

INDIA AND GUAM: A STRATEGIC OUTLOOK

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I n t r o d u c t i o n

Post-Soviet Europe-Asia is reminiscent of an organizational mosaic with many regional groups emerging around Russia, both favoring and challenging its dominance in Eurasia. GUAM (later GUUAM) was one of the early geopolitical formations after the collapse

of the Soviet Union. The four former Soviet states of Georgia, Ukraine, Azerbaijan, and Moldova were encouraged by the 1996 CFE Treaty of the Conference held in Vienna to form an identity opposed to Russia. The geopolitical significance of this was quickly realized by the West, and they saw GUAM as an important player in the Black Sea region, where Russia's strategic access was of vital importance. GUAM was also important due to its location, since it occupied three land-corridors to Mackinder's Heartland. Poland and the Baltic states had already created an arc between Russia and Western Europe. The rise of Ukraine and Moldova against Russia extended this arc from the Baltic Sea to the Black Sea.

Uzbekistan joined GUAM in 1999, turning it into GUUAM. This transformed the arc into a circle around Russia extending to the Caspian and further East toward China. GUAM reminded the global strategists of the new forms of Cold War tactics that had resurfaced and the spread in the Great Game trends, which energy geopolitics only served to aggravate. GUAM has been particularly focused on Russia's influence in the Near Abroad. Its effort to check Russia's energy geopolitics was one of the key features. The Ukraine-Russia conflict over gas pricing is a well known issue. It has also tried to create a plank for NATO's advance into the Caucasus and the Caspian Sea. The Partnership for Peace (PfP) program has been a success in Georgia and Ukraine.

The fate of GUAM has already been overshadowed by wider regional cooperation among the Black Sea countries. This has far more potential for secure economic and political cooperation, unlike GUAM, which has earned a bad reputation for being too geopolitically embroiled with Russia. The U.S. has been a consistent supporter of the GUAM initiatives. GUAM received another setback when Uzbekistan left the organization in 2005, after seeing the portent dangers of the Color Revolution in Kyrgyzstan and the destabilizing Andijan riots. According to Daly, "GUUAM was slowly replacing its economic orientation with increased military-political cooperation, including the formation of joint mili-

tary units. As Uzbekistan does not share a contiguous border with the other GUUAM member states, the shift in emphasis away from commercial interests, combined with Uzbekistan's geographical isolation, led Tashkent to conclude that its participation was no longer in the country's best interests."¹ The democratic initiative of the West went against the interests of the Central Asian elite, who wish to retain power through controlled democratic transition. Another fact that distinguishes them is that most of the Central Asian republics are predominantly Muslim societies, whereas the GUAM states are primarily Orthodox Christian, apart from Azerbaijan.

India has been keeping an eye on the energy geopolitics of Central Asia and the Caucasus as its own growing energy need demands diversify. This obviously brings the Black Sea region (the principal unit of GUAM) into focus. The Black Sea region has become one of the most vital outlets for Russia's foreign energy trade. And it is in hot competition with the Western powers, which plan to bypass its traditional monopoly with the help of Georgia and Turkey. India's relations with GUAM are under strong caveat from the fact that India can hardly afford to associate itself with the groups challenging Russia in its own sphere of influence. India and Russia have successfully resuscitated the legacy of the Moscow-Delhi ties of Soviet times. India is also one of the biggest customers of Russian military hardware. The Indian approach to GUAM has not been that of a regional organization, rather it has tried to forge bilateral relations with each individual country so as to step aside of any regional influence under GUAM. India has preferred to keep itself closely confined to an economic agenda with these countries. There have been wide-ranging cooperation agreements, tracing the essential past of Soviet days. Reciprocal trade has been slowly growing. India's policy is also distinctive in terms of identifying the

¹ J.C. Daly, "Uzbekistan Drops GUUAM from its Eclectic Foreign Policy Menu," available at [http://www.jamestown.org/edm/article.php?article_id=2369726], 26 November, 2007.

political and strategic importance of these individual countries. Ukraine is one of the key countries with which India has been extensively engaged. India has kept a low profile with Moldova and Georgia. India's relations with these countries are influenced by the relations of these countries with Russia. Georgia and Russia have been on adverse terms, since the former has been allowing NATO and the U.S. ample room to maneuver against Russia's economic and strategic interests. Georgia accuses Russia of cornering it and leaving it with no other choice but to join the NATO forces.

Another important factor that concerns India is the ethnonational sectarian tendencies in all of the GUAM members. The worst is the case of Moldova, which is hardly exercising control over its Transnistrian region. Moldova relies on Ukraine to control this territory. This dependence is complicated by the Ukraine's inclination toward the Ukrainian minority living there. There is also the issue of dual citizenship in Moldova. Many Moldovans have also acquired Rumanian citizenship. In fact, they did not need visas before 2001 to travel to Rumania. This has created all kinds of confusion for the state and economic laws of the country, which badly needs to organize its poor and fragile economy. Ukraine's political split was visible during the last election when there was a clear east-west division between the electorates favoring Yushchenko and Yanukovich. There

is no denying that the industrial east of Ukraine has more Russophiles than the western part and this rift has been constantly kept alive with the idea of a greater Slavic Union.² The situation in Georgia is already well known with the self-assertion of South Ossetia and Abkhazia, which has led to Russia's presence there. This is also seen as one of the tools of Russian policy in the CIS sphere. Azerbaijan is also typically involved with Armenia over the Nagorno-Karabakh region. The region has been asking for a merger with Armenia. All the GUAM nations reveal ethnonational sectarian tendencies, which Russia uses as a counterweight to rein in the central authority of these states. This is of vital importance to India as it has been dealing with a secessionist movement in Kashmir, since its independence was abated by Pakistan, and the northeastern states of Nagaland and Assam are also ingrained with these ideological groups. Russia is a significant guarantor of the territorial integrity of these countries. India and Russia also share a common perception over religious sectarianism as revealed by the *jihadi* in Chechnia and Afghanistan. Azerbaijan's security is a major concern in this regard as it is the only GUAM state that has a sizable Muslim population.

² See: T. Kuzio, "National Identities and Virtual Foreign Policies among the Eastern Slavs," *Nationalities Papers*, Vol. 31, No. 4, 2003, pp. 431-452.

GUAM in Regional Dynamics

GUAM has been under immense pressure from the superlative identities, which make it difficult to resist the temptation of joining them. Membership in the EU is the primary temptation. This dangling carrot has been played at large to command influence in Eastern Europe. Membership for Ukraine and Moldova is still a distant dream. In fact, it has become clear that the EU wishes to see GUAM as its extended neighborhood rather than seeking any inclusion of it. There is also difficulty in addressing common security and foreign policy with these countries, as is envisaged along the lines of the EU document. The major difficulty is the lack of internal cohesion and the potential danger of annoying Russia, which has almost every opportunity possible as far as its influence in these FSU republics is concerned. There is also the larger overarching EU-Russia strategic partnership that

bypasses the GUAM structure, since the growing economic and energy interests between the two are already constricting GUAM's growth. However, the EU has embarked upon extending its policy space toward the Black Sea region. They have set up country-specific programs for Russia, Belarus, and Ukraine. The U.S. has also shown its involvement by incorporating these countries into individual partnership programs within the NATO framework. In fact, Ukraine has signed a Charter on Distinctive Partnership, which aims at expansion in "economic security, cooperation in conflict prevention, crisis management, military reform, control over the armed forces, non-proliferation, arms control, technology transfers, combating drugs and organized crime, science and the environment."³ Over 500 Ukrainian scientists have taken part in NATO-funded research projects.

Another aspect of GUAM's political standing is its relations with Russia, which is invariably a caveat to any intense relations with India. India values Russia still as its most fundamental strategic partner. Ukraine's political culture has still to mature in terms of safe-guarding its national interests. The country is essentially divided under the external influence of either Russia or the U.S.-West-led IMF-World Bank nexus. The one-house Rada is a very strong form of the presidential model of governance. Therefore, former presidents Kuchma and Kravchuk had been hobnobbing with Russia and the West as it best suits them. The minds of Russian strategists have been writhing over the altruism shown on the Crimean question, and it took nearly five years (1999-2003) to even delimit the border. The clashes in Tuzla in 2003 showed that territorial ambitions still run high in the minds of the Russians.⁴

Russia is averse to Ukraine's indifference to Eurasian Economic Community compared with its wish to join the EU. The Slavic Union proposed with Belarus has been one of Russia's strategic aims, but Yushchenko's foreign policy made it amply clear that Ukraine has no such intent. This has been declared in terms of an energy price war, since the gas-pricing issue has been a bone of contention between the two. The Soyuz Stream, which was crucial for Russian gas transport to Europe via Ukraine, has now been diversified. Russia wants to get rid of its dependence on Ukraine for its energy supplies to Europe. So it launched the Nord Stream and the South Stream, both circumventing Ukraine. The South Stream project, though one of the costliest, would provide Italy with access to Russian gas.⁵ The recent deal cut out through the adroit diplomacy of Russian President Putin with the successful inclusion of Turkmenistan in the Caspian shore overland pipeline called Central Asia-Center-4 has shown Russia's near total control over Central Asian energy resources.⁶ The Black Sea region is the major crossing of energy transit corridors, of both the east-west and the north-south-bound movements. Turkey is vying for Russian gas by means of the planned Blue Stream pipeline that passes under the Black Sea from the Russian port of Tuapse to the northern borders of Georgia and on to the Turkish coastal city of Samsun.⁷ The BTC pipeline is also a very significant oil outlet for Caspian oil. In fact, it has been the only modest success story for GUAM as far as its influence on regional geopolitics is concerned. Its profitability is doubtful, unless the Kazakh oil supplies are maintained, keeping in view the enormous cost it has incurred.

GUAM essentially belongs to the littoral territory of the Black Sea, but the non-inclusion of Turkey and Bulgaria make it a weak claimant for the regional framework around the Black Sea. This

³ T. Kuzio, "Ukraine: NATO Relationship," available at [<http://www.ualberta.ca/~cius/stasiuk/st-articles/an-ukrnat2.htm>], 26 November, 2007.

⁴ See: T. Kuzio, "National Identities and Virtual Foreign Policies among the Eastern Slavs."

⁵ See: "Kremlin Launches the South Stream Project," *RIA Novosti*, 22 November 2007, available at [<http://en.rian.ru/analysis/20071122/89192200.html>].

⁶ See: "Russia Seals Caspian Deal," *Moscow News*, 17 May 2007, available at [<http://www.mnweekly.ru/business/20070517/55248324.html>].

⁷ See: H.K. Ozturk, A. Hepbasli, "Natural Gas Implementation in Turkey," Part 2, "Natural Gas Pipeline Projects," *Energy Sources, Part A: Recovery, Utilization, and Environmental Effects*, Vol. 26, No. 3, 2004, pp. 287-297.

space already been occupied by a larger union called Black Sea Economic Cooperation (BSEC). BSEC has broader footing in regional organizations as “countries that do not have bilateral relations (e.g., Turkey and Armenia, and Armenia and Azerbaijan) are talking to each other and cooperating within the Black Sea Economic Cooperation (BSEC) umbrella.”⁸ According to Celac and Manoli, “the BSEC has been viewed as a tool for achieving the goal of integration into the world economy through a regional approach based on interdependence and natural synergies that could maximize the relative strength of individual countries and thus facilitate their common progress towards prosperity.”⁹ The overlapping of GUAM and BSEC undermined the wider audience for Ukraine and Georgia within the regional framework to challenge Russia’s hegemony. GUAM alienated itself from the Black Sea community and, after proactive involvement with NATO, it was essentially seen as serving the U.S.’s regional interests. Another important focus missed by GUAM members is the lack of a concerted approach toward the EU. The sheer desire to be part of the European community could not absolve them of the geopolitical realities. Moreover, the GUAM states still have a long road to travel to meet EU standards before any prospects of membership are visible.¹⁰ This utilitarianism is now showing signs of weakening since the political overtones in Ukraine are already more than conciliatory toward Russia.

Figure 1



⁸ M. Aydin, “Europe’s New Region: The Black Sea in the Wider European Neighborhood,” *Southeast European and Black Sea Studies*, Vol. 5, No. 2, 2005, p. 263.

⁹ S. Celac, P. Manoli, “Towards a New Model of Comprehensive Regionalism in the Black Sea Area,” *Southeast European and Black Sea Studies*, Vol. 6, No. 2, 2006, pp. 193-205.

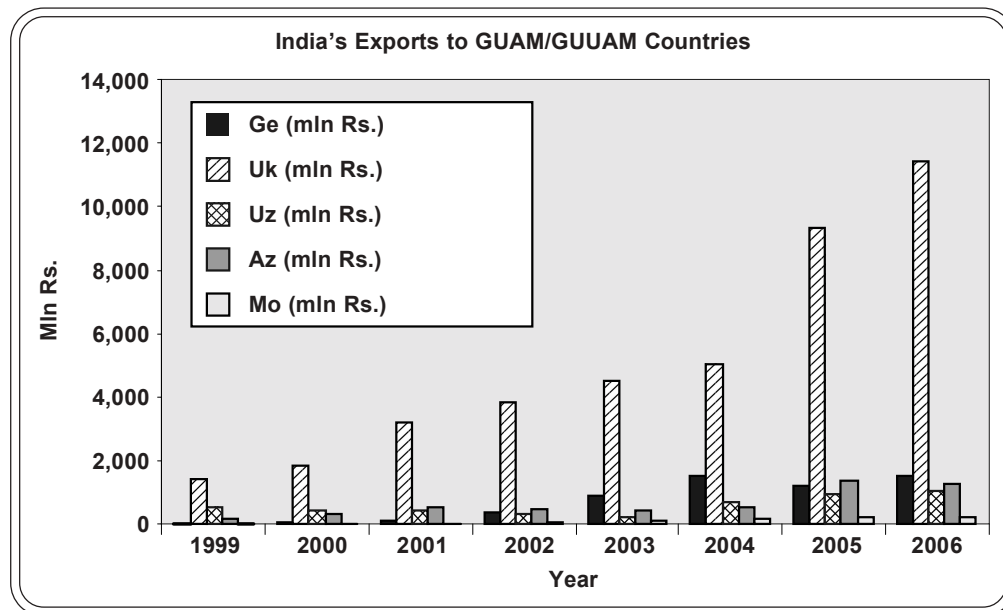
¹⁰ See: M. Aydin, op. cit., p. 261.

India's Bilateral Relations with the GUAM Countries

The economic potential of the GUAM countries is of significant interest to India. They might not represent the biggest market in terms of the size of their population, but they were some of the most prosperous states in the former Soviet Union. Even today, Ukraine is the manufacturer of T-72 tanks and its spare parts. India has been maintaining bilateral relations with most of the countries. There is a distinct approach toward Ukraine and the rest of the GUAM countries. If we look at the trade patterns, it is also clearly visible that Ukraine enjoys far greater trading volumes in terms of imports and exports than the rest of the GUAM countries (Figs. 2, 3). This also shows the lack of any organizational approach toward GUAM.

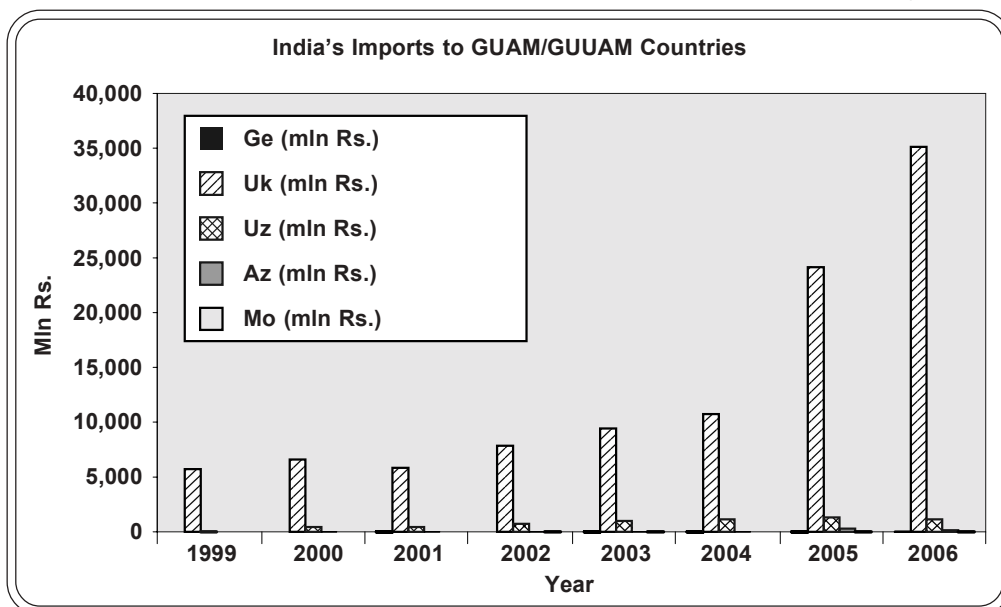
Ukraine has been linked to the Indian subcontinent since ancient times, when the Aryans moved toward South Asia and one of their emigration waves settled in parts of Ukraine. Ukraine is also the breadbasket of Europe and has emerged with significant manufacturing potential in the post-Soviet era. India has always been interested in joining Ukraine in many areas of cooperation, such as metallurgy, science and technology, cultural contacts, etc. Ukraine is participating in India's power sector, in the erection of power transmission lines, and in the coke and metallurgical sectors. It has also offered to supply equipment for the oil pipelines, gas pipeline modernization, roads and road infrastructure etc.¹¹ Ukraine has also emerged as a significant supplementary of Indo-Russian joint defense programs. It has joined hands in the production of AN-70 advanced transport aircraft. An important joint communiqué issued during the visit of President Leonid Kuchma in October 2002 affirmed Ukraine's support of India in the Kashmir issue, assuring that it be resolved bilaterally under the 1972

Figure 2



¹¹ See: *India-Ukraine Joint Statement*, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

Figure 3



Shimla Agreement and 1999 Lahore Declaration.¹² India and Ukraine have formed the Indo-Ukrainian Inter-Governmental Commission on Trade, Economic, Scientific, Technological, Industrial and Cultural Cooperation (IUIGC). It has five Working Groups under the IUIGC: (i) Trade and Economic Cooperation; (ii) Transport; (iii) Power; (iv) Metallurgy; and (v) Science and Technology.¹³ Ukraine expressed its desire to create a tripartite treaty between Russia, India, and Ukraine to form a kind of alliance, an idea which could not gain much currency from the Indian policymakers. However, India did have an extradition treaty and one for extending cooperation in merchant shipping.¹⁴

India and Uzbekistan enjoyed significant growth in their bilateral relations during 1999-2005 when the latter was an active member of GUUAM. Although Uzbekistan left the GUUAM framework, India and Uzbekistan have a wide-ranging agreement on cooperation in economic and technological fields. It includes establishment of an Uzbekistan-India Entrepreneurship Development Center in Tashkent. There is an agreement between the Gas Authority of India Limited (GAIL) and Uzbekneftegaz on the development and exploration of oil and gas fields. The Inter-Governmental Commission on Trade, Economic, Scientific and Technological Cooperation has been actively facilitating new terms of cooperation. India has opened an IT center in Tashkent. The two countries have also actively engaged in Indian Technical and Economic Cooperation (ITEC) which imparts training modules for Uzbek trainees in various Indian institutions. There is also a Mahatma Gandhi Center for Indian Studies at the Tashkent State Institute of Oriental Studies.¹⁵ India and

¹² See: *India-Ukraine Joint Statement*, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

¹³ See: *President of Ukraine H.E. Mr. Leonid Kuchma Visits India*, Press Release, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

¹⁴ See: R. Sabha, "Tripartite Treaty among India, Russia, and Ukraine," Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

¹⁵ See: *Joint Statement by Republic of India and Republic of Uzbekistan, Visit of Prime Minister Dr. Manmohan Singh to Uzbekistan*, Press Release, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

Uzbekistan are strategic partners under the Joint Working Group on Combating International Terrorism. The two sides have been holding regular meetings of state agencies with the aim of coordinating antiterrorist activities. Uzbekistan has also been a supporter of India's aspiration to acquire a permanent seat in the UNSC. Uzbekistan was also very pleased when India was granted the status of observer in the Shanghai Cooperation Organization.¹⁶ Indian Prime Minister Dr. Manmohan Singh founded the Jawaharlal Nehru India-Uzbekistan Center for Information Technology in Tashkent in April 2006.¹⁷

Uzbekistan is a vital supplier of spare parts for the IL-76 air transport carriers presently employed with the Indian Air Force. Indian tea, pharmaceuticals, and consumer goods are finding an ever-growing market in Uzbekistan.¹⁸ India is also carrying out a project aimed at computerizing Uzbek post-offices. India and Uzbekistan also share an understanding of Afghanistan situation and are inclined not to allow Taliban tendencies to rear their heads again. The situation in Afghanistan is vital not only for guarding against cross-border terrorism, but it is also a vital land link between Central Asia and South Asia. India has adopted the principle of not interfering in the internal affairs of any country or the choice of its political system. It only seeks to better its relations with whoever is the authority in control of the state. The 2005 visit of Indian President Dr. APJ A Kalam saw agreements made on wide-ranging issues. There were several Memorandums of Understanding for exchange between universities, technical institutes, chambers of commerce, and Eximbanks.¹⁹ The 2005 visit by Uzbek President Islam Karimov saw around 12 agreements reached in cooperation in small-scale industries, banking, tourism, education and culture, military technical areas, etc. India's exports to Uzbekistan include pharmaceuticals, tea, surgical items, and plant and machinery, while imports from Uzbekistan cover cotton, raw wool, non-ferrous metals, and machinery items. India provides about 130 scholarships to Uzbek professionals and students every year, which is the highest to any country in Central Asia.²⁰

Moldova is one of the poorest countries of Europe. Its 40 percent of the GDP comes from agriculture and its industrial force is no more than 20 percent. Some world class wine is produced in Moldova and it is also known for its sunflower seeds, walnuts, and apples.²¹ Moldova has looked toward Rumania for sociocultural aspiration. The Transnistrian region created political instability forcing Russia and Ukraine to intervene to maintain stable order. India and Moldova are yet to establish direct state representation with each other. The Indian Ambassador to Rumania is accredited to Moldovan affairs. Similarly the Moldovan Ambassador to Uzbekistan is accredited to India. India has primarily been sending pharmaceutical goods to Moldova more as humanitarian aid than in trade terms. In fact, the Indian Embassy in Bucharest sponsored the Moldovan Chamber of Commerce and Industry to participate in the 2004 International Trade Fair in New Delhi.²²

Georgia showed some promise when it gained its independence, since it was one of the relatively well-off Soviet provinces. The Sukhoi aircraft factory and Kutaisi auto plant were signs of Georgia's potential to contribute to advance sectors. But the conflict with Russia and the regional conflict

¹⁶ Ibidem.

¹⁷ See: *Remarks by Prime Minister Dr. Manmohan Singh at the Inauguration of Jawaharlal Nehru India-Uzbekistan Center for Information Technology*, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

¹⁸ See: *Media Briefing by Secretary (East) Shri Rajiv Sikri and Secretary (West) Ms. Shashi U. Tripathi, on Prime Minister's Forthcoming Visit to Germany and Uzbekistan*, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

¹⁹ See: *Joint Statement by the Republic of Uzbekistan and the Republic of India*, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

²⁰ See: *State Visit of President of the Republic of Uzbekistan, H.E. Mr. Islam A. Karimov*, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

²¹ See: "Moldova," Embassy of India—Bucharest, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

²² Ibidem.

in South Ossetia and Abkhazia have severely damaged its political stability and economic prospects. This has resulted in the repository of industrialization of Soviet times being destroyed by the corrupt strata of society and sold at the scrap yards. The lack of state credibility has pulverized Georgia, a once great nation termed as God's Own Land.²³

India and Georgia signed an agreement on trade and economic cooperation in 1995 and on foreign office consultations in 2000. Indian-Georgian relations have gained greater momentum recently. There have been successful exchanges of visits on trade issues. India has identified rice, sugar, and tea as very popular imports by Georgia. Then there is also talk of introducing the Indian medicine system, the Ayurvedic and homeopathy medicines. The Indian Ministry of Health and Family Welfare sent a delegation to Tbilisi in 2004 with this intention. The Indian Council for Leather Export also explored business possibilities with Georgian businessmen in 2003. India is also willing to extend economic inputs in Georgia's small- and medium-scale industries. Some of Mahindra's Bolero jeeps have already been assembled at the Kutaisi plant as an experiment. Georgia was the only tea-producing Soviet state and now India is offering help in this sector, as well as in sericulture, wheat variety improvement, and dry-land farming.²⁴

Georgia had a tradition of strong relations with India during Soviet times. Even today, the Tbilisi Institute of Asia and Africa has a Department of Indology that teaches Hindi and Sanskrit. Georgia's Rose Revolution sent warning signals to the other Caucasian countries and Central Asian states in 2003. But liberalization of a regime with rampant corruption has belied the hopes of transition. Much of Georgian state industry has been privatized with total looting of the state coffers. Georgia is now largely dependent on its agro-food processing industry. Half of its labor force is employed in agriculture and allied sectors. India is looking to extend its business ties through the import of various agro-products, including Georgia's famous wines. India is also looking at Georgia's textile industry. Georgia has been a strong center of yarn production, both synthetic and woolen. It also produced silk cloth of fine quality in Soviet times. This neglected industry is looking for support and investments, which are attractive for Indian investments.²⁵

Azerbaijan has historic ties with the Indian sub-continent. Traders from here used to visit Baku, and the Ateshgah hieroglyphs in Devnagari (the Hindi script) are testimony to this.²⁶ There has been no high level contact between India and Azerbaijan. However, India participated in the 12th Caspian Oil & Gas Conference in 2005. Trade between the two countries has yet to gain momentum. The two countries signed agreements in 1998 on scientific and technological cooperation. Some specific co-operation agreements have been reached between the two countries, such as BHEL's supply of power generators for the Mingachevir Power Plant in Azerbaijan.²⁷

Regional Cooperation Strategy

India values its relation with most of the FSU republics as the legacy of Moscow-Delhi ties. The GUAM countries are geopolitically located at key junctures of land routes, which, if it becomes an intercontinental reality, could increase the present commercial relations manifold with these nations.

²³ See: "Georgia-Basic Facts," Embassy of India—Armenia, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

²⁴ Ibidem.

²⁵ See: "Textile Industry in Georgia—A Market Survey," Embassy of India—Armenia, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

²⁶ See: "Country Brief on Azerbaijan," Embassy of India—Azerbaijan, Ministry of Foreign Affairs, Govt. of India, available at [<http://www.mea.gov.in/>].

²⁷ Ibidem.

The feasibility of present economic ties lies particularly in extending India's trade to these countries, mainly for the urban consumption basket. Processed food, medicines, consumer goods, light electrical goods, and light machines could be some of the principal areas.

The Indian Embassy in Erevan, Armenia, did a market feasibility study in 2005 for tea in Georgia. As was noted, Georgia was the traditional producer of tea in Soviet time. Now it is the new importer of Russian, Sri Lankan, Chinese, and English tea. India can increase its investments in the limping plantations as the Georgian government privatizes them. India is also known for tea production for the common masses, since good quality tea is available at affordable prices. The Georgian tea industry can be revived with the help of Indian investments provided there is positive and safe climate for them. Another sector that has good potential is the textile industry. Georgia specialized in cloth and fabric production in the Soviet period. The production of yarn and the processing of raw wool and cotton were done in many of the industries that now run idle. India can look for successful collaboration and investment in this sector. Georgia's textile industry also has the potential of raising the demand for Central Asian cotton, which was traditionally a source for these territorial production complexes (TPCs). Popular European brands, such as Puff, Juki, Savio, Tiss, Texima, Otto Galli, and others have modernized and restructured the Georgian textile industry. Indian companies like Raymonds, Grasim, the Aditya Birla Group, and others can also look for a niche there. India can also look to Georgian wine, which is one of the highly acclaimed products from Georgia. India is already resisting wine imports from EU countries since the latter are preventing Indian textile products from gaining a wider footing. Therefore, as a substitute, Georgia can pitch into this Indian demand. The Indian government recently liberalized the import of foreign liquor.

Azerbaijan's key export is black gold, i.e., oil. Nearly 90 percent of its export merchandise consists of fuels and mining products.²⁸ The EU (55.8) and Israel (10.7) constitute the biggest market for Azeri exports. India is a lucrative market for Azeri exports as its needs for oil and gas imports are growing more than ever. But oil has become a geopolitical commodity and any exclusive treatment of India-Azerbaijan relations in this regard would ultimately be jinxed as a so-called new Big Game. Azerbaijan is highly dependent on Russia for its imports. It imports almost a fifth of its requirements for manufactured items from Russia. Therefore, it can look to India as another possible source of diversification.

C o n c l u s i o n

Regional dynamics in global geopolitics are vital for any country's international interests. India's stakes are affected by the events going on in the GUAM-Black Sea region. The most important issue is that if energy geopolitics moots an even stronger approach from Russia to wean away resources from the GUAM players, it would obviously be in favor of the European market and India and South Asia would be at a loss. Although Russia is involving India in the Far East, diversification always safeguards against international oil price fluctuations. Another important factor is that the regional security issues raging in the region have the potential to affect Central Asia and the West Asian region, which is also an issue of concern. These destabilizing tendencies may only create new breeding grounds for religious fundamentalism and blood-shedding terrorism. The fact that India is also a large mosaic of ethnocultural diversity makes it more imperative to see the GUAM-Black Sea region as the confluence of diverse cultures, just as some of the greatest rivers meet in its basin.

²⁸ See: "Azerbaijan: WTO Country Profile," available at [http://stat.wto.org/CountryProfiles/AZ_e.htm].