

An Effective Analysis on India Russia International Relations and Assorted Associations

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Abstract

The Indo-Russian strategic partnership has been built on five major components: politics, defence, civil nuclear energy, anti-terrorism co-operation and space. These five major components were highlighted in a speech given by former Indian Foreign Secretary Ranjan Mathai in Russia. However, in recent year a sixth, economic component has grown in importance, with both countries setting a target of reaching US\$30 billion in bilateral trade by 2025, from about US\$9.4 billion in the year 2017. In order to meet this goal, both countries are looking to develop a free trade agreement. Bilateral trade between both countries in 2012 grew by over 24%. The powerful IRIGC (India-Russia Intergovernmental Commission) is the main body that conducts affairs at the governmental level between both countries. Both countries are

members of many international bodies where they collaborate closely on matters of shared national interest. Important examples include the UN, BRICS, G20 and SCO.

Keywords: *India Russia Relations, India Russia Political Relations, Indo Russia Treaty*

Introduction

The Soviet Union and India continued to improve their relationship in the 1980s, with Rajiv Gandhi travelling to the Soviet Union in 1985 (his first state visit abroad), 1986, 1987, and 1989, and the new Soviet General Secretary Mikhail Gorbachev making visits to India in 1986 and 1988. Two long-term agreements for economic assistance were signed between India and the Soviet Union in 1985 and 1988, extending to India a total credit of USD 2.4 billion, allotted for the purchase of Soviet arms and goods. From the mid-70s to the late 80s, India and the Soviet Union were each other's top trading partners, with two-way trade to the tune of USD 5 billion, the commercial peak of their relationship. Cooperation proceeded along other venues as well: top-level summits produced agreements on joint projects in high technology and, beginning in the 1960s, space science research. The first Indian satellites took off on Soviet launchers and, in 1984, Rakesh Sharma became the first Indian to travel in space, joining the Soviet Intercosmos Research Team aboard Soyuz T-11 and being awarded the top honour of Hero of the Soviet Union upon his return. In addition, cultural links between India and the USSR blossomed. In 1957, the first Soviet-Indian film, *A Journey Beyond Three Seas*, based on the writings of the fifteenth-century Russian explorer Afanasy Nikitin who became the first European to set foot in India and subsequently lived there for three years, gained popularity in the Soviet Union, though it met with little notice in India. The Indo-Soviet Cultural Society, founded in 1952 as a successor to the Friends of the Soviet Union society created by Nehru in 1941, promoted awareness of Russian and Indian cultures through regular —Months of Friendship. More than a thousand branches of the Society existed in both countries in its heyday, leading to vigorous cultural exchanges. The journal *Soviet Land*, translated into eighteen Indian languages, was

published continuously since 1951, provided illustrated coverage of the Soviet Union's culture and society, while the film distribution company Sovexportfilm regularly screened Soviet-made films across India. Furthermore, numerous academic and student exchanges were agreed upon at the governmental level. These rich cultural links continued into the 1970s and 1980s. Overall, by the turn of the 1990s, the bilateral relationship appeared to be stronger than ever. The first Indian satellites were launched on the Soviet rocket Vostok in the late 1980s. More than 16% of Indian exports went to the USSR and about 6% of Indian imports came from it. In 1991, 70% of India's army armaments, 80% of its air force systems, and 85% of its naval platforms were of Soviet origin.^{xiv} The Indian establishment therefore heard rumblings of the impending breakup of the Soviet Union with shock and disbelief. Its members were unequivocally opposed to the Gorbachev-led reforms that threatened to remove the foundation from their once-stable partner while hoping that their ultimate outcome would be a loose confederation rather than a collapse of the entire system. As then Foreign Secretary J. N. Dixit wrote in his memoirs, —Our responses to the emerging power centres in Russia were uncertain and a little confused. —^{xv} While the leader incumbent, Boris Yeltsin, pushed for India to become one of the first countries to give recognition to the Russian Federation, the Narasimha Rao government temporized and held off on inviting Yeltsin until December 1991.^{xvi} In that month, the official breakup of the greatest contributor to India's national development to date sounded the death knell for the secure Indian-Soviet relationship.

India and Russia, 1991-Present: Reformulating the Relationship While many sources disparage the early nineteen-nineties as a wrong-headed interlude of Russia's flirtation with America to the detriment of the Indian ally, the relationship stayed generally positive at this time, albeit with a few hiccups. The Indo-Soviet Treaty of Peace, Friendship and Cooperation had been in existence for twenty years, with a provision for renewal. During his visit to the new Russia in January 1992, and dealings with its leadership, J. N. Dixit was unpleasantly surprised at Vice Foreign Minister Kunatze's insistence on striking the word —peace from the title because it —smacked

of Soviet ideology.^{lxvii} In general, the Indian delegation appears to have been bewildered at the economic chaos that had enveloped the new Russia and understandably anxious about the state of its bilateral trade and armaments supplies. Indeed, both were largely stalled for the following few years: according to India's Ambassador to Russia at the time, Ranendra Sen, the armed forces suffered a cut of 68% in 1992 alone.^{lxviii} The situation was exacerbated by India's worsening economic crisis. Its recovery in 1991 stemmed from its new liberalization policies and integration into the global economy, decisions that would also have an impact on the developing Indo-Russian relationship. One of the most important steps in reformulating the relationship was managing India's rupee-rouble debt that had accumulated over the years of the Soviet Union's favourable trade policy.

To address the issue of the rupee-rouble exchange rate following the dissolution of the USSR, India and Russia entered into complex bilateral arrangements in 1993. The agreements provided for the principal amount of the rouble-denominated debt as of April 1, 1992 being converted from roubles to rupees, a major political as well as economic concession from India to Russia. Simultaneously the Indian side was granted an interest-free deferment of payments for 45 years covering 37% of its debt, the so-called rescheduled portion. This debt repayment agreement provided for an annual repayment of roughly USD 1 billion to Russia over a period of 12 years with smaller amounts thereafter for a further period of 33 years. The rupee debt funds have since been maintained in a central account with the Reserve Bank of India and are to be used by the Russian side for import of goods and trade-related services from India while Russian exports to India are set against freely convertible currencies. Politically, the collapse of the Soviet Union was followed by two years of relative uncertainty in relations between India and Russia, with the former unable and unwilling to engage in privileged dealings with any state and the latter also undecided as to the part Russia would now play in its strategy. The literature on Indo-Russian ties makes much of the Re-Energising Russians' reliance on American aid money in the early 1990s and the insistence of some of the top advisers on Westernization—famously called a

—mistake^l in 1995 by the new Prime Minister Yevgeny Primakov, who urged for a more Asia-centric policy. The new direction actually had less to do with turning away from India than with Russia lurching from one economic and political crisis to another and being badly in need of foreign aid. However, such an adverse interpretation is understandable, given the situation the Indians were in, forced to track down spare parts for their Soviet-purchased armaments across the former republics where they had been produced and getting little help from the Russian leadership. At the same time, an estimated 10,000-15,000 Indians who were in Russia on scholarships were stranded without financial support, most of them compelled to go into private business in order to survive.^{xix} The relationship suffered another setback when, in 1992-3, the Russian government renege^d on a deal to transfer key technology for the manufacture of cryogenic rocket engines to India under pressure from the United States—itsself eager to enter the market and threatening to withdraw aid money from Russia. Although, as J. N. Dixit points out, Russia made sure to supply the maximum engines and technology before changing its export laws, the —renegotiation^l of the deal dealt a blow to the Indian Space Research Organization (ISRO) and soured relations between the countries for some years to come. Yeltsin made his first, long-promised visit to India in 1993 when a new and more non-committal Treaty of Friendship and Cooperation was signed. Although it omitted the defence and security clauses of the 1971 Treaty, agreements on cooperation in the fields of science, military technology, culture, and trade were listed, and the Indian Ambassador to Russia, Ranendra Sen, has emphasized the —continuity of mutual commitments^l that this document represented. Yeltsin's visit was followed by Prime Minister Rao's trip to Russia the next year, when the two countries signed the Moscow declaration on the —Protection of Interests of Pluralist States,^l pledging support for Russia's territorial integrity at a time when unrest was brewing in Chechnya. This step was the beginning of the rebirth of Indo-Russian relations following the breakdown of the Soviet Union. It ensured India's support for Russia in the Chechen conflict and, in return, Russia's continuing commitment to India on the issue of Kashmir despite a brief proclamation of neutrality in 1993, as was manifested in Russian support during the 1999 Kargil conflict. For the rest of the decade,

however, Yeltsin's health—and, undoubtedly, more pressing economic concerns, such as the 1998 default—was the motivation for ruling out any further top-level summits. Russia did send its Prime Minister Primakov to India in 1998—after expressing only mild concern about India's Pokhran-II nuclear test, in stark contrast to the United States. A number of long-term programs were signed, including a pledge to raise the level of bilateral trade from the existing pittance of USD 1.5 billion to long-term plans for scientific and technological ties. At this time, the two countries extended their long-term agreement on military-technical co-operation—which had declined by 90% between 1992 and 1997—up to the year 2010.xxii This was an optimistic move at a time when, according to then-Prime Minister Putin, only 20% of defence industry plants were functioning in Russia. Furthermore, a declaration of strategic partnership between the two countries was proposed in 1998 yet not concluded. It was not until Vladimir Putin became Russia's President in 2000 that the bilateral ties were put on a solid foundation. In the millennium year, the Russian president made a trip to India. This summit was distinguished by the signing of the Declaration of Strategic Partnership that pledged cooperation in the spheres of politics, trade and economy, defence, science Re-Energising and technology, and culture. While the two states guaranteed —non-participation in any military-political or other alliances or associations or armed conflict directed against the other Side, or in any treaties, agreements or understandings infringing upon the independence, sovereignty, territorial integrity or national security interests of the other Side,|| the declaration fell short of pledging military cooperation in case of attack, as had the 1971 Treaty on Peace, Friendship, and Cooperation. In fact, as the document concluded, —The strategic partnership between the Sides is not directed against any other State or group of States, and does not seek to create a military-political alliance.|| The basis of the relationship was now *realpolitik* rather than ideological or sentimental commitments. At the same time, Putin showed his willingness to add muscle to the bilateral ties: seventeen agreements were signed between the states, covering the economy, nuclear energy, and the traditional sector, defence, with major weapons deals to the tune of USD 3 billion. As the Russian leader noted in an interview to the *India Today* magazine: —It is in our interest to have a

strong, developed, independent India that would be a major player on the world scene. We see this as one of the balancing factors in the world. For the first time in almost a decade, the Indians had in Putin someone eager to acknowledge their country's strategic importance and promise to help in its development—as before. While subsequent events have not entirely justified the optimistic rhetoric of the Strategic Declaration, Russia's current Prime Minister had won a place in the hearts of the Indian establishment as a can-do leader who gave India the recognition it deserved after the foot-dragging of Yeltsin's era. Putin's first visit to India inaugurated a practice of regular summits which have been held annually, alternating between the two countries, up to the present. Since then, the two states have reinforced traditional areas of agreement on issues such as cooperation on anti-terrorism—the two sides signed the Moscow Declaration on Terrorism in 2001 and an MoU on cooperation in combating terrorism in 2002, and a Joint Working Group on Combating International Terrorism was subsequently set up. Among other highlights, in 2005 India became an observer in the Shanghai Cooperation Organization (SCO), which was originally formed for the purpose of fighting terrorism by China, Russia, and the Central Asian countries Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. In the energy field, two nuclear plants are being built in southern India with Russian assistance, and more are on the way. India's and Russia's collaboration in defence has been reaffirmed with new deals for Russian-made as well as jointly constructed military hardware. The two countries' woefully low level of bilateral trade is constantly noted, and pledges are duly made every year to have a joint commission look into the challenges the private sectors of both countries are facing in setting up business. Despite these pledges and few tangible gains, India and Russia still have much progress to make in their relationship before they can truly be considered strategic partners. Other players have entered the field—India's ties with both China and the United States are much more dynamic than those with Russia, while the Russian leadership often looks to Europe, its largest trading partner, as the destination for future exports. And, even as India plans to spend another USD 100 billion on nuclear energy development in the future and prepares lucrative defence contracts, it is unclear whether it will turn to its erstwhile —big brother.

However, as will be discussed, there are plenty of opportunities to reconceive the relationship on a more equitable and mutually beneficial footing and to reenergize it along several key parameters.

Russia has stated publicly that it supports India receiving a permanent seat on the United Nations Security Council. In addition, Russia has expressed interest in joining SAARC with observer status in which India is a founding member.

India is the second largest market for the Russian defence industry. In 2017, approximately 68% of the Indian Military's hardware import came from Russia, making Russia the chief supplier of defence equipment. India has an embassy in Moscow and two consulates-general (in Saint Petersburg and Vladivostok). Russia has an embassy in New Delhi and four consulates-general (in Chennai, Hyderabad, Kolkata, and Mumbai).

According to a 2014 BBC World Service Poll, 85% of Russians view India positively, with only 9% expressing a negative view. Similarly, a 2017 opinion poll by the Moscow-based non-governmental think tank Levada-Center states that Russians identified India as one of their top five "friends", with the others being Belarus, China, Kazakhstan and Syria.

In 1468, Russian traveller Afanasy Nikitin began his journey to India. Between 1468 and 1472, he travelled through Persia, India and the Ottoman Empire. The documentation of his experiences during this journey is compiled in the book *The Journey Beyond Three Seas* (*Khozheniye za tri morya*). In 18th century the Russian cities Astrakhan, Moscow and St. Petersburg were frequently visited by Indian merchants. Russia was used as a transit trade between Western Europe and India.

In 1801, Tsar Paul ordered plans made for the invasion of British India by 22,000 Cossacks. It never happened. Preparations were poorly handled. The intention was that Russia would form an alliance with France, and attack the British Empire and its weak point using a French corps of 35,000 men and a Russian corps of 25,000 infantry and 10,000 mounted Cossacks. Some Cossacks had approached Orenburg when the tsar was assassinated. His successor Alexander I immediately cancelled the plans.

India and Russia have several major joint military programmes including:

- BrahMos cruise missile programme
- 5th generation fighter jet programme
- Sukhoi Su-30MKI programme (230+ to be built by Hindustan Aeronautics)
- Ilyushin/HAL Tactical Transport Aircraft
- KA-226T twin-engine utility helicopters some frigates
- Between 2013 and 2018, Russia accounted for 62% of arms sales to India, down from 79% between 2008 and 2012.
- Troops of the Indian Armed Forces during the 2020 Moscow Victory Day Parade.
- Additionally, India has purchased/leased various military hardware from Russia:
- S-400 Triumf (purchase pending)
- Kamov Ka-226 200 to be made in India under the Make in India initiative.
- T-90S Bhishma with over 1000 to be built in India
- Akula-II nuclear submarine (2 to be leased with an option to buy when the lease expires)
- INS Vikramaditya aircraft carrier programme
- Tu-22M3 bombers (4 ordered, not delivered)
- US\$900 million upgrade of MiG-29
- Mil Mi-17 (80 ordered) more in Service.
- Ilyushin Il-76 Candid (6 ordered to fit Israeli Phalcon radar)

- The Farkhor Air Base in Tajikistan is currently jointly operated by Indian Air Force and Tajikistan Air Force.

Bilateral trade between both countries is concentrated in key value chain sectors. These sectors include highly diversified segments such as machinery, electronics, aerospace, automobile, commercial shipping, chemicals, pharmaceuticals, fertilisers, apparels, precious stones, industrial metals, petroleum products, coal, high-end tea and coffee products. Bilateral trade in 2002 stood at \$1.5 billion and increased by over 7 times to \$11 billion in 2012 and with both governments setting a bilateral trade target of \$30 billion by 2025. Bilateral bodies that conduct economic relations between the two countries include IRIGC, the Indo-Russian Forum on Trade and Investment, the India-Russia Business Council, the India-Russia Trade, Investment and Technology Promotion Council, the India-Russia CEOs' Council and the India-Russia Chamber of Commerce.

Both Governments have jointly developed an economic strategy that involves using a number of economic components to increase future bilateral trade. These include development of an FTA between India & the EEU, a bilateral treaty on the promotion and protection of investments, a new economic planning mechanism built into IRIGC, simplification of customs procedures, new long-term agreements in the expansion of energy trade including nuclear, oil and gas. Finally, long term supplier contracts in key sectors such as oil, gas and rough diamonds. Companies such as Rosneft, Gazprom, Essar & Alrosa will act as long term suppliers respectively.

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