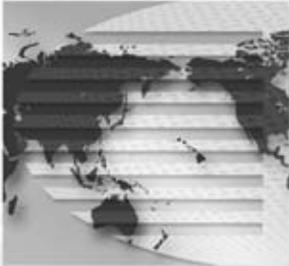




Asia-Pacific Center for Security Studies



SPECIAL ASSESSMENT

OCTOBER 2004

Asia's Bilateral Relations

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Russia-India Relations: Stability Amidst Strategic Uncertainty

R O U B E N A Z I Z I A N

Executive Summary

- Despite many predictions of its decline or even demise at the end of the Cold War, Russia-India strategic partnership has persisted and in certain areas—such as military cooperation—even deepened over the past fifteen years. There is national consensus in both countries for a strong and stable relationship with each other.
- India's rapprochement with the United States is uneven which requires New Delhi to stay close to traditional partners such as Russia, particularly when China remains a strategic rival or at least an unknown. Despite its close relations with Beijing, Moscow remains apprehensive of China and worries about becoming too dependent on China in the region. India supports Russia's preeminence in the former Soviet republics while Moscow continues to treat South Asia as largely an Indian domain.
- Russia and India promote a multipolar world because they consider U.S. predominance in international relations as harmful to their great power ambitions and interests. They also disagree with some of the United States' approaches to the war on terrorism, which they see as being beset by "double standards."
- The rise of Islamic radicalism, particularly in Afghanistan, and its spillover into Kashmir and Chechnya have become an additional motivator for a bilateral strategic partnership between Moscow and New Delhi. Russia and India offer each other mutual diplomatic support on the situation in Kashmir and Chechnya and closely interact in Afghanistan and Central Asia.
- At the same time, Moscow and New Delhi do not want to be constrained by their partnership in achieving broader strategic or economic goals. In the long term, the United States and China present more strategic and economic opportunities which, if successfully tapped, could reduce the level of Russo-Indian interaction.

INTRODUCTION

Despite the disintegration of the Soviet Union in 1991, the relationship between Russia and India remains one of considerable importance to both countries. The many forecasts of an imminent end to the Russo-Indian strategic partnership after the Cold War have proven to be wrong or at least premature. First, the Cold War legacy has not been fully eliminated in the world, and South Asia perhaps suffers from it more than any other region. Second, the U.S.-India rapprochement is uneven and controversial which requires New Delhi to maintain close ties to traditional partners such as Russia particularly when China continues to be a strategic rival or at least an unknown. Russian arms supplies remain a key factor in Indian military modernization. The rise of Islamic radicalism particularly through the Talibanization of Afghanistan and its spillover into Kashmir and Chechnya became an additional motivator for bilateral strategic partnership. Last and not least, Russia and India entered almost simultaneously into a process of economic reform and liberalization, which offers new opportunities for their bilateral relationship.

Since the early 1950s, New Delhi and Moscow have built friendly relations on the basis of *realpolitik*. India's nonalignment enabled it to accept Soviet support in areas of strategic congruence, as in disputes with Pakistan and China, without subscribing to Soviet global policies or proposals for Asian collective security. The most intimate phase in relations between India and the Soviet Union was between 1971 and 1976; its highlight was the twenty-year Treaty of Peace, Friendship, and Cooperation of August 1971 which committed the parties "to abstain from providing any assistance to any third party that engages in armed conflict with the other" and "in the event of either party being subjected to an attack or threat thereof ... to immediately enter into mutual consultations." India benefited at the time because the Soviet Union came to support the Indian position on Bangladesh and because the treaty acted as a deterrent to China. By the late 1970s, the Soviet Union was also India's largest trading partner.

PAINFUL ADJUSTMENT TO THE POST-COLD WAR ERA

When the Soviet Union disintegrated, India was faced with the difficult task of reorienting its external affairs and forging relations with the fifteen Soviet successor states, of which Russia was the most important. Independent Russia's first government made relations with the United States and the West in general its priority, and it expressed diminished interest in Asia and a strong will to distance itself from the legacy of Soviet foreign policy. Special relations with India were seen as one of those legacies. There was considerable pressure during that period to normalize relations with Pakistan and even supply arms to Islamabad. In November 1991, Moscow voted for a Pakistani-sponsored United Nations (UN) resolution calling for the establishment of a South Asian nuclear-free zone. Russia urged India to support the Treaty on the Non-Proliferation of Nuclear Weapons and decided in March 1992 to apply "full-scope safeguards" to future nuclear supply agreements. In 1993, under American pressure, Russia denied its former obligation to provide India with necessary technology to manufacture cryogenic engines for its rocket program. India was shocked, and openly questioned Russia's reliability and the independence of its foreign policy.

Russia's foreign policy, however, soon reverted from the idealism of the early 1990s to traditional realpolitik, which prompted an urgent effort to repair the damage in relations with India. President Boris Yeltsin's visit to India in January 1993 laid the foundation for the reinvigoration of bilateral relations. Moscow pledged to deliver cryogenic engines and space technology for India's space program under a \$350 million deal between the Indian Space Research Organisation (ISRO) and the Russian space agency Glavkosmos despite the imposition of sanctions on both organizations by the United States. In addition, Boris Yeltsin expressed strong support for India's stand on Kashmir and promised that Russia would not give arms to Pakistan. A defense cooperation accord aimed at ensuring the continued supply of Russian arms and spare parts to satisfy the requirements of India's military and promoting the joint production of defense equipment was signed. Bilateral trading, which fell drastically during the 1990-92 period, was expected to revive following the resolution of the dispute over New Delhi's debt to Moscow and the decision to abandon the 1978 rupee-ruble trade agreement in favor of hard currency. The 1971 treaty was replaced with the new Treaty of Friendship and Cooperation, which dropped security clauses that in the Cold War were directed against the United States and China.

Russia-India relations have been evolving successfully since then and in many directions. Political contacts are regular and at the highest level with annual summits convened in Moscow or New Delhi. Foreign policy coordination is notable both on global and regional issues, and cooperation in the military sphere is acquiring a higher level of sophistication, trust, and interdependence. Most importantly, the strategic uncertainty about the post-terrorist phase in international relations, if there is one, and its impact on regional interests of the great powers prompt Russia and India to closely interact for an indefinite period. While at the strategic level the relations are stable, both have to deal with some tactical challenges emanating mostly from pragmatic requirements of their domestic reforms and developments.

COMPLEMENTARITY OF NATIONAL INTERESTS

The January 1993 Treaty of Friendship and Cooperation and the October 2000 Declaration on Strategic Partnership serve as the two guiding documents of the post-Cold War Russo-Indian partnership. They state that the partnership between Russia and India is founded on the complementarity of national interests and geopolitical priorities. One factor of such complementarity is seen in "Russia's high standing as a world power" and India's leading role in the "immediate neighborhood, in Asia and beyond." Moscow continues to treat South Asia as largely an Indian domain and openly supports India's bid for permanent membership on the UN Security Council while India backs Russia's preeminent role in the former Soviet states, particularly in Central Asia.

This complementarity is however constrained by Russia's increasing dependence on China and India's evolving partnership with the United States. Despite being interested in Russia's strong geopolitical influence, New Delhi is unlikely to take Moscow's side in the event of a U.S.-Russia stand off, which could occur, for example, in one of the former Soviet states. Russia, in turn, though generally interested in the rise of India's regional influence, would be unwilling to support any Indian attempt to openly challenge China or resolve the Kashmir problem by force.

At the same time, the uncertainty about future U.S.-China relations ensures continuing mutual interest between Russia and India. As New Delhi continues to distrust Washington's regional agenda and particularly the United States' renewed alliance with Pakistan, a strong partnership with Russia remains viable though not as valuable as during the Cold War. Similarly, Moscow harbors suspicions about China while India presents no challenges and mostly opportunities for Russia's foreign policy. This may explain why Russia supplies more sophisticated weaponry to India than China. On the economic front, however, Russia and India are becoming less interdependent, while India and the United States are developing substantial economic ties. Similarly, a Chinese trade and economic partnership is much more promising to Russia.

TERRORISM UNITES

All the four major powers mentioned have a common agenda in fighting international terrorism but remain divided about the sources of terrorism and ways of dealing with the terrorist challenge. On this issue, Russia and India as well as China agree that the United States is deliberately broadening and manipulating the war on terrorism to enhance its global predominance. Along with the United States, Russia and India see China as largely undemocratic and therefore limited in offering political alternatives to distraught minorities. Based on these common positions, Moscow and New Delhi emphasize their "unique role and responsibility" as multiethnic, pluralistic states as defined by their 1994 declaration on the Protection of Interests of Pluralistic States.

Both sides regularly reiterate support for each other's territorial integrity and respect for each other's sovereignty. The joint statements between Moscow and New Delhi refer to Russia's support of the steps taken by India in Jammu and Kashmir in "combating international terrorism" and India's support for Russian action in Chechnya to protect its "territorial integrity and constitutional order." A joint statement—issued after the visit of Prime Minister Atal Bihari Vajpayee to Moscow in November 2003—urged Islamabad "to implement in full its assurances to prevent infiltration of terrorists across the Line of Control" and "to dismantle the terrorist infrastructure in Pakistan and Pakistan-controlled territory as a prerequisite for a purposeful dialogue between the two countries." Russia registered its appreciation and support for India's peace initiatives and "hoped that Pakistan will come out with a positive response."

Russia's uncritical support of India's anti-terrorist rhetoric on Kashmir prevents it from taking a more balanced approach on the India-Pakistan dispute and, more importantly, from developing stronger relations with Pakistan, which could help enhance Russia's image in the Islamic world and fight radical Islamic forces in the Caucasus and Central Asia. Likewise, New Delhi's uncritical support of Russia's policy on Chechnya distances India from Western democracies, who appeal to Moscow to use a more political rather than military approach to the Chechen situation.

AGAINST DOUBLE STANDARDS

Russia and India stress that they have been victims of terrorism and have a moral right to be proactive in the struggle against it. The two countries' perspective on terrorism is defined through the basic principles of Russian-Indian cooperation set forth in the Moscow Declaration on International Terrorism of November 6, 2001. The concrete steps are coordinated through the Joint Working Group on Combating International Terrorism, which was established in December 2002. India and Russia record "complete identity of views" on terrorism and call on the international community to take decisive action "against those who aid and abet terrorism across borders, harbor, and provide sanctuary to terrorists and provide them with financial means, training, or patronage."

The two countries stress that "international action against terrorism cannot be selective, but has to be uniform, comprehensive, continuous, and multifaceted." India and Russia call for giving up "double standards" in the war against terrorism and propose a "consistent and uncompromising" approach in tackling the menace. In a clear dig at the United States, India and Russia oppose unilateral use or threat of use of force in violation of the UN Charter and vow to work for establishing "a multipolar and just world order based on sovereign equality of all states, their territorial integrity, and noninterference in their internal affairs." Implied in the common stance of Russia and India on terrorism is a criticism of the United States' assumed prerogative to define terrorist states and proliferators of weapons of mass destruction.

AFGHANISTAN AND CENTRAL ASIA

The situation in the common neighborhood—Afghanistan and Central Asia—is of vital security interest to both Russia and India. Their cooperation on Afghanistan has been quite durable. Even during the Soviet occupation of Afghanistan, India was very restrained about the Soviet action, risking its reputation in the nonaligned and Islamic worlds. Moscow and New Delhi were supportive of the Northern Alliance and hostile to the Pakistan-supported Taliban. Russia and India cooperate closely in the construction efforts in Afghanistan and insist that these should be driven by "Afghan priorities." They underscore the need for the international community to remain engaged in the efforts to ensure the revival of Afghanistan as a sovereign and independent state, free from terrorism, drugs, and external interference. Russia and India are trying to minimize Pakistan's influence in Afghanistan and ensure that the Pushtu majority will not dominate Afghanistan at the expense of the traditionally more loyal Northern Alliance, which is made up of ethnic minorities such as Tajiks and Uzbeks. At the same time, Russia seems to be less "obsessed" than India with Pakistan's role in Afghanistan and focuses instead on Afghanistan's influence on the Central Asian region.

Russia and India have a vital interest in maintaining security, stability, and a secular order in the Central Asian region. With the exception of Tajikistan with whom India has been steadily developing military ties including a training base, India is much less ambitious in Central Asia than Russia, which has engaged three Central Asian states in a collective security treaty and four Central Asian states in the Shanghai Cooperation Organization (SCO) along with China. However, Moscow—wary of Beijing's increasing influence on Central Asian states—welcomes more Indian participation in regional politics and has been promoting India's membership in the SCO.

MILITARY COOPERATION

India relies heavily on Russia for its arms and Moscow enjoys the rewards of being New Delhi's largest supplier. New Delhi has bought \$33 billion worth of weapons from Moscow since the 1960s, and Russian weapons account for nearly three quarters of India's arsenal. For instance, the former Soviet Union and then Russia have built a total of sixty-seven naval vessels for India. Russia has provided India with more than 130 T-90S tanks, and more are being sent for assembly in India. Russia has also been delivering Su-30MKI jet fighters to India since 1996. More than 10,000 Indian officers have been educated and trained in the Soviet Union and Russia.

In January 2004, Russia and India signed nearly twenty contracts involving the provision of Russian weapons and technology. Under one of them estimated to be worth \$1.5 billion, Russia will upgrade the Admiral Gorshkov aircraft carrier and deliver it to India by '08. Gorshkov will give the Indian navy the capacity to put a carrier task force within the range of China. India will pay Russia only for the 20-year-old carrier's refurbishment, which will cost around \$650 million, plus an additional \$730 million for sixteen MiG-29 jet fighters and eight Ka-27 and Ka-31 naval helicopters. There has been considerable speculation about two "side deals" being covertly negotiated along with the Admiral Gorshkov package, both of which are probably related to New Delhi's ambitions as a nuclear power. India has shown considerable interest in leasing Akula-II class nuclear powered submarines from Russia as well as four TU-22 long-range bombers.

While both these pieces of hardware are capable of carrying and delivering nuclear weapons, New Delhi appears far more interested in the submarines. These highly sophisticated machines are difficult to detect, can remain under water for extended periods and—in the eyes of some members of the defense establishment—will enable India to have an effective sea-based nuclear deterrent. Both India and Russia claim that leasing Akulas would not violate the provisions of the nuclear nonproliferation treaty, which they interpret as covering only nuclear weapons technology and not nuclear-powered submarines.

With the signing of the Gorshkov deal, Russia continues to retain its position as the top supplier of defense hardware to India although New Delhi is also sourcing equipment from other countries. Recently the U.S. journal *Defense News* reported that the Indian government is working on a program whereby Israel would replace Russia as India's largest supplier of weapons and defense equipment by 2008. Israel is already the second-largest supplier of military systems to India, so this program could effect a major transformation in India's security relationships. Given the deep ties between the U.S. and Israeli defense industries, if this program does materialize it will also probably enhance the United States' competitive position in the Indian defense market and result in further increases in the already-rising amount of U.S. arms sales and security cooperation with India.

India's Parliamentary Standing Committee has urged the government to avoid overdependence on Russia for armaments and spare parts. The committee reportedly acknowledged Russia's previous contributions and reliability as a provider of defense equipment to India but cautioned that the current dependence on Moscow for almost 80

percent of its arms imports is unhealthy. It also observed that Russia was not providing military hardware on the same beneficial financial terms that it had during the Soviet era. Russia also has come under criticism for the quality of some of the deliveries and India's difficulty in obtaining and negotiating speedy delivery of spare parts for these weapons systems. Russia is worried about losing its predominance on the Indian weapons market and much to the chagrin of India, now mulls over selling arms to Pakistan. Following a trip to Pakistan in December 2003, Sergei Stepashin, head of Russia's Audit Chamber and former prime minister, announced that Pakistan could import significant amounts of Russian weaponry within the next three to four years.

In order to maintain the momentum in arms cooperation, Moscow and New Delhi have been steadily advancing their military cooperation to areas like joint research, development, and co-production. For example, they jointly developed and successfully launched the BrahMos cruise missile. India is collaborating with Russia on joint production of a fifth-generation fighter that Russia feels is vital to its military future. More broadly, India is the only country collaborating with Russia on joint production of sophisticated and futuristic weapons systems. Moscow is concerned that it will be gradually ceding some of its traditional or potential weapons markets to India as a result of such collaboration. Also, China is starting to demand more firmly that Russia offer the same opportunities to its own defense industry as it does to India. As a result of such pressure, Russian Defense Minister Sergei Ivanov has called for trilateral cooperation between India, Russia, and China in the sphere of defense and joint development of new weapons. According to Ivanov, this would also help promote stability and security in Asia. He however cautioned that the triangular defense cooperation could only come about after the three countries build strong political ties, which is currently problematic between India and China.

TRADE IS INSUFFICIENT

Russia and India are increasingly worried about the inadequacy of their bilateral trade cooperation, apart from the arms business, which has not been restored to the level of Soviet-Indian trade. The annual trade turnover is less than \$1.5 billion or ten times less than Russia's trade with China. Approximately 80 percent of the trade is on rupee-repayment track, which ends in 2005 as the rupee fund will be exhausted.

At the same time, the two countries have discovered promising avenues of cooperation in the energy and transport sectors. Russia is helping India build an atomic power plant in Kudankulam worth \$2.6 billion and explore hydrocarbon raw materials on a shelf in the Bay of Bengal. In turn, India's Oil and Natural Gas Company has invested \$1.7 billion in the Sakhalin-1 oil and natural gas project. An Inter-Governmental Agreement on International North-South Corridor between India, Iran, and the Russian Federation signed in September 2000, will facilitate movement of goods along the corridor connecting India through the sea route to Iran and then via the Caspian Sea to the Russian Federation and beyond. This new initiative is expected to reduce transit time and the cost of transporting goods to the Russian Federation and European countries.

CONCLUSION

Russia-India relations have clearly withstood the test of time and change in international relations since the end of the Cold War. Both countries have common security concerns primarily driven by the terrorist threat and common geopolitical interest based on mistrust of the United States' and China's strategic goals and policies. They are complementary as well as innovative in military cooperation, which remains very substantial.

There is national consensus in both countries on the need for a strong and stable relationship with each other. Since the Indian Congress Party has always had better ties with Moscow, the bilateral partnership is likely to grow even stronger after India's recent elections.

At the same time, Moscow and New Delhi do not want to be constrained by their partnership in achieving broader strategic or economic goals. In the long term, the United States and China present more opportunities for each of them strategically and economically which, if successfully tapped, could reduce the level of Russo-Indian interaction. But the *ifs* are too many to cast a shadow in the foreseeable future on the successful Russia-India partnership.

The views expressed in this publication are those of the author(s) and do not necessarily reflect the official policy or position of APCSS, U.S. Pacific Command, the U.S. Department of Defense, or the U.S. Government.

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