

'Goeconomic Watershed' of South and Central Asia

An aborted project to export oil and natural gas from central Asia to south Asia via Afghanistan, or a trans-Afghan pipeline, is being revived under the present geopolitical conditions. Another initiative to build sustainable transit routes for landlocked central Asian republics to access the Indian Ocean is also under way. India is seen as a strategically important presence in both projects but stability in Afghanistan and Indo-Pak relations might be the caveats in progress.

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The recent efforts to resuscitate the lines of commerce that paved way for the 'harmonious interlocking' of civilisations from south and central Asia have brought Afghanistan into centre stage with renewed focus.

With the advent of globalisation, the US and EU have consistently wrestled each other's 'natural authority' to command monopoly over 'global resources' and the global market. The efforts to maintain a strategic hold over energy resources have been one of the key issues in recent conflicts played over east Europe to the South-Central Asian Region (SCAR) encompassing Afghanistan.

Afghanistan's location has served as a crossroad to the historic routes for the traders and their caravans moving along the northern Himalayas and forming the major part of trans-Asiatic trade route, popular as Silk Road. The stringy routes ran north-west from Bukhara to further inner Asiatic trade entrepôts, viz, Merv, Khiva and Ugrech, while another route downstream, from Kabul-Attock-Taxila ran further south into the Indian heartland. The globalisation of the ancient period could boast of better moorings of international trade, such that Indian business communities were interspersed into numerous cities of inner Asia and influenced supplies to and from the Indian subcontinent. Recent political advances of state building, notwithstanding its weaknesses under countryside warlordism has helped Afghanistan in being viewed as a possible goeconomic

watershed feeding south and the central Asian commerce.

The idea of exporting oil and natural gas from central Asia had incipient beginnings in collapse of the USSR. American oil company Unocal led the initiative for exploring the economic opportunities all along the Caspian Sea and central Asian region. But finding that Russia and Eastern Europe already had competent sales structures in relation to the western hemisphere, serious thinking promoted the idea of binding the central Asian reserves with the south Asian market. The consortium 'Centgas' together with Delta Oil from Saudi Arabia, two Japanese firms and one Korean firm framed a project in 1996 (year of Taliban's advent) to lay a gas pipeline emerging from Daulatabad Gasfields in Turkmenistan. The lines were to be extended, in the first phase, to Pakistan through Afghanistan, then further towards India, in the second phase.

The important decision left by the then planners was whether the lines should be taken to Gawadar seaport in Pakistan for the export of liquefied gas to the far eastern market, which needed further investment for construction or whether conditions should be encouraged for a perennial supply to India, the natural option with its never exhausting demand at current growth rates. But, the uncertainties in Afghanistan deterred any decision on the issue. Indian involvement in the project has been subject to Indo-Pak relations on the Kashmir issue; besides, Indian effort has been to encourage the pipeline emerging from Iran or the Gulf coast through sea route, bypassing Pakistan's maritime

boundary. The advantage sighted is that even if India and Pakistan agree to this formula, the spatial hierarchy of suppliers is bound to inflate goeconomic uncertainties, unlike the sea route between the producer and the consumer.

Owing to the landmark shift in the US and the rest of the world's focus on Afghanistan after September 11 and its aftermath, there has also been a dramatic shift in Pakistan's perception of Afghanistan. So far, statehood in Afghanistan under US sponsorship has indulged in only positive overtures from Pakistan which has reopened the options, earlier considered as ill advice. An intra-governmental agreement signed by General Musharraf, Turkmen president Niyazov and head of the transitional government Karzai at Islamabad reiterates the interest of concerning parties to relay the Ashkhabad Protocol for implementing Trans-Afghan Gas Pipeline (TAGP) Project. The positive aspect of the new situation is the involvement of Asian Development Bank (ADB) and the World Bank in the project, rather than a sole corporate initiative, which strengthens the global credibility of the project in a geopolitically sensitive region.

According to an ADB report, currently there are two viable alternatives for routing gas transportation: (a) Daulatabad-Herat-Sokhab-Kandhar (in Afghanistan) – Chaman-Bostan-Dera Gazikhan-Multan-Haveli-Fazilka (in Pakistan), and (b) Daulatabad-Shebergan-Mazar-e-Sharif-Pol-e-Khumri-Kabul-Jalabad (in Afghanistan) – Peshawar-Rawalpindi-Lahore (in Pakistan). Given the terrain and geologistics of the region, the circumnavigation of the pipeline route along southern and eastern Afghanistan is a natural choice. The diminishing mountain ranges from Herat to Kandhar not only reduce the laying costs, but also significantly lower the operation and maintenance (O and M) costs with gradual declination available throughout the route. Another benefit is that of possible linkages of oil and gas combines emanating from Iran that may finally find their way to meet energy demands of the subcontinent.

Afghanistan's political situation is a major caveat to the viability of this project as a significant portion of the pipeline passes through its territory. However, owing to commitments made to the Afghan people, Karzai seems willing enough to promote development in Afghanistan, whose generations have passed without seeing its benefits.

Trans-Afghan Rail Road (TARR) Routes

Central Asian Republics (CARs) have been major proponents of the idea of building sustainable transit routes for their landlocked economies to the warm waters of the Indian Ocean, through Afghanistan. The Trans-Afghan Road Development (TARD) Project is a modest beginning under the ADB aegis to facilitate a suitable transit route from Tashkent to Chahbahar port on the Gulf Coast of Iran. The Afghan sector of this route remains a geopolitical fixture in the steady progress of the project. Uzbekistan's initiative has been accorded with positive response from former warlords across the border; General Dostum took a look at the part of the road, along with the ADB team, that runs from Termej to Majar-e-Sharif and further southwards to Shebergan and Andhoy. ADB has already released the equivalent of US \$ 150 million for the reconstruction of the sections that have deteriorated the most – those between Phul Khumri- Majar Sharif and between Shebergan and Andhoy.

The second stage of development seeks to broaden economic opportunities not only

for countries whose terrain is involved, but also for the regional partners in the vicinity. Indian involvement is seen as strategically important and economically facilitating for the project and the region as a whole. The recent visit by external affairs minister Yashwant Sinha who was on a three-day tour to Uzbekistan clearly underlines Indian interest in the region. While articulating the need for strengthening Trans-Asiatic Corridors for Central Asian States (CAS), Sinha also cajoled the parties to agree upon the inclusion of a rail link that broadens the market base for larger commodities. This will not only enhance economies of scale for the transport sector, so vital for landlocked economies, but also encourage the creation of infrastructural facilities in Afghanistan's remote areas, which have hardly ever witnessed the role of 'civilising rails'. India is already involved in the Zaranj-Delaran sector of the proposed transport corridor in Afghanistan. The patchy progress made in the region is a testimony to the fact that all the three states of Iran, Uzbekistan and India still need to confirm that the current regime in Afghanistan has a long-term view that is in consonance with them.

There have been counterpart moves from Pakistan. Pakistan has been hardpressed to approach Tajikistan for the need to establish a road link between the two countries across the Wakhan Corridor. This 35-kilometre trespass would be built between the Ishkhamun Valley in Pakistan and the Wakhan Corridor in Afghanistan. Selection of the route suggests Pakistan's preference for maintaining a stable and commanding distance from Panjshir valley and the traditional strongholds of the Northern Alliance that have been critical of Pakistan's role in terms of the Taliban in the past. Uzbekistan also wants to stabilise its access route by proposing a possible route culminating at Karachi allaying thereby, Pakistan's suspicion that Uzbekistan is an accomplice to any sort of 'encirclement'. This checkerboard situation has led India and Pakistan to often leap over each other's ring fence, but insofar as the CARs are concerned, serious deal needs to be made to end this 'gaming'. Geoeconomic realities seem to weigh far more than the geopolitical ingenuities propped up in the region. Hence, time has once again reimposed a historic continuum upon Afghanistan in a never before win-win situation. **EPW**