

## **Economic dimension of India's foreign policy towards Russia: Late 20<sup>th</sup>- early 21<sup>st</sup> century<sup>1</sup>**

**Md. Sayedur Rahman and Shakila-Tul-Kubra**

### **Abstract**

*In the international framework India is finding a larger position for itself. This hope is focused on the belief that India is a prosperous democracy with substantial human and material resources; it is an increasingly strong economic power; it has a proven record as a responsible and law-abiding regime, and as a member of the non-aligned party it has consistently shared the interests of the developing nations. Indian foreign policy makers argue that India wants to re-invent itself at this point of 'take-off' as a great force. India needs new alliance for the proposed new position, including the dominant superpower, the United States of America (US). The US has said it would turn India into a great force. This essay attempts to examine the old pattern of relations with Russia that India had enjoyed. There's an Indo-US triangular alliance taking its place. How is this current type of strategic partnership distinct from that of the Indo Soviet/ Russian alliance? However, both countries' natural desire to strive towards multipolarity in world politics has helped restore the relationship, particularly over the past decade. Remarkably, ties with the US no longer stand in the way of stronger relations between India and Russia. The turbulent security climate marked by what is frequently assumed to be the state-sponsored insurgency in vulnerable Asian areas, the war in Afghanistan, and the political turmoil in both Afghanistan and Central Asian countries has paved the way for a strategic alliance between India and Russia.*

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Sayedur Rahman, Assistant Professor, Begum Rokeya University, Bangladesh, also Master's Student in National Research University Moscow; Shakila -Tul- Kubra, M.Phil Research Fellow, Begum Rokeya University, Bangladesh.

Email: [sayedur34@gmail.com](mailto:sayedur34@gmail.com)

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**Key Words:** Bilateral trade; Foreign policy; India-Russia economic relation; International relation.

### **Introduction**

Confidence in Russia's cultural and literary life has been a popular and critical force in influencing the consciousness of politicians and intellectuals in India from the beginning of the twentieth century up to today. Much of the factors that underlie curiosity in Russian politics are well known. The true essence of India's interest in Russian literature, however, needs to be discussed. Such an analysis will help shed light on the essence and pattern of Russian studies in India. Russian literature is not so much researched for its literary merit as for its political ramifications in India. The essence of national politics is still sublimated in a most vivid, frank and poignant manner in Russian fiction. This is why Russian writing has drawn so much interest from Indian and international political workers. Russian ideas entered Western Europe and India through literature. This reality overshadowed the character of Russian studies. In India the first basic Russian studies meant only researching Russian literature for its political substance in English translations (Chakraborty, 1996).

Bilateral trade rose to \$4 billion in 2006 by more than 25 percent, and Russian exports to India accounted for \$3 billion of that figure. Over the last few years, a significant growth in the share of mechanical engineering and high-value added products has been a common characteristic of bilateral trade. The Russian-Indian Intergovernmental Committee on Trade, Fiscal, Science, Technical, and Cultural Cooperation has a crucial role to play in achieving this objective. Under top-level agreements, new frameworks were attached to the committee, namely the Russian-Indian Trade and Investment Forum, whose first meeting was held in New Delhi in February 2007, and the joint group researching the possibility of improving bilateral exchange and economic partnership. The Russian Chamber of Commerce and Industry, the Russian Union of Industrialists and Businessmen and the OPORA small and medium-sized enterprise association foster relations between the business societies of the two nations. Russia's industrial operators make a significant contribution to international cooperation in installing, modernizing and retrofitting

energy and metallurgical infrastructure, building roads and pipelines in India, and improving India's oil and gas industry.

The history of 60 years of diplomatic relations is confirming strong confidence in achieving these new targets. Cooperation between Russia and India should be strengthened, supporting the nations and peoples and helping to bring about global peace and prosperity (Vrov, 2007). There is no question that the evolution of a coherent definition of foreign policy based on a thorough study of multiple variables, often conflicting, is a rather challenging problem. The Supreme Soviet Committee for International Affairs and International Economic Cooperation of the Russian Federation (RF) has developed over a dozen versions of foreign policy principles. A review of a draft of the long-awaited definition prepared at the Foreign Ministry was widely available by late October 1992. Soon after, President Boris N. Yeltsin claimed at a meeting with the leadership of the Ministry that it was the workers of the Foreign Ministry, and not "me else would take the effort" to "set the pitch" in Russia's foreign policy. The Year of Russia in India in 2008, and the Year of India in Russia in 2009, will be major events in relations between Russia and India. Their priorities include concerts by leading artists, Russian and Indian industry shows, seminars, and science conferences. The history of 60 years of diplomatic relations is confirming strong confidence in achieving these new targets.

### **Study objectives**

The goal of this research is to evaluate and analyze the socio-economic and political developments in India's foreign policy towards Russia. The following tasks should be tackled in the analysis cycle taking into account:

- ) To examine the current Indian foreign policy towards Russia
- ) To analyze the importance and effect of the program on the countries' socio-economic and political spheres
- ) To discover the major obstacles that impedes the ties between India and Russia
- ) To identify priority areas for the improvement of Indo-Russian ties
- ) To recommend possible ways to improve relations

The emphasis of the study is the development of the Indo-Russian relations in socio-economic and political spheres.

### **Literature review**

There are plenty of studies on foreign affairs, diplomatic relations, and Indian-Russian trading connections and relations thereon. Yet analyses of the day-to-day shifts in economic and international ties still have not fully worked out. However, some referable and important studies were checked quite briefly about this report.

Singh (1995) points out the economic links between India and Central Asia. The author also discussed the links, connections and partnerships between India and Russia and how their relationship was going during the Cold War and post-Cold War times. But the author neglected to discuss all the countries' basic thoughts and foreign policy. Gidadhubli (1998) looks at India's trade ties with Russia. He also discussed the obstacles, barriers and ways in which trade ties between these countries could develop. The author addressed the imports and exports of the Indian and Russian goods in this paper. But the speaker had not addressed the country's foreign policies and how they viewed each other.

Volodin (2017) presents the whole geopolitics of India and Russia which is a fairly recent development in the context of their partnerships. The author also clarified that reciprocal compromise could fuel trade growth, as well as adapt to the geopolitical position of the two world powers. The author has identified several obstacles in Russia and India to the business accommodation, yet he had not addressed international affairs with respect to both countries' economic dimensions. A study conducted by Gidadhubli (2001) examines the military relationship between the two states, how they help and develop their military stuff. The author also suggested that the Indian government and business society need to look beyond military hardware and aim to capitalize on rising political and economic stability in Russia. The author had not mentioned India's economic relationship with Russia.

A study conducted by Shah (2003) explored the India-Russia partnership in the cold war and post-cold war period. The author also discussed international cooperation, counter-terrorism, Afghanistan collaboration, science and technical cooperation, and economic and trade cooperation. But the author did not address the real patterns of the Russian trade and economic ties in India. A number of books and essays about India's foreign policy against Russia have been written. Furthermore, others tried to describe it from a theoretical viewpoint. Any of them explained it in

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terms of economics. Analyzing these written papers, we agree that these researches discussed the areas in part; we want to examine how internal determinants play an important role in influencing their foreign policy towards Russia.

### **Methodology**

This research work is carried out using both qualitative and quantitative methods of study. The quantitative data is obtained using a nanostructure and open-ended questionnaire survey. It involves the use of primary and secondary sources such as books, journals, magazines, archival materials, official documents, letters, and other records to perform in-depth research, description, and reinterpretation, and to identify and explain the subject matter at hand in this proposed study. Since an interpretative and empirical analysis of the determinants, existence, and importance of India's foreign-policy patterns against Russia is proposed here, the qualitative approach is considered to be the most suitable for this research. In this analysis some basic elements of the quantitative methods are used, such as trade data. The proposed research is conducted descriptive and exploratory in nature.

### **Analysis**

#### **1. Current Russia India trade and economic relations**

The trading relations between these two countries are very strong and have also played a key role in improving cooperation between these two countries. It is trade that has brought people from two countries closer, strengthened communication between them, and has created a connection between them. India's friendship with Russia has always been a very warm and cordial one.

#### **1.1 Foreign trade in Russia**

In 2018 Russia was number 11 in the world in terms of GDP (current US\$), number 13 in total exports, number 22 in total imports, and number 41 according to the Economic Complexity Index (ECI), the most dynamic economy in the world. Russia exported \$427B in 2018, and imported \$231B, resulting in a \$196B positive trade balance. Russia's per capita exports in 2018 were \$2.96k, and their per capita imports were \$1.6k (OEC, 2020).

Despite stringent laws and regulations, the nation is relatively open to international trade, accounting for 51.5 per cent of GDP (World Bank, 2018). In 2012, Russia became a member of the WTO, a Commonwealth of Independent States that formed a free trade region, and is a part of the Eurasian Customs Union. Russia and Ukraine eliminated expectations for the reciprocal trade. The Eurasian Customs Union has reached an agreement with Vietnam, and is negotiating free trade deals with Iran, India, Egypt, Singapore, and Serbia, for instance. Russia is the world's 14th exporter and 22nd-largest importer of products (WTO, 2018). It mainly exports hydrocarbons (more than 50 percent of total exports), solid fuels, iron and steel, wheat and meslin, precious stones, precious metals and timber and mostly imports equipment, pharmaceuticals, electronics, automobiles and plastics.

**Table 1:** Foreign trade value in Russia

Foreign Trade Values	2014	2015	2016	2017	2018
Imports of Goods (million USD)	308,027	194,087	191,406	238,384	248,704
Exports of Goods (million USD)	497,764	340,349	281,825	353,104	443,129
Imports of Services (million USD)	118,909	86,868	74,379	87,400	93,342
Exports of Services (million USD)	64,818	50,984	50,504	56,847	63,836

Source: World Trade Organization (WTO), latest available data,

<https://santandertrade.com/en/portal/analyse-markets/russia/foreign-trade-in-figures>

Since 1998 the country has registered large and frequent trade surpluses, mainly due to the wealth of its natural resources, particularly hydrocarbons (especially crude oil and natural gas). Export surplus makes up for the income and tax gap comfortably, seen to be decreasing due to tensions over the Ukrainian crisis with Europe and the United States, and dropping oil prices, the trade surplus has risen due to higher energy prices. However, the surplus dropped in 2019, when exports declined and imports rose.

**Table 2:** Foreign trade indicators of Russia

Foreign trade indicators	2014	2015	2016	2017	2018
Foreign trade (in % of GDP)	47.8	49.4	46.3	46.8	51.5

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Trade Balance (million USD)	188,931	148,398	90,215	114,719	194,429
Trade Balance Include Service (million USD)	133,653	111,246	66,256	83,486	164,490
Imports Goods/ Services (Annual % Change)	-7.3	-25.1	-3.6	17.4	2.7
Exports Goods/ Services (Annual % Change)	0.5	3.7	3.2	5.0	5.5
Imports of Goods/ Services (in % of GDP)	20.7	20.6	20.6	20.7	20.8
Exports of Goods/ Services (in % of GDP)	27.1	28.7	25.7	26.1	30.7

Source: World Bank, latest available data

In 2018, Russia exported \$443.129 million worth of products and imported \$248.704 million, reporting a surplus of \$194.953 million, according to the latest WTO data. The nation had exported USD 63,836 million in services and imported USD 93,342 million. During the period January to October 2019, the trade surplus reached USD 135.757 million, according to preliminary data from the Russian central bank. Given attempts after sanctions were imposed, the replacement of domestic goods for imports was barely effective, particularly in the food industry (Santander Trade, 2020).

### 1.2 Foreign trade in India

Summary table of recent India Foreign Trade (in billion \$).

**Table 3:** The top 10 commodity exports in 2007

Rank	Commodity	HS Code	Value (US\$ billion)	Share (%)
1	Refined Petroleum	27	61.2	19.2
2	Gems, precious metals, coins	71	41.2	13
3	Vehicles	87	14.5	4.6
4	Machines, engines, pumps	85	13.6	4.3
5	Organic chemicals	29	21.1	3.8
6	Pharmaceuticals	30	11.7	3.7
7	Cereals	10	10.1	3.2
8	Iron and steel	72	9.1	2.9
9	Clothing (not knit or crocheted)	58	9.1	2.9
10	Electronics	85	9.1	2.8

Source : "[The World Factbook](http://www.cia.gov)" www.cia.gov.

**Table 4:** The top 10 commodity imports in 2007

Rank	Commodity	HS Code	Value (US\$ billion)	Share (%)
1	Oil	27	177.5	38.3
2	Gems, precious metals, coins	71	60	13
3	Electronics	85	32	6.9

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4	Machines, engines, pumps	85	31.2	6.7
5	Organic chemicals	29	18.3	4
6	Plastics	39	11.8	2.6
7	Iron and steel	72	11.4	2.5
8	Animal/vegetable fats and oils	15	10.7	2.3
9	Ores, slag and ash	26	7.4	1.6
10	Medical and technical equipment	90	7.1	1.5

Source: "[Export Import Data](#)" [www.eximatlasindia.com](http://www.eximatlasindia.com)

### 1.3 Bilateral trade: Dynamics and direction

#### 1.3.1 Russia exports to India

According to the UN COMTRADE report on foreign trade, Russia's exports to India were US\$ 7.31 trillion during 2019. Russia's exports to India-data, historical chart, and statistics-were last updated in August 2020.

**Table 5:** Russia's Exports to India, 2019

Russia exports to India	Value	Year
Mineral fuels, oils, distillation products	\$2.20B	2019
Commodities not specified according to kind	860.02M	2019
Machinery, nuclear reactors, boilers	\$843.06M	2019
Pearls, precious stones, metals, coins	\$766.22M	2019
Electrical, electronic equipment	\$366.01M	2019
Fertilizers	\$344.49M	2019
Optical, photo, technical, medical apparatus	305.74M	2019
Paper and paperboard, articles of pulp, paper and board	258.08M	2019
<b>Printed books, newspapers, pictures</b>	<b>\$154.99M</b>	<b>2019</b>

Source: Comtrade, 2020. <https://tradingeconomics.com/russia/exports/india>

Non-military trade between Russia and India currently stands at approximately US\$ 1.7 billion per annum. Drugs and pharmaceuticals, tea, coffee, rice, leather goods, food products, refined minerals, cotton yarn cloth etc. are main Indian exports to Russia. Indian imports from Russia include fertilizers, paper and newsprint goods, iron and steel, non-ferrous metals, organic chemicals, etc. Though foreign investment is needed to improve both countries' economies, Russia and India are encouraging their private businessmen to invest in mutually beneficial sectors. An Indian

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company, ONGC *Videsh* Limited, recently entered into an agreement to invest US\$ 1.7 billion in the oil and gas project Sakhalin-1. The signing of the Civil Aviation Intergovernmental Agreement has opened up specific viewpoints for the growth of bilateral civil aviation relations.

### **1.3.2 Nuclear cooperation**

An Intergovernmental Agreement (IGA) was signed between then Prime Minister Rajiv Gandhi and then Soviet President Mikhail Gorbachev in November 1988 on the construction of a 2000 MW Koodankulam nuclear power station worth US\$ 2.6 billion in India. The supplement to the 1988 IGA was signed in June 1998 in New Delhi and was further strengthened by an MOU for the building of the factory, signed during the November 2001 visit of Prime Minister Vajpayee to Russia. Details of the MOU were not made public however. Another important feature of this partnership is that Russia will finance half the cost of the project, the overall cost of which is projected at Rs 131.7 billion. During President Putin's visit to India a Memorandum of Understanding on the Peaceful Use of Nuclear Energy was also signed (Harshe, 1998).

### **1.3.3 Collaboration on multilateral forums**

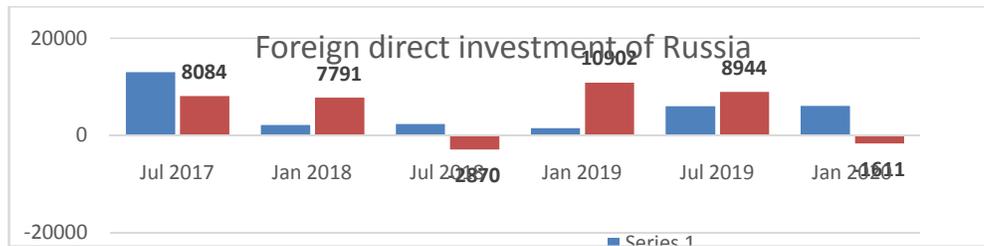
Russia is a member of the Shanghai Cooperation Organization (SCO), formed to combat the challenge of militancy and separatism in the CIS and China, together with China and the Central Asian states. India and Pakistan are also aiming for the same although they were not members of the SCO. Russia also gives full support to the participation of India in the SCO. Though Pakistan is anxious to join the SCO, and China has backed its bid, Russia wants priority to be given to India to avoid it being equated with Pakistan. Under the scope of the Comprehensive Convention on International Terrorism and the Convention on the Prevention of Acts of Nuclear Terrorism, Russia and India also collaborate in the UN. During President Putin's visit to India, Russia showed full support for India as a legitimate and full candidate for permanent membership in an extended Alliance in the Joint Statement signed in December 2002 (Shah, 2003).

## **1.4 Foreign direct investment**

### **1.4.1 Russian's foreign direct investment**

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Foreign Direct Investment in Russia decreased by 1611 USD Million in the first quarter of 2020.



Source: Tradingeconomics.com / Central Bank of Russia, (2020)

### 1.4.2 Indian’s foreign direct investment



Source: Tradingeconomics.com / Reserve Bank of India, (2020)

Foreign Direct Investment in India increased by 2016 USD Million in May of 2020.

## 2. Major problems in India Russia trade and economic relations

There are a lot of problems and inconsistencies-between the two countries. The multiplicity of trade channels, the lack of transparency in the release of debt repayment rupee funds by so-called tenders, the inconsistencies and irrationalities of Russia's import regulations and tax structure, and the fly-by-night operators' operations are aimed at making rapid profits – resulting in a weak base in the development of India-Russia trade relations.

### 2.1 The multiplicity of trade channels

The multiplicity of trading channels is a major complexity in exports to Russia. Four identifiable routes or channels are visible, along with sub-routes, all operating simultaneously. They are: (a) Debt Repayment Rupee Account (DRA); (b) Escrow

Account; (c) Hard Currency Account; and (d) the unofficial or semi-legal trade channel (Kundu, 2001).

Lack of clarity as debt repayment rupee funds are issued by so-called tenders India, under the Escrow account held by a Russian corporation or agency that has accrued such funds towards previous exports to India, can port goods to Russia. Depending on the type of funds kept by the Russian agency, an Escrow account may be run in dollars or in rupees. The utilization of these funds relies on the organizations involved and there tends to be tremendous independence and versatility in terms of the products to be transported into Russia or the location of the supply etc. (Gidahubli, 1995).

The third channel is the hard currency trading account, for which for exports to Russia have hardly restrictions. A modern trend that affects the Soviet disintegration is the illegal or partially legitimate medium of commerce. This mode of trade is performed mainly by Indian 'fly-by-night' operators and also by Russian 'shutters' (known as 'Chelnochniki').

## **2.2 Lack of economic support**

Trade between the two countries is entangled in difficulties. Indian entrepreneurs worry about fast-changing rules and the bottlenecks in banking and finance. The sum of all these issues is that, in Russia, India has lost ground. About 2 percent of trade in the Soviet Union was with India; in 1993 just 1.04 percent of trade in Russia was with India. In comparison, 5% of Russia's trade was with Japan and the US in 1993; 5.4% with Italy; 10.6% with China, and 17.7% with Germany (Mahapatra, 2007).

India has faced a number of problems and constraints concerning exports to Russia. Overall collapse of the Russian economy; weakening of old economic systems and mechanisms when modern business systems are not properly in place; irrationalities in Russia's tax system and transport problems; the position of the mafia and criminal organizations; India's negative reputation due to few instances of low quality of products shipped to Russia and so on (Bakshi, 2004). Bilateral trade dramatically diminished. Economic interaction has noticeably slowed (Kundu, 2008).

## **2.3 Lack of 'strategic partnership'**

The term 'strategic alliance' was often applied to relations between Russia and India; in October 1997, Yeltsin and India's defense minister Mulayam Singh Yadav

reaffirmed its significance in Moscow. But the Strategic Cooperation Agreement that was supposed to be signed during Yeltsin's December visit was delayed until the next summit (Mantysky, 2007). Pakistan as a factor in Indo-Russian ties has remained a significant factor. Russia's relations with Pakistan have improved drastically since the fall of the Soviet Union (Jain, 2003).

#### **2.4 Sino-Russian ties and Pak-Russia rapprochement**

Some observers believe that Russia has responded by concentrating on intensifying its relationship through China with its own 'pivot to Asia.' India is concerned that preferring Russia to side with China will help Pakistan recover from its isolation. Although China appears to be the main priority, Russia's interaction with Asia is much more dynamic and complicated, with considerable attention given, among others, to India, Vietnam, recently Pakistan (Pandey, & Yadav, 2018).

### **3. Initiatives taken by China and Russia to improve trade and economic relations**

#### **3.1 Indo-Russian economic ties**

The problem of Indian payments for Russian weapons created some tension in the economic relationship between India and Russia. The key problem was to set a new rate of exchange between the rupee and the ruble. India and the former Soviet Union conducted bilateral trade which highlighted import and export planning and bilateral balance. India charged in rupees to the former Soviet Union, which benefited both countries because there was no foreign currency either then. During Yeltsin's visit to New Delhi in January 1993, both sides decided that 63 per cent of the loan would be repaid at an interest rate of 2.4 per cent for the next 12 years using the I9.9 rupee exchange rate, which prevailed in January 1990 (Nandkumar, 2000).

#### **3.2 Indo-Russian military ties**

Political developments in Russia roused India's anxiety over importing weapons, with about 70% of India's military supplies coming from the USSR. India was concerned that Russia's economic dependency on the West would harm its efficiency as a supplier to military powers. The primary concern of India after the disintegration of the USSR was to safeguard the availability of spare parts for its MiG aircraft. An Indian delegation, led by the then Minister of Defense Sharad Pawar, visited Moscow

in September 1991, but the new Russian government was concerned with consolidating itself in the middle of an extraordinary weathering of domestic issues, and Pawar returned empty. Then India contacted other suppliers of weapons, including the United States, Israel and Britain. Yet Russia knew India was possibly one of its best clients, and was keen to protect its Indian weapons business (Srivastava, 1999).

### **3.3 India and Central Asia**

Cultural exchanges between India and Central Asia increased during the Soviet period, particularly after the signing of the Indo-Soviet Treaty in 1971, and Indian culture and films enjoyed considerable popularity in the Central Asian republics. Air ties between India and Central Asia are few and air exports will not be successful (Akaha, 1996).

### **3.4 Geopolitical circumstances**

India has started moving towards Russia under the newly emerging geopolitical circumstances. Its companies that provide technology or specialized machinery (in sectors such as oil and gas) may find demand in the Russian market; as such products have been imported from Western Europe before. Some Indian businesses are able to begin deliveries to Russia and negotiate joint projects with their Russian counterparts. Comprehending the trend of Indian external FDI is the likelihood of exponentially rising crisscrossing investment from India. India has begun to move towards Russia in the newly evolving strategic circumstances (Joshi, & Sharma, 2017).

### **3.5 Non-Proliferation issue**

Such an international question as nuclear weapons non-proliferation and nuclear-free zones should be dealt with in a specific way. Recalling the sadly lost Delhi Declaration on Ideals for a Three and Peaceful Nuclear Arms Future signed by M Gorbachev and Rajiv Gandhi in 1986 will be worth remembering. It includes the request to conclude an international treaty prohibiting the use or threat of nuclear weapons (Shaumian, 1993).

### **3.6 Political relations**

By the day, political relationships expanded and were stronger, offering the necessary forum for accelerated development and extension of relationships in all other regions.

High-level meetings being shared at the highest level of political leadership was an almost annual occurrence. Numerous joint committees were created, as well as working / study groups. For Indian students who used to look only to the West, the Soviet Union became an acceptable and attractive (also much cheaper) choice with its established excellence in technical and higher studies. The number of Indian physicians and engineers educated in the Soviet Union began to rise. Language has not been felt like an obstacle any more. It was immediately used as the language of possibility (Chenoy, 2008).

### **3.7 Foreign policy**

In foreign policy the standard has been that collaboration and shared understanding. Moscow has come to recognize, even admire, the versatility open to India with its Non-alignment approach. In times of need the Soviet Union stood by India. His veto power at the UN Security Council saved India several times over the vexed issue of Kashmir and the machinations of the Western forces, especially the United Kingdom and the United States, with their apparent soft spot for an ally like Pakistan that fitted perfectly well into their Cold War strategy and scheme of things. Much to the chagrin of the West, India reciprocated Moscow for its critical assistance by taking the stand it had taken, be it over Hungary in 1956 or Czechoslovakia in 1968 and Afghanistan in 1979, to name only a few examples. Even in 1962, at the time of the India-China crisis, Moscow treated matters very deftly by confining itself to voicing sorrow over this conflict between an ally (China) and a friend (India) — a term that was appropriate in India but that did not go well with China. And, lest it be ignored, this occurred at a time when Moscow occurred facing the Cuban missile crisis in an eyeball-to-eyeball fight with the US (Cameroon, & Stiftung 2008).

### **3.8 Strategic partnership**

The signing of the Strategic Partnership Agreement in October 2000, during the first State visit of Russian President Vladimir Putin to India was a milestone development leading to the new spirit and substance of the relations between India and Russia (Prakash, 2005).

### **3.9 Kashmir and terrorism**

Russia's position on Kashmir and the insurgency that India faces as a result of this conflict has been clear and unconditional over time or change of regime. That has

been echoed by every Russian official, from Boris Yeltsin to Vladimir Putin to Dmitry Medvedev. This forms the base for India's move toward Moscow. On the other hand, the US has never backed the stance of India on Kashmir. The US has had its relations with India and Pakistan hyphenated (Chenoy, 2008).

#### **4. Common interest of China-Russia trade and economic relations**

##### **4.1 Energy security**

Energy security is India's understandable main concern; and this is yet another area where Soviet / Russian collaboration with India has been of the greatest significance. It originates from the early days of the bilateral relationship. India's ONGC (Oil and Natural Gas Corporation) has been a prime example of this partnership over the years. Fortunately this pattern is continuing, and the outlook will be promising. Nuclear cooperation has provided significant aspect over the years. This is further witnessed by the agreements on hydro and nuclear technology during Putin's recent visit to India. India is eager to achieve greater access to Russia's oil and gas market. The ONGC already participates in the project Sakhalin-I (Yishan, & Thakur, 2004).

##### **4.2 Defense and military cooperation**

The one region of cooperation is security and the military aspect of this bilateral relationship, given the failures of the 1990s, where things seem to be back on track, maybe increasing and extending much more. The Russian-Indian arms trade is now worth \$9 billion, with India accounting for forty-five per cent of Moscow's arms export revenues last year, making Russia the second-largest arms exporter in the world. India is the only country for which Russia has a military-technical cooperation system in the long term (up to 2010) (Gogoi, 2002).

##### **4.3 Political cooperation**

The prevailing structure of their bilateral relations has arisen in political partnership between India and Russia. Following Putin's visit to India in October 2000, it contributed to expanded political cooperation in the form of annual summits being held, and regular ministerial-level meetings that now form an integral facet of their bilateral ties. Both countries have common opinions on global and international issues and coordinate their efforts on several forums. Democratic progress, a high rate of economic growth, political stability and economic policy predictability make Russia

and India attractive to foreign investors and build a favorable climate for joint project execution (Joshi, 2002).

#### **4.4 Scientific and technological cooperation**

Russia and India have an agreement for scientific and technical cooperation under the Integrated Long Term Plan for Science and Technology Cooperation (until 2010), which is a continuation of the earlier Integrated Long Term Plan for Science and Technology Cooperation (ILTP), concluded between India and the FSU in July 1987. The Declaration on Strategic Partnership signed in October 2000 put strong emphasis on the strengthening of close cooperation within the context of the Intergovernmental Commission for Political, Legal, Science, Technical and Cultural Cooperation between India and Russia (IRIGC) (Dash, 2003).

#### **4.5 Fight against terrorism**

Russia and India now face independence movements focused on the right of self-determination in their respective regions of Chechnya and Kashmir. Both countries have failed to curb those movements of freedom. Both also agree that these campaigns have the support of some regional countries, which provide social, political and financial support to them (Shah, 2003). Following the terrorist attacks of 9/11, UNSC arrived with resolution 13737 which was unanimously adopted on 28 September 2001. Russia and India have sided with the UN and framed anti-terrorism regulations. India passed the 2002 Prevention of Terrorism Act (POTA), while Russia enacted the Presidential Decree (Pandey, &Yadav, 2018).

#### **5. Ways to development of Sino-Russian trade and economic relationships**

India and Russia are projected to become the twenty-first century's main economic forces, though that goal seems to be quite unrealistic, but it is not difficult to accomplish if a suitable plan is formulated and applied. But some important attempts are to be made to attain this goal. The below are some things to consider:

- There is an immediate need for accountability and regularity in the Russian authorities' use of Debt Reduction Funds. This will encourage exports from India on a competitive basis through existing and respectable Indian companies, and it would be in both India and Russia's interest to ensure the availability of high quality goods and keep delivery schedule punctual.

- Contrary to the conventional method of encouraging and stressing only export trade, greater emphasis must be paid to promoting commercial practices related to joint ventures and sharing of revenue. Particular consideration should be paid to areas of activity found by the CII and FICCI such as IT, medicinal, diamond cutting etc.
- There are other fields and divisions such as discovering and mining non-ferrous materials, developing forest-based products (including paper production), and exporting consumer goods like garment fabrics and garments, knitwear clothes, food processing, etc. where India can compete on the Russian market and has an advantage. Similarly, in areas such as the soft-wear market, tourism growth etc. carry some promise and need to be explored for both India and Russia's mutual benefit. There is no need to insist that legal and financial assurances are received from the Russian side, both from relevant Russian institutions and official bodies, in order to ensure that the joint venture operates without significant obstacles.
- The security issues facing the two countries have clear similarities. In India, too, the solution to this dilemma lies. A country like India, according to former Indian Prime Minister I. K. Gujral, is "too large and too complex to be controlled by the uniformity of an overly bureaucratic state. It must require the fullest expression of its great diversities, and only within the context of a vibrant mid-cooperative federalism can this be done.
- Both countries need to talk about doing studies on the opportunities for collaboration, and they need to rely on the effects of this study. And more, they will move this partnership further as soon as possible through the study exchange.
- The two countries may schedule a forum for cooperation on energy supplies. This will involve not just important professionals and researchers but also businessmen and policymakers. This will help strengthen the two governments and include recommendations. Cooperation between Russia and India on the energy sector is a major undertaking. It is complex and needs a great deal of commitment. And it has to be followed up consistently and carefully. One needs to stop all delays and excessive hurry. The goal must be to trigger bilateral partnerships promptly and soundly.

## **Conclusion**

India's relationship with Russia has always maintained a key role in Indian foreign policy. The time-tested partnership has never allowed disagreements to disturb the bonds' amicable tenor. However, a friendship to combine greater desires, continuous love and caring; Indo-Russian bonds are no different. India and Russia could attach greater substance to the relationship in the changing global context and in Asia's increasing position in international politics. The concept of trilateral cooperation between India, Russia and China, in this sense, is worthy. The post-cold war period saw a structural shift in foreign affairs. Any of the prevailing developments of this period, such as the growth of capitalism as a world economy, the acceleration of the speed of globalization coupled with efforts to create viable regional cooperation, and the rising challenges raised by transnational as well as sub-national powers to contemporary states, have had an overwhelming influence. Evidently, these developments have influenced India and Russia, and they are finding new ways of ensuring longevity in turbulently structured foreign affairs. A big challenge for India has been to restore a well-established network of friendly relations with post-Soviet Russia. While Russia, at present, does not offer high priority to restoring relations with India, cooperation between the two countries will eventually increase. Russia's desire to develop Euro-Asian identities and India's ambitions to play a major role in the South; south-west and central Asia can also deepen a political-strategic relationship between the two nations. Hopefully an innovative approach would further stimulate their mutually beneficial economic and military collaboration and bring the Indo-Russian relations back on track. Initially, there was uncertainty and skepticism in Indo-Russian relations. Indian foreign policy analysts have, on the one hand, been indecisive in formulating any concrete approach against the new Russia. On the other hand, Russia was wary of India's the relations with the United States, especially in the field of defense. This uncertain state of affairs did not last long. Gradually both countries recognized in their ties the importance of opening a new book. Yeltsin's visit to India in January 1993 can be seen as a timely step towards restoring friendly relations between Moscow and New Delhi in that direction. Departing from the Kozyrev-Gaidar line (being Euro-centric), Yeltsin remembered the past record of Indo-Soviet "time-tested partnership," and emphasized the importance of strong strategic collaboration between the two countries, indispensable for the development of an equal and rational multi-polar world order. Unlike the

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Indo-Soviet Treaty of 1971, what was largely lacking in this Deal was a security provision. There's a strong identification of views on critical national and global problems between the two countries. The difference between Moscow's and New Delhi's views on the nuclear problem is not that broad and can be bridged or at least narrowed appreciably.

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