly the Quetta-Taftan railway linking Baluchistan province to the Iranian border. Pakistan's economy faces structural problems and is dependent on loan assistance from the International Monetary Fund (IMF). Even though Moscow and Islamabad signed an MoU on trade and connectivity in September 2024,⁵⁷⁴ Russia does not currently appear to be in a position to invest significant sums in Pakistani infrastructure. Reports of Russian and UAE interest in investing close to USD 1 billion

570 "Russia delivers first batch of LPG to Pakistan," *The Express Tribune* (2023). September 26, 2023. Available at: <https://tribune.com.pk/story/2437934/russia-delivers-first-batch-of-lpg-to-pakistan> (Accessed on November 19, 2024).

571 "16 truckloads of Pakistani kinnows reach Russia" (2024). March 11, 2024. Available at: <https://www.dawn.com/news/1820639> (Accessed on 20 November 2024).

572 "Meeting with Prime Minister of Pakistan Shehbaz Sharif" (2024). Kremlin, July 3, 2024. Available at: <http://www.en.kremlin.ru/events/president/transcripts/74458> (Accessed on November 16, 2024).

573 Rashid, Aneela (2024). "Pakistan & Russia Sign First-Ever Barter Trade Deal," *Sputnik India*, October 2, 2024. Available at: <https://sputniknews.in/20241002/pakistan--russia-sign-first-ever-barter-trade-deal-8230301.html> (Accessed on November 17, 2024).

574 "Deputy Prime Minister of the Russian Federation Alexei Overchuk Visits Islamabad," Embassy of the Russian Federation in the Islamic Republic of Pakistan, September 19, 2024. Available at: https://pakistan.mid.ru/en/news/deputy_prime_minister_of_the_russian_federation_visits_islamabad/ (Accessed on November 20, 2024).

in Pakistan's ailing rail sector, including the upgrading of the Quetta-Taftan line,⁵⁷⁵ are questionable and have yet to be confirmed. In addition, Iran's rail infrastructure along the border with Pakistan is not fully integrated with the other INSTC lines. Consequently, while Islamabad is considering formal integration into the INSTC network, the current focus is on connectivity diplomacy rather than the establishment of a functional transport infrastructure.

Belarus – The implementation of the North-South corridor benefits not only Russia but also Belarus, which is exploring new destinations for its commodities. Belarusian and Russian companies are collaborating to facilitate the transportation of commodities by rail, with Russian ports serving as transhipment hubs for Belarusian products destined for South Asian markets. In 2024, the first cargoes from Belarus travelled along the INSTC's three routes, reaching new markets in Afghanistan and Pakistan. Minsk plans to increase the transhipment of export cargo through Russian ports to 20 million tonnes by 2026, up from the current 4.3 million tonnes.⁵⁷⁶

Sri Lanka – The agreement on import and export transportation of containers signed by a group of Indian, Iranian and Russian companies in 1999 was a precursor to the INSTC project. The agreement that determined the organisation of the transportation, the duties of the parties and the approximate rates and terms of passage of goods in 20- and 40-foot containers through the Sri Lanka-India-Iran-Caspian Sea-Russia route formed the basis for a later intergovernmental agreement between Moscow, New Delhi and Tehran.⁵⁷⁷ Subsequently, Sri Lanka dropped out of the corridor and the project itself faced various technical issues. Recently, however, Russia has begun to recognise the potential of integrating the island state into the INSTC network.

Delo Group, a leading Russian transport and logistics company, is considering the establishment of a new transport hub in Sri Lanka. The proposed project involves the development of a new container handling and transhipment port terminal at the deep-water port of Hambantota, with a capacity of up to 10 million TEU.⁵⁷⁸ This initiative was discussed at the meeting of Sergey Shishkaryov, Chairman of the Board of Directors of Delo Group, and Kamal Gunaratne, the then Secretary to the Minister of Defence of Sri Lanka at the international security conference in St. Petersburg in April 2024. The project is still in its early stages, but discussions are underway regarding the potential for linking Sri Lanka to Iran's southern ports, with particular focus on connectivity with Bandar Abbas and further INSTC routes.

Another infrastructure project of Russian interest, which is also located near Hambantota, is the Mattala Rajapaksa International Airport. The joint venture of India's Shaurya Aeronautics Pvt Ltd. and Russia's Airports of Regions Management Company was awarded

575 Bhutta, Zafar (2024). "Russia, UAE pledge \$1bn investment in railway," *The Express Tribune*, January 23, 2024. Available at: <https://tribune.com.pk/story/2454132/russia-uae-pledge-1bn-investment-in-railway> (Accessed on 20 November 2024).

576 "Do kontsa goda Belarus' perevalit 4,3 mln tonn nefteproduktov cherez porty RF [By the end of the year, Belarus will tranship 4.3 million tonnes of oil products through Russian ports]," September 11, 2024. Available at: https://www.korabel.ru/news/comments/do_konca_goda_belarus_perevalit_4_3_mln_tonn_nefteproduktov_cherez_porty_rf.html (Accessed on November 17, 2024).

577 Rawandi-Fadai, Lana (2023). "What North-South International Transport Corridor Means for Iran," *Russian International Affairs Council*, August 3, 2023. Available at: <https://russiancouncil.ru/en/analytics-and-comments/analytics/what-north-south-international-transport-corridor-means-for-iran/> (Accessed on November 17, 2024).

578 "Sergey Shishkaryov Discussed Creation of an International Transportation Hub on the Island with Sri Lanka's First Deputy Defence Minister Kamal Gunaratne," *Delo Group*, April 23, 2024. Available at: <https://www.delogroup.com/news/sergey-shishkaryev-obsudil-s-pervym-zamministra-oborony-shri-lanki-kamalom-gunaratne-sozdanie-na-ost/> (Accessed on November 19, 2024).

a contract to manage the airport for a 30-year lease period.⁵⁷⁹ While this was perceived in India mainly through a geopolitical prism – as an opportunity to reduce the Chinese influence in the region⁵⁸⁰ – in Russia, the expansion of Russian business presence in Sri Lanka was seen as an opening to increase air connectivity to the island state, which can facilitate logistics for airlines and tourists.⁵⁸¹ However, the development of the project faces an uncertain future after Shaurya Aeronautics was added to the US sanctions list. The US Treasury Department designated the Indian company “for operating or having operated in the technology sector of the [Russian] economy” by sending “shipments of high-priority dual-use technology, including radar apparatus, radio navigational aid apparatus and radio remote control apparatus, and electrical apparatus for switching.”⁵⁸² Even if the Sri Lankan authorities have not found substantial evidence to support the US claims,⁵⁸³ the sanctions are likely to complicate the financial aspects of the project.

In conclusion, there is still a gap between geopolitics and economics when it comes to the perception of the purpose and status of the INSTC. The corridor looks very attractive on the map, but on the ground, there are numerous bottlenecks that prevent its implementation. The corridor suffers from a number of technical problems that call into question its economic viability. Although the INSTC has become an important element of Russia’s connectivity diplomacy with South Asia, most trade continues to be conducted via sea lanes. Despite the current crisis in the Middle East and the Houthi attacks in the Red Sea, maritime deliveries remain a cost-effective alternative to shipments via the INSTC. The difference in freight costs is significant, making the maritime option a clear choice for businesses.

Even as the INSTC has become operational, cargo deliveries are still irregular, relatively expensive and time-consuming. The realisation of the INSTC segments requires more co-ordination among the parties involved. It will clearly take some time to harmonise tariff policies, complete critical infrastructure projects and remove other barriers to faster cargo flows.

579 Roy Chaudhuri, Dipanjan (2024). “India-Russia joint venture to manage strategic Sri Lanka airport,” *The Economic Times*, April 28, 2024. Available at: <https://economictimes.indiatimes.com/news/international/world-news/india-russia-joint-venture-to-manage-strategic-sri-lanka-airport/articleshow/109653943.cms> (Accessed on November 18, 2024).

580 Kumar Das, Ajay (2024). “Analysis of Hambantota Airport takeover by Indo-Russian Joint Venture,” *United Services Institution of India*, June 27, 2024. Available at: https://www.usiofindia.org/strategic-perspective/Analysis_of_Hambantota_Airport_takeover_by_Indo_Russian_Joint_Venture.html (Accessed on November 22, 2024).

581 Aigul Abdullina, “Aeroporto Regionov syadut v Shri-Lanke [‘Airports of the Regions’ will land in Sri Lanka],” *Kommersant*, April 27, 2024. Available at: <https://www.kommersant.ru/doc/6678763> (Accessed November 23, 2024).

582 “Treasury Takes Aim at Third-Country Sanctions Evaders and Russian Producers Supporting Russia’s Military Industrial Base, *U.S. Department of the Treasury*, (2024), October 30 Available at: <https://home.treasury.gov/news/press-releases/jy2700> (Accessed November 22, 2024).

583 “US sanctions Indian firm in consortium managing Sri Lanka’s Mattala Airport,” *The Island*, November 8, 2024. Available at: <https://island.lk/us-sanctions-indian-firm-in-consortium-managing-sri-lankas-mattala-airport/> (Accessed November 21, 2024).

Infrastructure of Influence: India and the International North-South Transport Corridor (INSTC) through the Soft Power Paradigm

Arunima Kalita

Connectivity is a key factor in an era defined by global interdependence. Not being part of connectivity-frameworks amounts to being bereft of a multitude of opportunities – mostly economic but also political, social and cultural. In this context, connectivity diplomacy takes centre-stage to materialise varied routes of interconnectedness in the globalised world. To reap the benefits of connectivity, multifarious projects are being initiated – the International North-South Transport Corridor (INSTC) being one of them. However, it is noteworthy that in conversations on connectivity, the physical infrastructural aspect is what is largely emphasised – the roads, railways, maritime routes, ports, etc. An area that often seems to receive lesser attention, be it in academic deliberations or policy decisions, is the ‘softer intangible elements of connectivity’ or the soft power prospects of connectivity projects. They are deemed to be ‘too soft’ to be capable of bearing tangible, significant outcomes.⁵⁸⁴

Yet, considering geopolitical dynamism and uncertainties, in order to develop deeper connections and for connectivity projects such as the INSTC to reach its fruition and bear sustainable results, soft power resources become important. Cultural connectivity, building civilisational bridges, people-to-people connect and a benign foreign policy are pivotal. The perception of India that pervades the minds and hearts of the people in foreign lands is also important. The ‘human connect’ and the ‘humane connect’ is quintessential to connectivity diplomacy.

The INSTC linking the Indian Ocean and the Persian Gulf to the Caspian Sea via Iran is a significant project of Eurasian connectivity. The primary strategy of the INSTC is shared economic prosperity. The logic is economic, but its scope goes beyond economics. The INSTC reflects a convergence of India’s strategic and soft power objectives. This chapter examines how the INSTC, beyond its economic benefits, embodies the potential for India to enhance its global legitimacy, reputation and prestige. By examining how Eurasian connectivity infrastructure can be leveraged to bolster India’s soft power through Nye’s three pillars – culture, political values and foreign policy – it argues that the INSTC is not merely a corridor of commerce, but a platform for India’s sustained influence in an interconnected world.

The INSTC is a joint initiative by India, Russia and Iran; an inter-governmental agreement signed on September 12, 2000, and ratified in 2002 to enhance trade and transport connectivity among countries along its route.⁵⁸⁵ Azerbaijan joined the INSTC in 2005. The INSTC is a multi-modal transport network of 7200 km consisting of sea routes, rail links

584 Carminati, Daniele (2021). “The Economics of Soft Power: Reliance on Economic Resources and Instrumentality in Economic Gains”, *Economic and Political Studies*, Taylor and Francis Journal, Vol 10(1), p.1

585 Ministry of External Affairs, Government of India (2023). Available at: <https://www.mea.gov.in/lok-sabha-hmt?dtl/37388/question+no1085+international+northsouth+transport+corridor> (Accessed on October 10, 2024).

and road connections from India to Northern and Western Europe. The route begins in Mumbai, India, and goes to Bandar Abbas and Bandar-e-Anzali in Iran, then crosses the Caspian Sea to reach Astrakhan, Moscow and St. Petersburg in Russia. The INSTC, as of now, has thirteen member countries – India, Iran, Russia, Azerbaijan, Armenia, Kazakhstan, Belarus, Kyrgyzstan, Tajikistan, Turkey, Oman, Ukraine and Syria. Belarus later joined as an observer state. The corridor is expected to make cargo transportation 40 per cent faster and 30 per cent cheaper in comparison to the traditional Suez Canal route.⁵⁸⁶ It has the potential to boost India's connectivity with Central Asia and the Eurasian Region as it is geo-strategically and economically critical for all the participant nations. India is also pushing for the development and optimal utilisation of Chabahar port to complement the INSTC and to provide connectivity to Central Asia.⁵⁸⁷

Contextualising Soft Power

Historically, connectivity corridors have been critical expressions of 'power' – from the ancient Silk Road to the modern INSTC, the India-Middle East-Europe Economic Corridor (IMEC) and the Belt and Road Initiative (BRI). This is because whoever controls these routes have 'power over' the movements of goods, services, capital, people, ideas and information. A widely accepted definition of an entity's (individual or country's) power in relation to another entity is – "A has power over B to the extent that A can get B to do something that B would not otherwise do".⁵⁸⁸ According to Joseph Nye, there are primarily three ways to wield this power – coercion, payment and attraction. Hard power entails the use of coercion and payments while soft power involves the use of attraction. Hard power uses carrots and sticks – military might and economic inducements. Soft power, on the other hand, is the ability to shape the preferences of others and obtain the preferred outcomes through attraction rather than coercion.⁵⁸⁹ It is about making others want what you want. It is based on the attractiveness and credibility of a nation. The INSTC explicitly promises augmentation of hard economic power. However, the INSTC can also help to enhance India's soft power while leveraging this soft power would further strengthen Eurasian integration through the INSTC.

Nye's concept of 'soft power' from his 1990 *Bound to Lead: The Changing Nature of American Power*, in fact, is preceded by other scholarly articulations of the softer elements of power. Notably, the ancient Indian thinker Kautilya in his treatise on statecraft *Arthashastra* lays down four strategic principles – *saam, daam, dand, bhed* – of which *saam* largely translates as 'persuasive power'. E.H. Carr recognises three forms of power in the international realm – military power, economic power and 'power over opinion'.⁵⁹⁰ Thinkers like Foucault, Bourdieu and Gramsci have also put across versions of soft power.⁵⁹¹ Steven Lukes identifies the significance of 'ideological power'.⁵⁹² Nye

586 Federation of Freight Forwarders' Association of India (FFAI) Report

587 Ministry of External Affairs, Government of India (2017). Available at: https://www.meaindia.gov.in/press-releases.htm?dtl/28470/INSTC_International_North_South_Transport_Corridor__Express_Corridor_from_India_to_Russia (Accessed on October 10, 2024).

588 Dahl, Robert. (1957). "The Concept of Power", *Behavioral Science*, Vol.2, (3), pp. 201–15.

589 Nye, Joseph. (2009). "Get Smart: Combining Hard and Soft Power," *Foreign Affairs*, Vol. 88 (4), p. 160.

590 Carr, Edward (1946). *The Twenty Years' Crisis, 1919-1939: An Introduction to the Study of International Relations*, London: Macmillan & Co. Ltd, p.108.

591 Mattern, Janice (2005). "Why 'Soft Power Isn't So Soft: Representational Force and the Sociolinguistic Construction of Attraction in World Politics", *Millennium: Journal of International Studies*, Vol.33 (3) p. 588.

592 Lukes, Steven. (1974). *Power: A Radical View*, New York: Palgrave Macmillan.

theoretically consolidated the idea of this ‘second face of power’ and added ‘soft power’ to the lexicon of international relations theory.

Soft power, as put forward by Nye, is the ability to shape the preferences of others through attraction and persuasion rather than coercion and payment. It entails the capacity to “influence the behaviour of others to get the desired outcomes one wants”.⁵⁹³ It involves “the co-optive means of framing the agenda, persuading and eliciting positive attraction in order to obtain preferred outcomes”.⁵⁹⁴ It is the power of attraction in contrast to the power derived from military force and economic sanctions. Exercising soft power requires lesser resources as compared to exercising hard power.⁵⁹⁵ While we tend to think of soft power to be in a dichotomous relationship with hard power, Nye envisions a power spectrum with hard and soft at its two extreme ends.⁵⁹⁶ However, real life interactions rarely fall into the extremes. They mostly operate within the power continuum with a blend of different degrees of hard and soft power.

Soft power helps create a conducive atmosphere for pursuing a country’s foreign policy. It helps build legitimacy and trust. An attractive image of a nation facilitates better compliance and co-operation. Soft power is a ‘force multiplier’.⁵⁹⁷ Nye writes, “When we discount the importance of our attractiveness to other countries, we pay a price”.⁵⁹⁸ Nye delineates three sources of soft power – culture, and style and substance of foreign policy and political values. When the culture of a nation is attractive to others, when its political values are championed at home and abroad and when its foreign policies are considered legitimate, soft power is generated.⁵⁹⁹

Soft Power through culture

Culture, according to Nye, is a significant source of soft power. Both high culture – literature, art, education attractive to the elites and popular culture – enticing the masses are critical to soft power. Cultures promoting universal values rather than narrow, parochial belief systems are more appealing and endowed with more power.⁶⁰⁰ Cultural diplomacy becomes significant then to leverage soft power. Cultural diplomacy can be understood as “the exchange of ideas, information, art and other aspects of culture among nations and their people to foster mutual understanding.”⁶⁰¹

One way of transmitting culture is commerce.⁶⁰² This is where the role of the INSTC, an economic corridor meant to augment trade and commerce, comes into play in disseminating Indian culture. The export of culture can be clubbed with economic transactions. Through state support and public-private partnerships, initiatives to make way for India’s cultural products – artefacts, cinema, cuisine, literature, language, yoga, ayurveda, etc. – into the markets along this intercontinental corridor can help leverage India’s soft power potential. The dissemination of Indian cinema, especially Bollywood,

593 Nye, Joseph S. (2004). *Soft Power: The Means to Success in World Politics*. New York: Public Affairs, pp.4-5.

594 Nye, Joseph S. (2001). *The Future of Power*, New York: Public Affairs, pp. 20-21.

595 Nye, Joseph S. (2004). *Soft Power: The Means to Success in World Politics*. New York: Public Affairs, pp. 4-5

596 Ibid. 14.

597 Nye, Joseph S. (2019). “Soft Power and Public Diplomacy Revisited” *The Hague Journal of Diplomacy* 14 (1–2), p. 18.

598 Nye, Joseph S. (2004). *Soft Power: The Means to Success in World Politics*. New York: Public Affairs, p 88.

599 Ibid. 16

600 Ibid.

601 Cummings, Milton. (2009). “Cultural Diplomacy and the United States Government: A Survey”, *Americans for the Arts*, p. 1. Available at: <https://www.americansforthearts.org/by-program/reports-and-data/legislation-policy/naappd/cultural-diplomacy-and-the-united-states-government-a-survey> (Accessed on November 15, 2024).

602 Nye, Joseph S. (2004). *Soft Power: The Means to Success in World Politics*. New York: Public Affairs, p. 17

presents one notable means of projecting Indian culture along the INSTC. Indian film stars have had a strong fandom in the erstwhile Soviet bloc. Alongside Bollywood movies, parallel cinema and art films are also significant Indian cultural exports. Film festivals, cultural collaborations and permanent cultural offices can be reinstated in key cities along the INSTC like Tehran, Moscow and Baku to make cultural exchange possible. Movie screenings with localised subtitles or dubbing in different native languages could help perpetuate Indian cultural narratives in the connecting nations. The INSTC could be used to transport cultural artefacts such as visual art exhibitions and artisanal craft works to promote Indian history and heritage.

Other ways of transmitting culture are through personal contacts, cultural exchanges and visits.⁶⁰³ Cultural exchange programmes, permanent yoga centres and Ayurvedic clinics along the INSTC can become sites of cultural exchange with India's ancient methods of holistic wellness getting embedded into local landscapes. C. Rajamohan argues that "India could always count itself among the few nations with strong cards in the arena of soft power". For him, India's biggest instrument of soft power is its diaspora.⁶⁰⁴ Diasporic engagement is crucial for diffusion of culture abroad. Diaspora-led cultural initiatives like Indian language programmes, festivals, educational exchange programmes, etc., are important in this regard. The promotion of Indian cuisine through food festivals, cooking workshops, establishment of Indian restaurants – often referred to as gastrodiplomacy – are ways of disseminating culture. Food reflects a nation's culture in a vital way – "the distinctiveness of national cultures is reflected in the food and in the way that food is presented to other cultures."⁶⁰⁵

India's external affairs minister, Dr. S. Jaishankar, in his Chabahar day speech in 2021, emphasised that the INSTC would contribute towards civilisational and cultural links with Afghanistan, Iran and Central Asian countries.⁶⁰⁶ When we think about Eurasian connectivity, we definitely go back to the historic Silk route that facilitated not just enormous trade but also cultural and religious exchanges. The contemporary connectivity projects hinge upon these civilisational links and enable the intermixing of diverse cultures, religions, languages. This, as some scholars say, leads to the creation of cultural basins (and hybridised cultures) and shared invented traditions⁶⁰⁷ defying nation-state boundaries. This serves better integration of the region and supports unhindered flow of goods, services, people and ideas through these corridors in the long run. Cultural flows through the INSTC can, therefore, lead to the formation of imagined communities⁶⁰⁸ along shared ideas and interests. Cultural tourism is another way through which India can bring in the influence of her soft power capabilities through connectivity corridors. Investment in education is a great way to harvest soft power.

Many other countries have been working towards becoming 'softly powerful'. According to the British Council, art and popular culture can lend a nation significant political capital while increasing its influence, and elevating its culture to a place of strategic

603 Ibid.

604 Mohan, C Raja. (2003). "Indian Diaspora and 'Soft Power", *The Hindu*, January 6, 2003.

605 Quainton, A. Velarde A. Killion D. Jinich, P. McNair, B. (2016). *Culinary Diplomats and Nation Branding, Is the Kitchen the New Venue of Foreign Policy?: Ideas on Food as a Tool for Diplomacy, Building Peace and Cultural Awareness*, Stimson Centre, p.23.

606 Ministry of External Affairs, Government of India.

607 Hobsbawm, Eric, & Ranger, Terence. (Eds.). (2012). *Canto Classics: The Invention of Tradition*. Cambridge: Cambridge University Press.

608 Anderson, Benedict R. (2016). *Imagined Communities: Reflections on the Origin and Spread of Nationalism*. Revised ed., London, New York: Verso.

significance.⁶⁰⁹ According to the Japanese government, diffusion of *manga* and anime through competitions and festivals worldwide helps enhance “understanding of and trust in” Japan.⁶¹⁰ The promotion of South Korean culture through K-Drama and K-Pop giving rise to a ‘Korean wave’ or ‘Hallyu’ presents a case of creating attractiveness towards a nation through its cultural credentials.⁶¹¹ China is trying to promote its culture and improve its image on the global stage through the BRI. China is setting up Confucius institutes as part of the BRI to promote Chinese culture and language. It is investing heavily in education to make China a destination for the youth. The West has effectively used education to leverage its soft power potential. China is doing it now.

Soft Power through Foreign Policy

The second source of soft power is the style and substance of foreign policy. Nye writes, “government policies can reinforce or squander a country’s soft power. Domestic or foreign policies that appear to be hypocritical, arrogant, indifferent to the opinion of others, or based on a narrow approach to national interests can undermine soft power.”⁶¹² In this regard, philanthropy, humanitarian aid and assistance, and unilateral and unconditional investments are crucial. By providing a faster and cost-effective alternative to traditional routes through the Suez Canal, the INSTC enables India to deliver medical supplies, food aid, disaster relief and other humanitarian assistance to the connecting regions. India already has a strong track record of humanitarian assistance to nations in crisis. For example, during Covid crisis in September 2020 India sent 75,000 metric tonnes of wheat to Afghanistan as humanitarian food assistance using the Chabahar port. India also assisted Iran to fight the worst ever locust invasion in the last 25 years by supplying 25 metric tonnes of malathion in June 2020, again through Chabahar port.⁶¹³ Thus, Eurasian connectivity corridors not only ensure commercial success, but also facilitate greater co-operation, peace, stability and brotherhood throughout the region.

Additionally, foreign policies that contribute to the provision of global public goods are significant in terms of harvesting soft power.⁶¹⁴ The INSTC caters to this. India’s foreign policy, rooted in her post-colonial identity, non-violent defeat of colonialism and non-alignment at a time when most countries were getting into the camps of either the US or the USSR, is a pertinent source of her attractiveness. India’s engagement with the INSTC indicates her intention to build alternative supply chains and trade routes, diminishing dependency on West-dominated pathways like the Suez Canal or the Chinese dominated BRI. India’s policy of strategic autonomy and its insistence on a multipolar world with a more just distribution of global power and on multilateralism that provides a voice to every participant adds up to her soft power credentials. This is reflected in India’s foreign engagements. For example, while the BRI is criticised for deploying debt diplomacy, the INSTC promises respect for sovereignty, mutual benefit and co-operation.

609 Kanji, Laura. (2016). “Illustrations and Influence: Soft Diplomacy and Nation Branding through Popular Culture”, *Harvard International Review*, Vol. 37(2). p 41.

610 Ibid.

611 Carminati, Daniele (2021). “The Economics of Soft Power: Reliance on Economic Resources and Instrumentality in Economic Gains”, p. 3.

612 Nye, Joseph S. (2004). *Soft Power: The Means to Success in World Politics*. New York: Public Affairs, p.18.

613 Ministry of External Affairs, Government of India. (2021). <https://www.meaindia.gov.in/Speeches-Statements.htm?dtl/33584>

614 Nye, Joseph S. (2004). *Soft Power: The Means to Success in World Politics*. New York: Public Affairs, p. 59.

Soft Power through Values

The third source of soft power, as envisioned by Nye, is the political values of a country. Nye notes that the “values [that] a government champions in its behaviour at home (for example, democracy), in international institutions (working with others), and in foreign policy (promoting peace and human rights) strongly affect the preferences of others. Governments can attract or repel others by the influence of their example.”⁶¹⁵

India, both in her domestic and foreign policies, stand for democracy, peace, rule of law, human rights, free and fair trade, multipolarity and multilateralism. What is significant here is to effectively communicate this both to internal and external audiences. Soft power relies significantly on others’ knowledge of the attractive attributes of a nation.⁶¹⁶ Until and unless others know about the values for which India stands, no soft power can be derived from it. Public diplomacy is an effective tool to communicate to people the values that India propounds and professes. Digital infrastructure becomes helpful here. While building resilient digital infrastructure is important, it is equally crucial to effectively use it. Today, in an unravelling digital world, what netizens – people of the internet – think is important. *Netizenship* transcends political boundaries. A thought through a tweet that goes viral overnight builds perceptions, can make or break geopolitical relationships and, therefore, has become a significant political entity. Unlike hard power, the leveraging of soft power cannot be shouldered entirely by the government. Civil society and corporate houses are significant stakeholders in terms of soft power. For instance, Indian businesses operating in INSTC countries through their models of corporate governance based on transparency, rule of law and conscientious social responsibility can demonstrate the values that resonate with India.

Making Soft Power a reality

Reality, that is, “the broadly accepted facts of the world and the socially expected behaviour that are implied by those facts” is not objective but is “socially constructed through an ongoing collective process”. The same is the case with the ‘reality of attractiveness’ of a nation.⁶¹⁷ This reality of ‘Indian attractiveness’, too, is a deliberate creation through political will and with the engagement of civil society. The infrastructure provided by the INSTC, the multilateral arrangements needed to develop it and the investment opportunities associated with it are all geared towards creating the desired reality.

Normative power is crucial for any nation as it determines its influence on world politics. It can be understood as “the ability of a nation-state to shape conceptions of what is ‘normal’ in international relations by the force of ideas and normative principles”.⁶¹⁸ Therefore, besides building alternative connectivity routes, India has a role to play in developing alternative norms and narratives. As Gramsci argues, the economically influential use civil society, culture, education and media to build hegemonic discourses that favour them. In the face of perceived hegemonic competition in the region associated

615 Nye, Joseph S. (2004). *Ibidem* p. 18.

616 Mattern, Janice. (2005). “Why ‘Soft Power Isn’t So Soft: Representational Force and the Sociolinguistic Construction of Attraction in World Politics”, *Millennium: Journal of International Studies*, Vol.33 (3), p. 588-589.

617 *Ibid.* p. 585.

618 Michalski, Anna. (2005). “The EU as a Soft Power: The Force of Persuasion”. In Melissen, Jan.(Eds.). *The New Public Diplomacy: Soft Power in International Relations*, New York: Palgrave Macmillan. p.126.

with the rise of China and its BRI, there is the need for counter hegemonic narratives that puts forth India as a benign nation with benevolent leadership and intentions, as opposed to the belligerent tendencies of China.

In conclusion, the benefits of the INSTC appear to be merely transactional – increase in trade and profits through entry into new markets. But underneath lies the potential for making a deeper impact – fostering interdependence, cultural collaboration and mutual respect across regions often marked by suspicion and conflict. The INSTC, if effectively channelised, can redefine the ‘balance of soft power’ in Eurasia by illustrating that, in a hyper-connected world, the most profound form of influence emanates from strategic building of ‘soft bridges’, transcending socio-political boundaries and surpassing commercial benefits.

Therefore, a focus on the softer elements of connectivity would provide an extra push to connectivity projects like the INSTC and lead to deeper integration. The necessary should not be mistaken for the sufficient.⁶¹⁹ The attractiveness of a nation should not be undermined as this can attract favourable geopolitical reactions. Though soft power, being more diffused and non-coercive, cannot give immediate results, they earn higher dividends in the long run. Emphasis should be on building what Nye identifies as smart power – an effective combination of both hard and soft power.⁶²⁰ The efforts should be to create and build physical, digital and human connectivity.

619 Nye, Joseph S. (2004). *Soft Power: The Means to Success in World Politics*. New York: Public Affairs, p.12.

620 Nye, Joseph. (2009). “Get Smart: Combining Hard and Soft Power”, *Foreign Affairs*, Vol. 88 (4), pp. 160-163.

Trade Diplomacy and Logistical Transformation through the 'Ganga-Volga Dialogue'

Asma Kouser

The Russia-Ukraine war, Russia-NATO tensions and the Red Sea crises have restructured international trade and logistics dynamics. Based on these current realities and how national interests are shifting, countries have been actively searching for alternate trade corridors through land and sea. Market forces have been impacted immensely by the ongoing political realities of our times. Against the backdrop of the political and economic uncertainties of the last few years, the idea of the 'Ganga-Volga Dialogue', emanated from the 2018 Modi-Putin informal summit in the city of Sochi in Russia. This Track 1.5 diplomacy initiative aimed at identifying 'trade routes' that would pave the way for greater connectivity between India and Russia in the Greater Eurasia region.⁶²¹ The dynamics of trade diplomacy and logistical transformation envisaged in the 'Ganga-Volga Civilisational Dialogue' initiative aims to boost connectivity between India and Russia through corridors like the International North-South Transport Corridor (INSTC), the Eastern Maritime Corridor (Chennai-Vladivostok) and the Northern Sea Route.

Civilisational State

A 'civilisational state' represents a geographic region or space with a spirit of cultural unity throughout its history. Countries like India, China, Turkey and Russia represent themselves as civilisational states as they have maintained their ethos of cultural unity and diversity throughout their history. This representation stands in contrast to 'universal civilisation' of the advocates of the Western liberal order.⁶²² China, Russia and India have reinvented themselves as 'civilisational states' to resist the collective West's liberal world order. The term 'civilisational states' has become a political self-assertion in an emerging trend towards a polycentric world order.

Zhang Weiwei distinguishes between a 'civilisational state' and a 'civilisation state' in his book, *The China Wave: Rise of a Civilisational State*. According to him, a civilisational state is an amalgamation of the contemporary nation-state and ancient civilisation, whereas a civilisation state represents the conflict between the two.⁶²³ The term 'civilisation state' was popularised by M. Jacques while referring to modern China. Jacques points out that when the Chinese use the term 'China', they are referring to Chinese civilisation rather than a country or a nation. Further, China, as a civilisation state, is much older than a nation-state.⁶²⁴

621 Government of India (2020). *India-Russia Ganga-Volga Dialogue of Civilizations*, Ministry of External Affairs, New Delhi. Available at: https://www.mea.gov.in/press_releases.htm?dtl/32321/IndiaRussia_GangaVolga_Dialogue_of_Civilizations_January_22_2020 (Accessed on November 22, 2024).

622 Volodin, A.G (2022). "India as a Civilizational State", *Herald of the Russian Academy of Sciences*, 92 (Suppl 9), S827-S83. Available at: <https://doi.org/10.1134/S1019331622150102>

623 Naumkin Vitaly (2021)."Non-West Model: Is There Such a Thing as a Civilization State?", *Social Sciences*, Vol.52 (1),pp. 50-64. Available at: <https://www.eastviewpress.com/non-west-model/> (Accessed on November 25, 2025)

624 Ibid.

A ‘civilisational state’ is a state with a distinct civilisation and a political system that reflects its culture and is a synthesis of a civilisation state and a nation-state. A ‘civilisational state’ is broader than a ‘nation-state’. The nation-state is identified by a common identity, like language, ethnicity, political system and culture, not its ancient rules.⁶²⁵ According to Coker (2018), civilisation is quickly becoming the currency of global politics.⁶²⁶ The idea of a multipolar world order has further promoted the discourse on civilisations. The current discourse was shaped by several global developments like the global economic crisis, the eurozone debt crisis and foreign policy failures across the globe. These developments have weakened the West’s influence on the international stage.⁶²⁷ Consequently, the western worldview is being challenged across the globe. This is evident in the rise of identity politics and the promotion of the idea of a ‘new sovereign state’.⁶²⁸ Several Asian nations, in their opposition to the notion of ‘Westernisation’, have been calling for the creation of alternative economic and political systems, rooted in their civilisational ethos and distinct cultures.⁶²⁹

Civilisational narratives in policy initiatives

The civilisational state uses a narrative of civilisational discourse rooted in its distinct cultural and civilisational identity. The states then represent these identities in their foreign and domestic policy choices. China seeks its distinct identity, drawing from its traditional philosophy and Confucian values; the US views itself from its European lineage; Russia identifies its civilisational identity from its Slavophile roots and its multi-ethnic civilisation rooted in the Eurasian cultural ethos, and India drives its strength from its ancient civilisational legacy of over 5000 years. These countries’ policy doctrines reflect these assertions. The inclusion of the term ‘civilisational state’ in official state documents raises important questions, like what the national vision is, what the foreign policy contours are and what significant factors drive the policy choices of these states. Securing national interests and being important poles of power in the geopolitical hierarchy of the world system are the stated goals of both, India and Russia. It is in this context that the paper discusses India-Russia engagement within the civilisational state framework.

Russia as a Civilisational state

The political ideology of the Soviet state was socialism. Socialism promised Russia a modernised and powerful state rooted in the ideology of Marxism-Leninism. Gorbachev’s “new thinking” in Russia’s foreign policy inaugurated a new era in Russian history that was defined by a pro-west tilt.⁶³⁰ However, Russia soon moved to the ideas of realism during the Yeltsin years, a principle consolidated in Putin’s Munich speech of 2007, where he spoke about Russian revisionism in the ethos of its national interest and resistance

625 Ibid.

626 Coker, Christopher (2018). *The Rise of the Civilizational State*, Cambridge: Polity Press.

627 Moreh, Chris (2016). “The Asianization of National Fantasies in Hungary: A Critical Analysis of Political Discourse.”, *International Journal of Cultural Studies* Vol. 19 (3) May, pp. 341–53.

628 Acharya, Amitav, (2020). “The Myth of the ‘Civilization State’: Rising Powers and the Cultural Challenge to World Order.”, *Ethics & International Affairs* Vol. 34(2) (Summer), pp. 139–56.

629 Ibid.

630 Timofeev, Ivan (2023). “A State as Civilisation and Political Theory”, *Russia in Global Affairs*. Available at: <https://eng.globalaffairs.ru/articles/a-state-as-civilisation/> (Accessed on November 25, 2025).

to the universalism of the West.⁶³¹ Soon, with the conditions around Ukraine and rising tensions with the collective West, Russia's foreign policy shifted from the principles of realism to the concept of state-civilisation.

In Russian history, Putin is not the first leader to be identified with a civilisation state. Rather he is the first leader to conceptualise the idea within Russian statehood. In 2012, in "Russia: The Ethnicity Issue" (*Nezavisimaya Gazeta*), he describes Russia as a "multi-ethnic civilisation with Russian culture at its core."⁶³² Russia's 2008, 2013 and 2023 foreign policy concepts institutionalise Russia as a civilisational state. The 2023 concept document clearly refers to Russia as a 'civilisation state'. The civilisational identification is reinforced in his 2021 essay, "On the Historical Unity of Russians and Ukrainians."⁶³³ Further, it is also reinforced in Russia's relation with post-Soviet states. In the World Russian People's Council (2023), Putin described Russia's civilisational state as "encompassing the historical territories of the 'Kievan Rus', Muscovy, the Russian Empire, the Soviet Union and the present-day Russian Federation, as well as those who feel a spiritual affinity with our motherland, who consider themselves a carrier of the Russian language, history, and culture, regardless of their national or religious affiliation."⁶³⁴ Russian civilisational state also has a Eurasian character with its multilateral institutions such as the Eurasian Economic Union (EAEU), which aims for greater Eurasian partnership. Similarly, the Collective Security Treaty Organisation (CSTO) aims for the unity and security of the people in its 'near abroad'.⁶³⁵

India as a Civilisational state

India's civilisational history, from its ancient roots and philosophies, is tied to the common historical experiences of its people across the sub-continent. India prides in positioning itself as a 'civilisational state' embedded in its distinct millennia-old 'civilisational legacy'. India's External Affairs Minister, S. Jaishankar, has repeatedly highlighted India's rich heritage, culture and continuous civilisation, as a reservoir of the Indian state's strength. In his book **Why Bharat Matters**, he states that it is the core Indian civilisational values that has placed India on the global stage, for cultural rebalancing and neutralising hegemonic domination. He offers interesting insights, drawing from the ancient wisdom in the Indian epic Ramayana, for an understanding of current global challenges. India's civilisational imprints are also evident in its neighbouring regions, like South Asia, Southeast Asia and the Far East.

Prime Minister Modi's tenure since 2014 has witnessed a civilisational resurgence of the culture and philosophies of India's ancient heritage. The word 'Bharat' denotes the civilisational evolution of India. The Indian PM has mentioned on several occasions, in various forums, that it is India's civilisational core that binds and secures its diverse

631 Ibid.

632 Putin, Vladimir (2012). "Владимир Путин. Россия: национальный вопрос," [Vladimir Putin. Russia: National Issue] *Nezavisimaya Gazeta*, January 23, 2012. Available at: https://www.ng.ru/politics/2012-01-23/1_national.html (Accessed on December 1, 2024).

633 Putin, Vladimir (2021). "On the Historical Unity of Russians and Ukrainians," Kremlin.ru, July 12, 2021. Available at: <http://en.kremlin.ru/events/president/news/page/147> (Accessed on December 1, 2024)

634 Putin, Vladimir (2023). "The Present and Future of the Russian World", Speech delivered on November 28, 2023 at The Plenary Session of the World Russian People's Council: Sochi. Available at: <http://kremlin.ru/events/president/news/72863> (Accessed on December 1, 2024)

635 Culp, Wes (2024). "Competition with Russia as a Civilization-State", *The Alexander Hamilton Society: Security and Strategy*, Issue 4. Available at: <https://hamiltonian.alexanderhamiltonsociety.org/security-and-strategy/competition-with-russia-as-a-civilization-state/> (Accessed on December 1, 2024).

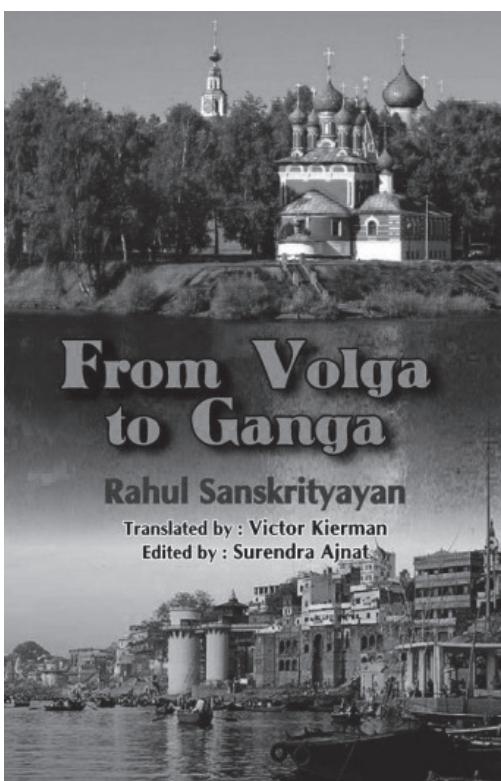
and pluralistic social and cultural fabric. India's civilisational principles are based on its composite culture, pluralism, social practices and customs (the concept of dharma, which governs life) and its notion of unity in diversity and the "collective unique common consciousness."⁶³⁶ The idea of the Indian civilisational state has influenced state policies both domestically and internationally. The International Yoga Day (21 June) and the theme of India's G20 presidency, 'Vasudhaiva Kutumbakam' (The World is One Family), have powerfully presented India's civilisational heritage and its soft power on the global stage. These civilisational values, though rooted in India's past civilisational pre-eminence, form the basis for the country's future aspirations, reflected in policies like 'Make in India' and in its bid for a permanent seat in the United Nations Security Council (UNSC).⁶³⁷

Building on their deep historical ties and in the convergence of interests in the emerging global order, both India and Russia have emphasised the need to cast their relationship within the framework of civilisational engagement. One such initiative is the 'Ganga-Volga Dialogue of Civilisations,' named after the two revered river systems of India and Russia.

The Ganga-Volga Dialogue of Civilisations

The India-Russia connections, cultural interactions and their riverine civilisations have deepened linkages between the two countries. The cultural ties between them can be traced back to figures like Afanasy Nikitin, the presence of a Russian theatre in Kolkata, and of Indian traders in Astrakhan. Additionally, Russian literary figures like Nicholas Roerich engaged with Indian culture. The literary contributions of Tolstoy and Pushkin have influenced Indian readers. Generations of Russians have been nurtured on Indian films and music, highlighting the depth and richness of these cultural connections.⁶³⁸

The **Indo-Ganges** civilisation, originating around the fertile Ganga River valley, expanded across the Indian subcontinent while incorporating various elements from southern and central India. Thus, the Gangetic civilisation encompasses all of the subcontinent and is firmly rooted in India's cultural traditions.⁶³⁹ Similarly,



⁶³⁶ Miller, Leon. (2024). "The Civilization State and the Expansion of a Civilization", *The Role of Pedagogy in Shaping the Socio-Political Reality of Society*, London: Cambridge Scholars Publishing

⁶³⁷ Ibid.

⁶³⁸ For details see, <https://indianembassy-moscow.gov.in/india-russia-cultural-relations.php> [Online: web] (Accessed on November 9, 2024).

⁶³⁹ "Unit 19, Archaeological Sites-II (Post Harappa)", [Online Web]. Available at <https://egyankosh.ac.in/>

in Russia, the the river Volga has been central to the Russian civilisational ethos. Major Russian cities were established along the banks of the Volga River, which has historically sustained Russian society through agricultural activities and other essential economic functions like hydroelectric power generation. From the context of the Ganga-Volga Dialogue of Civilisations, the Ganga and Volga River systems specifies a framework of activities for co-operation between Russia and India, like economic, cultural and people-to-people exchange from these two major river basin civilisations.

From a writer's perspective, '**Volga se Ganga**', is a historical travelogue penned by Rahul Sanskrityayan in 1942 in Hindi, which explores the historical narratives of the Indo-European peoples through the lens of their culture and politics. The narratives convey the journeys of peoples migrating between these two great civilisations, highlighting their interconnected histories and shared experiences.

The narratives of 'Volga se Ganga' encompass the migration of people from the banks of the Volga River to the Ganga River from 6000 BC onwards. The book's 20 chapters were translated into English by Victor Kierman. In the inaugural story, "Nisha", readers are transported to the Upper Volga at a time when India, Iran, and Europe were regarded as one people in 6000 B.C. The 6th story, "Angira", portrays a man striving to preserve the Aryan race's identity and cultural essence around 1800 B.C. The concluding tale, "Sumer", features an individual fighting against the Japanese to secure a victory for Soviet Russia. Overall, the book traces individual narratives of migration from the Volga region to the Indo-Gangetic plains throughout historical periods, revealing the deep cultural and civilisational connections between India and Russia through their river civilisations.⁶⁴⁰

These linkages extend beyond culture to encompass economic and state relations. Over the years, numerous initiatives were undertaken to reinforce this partnership, including the '**Ganga-Volga Dialogue of Civilisations**', which was conceptualised to enhance bilateral co-operation. The inaugural dialogue (Delhi, January 2020) saw 15 experts from the two nations engaged in discussions. The four themes explored included education, culture and civilisation, entrepreneurship and innovation, trade routes, and India, Russia and Greater Eurasia.⁶⁴¹

Trade diplomacy and logistical transformation through the 'Ganga-Volga dialogue of civilisation'

The 'Ganga-Volga dialogue' explores end-to-end trade connectivity for both countries. It creates a future pathway for a 'special' and 'privileged' partnership between India and Russia. Russia hopes to engage India for its Greater Eurasia idea — a strategic policy of pivot to Asia.⁶⁴² The Ganga-Volga Dialogue serves as a crucial platform for maximising trade diplomacy, using both diplomatic skills and economic tools, to strengthen bilateral relations. Such interregional dialogues among investors, it is hoped, will bolster economic collaboration and open avenues for investment and innovation. The corridors can generate economic efficiencies in measurable areas like trade opportunities, trade

bitstream/123456789/16902/1/Unit-19.pdf (Accessed on November 8, 2024).

640 Rahul Sankrityayan (1943), *Volga se Ganga*, Allahabad: Kitab Mahal, India.

641 Government of India (2020), India-Russia Ganga-Volga Dialogue of Civilizations, Ministry of External Affairs, New Delhi. Available at: https://www.meaindia.gov.in/press_releases.htm?dtl/32321/IndiaRussia_GangaVolga_Dialogue_of_Civilizations_January_22_2020

642 Ibid.

volumes, investments, commodities, competitive freight rates, reduction in logistics cost, shipping lanes and transportation, and expanding trade footprints in the Central Asian and Eurasian markets. Further, it enables digital connectivity along trade corridors and fosters co-operation for security in the energy, civil aviation and defence sectors. The dialogue aims to achieve a shared vision of efficient new trade corridors, besides boosting the state programmes of the two countries – India’s ‘Make in India’ initiative and Russia’s Far-East Region development.⁶⁴³

Trade Corridors

a) International North-South Transport Corridor (INSTC)

The INSTC is an inter-government agreement among Russia, India and Iran, initiated in September 2000 as a multi-modal transport network and later expanded to 13 member countries. Geopolitical incidents (West-led sanctions on Russia, the Red Sea crisis, etc.) called for an alternative trade route to the Suez Canal. In 2021, the ‘Ever Given’ contained ship blocked the Suez Canal route, disrupting over 300 vessels, leading to high transaction costs, trade losses and shipping companies paying a high premium. The INSTC creates economic efficiencies by reducing logistics costs and transportation costs. It is 30 per cent cheaper and 40 per cent shorter than the Suez Canal route (45-60 days).⁶⁴⁴

The untapped export potential in terms of commodities and access to Central Asian and Eurasian markets will raise the volume of trade and help India achieve its 2030 export target of USD 2 trillion, set by India’s Foreign Trade Policy (FTP, 2023). In 2022, India’s exports were USD 20 billion to INSTC member countries. Studies suggest that India could potentially export USD 180 billion worth of goods and services to Russia, Turkey, Ukraine, Kazakhstan and Oman. India’s potential exports to Russia are USD 50 billion against the current USD 2.9 billion.⁶⁴⁵ For this, efficient connectivity and market access issues like non-tariff barriers need to be addressed; it is also necessary to develop multimodal trade corridors to improve supply chain management. The INSTC intermodal transfer should be efficient, adhering to Transports Internationaux Routiers (TIR) Conventions.⁶⁴⁶

INSTC is a transformative force in trade diplomacy, connecting Indian markets to various trade circuits. It positions itself as a countermeasure to China’s BRI and the challenges of a hostile Pakistan. It also facilitates cheap energy imports from Russia, which benefits India while enhancing regional connectivity. For Russia, this corridor opens up access to the markets of the Global South, which mitigates the impact of Western sanctions, balances geopolitical disruptions in the Red Sea and reinforces co-operation with India.

643 Roy Chaudhury, Dipanjan “India, Russia launch Track 1.5 dialogue to push greater Eurasian partnership”, [Online: web] Available at: <https://economictimes.indiatimes.com/news/politics-and-nation/india-russia-launch-track-1-5-dialogue-to-push-greater-eurasian-partnership/articleshow/73572220.cms?from=mdr> (Accessed on November 9, 2024)

644 Shinde, S. (2021). “Dry run study on Chabahar agreement with TIR intermodal”. Ministry of External Affairs, Government of India, & Federation of Freight Forwarders Association in India. Available at: <https://www.fffai.org>

645 Taneja, N., Joshi, S., Dua, S., & Siddiqui, A. (2024), “Why INSTC is More Important than Ever for India”, *Indian Council for Research on International Economic Relations (ICRIER)*, New Delhi, India. Available at https://icrier.org/pdf/Policy_Brief_24.pdf

646 TIR Conventions - *Transports Internationaux Routiers*, or International Road Transports, is a multilateral treaty concluded in 1975 at Geneva on international transport of goods.

Figure 1: INSTC Route



b) Chennai-Vladivostok Eastern Maritime Corridor (EMC)

The EMC is an eastern maritime trade route aimed at connecting the port cities of Chennai, India, and Vladivostok, Russia. In 2019, during the Eastern Economic Forum, Moscow and Delhi signed an MoU to improve bilateral trade, connectivity and investment. In early 2024, an India-Russia workshop was organised by the Chennai Port Authority on 'Operationalisation of the Eastern Maritime Corridor', where Russia's Deputy Minister for Development of the Far East and the Arctic stated, "Today, it takes 40 days for cargo to reach Russia through the Suez Canal, but through the eastern corridor, the time will be reduced by 40 per cent to 24 days".⁶⁴⁷ India's Minister of Port, Shipping and Waterways said that, compared to the Suez route, the EMC will "reduce logistics costs immensely, and boost efficiency in transportation of cargo" of both countries.⁶⁴⁸

Compared to the Suez route, the Chennai-Vladivostok Corridor reduces the shipping distance by 5400 km and the travel time from India to Russia by 16 days.⁶⁴⁹ The sea route can facilitate the efficiency of joint projects like the nuclear power project in the coastal district of Tirunelveli, Tamil Nadu (India). The Russian Far East is a resource-rich region that can export hydrocarbons to India, like coal, oil, natural gas and fertilisers.⁶⁵⁰

647 "Russia and India are strengthening co-operation on the development of the Vladivostok-Chennai sea corridor", ERDC (2024), January 25, 2024. Available at: <https://erdc.ru/news/rossiya-i-indiya-ukrepliyayut-sotrudnichestvo-po-razvitiyu-morskogo-koridora-vladivostok-chennai/> (Accessed on December 5, 2024).

648 Sonowal, Sarbananda (2024). Addressing the India-Russia workshop on Operationalisation of Chennai-Vladivostok Eastern Maritime Corridor in Chennai. Available at: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1999073®=3&lang=1> (Accessed on December 5, 2024)

649 "Russia and India are strengthening cooperation on the development of the Vladivostok-Chennai sea corridor", ERDC (2024).

650 Ibid.

The geostrategic location of Vladivostok inspires India's trade diplomacy. The largest port on the Pacific coast is close to China and connects Moscow to Russia's Far Eastern region by the Trans-Siberian railway and, further, to Europe. Headed south, ships pass the Sea of Japan, the Korean Peninsula, Taiwan and the Philippines in the South China Sea, Singapore and the Strait of Malacca to enter the Bay of Bengal, then across Andaman and Nicobar to the port of Chennai. It increases market access to India and its Pacific and South China Sea presence. The route will counter China's influence on the Maritime Silk Route. The Far East region borders the Arctic Ocean, giving connectivity access to the Northern Sea Route (NSR). The geostrategic location of Chennai port makes it a gateway for Southeast Asian trade with Vietnam, Thailand and Indonesia. It will contribute to Chennai's economy and positions it as an economic hub in India like Mumbai.

Figure 2: The Eastern Maritime Corridor



Source: Russia Briefing

c) Northern Sea Route (NSR)

The thawing of the Arctic ice makes the Northern Sea Route a prominent trade route passing through the Arctic. It is the shortest route connecting Europe and Asia. Its major portion is bordered by the Russian Arctic coast. Russia is keen on its development as an alternative trade route. Compared to the traditional route, it reduces the time taken to move cargo from Asia to Europe by 10-14 days, which makes it cheaper and cost-effective. Russia has been seeking partners like China and India for development and trade in the NSR. A Russia-India joint meeting in Russia (September 2023) discussed developments and maritime co-operation along the trade corridor of the Northern Sea Route, where the potential exports are coal, LNG, oil and fertilisers. India's Eastern coast infrastructure is being constructed, and Russia's Far East Region is rich in these resources.

Figure 3: The Northern Sea Route



Source: *The Arctic Institute*

Russia considers NSR a global transport project; this enables India to participate and gain economic benefits in the northern latitudes, especially in the Arctic Region of the Russian Federation.⁶⁵¹ NSR will enhance India's energy supplies exported from Russia. It will reduce logistics and transportation costs and avoid the usual disruptions in the traditional routes. The first Working Group meeting on the Northern Sea Route was held on October 10, 2024, in New Delhi.

In July 2024, the Indian Prime Minister signed two memoranda of understanding (MoUs) on trade and logistics in the Arctic and Far East with Russia. These are the 'India-Russia Co-operation in Trade, Economic, and Investment Spheres in the Russian Far East for the period from 2024 to 2029' and the 'Co-operation Principles in the Arctic zone of the Russian Federation'.⁶⁵² These developments are tied to the 2030 trade target of USD 100 billion. However, the future of India's connectivity on the Northern Sea Route will depend on the development of the Chennai-Vladivostok Eastern Maritime Corridor.⁶⁵³

Russia's Far East and the Arctic region are rich in hydrocarbons like oil, gas and minerals. NSR gives access to these resources; this seems critical for China's and India's energy security. The Indian public sector company, the Oil and Natural Gas Corporation (ONGC), has investments in the oil and gas fields of the Tomsk region and also in Sakhalin. It also has a 10 per cent stake in the LNG II pipeline in the Russian Arctic region.⁶⁵⁴ However, the NSR's operational viability is in question because of the absence of developed

⁶⁵¹ "India and Russia explore Northern Sea Route (NSR), Eastern Maritime Corridor (EMC) in an effort to widen maritime cooperation", September 13, 2023. Available at: <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1957135> (Accessed on December 5, 2024)

⁶⁵² Gupta, P, Parnerka, A (2024), "Understanding the potential of the Northern Sea Route", *Observer Research Foundation*, Available at: <https://www.orfonline.org/expert-speak/understanding-the-potential-of-the-northern-sea-route> (Accessed on December 5, 2024)

⁶⁵³ Ibid.

⁶⁵⁴ Ibid.

port infrastructure, shortage of ice-breaking ships, uncertain climatic conditions and inland infrastructure connectivity. Russia promises its investors that NSR is a long-term investment project and a secure alternate trade route.

Digital connectivity along trade corridors

Digitalisation of transport corridors plays a key role in enhancing logistics and shipping efficiencies. With AI-driven technology and management systems, outdated functions and processes can be streamlined, leading to effective port traffic management and automated cranes and vehicles. Currently, the INSTC faces challenges with relatively higher freight rates being charged by logistics companies. However, the implementation of digital technologies can significantly lower these costs and improve competitiveness in this sector.

Furthermore, digital connectivity facilitates the reduction of barriers within the supply chain, resulting in improved shipment efficiency. Users can benefit from accessing real-time information about cargo, including details on dispatch, current location, shipment content and quantities. This visibility enables better planning and optimisation of the transport process, ensuring timely deliveries and higher customer satisfaction.

The transition to a digital future in the logistics sector requires collaborative efforts from all actors, including customs, carriers and businesses. Currently, there is an absence of a cohesive legal framework for digital technology in Russia's shipping processes and also in its partner countries. Recognising this, Moscow has been pursuing the development of a regulatory framework for digital technology, to facilitate operations and to foster growth in the digital logistics landscape.⁶⁵⁵ By addressing these challenges and embracing digitalisation, both India and Russia can enhance the capacity of their trade corridors, making them more efficient, competitive and responsive to the demands of a rapidly changing global market.

In conclusion, the Ganga-Volga Dialogue of Civilisations has emerged as a platform for fostering broader co-operation between India and Russia. It enhances bilateral engagement, by positioning India and Russia as civilisational states collaborating to balance Western hegemony with their strategic autonomy in trade and economic matters. This platform serves to strengthen connections through three trade corridors – the International North-South Transport Corridor, the Chennai-Vladivostok Eastern Maritime Corridor, and the Northern Sea Route. These new trade corridors and routes, when fully operationalised, will significantly enhance connectivity between the two countries within the Greater Eurasian region. Furthermore, the recommendations arising from the Track 1.5 diplomacy initiative has established a framework for institutionalising these co-operative efforts, thereby solidifying the relationship between the two sides as “special” and “privileged.” This collaboration not only aims to enhance economic ties but also strives to reinforce cultural and strategic partnerships that benefit both countries, paving the way for a more interconnected future.

⁶⁵⁵ *Eastern Economic Forum* (2019). “The digital future of transport corridors running through the Far East: International experience and Russian realities”, [Online: web] Available at: <https://forumvostok.ru/en/news/ tsifrovoe-buduschee-transportnyh-koridorov-cherez-dalnij-vostok-mezhdunarodnyj-opyt-i-rossijskie-realii-/> (Accessed on November 9, 2024).

Digital Logistics: A Driver for Diplomacy from India to the Middle East

Bassant Hassib

Logistics encompass both physical and digital elements. The automation and digitalisation of the process of moving goods and services enhance speed, reduce costs, boost productivity, prevent inaccuracies, and increase data transparency for all stakeholders involved.⁶⁵⁶ However, digitalisation also introduces security vulnerabilities, particularly the risk of cyberattacks that can disrupt operations or access sensitive data without authorisation.⁶⁵⁷ Therefore, it is crucial for states who are part of connectivity projects – which include railways, corridors and subsea internet cables – to co-operate on cybersecurity measures for both the digital aspects of logistics and the digital infrastructure supporting these projects.

This chapter examines the geopolitical and economic implications of the digital aspects of connectivity projects. It argues that the digital aspects of connectivity projects act as drivers for diplomacy and co-operation between states, as well as between states and technology companies, by aligning their security and economic interests. As such, these digital aspects can be seen as “infrastructure for peace”.⁶⁵⁸ States benefit from exchanging best practices, gaining access to technological expertise and fostering capacity building through skills, training, and education. Companies are driven by commercial incentives to participate in such co-operation.

More specifically, the chapter highlights the “spill-over effect” of connectivity projects, in which co-operation and integration in one aspect of the project would lead to co-operation and integration in other aspects, strengthening diplomatic ties between participating states. This is because the various aspects of digital infrastructure are extremely interdependent.⁶⁵⁹ The chapter centres its analysis on two specific projects: the India-Middle East-Europe Economic Corridor (IMEC), announced at the 2023 G20 Summit in New Delhi,⁶⁶⁰ and Google’s Blue-Raman fibre optic cable project, which runs from India to Europe and passes through the Middle East. The chapter uses these projects as illustrative cases of how connectivity projects can reinforce digital geopolitical co-operation between the states involved. For instance, one of the objectives of the IMEC is to install a high-speed data cable, which will require cybersecurity co-operation among states to ensure the resilience and stability of internet connectivity, as well as the security of the digital logistics of IMEC. Given the ongoing cyber threats, particularly

656 Freight Connections (2022). “What is digital logistics? How does it strengthen your business?”, *DHL Freight*, Jan. 22, 2022. Available at <https://dhl-freight-connections.com/en/trends/digital-logistics-what-is-it-and-how-does-it-affect-your-business/> (Accessed on September 15, 2024).

657 Hassib, Bassant& Shires, James (2022). “Cybersecurity in the GCC: From Economic Development to Geopolitical Controversy”, *Middle East Policy* Vol 29 (1), p. 101. Available at <https://doi.org/10.1111/mepo.12616>

658 Porecha, Maitri & Haider, Suhasini (2023). “India-Middle East-EU Corridor to Have Multiple Routes, but Hurdles Remain,” *The Hindu*, September 16, 2023. Available at: <https://www.thehindu.com/news/national/india-middle-east-eu-to-have-multiple-routes-but-hurdles-remain/article67315835.ece>. (Accessed on September 15, 2024).

659 Hassib, Bassant & Shires, James (2024). “Digital recognition: Cybersecurity and internet infrastructure in UAE-Israel diplomacy”, *International Affairs* Vol.100 (6), p. 2403. Available at: <https://doi.org/10.1093/ia/iaae233>

660 Porecha, Maitri & Haider, Suhasini (2023). “India-Middle East-EU Corridor to Have Multiple Routes, but Hurdles Remain,” *The Hindu*, September 16, 2023. Available at: <https://www.thehindu.com/news/national/india-middle-east-eu-to-have-multiple-routes-but-hurdles-remain/article67315835.ece>. (Accessed on September 15, 2024).

in the Middle East that is posed by both state and non-state actors,⁶⁶¹ the lack of cybersecurity co-operation could pose significant risks to the infrastructure supporting these connectivity projects.

India-Middle East-Europe Economic Corridor (IMEC)

The IMEC project, signed by India, USA, Saudi Arabia, UAE, EU, Italy, France and Germany will consist of ship-to-rail networks and transport routes extending over two corridors: the East corridor – connecting India to the Arab Gulf region through ports in India, UAE, Saudi Arabia, Jordan and Israel – and the Northern corridor, connecting the Gulf to Europe through ports in Greece, Italy and France. The corridor will also include an electricity cable, a hydrogen pipeline and a high-speed data cable. IMEC aims to integrate Asia, the Middle East and Europe by facilitating trade and connectivity, thereby deepening political and strategic relations among the participating states of those regions, fostering peace and reducing political tensions in the Middle East. Successful implementation of the project will require meticulous logistical planning and co-ordination among all stakeholders, ensuring secure connectivity and protection of digital infrastructure from potential threats. This will necessitate the compatibility and standardisation of the digital ecosystems across all the countries involved, further deepening co-operation and enhancing diplomatic ties to ensure the smooth implementation of the project.⁶⁶²

Digital connectivity is a cornerstone of IMEC, which will not only strengthen diplomatic relations but also foster technological co-operation among the involved states. European Commission President Ursula von der Leyen has described IMEC as “a green digital bridge across continents and civilisations”.⁶⁶³ Similarly, a former Israeli minister has referred to it as a “peace train” that would promote peace and prosperity in the region. A major objective of IMEC’s digital connectivity is to facilitate digital trade, including cross-border paperless trade, the digitalisation of logistics and enhanced internet connectivity.⁶⁶⁴

A closer examination of the digital connectivity aspects of IMEC demonstrates their economic and diplomatic significance. First, the integration of the digital payment ecosystems of IMEC member states is crucial to achieving more effective and efficient trade objectives, particularly for fast payments and remittance transfers. This digital payment infrastructure requires robust cybersecurity to protect data privacy, safeguard against financial fraud, ransomware, compromises of prepaid credit card information, and hacking of mobile payment apps. For example, India’s Unified Payment Interface (UPI) – which has been also adopted by several countries, including the UAE, Saudi Arabia and France – will necessitate cybersecurity co-operation between those states to secure their fintech-based fast payment systems.⁶⁶⁵

661 Hassib, Bassant & Shires, James (2022). “Cybersecurity in the GCC: From Economic Development to Geopolitical Controversy”, *Middle East Policy* Vol. 29/ 1. Available at: <https://doi.org/10.1111/mepo.12616>

662 Porecha, Maitri & Haidar, Suhasini (2023). “India-Middle East-EU Corridor to Have Multiple Routes, but Hurdles Remain,” *The Hindu*, September 16, 2023. Available at: <https://www.thehindu.com/news/national/india-middle-east-eu-to-have-multiple-routes-but-hurdles-remain/article67315835.ece>. (Accessed on September 15, 2024).

663 Ellis-Petersen, Hannah (2023). “G20: EU and US back trade corridor linking Europe, Middle East and India”, *The Guardian*, September 9, 2023. Available at: <https://www.theguardian.com/world/2023/sep/09/g20-eu-and-us-back-trade-corridor-linking-europe-middle-east-and-india> (Accessed on September 15, 2024).

664 Suri, Navdeep, Ghosh, Nilanjan, Taneja, Kabir, Patil, Sameer & Mookherjee, Promit (2024). “India-Middle East-Europe Economic Corridor: Towards a New Discourse in Global Connectivity,” *Observer Research Foundation*, April 9, 2024. Available at: <https://www.orfonline.org/research/india-middle-east-europe-economic-corridor-towards-a-new-discourse-in-global-connectivity>.

665 Suri, Navdeep, Ghosh, Nilanjan, Taneja, Kabir, Patil, Sameer & Mookherjee, Promit (2024). “India-Middle East-Europe Economic Corridor: Towards a New Discourse in Global Connectivity”, *Observer Research Foundation*, April 9, 2024.

Second, a subsea data-cable, as part of the digital infrastructure of the project, is vital to support the digital public infrastructure (DPI) of the participating states, particularly digital payment systems like UPI, which are accessed via mobile phones and depend on reliable internet connectivity. Thus, ensuring the stability and resilience of IMEC's high-speed data cable is essential for the digital economies of the involved stakeholders.⁶⁶⁶ This will require greater co-ordination and strengthened diplomatic relations to ensure the security and stability of this subsea cable, especially through cybersecurity co-operation. Third, the digital and technological integration of transportation and logistics relies heavily on cyber networks, which requires security from cyberattacks. Fourth, the upgrade of telecom networks from 3G/4G to 5G mobile broadbands is a key component of the digitalisation efforts in the involved nations. States are looking for secure, trusted and affordable telecom hardware as an alternative to the more cost-effective 5G technologies offered by Chinese companies like Huawei. This will require co-operation on the level of national and private telecom companies of the involved states.⁶⁶⁷ All these aspects will also require co-operation between the involved states and tech companies to harmonise their cybersecurity measures, digital technology standards, and regulations.

Google's Blue-Raman fibre optics cable

The physical structure of the internet is global, with most internet traffic flowing through undersea and terrestrial cables connecting servers in data centres across different continents. However, economic incentives and slight variations in connection speed lead to certain routes being used more frequently than others. Internet connectivity faces risks due to vulnerabilities in access to physical infrastructure. For instance, undersea cables can be accidentally or, in some unverified instances, deliberately damaged, often by stray anchors or fishing nets. Major outages occurred in Egypt in 2008 and 2013 due to severed cables, with divers being arrested in connection to the latter incident. Additionally, a cable cut, off Yemen, in January 2020 caused significant disruptions.⁶⁶⁸ Most recently, in February 2024, four key cables connecting Europe to Africa and Asia were severed during the Houthi attacks on shipping in the Red Sea off the coast of Yemen. While initial reports indicated a deliberate act, later evaluations suggested it was an unintended consequence of a ship sinking due to Houthi missile strikes.⁶⁶⁹

Undersea internet cables are typically established and managed by consortia that include national telecoms companies, large infrastructure multinationals and some government agencies.⁶⁷⁰ A recent fibre optic cable project by Google exemplifies how

666 Bhatt, Yagyavalk & Roychoudhury, Jitendra (2023). "India-Middle East-Europe Economic Corridor (IMEC): Bridging Economic and Digital Aspirations", *King Abdullah Petroleum Studies and Research Center*, October 20, 2023. Available at: <https://www.kapsarc.org/wp-content/uploads/2023/10/KS-2023-II11-India-Middle-East-Europe-Economic-Corridor-IMEC-Bridging-Economic-and-Digital-Aspirations.pdf>

667 Suri, Navdeep, Ghosh, Nilanjan, Taneja, Kabir, Patil, Sameer & Mookherjee, Promit (2024). "India-Middle East-Europe Economic Corridor: Towards a New Discourse in Global Connectivity", *Observer Research Foundation*, April 9, 2024.

668 Zetter, Kim (2013). "Undersea Cables Cut; 14 Countries Lose Web", *Wired*, December 19, 2008. Available at: <https://perma.cc/DE4A-856D> (Accessed on February 15, 2024); Arthur, Charles (2013). "Undersea Internet Cables off Egypt Disrupted as Navy Arrests Three", *The Guardian*, March 28, 2013. Available at: <https://perma.cc/Y5R9-ZEXC> (Accessed February 15, 2024); Newman, Lily May (2020). "Cut Undersea Cable Plunges Yemen into Days-Long Internet Outage", *Wired*, January 13, 2020. Available at: <https://www.wired.com/story/yemen-internet-blackout-undersea-cable/> (Accessed on February 15, 2024).

669 Solon, Olivia and Hatem, Mohammed Hatem (2024). "Houthi-Sunk Ship Seen as Likely Cause of Severed Red Sea Cables," *Bloomberg*, March 6, 2024. Available at: <https://www.bloomberg.com/news/articles/2024-03-06/anchor-from-houthi-sunk-ship-likely-damaged-undersea-cables>. (Accessed on March 24, 2024).

670 Arida, Christine (2019). *Reality and Perspectives of Internet Exchange Points in the Arab Region: Towards Unlocking Regional Interconnection Opportunities*, Beirut: MENOG; Ruddy, Michael (2017). *Strategic Analysis of the International Cable Systems in the GCC Region* (Terabit Consulting); See the discussion in Hanich, Adam (2018). *Money, Markets, and Monarchies*:

these public-private partnerships foster collaboration among participating states in joint infrastructure. Google's Blue-Raman cable, announced in 2020, is a USD 400 million cable designed to connect Asia and Europe, traversing Israel, Jordan and Saudi Arabia. The project is divided in two parts – the Blue part running from Italy to Israel, and the Raman part linking Jordan, Saudi Arabia, Oman, Djibouti and India. This division was arguably for geopolitical rather than technological reasons, creating the perception that the Israeli part of the cable does not directly pass through Saudi Arabia.⁶⁷¹

Despite this apparent split, this planned Google cable effectively integrates Israel into the regional digital infrastructure for the first time,⁶⁷² potentially paving the way for a normalisation deal with Saudi Arabia – a process that was paused with the onset of the war in Gaza. An integrated fibre optic cable would enhance high-speed internet connectivity and promote co-operation on maintaining resilient infrastructure, including cybersecurity co-operation among the involved states. This aligns with Saudi Arabia's 2030 Vision, which includes the high-tech smart city 'Neom' along the Red Sea.⁶⁷³

The expansion of internet cables is often accompanied by the rollout of cloud data centres in countries where cable landing stations are located. When cloud centres by companies like Google, Amazon or Microsoft are established simultaneously in various countries, they drive those states to orient their economic and technological strategies and capabilities in the same way. This indirectly creates a perception of equality among them. This is because the presence of major companies brings cloud investments that come with a set of capacity-building initiatives and skill training programmes, enhancing policy frameworks and technological capabilities to improve government services, and partnerships with local tech firms. This will lead to a deeper co-operation between those states on cybersecurity and on cable connections, not only because cloud computing requires resilient internet infrastructure and data protection, but also because they view one another as equal partners with similar technological capabilities and policy goals.⁶⁷⁴

In conclusion, the digital aspects of connectivity projects, such as the India-Middle East-Europe Economic Corridor and Google's Blue-Raman fibre optic cable, highlight the intricate relationship between technological advancement and international co-operation. While these projects promise to enhance efficiency, reduce costs and foster economic growth, they hinge on the establishment of secure and resilient digital infrastructures, necessitating comprehensive cybersecurity co-operation among the participating nations, as the interdependence of digital infrastructure necessitates collaboration among nations to safeguard against potential threats. By aligning their

The Gulf Cooperation Council and the Political Economy of the Contemporary Middle East, New York: Cambridge University Press.

671 *Telecom Review* (2021). "Google Connecting Middle East with Two Submarine Cables", August 11, 2021. Available at: <https://www.telecomreviewna.com/articles/wholesale-and-capacity/4719-google-connecting-middle-east-with-two-submarine-cables>. (Accessed February 15, 2024); Cochrane, Paul (2023). "UAE Landing Station Confirmed for Fibre Optic Cable Set to Link Israel to Gulf States", *Middle East Eye*, September 22, 2023. Available at: <https://www.middleeasteye.net/news/uae-landing-station-confirmed-fibre-optic-cable-set-link-israel-gulf-states>. (Accessed on February 15, 2024).

672 *The Economist* (2022). "Israel Hopes New Data Cables Can Make Friends of Former Enemies", March 5, 2022, Available at: <https://www.economist.com/middle-east-and-africa/2022/03/05/israel-hopes-new-data-cables-can-make-friends-of-former-enemies>. (Accessed on February 15, 2024)

673 Paul Cochrane (2023). "Israeli-Backed Internet Cable Aims to Link Country to Saudi Arabia and Gulf States", *Middle East Eye*, April 3, 2023. Available at: <https://www.middleeasteye.net/news/israel-saudi-arabia-gulf-states-internet-cable-link>. (Accessed February 15, 2024).

674 Bassant Hassib & James Shires (2024). "Digital recognition: Cybersecurity and internet infrastructure in UAE-Israel diplomacy", *International Affairs* 100. Available at: 6, <https://doi.org/10.1093/ia/iaae233>

security interests and technical standards, harmonising their digital regulations and sharing best practices, states can not only protect and safeguard their digital ecosystems but also reinforce diplomatic ties, transforming connectivity projects into avenues for peace and stability. As countries navigate the complexities of digital geopolitics, fostering co-operation in cybersecurity will be essential in realising the full potential of these transformative initiatives, ultimately contributing to a more interconnected and secure global landscape.

Does the Islam-Hinduism religious and cultural rivalry have an impact on connectivity diplomacy and economic exchanges?⁶⁷⁵

Philippe Gast

The history of relations between the Indian and Muslim worlds has in the past been tumultuous. This was due to the successive waves of invasions by the latter in India since the 8th century, waves that often proved to be destructive and violent. To the point where there would be, according to some, a certain incompatibility, for Hindus and Buddhists, between Indian and Islamic thought⁶⁷⁶. Yet today logistical complementarities are becoming a substantial aspect of new realities, just as in the past some periods have been more tolerant (Akbar, 16th century), during which mutual enrichment indeed proved possible. Furthermore, Muslim and European colonisations prospered on political and social divisions among Hindu kingdoms but could never overcome the cultural resilience of the exceptional power of the thousand-year-old Indian thought which, since India's independence, has continued to regain and affirm its influence. (I)

Today, like China until recently, India is becoming a giant economic actor, *en route* to being one of the dominant economic powers in the world on account of its population,⁶⁷⁷ its federal system and its democracy allowing freedom (economic in particular), but also thanks to a system of redistribution via a social protection network in the process of being constituted, resulting in socio-economic balance and political stability. Indeed, happiness (of all, or at least of the majority) cannot exist without freedom; freedom cannot exist without equality; equality cannot exist without the will of the majority.

These important development tools for India's future are nevertheless still dependent in some ways on the links with the Muslim world. India has few energy resources while the Muslim world has them (Gulf and Central Asia). India, for her part, is prominent in manufacturing the goods that these countries need. Diplomatic and economic ties, that have markedly improved, are thus complex, and a challenge for PM Modi's politics. While the old grudge between India and Pakistan is undoubtedly the result of the desire of the Muslims to partition India at the time of independence with lingering border-conflicts, this situation in part explains the diplomatic link that India has with Russia.

675 Disclaimer: For this chapter, author-editors disagreements have resulted, at the author's request, in retaining the original version. Any institutional discussion on the matter to be addressed directly to the author.

676 Hinduism has reintegrated Buddhism into its doctrine (since the Buddha is considered the 9th incarnation of Vishnu, after Krihsna) but the reverse is not true. Buddhism is critical of hereditary and hierarchical castes (the Buddha considered that spiritual realisation can be achieved by anyone who practices inner work, regardless of gender or caste, while majority Hinduism considers members of the Brahmin caste to be spiritually superior) as well as the 'inefficacy' of rituals devoted to ephemeral gods (part of samsara). The debate is on the impermanence of the ego/atman that the Buddha supported in his doctrine of the non-self (*anatman*) - of phenomena and the ego -, whereas the *Upanishads* states that the *atman* is of the same nature as the *Brahman*. Yet, some lineages in Hinduism such as the one from Dattatreya (Navanath sampradaya, from which Swami Samartha Ramdas - 17th century - also Tukaram and more recently Siddharameswar, Sri Ranjit, Nisagadatta 20th century) relate to Buddhism on the question of castes but also on the rituals to the gods that are 'of little use' in the face of understanding Reality, insisting on the unreal nature of the *atman* and the *Brahman*, the only reality being the *Parabrahman*: cf. *infra* the *Dhasbodh*.

677 A 1.45 billion population that is young, thanks to a policy of progressive birth control, unlike China. The latter is to lose a large part of its population in the coming decades, after its one-child policy implemented during forty 40 years. India is today the world's most populated country.

Russia's energy supplies enable India to ease out her energy-dependence on the Muslim world of the Gulf. The Russia factor thus, according to the author of the article, comes fully into the discussion (II).

The origin of the tension between the Islamic world and the Indian world

On the basis of doctrinal divergences, the origin of the tension between the Indian and Muslim worlds lies in a brutal, colonial, but also social history.

A doctrinal divergence

The complex and tumultuous history of the Indian and Muslim worlds refers to ancient waves of Muslim invasions into India dating back to the 8th century. These were often destructive. The city of Nalanda - a large Buddhist monastic city - was destroyed several times by Muslim armies. The city of Hampi was destroyed by Muslim armies when it was the second largest city in the world after Beijing. Then under Aurangzeb mosques were built on sacred Hindu places⁶⁷⁸ (birthplace of Rama in Ayodhya, or of Krishna in Mathura). The temple in Kali in Srinagar was pulled down and replaced by a mosque. Or by Buddhism (mosque near the Mahabodhi in Bodhgaya, archaeological sites in Bangladesh, etc.). Doctrinally, going from history to culture, to some, the Qur'an⁶⁷⁹ presents several intolerant and violent verses (4:89⁶⁸⁰ and 9:5⁶⁸¹), that raise a certain incompatibility between Indian and Islamic thought. For Hindus and Buddhists⁶⁸², the male creator god (*Brahmà*) cannot be a supreme god but simply a creative principle of *Maya/Samsara* the cosmic illusion of which he is a part⁶⁸³.

Indeed, the spiritual dimension can transcend these philosophical and metaphysical divergences. Thus, the masters of *Advaita Vedanta*, whose roots are found in the *Upanishads*⁶⁸⁴, advocate non-duality, the ultimate unity⁶⁸⁵ already in the root of the Vedic term *Vishva deva*, 'the all-gods', a form of pantheism where *Brahman* (in the neutral) encompasses the totality of manifested phenomena (*prakriti*⁶⁸⁶) as unmanifested (*purusha*).⁶⁸⁷ The biblical vision of a transcendent God might seem incompatible with

678 Like Omar, the 2nd Khalife, who colonised Palestine, built the Roc Mosque on the Jewish temple in Jerusalem.

679 Similarly in the Jewish Torah: 'stone the blasphemers' (Leviticus of the Torah: 24:10, 15, 16: 'Whoever blasphemes the name of the Lord shall be punished with death; the whole community shall stone him', 17 and 21); the apostles Deuteronomy 17:5: '3 going after other gods to serve them and to bow down to them, after the sun, the moon, or the whole host of heaven. This is not what I have ordered. [...] Then you shall bring to your gates the man or woman who is guilty of this evil deed, and you shall stone or punish that man or woman with death.' These formulations are today dated and echo a different epoch in human history. (Editor's note).

680 For instance Verse 4:89 – 'They would like to see you disbelievers, as they have disbelieved: then you would all be equal. So do not take allies from among them, until they emigrate in the path of God. But if they turn their backs, then seize them, and kill them wherever you find them'. Same comment. (Editor's note).

681 For instance Verse 9:5 – 'Once the Holy Months have passed, (and they refuse to make peace) you may kill the idol worshippers when you meet them'; see also 5:33; 9 :30 ; 47 :4 ; 60 :4 ; 4:56/59; 18:28/29; 47:4; 76:4; 2:187/191; 3:122/127; 5:33/37 4:89/91; 4:91/93; 9:29; 8:39/40; 8:17; 9:123/124; 48:29; 8:67/68; 61:4... Same comment. (Editor's note).

682 Shantideva in *La marche vers l'Eveil* (ed. Padmakara), a great master from the University of Nalanda, posits that a creator god is interdependent of his creation and therefore cannot be freed from illusion.

683 "The creator (*Brahmà*, on the other hand) is a being of imagination [...] The universe is woven by the spirit, by *Brahmà* born of himself". Cf. *The essence of Yoga according to Vasishta*, a translation by David Dubois of the *Vāśiṣṭhasaṃgraha* of swami Jñānānanda Bhārati, Ed. Almora, Paris 2021, p 42.

684 The phrase: 'I am this, you are that, all this is that' captures the essence of non-duality.

685 Like Al Hallaj (who was condemned to death by the Islamists of his time) or Rumi, two great mystics of Islam, or even Kabir, who synthesised these two traditions in India.

686 Consciousness/energy manifested in the infinity of forms.

687 For an understanding of 'Pure Conscience', see Alain Danielou, *Le polythéisme hindou*, Bucher Chastel, Paris, 1975.

a single but immanent⁶⁸⁸, pantheistic⁶⁸⁹ God, as in Indian thought⁶⁹⁰. Nevertheless, in Indian thought, behind *Brahman* there is *Parabrahman*, which is transcendent: only the reality behind the illusion⁶⁹¹ (*Maya*),⁶⁹² even that of pure consciousness (*mahamaya* or *moola maya*).⁶⁹³ Yet, the incompatibility seems to remain, for this *Parabrahman* cannot be the creator of anything, because that would be to give him a desire for creation, or even a movement of consciousness, which is not possible (*Dhasbodh* 13:2:18). On the Buddhist side, *Nirvana* is the unique ultimate state, extinction of all desire relative to the illusory world (*samsara*) and ultimately there is *Parinirvana*, the state of extinction of any desire to exist⁶⁹⁴.

The two religious approaches seem incompatible on account of the fact that the Abrahamic God has the desire to create (and therefore is in need of something) whereas in Indian thought it is the ultimate and immutable state⁶⁹⁵ without any desire⁶⁹⁶ to manifest anything, beyond even any movement of consciousness. Combined with the dualistic intensity opposing absolute Good and absolute Evil as in most Abrahamic traditions. The doctrinal tension has resulted in India, as in other countries, in destructive invasions.

Nevertheless, some periods were more tolerant (the Mughal emperors - Akbar⁶⁹⁷, Jahan - accepted discussions of multiple origins at their court) during which mutual enrichment was possible: the development of certain sciences (astronomy), architecture (Taj mahal) and different arts such as *Dhrupad chanting*, which originated in Hindu temples but was developed in the Mughal court (performed and transmitted by the Dagar family for example). Yet, this ideological conflict was coupled with a social conflict.

688 See the translation by Martine Buttex, *108 Upanishads*, Dervy, 2012, p. 78-157 *Bṛhadāraṇyaka Upaniṣad*, where *Brahman* is presented as the one consciousness that permeates everything (*Sat cit ananda* - being consciousness and bliss, which Shankara would later develop as *Vivekachudamani* - the most beautiful jewel of discrimination - quite close to the Buddhist formula of the *Vajrayana* Tibetan: emptiness, clarity, bliss.)

689 Close to the Greek thought of the Delphi mysteries, summed up by the maxim '*know thyself and thou will know the universe and the gods*' transmitted by Socrates to Plato and which endured in the Stoic (Seneca) and Neo-platonic (Plotinus) thinkers up to Spinoza with his concept of 'Substance' (cf. *The Ethic*), the foundation of European thought, far from dogmatic dualism, a source of violence like biblical dogmas.

690 All beings have Buddha-nature (discernment) within them, the Buddha said.

691 In the 17th century: Sri Samartha Ramdas wrote in *Dhasbodh*: 'The nature of Parabrahman, the absolute reality is that it is without attributes' (17:10:8); 'when the inert and moving illusion disappears what remains is the all-pervading Parabrahman' (20:7:17);' the fourth principles [...]. First is Parabrahman, the second is the fourteen aspects of the primal illusion (the fourteen brahmans), the third is the five elements, and the fourth is the four streams of living aspects' (20:5:1) 'the sense of I Am is itself Knowledge or consciousness and is what is called primal illusion. This is also called the Great causal body of the universe" (10:10:13). 'This movement has many names [...] it is called the Primal illusion (Moolamaya), Original creation (moola Prakriti) and original Being (moola purusha).' (10:10:5-7) 'Parabrahman is always present everywhere' (20:10:1) 'Parabrahman is One and alone. It permeates everything at the same time It touches everyone and resides in all places' (20:10:14) for it transcends time and space and is thus as much immanent as the sole reality in this illusory world (maya). Ed. David Moe Sadguru Publishing, 2010.

692 Yoga Vasishtha (Dubois), cited above: "When the great cosmic resorption is completed, there is a non-existence of any object: there remains only a serenity. The ultimate Self, the great Lord, the light that never sets, is (alone) present" (p 42) and "This city of the subject, the object and the attention (which connects them) appears and disappears in what is immutable, in what is transparent and which is always manifest: this is the essence of the supreme Self" (p 45).

693 Swami Samartha Ramdas: *Dhasbodh* because the Parabrahman is 'beyond the intellect' (20:10:32) which the mystic must realize in himself through meditation - 'experience through meditation' (20:10:25).

694 Indian Thought, both Buddhist and Hindu, can be summed up by the term 'emptiness': the phenomenal world (*samsara*, *maya*, *saguna*) because of impermanence and interdependence, phenomena, has no existence of its own, intrinsic, even the pure emptiness but potentially mobile consciousness that is its foundation (*Nirvana*, *Brahman*). The ultimate dimension, eternally immutable emptiness (*Parinirvana*, *Parabrahman*) being transcendent because it has no describable characteristic (*Nirguna*) or link with *maya-samsara*.

695 'Attribute-less unmoving Reality' *Dasbodh*: 20:10:26. Ibid.

696 Ibid. 'The primal illusion is in the form of desire' (19:9:23)

697 Who had three wives, each one of a different religion: Muslim, Christian and Hindu.

A colonial conflict amplified by the caste system

If the Muslim and European colonisations were able to prosper due to political divisions and rivalries among Indian kingdom and to social divisions among castes, they could not overcome the intellectual resistance based on the exceptional power of Indian thought, thousands of years old and which, since India's independence, has continued to regain its influence. Thus, just as Spain after 800 years of Arab-Muslim colonisation regained its independence and original culture, India has regained its identity.

The question of castes nevertheless remained an issue as a source of social injustice and suffering, especially for the outcastes (those who had not respected the rules of their caste and were therefore excluded from the system⁶⁹⁸, becoming untouchable pariahs, doomed to the lowest jobs: garbage-collectors, etc., and drawn to converting to former dominant foreign ideas that would liberate them. Thus, if in Chapter 10:90:12 of the *Rg Veda*, the description of castes⁶⁹⁹ (*varna*) is presented as a social body, the *Purusha*: the head is the *brahmin*, the arm is the *kshatrya*, the producer is the *vaishya* and the servant is the *sudra*: nowhere is there any mention of a social hierarchy or heredity⁷⁰⁰, at most a functional hierarchy of a social body whose members are interdependent.

It was much later, but before the time of the Buddha (6th century BCE) that this hereditary hierarchy must have been put in place since the Buddha challenged it, saying that only the one (regardless of caste or sex) who has done spiritual work can attain the state of *Nirvana* and not through heredity as the *Brahmin* presented it at that (his) time. This formerly rigid view was certainly concretised by the *Manavadharmashastra* compiled by Brgu according to the legend but which probably dates from the beginning of the Common Era.

In the Vedic tradition, there are nevertheless lineages that develop the same point of view as the Buddha: thus, the lineage of Dattatreya (son of Atri, one of the 7 Vedic rshis) whose exceptional work on non-duality, the *Avadhuta Gita*, maintains that the *avadhuta*, the spiritually realised person, is independent of any caste (6:22 and 4:21⁷⁰¹). The issue with the rigid system of castes/*jati* is that if a person has a father who is a doctor or a baker but does not want to be a doctor or a baker and is forced to be one, that person will probably fulfil his job badly⁷⁰². Similarly, if in society people are not happy in their work, they are not creative and, little by little, the society as a whole weakens: while the people of the country are not happy in their work, other societies abroad strengthen and innovate. This opens the door to invasions and colonisation, as the real reason for colonialism is the weakness of the colonised peoples.

698 Alike the excommunicated of the Ancient Regime in France.

699 Which means 'colour'. The notion of caste is not identical with '*jati*', a professional corporation. These social discriminations compare to the feudal system of the Ancient Regime in France where three Orders structured the kingdom: the religious (like the *Brahmins*, Hindu clergy, but without descendants), the nobles (comparable to the *kshatriya* - warriors, legislators), the Third Estate (comparable to the *Vaishya* producers - bourgeois) and the serfs (comparable to the *Sudra*). These three Orders were hereditary but must be differentiated from professional corporations (mainly: producers, third estate/*Vaishya*), hereditary as the *jati*.

700 In the *Ramayana* of Valmiki, the *kshatriya* Vishvamitra is presented as having been able to enter the *Brahmin* caste through the teaching of his master *Vasishta* and having achieved the ultimate spiritual state.

701 Cf. Dattatreya's *Avadhuta Gita*: "I have neither father nor mother nor family nor caste, neither birth or death are ever in me" (English translation from Sanskrit by Janki Parikh, 2015, p. 73); or in the French translation by Alain Porte (Ed. Accarias l'Originel, Paris, 2012): 6:22: "Neither you nor I have ever existed. To seek the family or the caste is nonsense" (p. 86). Or in the translation from Sanskrit into French by Hari Prasad Shastri (Ed. Arché Milano 1980) "Since there is neither 'you' nor 'me' in Him, family or castes do not exist there." (6:19 from another manuscript) p. 50.

702 This incompetence, is still present because of 'reservation', the need to identify people by their caste in modern India's administrations, against the principle of equality. This could have lasted no more than one generation.

Indeed, why is a people colonised? For it is weak. Why is it weak? Because it is divided. Why is it divided? Because a minority concentrate power and wealth to themselves, leaving the majority of the people in misery and resentment. Freedom and equality, as well as the majority will,⁷⁰³ which alone is capable of holding together the other two, are the ferments of a society's strength, of its cohesion. These three elements make up democracy⁷⁰⁴, as Pericles already theorised nearly 2500 years ago, in his funeral ode reported by Thucydides. This same division of the Greek cities meant that Greece, four centuries later, was colonised by the Romans, while these same cities, federated, defeated the Persian Empire a few centuries earlier.

An old grudge between India and Pakistan seems to have originated in the desire of the Muslims to partition India at the time of independence, and in the view of some that Muslims would be descendants of the ancient collaborators of the ancient Muslim colonisers (like the Muslims of the former Yugoslavia at the time of the Turkish colonisation of the Balkans⁷⁰⁵). In ancient times, outcasts (*dalit*) and low-caste outcasts were to convert to Islam in order to escape the inferior condition to which they were relegated⁷⁰⁶: a kind of social revenge or karmic cycle⁷⁰⁷.

However, economic realities cannot remain stuck on a rigid ideological duality. And today, despite these ancient cultural divergences, the present is made up of several strong rapprochements of a geo-economic and geo-energetic kind.

Globalisation urges these two worlds to dialogue and exchange

Going from the past to the present, the globalisation launched by the WTO has proposed the opening of world markets and the facilitation of trade. Yet, it has also created social, ecological and political dumping. Indeed, some States that do not protect liberties (such as China, which does not allow economic⁷⁰⁸, trade-union or political freedoms or even subsidises its production or even makes Uyghurs and political prisoners work in labour-camps⁷⁰⁹) reach low production costs and monopolistic positions on world markets. This however does not benefit the peoples, rather local and multinational trade oligarchies, often based in tax havens (Singapore). This dumping forces the West to increase taxes

703 That may manifest itself only through the "referendum of popular initiative". Switzerland has constitutionalised such a RPI for centuries through the 'Votation': if 1% of the population signs a bill, the latter is submitted to a referendum (the only real democracy?).

704 Elements of which are found in the Buddhist Vinaya (cf. Vijayaratna, the *Buddhist monk*)

705 During the Ottoman empire, under Muslim law, Christians and Jews were sub-citizens without political rights and also subjected to a discriminatory tax: they were 'Dhimmī' (Quran: 9:29). France, when conquering Algeria from the 1830s, reversed this social situation by giving full citizenship to Christians and Jews (Cremieux decree) but the Muslims were relegated to a sub-citizenship, that proved a ferment of the independence revolt.

706 Such as BABASAHEB DR BR AMBEDKA, the first Law Minister, founder of the Indian constitution of 1947, who converted to Buddhism along with 365 000 other Dalits in 1956 in order to escape the caste system. See <https://www.constitutionofindia.net/members/b-r-ambedkar/> (accessed 22 May 2024)

707 Also, c. 40% of the Indian population are *dalit*. Associated to India's 15% Muslims, they used their majority status to "exchange" privileges: Muslims were granted by law the possibility of marrying four wives and *dalit* were granted positive discrimination in administrations, universities, etc. This has questioned the principle of secularism and equality, inherent to India's democratic constitution.

708 In *Courrier International*, 29 July 2022, "Billionaire boss Jack Ma renounces ANT to escape the eye of Beijing". The CEO of Alibaba had to sell his subsidiary financial structure ANT under pressure from the Chinese government: <https://www.courrierinternational.com/article/chine-le-patron-milliardaire-jack-ma-renonce-a-ant-pour-echapper-a-l-il-de-pekin>. In *Le Monde*, 16 June 2023, Simon Lepâtre, "The dismantling of the Alibaba empire, or the end of an era for China"; https://www.lemonde.fr/economie/article/2023/06/16/le-demantlement-de-l-empire-alibaba-ou-la-fin-d-une-epoque-pour-la-chine_6177853_3234.html. (Both accessed 20 March 2023)

709 In *Les Echos*, 2 March 2020, "Apple, Volkswagen, Nike associated with the forced labour of the minority in China", <https://www.lesechos.fr/monde/chine/apple-volkswagen-nike-associes-au-travail-force-de-la-minorite-ouighour-en-chine-1181070>. (Accessed 25 August 2023). Thus, 83 global brands profit from the labour of over 80,000 Uighurs.

against China (the first Trump Administration, but also the Biden administration on electronic components, solar panels - increase of up to 50% of taxes - and electric cars up to 100%⁷¹⁰; and now the second Trump Administration); taxes that the EU is in the process of implementing but in a more timid way - with a delay linked to the inertia of EU mechanisms – by an additional tax of up to 38% for electric cars⁷¹¹). Economic exchanges being difficult with Pakistan, although both India and Pakistan have been members of the WTO since 1 January 1995⁷¹², are pushing India closer to Russia.

A difficult diplomatic dialogue with Pakistan due to territorial disputes

Bilateral, diplomatic and economic ties are complex. Besides the historical perspective, the present times are those when PM Modi's policies contain reforms that the Muslim world may perceive as hostile (Citizen Act of 2019⁷¹³, Direct administration...). There is also the latent conflict with Pakistan over territorial issues (Kashmir, whose Maharaja decided at the time of independence to attach Kashmir to India – at the time there existed a balance between Muslims and Hindus). Since then, Kashmir has been partly occupied by Pakistan (POK), which claims all of it and sends Muslim populations to the part under Indian rule working towards installing a Muslim majority there, hoping for a long-term swing in its favour.

While the majority of Muslim countries, particularly Turkey, where Erdogan convened an international conference on the issue⁷¹⁴, display criticism to the Indian position; only Saudi Arabia⁷¹⁵, probably sensitive to India as a paramount trading partner, referred the issue to India's domestic politics.⁷¹⁶

These links are all the more difficult since, in addition to ideological incompatibility, several armed conflicts have since independence opposed Pakistan and India: 1947, 1965, 1971⁷¹⁷ over border issues, in Kashmir in particular. Conflicts have also arisen with China, a close ally to Pakistan⁷¹⁸ and which, since the invasion/annexation of Tibet in 1953 and especially in 1959, has been trying to push its border into Indian territory (Ladakh). Here, where a degree of overlooking may have characterised previous governments of India, more concerned with economic and social development, today the Modi government

710 In *Courrier international*, 14 May 2024, "Trade war. Biden's United States to tax Chinese electric cars at 100%": <https://www.courrierinternational.com/article/guerre-commerciale-les-etats-unis-de-biden-vont-taxer-a-100-les-voitures-electriques-chinoises>. (Accessed 26 June 2024)

711 In *Le Monde*, 12 June 2024, "EU announces taxes on Chinese electric vehicles, Beijing denounces 'purely protectionist behaviour'". (Accessed 25 June 2024).: https://www.lemonde.fr/international/article/2024/06/12/apres-les-etats-unis-l-union-europeenne-annonce-des-taxes-sur-les-vehicules-electriques-chinois_6239136_3210.html

712 https://www.wto.org/french/thewto_f/whatis_f/inbrief_f/inbr_f.htm. (Accessed 25 June 2024). While China has only been a member since 11 Decembre 2001.

713 Which requires that Muslims, in Kashmir (in order to obtain Indian citizenship), be able to prove that their ancestors are indeed Indians (denial of the right of birth, while for other faiths there is not the same requirement) "The Indian government on Monday announced the implementation of the Citizenship Amendment Act (CAA), a law that was passed by parliament in 2019 but was not enforced until now". *Al Jazeera*, 12 March 2024: <https://www.aljazeera.com/news/2024/3/12/why-is-indias-citizenship-amendment-act-so-controversial> (Accessed 30 March 2024)

714 Cf. Haider Abbas and Christophe Jaffrelot, "New tensions between India and several Muslim countries", *Institut Montaigne*, 30 April 2020. <https://www.institutmontaigne.org/expressions/nouvelles-tensions-entre-linde-et-plusieurs-pays-musulmans>. (Accessed 25 May 2021)

715 Gulf countries (an Indian temple was built in Dubay: <https://www.nessma.tv/fr/internationale/actu/un-nouveau-temple-hindou-a-dubai/280415>) have better relations with India due to these economic links and also because nine million Indians work there, who send back home, annually, remittances of around USD 50 billion. (Accessed A5 April 2022)

716 *Ibidem*.

717 India supporting Bangladesh's independence on March 26, 1971.

718 And created a 'Belt and Road Initiative' (BRI) route through Pakistan.

is more reactive on the military level⁷¹⁹, arming India with the most efficient equipment and weaponry (purchase of 26 Rafales from France).⁷²⁰

Fruitful economic exchanges⁷²¹ with Gulf countries, South-East Asia⁷²² and Russia

These important development tools for India's future are still dependent in some way on the links with the Muslim world. India, with 15% Muslims of her population, has few energy resources while the Muslim world abounds in them (Gulf countries, Central Asia). In return India produces goods that these countries need, hence a potentially flourishing trade, unless cultural issues set in.

This situation probably also explains the diplomatic⁷²³ and economic⁷²⁴ link that India has with Russia today, even though the neo-colonial war in Ukraine⁷²⁵ should logically be denounced by India (a bit like if Britain wanted to reconquer India or another ancient colony): Russia's energy supplies enable India not to be too dependent on the Muslim world but at the same time circumvent international sanctions.

This may explain also the links with Iran. India participated in the creation of the large *Chabahar* port, an important example of the *India-Middle East-Europe Economic Corridor* (IMEECC) agreement that was signed in New Delhi in 2023. This economic corridor, it is believed, will prove to be a game-changing connectivity initiative between India and the Gulf countries⁷²⁶. Maritime co-operation is an important component of this co-operative endeavour. Furthermore, the *Chabahar* Port in Iran promises to serve as an important gateway to India, Iran, Afghanistan and the Central Asian states⁷²⁷. This port will enable India to bypass Pakistan for trade with Afghanistan and Central Asia.

On the other hand, India also finds herself in competition with China in this issue of a lack of energy and mining resources. India has the possibility of providing certain industrial productions and especially services in exchange, but still insufficiently. This explains her trade deficit⁷²⁸ (in particular with Russia⁷²⁹).

719 Claude Fouquet; in *Les Echos*, Dec. 13, 2022 (Accessed 15 April 2023): <https://www.lesechos.fr/monde/asie-pacifique/linde-et-la-chine-connaissent-leur-affrontement-frontalier-le-plus-serieux-depuis-2020-1888659>

720 *Les Echos*, 13 July 2023, "India gives its agreement of principle for the purchase of 26 Rafale aircraft from France". (Accessed 15 April 2023) <https://www.lesechos.fr/industrie-services/air-defense/linde-donne-son-accord-de-principe-pour-lachat-de-26-avions-rafaele-a-la-france-1962058>

721 India is part of the AIIB dominated by China which owns 1/3 of its capital, Beijing's goal being to create a multipolar world (which is commendable: to reduce Western influence) but with the implicit aim of promoting the *New Silk Road* for the benefit of China. India has 8% of the AIIB capital. See Nashidil Rouiaï "Asian Infrastructure Investment Bank (AIIB)", in *Carto* n° 30, July-August 2015: <https://geoconfluences.ens-lyon.fr/glossaire/banque-asiatique-investissement-pour-les-infrastructures>. Pakistan is also a member of the AIIB. <https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html>. (Accessed 17 Octobre 2024)

722 In addition, ASEAN, the Southeast Asian economic organisation, invited India in November 2022 (to celebrate 30 years of ASEAN relations), a summit held in Phnom Penh, Cambodia. There, ASEAN granted India the status of 'comprehensive strategic partnership'. ASEAN has several Muslim members (Malaysia, Indonesia)

723 India has long maintained a strong diplomatic link with the USSR, first as a non-aligned country wishing not to identify itself as a Western country, then today with Russia.

724 More than 60 billion USD in 2023/2024 compared to 13 billion the previous year. Cf. Clément Perruche's article in *Les Echos*: 9 July 2024 <https://www.lesechos.fr/monde/asie-pacifique/entre-linde-et-la-russie-des-relations-commerciales-desequilibrees-par-la-guerre-en-ukraine-2106741>.(accessed 17 Octobre 2024)

725 Russia could have been suspended or even excluded from UN organisations (UN Charter, Articles 5 & 6). Yet, instead of the ICI, it is the Security Council that intervenes (Article 33) ... where Russia has a right of veto.

726 India imports more than 90% of her oil and gas energy from Gulf countries (that may account in part for the 'realenergy politic' of the government).

727 The *Chabahar* Port promises to be an important hub connecting India to Central Asia and Afghanistan. On May 24, 2024, India signed a 10-year contract with Iran to develop and operate this Iranian port.

728 The French Ministry of Economy: 'The [Indian] deficit in petroleum products increased by 46.5% to USD 167 billion in 2022'. <https://www.tresor.economie.gouv.fr/Articles/2023/03/16/le-commerce-exterieur-de-l-indie-en-2022>. (accessed 15 April 2023)

729 See C. Dietrich, "War in Ukraine: the explosion of trade between India and Russia confronted with the thorny issue of payment in rupees", 09 May 2023 <https://www.lemonde.fr/economie/article/2023/05/09/guerre-en-ukraine-l-explosion>

India might thus develop connective projects with Europe and the US in order to sell her productions in competition with China (whose financial benefits since joining the WTO are very large and enable the New Silk Road initiative – in reality a hegemonic project). Indeed, India as a democracy respecting freedom, equality, majority (contrary to China which practices political, social, and ecological tax dumping) should be favoured.

This suggests a caution that India might exercise when investing in corridors that cross the Muslim world: Pakistan, Iran (under international sanctions), Afghanistan as these are Islamist authoritarian regimes, even Turkey, albeit less blatantly. The alternative, independent, option rests with maritime and shipping links for a country such as India that finds herself in many ways in an enclaved situation.

Freedom of exchanges (material: WTO) but also intellectual (internet), as well as equality (reciprocity of treatments and of exchanges) and majority interest which constitutes democracy, and secularism, which are all necessary for exchanges, can only be achieved if all members respect these principles.

In conclusion, an evolution of international institutions should also integrate India as Permanent member of the UN Security Council. Hegemony, colonisation, fanaticism must be left in the past. Multipolar equality, freedom of people as self-determination, respect of international law ... this is the only way for the peace and happiness of humanity.

POSTFACE

In retrospect, what have the ten *Logistics and Diplomacy* seminars held in Almaty in 2014 and in 2017, in Bishkek in 2018, in Tashkent in 2021, in Almaty in 2021, in Bishkek in 2022, in Dushanbe in 2023, in Almaty in 2023, and twice in India, New Delhi, in 2024 taught us? Probably, two essential lessons. First, that success is always collective. These seminars have only been made possible by a convergence of good wills from colleagues, who, on numerous occasions, were only recent acquaintances. Second, that the academic monitoring of world and regional evolutions is indispensable for decision-makers and practitioners if these professionals are to evaluate and improve their action. Thus, in that vein, we shall continue to organise - on a regular basis - these international seminars characterised by both stringent academic analyses and humane and friendly exchanges that vouch to the sincerity of our efforts.

A further and much debated lesson consists of suggesting to adapt our seminars to a more focused format, devoted to the conceptual debates in order to relate findings to theories of International Relations and of Regional Integration, namely a post-modern neo-regionalism of sorts. This is the reason why we shall meet again in 2025, probably in Bishkek, in order to reflect upon the ways in which the logistical and diplomatic evolutions over the past two generations – from the mid-80s and the attempted reforms in the USSR, the confirmations of China’s world initiatives and the resumption of Central Asian sovereignties – have nurtured “Central Asia and her regional neighbours”.

Under this topic, we will look at three dimensions: how Central Asia is becoming a structured region and a sub-region of the continental “New Asia”; how Central Asia’s neighbours belong to regional or sub-regional groupings by themselves; and how they form with Central Asia a novel and structuring regional surge at the level of the continental geopolitics.

A study of the interconnection of logistics, diplomacy, geopolitics in the Eurasian region suggests that logistics is becoming an increasingly important tool for the interaction of actors in international relations, contributing to economic growth, ensuring security and maintaining stability in the global arena. This book has aptly documented this trend and paved the way for further analyses in that direction.

Some countries are becoming important geostrategic hubs due to their location at the intersection of major transport corridors. This can provide them with additional advantages in international politics and economics, which, in turn, increases their influence on the geopolitical arena. Thus, transport corridors in Eurasia enable us to have a comprehensive impact on geopolitical processes, forming a new paradigm of international relations and influencing the economic development of the region.

AFTERWORD

It has been a long and windy road from i/ the original idea of holding ‘some sort’ of international seminar devoted to the pressing needs to understanding the changes in logistical connections in Eurasia and beyond, all the way to ii/ the printing of a ‘book between two covers’ and the final possibility or the co-organisers and co-editors to rest.

Yes, the pace of change is such that a book, even finalised over varying understandings, varying formulations, varying intellectual traditions and leadership styles, is – at least in part – outdated as soon as it comes ‘out of the printing room’. What remains valid is the chore of analytical tools, of categories of the mind and of suggested paradigms.

It will never be possible, for academics and politicians alike, to agree on facts. Facts are the devil’s details and they can lead to clashes and sour feelings. But intellectual analyses and interpretations, in the end, provide the substance and the essence of progress in the complex understanding of the world in which we live and in which we shall continue to live, however logically and diplomatically uncertain it is becoming.

Over all hurdles, what remains and stands firm despite storms and hurricanes is the chain of academic freedom, liberty to think, argue, disagree and compromise towards the enlightenment of those who act, namely the practitioners of logistics and diplomacy. On the Weberian axis – the scholar and the politician – we stand nearer the former.

LOGISTICS & DIPLOMACY IV

Connectivity Diplomacy in Eurasia: the South-Corridor

edited by **Kuralay BAIZAKOVA, Pierre CHABAL**

In the emerging global economic architecture, almost every major country in the world has their own connectivity plans, either individually or as a part of multilateral arrangements. Within the changing global geopolitical dynamics, connectivity strategies have become an important part of the national and regional narratives on connectivity diplomacy. Connectivity initiatives have both development dimensions and geopolitical dimensions, though the framework within which they operate may vary in terms of their origins, priorities, resource commitments and partnerships. Yet, the fact remains that these initiatives have come to drive domains such as transport and communications, trade and investment, energy, IT and digital connectivity, and notably social-cultural linkages. Competing connectivity strategies and their manifestations have therefore emerged as the core component of the geopolitics of the 21st century – a century characterised by intense great power relations and the fracturing of the international order. And within the multitude of connections that “connectivity” offers, is the understanding of a multi-ordered international arena that extends ample opportunities for creating increased convergences among different entities at varying levels of social organisations.

The 27 articles in this book highlight the different manifestations of connectivity within Eurasia and their implications for the dynamic transformative frameworks of action beyond traditional capabilities and polarity-based divisions of power competition.

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