

DEVELOPING REGIONAL CONNECTIVITY BETWEEN CENTRAL AND SOUTH ASIAN COUNTRIES

<https://doi.org/10.52536/2788-5909.2023-4.03>

Mukhit Assanbayev¹

Chief Expert of the International Security
Department of KazISS under the President of the
Republic of Kazakhstan, Ph.D. in Political Science
(Astana, Kazakhstan)

Abstract. The article explores the prospects for the development of regional connectivity between Central and South Asian countries, analyzing the initiatives and projects being implemented in the spheres of energy and transit-transport cooperation. Special attention is paid to understanding the direction in which the regional connectivity between Central and South Asian countries will develop in the foreseeable future.

The idea of developing regional connectivity is something familiar to the two regions. Historically, the states and peoples of Central and South Asia had extensive trade ties, being an essential part of the Silk Road that connected the East with the West. In the Middle Ages, one of the pilgrimage routes from Central Asia to Hejaz passed through Afghanistan and South Asia, and there were active migration flows and cultural exchanges between the peoples of the two regions.

Today, the primary condition for reuniting Central and South Asia is establishing long-term peace and stability in Afghanistan. The situation in Afghanistan, which serves as a bridge between the two mentioned regions, directly affects the security of neighboring countries and can change the course of global politics in this part of Asia towards a positive trend.

Keywords: *regional connectivity, energy and transit-transport cooperation, infrastructure projects, Central Asia, South Asia, Afghanistan.*

¹ assanbayev_m@kisi.kz

ОРТАЛЫҚ ЖӘНЕ ОҢТҮСТІК АЗИЯ ЕЛДЕРІ АРАСЫНДАҒЫ АЙМАҚАРАЛЫҚ БАЙЛАНЫСТЫ ДАМУ

Мұхит Асанбаев

Аңдатпа. Бұл зерттеу жұмысында Орталық және Оңтүстік Азия елдері арасындағы аймақаралық байланыстың даму перспективалары қарастырылып, олардың арасындағы энергетика және транзиттік-көліктік ынтымақтастық салаларында жүзеге асырылып жатқан бастамалар мен жобалар талданады. Жұмыста Орталық және Оңтүстік Азия елдері арасындағы аймақаралық байланысының жақын болашақта дамитын бағыттарына ерекше көңіл бөлінген.

Аймақтық байланысты дамыту идеясы екі аймақ үшін жаңалық емес. Орталық және Оңтүстік Азия мемлекеттері мен халықтары Шығыс пен Батысты байланыстыратын Жібек жолының маңызды буыны бола отырып, тарихи тұрғыдан кең ауқымды сауда қатынастарына ие болған еді. Орта ғасырларда Орталық Азиядан Хиджазға зиярат етушілердің бір жолы Ауғанстан мен Оңтүстік Азия арқылы өтіп, екі аймақтың халықтары арасында белсенді көші-қон ағындары мен мәдени алмасулар орын алған еді.

Бүгінгі таңда Орталық және Оңтүстік Азияны біріктірудің басты шарты Ауғанстанда ұзақ мерзімді бейбітшілік пен тұрақтылықты орнату болып табылады. Осы екі аймақтың басын қосатын Ауғанстандағы жағдайдың тұрақталуы көршілес елдердің қауіпсіздігіне тікелей әсер етіп ғана қоймай, сондай-ақ Азияның осы бөлігіндегі жаһандық саясат бағытының оң динамикаға өзгеруіне үлесін қоса алады.

Түйін сөздер: аймақаралық байланыс, энергетикалық және транзиттік-көліктік ынтымақтастық, инфрақұрылымдық жобалар, Орталық Азия, Оңтүстік Азия, Ауғанстан

РАЗВИТИЕ РЕГИОНАЛЬНОЙ ВЗАИМОСВЯЗАННОСТИ СТРАН ЦЕНТРАЛЬНОЙ И ЮЖНОЙ АЗИИ

Мухит Асанбаев

Аннотация. В данной исследовательской работе рассмотрены перспективы развития региональной взаимосвязанности стран Центральной и Южной Азии, проанализированы реализуемые между ними инициативы и проекты в сферах энергетического и транзитно-транспортного сотрудничества. Особое внимание в работе уделено пониманию того, в каких направлениях будет развиваться региональная взаимосвязанность стран Центральной и Южной Азии в обозримой перспективе.

Идея развития региональной взаимосвязанности не является чем-то

новым для двух регионов. Государства и народы Центральной и Южной Азии исторически имели обширные торговые связи, будучи важным звеном Шелкового пути, связывавшего Восток с Западом. В средние века один из путей паломников из Центральной Азии в Хиджаз пролегал через Афганистан и Южную Азию, а между народами двух регионов шли активные миграционные потоки и культурный взаимообмен.

Сегодня главным условием воссоединения Центральной и Южной Азии является установление долгосрочного мира и стабильности в Афганистане. Ситуация в Афганистане, являющегося мостом между двумя указанными регионами, непосредственным образом влияет на безопасность соседних стран и может изменить ход глобальной политики в этой части Азии в сторону позитивной динамики.

***Ключевые слова:** региональная взаимосвязанность, энергетическое и транзитно-транспортное сотрудничество, инфраструктурные проекты, Центральная Азия, Южная Азия, Афганистан.*

Introduction

The prospects for developing regional connectivity between Central and South Asian countries are closely related to the security and long-term stability in Afghanistan. However, no external actors or efforts can ensure stability in this country. It depends exclusively on the Afghan authorities and their willingness in stabilizing the situation by building a genuinely inclusive society and political structure. Only when Afghanistan steers towards sustainable development will the country have the opportunity to become an integral player in trade, transit, and interregional economic cooperation, serving as a convergence point in linking the economies of Central and South Asia.

Notably, global powers offer various initiatives to the Central Asian countries aimed at economic convergence with South Asian countries. While the United States has recently unsuccessfully attempted to promote the idea of creating shared transit and trade infrastructure for Central Asia, taking into account the concept of transforming Afghanistan,

China is now reasonably successful in promoting the Belt and Road initiative. China promises economic stability by integrating the two regions' infrastructure within the China-Pakistan Economic Corridor. Regarding Russia, it aspires to dominate the states of Central Asia economically by creating an economic convergence zone in cooperation between the Eurasian Economic Union and other regions, including South Asia.

All these trends indicate that today, the establishment of regional connectivity between Central and South Asia has become one of the vectors of global policy development. Considering the new realities in Afghanistan, achieving regional connectivity involving Afghanistan is a guarantee for ensuring regional stability in Central and South Asia.

Meanwhile, years of instability and civil war in Afghanistan have separated the countries of Central Asia from South Asia. According to recent World Bank estimates, current trade between Central and South Asia remains low. Trade

between the two regions ranges from 0.2% to 4% of the total trade volume. Moreover, less than 5% of the total trade volume in Central Asia occurs within the region, while in South Asia, this figure only reaches 1.5% [1].

Nevertheless, several significant external initiatives can ensure transport and energy connectivity between Central and South Asia. Among them, there are several major infrastructure and energy projects, such as the construction of the Turkmenistan-Afghanistan-Pakistan-India gas pipeline (TAPI), the Central Asia-South Asia energy corridor (CASA 1000), and the Trans-Afghan Railway between Mazar-i-Sharif - Kabul - Peshawar.

It is important to note that connecting Central and South Asia requires political will and determination from respective governments to ease travel restrictions, visas, and trade barriers. It also necessitates cooperation between academic and policy-oriented institutes. In this regard, significant work has been accomplished by the Faculty of Political Science and Pakistan Studies at the University of Punjab in collaboration with the Konrad Adenauer Regional Programme in South Asia – an international conference on “South and Central Asia Re-Connected” was held in Lahore on May 8-10, 2023, attended by experts from Pakistan, the United Kingdom, Germany, Turkey and Central Asia. The conference extensively examined measures to reconnect Central and South Asia by developing trade, commercial, cultural, educational, and tourist connections.

Similarly, with the support of the Konrad Adenauer Regional Programme in South Asia, two more international conferences were organized: one by the Faculty of International Relations

at the University of Karachi – “South Asia and Regional Connectivity in the 21st Century”, Karachi, November 21-22, 2023, and the other by the School of Politics and International Relations at Quaid-e-Azam University – “Pakistan Afghanistan Geoeconomics Opportunities and Geopolitical Constraints”, Islamabad, November 24, 2023.

The discussions, conclusions and recommendations of the above-mentioned international conferences have been used in the preparation of this article, as one of the objectives of the article was to bring it to stakeholders and policymakers. This message is needed to initiate practical steps to enhance the links between Central and South Asia.

Research Methods and Results

The article utilized the theory of economic integration, but economic prospects are regarded as the ultimate goal without linking them to the issue of political unification. The article also uses several principles of the economic connectivity theory, focusing on exploring the specifics of the regions under consideration, encompassing both economic and political aspects. In particular, employing the theory of economic connectivity in this article justifies the necessity of implementing a policy aimed at connecting the economies of Central and South Asia. This task remains pertinent for Central Asia, which needs more access to global markets, with countries needing more regional connectivity with other regions. Similarly, this task holds significance for South Asian markets, where the need for access to raw materials increases each year, and its resolution could aid in addressing economic and political issues

at national and international levels.

At the same time, it should be presumed that there is no neat single operational definition of connectivity that has been widely adopted. Therefore, we set out different approaches to definition in this article, starting with historical approach and a general definition, then breaking this down into the key analytical components of connectivity, and finally identifying possible approaches, such as systematic and comparative analysis to measuring them in practice. The historical method aided in identifying the primary directions of development regarding the regional interconnectedness between Central and South Asia. The systemic and comparative research delineated similarities and differences in the development of Central and South Asian countries and allowed to examine various facts and trends reflected within them.

Interaction between Central and South Asian countries in the energy and transit-transport cooperation.

As Balassa states, political motives may prompt the first step in economic integration, but economic integration also reacts on the political sphere. Similarly, if the initial motives are economic, the need for political unity can arise at a later stage. And besides, taking advantage of inter-regional trade potential also necessitates a political decision-making and acting on any multilateral political issue contributes to an economic matter [2]. In other words, regional connectivity encompasses both economic and political issues, wherein political willingness does propagate economic gains as the ultimate goals.

Paraphrasing Balassa, we must regard the economic prosperity and political stability in Central and South Asia, and the re-establishment of Afghanistan as a

natural bridge between these two regions as political goals that would be served by developing regional connectivity between Central and South Asian states.

At the same time achieving the goal of a clear definition of connectivity is the more important because, without it, no meaningful analysis of its impact on transport and the economy of a particular region or regions can be undertaken. Fundamentally, connectivity relates to the ability and ease with which destinations may be reached from potential points of origin and vice versa. It captures how they are linked, both spatially and temporally. The more destinations that can be accessed, the greater the potential to supply transport services between these destinations—and the more frequent the services to the destinations in question, the greater the level of connectivity. However, the value of connectivity is affected by other characteristics, such as the relative importance of the destinations served and the cost of accessing them. It is not straightforward to incorporate all these factors into a single definition [3].

Taking into account the above-mentioned it should be noted that there is significant economic justification for developing regional connectivity between Central and South Asian countries, which possess complementary economic characteristics, wherein their economies do not compete but rather supplement each other. For instance, improving ties with South Asia will enhance access to international markets for energy-rich Central Asia, which lacks access to the sea. These connections will provide energy-thirsty South Asia with access to substantial natural resources in Central Asia while also opening new transit routes to the global market. It is no coincidence that the list of currently

implemented energy infrastructure projects aimed at connecting the two regions instills optimism. These include the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline, with a capacity of 33 billion cubic meters per year. This pipeline is planned to run from the Turkmen Galkynysh gas field through Afghan cities Herat and Kandahar, Pakistani cities Quetta and Multan, to Fazilka in western India. Construction started in the Turkmen section in December 2015, and the Afghan section was laid in February 2018. Organizations such as the Asian Development Bank, European Bank for Reconstruction and Development, Islamic Development Bank, Saudi Development Fund, and others have expressed intentions to participate in financing TAPI. The overall project cost is estimated at \$8-10 billion [4].

Another significant project is the construction of power transmission lines along the Turkmenistan-Afghanistan-Pakistan route. According to Turkmen experts, this project is expected to be launched in approximately two years. Currently, the Turkmen side has completed the route's power transmission from the Mariy State Power Station to the Watan Dam and from the Afghan city of Mazar-i-Sharif to Kabul. The Afghan side plans to finish the work on its section within the next two years.

A notable initiative was the commencement of the Central Asia-South Asia Electricity Transmission Project or CASA 1000, which will transport surplus electricity from hydroelectric power stations in Kyrgyzstan and Tajikistan to Afghanistan and Pakistan over 1270 km [5].

Furthermore, Russia and Pakistan are currently considering the project of

a major gas pipeline called the Pakistan Stream, envisioning the construction of a pipeline with a capacity of 12.4 billion cubic meters per year. This pipeline will facilitate gas deliveries from the southern LNG terminals in Pakistan to the northern region, serving significant industrial consumers [6].

Russia is considering three options as sources of gas for the Pakistan Stream project: 1. Gas supplies through Central Asia from Russia to Kazakhstan, Uzbekistan, Afghanistan, and Pakistan; 2. Constructing a gas pipeline along the shortened route of Iran-Pakistan, for which Russia is prepared to extend necessary support and participation based on existing swap agreements between Russia and Iran; 3. The Russian side has repeatedly noted Russia's participation in the TAPI project as a politically attractive alternative [7].

Considering that Iran and Russia remain under long-term sanction pressure from the USA, the most viable option in the long term is the route for delivering Russian gas through the Central Asian gas pipeline system. Specific agreements can be reached based on this option since the US itself has been seeking to integrate the economies of Central and South Asia for many years.

The agreement signed in February 2021 between Uzbekistan, Afghanistan, and Pakistan for the construction of the Mazar-i-Sharif – Kabul – Peshawar railway is of significant importance. This transportation corridor, known as the Trans-Afghan railway, spanning 573 km, aims to connect the EU, Russia, and Central Asian countries with Afghanistan, Pakistan, India, and Southeast Asian nations. Implementing this \$5 billion project will reduce transportation time for goods, for instance, from Uzbekistan

to Pakistan, from 30-35 days to 10-15 days. Cargo transportation via the new railway can decrease transportation costs between Central Asian countries and Pakistan by 30-35% [8].

Additionally, Uzbekistan and Afghanistan have recently agreed on the reconstruction of the Afghan section of the Hairaton – Naibabad – Mazar-i-Sharif railway, which is expected to be carried out by specialists from Uzbekistan Temir Yullari presumably starting from December 2023.

In turn, South Asia has strong interest in the Central Asian countries since the latter are rich with natural resources. In particular, Central Asia's oil and gas resources are the closest and most economical response to energy-deficient South Asia. In addition, in the second half of the twenty-first century, South Asian countries will need assistance from Tajikistan in accessing freshwater resources, which account for 4 per cent of the world's hydropower resources and 53 per cent of Central Asian resources [9].

It is no coincidence that the two major South Asian countries, India and Pakistan, have consistently pursued policies aimed at connecting with the Central Asian countries, but solely on the basis of their interests.

For instance, geopolitics of transport communications forces India to actively promote with the countries of Central Asia the use of the Iranian port of Chabahar within the international transport corridor «North-South», whereas within the framework of the SCO, India will promote its access to the free trade agreement with the Eurasian Economic Union (EAEU), with a view to reaching a free trade agreement that will directly link the Central Asian member

states of the EAEU with India.

Meanwhile the China-Pakistan Economic Corridor (CPEC), which is considered to be a flagship corridor under Chinese “The Belt and Road Initiative” [10], might be the foremost regional integration initiative not only between China and Pakistan, but with Central Asian states as well. The point is that the CPEC may provide a gateway for Pakistan to enhance its trading relationships with Central Asian states and Gwadar Port will provide the means. Thus, CPEC may benefit Pakistan in terms of transporting the goods from Central Asia more easily and gain competitiveness in regional and global markets.

Enhancing Geopolitical and Economic Connectivity between Central and South Asia.

The convergence of these two regions entails significant geopolitical and economic advantages. Central Asia is surrounded by Russia and China, which dominate the region's imports and exports. Establishing overland corridors through Afghanistan will provide Central Asian countries access to Iran in one direction and to Pakistan, India, and the vast Indo-Pacific region in another. It will also present Central Asia with an alternative to its inefficient and costly routes via China to access the global market and reduce its isolation and dependence on Russia and China.

In turn, regional connections will help revitalize the Afghan economy by integrating Afghanistan into the largest regional market in India. Enhanced infrastructure will allow countries to trade a variety of goods via land routes, which are more cost-effective than existing air routes. The economic ties arising from this new infrastructure will also encourage collaboration between

South and Central Asian countries with Afghanistan, both in the public and private sectors [11].

Pakistan will also benefit from a peaceful Afghanistan. A direct overland route to Central Asia through Afghanistan will provide Pakistan with a more efficient and convenient alternative to its current routes via Iran or China. Through this connection, Pakistan could gain access to new product markets and strengthen ties with Central Asian countries. For instance, Pakistan could establish sustainable export channels for its agricultural produce to the Central Asian countries.

Thus, it involves a geopolitical shift in transport communications that will significantly impact the logistics sector of Central and South Asia and the entire Eurasian continent. The changing dynamics of global economic activity are making a noticeable shift, with the center of gravity moving towards Asia and the Indo-Pacific region. These regions will shape the development of the global economy in the long term.

China, Pakistan, and India are the most active players in this arena. Beijing strongly promotes the creation of a transport corridor from China to the Pakistani port of Gwadar via the China-Pakistan Economic Corridor (CPEC), aiming to achieve several objectives simultaneously: establish a shorter path for its exports to the West, ensure a reliable route for transporting Middle Eastern hydrocarbons to China, and facilitate the development of its western territories.

China is actively involved in creating a direct communication route from Afghanistan to China. On November 29 of this year, China launched the construction of the Wakhan Corridor

in the Afghan Badakhshan province, directly linking the two countries [12]. Shortly, China aims to revive projects in the Mes Aynak Valley, which holds vast copper reserves to the south of Kabul, and oil drilling in northern Afghanistan (under a 2008 agreement between the then Afghan government and the Chinese state-owned enterprise Metallurgical Group Corporation, involving a \$3 billion, 30-year concession that was suspended due to security concerns). Consequently, China has embarked on expanding the CPEC by including Afghanistan, formally initiated after Afghanistan's Minister of Commerce and Industry, Haji Nuruddin Azizi, participated in the Belt and Road Summit in Beijing in October 2023 [13].

Developing Gwadar Port and the Karakoram Highway for Pakistan could become a starting point for directing its goods towards the Eurasian region. The Karakoram Highway already holds significant interregional importance. This route's uniqueness lies in being one of the shortest overland connections linking South Asian countries to Kazakhstan via China and Kyrgyzstan's adjacent territories. The primary destination is Almaty, Kazakhstan's principal financial and economic center. Today, this highway has the capacity to support substantial trade flows from Pakistani seaports in the Indian Ocean to Kazakhstan and other Central Asian countries. According to the most optimistic estimates, the road from Islamabad to Almaty via this route typically takes 6-8 days, significantly shorter than existing alternative routes. Notably, the Karakoram Highway bypasses Afghanistan, considerably enhancing the safety and security of cargo transportation and exchanges.

The Iranian port of Chabahar, not

subject to US sanctions, could serve as a convergence point for India. India's active involvement in this infrastructure project would potentially grant it access to natural resources and markets in Afghanistan and Central Asia. It would also supply goods to Eurasian markets through the North-South route, including its eastern branch through Kazakhstan's territory.

Overall, the new initiatives in regional cooperation within the interaction of South and Central Asian countries represent a rational chance to shield against external economic, political, and ideological influences and competition. Establishing a sustainable land corridor for transit trade between South and Central Asian countries and attracting a substantial flow of international transportation could potentially create conditions for constructing and expanding the Trans-Afghan railway network. This network should provide access to Pakistani seaports - Karachi, Qasim, and Gwadar- and link the South Asian railway system with the Central Asian and Eurasian railway systems. All this would contribute to reviving Afghanistan's historical role as a bridge connecting Europe and Asia via the shortest overland route.

Conclusion

The development of regional connectivity between the economies of Central and South Asia will be a lengthy and intricate process, primarily dependent on the ability of Afghan authorities to ensure long-term peace and security in Afghanistan and its neighboring border areas. To achieve this objective, Kabul must take concrete steps towards building an inclusive society within the country.

Establishing peace and political stability in Afghanistan would signify communication and connectivity stability for Central and South Asian countries. It would enable regional and international institutions to fully engage in enhancing and reconstructing Afghanistan's transit and transportation infrastructure to link the economies of Central and South Asia. Cross-border infrastructure projects and growing relations between Central and South Asian countries have the potential to swiftly revitalize natural trade, economic, and transit transport routes between the two regions.

The primary challenge today lies in translating the concept of connectivity between Central and South Asian countries into practical policies aimed at achieving tangible short-term results. First and foremost, the nations within these two regions should implement comprehensive measures to eliminate both tariff and non-tariff trade barriers, resulting in reduced transportation time and significant cost reductions.

REFERENCES:

1. Clare Nuttall (2021). Conference Call: Afghanistan crucial to rebuilding ties between Central and South Asia. July 16, 2021.
2. Bela Balassa (2008). The Theory of Economic Integration: An Introduction. [Electronic resource] URL: [https://ieie.itam.mx/Alumnos2008/Theory%20of%20Economic%20Integration%20\(Belassa\).pdf](https://ieie.itam.mx/Alumnos2008/Theory%20of%20Economic%20Integration%20(Belassa).pdf).

3. Understanding the theory of international connectivity (2010). [Electronic resource] URL: <https://www.oxera.com/wp-content/uploads/2018/03/Theory-of-international-connectivity.pdf>.
4. To promote the TAPI project, the Turkmen delegation will visit Kabul (2022). [Electronic resource] URL: <https://turkmenportal.com/blog/45053/dlya-prodvizheniya-proekta-tapi-turkenskaya-delegaciya-posetit-kabul>.
5. Central Asia-South Asia electricity transmission project (2023). [Electronic resource] URL: <https://www.nsenergybusiness.com/projects/casa-1000-electricity-transmission/#>.
6. Alifirova E. (2023). Russia and Pakistan conceptually agreed on oil supplies and began a new round of reconfiguration of the Pakistan Stream international gas pipeline. [Electronic resource] URL: <https://neftegaz.ru/news/transport-and-storage/767184-rossiya-i-pakistan-kontseptualno-dogovorilis-o-postavkakh-nefti-i-nachali-novyy-raund-perekonfigurats/>.
7. Russia considers TAPI pipeline idea politically attractive (2022). [Electronic resource] URL: <https://www.ariananews.af/russia-considers-tapi-pipeline-idea-politically-attractive/>.
8. Iftikhar Gilani. High time to reconnect Central and South Asia through Kashmir. 19.07.2022. <https://www.aa.com.tr/en/analysis/analysis-high-time-to-reconnect-central-and-south-asia-through-kashmir/2639919>.
9. Elena Egorycheva, Nataliya Dyuzheva, Andrey Girinskiy, Ekaterina Makarova Korobeinikova. China-Pakistan Economic Corridor (CPEC) as a Flagship of Chinese Belt and Road Initiative // International Journal of Economics and Business Administration, Vol. VIII, Special Issue 1, 2020. pp. 353-363.
10. The Trans-Afghan Railway project has begun (2022). [Electronic resource] URL: <https://www.gazeta.uz/ru/2022/07/20/railway/>.
11. Emily Carl (2021). An Afghanistan at peace could connect South and Central Asia. *New Atlanticist*, May 18, 2021.
12. Hakimi B. (2023). Wakhan Corridor Important for Trade: ACCI. [Electronic resource] URL: <https://tolonews.com/business-186256>.
13. Kulagin V. (2023). The Taliban will take part in the Chinese “Belt and Road” Forum. [Electronic resource] URL: <https://www.vedomosti.ru/politics/articles/2023/10/16/1000737-talibi-primut-uchastie-v-kitaiskom-forume>.