



# China shadow over India-Russia relations

Despite Russia's new proximity to China and Pakistan, India should keep and expand its relations with the historic strategic partner

India-Russia relations have lost the strategic glue that held them together from 1960 to 1990 — the shared concern over a Chinese threat which intensified even more once a virtual US-China anti-Soviet alliance came into play with President Richard Nixon's China visit in 1971. This also threatened Indian interests. It was not a coincidence that the high point of Indo-Soviet strategic partnership i.e. the the Indo-Soviet Friendship Treaty was concluded that year. It provided the strategic assurance India needed to execute and win the India-Pakistan war leading to the birth of Bangladesh. And then came the turnaround in 1989-1990, when two historic events transformed the international landscape. The Tiananmen Square incident of 1989 in China with the brutal suppression of pro-democracy demonstrations soured the US-China relations even as the Cold War was ending with the disintegration of the Soviet Union. The Soviet threat to the US evaporated and with it the American resentment of India being on the other side of the fence. India and the US could begin to leverage the affinities that always existed in the relationship. And with China emerging as a potential adversary, instead of an ally against a threat that no longer existed, the US could once again look upon India as a potential partner in helping construct a stable post-Cold War balance of power. But the collapse of the Soviet Union also meant that China no longer perceived a threat from its north. With the negative change in its relations with the US, China could potentially see a diminished Russia as a potential partner. In the ensuing years, while the US transfer of sensitive technologies and weaponry to China remained suspended, Russia soon



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emerged as their key supplier to China. Initially Russia, in deference to Indian concerns, supplied China with hardware marginally less advanced than what it was giving to India. But this is no longer the case. India-Russia relations continued to be close and cordial but that has been more because of inertial factors rather than driven by any fresh strategic vision. The Indian defence market continues to be important to Russia. Even now, over 70 per cent of India's defence assets are of Russian origin. Their maintenance and need for spares will continue. Russia is also the only source for some highly advanced and sensitive technologies such as for India's nuclear submarine programme. However, as the defence relationship with the US expands, the salience of this residual defence relationship is likely to diminish in salience progressively.

Russia has also been a key partner in India's nuclear energy programme and continues to be the chief supplier of nuclear reactors. However, with the conclusion of the India-US nuclear deal, India's civil nuclear energy market has opened up with several competing suppliers.

The collapse of the Soviet Union also brought about the end of the rupee-rouble trade. Indo-Russian trade has not yet recovered from the Cold War shock. It is now a modest \$10 billion and targeted to grow only to \$30 billion by 2025. Energy partnership could have become a new and significant sector in the Indo-Russian economic relations but Russia's interests are oriented towards Europe and China. Apart from a few limited successes such as participation in Sakhalin, Indian oil and gas majors did not find Russia a very congenial envi-

ronment. In contrast, energy is the backbone of Russia-China long-term economic partnership.

Despite the transformed geopolitical landscape, India has continued to look upon Russia as a benign and friendly power even if it is no longer the key strategic partner it was in its Soviet incarnation. The expansion in India-US relations was not a matter of much concern to Russia as its own relations with Washington were relatively benign despite occasional tensions. The US and Russia worked together to help obtain the waiver for India at the Nuclear Suppliers' Group in 2008, opening the international civil nuclear energy market to India. However, maintaining traditional India-Russia ties has become more challenging in the wake of the Ukraine crisis of 2013 and Russia's annexation of Crimea. This has had two major consequences. One, it has led to a serious deterioration in the US-Russia and the Russia-Europe relations, reviving the flavour, if not yet the substance, of the Cold War. In this relatively more confrontational setting, India's relations with the US and Russia, respectively, become more difficult to manage. As India moves to expand its security and defence relationship with the US, concerns in Russia will increase. Two, Russia has inevitably moved closer to China in order to compensate for its worsening relations with the West. The limits it had informally maintained in its defence and economic relations with China have been mostly lifted. A case in point is the S-400 Triumph Air Defence Missile System. India has contracted to buy five such systems for \$6 billion. China has concluded a deal for the same system in September 2014. Later in 2015, Russia also agreed to supply 24 Su-35 fighter aircraft to China. An announcement last year that Russia will supply Mi-15 Hind helicopters and RDP-93 aircraft engines (for Chinese designed J-7 fighters) to Pakistan, brings to a close a long-standing Russian assurance of not adding to Pakistan's offensive capabilities. These developments could create negative perceptions in India.

China and Russia have also concluded major long-term energy deals and Russia is now willing to allow Chinese investment in its infrastructure and natural resources sectors. Russian reservations about Chinese economic penetration in Central Asia, in particular through the One Belt One Road initiative, have also become muted. In fact, Russia is actively promoting a free-trade agreement between the Eurasian Economic Union sponsored by it and China.

On the political side, China has refrained from criticising Russia on Crimea while the latter has returned the favour by endorsing China's stand that the South China Sea issue should be resolved through dialogue between interested parties and without "outside interference".

These developments inevitably present India with a difficult and complex foreign policy challenge. The response should not be to let Indo-Russian relations slide into indifference – or worse, mutual resentment – but to maintain and wherever possible expand political, economic and security engagement. A strong Indo-Russian relationship will give both countries more room for manoeuvre in an uncertain and rapidly changing geopolitical environment. Neither side would want to see a US-China G-2, or conversely, a major power confrontation re-emerge. Bilateral cooperation in defence and nuclear sectors will remain important. There are enough reasons to remain strongly invested in the relationship.