



India's Strategic Partnership with Russia: Continuity or a Shift?

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Russia and India celebrated the 67th anniversary of their 'time-tested' bilateral relationship on April 2014. Both countries have given credence to the strategic partnership, signed in 2000 under the leadership of former Indian Prime Minister, Atal Behari Vajpayee and Russian President, Vladimir Putin. The vision of 'The Declaration of the Strategic Partnership' is to elevate this strategic partnership between India and Russia to an even higher and qualitatively new level in bilateral and international arenas – bilaterally, having a long-term and all-round development of relations and internationally, countering global challenges and threats and promoting strategic stability.

Former Indian Foreign Secretary, Ranjan Mathai described India's relation with Russia as 'perhaps the most vital, most decisive' despite changes in the global political landscape. However, this partnership has not been able to reach its optimal level. The reasons behind it have been India's decision to diversify its defence markets, ambition to have an indigenous defence production sector and grievances against Russia for providing delayed, sub standard and highly priced defence equipments. Apart from it, India's close proximity to the US and Russia's growing relationship with Pakistan and China has given an impression that the partnership is getting eroded.

With Russia re-emerging as an important player in the changing geopolitical realities, it is critical to revisit the strategic partnership. A serious appraisal of the potential and opportunities needs to be undertaken and a sector specific focussed approach is required. Further, the trust deficit between both the countries needs to be addressed.

India's abstaining vote against Russia in the UNSC regarding the secession of Crimea from Ukraine and its opposition to Western sanctions on Moscow have been appreciated by the Kremlin. Meanwhile, Russia's support for India's full membership in Shanghai Cooperation Organization and the United Nation's Security Council is a step towards rejuvenating the partnership.

Defence

Russia remains a large defence exporter to India but due to technical problems such as sub standard quality and highly priced defence equipments with delay in deliverance has resulted in a decrease in the cooperation. A transparent and honest evaluation of expectations from both sides and redressing of the complaints are needed at the top leadership level.

India's concentration has shifted from that of 'capability building' to being 'equipment centric' as it wants to build an indigenous defence system. Russia's genuine cooperation will strengthen the relationship between both the countries.

Prescriptive Suggestions

Defence Deal Cooperation

To enhance the defence sector cooperation, apart from the existing defence deals and joint projects, such as the IL-214 multirole transport aircraft, BrahMos, 5th generation fighter jet programme, Sukhoi Su-30MKI programme, Ilyushin/HAL Tactical Transport Aircraft, India can think of:

- Purchasing Russia's 'Armata' Universal Combat Platform, a Russian advanced next generation new tank. Testing of the new tank will begin next year, and deliveries to the Russian army will take place in 2015-2020. The quality will be of high standard, as

Russia, after its adventure in the Ukrainian crisis, is upgrading its defence technology and building sophisticated weaponry.

- Purchasing of armoured vehicles - Boomerang and Kurganets and Typhoon, an anti-landmine multi-purpose vehicle. These vehicles are useful in protecting the troops from the direct line of enemy attack and in transporting both troops and cargoes. Typhoon can be adapted with various equipments and defence systems and can be used in Maoist infested areas.
- Finalising more joint military projects with Russia, such as producing small arms like hunting rifles, shotguns (which can be used for civilian use like sports), smaller sized and lighter weight carbines, which will be helpful, especially for high-mobility troops, such as special-operations groups and paratroopers.
- Joint research with Russia in high-precision weaponry, such as the scaled-down version of BrahMos missiles and production of counter-surveillance equipment for border security.
- Continued war-game exercises, such as INDRA that would build contacts amongst the defence personnel, thereby helping to overcome the trust deficit between India and Russia.
- The winged supersonic missiles, BrahMos, project is one of the most successful technological collaboration between India and Russia. Recent developments suggest that both countries are exploring the possibility of amending the user agreement to facilitate the sale of the product (BrahMos missile) and not the technology to third party countries such as Vietnam, Indonesia and Venezuela.
- The BrahMos project can also become a platform for multilateral cooperation between India, Russia and the West. India faces some challenges in the technological aspect, which can be resolved by having trilateral joint ventures between India, Russia and the West through joint research and development projects and production to enhance the productivity.

Space Cooperation

- With the Mars mission being a success, India and Russia can collaborate for missions in cost-effective projects. Both the countries can collaborate in launching vehicle services for commercial and civil satellite programmes, such as Russia's Proton launch vehicles.
- India and Russia share common interests on the rules and usage of the outer space. Both are against militarisation of the outer space and advocate the need to formulate rules in that area to prevent misusing international space stations.

Economy

India-Russia trade stands at \$10 billion, but more needs to be done in order to explore the potentialities that both can offer. One major hindrance is the trust deficit due to sub standard products, credit issues and delay in delivery. This needs to be addressed as soon as possible in order to reach the optimal level in this sector. Both Russian and Indian companies have made their marks in each other's markets, such as Russian companies in hydroelectric projects, energy sector, etc. and Indian companies in tea and coffee exports and the energy exploration sector. However, other areas where India and Russia can enhance their economic partnerships are:

- India can assist Russia through its IT software knowledge base for Moscow's software programmes. India has experience in complete process building - from research to full-cycle product release in IT sector.
- Russia wants to invest in small and medium start-up businesses in India. For example, Yuri Milner of Digital Sky Technologies Global (DST), an investment fund company, has invested \$210 million in Flipkart, the Indian online retailer. The company is planning to invest up to \$5 million in Mumbai-based Housing.com (real-estate) and Ola.com (taxi services). Such investments in E-Commerce sector in India must be encouraged.
- Insurance of the Indian companies is another sector where Russian insurance companies can be encouraged to invest. Indian private companies are yet to have the capital to invest and the experience in this sector, and with India opening its market to foreign players by increasing the stake limit from 26 to 49 per cent, this can be an area of cooperation between India and Russia. The Insurance Open Joint-Stock Company

Russian Insurance Centre (deals in both civil and defence sector), AlfaStrakhovanie Group (give services to both business and private clients. Their clients are Aeroflot, Coca Cola and Gazprombank etc.) and Sberbank (currently is under the Western sanctions. They provide services to large, medium and small businesses) are the topmost Russian insurance companies. Sberbank is been planning to open its office in Germany, China and India. The Fitch Rating of these insurance companies is in the category of 'B', 'BB' and 'BBB' rating respectively in the international market.

- Siberia is opening up for development and India must invest in energy (exploration and drilling), pharmaceuticals (Siberia has unique herbs, where India can share its own knowledge on Indian herbs and jointly produce medicine and cosmetic products) and tourism (India's Bollywood can contribute through its promotions in Siberia and also Russia).
- Indian tea and coffee, which are already popular in Russia, must market itself in Siberia and Far East. Quality and value should be maintained even in these areas of Russia.
- India's leather quality is better than China and it has huge scope in the shoe and apparel industries market. The deciding factor would be delivering the product and the costs involved.
- India should export food items, such as buffalo meat, poultry products and milk powder, etc. of high standards to Russia. Food is a sensitive issue in any country; hence, the quality should not be compromised. India should also be insightful of not over pricing its products to earn profit due to the Western sanctions being imposed on Russia.
- The successful completion of the North and South Transport Corridor is crucial for India as much as for Russia, Iran and Oman, as these markets, especially Russia can export Indian fruits and vegetables. For it, India must upgrade its technology in areas, such as preservation of food items, etc. Other items, such as optics, electrical machinery and plastics of high standard should be exported to Russia.

Energy Sector

- Russia and India are considering a direct hydrocarbon pipeline through the Altai region, the Xinjiang province, the Himalayas till the north of India. India is apprehensive because of the complex relationship with China and also the high cost involved in the construction of the pipeline due to the mountainous terrains. However, it can be feasible if Russia takes the full guarantee of the free flow through China and a joint venture in the construction of the pipeline is worked out between India, Russia and China. High volume of investment from Beijing is crucial for it. Close cooperation through BRICS, BCIM and SCO are other ways to make it viable.
- Shipments of Russian oil can also be brought either from Kozmino, an oil port located near Nakhodka, in the Russian Far East, after transporting it via the East Siberia-Pacific Ocean (ESPO) pipeline, or from the Novorossiysk port on the Black Sea. ESPO is one of Russia's most expensive infrastructure projects and it charges a premium for supply. To strengthen the relationship, a workable price can be worked out between India and Russia.

Science & Technology Cooperation

- With the budding genome market in Russia, India can help the country in the broad range of DNA testing, paternity testing, genetic testing and also DNA ancestry services. At the same time, Russia, along with US and China, uses a method on non-invasive prenatal diagnosis of fetal chromosomal pathologies. There can be cooperation between India and Russia in this particular field of pathology.
- Russian supercomputing company RSC group and the Russian Academy of Sciences have proposed collaboration with India to set up supercomputing facilities; this proposal needs to be worked out. India's supercomputer Param Yuva - II is ranked at 83 while Russia's Lomonosov supercomputer is ranked at 37.

Concerns that can be turned into cooperation

- India's concern about Russia's growing relationship with Pakistan is justified, because the Russian exports are not limited to the defence system of India, but also transcend to

nuclear reactors, industries and space systems of India. If Pakistan manages to manoeuvre its way into the Russian military-industrial complex, then it will be a major concern for India. However, India should not downgrade its relationship with Moscow. Russia is trying to build a market for its defence equipment to keep it economically viable. It is aware of Pakistan's tactical support to terrorists and Russia has been fighting against Islamic fundamentalist in Chechnya and Dagestan and also within the country. Hence, Russia will be careful of its relationship with Pakistan.

- India and Russia should resolve the disagreement regarding the failed joint venture of the 'titanium project' in Odisha. Russia is seeking India's help in getting back the latter's funds worth \$330 million that are stuck in the project. New Delhi must help in resolving the matter in order to build trust between the two countries through a task force.
- Cooperation in drug trafficking and narcotics should be strengthened. India and Russia can initiate a working mechanism between Narcotics Control Agencies of the two countries and reduce procedural delays.
- Russia has recently made it mandatory for the immigrants to have visa in order to travel to other states of Russia. The Indian Diaspora is not happy with this development and this need to be discussed with the Russian counterparts.
- Big businesses, bankers, doctors, IT specialists and intellectual professionals, such as scholars and journalists from both sides must be encouraged for exchange programmes.
- Russia and India face serious alcoholism in society. A de-addiction and rehabilitation management initiative can be initiated to tackle this issue.
- Russian ballet can be introduced in Indian schools and Kathak and Bharatnatyam dances along with Kalarippattu martial arts can be promoted in Russian schools.
- Joint production of movies between Bollywood and Russian Movie Industry can be promoted.

Conclusion

India and Russia can upgrade their ‘long-standing and time-tested’ relationship to ‘all weather’ partnership. India must invest and strengthen its ‘soft power’ and democratic image and become a genuine balancer between all powers of the country rather than being a ‘zero-sum’ player in the international community.

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