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PAKISTAN'S RELATIONS WITH THE CENTRAL ASIAN REPUBLICS : PROBLEMS AND PROSPECTS

Pakistan was among the first countries of the world to accord recognition to the Central Asian Republics (CARs) following their independence in the wake of disintegration of the Soviet Union in 1991. Making an announcement to that effect, Pakistan's Foreign Secretary Mr. Akram Zaki, while underlining Pakistan's historical and cultural ties with these states, said that Pakistan's recognition of CARs would open new vistas of fruitful bilateral cooperation and cordial relations with them.¹ A few days before Mr. Akram Zaki's announcement, a high powered delegation led by the then Minister of State for Economic Affairs, Sardar Aseff Ahmad Ali had concluded its visit (November 24 to December 15, 1991) to Russia and the Central Asian states, viz., Uzbekistan, Tajikistan, Kirghizstan, Turkmenistan, Kazakhstan and Azerbaijan. The purpose of the visit, as Mr. Zaki said, was to set up bilateral contact with these states.² The visit has been followed by a number of other high level contacts between Pakistan and the CARs which included a meeting between Pakistan's Prime Minister, Mr. Nawaz Sharif and President of Uzbekistan, Mr. Islam Karimov in Davos (Switzerland) in early February 1992; President Nursultan of Kazakhstan's visit to Pakistan (February 22-24, 1992); a Tajik delegation's

1. These states were Kazakhstan, Uzbekistan, Kirghizstan, Tajikistan and Turkmenistan. The recognition to Azerbaijan had been accorded earlier. See, *The News*, December 21, 1991.

2. *Ibid.*

7-day visit to Pakistan (April 1992); Prime Minister Nawaz Sharif's visit to Uzbekistan and Turkmenistan (June 1992) and his participation in Ashakabad Summit (May 10, 1992); Kazakhstan President Nursultan Nazarbayev's brief stop over in Islamabad (July 23, 1993) and President of Uzbekistan Mr. Islam Karimov's visit to Pakistan (August 1993). In addition to these contacts between political leadership of Pakistan and CARs, visits of trade, commercial and cultural delegations have also been exchanged between the two sides resulting in the signing of a number of agreements on trade, commercial and cultural cooperation.

Despite these endeavors there has not been much growth in relationships between Pakistan and CARs during the last three years. In this regard a number of factors such as lack of geographical contiguity, continuing fighting in Afghanistan and economic interdependence of the CIS states are mentioned as impediments and hurdles.³ The purpose of this article is to review Pakistan-CARs economic and trade relations and to identify and discuss the impediments with a view to suggesting ways and means in which Pakistan-CARs relations can be further improved and expanded.

CENTRAL ASIA : A BRIEF DESCRIPTION

Central Asia is considered to be one of the world's oldest inhabited areas and a home to an ancient and highly developed civilization.⁴ The Russian conquest of this region took place in 1865 following an assault on Tashkent, resulting in the seizure by Czarist soldiers of the first large town in Central Asia.⁵ After the Socialist Revolution of October 1917, Central Asia became a part of the Soviet Union. With the disintegration of the Soviet Union in 1991, the CARs declared their independence and a new chapter opened in the history of the region.

3. Dietrich Reetz, "Pakistan and the Central Asia: The Race for Regional Security and Development", *Journal of South Asian and the Middle Eastern Studies*, Vol. XVII, No. I, Fall 1993, pp. 48-54.

4. I. George Mirsky, "Central Asia's Emergence", *Current History*, October 1992, pp. 334-338.

5. Edward Allworth (ed.), *Central Asia: A Century of Russian Rule*, (Columbia University Press, 1967), pp. 1,2.

Under the Soviet rule, Central Asia became what has been called "Soviet Third World, backward and exploited, lagging behind the industrial centre in economic and social development".⁶ Communist rule was superimposed on traditional social structures that were sometimes called feudal though there has never been true feudalism in Central Asia.

Although during the Soviet rule religion was discouraged and communist indoctrination in the name of modernization was carried out, the people of Central Asia never accepted the Soviet rule as legitimate. Their traditional patterns of belief, life styles, behavior and attitudes toward work successfully resisted the Soviet style of modernization. Contrary to the ideals of communism as enunciated by Marx and Lenin, people in Central Asia maintained their separate identity on the basis of religion (Islam). In the words of Central Asian scholar Boris Rumer, clan and tribal consciousness "not only survived but (became) even stronger in the Soviet era... A majority of the national cadres remained loyal to their clan and tribe".⁷

With independence there has been, no doubt, an inevitable religious revival accompanied by another equally powerful trend, the rise of ethnicism. While the revival of Islam in Central Asia is probably unprecedented, ethnic nationalism is also emerging as a powerful factor in the struggle for power that is raging in various parts of Central Asia. This is largely the result of organization of Central Asian nations along ethnic and linguistic lines during the Soviet rule. Ethnicity was given a tremendous boost by the Soviet regime; ethnic identity was enshrined as nationality and areas that had been bilingual and multi-ethnic were split into separate nation-states. As a result, the situation in Central Asia is unique, since people look for and assert their identity in terms of both ethnicity and religion.⁸

6. Mirsky, *op.cit.* p. 334.

7. Boris Z. Rumer, *Soviet Central Asia: A Tragic Experiment* (Boston: Unwin Hyman, 1989) p. 148, cited in Mirsky, *ibid.* p. 334.

8. *Ibid.*, p. 336.

In Pakistan, while due recognition was accorded to Islam as one of the main dynamics of political change in central Asia, no effort was made to study the implications of ethnic factor in Central Asian politics. Following is a socio-economic profile of Central Asia as given in a report by the Government of Pakistan.⁹

A Socio-economic Profile of the CARs

During the long Soviet rule in Central Asia, boastful claims were made by Moscow regarding the social and economic development in the region. Notable advances were claimed to have been made in industry, agriculture, development of natural resources such as oil, gas, coal and other minerals, and hydel power generation. In mid-1960s, a Soviet study claimed that Kazakhstan had become a major industrial republic, ranking third among the other Soviet republics in terms of the volume of industrial output.¹⁰ "Kazakhstan", it was stated, "gives the Soviet Union 75 per cent of its lead and, 40 percent of its Zinc and 40 per cent of its Copper".¹¹ "Like in the other Central Asian republics, the level of industrial output", it was claimed, "is much higher than in many European states, let alone countries like Pakistan, Turkey and Iran with which it was once on the same rung of development. In 1960, for example, it surpassed Turkey in the output of steel, electricity and coal by 30 per cent, 300 per cent and 400 per cent respectively, and Pakistan 23 times, 11 times and 50 times respectively."¹² Similar claims were made regarding development in Uzbekistan, Tajikistan, Turkmenia and Kirghizia.¹³

9. Government of Pakistan (GOP), Economic Affairs Division, *Economic Report on the Visit of Pakistan's Delegation to Central Asian Republics (Nov. 24 to Dec. 15, 1991)*. (Islamabad, 1992), p. 5.

10. Kh. Inoyatov, *Central Asia and Kazakhstan Before and After the October Revolution*. (Moscow: Progress Publishers, 1966) pp.198, 109.

11. *Ibid.*

12. *Ibid.*

13. *Ibid.*

However, these statistical figures could be dismissed as part of Soviet ideological propaganda under the bipolar world political order.¹⁴ Instead, most accounts of the post-Soviet economies of Central Asia conclude that the Soviet economic system in the region followed basic imperialist logic. Under the Soviet rule, CARs were primarily the suppliers of raw materials for processing in the factories located in the European and Western Siberian parts of the Soviet Union. Kazakhstan took the lead in providing Moscow various ferrous and non-ferrous metals; much of the rest of the Central Asian economy was dedicated to the supply of cotton. In Uzbekistan where over four million tons of cotton was produced annually only 7% was actually processed within the republic and the rest was sent to the European parts of the Soviet Union, where there was a degree of industrialization such as in the northern regions of Kazakhstan and in the region around Tashkent. The technocratic personnel were, however, predominantly European or Slav. The indigenous Kazakh or Uzbek populations preferred to remain in the countryside and were not attracted to the alien Slav industrial and urban environment.

Since the Central Asian economy had been an integral part of the command economy of the Soviet Union, the region heavily depended upon inter-republic trade. The infrastructure of the region, whether in communication or energy links, reflected this high level of inter-republican trade dependence. Access to other potential markets, such as China or the Middle East, was practically non-existent owing to the lack of roads, railways and pipelines.¹⁵

The Central Asian economy during the Soviet rule also suffered from heavy dependence on the Union subsidies, ecological disasters, inefficiency and waste of resources. All these accumulated trade dependencies, inefficiencies and ecological problems were inherited by the newly independent states of Central Asia.

14. Pervaiz Iqbal Khan Tareen, "Central Asia: Myth and Reality". *Central Asia*, [Area Study Center, University of Peshawar] Vol. 33, Winter, 1993, p. 5.

15. See, Roland and Dannreuther, "Creating New States in Central Asia", *Adelphi Paper 288* [London], 1994, pp. 19-20.

However, the Central Asian region has one vital economic advantage - a rich natural resource base. For example, Uzbekistan which is basically an agricultural country producing 65% of former Soviet Union's cotton is also rich in minerals. In addition to oil, coal and copper Uzbekistan produces 40 tonnes of gold per annum. It has the potential of producing 70 tonnes of gold per annum which is one third of total production of gold of the former Soviet Union.

Tajikistan is not only self-sufficient in electricity but produces electricity which is available for export. Kazakhstan is rich in mineral resources such as coal, oil, copper, lead, zinc, nickel, chrome and strategic minerals such as uranium, zirconium etc. Kazakhstan has also big deposits of manganese, copper and bauxite. Turkmenistan is rich in mineral resources and has 60.1 billion cubic metres of gas and 5.2 million tonnes of oil reserves.¹⁶

The Soviets paid special attention to the development of infrastructure in the Central Asian region. This was done to facilitate inter-republican trade, as pointed out earlier. According to a report issued by the Government of Pakistan on the visit of an official delegation to the Central Asian Republics (November 21-December 15, 1991) the social and physical infrastructure in almost all the republics is well established.¹⁷ They have a good communication system. There is good network of rails and roads. For example, Tashkent, the capital of Uzbekistan has air connection with all other republics and other cities of Uzbekistan. Kirghizstan has a good physical infrastructure of roads, railways and public transport system as also does Kazakhstan. The social infrastructure of the republic is characterized by a high percentage of literacy and presence of the institutions of learning and health care. In Turkmenistan, the physical infrastructure, as in other republics, is well established. In addition to Primary and Secondary schools and Technical College, there is an Academy

16. See, GOP, *op.cit.*

17. *Ibid.*

of Sciences and a University. Turkmenistan also has an Institute of Desert Studies. Almost all the republics have more than 90% literacy rate.¹⁸

Despite the fact that the Central Asian Republics, especially Kazakhstan, Uzbekistan and Turkmenistan are bestowed with rich natural resource base, economic independence will remain a daunting task unless foreign investment and capital pour into these states to develop those resources and to create infrastructure required for supplying the world markets. The existing infrastructure in the region caters to the needs of inter-republican trade only.

Another area where immediate steps are required is that of economic reforms. Since the Central Asian and overall Soviet economy formed an integrated whole, the economic crises in Russia is having an adverse impact on the economics of CARs. For example, Kazakhstan is facing a yearly inflation rate of 2,270%. According to the Chairman of Central Bank of Kazakhstan last year the gross domestic product of the republic dropped by 13%.¹⁹ Similarly, Kirghizstan is struggling to contain the galloping inflation caused by fall in national industrial output reported 28% in the first seven months of 1993.²⁰ Although Kirghizstan introduced her own currency (som) in May 1993 replacing Russian rouble, little confidence in the new currency is being shown by the businessmen and bankers.

To put the socio-economic profile of the CARs in perspective, it should be mentioned that there is a general lack of authentic socio-economic data on the CARs. The main reason for this was the centralized economy in the communist set-up which was controlled from Moscow.²¹

PAKISTAN APPROACHES CENTRAL ASIA

Pakistan's approach to CARs has been guided by mainly three factors. Firstly, her Muslim identity and centuries old cultural, spiritual and traditional links played an important role. This factor is being particularly

18. *Ibid.*

19. *Facts on File*, Vol. 54, No. 2777, February 17, 1994, p. 108.

20. *Facts on File*, Vol. 53, No. 2759, October 14, 1993, p. 781.

21. See, GOP, *op.cit.*

emphasized in view of the fact that Islam came to the Subcontinent through Central Asia and a close interaction in trade, travel and cultural exchanges existed between the two regions until severed by the conquest of Central Asia by Czarist Russia in the 1860s.

Secondly, Pakistan has attempted to exploit her geographical location between the regions of West Asia and South Asia. The ports of Karachi and (lately) Gwadar on the Arabian Sea are offered as the nearest outlet for CARs to reach markets in South Asia, Southeast Asia and Africa. A number of rail-road projects are under consideration to link Central Asia with the outside world through Pakistani ports.

Thirdly, Pakistan believes that she can gain a foothold in Central Asia through her experienced and energetic entrepreneurial class and business community. A number of Pakistani firms were already engaged in business with Central Asian Republics during Soviet rule. During the long years of Afghanistan resistance, Pakistani business community was able to set up business and trading centres in Afghanistan. The Pakistani business community is virtually obsessed with ambition to extend their activities to Central Asia.

Pakistan has approached Central Asia through bilateral as well as multilateral frameworks. A number of bilateral agreements on trade, joint ventures, economic cooperation, cultural exchange, scientific and technical assistance have been signed between Pakistan and Central Asian Republics during the last three years. Although Pakistan shares with Central Asian Republics the membership of UN, NAM and OIC, it is the recently expanded Economic Cooperation Organization (ECO) which is being emphasized as the most useful and prospective multilateral framework for promoting cooperation between the two sides.

The first major initiative taken by Pakistan was to send an economic delegation led by the Minister of State for Economic Affairs Sardar Aseff Ahmad Ali to Russia and the Central Asian States of Uzbekistan, Tajikistan Kirghizstan, Turkmenistan, Kazakhstan and Azerbaijan in November 1991 on a more than three weeks tour. It was a composite delegation consisting

of officials of the Government of Pakistan, scholars and educationists, management experts, journalists and businessmen representing various economic and commercial sectors.

The delegation met and held talks with the state and government leaders of Russia and CARs on matters of mutual interest with a view to exploring new avenues of cooperation in such areas as trade, investment, cultural exchanges and other fields. As a result of this visit, Pakistan was able to reach agreements on trade and economic cooperation with these states. For example, with Uzbekistan, the following agreements were reached : an agreement with the ministry of higher education of Uzbekistan for close collaboration in the field of education and for exchange of students and scholars; agreement in principle for the construction of a Five Star hotel in Tashkent with Pakistan's expertise and private sector financing; and an agreement in principle for examining the possibilities of opening branches of Pakistani banks in Uzbekistan.

Similarly Pakistan and Tajikistan signed a comprehensive Memorandum of Understanding (MOU) for bilateral cooperation in the fields of economy, trade, science, technology, education, sports, culture and tourism. In Kirghizstan, the Pakistani delegation signed with the officials of Kirghizstan a joint declaration on the principles of main areas of cooperation between the two countries. It covered trade and economic cooperation, scientific and technical cooperation, cultural and humanitarian cooperation and agreement on establishing consular missions. Both sides also agreed to establish a Joint Working Group to work out concrete proposals for bilateral cooperation.

During Pakistan delegation's visit to Kazakhstan, the President of Kazakhstan suggested construction of a grand north-south railway linking the Central Asian states with Pakistan up to Pasni on the Arabian Sea through Afghanistan. This would enable them to handle their bulk exports to Africa, Middle East, Southeast Asia and other countries. This project which is likely to cost US\$ 5 to 6 billion over a period of 8 to 10 years, will be implemented by the Central Asian states, Afghanistan, Pakistan and

Russia. The Russian Federation's interest in the project stems from its desire to open up a route from Siberia to the warm waters of the Arabian Sea and the Indian Ocean. The President of Kazakhstan has formed a working group for this project and the group, among others, includes Pakistan's Minister of State for Economic Affairs. In Turkmenistan, the Pakistani delegation was told that the country had 25 billion cubic metres of natural gas. The officials of Turkmenistan expressed the desire for the establishment of joint ventures for the supply of gas to Pakistan through Afghanistan. They were keen because Pakistan was the only valuable market for Turkmenistan gas.

Pakistan has also concluded during the last three years a number of bilateral agreements with the CARs to promote economic cooperation and trade ties. For example, in May, 1992 during the visit of a delegation from Kazakhstan to Pakistan led by the First Deputy Minister for Foreign Economic Relations, Mr. Taizhanov Bolathan Kolzhanviev, the terms and conditions of a \$ 10 million export credit to Kazakhstan were finalized.²² In June 1992 it was announced that the Allied Bank of Pakistan (Ltd) would invest \$ 500,000 in Uzbekistan and Tajikistan. It was the first ever venture of its kind with a foreign bank either in Uzbekistan or Tajikistan.²³ In July 1992 three agreements, a declaration and a protocol were signed between the Governments of Pakistan and Tajikistan pertaining to culture, sports and tourism, trade and economic ventures, scientific and technical cooperation.²⁴

In the same month Pakistan and Uzbekistan signed a memorandum of understanding according to which satellite communication system was to be established between Islamabad and Tashkent by August 1992. The system was also to include facsimile services and semi-automatic telephone facilities. The memorandum signed by Uzbek Minister for Railways, Rustam Yunus and Pakistan's Communication Secretary, Salman Farooqi

22. *The News*, May 20, 1992.

23. *The News*, June 9, 1992.

24. *The News*, July 2, 1992

in Tashkent on July 8, also provided for construction of highways, joint production of telecommunication equipment in Uzbekistan, production of passenger railway carriages for Central Asian Railways in Pakistan and cooperation in a number of other fields. Both sides also decided to investigate the possibilities of having the city of Karachi as a transit point of Uzbekistan.²⁵

In November 1992, Pakistan concluded further trade and economic cooperation agreements with Kazakhstan, Uzbekistan and Tajikistan to boost trade relations with them. Pakistan's Minister for Commerce, Malik Naeem Khan, told the Senate on November 18, 1992 that Pakistan was planning to conclude trade agreements with all the six countries of Central Asia and trade offices were being opened at Tashkent and Alma Ata.²⁶ Earlier in October, two delegations of Pakistani businessmen and industrialists visited Central Asian states. One was from the Businessmen's Forum while the other was that of the Federation of the Pakistan Chambers of Commerce and Industry. A team of bankers led by Governor State Bank of Pakistan also visited Uzbekistan and set up a branch of National Bank of Pakistan in Tashkent.²⁷

In May 1993, a seven-member delegation of Uzbekistan visited Pakistan. The leader of the delegation, Mr. Kassymov, expressed satisfaction over the level of economic cooperation between Pakistan and Uzbekistan saying that the exchange of trade delegations between the two countries had become a routine of every month.²⁸ In July 1993, during Kazakhstan President Mr. Nursultan Nazarbayov's brief visit to Pakistan the question of establishing links between the two countries, particularly through Karakoram Highway was discussed.²⁹ Earlier in the same month,

25. *The News*, July 11, 1992.

26. *The News*, November 19, 1992.

27. *The News*, November 28, 1992.

28. *The Frontier Post*, May 7, 1993.

29. *The Frontier Post*, July 29, 1993.

Pakistan's Heavy Mechanical Complex (HMC), Taxila, a unit of State Engineering Corporation (SEC) under the Ministry of Production had concluded on agreement with Kazakhstan to supply a dry-process cement plant with a capacity of 1000 tonnes per day extendable up to 2000 tonnes. This deal was finalized during a visit of Pakistan delegation to Kazakhstan in April 1993.³⁰

In January 1994, Pakistan's Foreign Minister Sardar Aseff Ahmad Ali paid an 8-day visit to the CARs. While talking to newsmen before his departure, Sardar Aseff Ahmad Ali said, "We have to see what obstacles were in the way of implementation of the agreements with Central Asia. The stress during the tour will be to promote trade, communication links and exchange of people in the region."³¹

The above account of economic and trade relations between Pakistan and CARs is quite encouraging, but these relationships do not reflect full potential and possibilities of economic cooperation between the two sides. According to the Foreign Minister, credit facilities and technical assistance were the only fields where there had been some success in cooperation between Pakistan and Central Asian Republics.³² With regard to implementation of many of the agreements with the CARs, Sardar Aseff Ahmad Ali argued that the Government of Pakistan failed to fulfil commitment under these agreements.³³ Some of the projects are not cost-effective as well. An example was the project which the last government had launched to purchase electric power from Tajikistan for the national grid. The project has been abandoned, because, as Sardar Aseff Ali said, it was not workable. He said that the Government's view was that the investment to purchase power should rather be directed to generate electricity

30. *The Frontier Post*, May 3, 1993.

31. *The Frontier Post*, January 8, 1994.

32. *Ibid.*

33. *The Frontier Post*, April 7, 1993.

within the country.³⁴ There are indeed some serious impediments in the way of deeper relations between the two sides. In the following section these impediments are identified and briefly discussed.

IMPEDIMENTS TO PAK-CARs COOPERATION

Fighting in Afghanistan

"Khyber Pass", said Pakistan Foreign Minister Sardar Aseff Ahmad Ali on one occasion, "was the only shortest way for Pakistan to approach Central Asian States and peace in Afghanistan was the key factor for enhancing trade with those countries by Pakistan".³⁵ This statement highlights the importance of Afghanistan for Pakistan's relations with CARs. Unfortunately, even after the departure of (former) Soviet forces from that country and replacement of Najib Government by the regime of Mujahideen, peace has not returned to Afghanistan. The continuing fighting in Afghanistan poses greatest challenge to Pakistan's endeavors to forge trade and economic cooperation relations with CARs. On another occasion this fact was again emphasized by Sardar Aseff Ahmad Ali when he said: "The incessant fighting in Afghanistan was a major hurdle in the way of strengthening trade relations with CARs."³⁶

34. *The Frontier Post*, January 8, 1994. Strong opposition was expressed in the NWFP Assembly to the proposed purchase of electricity from Tajikistan. In a rare consensus members belonging to both Treasury and Opposition had condemned what they called "unilateral" decision of the Federal Government, terming it as a "conspiracy" against NWFP. The decision to purchase electricity from Tajikistan was opposed by the NWFP on the ground that the proposed plan of the Federal Government would cost Rs. 43 billion against which the country will get only 1000 megawatts of electricity. If the same amount was utilized on 21 schemes in the province, it would produce 4691 megawatts of electricity, it was argued. The electricity from Tajikistan, it was pointed out, would cost more than Rs. 2 per kilowatt per hour whereas electricity supplied to the consumers by the 21 schemes would cost less than Re. 1 per kilowatt per hour. See, *The Frontier Post*, February 2, 1993.

35. *The Frontier Post*, December 1, 1992.

36. *The News*, August 30, 1992.

In Pakistan's perception, the negative attitude of some of the Afghan leaders towards the settlement of Afghanistan issue was the major obstacle in expansion and improvement of the of Pak-CARs relations.³⁷ Recognizing that peace was an essential condition for contacts with CARs, Pakistan made earnest efforts for reconciliation among the Afghan Mujahideen who had fallen out with each other after the resignation of President Najibullah in April 1992. But all these efforts have failed and factional fighting is still continuing in Afghanistan. Although civil war in Afghanistan is the product of largely internal factors, Pakistan is held partly responsible for this strife because of close links that existed in the past between Hizbe-Islami of Gulbadin Hekmatyar and the former President and CMLA, General Zia and his intelligence agencies particularly ISI. Jamaat-i-Islami which was the main spokesman of Zia's Afghan policy still supports Gulbadin Hekmatyar in his struggle against the present Afghan Government of Majahideen. General Zia, the ISI and Jamaat-i-islami had also similar perception of Afghan problem and its link with Central Asia. For example, at the height of Afghan war in 1985, General Zia in an interview with CNN said, "... the Soviets intervened (in Afghanistan) to protect their soft underbelly from the resurgence of Islam that was going on in Iran and Pakistan".³⁸ Explaining further he said, "despite a lot of restrictions the spirit of Islam is kindling in several states of the Soviet Union. It will continue to kindle ..."³⁹

The Amir of Jamaat-i-Islami, Qazi Hussain Ahmad called on Pakistan to help form an Islamic Government in Afghanistan to establish close links between Pakistan and CARs. He said, "... it was a golden opportunity for Pakistan to help form an Islamic Government in Afghanistan so that the doors to the Central Asia of the former Soviet Union open for Pakistan and at the same time Indian dominance in the region (can) be checked"⁴⁰ He

37. *The Nation*, January 14, 1992.

38. *Dawn*, October 29, 1985.

39. *Ibid.*

40. *The News*, April 21, 1992. For II perception of Afghan problem, see Rashid Ahmad Khan, "Jamaat-i-Islami and Afghanistan Problem", *The Frontier Post*, May 19, 1992.

further said that if at the critical time "Pakistan does not adopt an independent policy on Afghanistan, the 13-year struggle of the Afghan Mujahideen will go waste which will be a national crime and will not be forgiven".⁴¹ The former chief of ISI, General Hamid Gul also in a similar vein said: "A time would come when Afghan Mujahideen would carry the fight against communism into Soviet Central Asia".⁴² Although both the former government of IJI and PDA-led Government of Benazir Bhutto disowned this perception of Afghan problem and its link with Central Asia, the hangover from the past persists acting as a serious constraint on Pakistan's ability to establish contacts with CARs.⁴³

Structural Problems

Another hurdle in the way of trade and economic relations between Pakistan and CARs, is the absence of infrastructural linkages between the two sides. The existing infrastructure of all these states tie them to Russia. For example, Kazakhstan refines oil from Russia in its western region while producing oil for the Russian refineries in the east. In two years, its production and refining facilities will be joined by a pipe-line, but even then Kazakh oil will have to use Russian pipelines to reach outside the world.⁴⁴ Pakistan and CARs have, within bilateral framework and from the platform of recently expanded ECO, agreed to take measures for the construction of a rail road system that would connect these states with each other for the expansion of trade and economic cooperation. A number of them envisage the use of Pakistani ports of Gwadar and Pasni as outlets for CARs to trade

41. *Ibid.*

42. Quoted in Kaleem Omar, "Of Lists, Asif Nawaz and Ch. Nisar", *The News*, June 18, 1994.

43. During a session of World Economic Forum at Davos in early 1994, President of Uzbekistan Mr. Islam Karimov expressed serious concern at the danger of Islamic fundamentalism and continuing fighting in Afghanistan. Echoing the fears of most Central Asian leaders, he said: "We do not know where the situation (in Afghanistan) will lead to as no communication links can be established unless the civil war ends there". The situation in Afghanistan has been created to spread the hot bed (of fundamentalism into Uzbekistan), he alleged. See Arif Nizami, "Central Asia - an interactive session", *Nation*, February 10, 1994.

44. See, "The trouble with C. Asian states", *The News*, April 9, 1994.

with Middle East, Africa and Southeast Asia. For this purpose, as a study points out, it is essential for Pakistan to construct a motor-way, especially the Indus highway spanning Lahore, Islamabad, Peshawar-Gwadar-Rateodaro section and develop Gwadar into a deep sea-port for international trade and commerce.⁴⁵

There is another challenge to Pakistan's endeavors for closer links with CARs. A number of countries with far superior economic, technological and financial resources have jumped into Central Asia in order to capture market and get an access to the resources of the region. These countries include the United States, China, Japan, Saudi Arabia and other Gulf states, Iran, Turkey, India and of course, Russia with whom CARs still maintain close economic and security links.⁴⁶ It should be noted that Uzbekistan has decided to join NATO's partnership for peace scheme⁴⁷ and Tazikistan has been reported to have supported India on Kashmir.⁴⁸

The United States and Kazakhstan signed a Nuclear Dismantlement Pact in December, 1993 under which the United States will provide Kazakhstan \$84 million to carry out the dismantling activities. During US Vice-President Gore's visit to Kazakhstan, the two countries reached agreement on a bilateral investment treaty, designed to encourage and protect bilateral investment and a Central Asia Enterprise Fund was established to speed up private sector investment and enhance overall business activities in the region. The Central Asia Enterprise Fund is similar to existing US enterprise fund programmes in Russia and Eastern Europe, and is in addition to other US Government aid programmes in the region including \$2,500 million bilateral support package for the new independent states of the former Soviet Union.⁴⁹ The US Commerce Department organized in May, 1994 an investment conference on Central Asia participated by high US officials and cabinet level leaders from Kazakhstan, Kyrgyz Republic,

45. *The Frontier Post*, June 7, 1993.

46. During his address to the World Economic Forum session at Devos, Uzbekistan's President Islam Karimov said, "We do not believe in any regional system which will isolate us from Europe or the rest of the World, in fact we give preference to Russia and Turkey". Arif Nizami, *op.cit.*

47. *The News*, June 7, 1994.

48. *The News*, June 8, 1994.

49. USIS, *News Release* (Lahore), December, 1993.

Uzbekistan, Tajikistan and Turkmenistan. According to Ruth Harkin, President of the Overseas Private Investment Corporation (OPIC), more than 60 US companies are already working in Kazakhstan alone.⁵⁰

CONCLUSION

There is no doubt that vast opportunities exist for trade and economic cooperation relations between Pakistan and CARs which are linked together by common faith, cultural similarities and spiritual bonds. Pakistan has taken some important initiatives both at bilateral and multilateral levels to avail herself of these opportunities and has concluded a number of agreements to promote trade and economic cooperation with these states. However, most of these agreements have remained un-implemented and no substantial progress has been achieved in this regard either bilaterally or through recently expanded ECO. A major reason for the slow progress in Pakistan-CARs relations is the on-going fighting in Afghanistan which the CARs view as a destabilizing factor and security threat to their national unity and territorial integrity. There is also a discernible gap in perceptions of Pakistan and CARs on the role of religion and extra-regional powers in the process of development and arrangements for regional security in Central Asia. It is for this reason that CARs have shown interest in developing relations with countries like USA, China, Israel and India. The border security of CARs is still maintained by the Russian soldiers. This shows the dependence of CARs on Russia for security reasons. The failure of Pakistan to arrange peace settlement in Afghanistan is proving to be the greatest obstacle in the way of relations between Pakistan and CARs.

The trade and economic cooperation relations with CARs as desired by Pakistan will, therefore, have to wait for the establishment of full peace in Afghanistan through which Pakistan can establish easy and short-route contacts with CARs. It is also appropriate for Pakistan to base her CARs policy more on political and economic realism rather than totally relying on the old concept of Islamic solidarity which has only limited appeal in CARs whose ruling elites profess moderate, nationalist and secular ideas.

50. USIS, *News Release*, May 1994.