

# India and Russia: Contemporising Historical Ties and Broadening Cooperation

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## Summary

*Following his meeting with American President Joe Biden in June 2021, Russian President Vladimir Putin left Russia for the second time in the year on 6 December 2021 for a visit to India for the 21<sup>st</sup> Annual India-Russia Summit. Aside from renewing the 10-year bilateral Military-Technical Cooperation Program, Moscow and New Delhi released a 99-point joint statement in which they inked 28 memorandums of understanding spanning defence, energy, trade, culture and education.*

*Significantly, both sides convened the inaugural Foreign and Defence Minister's '2+2 Dialogue', which India had previously undertaken with the United States and Japan. This meeting signals that India and Russia are making definitive actions to deepen ties, broaden areas of cooperation and contemporise their strategic partnership to face the changing geopolitical realities.*

## Introduction

Since the Cold War, New Delhi has maintained a reliable partnership with Moscow which continues to this day. The year 2021 commemorated the 50<sup>th</sup> anniversary of the Indo-Soviet Treaty on Peace signed in 1971, as well as the 20<sup>th</sup> anniversary of their Special and Privileged Strategic Partnership. The latest summit's joint statement, "Partnership for Peace, Progress and Prosperity", covered a wide range of issues and memorandums of understanding from trade, health, governance and education to military and multilateralism.<sup>1</sup>

Against the backdrop of a growing United States (US)-China competition, India-Russia relations have become more intertwined with the two rival powers, resulting in a situation which their closest friends are bonding with their deadliest enemies.<sup>2</sup> India's geopolitical objective has been primarily focused on striking a balance between Washington and Moscow, but in the face of growing Chinese dominance, India can no longer ignore the cartographic reality of co-existing with a potential hegemon. Russia, having established a close relationship with India and China, is a reliable partner on which India can depend on in the region.

For Moscow, furthering the "comprehensive partnership and strategic interaction with China" and the "particularly privileged strategic partnership with India" are its present foreign policy goals as illustrated in the newest version of the National Security Strategy

<sup>1</sup> India-Russia Joint Statement, 6 December 2021, <https://mea.gov.in/bilateral-documents.htm?dtl/34606/India+Russia+Joint+Statement+following+the+visit+of+the+President+of+the+Russian+Federation>.

<sup>2</sup> Dmitri Trenin, "Russia-India: From Rethink to Adjust to Upgrade," *Carnegie Endowment for International Peace*, 2 December 2021, <https://carnegiemoscow.org/commentary/85903>.

released in July 2021. The Kremlin named India, China and the Commonwealth Independent States as countries with whom to strengthen ties.<sup>3</sup> The document is sharply critical of Western efforts to undermine Russian national interest, society and values. It also designates the US and the Czech Republic as “unfriendly countries”. Various analyses of the text have elicited that Russia has little or no expectations of improving relations with the Western powers.<sup>4</sup>

Since Russia’s annexation of the Crimean Peninsula in 2014, relations between Russia, the US and Europe have been deteriorating, leading Moscow to attach greater significance to Beijing and New Delhi. Notably, India and China are amongst the few countries that have backed Russia on Crimean issues in the United Nations (UN).<sup>5</sup>

## **Divergent Trajectories with US and China but Common Pursuit for Multilateralism**

Over the last two years, it has become an indisputable fact that India has moved strategically close to the US. The US shift towards engagement with India and the institutionalisation of the Quadrilateral Security Dialogue (Quad) brought new impetus to India-US cooperation and attention onto the Indo-Pacific region.<sup>6</sup> Beyond mutual commitment to build a strategic partnership, Delhi and Washington have signed four basic defence agreements, a number often achieved by American allies.

The increasing proximity of India to the US raises concerns in Russia about Delhi’s strategic choices in the arena of great power competition. As India-US relations grow, Russia-US relations worsen, and India-Russia relations become strained as a result. In 2020, the annual India-Russia summit was cancelled for the first time. Despite official statements claiming that the cancellation was due to the COVID-19 pandemic, speculations abound that Moscow is having reservations about India’s participation in the American-led Quad. The Quad has been explicitly condemned by Russia as “aggressive and devious”.

When Russian Foreign Minister Sergey Lavrov went on to visit Islamabad after visiting Delhi in April 2021, Indian media reports suggested that Lavrov was signalling to Delhi that it could not expect total fidelity from Moscow given Delhi’s increasing connections with

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<sup>3</sup> 2021 Russian National Security Strategy (in Russian), <http://publication.pravo.gov.ru/Document/View/0001202107030001>.

<sup>4</sup> For example, see Dmitri Trenin, “Russia’s National Security Strategy: A Manifesto for a New Era,” *Carnegie Endowment for International Peace*, 6 July 2021, <https://carnegiemoscow.org/commentary/84893> and Nivedita Kapoor, “Russia’s New National Security Strategy,” *Observer Research Foundation*, 7 July 2021, <https://www.orfonline.org/expert-speak/russias-new-national-security-strategy/>.

<sup>5</sup> “India signals backing for Russia on Ukraine issue at a UNSC meet,” *The Economic Times*, 13 March 2021, [https://economictimes.indiatimes.com/news/international/world-news/india-signals-backing-for-russia-on-ukraine-issue-at-a-unscc-meet/articleshow/81487402.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/international/world-news/india-signals-backing-for-russia-on-ukraine-issue-at-a-unscc-meet/articleshow/81487402.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst).

<sup>6</sup> Zheng Haiqi and Claudia Chia, “The New Era of the Quad: Opportunities for India-US Cooperation,” *ISAS*, 8 October 2021, <https://www.isas.nus.edu.sg/papers/the-new-era-of-the-quad-opportunities-for-india-us-cooperation/>.

Washington.<sup>7</sup> The political signalling was also evident when Indian Foreign Minister S Jaishankar first visited Russia and then Georgia in July 2021. Considering the tensions between Georgia and Russia, Jaishankar's actions could be interpreted as a reaction to Lavrov.<sup>8</sup>

However, Moscow's apprehension of the Indo-Pacific may be overstated. India and Russia have pledged in the joint statement to "intensify consultations on complementarities between integration and development initiatives in greater Eurasian space and in the regions of Indian and Pacific oceans."<sup>9</sup> Although the term 'Indo-Pacific' was absent, it is clear that Russian policy-making circles are aware of the region's burgeoning geopolitical power struggle and it wants to play a role.

A point of divergence between India and Russia is their perception of China. While both parties seek to reduce their economic dependence on China, they hold different views and pursue different policies to accommodate China's ascendance. India primarily sees China as a competitor, whereas Russia views China as more of a strategic partner.

There is great animosity between Delhi and Beijing, especially following the Galwan Valley border dispute in May-June 2020. In the aftermath of the border clash, India requested Russia to expedite delivery of defence systems and fighter jets. Russia, as the principal supplier of military weapons and equipment to both countries, was caught in a bind and, most likely in an effort to maintain its strategic autonomy, opted to agree to India's request despite potential backlash from Beijing.<sup>10</sup> For the past two decades, the concept of a Russia-India-China trilateral strategic cooperation that Moscow has advocated for remains a pipe dream.

Structurally, Delhi and Moscow are united by their assessments of the constraining effects of continued American and Chinese domination across a wide array of political issues and competition. There are many overlaps in Indian and Russia foreign policy narratives in their appeals for multilateralism, a multipolar world order and the importance of pursuing an independent foreign policy. Both countries are looking towards the UN to play a central role in global affairs. During the summit, Russia underlined support for India's permanent membership of the UN Security Council and reiterated both countries' calls for reforms in the UN to expand representation, enhance efficiency and promote multilateralism. The dominance of either the US or China is unappealing to Indian and Russian administrations.

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<sup>7</sup> "Jaishankar's slip of tongue, Lavrov's Pakistan trip — why all's not well with India-Russia," *The Print*, 13 April 2021, <https://theprint.in/opinion/global-print/jaishankars-slip-of-tongue-lavrovs-pakistan-trip-why-alls-not-well-with-india-russia/638827/>.

<sup>8</sup> Indrani Bagchi, "Signal to Moscow? S Jaishankar on first trip to Georgia after visiting Russia," *Times of India*, 11 July 2021, <https://timesofindia.indiatimes.com/india/signal-to-moscow-s-jaishankar-on-first-trip-to-georgia-after-visiting-russia/articleshow/84307921.cms>.

<sup>9</sup> India-Russia Joint Statement, 6 December 2021, op. cit.

<sup>10</sup> "Assured by Russia of speedy completion of defence contracts, says Rajnath Singh," *Hindustan Times*, 23 June 2020, <https://www.hindustantimes.com/india-news/assured-by-russia-of-speedy-completion-of-defence-contracts-says-rajnath-singh/story-AMnU4SbMLFU3pInVzgJEOJ.html>.

## Pillar of Partnership: Military-Technical Cooperation

The Delhi-Moscow relationship is primarily underpinned by military-technical cooperation. Since the mid-1960s, the Soviet Union and later independent Russia has been India's major defence partner and primary supplier of arms. Russia's willingness to share critical technologies and systems with India has provided India with technical assistance for some of its military programmes. Today, around 60 to 70 per cent of weapons and equipment in India's armed forces are of Russian origin, highlighting the continued reliance on Russian-made systems and components.<sup>11</sup>

In 2021, despite prior warnings from Washington not to acquire Russian S-400 missile defence systems and facing threats of sanctions under the Countering America's Adversaries Through Sanctions Act (CAATSA), Delhi proceeded with the purchase. The US had imposed sanctions on its North Atlantic Treaty Organization ally, Turkey, for the same purchase last year, prompting many to speculate that Washington may do the same to Delhi. However, as a non-US treaty ally, India is unlikely to be affected by CAATSA. In fact, Delhi may use its procurement of Russian weaponry as a bargaining chip with the US to pressure Washington to offer better military technologies and equipment.

Moreover, the summit affirmed Russian commitment to participating in the 'Make in India' initiative by developing joint research and development and joint production of advanced defence technology and systems. The bilateral partnership is acknowledged to be under a "re-orienting" from sales to joint manufacturing.

While this would mean an uptick in India-Russia military cooperation and defence collaborations, one cannot forget that India has been diversifying its sources of arms and Russia has been expanding its clientele. For the first time in 2020, France surpassed Russia as India's top supplier as the total value of French arms imports into India exceeded Russian imports.<sup>12</sup> Additionally, India has been purchasing arms and forming defence partnerships with Israel and the US.

Since Russia lifted its self-imposed embargo on arms sales to Pakistan in 2015, military cooperation and sales between Moscow and Islamabad have grown. Another paradigmatic shift in Pakistan-Russia relations was the first-ever joint military exercise, *Druzhba* (Friendship), held in September 2016. This move to engage Islamabad, Delhi's rival, may be a signal to Delhi that Moscow has other choices, warning India not to grow too close to the US.

## Broadening Cooperation: Health, Trade, Regional Connectivity

Notably, the summit demonstrated India and Russia's determination to contemporise their relations to meet new challenges and broaden their cooperation to different sectors. Health

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<sup>11</sup> "More than 60-70% of India armed forces equipped with Russian origin weapons: Indian envoy", *The Economic Times*, 11 July 2020, [https://economictimes.indiatimes.com/news/defence/more-than-60-70-of-india-armed-forces-equipped-with-russian-origin-weapons-indian-envoy/articleshow/76903811.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/defence/more-than-60-70-of-india-armed-forces-equipped-with-russian-origin-weapons-indian-envoy/articleshow/76903811.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst).

<sup>12</sup> SIPRI Arms Transfers Database. Accessed on 24 March 2021.

is one of the areas where collaboration will be expanded. Faced with the second wave of pandemic in April 2021, the Indian government authorised the use of Russian Sputnik-V vaccine and distributed it to vaccination centres. The Serum Institute of India collaborated with a Russian firm to produce and sell the vaccine in India. While media reports indicate that Sputnik-V is not as popular as the free vaccinations provided by the Indian government, companies are eyeing the export market as India lifted its export ban from October 2021.<sup>13</sup>

With the pandemic still raging, India and Russia are working on mutual recognition of COVID-19 vaccinations to facilitate cross-border movement of people. During the 18<sup>th</sup> meeting of the Foreign Ministers of China, Russia and India, the three countries called for strengthening the policy responses of World Health Organization in the fight against COVID-19 and other global health challenges and making vaccine a global public good.<sup>14</sup> Indian pharmaceutical companies are increasingly involved in the Russian pharmaceutical market as Russia seeks to reshape the industry and increase domestic production of innovative drugs under its Pharma2020 and Pharma2030 programmes.

Second, India and Russia have set a trade target of US\$30 billion (\$40.5 billion) by 2025. The two sides have often stated the necessity of improving trade and investment ties over the years, but progress has been slow.<sup>15</sup> As the COVID-19 pandemic exposes the fragile economic and supply chains worldwide, which rely heavily on Chinese firms and suppliers, Delhi is actively looking to diversify its supply chain. Since 2019, India has pledged US\$1 billion (\$1.35 billion) Line of Credit for Indian-led projects to enhance investment and assist Indian companies in establishing themselves in the Russian Far East (RFE). The operationalisation of this credit is attractive to Moscow as the RFE, despite its vast resources and land, remains underdeveloped.

Moreover, Russia has been exploring for new markets and partners in Asia under “the turn to the East” (*povorot na vostok*) since 2010. Under President Vladimir Putin’s leadership, Moscow is aiming to establish the “Greater Eurasian Partnership” and one of the methods is to strengthen the Eurasian Economic Union (EAEU). Post summit, Russia and India will begin negotiations for an EAEU-India Free Trade Agreement. Moscow also wants to deepen cooperation within non-Western groupings (EAEU, BRICS, Shanghai Cooperation Organization) as a counter to the influence of Western groupings. India, as the world’s fastest growing major economy, has a vital economic and strategic role to play in Moscow’s eastward tilt.

The Chennai-Vladivostok Maritime Corridor, a planned sea route between India and Russia that would boost connectivity and expand maritime cooperation, was also addressed during

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<sup>13</sup> “Indian firm Dr. Reddy’s eyes Sputnik vaccine exports after domestic struggle,” *Reuters*, 29 November 2021, <https://www.reuters.com/world/india/indian-firm-dr-reddys-eyes-sputnik-vaccine-exports-after-domestic-struggle-2021-11-29/>.

<sup>14</sup> Joint Communique of the 18th Meeting of the Foreign Ministers of the Russian Federation, the Republic of India and the People's Republic of China, 26 November 2021, <http://www.mea.gov.in/bilateral-documents.htm?dtl/34540/Joint+Communique+of+the+18th+Meeting+of+the+Foreign+Ministers+of+the+Russian+Federation+the+Republic+of+India+and+the+Peoples+Republic+of+China>.

<sup>15</sup> C Raja Mohan, “Putin’s visit must be used to realise the potential of India-Russia ties,” *The Indian Express*, 7 December 2021, <https://indianexpress.com/article/opinion/columns/russian-president-vladimir-putin-india-visit-pm-modi-agenda-7657862/>.

the meeting. The corridor has acquired new impetus with the completion of a feasibility study; this project will be something to watch in future Delhi-Moscow collaboration.

Further, with the complete departure of the US forces from Afghanistan, the region temporarily enters a post-America era, in which India, China and Russia are the major powers in the region. The takeover by the Taliban might stymie regional connectivity aspirations due to the perilous security situation. Given India's historical grievances with the Taliban, as well as the close relationship between the latter and Pakistan, India might find it difficult to gain influence in Kabul.

Because Afghanistan is the key to India's access to the Chabahar Port, security concerns may force India to consider alternate routes. If India aspires to create regional connections without going via Afghanistan, it will have to go through Central Asia, Russia's backyard. As a result, Delhi-Moscow cooperation in regional projects will open new opportunities for regional connectivity.

## Conclusion

Faced with the escalating great power competition, the improvement of India-Russia relations is a smart choice for both countries. They are jumping out of the traditional scope of military cooperation and forging new cooperation in more fields to enhance strategic convergence.

Moving forward, the main challenge for both countries will be navigating the US-Russia competition and India-China rivalry. Despite strong political vows to improve trade, identifying economic complementarities and establishing investment linkages will be difficult as the Russian economy is highly dependent on Europe and China. In 2020, Russia-India bilateral trade amounted only to US\$9.26 billion (S\$12.5 billion) whereas Russia-China trade totalled US\$104 billion (S\$141 billion), and the EU remains Russia's largest trading partner.<sup>16</sup> For the foreseeable future, the bedrock of Delhi-Moscow ties will remain to be military-technical collaboration.

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<sup>16</sup> "Leading foreign trade partners of Russia in 2020," *Statista*, accessed 29 December 2021, <https://www.statista.com/statistics/1100708/russia-leading-foreign-trade-partners-by-volume/>.