ABSTRACT

India’s friendly stance towards the USSR has greatly been exaggerated, misunderstood and misinterpreted in India and abroad. An examination of the subject appeared necessary in order to explain the nature, extent, direction and implications of India’s relations with the USSR. An attempt has been made here to analyze India’s policy towards the USSR and place it in proper perspective.

The ever growing friendly relations between the two neighbours are the result of many factors such as the complementarily of their national interests and the constantly changing national and international situations. The Soviet Union’s huge size, its vast potentialities and the geo-political situation compelled Indian leaders, Jawaharlal Nehru in particular, to realize, even before India attained independence, the need to develop close and friendly relations with the Soviet Union.

India’s attitude towards the USSR has been derived from its overall foreign policy objectives. In understanding and evaluating this attitude, it is therefore, indispensable to keep in view two important considerations: first, the assumptions, motivations, style, basic goals and the principles of India’s foreign policy which governed her relations with other States in general; second, the specific goals which India sought to achieve in her relations with the USSR. It is the inter-relationship between the general and the particular objectives and the degree of their combination as well as contradiction that give us an idea of the various phases of India’s relations with the USSR. Such an analysis, however, should not be restricted merely to the conceptual level. The interaction of such other factors as intimate geographical, historical and economic ties between the two States, the influence of external factors and the failure or success of Indian diplomacy at the international level should also constitute a part of the analysis.
The news of the Russian Revolution made an impact on India. It became a source of inspiration to the people in their struggle for freedom. They realised that the effects of the October Revolution would not be confined to Russia. Since the revolution was "against imperialism it might somehow help the movement for Indian independence which, with Mahatma Gandhi's advent on the Indian scene, was taking a new turn." As pointed out in Montague Chelmsford Report: The Revolution in Russia in its beginning was regarded in India as a triumph over despotism ... it has given an impetus to Indian political aspirations. The Indian press as well as the political leaders generally showed a lively interest in the October Revolution and the new state. It would not be out of place here to refer to the comments in some of the leading newspapers and periodicals, particularly those associated with the nationalist movement.

The impact of the Russian Revolution on Indian nationalist intellectuals was sensitively reflected in the attitude of Jawaharlal Nehru. As a matter of fact, Nehru's thinking was the most important factor in bringing about a transformation in the Indian nationalist attitude towards the USSR. Nehru held a prominent position in the Indian National Congress. He exhibited lively academic interest in the scientific outlook of Marxism as an interpretation of history. Moreover, it is worth pointing out that his attraction for Marxism was confined to its broad features rather than to its fine points. At no time he could be termed a doctrinaire Marxist. His intellect was too independent to be subjected to the rigid discipline of any dogma. Gandhi's influence reinforced his dislike for violence.

The shift in Soviet policy came soon after Stalin's death, almost as soon as Malenkov came to power the Soviet ceased being hostile to India. In a speech to Supreme Soviet on 8 August 1953, Malenkov said: 'The position of such a considerable state as India is of great importance for strengthening of peace in the East'. Recognizing India's role in ending the Korean War, he said,
“We hope that relations between India and Soviet Union would continue to develop and strengthen with friendly co-operation as their keynote”.

The USSR proposed India’s name for a Neutral Nation’s Commission to supervise the ceasefire in Indo-China. From 1954 onwards the USSR also worked for the inclusion of India in all international forums on disarmament. For instance, it called in 1954 for the addition of the Communist China, Czechoslovakia and India to the UN’s Disarmament Commission.

The Soviet reappraisal of India’s role in world affairs coincided with the increase in Indo-American differences. Deep, abiding frictions arose between India and the United States on issues such as recognition of Red China, the Japanese Peace Treaty, the Kashmir dispute and the formation of military alliances in South East Asia by the United States of America.

The signing of Pakistan-US military pact in May 1954 marked a watershed in Indo-Soviet relations. India’s reaction to the alliance was sharp. Indian leaders and press bitterly criticized the agreement. Nehru who had tried to prevent the Asian countries from being dragged in the cold war expressed deep concern. According to Indian leaders the US military assistance to Pakistan would change the entire regional balance of power and Pakistan would be inflated out of all proportions to her size.

Nevertheless, despite his outspoken opposition to the US- Pakistan Pact and later on to the SEATO, Nehru did not publicly mention the acclaim his stand was receiving from the Russians. The praise of Communist nations was probably embarrassing to him as it nurtured a belief in the West that India was moving towards an acceptance of the Communist bloc line in world affairs. Nehru wanted a modus vivendi with the Communist world but not at the expense of rapidly worsening relations with the West.
It is worth noting that shortly after the Geneva Conference Indo-Soviet contacts increased markedly. India accepted the Soviet offer of assistance for her Second Five Year Plan. It may be inferred that Nehru attached considerable significance to the Soviet behaviour at Geneva. The atmosphere between New Delhi and Moscow began to clear rapidly after the negotiated settlement on Indo-China at the Geneva Conference.

In September 1954, the Soviet Union made an unexpected and dramatic offer to build a giant steel plant in India to help and to develop its iron and steel industry. Nehru welcomed the Soviet offer and indicated India’s readiness to accept the Soviet aid because Soviet help would “go a long way in the rapid industrialization of our country”. He also regarded the Soviet offer as a welcome alternative source for the supply of capital and machinery and also a bargaining counter to the West. On 2nd February 1955 the USSR and India signed an economic agreement providing the Soviet assistance for the construction of a giant steel mill at Bhilai. The agreement came at a time when a negotiation with Britain for another steel plant was bogged down on technical grounds.

In mid-1959 border clashes took place between India and China. After maintaining a long silence on the Sino-Indian dispute, the Soviet Union came out with a cryptic statement on 8th September, 1959 in the TASS. The USSR had friendly relations with both China and India, built respectively on “fraternal ties” of international socialism and ‘friendly’ collaboration in accordance with the idea of peaceful co-existence. It expressed the hope that India and China with both of whom the Soviet Union enjoyed friendly relations would settle their disputes peaceably. In the following month, the third session of the Supreme Soviet while regretting the incidents between the two states friendly to it called for friendly negotiations for Solving the disputed frontier question. A week later, Khrushchev termed the entire dispute ‘sad’ and
‘stupid’ in as much as the area under contention had no strategic importance, nor was it even inhabitable.

In September 1961, Nehru had paid another visit to Moscow. The Belgrade Conference of nonaligned states had entrusted the task of conveying the concern of nonaligned world to Nkrumah and Nehru, who was, in fact, to visit the USSR on his way back which was fixed earlier. The public enthusiasm for the Indian Prime Minister in Moscow did not match with that of his 1955 visit. It confined chiefly to recalling previous meetings with Nehru. But he preferred to tell Khrushchev that in the world in those days many new important problems have come up and he would be glad to discuss them with Khrushchev. In Moscow Nehru repeatedly stressed India’s past and present opposition to nuclear experiments. He frankly told Khrushchev that the resumption of nuclear testing retarded disarmament talks and aggravated the international situation. In his major speech, Nehru told his audience at the Indo-Soviet friendship rally what had happened at Belgrade and why he came to Moscow which was withheld from them by the Soviet media.

The Soviet support to India’s claims on Goa had been made public from the very outset. During their 1955 visit, the Soviet leaders had expressed the hope that Goa would soon become a part of India. The Soviet President Brezhnev, who was on a state visit to India at the time of Goa operation declared in Bombay that the Soviet Union had complete sympathy for the Indian people’s desire to liberate Goa, Daman and Diu from Portuguese colonialism. On 8 December 1961 the day the world learnt of the liberation Brezhnev assured a civic reception of firm Soviet support for the action. The Soviet Prime Minister Khrushchev sent a telegram to Nehru saying that the resolute action of the Government of India to do away with the outposts of colonialism in its territory was absolutely lawful and justified.” He declared that the Soviet people unanimously approve of these actions. When the
Westerners brought forward a resolution in the Security Council to censure India, the USSR blocked it with a prompt Veto. The Soviet delegate contended that his vote represented a victory for the true principles of UN Charter: “Today saw the expression of the will to defend colonial countries and peoples and their right to life, freedom and independence.”

The Indian Government and public were greatly appreciative of the profound sympathy and understanding of its aspirations by the USSR. The Soviet stand on Goa certainly helped in drawing India closer to the USSR and helped in consolidating the friendly ties.

The death of Nehru in May, 1964 did not adversely affect the growing relationship between India and the Soviet Union. In fact, the relationship was sought to be consolidated by Lal Bahadur Shastri, when as the new Indian Prime Minister, and he paid an official visit to Moscow from 12 to 19 May, 1965. This was the time when the Indo-Pak conflict over the Rain of Kutch was developing. Shastri declared in Moscow that the Indian and Soviet peoples were already “united together by genuine, strong and abiding bonds of friendship” relying “not upon any temporary expedients, but upon the sincere realization that the larger interests of humanity can be served best by promoting and enlarging the area of peace”. His pronouncements as well as the Joint Communique on the Shastri-Kosygin talks underlined that this relationship was not directed against any third country and opposed interference in any country’s internal affairs. These were a direct allusion to Pakistan in the context of the developments in South Asia at that period of time. What is more, the two sides denounced the savage US bombing on North Vietnam and called for its halt forthwith.

After Shastri’s death immediately following the Tashkent accord, Mrs. Indira Gandhi took over the reins of power in India becoming the third Prime Minister of the Republic. Her first official visit to Moscow in that capacity
lasted four days—from 12 to 16 July, 1966. Her speeches in the Soviet capital reflected her devotion to safeguard peace, a legacy of her father—something that has found concrete manifestation in her deeds over the years. The Joint Communique at the end of her talks with the Soviet leaders reaffirmed their common goal of ensuring peace and highlighted the need to renounce the use of force in inter-state relations. It urged an immediate end to the US bombing of North Vietnam and abolition of military alliances. It also emphasized the need for consolidation of peace in Europe, solution of the German problem, elimination of Portuguese colonialism in Africa and apartheid in South Africa and Rhodesia and realization of nuclear disarmament.

The year 1971 added a new dimension to both the political landscape of South Asia and Indo-Soviet relations. The West Pak authorities’ brutal suppression of the East Pakistani people’s aspirations for an independent state was directly responsible for the birth of a new state—the People’s Republic of Bangladesh—in the first half of the year. This coincided with the developing Sino-US alliance punctuated by Kissinger’s secret mission to Beijing via Islamabad and the declaration of US President Richard Nixon’s plea to visit China. As the influx of refugees to India escaping from Yahya Khan’s brutalities continued, war clouds gathered on the horizon with the concretization of the sinister Sino-US-Pak axis to keep India at bay and ensure Islamabad’s domination over Dacca. It was then that in order to defend peace and security in the subcontinent and raise Indo-Soviet ties to a qualitatively higher level that on August 9, 1971, the Indo-Soviet Treaty of Peace, Friendship and Cooperation was signed in New Delhi. The treaty provided for immediate Indo-Soviet consultations in the event of an attack or threat of aggression to remove such a threat and ensure peace and security of the countries, while at the same time upholding the Indian policy of non-alignment Soviet regard for which was expressively spelt out.
Within less than a year, there was a change of leadership in India following Mrs. Gandhi’s defeat at the hosting Morarji Desai, who succeeded her as the country’s fourth Prime Minister, was reportedly averse to the Indo-Soviet Treaty and initially sought to have it abrogated. This was, however, prevented by others running the Government and Desai, too, realized the importance of maintaining the relationship between the two States in the spirit of the Treaty. His visit to the USSR in October, 1977 found the Soviet leaders including Brezhnev extending a warm welcome and generous hospitality to him as a mark of tribute to India. The visit helped to underscore the continuity of Indo-Soviet relations.

In 1980, Mrs. Gandhi returned to power with a thumping majority and Brezhnev came to India in December of that year. There was much to discuss, for world peace had suffered setbacks with grievous blows dealt on detente by revanchists of the Western military circles. SALT II was in cold storage, the arms race was spiraling, tensions had mounted in South-West Asia with the entry of Soviet troops into Afghanistan in the aftermath of Sino-US-Pak plot to overthrow the Kabul Government as a direct interference in Afghan affairs and in South-East Asia with the Chinese attack on Vietnam following the liberation of Kampuchea from Pol Pot’s inhuman yoke. The Iraq-Iran war was continuing and the Arab world stood divided after Egypt’s betrayal at Camp David. Nearer home, Pakistan was being armed to the teeth by the US, posing a new threat to India.

The visit of Prime Minister Mrs. Indira Gandhi to the Soviet Union from September 20 to 26, 1982, like her earlier ones, was yet another milestone in the further strengthening of Indo-Soviet relations. The talks of the Indian and Soviet leaders showed the close identity of views of the two countries on many international issues, particularly the preservation of peace and avoidance of a nuclear war. They were alarmed over the growth of the arms race, the
emergence of new seat of tension and the proclamation of new military doctrines justifying a nuclear war. The Soviet and Indian people hold that today there is nothing which is more important than the preservation of peace.

The Indo-Soviet Treaty of Peace, Friendship and Cooperation mentioned earlier, was renewed in 1991 for a further period of 20 years. This was a proof of sustained ties between the two countries, and, in a way, brought India under the Soviet nuclear umbrella. The Cold War had ended at the end of 1989, but a new environment had been created in the Soviet Union by various reforms initiated by Party General Secretary Gorbachev. Meanwhile, in India the power was transferred from Rajiv Gandhi led Congress Government to a minority Janata Dal Government. After a brief period of lack of warmth, Prime Minister V.P. Singh paid a visit to the USSR in 1990. This renewed the warmth in the bilateral relations. The Soviet position on Kashmir was reiterated. It was decided to renew the 1971 Indo-Soviet Treaty, and it was decided to continue till 1995 the rupee-rouble trade arrangement. Thus, Indo-Soviet relations showed mature and stable friendship.

During 1990-91, India generally supported the position taken by the Soviet Union in the Gulf crisis. India, like the Soviet Union, had decided to further consolidate relations with the PLO and yet initiated steps to establish diplomatic relations with Israel. A minor irritant was noticed when Chandra Shekhar Government allowed refueling facilities to US war planes flying towards the Gulf during the war.

Despite his best efforts, when Gorbachev failed to achieve the objectives he had view particularly improvement in the economy, settlement of ethnic differences and rehabilitation of the administrative machinery through his two pet concepts glasnost and perestroika, he decided to give a chance to anew move. This he wanted to do through the signing of a Union Republican treaty which he proposed to get signed on 21 August 1991. This treaty sought to
provide for a new decentralized set up in which the republics would be given more autonomy in a loose federation. The glasnost and Perestroika, despite its limitations has great impact on the thinking on foreign affairs. The Soviet decision to withdraw its forces from Afghanistan from 15 February 1989 represented a significant and crucial event in the rapid ideological, foreign and domestic reforms undertaken by Gorbachev. The Soviet withdrawal was important internationally because it bolstered the existing forces for reforms in the Soviet bloc.

The year 1991 saw numerous changes in the erstwhile Soviet Union and, what were known as its satellite states in Eastern Europe. Communism collapsed and democratic governments were installed one after the other in most of the East European countries. In the Soviet Union itself the reforms initiated by Mikhail Gorbachev had tremendous impact on the society and the people aspired for and got full democratic rights. In a country that had totally controlled economy and politics for 70 years, Perestroika and Glasnost gave a new shape to the Soviet economy and politics. But the reforms also led to the end of monopoly of power of the Communist Party and introduction of multi-party democracy. An attempt in August 1991 to overthrow the reformist Gorbachev and restoration of communist power miserably failed. During the period of crisis in the USSR, India made a serious error by commenting that it would deal with the new government in USSR because overthrow of Gorbachev by the hardliners was the internal matter of that country. When the coup failed and Gorbachev came back to power, India faced a very embarrassing situation.

The Soviet Union suddenly disintegrated in December 1991 and the mighty state of USSR was replaced by 15 Republics. Russian Republic as recognized by the international community as the successor state of USSR. At the time of disintegration, a loose union of erstwhile Soviet republics was
created and called the Commonwealth of Independent States (CIS). India has maintained friendly and cooperative relations not only with Russian Federation but also the other Members of CIS.

Thus the ‘collapse of the Soviet Union’ leaves a vacuum in the international political system. The Soviet Union played an important role against imperialism and Western expansionism. It supported national liberation movements and assisted in the development of several third world countries, which found themselves against the Western bloc of countries.

India decided to upgrade its relations with the three Soviet republics Kazakhstan, Uzbekistan and Ukraine in order to provide direct dialogue through diplomatic channel. It was felt in India that in view of Gorbachev’s greater preoccupations with domestic economic and political issues, he would not be able to give much thought to the third world countries including India. Since the USSR was involved in Afghan crises, its first concern was to end the Mujahideen nuisance which it hoped to do with the active support of Pakistan. Moscow would have to be a little more liberal in extending economic aid to Pakistan and also to adopt a more pro-Pakistani attitude towards Kashmir. This may be at the cost of India but the Soviet Union had to look to its own national interests.

In the non-economic areas also the collapse of the Soviet Union has affected India adversely. Indeed, strategically speaking, the most important implications are in defense and military areas. India, as we know, was buying a very large number of military weapons, equipment and hardware from the Soviet Union. These included Mig fighter aircrafts, battle tanks, submarines etc. During 1986-90, according to one estimate, about 73 percent of the total value of arms imported by the Indian defense forces originated in the Soviet Union. Practical difficulties which confront Indian armed forces since 1991 include, replacement of the spare parts as well as replenishment of the existing
stock. The matter assumed such a seriousness that the Defense Minister of India, Sharad Pawar, had to rush to Russia in Sept. 1992 to bail out the armed forces of its immediate difficulties. At the end of the visit while there was some hope in the improvement of the situation, it was evident that ultimately India will have to explore alternate sources. It was felt that Moscow may not be in a position to meet the Indian demands as paucity of funds may force Russians to close down their units. Besides, many of the Russian scientists and technocrats are reported to have left the country and got jobs in the Western countries where they are promised better salaries and employment opportunities. Whatever, existing military weapons and hardware are in stock in the member states of CIS. They would like to sell them in the Western markets in order to earn foreign exchange. Above all, one significant advantage which accrued to India in procuring armaments and equipment from the Soviet Union i.e., on credit, was most unlikely to be revived.

Although Russia has put forward a proposal of military collaboration with India, but the harsh reality was that Moscow did not feel the strategic need of India in the post Cold War period. As a matter of fact decline in the strategic significance of India to Moscow began with the improvement of relations between the Soviet Union and China. Moreover, when Gorbachev started giving priority to good relations with the West which was to provide loans and technologies, there was a sea change in the geo-strategic perceptions of the Soviet Union. Now when Russia was strategically integrated with Europe and China has ceased to be a socialist rival, need for a strategic consensus with India did not have the same relevance as in the previous two decades. In brief, diplomatically India could not hope to depend on Russia to the same extent as she did on the Soviet Union.
Gradually the obstacles were overcome to an extent, and from 1997 onwards Russia was again on the way towards establishing a special position in the supply of defense-related equipment.

India and Russia decided in March 1997 to continue defense ties into the 21st century and Russia offered a new air defense system and a $10 billion military deal. Significant agreements were reached during Yevgeny Primakov's visit in December (1999) when cross-century defense relationship was formalized. Described as "cooperation 2010 Document" it envisaged partnership in research, development and joint production of sophisticated equipment besides incorporating other defense areas.

The defense ties expanded phenomenally between 1999-2000. India contracted to purchase, among other items, 40 super class jet fighters, Sukhoi SU-30K, of which the first installment came last year. It may be noted that this was the modern jet fighter that had not even been fully inducted into the Russian air force and that China had been supplied only SU-27.29 Russia was also set to supply state-of-the-art T-90 battle tanks.

Defense Minister George Fernandez went to Moscow in June 2000 to negotiate new defense deals. He described his discussions with the Russian President and the Russian Defense Minister as "path-breaking" with a $400 million deal for the supply of 100 T-90 main battle tanks (MBT) and for the production of another 200 MBT in India. It was also agreed that Russia would complete delivery of SU-30 MKI fighter jets to India by 2003 as part of an earlier $1.8 billion contract. The fighter jets would also be produced under license in India.

Vladimir Putin's visit to New Delhi led to an agreement on Indo-Russian cooperation in the peaceful uses of atomic energy. The earlier agreement with the Soviet Union for the supply of giant atomic power plants
with a capacity of 1000 Mw. at Koodankulam, Tamilnadu had been signed in May 1998. It was the then Prime Minister Rajiv Gandhi and General Secretary Mikhail Gorbachev who had initiated the agreement.

Russian President Putin urged India to sign the Comprehensive Test Ban Treaty (CTBT) during his visit to India. India has in any case stopped further nuclear testing since May 1998. Putin made his plea on the CTBT in a meeting with scientists of the Bhabha Atomic Research Center in Trombay near Mumbai. He did however, appreciate the Indian stand that its natural interests and the needs of its people should also be considered, yet Putin felt it would be better for India if it were to sign the CTBT.

There is in the present era- division between Moscow and New Delhi on Nuclear non-proliferation and arms control issues. Russia and China are two major powers who are both members of the UN Security Council as also a member of the NPT regime. Their strategic cooperation on military and nuclear issues is necessitated by the need to reduce tensions and concentrate on economic development, Russia would also favour the emergence of a Russia-India-China triangulation of cooperation. The idea has as yet to take shape because neither India nor China would like to be freed from the bilateral arrangement that presently exists with the lone superpower the United States.

Putin’s visit to BARC exemplifies Russia’s evolving position on military- technical cooperation with India. He was the first Russian leader to tour BARC, joining only two other foreign leaders before, Chinese Prime Minister Zhou-en-Lai and British Prime Margaret Tharatchet. Putin’s high-powered 70-member delegation, which included Deputy Prime Minister, Ilya Klebanov, Foreign Ministe Igor Ivanov and Defense Minister Igo Sergeyev, attests to the importance the Russians give India in this new phase of their defense industrial strategy. Let us now turn to some aspect of Indo-Russian cooperation in science and technology. New avenues and areas of economic
scientific and technical cooperation between India and Russia are being explored. A renewed Integrated Long-Term Programme (ILTP) for Indo-Russian cooperation in science and technology for instance is being actively considered.

The ILTP programme, signed by the President of erstwhile Soviet Union, Mikhail Gorbachev, and the late Prime Minister Rajiv Gandhi in Moscow in 1987, lasted till the year 2000. It has emerged as the world’s largest technology. This programme is a reflection of the close cooperation in science and technology that has developed between India Russia over the last 13 years. The programme had facilitated exchange visits of over 2,500 scientists and generated about 300 developments projects in India and Russia.

After the terrorist attack on Indian Parliament on 13 December 2001, the Russian Foreign Ministry warned Pakistan, in strict terms, to stop cross-border terrorism and create conducive atmosphere for bilateral dialogue and consultation. To jointly tackle the menace of terrorism, during the visit of Prime Minister Vajpayee to Moscow in November 2001, India and Russia signed the Moscow Declaration. They set up joint working group during the visit of President Putin to India in December 2002. Moscow strongly condemned the terrorist attack that took place on 26 March 2003 in the Nandimarg village of Kashmir, killing more than twenty people. Besides condemning the terrorist attack, the Department of Information and Press of the Russian Foreign Ministry expressed its support to the measures taken by India to stop the activity of terrorist forces.

Taking into account all these positive developments, it would be logical to emphasize the point that terrorism is one of the important contributory factors for perceptual convergence between the two countries. This convergence led Russia and India to support each other on their stands on Kashmir and Chechnya respectively. The Ministry of External Affairs in India
praised the referendum of March 2003 in Chechnya, under the guidance of the Russian government as important for the restoration, normalization, rehabilitation and economic reconstruction of Russian Federation’s Chechen republic within the democratic framework. Similarly, the Russian Foreign Ministry release after the general election in Kashmir in October 2002, said that, very fact of holding elections is an evidence of the striving of Delhi and the population of Jammu and Kashmir to restore the normal situation in the state. Despite the attempts of the extremist elements to frighten the population of Kashmir, they could not hinder the voting.

The last quarter of 2003 witnessed some positive developments in economic relations between the two countries. The Confederation of Indian Industry (CII) opened its office at the Russian Chambers of Commerce and industry in October 2003 to facilitate the process of economic cooperation. During the visit of Prime Minister Vajpayee to Moscow in November 2003, 85 Indian businessmen accompanied him to study the prospects of investment and joint collaborations with Russian companies. Amit Mitra, Secretary General of FICCI (Federation of Indian Chamber of Commerce and Industry), accompanying the prime minister during the visit, estimated that the bilateral trade might reach $5 billion by 2005. He said: such a breakthrough could be made through close cooperation in oil and gas industry, telecommunications and information technology, metallurgy and energy.

Mani Shankar Aiyar, the then India’s Petroleum Minister visited Moscow in October 2005 to discuss India’s energy requirements with Russia. He welcomed Gazprom’s (Russian firm) interest in the Iran-Pakistan-India pipeline (IPI). A 10-member high-level delegation of Gazprom arrived in Islamabad in October 2005 to begin formal discussion on the construction of the $7 billion Iran- Pakistan-India (IPI) gas pipeline, and an ambitious project of gas storage in Pakistan. It was the first visit of the Chairman of Gazprom to
Pakistan, the world’s largest gas producing company with over 20 per cent share in global gas production.

During Prime Minister Manmohan Singh’s visit in May 2005, both countries decided to set up a Joint Study Group (JSG) on Economic Cooperation to look into the feasibility of the Comprehensive Economic Cooperation Agreement (CECA). On the Kudankulam issue, the Prime Minister sought to allay fears of President Putin on the nuclear fuel falling into wrong hands and said a Bill to prevent its misuse would be introduced in the Indian Parliament. The Indian Cabinet had already Okayed the Bill. During Manmohan Singh’s visit to Moscow in December 2005 to attend the sixth bilateral summit, President Putin said, “We have been successfully cooperating in nuclear energy and Kudankulam nuclear power project is an example. We see India taking necessary steps to build relations with the Nuclear Suppliers Group (NSG)”. Prime Minister Singh observed that there was a vast potential for expansion of cooperation in the field of civil nuclear energy given India’s growing energy requirements and the importance of nuclear energy as a clean and viable alternative energy source. Some of the most ‘significant and promising areas’ of cooperation identified during the visit were energy, telecom and transportation.

During Prime Minister Singh’s visit an agreement was signed on technology safeguards while implementing the long-term cooperation in the area of joint development, operation and use of the Russian global navigation satellite system Glonass. G Madhavan Nair, Secretary, Department of Space and A Perminov, Director, Russian Federal Space Agency signed the agreement. This agreement envisages launching of Glonass satellite using GSLV launch vehicle of India. In turn, Russia will provide access to Glonass system signals for Indian use. It also envisages joint development of user equipment for exploitation of Glonass signals for commercial purposes. The
agreement opens the road for the implementation of a 2004 agreement on joint
design and 'launching of Glonass communication satellites, which will be used
by both countries for civilian and military purposes.

No country can be fully self-reliant in all areas of defence-related
technology. Moreover, the today trend is towards joint development and
production of defence equipment. According to the emerging opinion in the
Indian strategic community the country must be self-reliant in areas where
technology denial regimes are imposed, like nuclear and missile technologies.
India may concentrate on developing and further expanding the areas of her
core competence. In other areas, the country may opt for overseas partners,
including Russia. Joint development and production of new weapon systems
may emerge as a very promising area of continued Indo-Russian cooperation. It
may provide continuity and stability to existing ties. Advanced avionics and
electronic systems developed by Western countries and Israel may also be
incorporated as is already being done. Competition among the suppliers may
indeed be good and has already produced beneficial results. There is a need to
handle the emerging situation with dexterity and savoir by giving attention to
details and nuances. In the pursuit of its enlightened national interests, it is to
be expected that India would seek to leverage its position as a major defence
buyer, and so would Russia as a supplier.

In the 21st century geopolitical scenario has totally changed. India’s ties
with Russia will continue to be driven by not only common strategic and
genopolitical interests but also shared interest in the defence sector. They would,
however, need to adjust policies wherever necessary for enhancing mutual
gains in this vital sector if they want to sustain a robust relationship in the new
global environment.
INDIA'S RELATIONS WITH RUSSIA: 1992-2002

THESIS
SUBMITTED FOR THE AWARD OF THE DEGREE OF
Doctor of Philosophy
IN
POLITICAL SCIENCE

BY
ABDUL AZEEM

Under the Supervision of
Prof. Ms. Iqbal Khanam

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2006
CERTIFICATE

Certified that Mr. Abdul Azeem has prepared his Ph.D. Thesis entitled "India's Relations with Russia: 1992-2002" under my supervision. To the best of my knowledge this is a bonafide work.

I recommend that the thesis be placed before the examiners for evaluation.

Prof. Iqbal khanam
(Supervisor)
ACKNOWLEDGEMENT

For the unprecedented efforts and encouragement and for the fine precision in inculcating the real and impartial views over such a Topic of my thesis, I express my heartful thanks and gratitude to my supervisor Dr. (Ms.) Iqbal Khanam, Professor, Department of Political science, A.M.U, Aligarh. I being deeply moved by the kind gesture and excellent guidance, find my words falling short of the real praise of my supervisor, which enabled me to carry out my course of study. Her perseverance and inspiring attitude are worthy to be acknowledge in emphatic words of praise. I always found her kind enough to spare her time lavishly and willingly whenever needed. Her expert comments and suggestions made this work meaningful. I consider myself lucky to have worked under her supervision. My respects, admiration and thankfulness for her are unbounded.

I would like to extend my heartful thanks to Prof. Naheed Murtaza Khan, Chairman, Department of Political Science, A.M.U. Aligarh, for the help, he rendered during the completion of this work.

My special thanks to my esteemed teacher Prof. T. A. Nizami for his consistent help and encouragement.

I am equally grateful to my teachers, Prof. Murtaza Khan, Prof. Arif Hameed, Prof. Mirza Asmer Beg, Prof. A.R.Vijapur, Dr. Mohd Waseem Ahmad, Dr. Muhammad Abid, Dr. M. Mahmood for their valuable suggestions. I am also thankful to Dr. Iftikhar Ahmad, Dr. Nafees Ahmad, Dr. Aftab Alam, Dr. Iqbal-ur-Rahman, Mr. Mohibul Haque, Mr. Khurram, Dr. Rachna Kaushal, Dr. Farhana Kausar, Dr. Arshi Khan, Dr. Naseem Khan, Mr. Md. Aftab Alam for their kind cooperation and encouragement. I am also
grateful to Mr. Qasim, Seminar incharge, Department of political science for his help and cooperation.

The more painstaking part of this research work has been greatly facilitated by the help and cooperation of library staffs of Maulana Azad Library, A.M.U, Aligarh, Nehru Museum and Library, New Delhi. J.N.U Library, NASSDOC & ICSSR Library, Delhi University Library, Dr. Zakir Hussain Library J.M.I., Central Secretarial Library, Indian Institute of Foreign trade Library, New Delhi and National Library, Calcutta University Library.

I would like to express my deep gratitude towards Centre For Nehru Studies, A.M.U., Aligarh, in providing me financial support in the form of financial assistance which is indeed praiseworthily.

I feel glad to thank My Parents; my elder brothers Mr. Md. Naeem and Mr. Abdul Mateen for being the greatest source of inspiration for me, their profound love and whole heartedly cooperation have enabled me to attain the target.

I would be failing in my duty if I fail to express my inexplicable gratitude to my friends, seniors and relatives for their motivation and support.

No less are my thanks due to Mr. Mohd. Shahid for his kind help in assiduously typing this thesis and dedicating his time till late night hours.

(ABDUL AZEEM)
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<th>Abbreviation</th>
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<tbody>
<tr>
<td>AWACS</td>
<td>Airborne Warning And Control Systems</td>
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<tr>
<td>BARC</td>
<td>Bhabha Atomic Research Centre</td>
</tr>
<tr>
<td>CDAC</td>
<td>Centre Development of Advance Computing</td>
</tr>
<tr>
<td>CECA</td>
<td>Comprehensive Economic Cooperation Agreement</td>
</tr>
<tr>
<td>CII</td>
<td>Confederation of Indian Industry</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<tr>
<td>DRDO</td>
<td>Defence Research and Development Organisation</td>
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<td>DRF</td>
<td>Debt Repayment Fund</td>
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<td>ECOs</td>
<td>Economic Cooperation Organisations</td>
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<tr>
<td>FICCI</td>
<td>Federation of Indian Chamber of Commerce and Industry</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>IAEA</td>
<td>International Atomic Energy Agency</td>
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<tr>
<td>ICAD</td>
<td>Institute for Computer Aided Design</td>
</tr>
<tr>
<td>IGCMTC</td>
<td>Inter-Governmental Commission on Military Technical Cooperation</td>
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<tr>
<td>ILTP</td>
<td>Integrated Long-Term Programme</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IPI</td>
<td>Iran-Pakistan-India</td>
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<td>IRIGC</td>
<td>Indo-Russian Inter Government Commission</td>
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<td>MBT</td>
<td>Main Battle Tanks</td>
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<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>NSG</td>
<td>Nuclear Suppliers Group</td>
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<tr>
<td>OVL</td>
<td>Oil Videsh Limited</td>
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<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
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<td>RAPS</td>
<td>Rajasthan Atomic Power Station</td>
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<tr>
<td>SCO</td>
<td>Shanghai Cooperation Organisation</td>
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<tr>
<td>TIFR</td>
<td>Tata Institute of Fundamental Research</td>
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<td>WTO</td>
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PREFACE

Nehru once said, "Russia is our neighbour, there can be either amity or enmity. Indifferences are out of the question." Thus India's relations with Russia can be traced back into history and legend. Allover Indo-Russian relations one finds numerous symbols of these ancient ties and strategic considerations. Indian philosophy, culture, religion, and language all these left an abiding impact on Russia. Indeed Indian and Chinese cultural influences met in the outreaches of Russia. Therefore India's relations with Russia are of abiding importance to her. It was with this understanding that the state occupied a central place in India's foreign policy perspectives and consideration. The central theme of my thesis is to survey and critically analyse India's Relations with Russia: 1992-2002. A period of great stress and significance after the dramatic Collapse of Soviet Union.

The thesis consists of four chapters and the conclusion.

The first chapter of the thesis deals with historical, political, economic and strategic importance of Russia. Russian importance to India in terms of its foreign policy objectives and its strategic interest that India has, for the security environment of Russia is based on its broad foreign policy framework. China as a factor in Indo-Soviet relations, Soviet support to India on Goa and Kashmir issues and relations between the two countries during the period of Stalin and Brezhnev have been discussed in detail. Nehru as the architect of India's foreign policy has also been taken into account.

The second chapter refers to disintegration of Soviet Union, its causes and impact on India has been dealt with in detail. Emerging trends in Indo-
Russian relations and Indo-Russian cooperation in the field of defence, science and technology have also been discussed.

The third chapter takes into account Indo-Russian strategic and economic collaboration in the Post Cold war era. Shift in the Soviet policy and the Cold War dynamics, its attitude towards Kashmir issue, the Yeltsin period have also been examined. Military and Technical Cooperation between the two countries and Indo-Russian economic collaboration have also been discussed in details.

The fourth chapter provides an insight into the emergence of defence collaboration between India and Russia in the context of changing international and regional scenario. India’s nuclear test and Russian response, signing of intellectual property rights (IPR) agreement etc have also been discussed in detail.

The study has made use of all the available official documents on the subject. I have also utilized Indian and Russian articles, newspapers, books and other publication written by eminent scholars on the subject.

The methodology adopted is primarily analytical, it has become historical wherever historical perspectives were necessary to arrive at right and logical conclusions.
CHAPTER-1

Introduction

BACKGROUND OF INDO-SOVIET RELATIONS

India’s friendly stance towards the USSR has greatly been exaggerated, misunderstood and misinterpreted in India and abroad. An examination of the subject appeared necessary in order to explain the nature, extent, direction and implications of India’s relations with the USSR. It is all the more essential as there is a noticeable tendency among some quarters to gloss over certain events and decisions which do not fall in line with their own view and heavily underscore those which do so. An attempt has been made here to analyze India’s policy towards the USSR and place it in proper perspective.

The ever growing friendly relations between the two neighbours are the result of many factors such as the complementarily of their national interests and the constantly changing national and international situations. The Soviet Union’s huge size, its vast potentialities and the geo-political situation compelled Indian leaders, Jawaharlal Nehru in particular, to realize, even before India attained independence, the need to develop close and friendly relations with the Soviet Union.

The changing pattern of Indo-Soviet relations from 1953 onwards and the analysis of the forces and factors which influenced the course of events. India’s attitude towards the USSR has been derived from its overall foreign policy objectives. In understanding and evaluating this attitude, it is therefore, indispensable to keep in view two important considerations: first, the assumptions, motivations, style, basic goals and the principles of India’s foreign policy which governed her relations with other States in general; second, the specific goals which India sought to achieve in her relations with the USSR. It is the inter-relationship between the general and the particular
objectives and the degree of their combination as well as contradiction that give us an idea of the various phases of India’s relations with the USSR. Such an analysis, however, should not be restricted merely to the conceptual level. The interaction of such other factors as intimate geographical, historical and economic ties between the two States, the influence of external factors and the failure or success of Indian diplomacy at the international level should also constitute a part of the analysis.

Jawaharlal Nehru, popularly known as the architect of India’s foreign policy, had a clear idea of what a country’s foreign policy shall be. It must sub serve its interests, both economic and political. On numerous occasions, he declared that economic policy would determine foreign policy. He stated:

*Let us not imagine that foreign policy is like a game of chess played by superior statesmen sitting in their chancelleries. It is much more complicated than that, for it is governed by the aspirations of hundreds of millions of people whose economic needs and objectives are motivated by a variety of causes. ... Foreign policy is thus no more a matter, as in the olden days, of siding with one power against another in return for some territorial possession or advantage.*

India under Nehru’s leadership decided to expedite an historical process which by the very fact of India’s independence was known to be well under way. India realised the difficulties, the non-self-governing people were facing in overthrowing the colonial rule. The achievement of freedom by India made
it necessary for her to follow a policy of resisting colonialism throughout the world. The opposition to colonialism in turn is directed to lend help and support to the dependent peoples in the achievement of their freedom. This policy was manifested in the Asian Relations Conference, the Asian Conference on Indonesia, and in the meetings of the Colombo Powers which initiated the Bangdung Conference. Nevertheless, a closer examination of India’s foreign policy in this regard reveals that in everyone of these cases whether in her support to independence movements as in Indonesia or her hesitation to support them fully, as in the initial stages of the Suez Crisis, India’s policy has been first of all a policy of protecting her security and other vital interests. India demonstrated selectivity in championing the causes of dependent peoples. She refused to condemn Soviet colonialism in Eastern Europe. India’s attitude towards the Soviet colonialism was the product of the lack of experience with the Soviet Union as against the experience with Western colonialism. In fact, India’s championship of subjected people was not based on moral grounds alone. It was part of India’s strategy to safeguard India’s independence and security.

Nehru was utterly realistic in his assessment of foreign affairs. The proof of India’s independence for Nehru was the posture of non-alignment in foreign relations. At the time of India’s attainment of independence the world was bipolar. The cold war was at its height. Nehru took the most realistic view of the situation and refused to make India anybody’s camp follower.

Before analyzing India’s relations with the USSR during the period 1953-1964, it seems imperative to go back a bit in history. It appears pertinently indispensable to briefly mention the principal facts and events that had taken place during 1917-1952. In what way the October Revolution affected India? What was the British India’s policy towards Russia? What was the
attitude of the Indian nationalists towards the USSR? How did the Indian revolutionaries look upon Russia? Did they share British Government views about Russia? How did the USSR behave towards India after independence? What was the state of relations between the two countries in the years immediately after India attained independence? Such questions merit close attention because their answers help in understanding the relations between the two countries during the period under study.6

However, a careful study of the Indian National Congress records reveals that the Indians did not accept the British theory about Russia's aggressive designs on India even during the pre-October Revolution period. On the contrary, they were critical of the British policy which they declared to be motivated by imperial interests.7 The nationalist movement in India, wishing to drive away the Britishers, looked upon the British policy, as the means of an imperialist power to keep itself entrenched in India and hence against the interests of India.8 The Indian National Congress did not consider the threat from Russia to be real and consistently opposed the military expenditure of the government which the British sought to justify by referring to that threat. This disbelief in any danger from Russia turned into positive fascination as a result of the October Revolution.9

The news of the Russian Revolution made an impact on India. It became a source of inspiration to the people in their struggle for freedom. They realised that the effects of the October Revolution would not be confined to Russia. Since the revolution was “against imperialism it might somehow help the movement for Indian independence which, with Mahatma Gandhi’s advent on the Indian scene, was taking a new turn.”10 As pointed out in Montague Chelmsford Report: The Revolution in Russia in its beginning was regarded in India as a triumph over despotism ... it has given an impetus to Indian political
aspirations. The Indian press as well as the political leaders generally showed a lively interest in the October Revolution and the new state. It would not be out of place here to refer to the comments in some of the leading newspapers and periodicals, particularly those associated with the nationalist movement.

The impact of the Russian Revolution on Indian nationalist intellectuals was sensitively reflected in the attitude of Jawaharlal Nehru. As a matter of fact, Nehru’s thinking was the most important factor in bringing about a transformation in the Indian nationalist attitude towards the USSR. Nehru held a prominent position in the Indian National Congress. He exhibited lively academic interest in the scientific outlook of Marxism as an interpretation of history. Moreover, it is worth pointing out that his attraction for Marxism was confined to its broad features rather than to its fine points. At no time he could be termed a doctrinaire Marxist. His intellect was too independent to be subjected to the rigid discipline of any dogma. Gandhi’s influence reinforced his dislike for violence.

His adherence to democratic values was always very strong. For him the central problem was how to combine democracy with socialism, how to maintain individual freedom and initiative and yet have centralised control and planning of democratic life of the people on the national as well as the international plane. Nehru’s participations as the Congress representative in the International Congress against imperialism held in Brussels in February 1927, followed by his visit to the USSR turned him into an enthusiastic though not uncritical admirer of the USSR. He returned from the USSR with very favourable impressions which he described in articles and talks, and which were reflected in the Congress pronouncements on the international scene from then on. He wrote on:
I must confess that the impressions I carried back from Moscow were very favourable and all my reading has confirmed those impressions, although there is much that I do like or admire.\textsuperscript{15}

The October Revolution and its aftermath had a different kind of impact on the most militant section of the Indian nationalists, the revolutionaries or terrorists as they were often called. They regarded the new Soviet regime as a potential source of strength for overthrowing the British rule in India. Many revolutionaries visited the USSR after the revolution. Some of them, notably Raja Mahendra Pratap and Barkatullah, President and Prime Minister, respectively of the provisional government set up at Kabul, were received by Lenin. Ambitious plans were made to bring Russian arms and trained hands of Indian revolutionaries into India via Afghanistan to overthrow British rule,\textsuperscript{16} but they could not succeed because of various reasons into which one need not go here. What is important to note is that in spite of this failure Indian revolutionaries continued to be inspired by the message of October Revolution and felt greatly attached to the Soviet Russia. This received the most poignant expression on the occasion of the Sixth anniversary of Lenin’s death.\textsuperscript{17}

Soon after the formation of interim Government on 2 September 1946 Nehru, as its head, announced his policy of developing close and friendly relations with the USSR. In his very first policy speech on September, 1946 Nehru greeted the Soviet Union which, he said, ‘carries a great responsibility for shaping word events’ and added that as ‘neighbours in Asia we shall have to undertake many common tasks and much to do with each other’. It was indeed a bold statement as at that time the USA with its then monopoly of the atomic secrets was speaking in very threatening terms to Russia. The cold war has reached a high pitch and it needed courage to make such a bold statement.
In January 1947 a delegation from the Soviet academy of sciences came here on invitation sent at the instance of Nehru to the session of the Indian Science Congress where on 7 January he told the guests that “once diplomatic relations are established, the door will be opened for close contacts in many fields of beneficial human activities.” Thus, the Russian Revolution laid the foundation for the building and expansion of new kind of ties between the Indian people and the people of USSR. These friendly relations naturally entered a new phase after India became an independent and sovereign state in 1947.

India established diplomatic relations with the USSR quite promptly. A press communiqué issued in New Delhi on 13th April, 1947 stated that the Governments of India and the USSR had agreed to exchange diplomatic relations at the ambassador's level. It means that diplomatic relations were established between the two countries four months before India actually became independent. The initiative and the promptness on the part of India in this regard well demonstrated Nehru’s intense desire to establish contacts with Moscow as early as possible. The importance that India attached to the USSR was manifested when Nehru appointed his own sister as ambassador to the USSR. It was in a sense, symbol of India's desire for close relations and cooperation with the USSR. With a powerful and resourceful country like the USSR, India wanted to maintain friendly but not subservient relations. In the course of a foreign policy speech, Nehru said in the Constituent Assembly:

*We intend cooperating with the United States of America and we intend cooperating with the Soviet Union.* On the other occasion, Nehru emphasized the need for cultivating the USSR in these words: The Soviet Union being our neighbor, we shall inevitably develop closer relations with it. We cannot afford to antagonize Russia.
In the first place, the USSR pointedly refused to acknowledge India's sovereign status for some years after India became free in August 1947. The news of transfer of power in the sub-continent was never published in the Soviet press. One of the secretaries of the CPSU, Zhdanov declared in September 1947 that the imperialists were keeping China and India in 'obedience and enslavement'. This clearly indicated that the USSR considered India's status after August 1947 at par with that of China under Chiang Kai-shek. Similarly, F. Zhukov, a Soviet writer on eastern affairs, ridiculed the US secretary of state Acheson's contention India was free and China was not. The Soviet government official organ published an article entitled "The colonial policy of British laborite" as late as September 1950 in which the author argued that the British act of granting independence to India had in no way change the latter's status in the British empire. These extracts amply demonstrate that the USSR did not accept the genuineness of India's independence for quiet sometime.

At the same time in the United Nations, the USSR successfully opposed India's candidacy for a seat in Security Council in June 1947. The USSR supported the Ukraine while the United States backed India. India lost the bid as a result of previous understanding between the USSR, UK and China commenting on this, K. M. Pannikar wrote:

*It was clear that Russia had become uncertain of India's attitude and was generally suspicious of our approach to questions of vital impotence.*

The question of Kashmir which came before the Security Council in January 1948, the USSR took up an indifferent attitude. An analysis of speeches made by the Soviet delegate on this issue reveals that right up to early 1952, when the Council discussed the Graham Report; the Soviet
representative rarely participated in the deliberations. On an occasion when he spoke he dealt either with some procedural matters or referred to some aspects of a resolution under consideration. Being indifferent to the issue, his participation in the Kashmir debate, was, on occasions, pointless. His behavior was of an uninterested observer who had nothing to say on the question under discussion. Even on the issue of Indonesian freedom raised in the UN, during this period, there was divergence of opinion between India and the USSR. The Dutch-Indonesian agreement was condemned by the Soviet delegate in the UN. While India put her seal of approval on it. As a matter of fact, right up to the time when the Security Council had seized of the Korean question, India remained a neglected country in the eyes of the Soviet delegate in the United Nations.

However, despite mounting Soviet criticism, Nehru kept the door open for cordial relations with the USSR. Although dismayed by the verbal assault, Nehru was not too surprised, for over the past twenty year’s he had observed the fluctuations of Soviet policy and was accustomed to its abrupt shift. Illustrative of Nehru’s attitude towards this treatment by the Soviet media is the following incident recalled by H.V.R Iengar. One day he brought a sheet of extracts from radio Moscow broadcasts which described Nehru as a tool of British imperialism. Nehru glanced cursorily at the extracts, smiled a little wanly. and said. “The heat is not against us though its look likes it. The heat is against the British .The British have always tried to keep Russian out of this sub-continent, and the Russian cannot believe that the policy has changed. Let us wait and see. If we show the world that we are, in fact, an independent country, the world will changed its attitude to us. In the mean time, you may study these things, but do not get bowled over by them”.
An objective analysis of India’s relations with the USSR in the years immediately following independence makes it clear that it was not USSR but India that had offered the hand of friendship. The main reasons for India’s overwhelming desire for Russia’s friendship may be surmised.\(^{27}\)

The first reason was India’s desire to keep on the right side of a mighty neighbor. The USSR was the most powerful neighbor of India and had a common border. Powerful neighbors should not be provoked or alienated. Thus, it was in recognition of its geographical importance that India sought Russia’s friendship. From the point of view of India’s security, friendship with the Soviet Union appears to have been more important for geographical reasons.\(^{28}\)

Secondly, as discussed earlier in detail, Jawaharlal Nehru, the main architect of India’s foreign policy, had a soft corner for the USSR. He did not envisage any danger to India from the USSR. Nehru assumed that as the Soviet society is transforming itself from a backward to an advanced economy and the pent-up consumption of the Soviet people is seeking satisfaction, there is bound to be an increasing stake felt by the USSR in the peaceful solution of world problems. Also, in the age of declining colonialism, it is difficult for any great power to view with equanimity the prospect of adding to its empire, especially when Communist theory, on which such an empire is based implies the impossible task of underwriting allied economics.\(^{29}\) He firmly believed that ordinarily the two countries should live as the best of neighbours with fewest points of friction.\(^{30}\)

Thirdly, friendly relations with the USSR were of tremendous importence for internal development of India. During this period India was facing grave economic crisis. There were famine conditions in some parts of
India. It badly needed help and assistance from all possible quarters. Thus, even before the establishment of formal diplomatic relations, Nehru as the head of the Interim Government, instructed V.K. Krishna Menon, who was then in London, to get in touch with the Soviet Foreign Minister, Molotov, with a view to securing food aid from the USSR.\textsuperscript{31}

Another reason was their identical views on questions of colonialism and imperialism. Whatever their motives, their positions were highly compatible. India’s championship of freedom movements was very much similar to that of the USSR, as their close collaboration in U.N. forums during the period would suggest.

Nehru’s policies of peace, nonalignment and creating a new balance of power in Asia could have a chance of success only with the active cooperation of the USSR. Because she was the leader of the Communist bloc and much depended on her about the prospects of world peace.\textsuperscript{32}

**Indo-Soviet Relations: Stalin Era:**

Indian independence according to the Soviet press was the outcome of the Political Compromise” of the “Indian bourgeoisie”, the Indian leadership in Soviet assessment continued to be “lackeys” and “vassals of Anglo-American imperialism.

After the collapse of Kuomintang regime in China, Dyakov wrote that the Nehru government was turning India into an “Anglo-American colony in the East”, and that, “recent lessons of history show that the role of imperialist comes to a sad end for those who choose to assume it”. For Soviet press, India’s decision to join the commonwealth was tantamount to remaining a part of British Empire.
The early Soviet attitude towards India was summed up in Stalin's unconcealed disdain for Nehru's bourgeoisie government. Russia refused to recognize the reality of Indian independence. The Soviet commentators refused to believe that the British had abandoned control and instead argued that it had merely altered its style of control. The anti-colonialist and peace championing worth of nonalignment was denied. It was characterized as a hypocritical play between the two camps. The sincerity of the desire to achieve economic independence was completely denied. The violent movement of subversion started by the Communist Party of India was the direct result of this verdict on India by the Soviet leadership. The real reason behind the Soviet attitude of deliberate affront to India seemed to be that it was banking on the ultimate communist seizure of power through armed struggle. Because of this belief an influential group in Moscow supported Ran dive's "Left Strategy" of condemning Nehru's government as an ally of imperialism and supporting the genuine liberation struggle launched by the C.P.I. Encouraged by Moscow's support, the C.P.I. started the Telengana movement. The first clear indication of the radical line the CPI came through the Soviet theoretician Zhdanov's famous Report in 1947 in which he asserted that Nehru's policy was only leading to the Anglo-American imperialist camp.33

This might have created the impression that there was complete lack of understanding between the two throughout the period 1946-1952. During this period the relations between the two countries were far from cordial and much less friendly. It was mainly due to the failure of the Soviet leaders to understand the new India, their pre-occupation with Europe and America, the low priorities they gave to India at that time and the tremendous internal problems they were facing after World War II.
Post-Stalin Era

The shift in Soviet policy came soon after Stalin’s death, almost as soon as Malenkov came to power the Soviet ceased being hostile to India. In a speech to Supreme Soviet on August 8, 1953, Malenkov said: The position of such a considerable state as India is of great importance for strengthening of peace in the East. Recognizing India’s role in ending the Korean War, he said, we hope that relations between India and Soviet Union would continue to develop and strengthen with friendly co-operation as their keynote.

Several factors contributed to Indo-Soviet amity directly or indirectly. It appears pertinent to take into account all such factors and analyse them objectively. Because only then the real nature of India’s relations with the USSR during this period can be explained.

In the first place, the Western bloc was not quite in sympathy with India’s policy of nonalignment. It was often critical of it. The new Republican Administration under the influence of all powerful Secretary of State, Dulles had adopted an attitude of “those who are not with us are against us”. India’s role during the Korean War had made many American leaders feel that India would be an uncertain ally in any future show down with the Communist Camp. This led them to oppose India’s participation in the political conference on Korea, on the flimsy ground of her being a non-belligerent. Such an indifferent attitude on the part of the United States contributed a good deal to India’s coming to a better understanding with the Soviet Camp.

Closely related to this, was the continuing desire of India to play its part in world affairs. The only way India could make herself felt in international
arena, in the face of the growing Western curbs on her, was to cultivate and strengthen her relations with the Communist bloc.

Thirdly, the Western nations had failed to support India’s stand on Kashmir issue, where India’s vital interests were concerned and in respect of Goa question, where Indian emotions and sentiments were deeply stirred. On the other hand, the USSR until 1955 had at least remained neutral with the inherent possibility that some day she might throw the weight of her support in India’s favour.

Another reason for India desiring to cultivate the USSR was the economic consideration. It was India’s long-term interest to diversify the sources of external assistance for her economic development, instead of continuing to depend, as hitherto on solely the Western source. This economic factor was greatly reinforced by the political desire to protect her independence by not entirely being dependent on Western economic assistance. An independent and nonaligned foreign policy cannot remain as such unless it was backed by at least a reasonably and relatively independent foreign economic policy. And this could only be achieved by developing economic relations with the Soviet bloc. Obviously, this was possible only by following a parallel course of action on the political planes too.

After signing of US-Pakistan military pact, the importance of the USSR to India enhanced tremendously. Because of all these factors, Nehru continued his efforts to cultivate friendly relations with the USSR with greater vigor.34

India’s reaction to Stalin’s death in March 1953 was illustrative of India’s keenness to demonstrate its friendly feelings to Soviet Union. Indian
leadership showed effusiveness in consoling the Soviet people. The Indian Parliament was adjourned as a mark of respect to the departed leader. In his speech on the occasion, Nehru made one of the most moving orations. It was remarkable for its stress on the greatness of Stalin. While paying glowing tributes to him, Nehru termed him as a man of great Stature who moulded the destinies of his age and proved himself great in peace and war. At a time when Stalin’s contribution to the ‘cold war’ was by no means small, Nehru could express the belief that “his influence was exercised generally in favour of peace.”

In view of the fact that the USSR had sent no message of condolence on Gandhi’s assassination and that Stalin was responsible for formulating the hostile Soviet line to India, Nehru’s tribute and his emphasis on Stalin’s positive contribution could be regarded as a gratuitously friendly gesture towards Russia. Other Congress leaders expressed their sympathy in a similar vein. Among the few public figures who raised their voice against effusive condolences was P.S.P. leader Ashok Mehta. He called Stalin a “great tyrant” and added that “the deranged, however diabolical, deserve one’s understanding.” As a matter of fact, Stalin’s death provided an occasion for the assessment of the depth and extension of pro-Soviet feelings among the Indian people.

There can hardly be two opinions that so far as India was concern it almost always earnestly desired friendly relations with the USSR. In spite of the earlier indifferent attitude of the USSR, it consistently made friendly gestures and tried its utmost to establish cordial relations with her most powerful neighbour. However, relations between two countries cannot be developed unilaterally. Bilateral relations develop on reciprocal basis. Indo-Soviet relations remained formal, passive and even indifferent during the early
phase because the USSR failed to reciprocate India's gestures of cordiality. It was largely due to Soviet Government's lurking Suspicion that behind a facade of independence and the policy of non-alignment, India was actually pro-West and was not fully free from Western influence, in particular British influence.

It will not be an exaggeration to say that Stalin's personality was an obstacle in the development of cordial Indo-Soviet relations. He had nothing but scorn for India. Nehru's efforts to cultivate friendly relations with the mighty neighbor were cold-shouldered by Stalin. However, Stalin's departure from the Russian political scene heralded a new era of liberation in the Soviet system. The new Soviet leadership displayed remarkable flexibility towards the third world countries. They acknowledged both the importance and independence of nonaligned states, by adopting an attitude of "those who are not against us are for us" instead of earlier thesis- those who are not with us are against us. In the words of K.P.S. Menon:

_The new government was animated by a spirit of accommodation._

The new Soviet leadership realized that the development of friendly ties with India would help the Communist world's efforts to break out of its diplomatic isolation. Equally important was the Soviet need to counter the Western alliance system.

New Delhi watched keenly for indication of the future direction of the Soviet foreign policy. The signing of the Korean armistice agreement in July 1953 on the basis of the original unamended Indian formula removed one of the main causes of Indo-Soviet misunderstanding. New Delhi regarded it as an important step in the desired direction.
The first overture by the USSR to India was made shortly after the death of Stalin. The Soviet Prime Minister Malenkov in his address to the Supreme Soviet on 8 August 1953 made the first truly friendly reference to a non-Communist state, India. He observed:

*In the efforts of peace-loving countries directed towards ending the Korean War, India made a significant contribution. Further he expressed the hope that in future relations between India and the USSR will grow stronger and develops in a spirit of friendly cooperation.*

This was a clear indication that the USSR had become appreciative of India’s nonaligned foreign policy. This statement was a tactical Soviet effort to establish close relations with India. This was the first attempt by the Soviet leaders to endorse the position of non-alignment.

The USSR recognized India’s desire to be included in any conference where the future of Asian people was being discussed. Thus, the USSR was among the 27 countries who voted in the General Assembly Political Committee to include India in the Conference on Korea, while the United States was among 21 nations who opposed. At the Conference Malotov appraised Indian’s status in unambiguous language:

*Who can deny that a country like India with a population of more than 300 million people has entered into a new, historic arena? Not long ago India was a colonial country. But now nobody can deny that India is occupying a very important place among the countries which are*
consolidating their national independence and striving to secure her weighty place in world affairs.\textsuperscript{42}

The USSR also proposed India’s name for a neutral nation’s commission to supervise the ceasefire in Indo-China. From 1954 onwards the USSR also worked for the inclusion of India in all international forums on disarmament. For instance, it called in 1954 for the addition of the Communist China, Czechoslovakia and India to the UN’s Disarmament Commission.\textsuperscript{43}

By the end of 1954, the Soviet media began to speak highly of Nehru Government. Some articles praised the peace-loving nature of the Indian people while others the diversity of the Indian culture. In an editorial Pravda acknowledged India’s valuable contribution for strengthening peace.\textsuperscript{44} Referring to the rapid shift in the Soviet treatment of India, a Congress party back bencher S. N. Sinha pointed out in the Indian Parliament:

\begin{quote}
Formerly they (Soviets) used to criticize us and say that our Government was a tool of British imperialism . . . Any Soviet paper you will find today is all praise for our culture, for our government, for our Prime Minister.\textsuperscript{45}
\end{quote}

Reflecting the changed official attitude towards India the writers A.M. Dyakov and V.V. Balobushevich reversed their earlier condemnation of Nehru’s policies. They now started praising, India’s struggle for peace, its attitude towards the Korean conflict and its support for the seating of Red China in the United Nations. By January 1955 the Soviet press was hailing India as a factor of peace in Asia. In a report to the Supreme Soviet on 18th February 1955, Malatov referred to the increasing recognition of India in world affairs:
India’s international prestige as a new and important factor for peace and friendship among nations is increasing.\textsuperscript{46}

The changed Soviet posture towards India began to find expression in the Soviet Government’s moves to establish cultural and economic ties with India. It was reflected in the warm receptions accorded to a number of Indian delegations and individuals that visited the USSR. India’s Health Minister Raj Kumari Amrit Kaur, on her return from the Soviet Union, told a press conference that the Soviet Union wished warm friendly relations with India, and Soviet people ardently desire peace.\textsuperscript{47} In the following month, Indra Gandhi paid a visit to the Soviet Union. After her return, she too testified the warm feelings of friendship towards India prevalent everywhere in the Soviet Union.\textsuperscript{48} The frequency of the exchange of delegations rose considerably and continued high hereafter. However, the most important being the goodwill visits exchanged by the premiers of two countries in 1955.

The Soviet reappraisal of India’s role in world affairs coincided with the increase in Indo-American differences. Deep, abiding frictions arose between India and the United States on issues such as recognition of Red China, the Japanese Peace Treaty, the Kashmir dispute and the formation of military alliances.\textsuperscript{49}

The signing of Pakistan-US military pact in May 1954 marked a watershed in Indo-Soviet relations. India’s reaction to the alliance was sharp. Indian leaders and press bitterly criticized the agreement. Nehru who had tried to prevent the Asian countries from being dragged in the cold war expressed deep concern. According to Indian leaders the US military assistance to Pakistan would change the entire regional balance of power and Pakistan
would be inflated out of all proportions to her size. It appeared like a dragger pointed at India. As Nehru said at a press conference:

\[ \text{It is matter of greatest concern to us and something which will have far-reaching consequences on the whole structure of things in South Asia and especially in India and Pakistan.}\]

The entire country was emotionally charged in its opposition to the U.S. move. As a matter of fact, America’s military pact with Pakistan inevitably set in motion a chain of events which could not but bring India closer to the USSR. The anti-Western lobby came out very much stronger and those elements which were neutralists, as between the two blocs, got rudely shocked. The wave of anti-Americanism in Indian public opinion reached a high watermark. This could not result but in India and the USSR seeking to build up their friendly relations on a firmer foundation of trade and technical cooperation, and exchange of art and culture. Both India and the USSR joined in condemning the pact. Their interests had converged in this respect, but for different reasons. Though the Government of India was not opposed to the American policy of containment of communism, it was disturbed at American policy of checkmating their aspirations in South East Asia and West Asia, by pinning it down in the sub-continent to deal with a hostile now militarily armed neighbor. In any case, the pact helped the development of better understanding between India and the USSR. India started looking towards Soviet bloc for her security. The most glaring indication of this trend was Nehru’s Peaking visit in 1954 and his acceptance of the Soviet invitation to visit the USSR.

Nevertheless, despite his outspoken opposition to the US-Pakistan Pact and later on to the SEATO, Nehru did not publicly mention the acclaim his stand was receiving from the Russians. The praise of Communist nations was
probably embarrassing to him as it nurtured a belief in the West that India was moving towards an acceptance of the Communist bloc line in world affairs. Nehru wanted a modus vivendi with the Communist world but not at the expense of rapidly worsening relations with the West.

The ties between India and the USSR were strengthened by the mediator’s role which India played during the Korean Peace Conference in Geneva in May-July 1954. The conference offered the USSR an opportunity to capitalize on Indo-American tensions. The US opposition to India’s participation in the Conference heightened Moscow’s campaign to demonstrate its friendship for New Delhi. The USSR pleaded for India’s inclusion and recognized India’s desire to be included in the Conference where the future of Asia would be discussed. The American effort to exclude India from the Conference was criticized by the Soviet delegate at the U.N. and the Soviet press played up the American opposition in an attempt to stimulate anti-American feeling in India. Although India was not invited to the Conference an Indian delegation headed by Krishna Menon had an active role behind the scene. Menon had several meetings with Molotov. In his memoirs the then British Prime Minister A. Eden who kept in close touch with the Indian delegation during the Conference recollected that his strategy and that of Menon was to convince the Communists that there was a balance of advantage to them in arranging a girdle of neutral states in Indo-China.

It is worth noting that shortly after the Geneva Conference Indo-Soviet contacts increased markedly. India accepted the Soviet offer of assistance for her Second Five Year Plan. It may be inferred that Nehru attached considerable significance to the Soviet behavior at Geneva. The atmosphere between New Delhi and Moscow began to clear rapidly after the negotiated settlement on
Indo-China at the Geneva Conference. Any Indian reluctance to request Soviet assistance disappeared.51

In September 1954, the Soviet Union made an unexpected and dramatic offer to build a giant steel plant in India to help India and to develop its iron and steel industry. Nehru welcomed the Soviet offer and indicated India’s readiness to accept the Soviet aid because Soviet help would “go a long way in the rapid industrialization of our country”.52 He also regarded the Soviet offer as a welcome alternative source for the supply of capital and machinery and also a bargaining counter to the West. On 2nd February 1955 the USSR and India signed an economic agreement providing the Soviet assistance for the construction of a giant steel mill at Bhilai. The agreement came at a time when a negotiation with Britain for another steel plant was bogged down on technical grounds.

In meeting with the Yugoslav leader Tito in December 1954, Nehru received a first hand reappraisal of recent developments in the USSR. Ousted from the Cominform in 1948, Tito successfully withstood Stalin’s pressure. The new Soviet leadership had recently put forth the olive branch of reconciliation hoping to bring Tito back within the fold. This reorientation of Moscow’s policy towards Belgrade was watched carefully by New Delhi. Considerable significance was attached to the gradual Soviet acceptance of Yugoslavia’s non-alignment in the cold war. From Tito, Nehru gained insight into the nature and extent of the Soviet ‘thaw’. The Soviet treatment of Yugoslavia provided Nehru a barometer with which to assess the trends of the Soviet policy over the coming years. Shortly after his talks with Tito, Nehru accepted a formal Soviet invitation to visit the USSR.
State visits are generally tedious affairs dominated by protocol. Normally they generate limited and short lived goodwill. But sometimes they crystallize a national mood or dramatically demonstrate it. The exchange of visits by Nehru and Soviet leaders, however, earned landmark significance. They were events of international significance too. Undoubtedly, these visits marked a watershed in Indo-Soviet relations. It seems imperative to discuss them at length and assess their importance and impact of Indo-Soviet relations.53

Nehru visited the Soviet Union in June 1955. On the eve of his visits Nehru made it clear that he was not going to the Soviet Union “to negotiate on any issues between blocs or intervene in any dispute.”54 His object was merely to exchange views on world problems of mutual interest. This was necessary because of the active role India was playing in world affairs as well as friendly relations with both the blocs of nations.55 No doubt, he also intended by his visit to strengthen Indo-Soviet relations as well as acquaint himself, first hand with the conditions within the USSR about which there was much misunderstanding in the Western press. Perhaps, he also intended to mitigate a little, the isolation imposed by the West on Communist countries.56

At the huge public meeting at the end of his visit, Nehru congratulated the Soviet people and Government on the several steps taken by the latter which had lessened world tensions and contributed to the cause of peace. He assured the Soviet people that India never harbored any ‘unfriendly’ feelings towards the Soviet Union, even though the methods of achieving their respective national goals were different.57

In the joint communiqué issued at the end of Nehru’s Visit, it was resolved that relations between the two would continue to be guided by the
principles of Panchsheel. Significantly enough, the third principle of non-interference in each other’s internal affairs was elaborated with the addition of the words ‘for any reason of an economic, political or ideological character’. The two Prime Ministers also affirmed that in the observance of these principles by nations in the conduct of their mutual relations lies the main hope of banishing fear and mistrust from their minds and thus lowering world tensions. In the rest of the communique they commended the results of the Bandung Conference, and urged the representation of Red China in the United Nations and peaceful settlement of the Formosa dispute.  

From the joint communique it becomes evident that the Soviet leadership accepted the Panchsheel and made it plain that despite different social systems, there would be no bar in economic, cultural and technical cooperation. The Soviet attitude, when viewed in conjunction with India’s own needs for the development of heavy industry, must have been greatly comforting to Nehru.

The Moscow visit enabled Nehru to speak of Soviet intentions with confidence and authority. After personal observation of the Soviet life and direct talks with the Soviet leaders, India was heard by Western powers with greater respect and credibility.

The fact that Nehru made the Soviet leaders agree to an effective international control of any measures for disarmament (in view of the earlier stand on it) was also no inconsiderable achievement. So also the express assertion of non-interference in other countries affairs, especially of an ideological character. Nehru had the Soviet Premier committed to a peaceful settlement of the Formosa question. In short, as a result of all this, India’s status in international affairs was undoubtedly enhanced.
Apart from all this, Bulganin had accepted Nehru’s invitation to visit India—a rather unusual step for the Soviet Government to agree to. The USSR had also ‘gladly offered’, according to Nehru, to help India in its industrial development by supplying machinery and technical assistance and personnel.59

All these were no grater achievement. But the greatest of all was the lasting impression left on the mind of Nehru and the Indian people of the affection and regard of the Soviet people for India. The feeling in India was one of exultation over the triumphant tour of their national hero. In most quarters in India, Nehru’s visit was considered a success. “Deeds, it is often said, speak louder than words. Yet it would be unfortunate to underestimate the considerable capacity for restraint contained in the words of Mr. Nehru and Bulganin.”60

Indeed, foundations of Indo-Soviet friendship were laid deep. Nehru’s visit was a milestone in the development of Indo-Soviet relations. It was a momentous event in cementing Indo-Soviet friendship. Just as Eisenhower’s visit to India in 1959 marked the end of Dullesian rejection of nonalignment, the visit of Nehru closed the chapter of Soviet antagonism and indifference towards India. The thaw in the relations had, of course, started much earlier. Nehru was profoundly impressed by the personal conduct and the manner of approach to problems of the Soviet leaders.61

The return visit to India by Bulganin and Khrushchev in November 1955 marked another watershed in Indo-Soviet relations as India was the first non-Communist country they visited. The visit demonstrated a change that was coming over in the relations between the USSR and non-communist nations.
Its importance was magnified many times more because of the statements made by the Soviet Leaders in the course of their visit. It is worth pointing out that by the end of 1955 Pakistan had become the Western anchor of the SEATO and the Eastern anchor of the Baghdad Pact. By then Pakistan had also signed mutual defense agreement with the United States and had received substantial military and economic assistance from that country. On the very day of the Soviet leaders’ arrival in India, the US had announced an offer to construct 20 million dollar airfield in Pakistan.\(^{62}\)

In the context of the above-mentioned developments, the Soviet leaders enjoyed tremendous popularity and welcome in India. Wherever they went, they received tumultuous popular welcome. They were greeted with slogans Hindi-Rusi Ek Hai and Hindi-Rusi Bhai Bhai. Speaking at a Delhi civic reception to the visitors, Nehru spoke for all Indians when he said:

\[
This \ day \ will \ go \ down \ in \ history \ as \ a \ very \ important \ event. \ The \ two \ visitors \ represented \ more \ than \ the \ meeting \ of \ the \ leaders \ of \ two \ great \ countries. \ ..They \ signified \ something \ deeper \ and \ more \ far-reaching, \ viz, \ the \ meeting \ of \ the \ two \ great \ people, \ and \ this \ had \ a \ great \ significance.\(^{63}\)
\]

However, from India’s point of view the most important pronouncements of the Soviet leaders were the Soviet pledge of unreserved support to its claim on Kashmir. India’s stand was publicly and categorically endorsed. In his speech at Srinagar, Khrushchev declared:

\[
The \ question \ of \ Kashmir \ was \ a \ matter \ for \ the \ Kashmiris \ to \ decide. \ But \ the \ question \ of \ Kashmir \ as \ one \ of \ the \ states \ of \ the \ Republic \ of \ India \ had \ been \ settled \ by \ the \ people \ of \ Kashmir
\]

26
when they decided to join the Indian Union. The Soviet Union accepted their verdict.\textsuperscript{64}

Equally important was the unequivocal Soviet support to India’s stand on Goa. During their visit the Soviet leaders attacked Portugal for refusing to withdraw from Goa and emphatically supported India’s claim on it. Practically in all major speeches Khrushchev mentioned Goa and forecast its early freedom.\textsuperscript{65}

In the joint communique issued at the end of the visit, both governments agreed to exchange trade representatives to look after their growing trade. The USSR also agreed to supply machinery and necessary help for oil exploration and construction of hydroelectric projects in India. Of special importance to India was the observation that the representatives of the two countries would meet and discuss later further mutually advantageous forms of economic and technical cooperation between the Soviet Union and India.\textsuperscript{66}

In reviewing the significance of the Bulganin-Khrushchev tour, Sisir Gupta listed “the promise of Soviet aid; the endorsement of India’s unity; the acceptance of its national leadership as a progressive and desirable phenomenon; the promotion of India’s status in the world; and the use of Soviet influence to prevent the irresponsible functioning of its followers in India as providing the basis for India’s friendly relations with the USSR in the following years.\textsuperscript{67}

The visit demonstrated a historic transformation that was coming over in the relations between the Soviet Union and non-Communist nations.\textsuperscript{68} The visit was highly successful enterprise in public relations. It made a deep impact on Indian people about the USSR’S sincerity in the pursuit of peace in spite of her
enormous nuclear power and also her genuine appreciation of India’s nonalignment and extension of peace area. The statements of the visiting Soviet leaders, with reference to further Indo-Soviet cooperation in various fields and on Kashmir and Goa, evoked great satisfaction and goodwill in India. The Soviet posture was obviously appreciated in India, especially in the context of the current Republican attitude in the USA, which equated nonalignment with immorality and by including Pakistan in the SEATO and the Baghdad Pact gave India a sense of encirclement.

Nevertheless, these visits had hardly any effect on India’s general outlook on world affairs or her own basic foreign policy. The mere formal and joint repetition of views already held individually and separately by the two governments did not imply that after the exchange of visits there was greater agreement between the two governments on those or other world issues than before. However, what pleased India was the fact that, unlike the West, the Soviet leaders publicly and clearly expressed themselves in favour of India continuing to follow her own policy of nonalignment. Indians also received the psychological and emotional satisfaction that in their stand on two issues involving India’s national interest (Kashmir and Goa) a great power and a permanent member of the Security Council had, practically, for the first time, expressed support to India. This was undoubtedly a source of great strength to the Indian people, even though it did not have much significance to the Government of India’s continuing efforts for a solution of these questions. For India, the acceptance by the USSR of the Panch Sheel, India’s concretely defined version of co-existence in the joint communiqué provided public witness to the fact that Moscow preferred good relations with the Indian Government to support of the C.P.I. Finally, the visits also resulted in the expansion of Indo-Soviet relations, both in extensive and intensive terms, in the fields of commerce, science and culture.
Misgivings about the growing rapport between India and the USSR were often sublimated in the Indian press also, but sometimes came to the surface. Such an instance occurred over the treatment of Gandhi in the 1954 edition of the Great Soviet Encyclopedia. As before, Gandhi was termed “one of the initiators of the agreement by the Congress leaders with British imperialism in 1947 which led to the division of the country.” Gandhism was characterized as the reactionary political doctrine of Gandhi. Protests were made by the Indian press and government that the treatment of Gandhi was completely opposed to the professed Soviet friendship and respect for India.

To sum up, it may be said that India’s relations with the USSR during this phase improved considerably. This was a period when the USSR became India’s source of strength in international affairs and a major supplier of India’s defense requirements. Trade was opened between India and the Soviet bloc. Numerous cultural and economic delegations exchanged visits. The mutual relations which began to improve since 1953 reached its high watermark by the end of 1955. The year 1955 ended with India and the USSR well on their way to securing better mutual understanding and friendly relations. The statements of Indian and Soviet leaders during this period evolved “a more stated basis of Indo-Soviet relations.”

A new understanding was reached. The visits of Nehru to the USSR and the Soviet leaders created an atmosphere of exuberant friendship summed up in the phrase “Hindi-Rusi Bhai Bhai” (Indians and Russians are brothers). The USSR not only made amends for the earlier ‘indifferent attitude towards India but also made several gestures of goodwill and friendly feelings. India responded enthusiastically to USSR’s active friendship. It was in keeping with India’s policy of nonalignment. It secured badly needed political support for India’s critical relations with Pakistan without necessitating a formal alliance.
Finally, the trade with the USSR enabled India to make good the ground lost in the Western markets.

The period between 1956 to 1958 was one of strengthening of ties between India and the USSR. India’s foreign policy moved towards more cordial relations with the USSR during these years. An increasing cooperative relationship with the USSR had become by middle of 1956 a cornerstone of India’s foreign policy. On the other hand, the Soviet courtship of India continued in 1956 with an admixture of promises, praise, and economic assistance. The relationship between the two countries had reached a point where neither could withdraw from its commitments to the other without strong repercussions. Several developments had taken place which helped India coming closer to the USSR. It seems pertinent to analyse objectively all such developments.

The Suez crisis revealed the common approach of India and the USSR. Nehru’s reaction to the Anglo-French invasion of Egypt was prompt and sharp. The USSR too reacted sharply to the Western powers attack on Egypt. At the London Conference, the USSR supported the Indian proposals. The Soviet Foreign Minister termed the Indian proposals “a plan for a just and peaceful settlement of the Suez problem”. In short, in policies and attitudes, India and the USSR were alike on the Suez issue. This identical attitude on this issue greatly reinforced Indo-Soviet friendship.

In a work on India’s relations with the USSR, India’s stand on the Hungarian crisis deserves special and careful attention. Severe criticism has been poured on India’s apparently “cautious” and hesitant behaviour during the crisis. In the words of K.P.S. Menon:
Nothing has caused much misunderstanding regarding India’s foreign policy than her attitude towards the Hungarian revolution.\textsuperscript{72}

However, before discussing and analyzing India’s stand and its impact on her relations with the USSR, it appears pertinent to give a brief summary of the broad facts of the Hungarian tragedy.

In October 1956, the Hungarian people revolted against the USSR. Their main demands were: democratization of government, withdrawal of Soviet troops (who were stationed there under the Warsaw Pact) and restoration of Imry Nagy to power. A civil conflict broke out. Several developments followed. On October 31, the new Hungarian Government headed by I. Nagy informed the U.N. Secretary-General about Hungary’s decision to withdraw from the Warsaw Pact. It appealed the U.N. to guarantee Hungary’s permanent neutrality. Moreover, after Soviet forces withdrawal, there was a good deal of mutual killing. A rival government under J. Kadar was set up, and finally at dawn, on November 4, the Soviet troops, which had encircled Budapest, suddenly reentered and started suppressing the revolutionary movement with an iron hand. Ultimately, they succeeded in crushing the popular upsurge in a ruthless manner.\textsuperscript{73}

India was among 15 states who abstained on the November 4 resolution condemned the Soviet intervention, called for immediate withdrawal of Soviet troops, upheld the Hungarian peoples’ right to choose their own form of government and instructed the Secretary General to set up a committee which would thoroughly investigate the situation within Hungary.\textsuperscript{74}
India found the tone and content of the resolution objectionable as was evident from the speech of the leader of the Indian delegation, Krishna Menon. Explaining his abstention, Menon held that the abstention did not mean unconcern or lack of interest. He pointed out India's disagreement with certain portions of the resolution. He took exceptions to the parts condemning the Soviet action and calling for an investigation under U.N. auspices into Hungary's internal affairs. He proceeded to maintain that the Assembly could not deal with a UN member state as in the case of a colonial country where the people had no representation. "We cannot in any circumstances", he argued, "disregard the sovereign rights of Members". The chief Indian delegate attempted to explain that while India was "not neutral where human freedom is concerned", the tone and content of the resolution required India's abstention. It is worth pointing out that the resolution was put to vote only as a whole, not in parts.

Most of the assessments of the Indian Government's reaction to the Hungarian revolution have failed to notice the fact that there were several distinct phases to India's stance on Hungary. Undoubtedly, the critical nature of the Hungarian situation was not immediately recognized in India. A number of factors may be attributed to India's somewhat slow reaction.

In the first place, India had no authentic report of the facts of the situation on which it could express a quick opinion. No senior Indian diplomat was present at Budapest at the outbreak of the revolution. There were also difficulties resulting from the breakdown of communication within Hungary. Of course, the Government of India received reports from various sources but many of them contradicted each other. To quote Nehru:
The broad facts regarding the Suez conflict were ‘completely clear’ to the Government and hence they expressed very clear and definite opinion about it. In regard to Hungary, however, the broad facts were not clear.

Moreover, as the nature of events in Hungary became clearer, Nehru felt an urge to speak out as he had done on Suez canal crises. This phase started after the Anglo-French forces had ended its Egyptian venture. India was then able to look at the European scene with a cooler perspective. More importantly the inception of the phase coincided roughly with the end of the effective resistance by the Hungarian insurgents against the Soviet troop. Nehru’s reaction prior to this time was indicative of his primary concern that the conflict should remain localized. By November 10, the question whether Hungary should withdraw from the Warsaw Pact had been decided by force of arms. With this matter was resolved, Nehru’s concern centered on how the sufferings of the Hungarian people might be relieved. He strongly supported food and medical shipments and other relief measures sponsored by the U.N. He also began to consider ways that the Soviets might be gradually induced to withdraw forces from Hungary. At the AICC meeting, Nehru stated that the growth of democracy should be encouraged in Hungary and that the Hungarian people should decide about themselves without any external pressure. The meeting passed a formal resolution to that effect. Speaking in parliament, Nehru sharply criticized the Soviet intervention in Hungary. He held that it created a grave crisis of mind; compelling (Indians) to think afresh of the hitherto acknowledged virtues of democracy, socialism and communism.

Nehru condemned the Hungarian episode as a gross and brutal exercise of violence and armed might against weaker countries.
Nehru called for the eventual withdrawal of Soviet troops from Hungary. This change was evidenced in a joint statement issued by the Premiers of India, Burma and Indonesia, after their meeting in New Delhi to discuss Suez and Hungary. The statement regretted the reentry of the Soviet troops into Budapest and called for their speedy removal. The Hungarian people should then be permitted to determine their own form of governments free from external interference.\footnote{79}

It may be said that Nehru’s views on the Hungarian revolution and its aftermath provided an interesting case study of his thoughts about and policy toward developments in the communist world.

India’s foreign policy was moving towards more cordial relations with the USSR during this period was evident, for instance from Nehru’s efforts at the Commonwealth Conference held in July 1956. There Nehru sought to persuade others to accept his basic approach in dealing with Russians. His stance was reflected in the resultant joint statement which indicated the participants “willingness to facilitate increased contacts with the USSR”. In the same month, during his visit to the West Germany Nehru refused to condemn the Soviet domination of the Eastern Europe to be a species of colonialism because of different historic reasons.\footnote{80}

On 21st November, the Soviet delegate announced that his country would veto the 5-Power resolution if it was put to vote. Thus, twice in 1957, the USSR came to India’s rescue when India’s position was being jeopardized by the Western powers siding with Pakistan. The 1957 debate served notice that Soviet veto or threat of veto would readily be available to check Security Council resolution on Kashmir unfavorable to Indian position. This undoubtedly brought India closer to the USSR and strengthened Indo-Soviet ties. This Soviet support made it possible for Nehru to develop close and
friendly relations with Moscow without being the part of the Communist camp.  

During this period, there was a close identity of views between the two nations on matters concerning arms control. On 22nd and 27th May 1957, the two Houses of Indian Parliament passed unanimous resolutions calling on the great powers to stop nuclear testing. It is worth pointing out that on 10th May 1957, the Supreme Soviet of the USSR had made similar appeals to the British Parliament and the American Congress for the renunciation of the nuclear weapons. The representatives of the two countries consulted more frequently on this issue in the United Nations. In June 1957, the USSR backed India’s unsuccessful bid to send a delegate to speak at the forthcoming 5-Power Disarmament Commission in London. For sometime India had favored the enlargement of the UN Disarmament Sub Committee, contending that Indian representative on Committee discussing disarmament would give a voice to the vast majority of nations who neither had nuclear weapons nor wish to make them. Nehru told the Parliament:

*I suppose that the basic issues which perhaps govern other matters are that of disarmament. All kinds of proposals have been made, but the fact is that at the present moment, again, the Disarmament Commission faces a deadlock... it is not our desire to push ourselves in these committees or Commissions, but naturally we would like to help, we are prepared to do so.*

Thus, in the matter of disarmament, especially in their desire to suppression of nuclear tests, as also in the matter of elimination of foreign bases with a view to prevent surprise attacks- there was almost unanimity of approach between India and the USSR. This naturally resulted in bringing them
closer and strengthened the feelings of friendship between the two during this period.

**China as a Factor in Indo-Soviet Relations:**

India sought to cultivate the Soviet Union for immediate political objectives as well as for long-range policy goals. The year 1959 saw the addition of a new concern, namely, areas occupied by China. This added a new dimension to New Delhi-Moscow relationship. Significantly, the growing tension between China and the Soviet Union also came to the surface in the year 1959. The gulf between China and the USSR has a parallel in the gulf that existed, between China and India. China became a source of common concern to both the countries. This became an important and dominating factor in the development of India’s relations with the Soviet Union since then.83

In mid-1959 border clashes took place between India and China. After maintaining a long silence on the Sino-Indian dispute, the Soviet Union came out with a cryptic statement on 8th September, 1959 in the TASS. The USSR had friendly relations with both China and India, built respectively on “fraternal ties” of international socialism and ‘friendly’ collaboration in accordance with the idea of peaceful co-existence. It expressed the hope that India and China with both of whom the Soviet Union enjoyed friendly relations would settle their disputes peaceably. In the following month, the third session of the Supreme Soviet while regretting the incidents between the two states friendly to it called for friendly negotiations for solving the disputed frontier question. A week later, Khrushchev termed the entire dispute “sad” and “stupid” in as much as the area under contention had no strategic importance, nor was it even inhabitable.84

The Soviet reaction reflected the cautious neutrality of the Soviet position. For the first time, the Soviet Union had refused to side with its ally on a dispute with a non-Communist State. While the Soviets had not expressed any opinion publicly on the merits of the dispute, they had not supported the
Chinese. This was highly significant and reassuring to Indian leaders. The Government of India realized the significance of the Soviet attitude and regarded it as indirectly helpful to India.

However, the Chinese action did create misgivings in the minds of common people in India about the Communist world as a whole. Thus, in order to counter the suggestion that the Soviet Union being a communist nation, was unreliable and might turn against India, Nehru repeatedly drew a clear distinction between the conduct of the Soviets and the Chinese in his public utterances. Indo-Soviet friendship was put to test in the face of the Chinese hostility culminating in armed aggression in October, 1962.

This period witnessed further consolidation of cordiality between the two states. Contacts were increased in almost all spheres. New agreements were concluded to extend trade, technical assistance and cultural relations. Soviet efforts for the expansion of existing projects and the establishment of new ones made available. It seems pertinent to digress for a moment from the interplay of the Sino-Soviet-Indian triangle to consider and objectively analyze various developments that had taken place during these years and assess their significance in the growth of India's relations with USSR.

The visits of high dignitaries continued as in the past. Both the President of the Supreme Soviet Voroshilov and the government chief Khrushchev visited India in early 1960. The President of India normally does not go to receive the visiting head of the government. When Bulganin and Khrushchev visited India in 1955, the President did not go to the airport to receive them. But this time the President was present at the airport to receive Khrushchev. The informality that grew during this period was indicative of the strength of close bounds that existed between two countries. However, it is worth noting
that the public enthusiasm for the Soviet premier in India did not compare with that of his earlier visit. Taya Zink in summed up the lack of interest in these words:

*To add insult to injury, Nehru fell asleep while his guest spoke at the civic reception in Delhi to an audience half the size that greeted him last time.*

Moreover, the bonds of friendship that existed between the two countries after the exchange of visit of the leaders of the two countries were visible in the public utterances of the Indian and Soviet leaders on the occasion of Khrushchev’s second visit to India. In his address to the Indian Parliament, Khrushchev paid glowing tributes to Nehru and the Five Principles. Proposing vote of thanks, the Lok Sabha Speaker told Khrushchev:

*Last time you came here as a visitor, this time as a friend and when you come next time you will be relative.*

Khrushchev’s second visit had a larger significance as event in the bilateral relations between the two states, as the Soviet leader was striving to patch up his differences with Mao during this period. At the time of his visit, Sino-Indian relations had reached almost a point of complete breakdown. Nehru on 13th January 1960 had refused to meet Chou for any further talks on the ground that such negotiations were unacceptable to India in view of the fact that China not India had committed the border aggression. The fact that at a time when Khrushchev was trying to improve Soviet relations with China, his acceptance of India’s invitation to break journey in India was illustrative of his unwillingness to compromise with Mao on the question of Soviet ties with
India. Significantly, Khrushchev's visit coincided with the tenth anniversary of the Sino-Soviet Agreement of Friendship and Alliance of 1950.

Khrushchev apparently urged Nehru to enter into negotiations with Chou on the border question. After talking with Khrushchev, Nehru told the Rajya Sabha:

*As things stand now, I see no ground for a meeting, no bridge between the Chinese position and ours. There is no room for negotiation on that basis and there is nothing to negotiate now. But it may arise later.*

Yet Khrushchev's request probably influenced Nehru's decision several weeks later to extend an invitation to Chou for a meeting. This shift in the Indian policy was obviously the result of the Indo-Soviet talks. Anyhow, the visit provided an opportunity to both the leaders to exchange views on various issues particularly the emerging Chinese menace and to appreciate each other's viewpoint.

The visit of Dr. Rajendra Prasad, the President of India in June 1960 was another manifestation of warm feelings between the two countries. Welcoming the Indian President, the Soviet President said:

*Warm friendship and wide cooperation between our governments and peoples is very bright evidence of the fact that nothing can stop the irresistible longings of the progressive forces from establishing new relationship based on principles of peaceful co-existence between countries.*

Speaking at a Soviet Indian friendship meeting, President Prasad noted the fruitful development of Indo-Soviet relations:

*The USSR and India have shown to all skeptics and cynics on right and left that two great countries, adhering to different*
traditions and to different philosophies, can cooperate freely and successfully in furthering not only the improvement of the well-being of the people, but also the consolidation of peace.

When the Indian President called on him, the Soviet President declared that “our friendship is greatly promoted by the exchange of visits between Soviet and Indian statesman”.

In September 1961, Nehru paid another visit to Moscow. The Belgrade Conference of nonaligned states had entrusted the task of conveying the concern of nonaligned world to N. Krumah and Nehru, who was, in fact, to visit the USSR on his way back which was fixed earlier. The public enthusiasm for the Indian Prime Minister in Moscow did not match with that of his 1955 visit. It confined chiefly to recalling previous meetings with Nehru. But he preferred to tell Khrushchev that in the world in those days many new important problems have come up and he would be glad to discuss them with Khrushchev. In Moscow Nehru repeatedly stressed India’s past and present opposition to nuclear experiments. He frankly told Khrushchev that the resumption of nuclear testing retarded disarmament talks and aggravated the international situation. In his major speech, Nehru told his audience at the Indo-Soviet friendship rally what had happened at Belgrade and why he came to Moscow—which was withheld from them by the Soviet media.

**Soviet Support to India on Goa and Kashmir Issue**

The Soviet support to India’s claims on Goa had been made public from the very outset. During their 1955 visit, the Soviet leaders had expressed the hope that Goa would soon become a part of India. The Soviet President Brezhnev, who was on a state visit to India at the time of Goa operation declared in Bombay that the Soviet Union had complete sympathy for the
Indian people’s desire to liberate Goa, Daman and Diu from Portuguese colonialism. On 18 December 1961, the day the world learnt of the liberation Brezhnev assured a civic reception of firm Soviet support for the action. The Soviet Prime Minister Khrushchev sent a telegram to Nehru saying that the resolute action of the Government of India to do away with the outposts of colonialism in its territory was absolutely lawful and justified.” He declared that the Soviet people unanimously approve of these actions. When the Westerners brought forward a resolution in the Security Council to censure India, the USSR blocked it with a prompt Veto. The Soviet delegate contended that his vote ‘represented a victory for the true principles of UN Charter:

Today saw the expression of the will to defend colonial countries and peoples and their right to life, freedom and independence.91

Undoubtedly, the Soviet stand on Goa had made a very favorable impression on Government of India which was angered by the Western attitude. It definitely pleased the Indian public opinion. Some sections of the Indian press, usually more, circumspect about Indo-Soviet relations, now defended their nation’s policy in a surge of chauvinistic vigor.

The Indian Government and public were greatly appreciative of the profound sympathy and understanding of its aspirations by the USSR. The Soviet stand on Goa certainly helped in drawing India closer to the USSR and helped in consolidating the friendly ties.

In early 1962, Pakistan tried to use Western hostility to India due to liberation of Goa by asking the Security Council to reconsider Kashmir issue on the plea that the speeches of certain leaders revealed an Indian plan to
recapture the Pakistan occupied portion of Kashmir. In view of this, it was claimed that a serious situation was created which warranted an immediate consideration by the Council. Participating in the debate, the Soviet delegate pointed out that no new situation had arisen in Kashmir which warranted any fresh discussion by the Council. When the Irish delegate introduced a resolution urging the two governments to negotiate on the dispute at the earliest and settle it on the basis of a plebiscite, the Soviet delegate vetoed it. The Soviet delegate categorically declared that the question of holding a plebiscite in Kashmir was dead and out dated and the Kashmir question had been solved once for all. In January 1964, Pakistan once again raised the bogey or threat from India on Kashmir issue. During the debate the Soviet delegate held that the position of the Soviet was that question of Kashmir’s belonging to India had already been decided by the people of Kashmir. Fearing the veto on a resolution, the Western Powers raised the issue of consensus but the Soviet Union and Czechoslovakia said that they would not agree to any so-called consensus whose contents are not acceptable to India. Thanks to the Soviet attitude, the debate ended without a resolution. Thus, the USSR once again came to India’s rescue when India’s position was being jeopardized by the Western Powers siding with Pakistan. This brought India closer to the USSR and further strengthened Indo-Soviet ties.

It may be said that despite some irritants and their differences of opinion on various world issues, India’s relations with USSR were further consolidated. The friendly ties between the two countries were further strengthened as a result of unqualified Soviet support on Goa operation, the use of Soviet veto on Kashmir issue, economic aid, and military assistance and identity of views between New Delhi and Moscow with respect to China. On the one hand, it was essential to India’s security and her political survival as an independent nation to contain and withstand the pressure of Chinese aggressive designs.
Indo-Soviet Relations in the Post- Nehru Period

The death of Nehru in May, 1964 did not adversely affect the growing relationship between India and the Soviet Union. In fact, the relationship was sought to be consolidated by Lal Bahadur Shastri, when as the new Indian Prime Minister, and he paid an official visit to Moscow from 12 to 19 May, 1965. This was the time when the Indo-Pak conflict over the Rain of Kutch was developing. Shastri declared in Moscow that the Indian and Soviet peoples were already united together by genuine, strong and abiding bonds of friendship relying ‘not upon any temporary expedients, but upon the sincere realization that the larger interests of humanity can be served best by promoting and enlarging the area of peace’. His pronouncements as well as the Joint Communique on the Shastri-Kosygin talks underlined that this relationship was not directed against any third country and is opposed to interference in any country’s internal affairs. These were a direct allusion to Pakistan in the context of the developments in South Asia at that period of time. What is more, the two sides denounced the savage US bombing on North Vietnam and called for its halt forthwith.

Pakistan launched an attack on Kashmir engendering a full-scale Indo-Pak war in September, 1965. Well aware of the far-reaching repercussions of such a war, the Soviet Union took prompt diplomatic initiatives to stamp out the flames of tension in South Asia and primarily Kosygin’s peace efforts succeeded in bringing about the Tashkent Summit of the two neighboring countries from 4 to 10 January, 1966. Today when India and Pakistan are striving to conclude a no-war pact and treaty of peace, friendship and cooperation, the signal importance of the Tashkent Agreement cannot be minimized. It was through Kosygin’s painstaking endeavors that the state of war between India and Pakistan was brought to an end, diplomatic relations among them restored and cultural and trade contacts resumed. The agreement
did help albeit temporarily, in strengthening the forces of peace in South Asia and was yet another direct offspring of Indo-Soviet friendship.

After Shastri's death immediately following the Tashkent accord, Mrs. Indira Gandhi took over the reins of power in India becoming the third Prime Minister of the Republic. Her first official visit to Moscow in that capacity lasted four days—from 12 to 16 July, 1966. Her speeches in the Soviet capital reflected her devotion to safeguard peace, a legacy of her father—something that has found concrete manifestation in her deeds over the years. The Joint Communique at the end of her talks with the Soviet leaders reaffirmed their common goal of ensuring peace and highlighted the need to renounce the use of force in inter-state relations. It urged an immediate end to the US bombing of North Vietnam and abolition of military alliances. It also emphasized the need for consolidation of peace in Europe, solution of the German problem, elimination of Portuguese colonialism in Africa and apartheid in South Africa and Rhodesia and realisation of nuclear disarmament.

Mrs. Gandhi again visited the Soviet Union in November 1967 to attend the 50th anniversary celebrations of the October Revolution. It was a gesture of goodwill—similar to the gestures of the Soviet Government seen in Kosygin’s visit to India accompanying the body of Shastri from Tashkent and on the demise of President Zakir Hussain in May 1969. It mirrored once again the Government of India’s desire to further improve Indo-Soviet ties. It was also noteworthy that Mrs. Gandhi was one of the only two heads of non-Communist states to be invited to the celebrations.

Kosygin visited India in January, 1968 and asserted that the deteriorating international climate persistently demanded from all who cherish peace and security of peoples, to take united action aimed at combating the aggressive forces of imperialism and colonialism. He spoke of the value USSR
attached to the Tashkent Agreement, adding: We, like all friends of India and Pakistan, would like to see Hindustan as a region of stable peace, a region where the foundations of friendly cooperation between India and Pakistan could be laid. The Joint Communiqué envisaged regular exchange of opinions on political issues at the highest level.

The year 1971 added a new dimension to both the political landscape of South Asia and Indo-Soviet relations. The West Pak authorities’ brutal suppression of the East Pakistani people’s aspirations for an independent state was directly responsible for the birth of a new state—the People’s Republic of Bangladesh—in the first half of the year. This coincided with the developing Sino-US alliance punctuated by Kissinger’s secret mission to Beijing via Islamabad and the declaration of US President Richard Nixon’s plea to visit China. As the influx of refugees to India escaping from Yahya Khan’s brutalities continued, war clouds gathered on the horizon with the concretization of the sinister Sino-US-Pak axis to keep India at bay and ensure Islamabad’s domination over Dacca. It was then that in order to defend peace and security in the subcontinent and raise Indo-Soviet ties to a qualitatively higher level that on August 9, 1971, the Indo-Soviet Treaty of Peace, Friendship and Cooperation was signed in New Delhi. The treaty provided for immediate Indo-Soviet consultations in the event of an attack or threat of aggression to remove such a threat and ensure peace and security of the countries, while at the same time upholding the Indian policy of non-alignment Soviet regard for which was expressively spelt out.

The situation was deteriorating fast. In a brief stopover in New Delhi on 1 October, 1971, Soviet President Podgorny said the Soviet people were closely watching the “difficult and dangerous situation in the Hindustan subcontinent”. Intense Indo-Soviet consultations at various levels in conformity with the
Treaty followed as the US under Nixon took a tough stand trying to bend India in Pakistan's favour.

The Indo-Pak war broke out on 3 December, 1971 and ended with India unilaterally declaring ceasefire after the complete liberation of Bangladesh on 16 December. In the meantime, political and diplomatic moves by the USSR in India's support at the UN thwarted all Sino-US attempts to block Bangladesh's independence. Again it was Indo-Soviet coordination in accordance with the Treaty which foiled the nefarious design of the US Government in its dispatch of a Seventh Fleet task force to the Bay of Bengal just on the eve of Bangladesh's freedom from the oppressive yoke.

The subsequent developments gave a fillip to all peace champions across the globe. The South Asian events flowing from the most positive and beneficial impact of Indo-Soviet relations in the world arena also made their contribution to the global process of detente that was set in motion with the Nixon-Brezhnev talks in Moscow in the summer of 1972.

Soviet Communist Party General Secretary, Leonid Brezhnev visited New Delhi in November, 1973. This visit was one of the most striking landmarks in Indo-Soviet relations next only to the historic visits to the USSR by Nehru in June, 1955 and to India by Bulganin and Khrushchev in November-December of that very year. Brezhnev used the visit to convey the intense Soviet feeling towards India—a feeling shorn of any trace of artificiality. "Friendship and cooperation with India", he declared at the Red Fort grounds on 27 November, 1973, "is part and parcel of the foreign policy of the Soviet Union. We were with you when India's new statehood was emerging. We were with you in difficult and trying periods for India. We were with you when various external forces were trying to bring pressure on your country when it
was upholding its vital interests. We shall be with you in the days of joy and in the days of trial.”

He explained the essence of detente, and upheld the international significance of Indo-Soviet friendship cemented by the Treaty. The experience of Indo-Soviet relations he said “shows how close. Many-faceted friendly relations can unite states with different social systems when the policy of the states is inspired by the ideals of the struggle for peace and security of peoples, against aggression and all forms of colonialism”, and added: “This good example exerts and, we are confident, will continue to exert ever wider influence on the international life.”

Within less than a year, there was a change of leadership in India following Mrs. Gandhi’s defeat at the hustings Morarji Desai, who succeeded her as the country’s fourth Prime Minister, was reportedly averse to the Indo-Soviet Treaty and initially sought to have it abrogated. This was, however, prevented by others running the Government and Desai, too, realized the importance of maintaining the relationship between the two States in the spirit of the Treaty. His visit to the USSR in October, 1977 found the Soviet leaders including Brezhnev extending a warm welcome and generous hospitality to him as a mark of tribute to India. The visit helped to underscore the continuity of Indo-Soviet relations.

Desai again went to Moscow in June, 1979 just when Brezhnev was about to leave for Vienna to sign the SALT II accord with the then US President, Jimmy Carter. While greeting this development, the two leaders expressed concern over the happenings in Afghanistan and Kampuchea. The Joint Statement at the end of the talks found both leaders agreed on the
question of opposing ‘any interference by outside forces in the internal affairs of Afghanistan’.95

In 1980, Mrs. Gandhi returned to power with a thumping majority and Brezhnev came to India in December of that year. There was much to discuss, for world peace had suffered setbacks with grievous blows dealt on detente by revanchists of the Western military circles. SALT II was in cold storage, the arms race was spiraling, tensions had mounted in South-West Asia with the entry of Soviet troops into Afghanistan in the aftermath of Sino-US-Pak plot to overthrow the Kabul Government as a direct interference in Afghan affairs and in South-East Asia with the Chinese attack on Vietnam following the liberation of Kampuchea from Pol Pot’s inhuman yoke. The Iraq-Iran war was continuing and the Arab world stood divided after Egypt’s betrayal at Camp David. Nearer home, Pakistan was being armed to the teeth by the US, posing a new threat to India.

The visit of Prime Minister Mrs. Indira Gandhi to the Soviet Union from September 20 to 26, 1982, like her earlier ones, was yet another milestone in the further strengthening of Indo-Soviet relations. The talks of the Indian and Soviet leaders showed the close identity of views of the two countries on many international issues, particularly the preservation of peace and avoidance of a nuclear war. They were alarmed over the growth of the arms race, the emergence of new seat of tension and the proclamation of new military doctrines justifying a nuclear war. The Soviet and Indian people hold that today there is nothing which is more important than the preservation of peace.96

Mrs. Gandhi’s visit also helped to strengthen Indo-Soviet cooperation. The summit talks reaffirmed that the relations between the USSR and India are based on the firm foundations of the Treaty of Peace, Friendship and
Cooperation; that they meet the fundamental interests of the two countries and that they have a positive impact on the developments of the international situation. The Joint Indo-Soviet Declaration signed by Mrs. Gandhi and L.I. Brezhnev stated, The two sides reaffirm that the Treaty of Peace, Friendship and Cooperation concluded between them is a symbol of the traditional friendship between the USSR and India and of their commitment to international peace and detente.

Both sides noted with satisfaction the large scale and high level of their cooperation in the fields of economy, trade, science and technology, which was being carried out on a planned basis and was of a mutually-beneficial and long-term character.

The relations between India and the USSR are a model of relations between states following different socio-economic system. They have been built by the peoples of the two countries over a long period of time and through persistent efforts based on goodwill and mutual trust. Mrs. Indira Gandhi and the late Soviet President L.I. Brezhnev have made outstanding personal contributions to the consolidation of these relations.

During their review of the international scene, both countries strongly condemned Israel's criminal aggression against Lebanon, encouraged by the USA and demanded immediate Israeli withdrawal from Lebanon. They also reviewed the situation in the Indian Ocean. The Soviet side fully supported the proposal of the littoral states to make the Indian Ocean a zone of peace. They also expressed concern over the continuing tension in South West Asia. They were of the view that both the problems of Afghanistan and Kampuchea should be settled through political discussions. The Soviet side noted the growing
significance of the nonaligned movement against imperialism, neocolonialism and racism.

Mrs. Gandhi expressed regret that events during recent years had not produced a congenial atmosphere in which the developing countries could effectively pursue their path of self-development.  

**Bilateral Relations in the Post Brezhnev Period**

India was assured after the death of Brezhnev in 1983 that Indo-Soviet relations would continue to be cordial and friendly. Bilateral trade continued to grow. After Mrs. Gandhi’s assassination in October, 1984, India’s leadership went into the hands of her son Rajiv Gandhi. In the USSR after two short leaderships of Andropov and Gorbachev became General Secretary of the Communist Party in 1985. Indo-Soviet relations were further consolidated during the period that two countries were led by Rajiv and Gorbachev. The two countries had more or less identical views on most of the international questions. Rajiv Gandhi asserted a number of times that the Soviet Union had stood by India in all difficult times. Therefore, Indo-Soviet friendship would be maintained at high level. Rajiv Gandhi went on 6 days visit to the Soviet Union in May 1985. He was assured by the Soviet leaders that they were aware of India’s anxiety caused by Pakistan’s nuclear weapon programme. Both the countries signed agreements for economic and technical cooperation whereby Soviet assistance to India was considerably increased.

Gorbachev proposed to promote the idea of collective security for Asia originally initiated by late Brezhnev. He admitted that it was not easy to give practical shape to this proposal. Acknowledging India’s important role in Asia, the Soviet leader said that, we appreciate the contribution of India in
strengthening international peace and security, and applaud India’s contribution in promoting the role of Non-aligned Movement in this endeavor”.

A significant Delhi Declaration was issued at the end of Gorbachev’s Delhi visit. It was signed by Rajeev Gandhi and Gorbachev. On his arrival in India Gorbachev had warned that if Indo-Pak disputes were not amicably solved then it could lead to serious consequences. He had expressed the hope that, like India, Pakistan would also behave like a good neighbor. Another significant announcement was made by him. He said that the USSR not attempt to improve relations even with China at the cost of Indo-Soviel friendship.

The Indo-Soviet Treaty of Peace, Friendship and Cooperation were, as mentioned earlier, renewed in 1991 for a further period of 20 years. This was a proof of sustained ties between the two countries, and, in a way, brought India under the Soviet nuclear umbrella. The Cold War had ended at the end of 1989, but a new environment had been created in the Soviet Union by various reforms initiated by Party General Secretary Gorbachev. Meanwhile, in India the power was transferred from Rajiv Gandhi led Congress Government to a minority Janata Dal Government. After a brief period of lack of warmth, Prime Minister V.P. Singh paid a visit to the USSR in 1990. This renewed the warmth in the bilateral relations. The Soviet position on Kashmir was reiterated. It was decided to renew the 1971 Indo-Soviet Treaty, and it was decided to continue till 1995 the rupee-rouble trade arrangement. Thus, Indo-Soviet relations showed mature and stable friendship.

During 1990-91, India generally supported the position taken by the Soviet Union in the Gulf crisis. India, like the Soviet Union, had decided to further consolidate relations with the PLO and yet initiated steps to establish diplomatic relations with Israel. A minor irritant was noticed when Chandra
Shekhar Government allowed refueling facilities to US war planes flying towards the Gulf during the war.\textsuperscript{101}

Most surprisingly the 1985-1990 period of Perestroika witnessed little substantial progress in the relations between India and the Soviet Union. The situation exacerbated by growing pro-western tilt of Soviet policy and the economic crisis it faced in the closing years of the perestroika period. Mikhail Gorbachev during 1986-87 was known for his policy of glasnost which provided a greater degree of freedom for mass media, and permitted free discussion of some previously censored aspects of Russian history as well as more critical views concerning contemporary Politics.\textsuperscript{102} Gorbachev also announced a programme of economic reforms known as perestroika the purpose of which was to liberalize the economic system by introducing market mechanism, competition and private initiatives. In his view, transformation of the communist economy would be possible by freeing Soviet industry from the stultifying effects of centralization and bureaucratization. He felt that the objective could be achieved making Soviet enterprises more accountable and therefore more efficient.

Despite his best efforts, when Gorbachev failed to achieve the objectives he had view particularly improvement in the economy, settlement of ethnic differences and rehabilitation of the administrative machinery through his two pet concepts glasnost and perestroika, he decided to give a chance to anew move. This he wanted to do through the signing of a Union Republican treaty which he proposed to get signed on 21 August 1991. This treaty sought to provide for a new decentralized set up in which the republics would be given more autonomy in a loose federation. The glasnost and perestroika, despite its limitations, a great impact on the thinking on foreign affairs. The Soviet decision to withdraw its forces from Afghanistan from 15 February 1989
represented a significant and crucial event in the rapid ideological, foreign and domestic reforms undertaken by Gorbachev. The Soviet withdrawal was important internationally because it bolstered the existing forces for reforms in the Soviet bloc.103

The year 1991 saw numerous changes in the erstwhile Soviet Union and, what were known as its satellite states in Eastern Europe. Communism collapsed and democratic governments were installed one after the other in most of the East European countries. In the Soviet Union itself the reforms initiated by Mikhail Gorbachev had tremendous impact on the society and the people aspired for and got full democratic rights. In a country that had totally controlled economy and politics for 70 years, Perestroika and Glasnost gave a new shape to the Soviet economy and politics. But the reforms also led to the end of monopoly of power of the Communist Party and introduction of multi-party democracy. An attempt in August 1991 to overthrow the reformist Gorbachev and restoration of communist power miserably failed. During the period of crisis in the USSR, India made a serious error by commenting that it would deal with the new government in USSR because overthrow of Gorbachev by the hardliners was the internal matter of that country. When the coup failed and Gorbachev came back to power, India faced a very embarrassing situation.

The Soviet Union suddenly disintegrated in December 1991 and the mighty state of USSR was replaced by 15 Republics. Russian Republic as recognized by the international community as the successor state of USSR. At the time of disintegration, a loose union of erstwhile Soviet republics was created and called the Commonwealth of Independent States (CIS). India has maintained friendly and cooperative relations not only with Russian Federation but also the other Members of CIS.104
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CHAPTER-2

DISINTEGRATION OF SOVIET UNION

The disintegration of the Soviet Union is one of the most epoch-making events in the history of mankind. It has transformed the whole nature of global politics and dramatically altered the basic parameters in which the various relationships between nations, states and classes have hitherto operated. If the collapse of the Soviet Union meant that world would change, what emerges from the present flux will determine the direction of that change. However, the pace of change were so quick and fast that left the political analysts and observers completely confused and bewildered, starting with Gorbachev’s ‘Perestroika’ and ‘Glasnost’, followed by the ‘Union Treaty’ and unsuccessful ‘August Coup’, and, on top of all, the disintegration of the mighty Soviet Union, the events moved at such a speed that even before the fallout of one was assessed, the other came with a bang.¹

Not surprisingly, almost eleven years after the fall of the Soviet Communist state, academics all over the world are still puzzled and perplexed trying to find out the reasons for the collapse. Unfortunately, no satisfactory answer to this question is available so far. At this stage, one can only speculate on why the USSR disintegrated. Paradoxically, the attempt to reform the Soviet system led to its collapse. A brief analysis of the reforms and the processes which emerged as their consequences would show that it was the conjecture of the objective and the subjective contradictions-the long term accumulation of weaknesses and short-term methods of their resolution, which broke the Soviet Union into 15 independent Republics.
Controversies surround the method of Gorbachev’s reforms of ‘Perestroika and Glasnost. But this doesn’t detract from the fundamental issues that reform was essential for the Soviet system. Gorbachev’s reforms were not evolutionary or systematic, they attacked the system from all sides and a number of issues were raised simultaneously. He introduced the policy of “Glasnost” which he felt would help mobilize people for reform and initiate a communication revolution in the Soviet Union. However, this in turn initiated the course of the legitimizing the Communist party and the very basis of the Soviet system. The reforms eventually brought the ethnic problems and subsequent demands for independence of republics to the forefront, promising to put an early end to Perestroika.

Whatever other weakness of the Soviet state that might be revealed by deeper historical analysis, one thing is clear, its biggest weakness has been the absence of democracy and civil liberties. Stalinism gradually transformed the Soviet system into a totalitarian structure, which, over the years, caused not only to economic stagnation but also to cultural stagnation and intellectual and creative atrophy.

Initially, the Soviet people assumed that the absence of democracy and civil liberties was a temporary aberration caused by the necessity of the socialist state to survive in a hostile international environment. But what seemed to be a temporary adjustment to concrete historical circumstances soon became a system, a structure which resisted democratization even when circumstances favored it.

Moreover, the Soviet economy has become lopsided with a very high defense account up to 40 percent of the budget was linked to defense expenditure. Technological upgradation was concentrated in the defense sector.
The consumer sector was continually neglected. In other words, rise of consumerism as great influence on the minds of new generation of soviet people. They were enamored by consumerism of the west, slow rate of economic growth in general and incompetent and inadequate number of consumer industries in particular in the former soviet union and all round the economic development in the capitalist countries of Europe and the USA led to the belief among the people of the ex-USSR that capitalism is a better economic system for them then socialism. That mood of the people is dominated by the sprit of consumerism in all walks of life. This new concept of consumerism backed up by personal freedom will have its new dynamism in the decades to come not only in the erstwhile Soviet Union and Eastern Europe but also in the whole world.  

**Causes of Soviet Disintegration**

Mikhail Gorbachev during 1986-87 was known for his policy of glasnost (openness) which provided a greater degree of freedom for mass media, and permitted free discussion of some previously censored aspects of Russian history as well as more critical views concerning contemporary politics. Now the new freedom contributed towards the creation of a distinctively Russian milieu in which, the media, now freed from censorship, acted as forum for debate of public issues not only exposing the contours of public sentiments but also shaping them. Freedom of press acted as a major form of control over executive power and newspapers took great pride in calling themselves the fourth state.

Gorbachev also announced a programme of economic reforms known as perestroika the purpose of which was to liberalize the economic system by introducing market mechanism, competition and private initiatives. In his view, transformation of the communist economy would be possible by freeing Soviet
industry from the stultifying effects of centralization and bureaucratization. He felt that the objective could be achieved by making Soviet enterprises more accountable and therefore more efficient. In his view they would survive only by cutting costs and retaining and expanding their market share.

Despite his best efforts, when Gorbachev failed to achieve the objectives he had in view particularly improvement in the economy, settlement of ethnic differences and rehabilitation of the administrative machinery through his two pet concepts glasnost and perestroika, he decided to give a chance to a new move. This he wanted to do through the signing of a Union Republic treaty which he proposed to get signed on 21 August 1991. This treaty sought to provide for a new decentralized set up in which the republics would be given more autonomy in a loose federation.

The western interpretation is constrained to concede the absence of political pluralism as one of the few main causes. This element of the western interpretation highlighting the absence of political pluralism, democratic norms and practices, disregarding of human rights and freedom in the former USSR, making signal contribution to the collapse has to be conceded to a great extent.  

The Root Cause for the Disintegration of Soviet Union

The disintegration of the Soviet Union was economic in nature. At the heart of the problem was the Soviet Union’s command economy. But economic policy since its inception had been to increase inputs (e.g., labor, capital, raw materials, and energy) to bolster production. Up to the 1960s, this formula resulted in an impressive growth rate, because Soviet planners before then were still enroute to mobilizing the full potential of all available inputs. The problem with input-induced economic growth is that it is wasteful. By contrast,
capitalist economies carefully consider the extent and type of inputs used and compensated by maximizing productivity, that is, efficient production of goods.

In the 1970s, as economic power rose to prominence, the Soviet input potential was employed to the limit; productivity stagnated. Industrial plants overdue for overhauls simply continued to produce goods of questionable quality using time-honored methods of inefficient production. Lacking the stimuli that exist in open-market economies, dependent upon a derelict traffic and transportation system, and distinguished only by pervading corruption, the Soviet Union began to fall behind the standards set by the international economy.4

Thus the ‘collapse of the Soviet Union’ leaves a vacuum in the international political system. The Soviet Union played an important role against imperialism and western expansionism. It supported national liberation movements and assisted in the development of several third world countries, which found themselves against the Western bloc of countries.

DISINTEGRATION OF SOVIET UNION AND IMPACT ON INDIA

It is hardly an exaggeration to say that the break-up of the Soviet-Union in December 1991 dealt a body blow to India’s foreign policy framework, necessitating a through review of the assumptions on which this framework was based. Events happened with bewildering rapidity for which India had not prepared itself. The shock was more devastating as it was so unexpected and the collapse was so dramatic.

The Soviet Union was succeeded by the Russian federation and the people in Russia went through traumatic experience which has yet to end. Slowly and gradually the pieces are being picked and a surer policy is bringing
established. It has certainly been a painful experience, the almost precipitous lowering of living standards, the fall in production, the amazing rise in unemployment and the equally amazing levels of corruption, the decline in central authority, the specter of the ugly face of the mafia, the increasing disparities and so on.

The worst is perhaps not yet over, but at least now there is a semblance of order and some re-establishment of central authority. The wheels of production have started moving although even the previous levels have not been achieved. At least foreign policy assumed some recognizable shape and Russia has begun to assert itself in a somewhat more determined manner with better coherence and purposefulness. Both Moscow and New Delhi are discovering that geopolitical realities do not vanish even in the winds of change.5

The demise of the Soviet Union inevitably created serious problems, no less in Indo-Russian relationship too. Not just that no longer in a position to advance the kind of economic and technological assistance that it gave earlier, but also the two countries had to grapple with the need for a new adjustment in their relations. India had built up a rather heavy stock Soviet Union nearly $7 billion. Since and as long as was in rupee-ruble terms, the problem was , but the collapse of the Soviet Union changed the cash-strapped successor state teetering around an acute financial crisis first desired the payment to be made in hard currency. Moreover the exchange rate between a free falling rubble and rupee was a contentious issue.

What was worse was that the anarchic conditions in Russian industry and the virtually forced decentralization that had made the previously normal economic relationship cumbersome and hazardous. That accounted for the
steep decline in the trade between the two countries in the early year's
following the demise of the Soviet Union.

For India the most critical area was the supply of defense equipment and
spares from Russia. A significant segment of India's defense requirements had
been supplied by Moscow. With the altered political and economic conditions
in Russia the supply became erratic and fitful, creating serious bottlenecks and
problems for India's armed forces. In the early years of the successor Russian
Federation, this was a matter of serious concern to the Indian Government and
the military brass. It took considerable deliberations and efforts from both
sides to get a grip over the problem and turn around the defense relationship.

It appeared as if India would now be more conscious of developing new
links with the western powers. But soon it appeared that the structural change
in the constitutional framework of the Soviet Union would not much affect
India's relationship though it may have to renew it under different names. The
new Commonwealth of states appeared to be keen on diversifying its relation
with India which formerly was dictated by the interests of the former Soviet
Union. Despite the changes that were taking place in the Soviet Union, it was
not presumed here that some drastic change was going to occur in Indo-Soviet
relations.

These developments created a new problem of diplomatic adjustment for
India. To meet the challenge posed by the collapse of the USSR as a monolith,
India decided to split its embassy in Moscow in two separate divisions, one
accredited to the Union to deal with Boris Yeltsin on one hand and the other to
the Gorbachev's Russian federation. Simultaneously two new consulates, one
each at St. Petersburg (till recently Leningrad) and Vladivostok were opened to
help continue India's relations with both.
India decided to upgrade its relations with the three Soviet republics Kazakhstan, Uzbekistan and Ukraine in order to provide direct dialogue with through diplomatic channel. It was felt in India that in view of Gorbachev's greater preoccupations with domestic economic and political issues, he would not be able to give much thought to the third world countries including India. Since the USSR was involved in Afghan crises, its first concern was to end the Mujahideen nuisance which it hoped to do with the active support of Pakistan. Moscow would have to be a little more liberal in extending economic aid to Pakistan and also to adopt a more pro-Pakistani attitude towards Kashmir. This may be at the cost of India but the Soviet Union had to look to its own national interests.

According to some analysts, there were other factors which would not allow Indo-Soviet relations to get diluted. India had acquired enough self confidence to tackle new problems on its own resources. This would make its dependence on the Soviet Union irrelevant. Moreover, under the stewardship of Gorbachev the USSR had gone so close to the USA that India could develop cordial relations with each super power without offending the other. Then there was an unbroken continuity of cordial relationship between the two countries extending over four decades during which there arose hardly any issue on which there were irreconcilable differences. Such a sound relationship could not be wished away merely by some differences which would fade away in course of time.

Despite the fact that Russia remained embroiled in the crisis after crisis it did not leave Indian affairs ignored. At the instance of Russia the two countries had agreed in January 1991, to change some important features of the 1971 treaty in order to eliminate the suspicion of the US and others that by that treaty India has compromised its non-aligned status. But the changed terms of
the treaty would confirm Indo-Soviet desire for continuing economic and scientific cooperation and the Russian supply of military hardware to India.

One important reaction to these changes was some corresponding change in Indo-US relations. The US agreed to supply defense material as well as to have joint naval exercises in the Indian Ocean area consistent with continuing the policy of non-alignment. This cooperation also upstaged US supply of high technology and scientific shares.9

The beginning of the end of Cold War is thus attributed to the launching of perestroika and glasnost and the disintegration Soviet Union as the logical culmination of it. Within this broad view, however, it does not mean that the eclipse of the Soviet Union was inevitable in the process even though Gorbachev's new thinking acted as a catalytic agent all through. In brief, the end of Cold War need not have coincided with the end of the post war global system.10

On the contrary, India may come under greater pressure in certain matters such as the signing of NPT. Horizontal proliferation, on which both the Super Powers agreed ever since the signing of the NPT, has now acquired top priority.11 Following the dismantling of the Soviet Union, nuclear proliferation is in the forefront of global strategic thinking. As Russia, as a successor of the Soviet Union, may not always come to the rescue of India or other such countries, the global constraints in this respect have increased. Ever since Sept.-Oct. 1991, Indian public opinion and political parties have articulated deep concern over mounting pressure of USA on India to sign the NPT which both the Foreign Minister and Prime Minister of India denied. The latter even made a statement in the Parliament that India would not sign the NPT. Nevertheless, fact remains that in the new global situation, India's position has
become more vulnerable on this issue. That USA can even indulge in arm
twisting tactic has been evident in the case of the supply of rocket technology
to India by Russia. Therefore, while an all out nuclear war between the two
Super Powers has become a remote possibility, so have the strategies of nuclear
deterrence and Mutual Assured Destruction. But, the nuclear or traditional arms
race between the local powers has not ceased to exist. It is for these reasons, it
can be said that the above stated advantages flowing from the end of the Cold
War need not accrue to the Third World countries as a matter of course.¹²

Because of India's friendly relations with the Soviet Union and
economic bond with the members of the socialist bloc, the change cuts deep in
to our foreign policy strategies followed within the framework of a bi-polar
global political and economic system. The strategy of our foreign policy of
non-alignment is being questioned and the need or utility of this treaty, it is
now being argued, stands outmoded. Special relationship with Russia has no
relevance in a unipolar global system in which Moscow strategically and
economically is not different from Washington, London, and Paris. The
imperatives of the new situation, therefore, demand that we should "dump our
traditional slothful friends and hitch our wagon to the western fast track."¹³

Impact on Defense Sector

In the non-economic areas also the collapse of the Soviet Union has
affected India adversely. Indeed, strategically speaking, the most important
implications are in defense and military areas. India, as we know, was buying a
very large number of military weapons, equipment and hardware from the
Soviet Union. These included Mig fighter aircrafts, battle tanks, submarines
etc. During 1986-90, according to one estimate, about 73 percent of the total
value of arms imported by the Indian defense forces originated in the Soviet
Union.¹⁴ Practical difficulties which confront Indian armed forces since 1991
include, replacement of the spare parts as well as replenishment of the existing stock. The matter assumed such a seriousness that the Defense Minister of India, Sharad Pawar, had to rush to Russia in Sept. 1992 to bail out the armed forces of its immediate difficulties. At the end of the visit while there was some hope in the improvement of the situation, it was evident that ultimately India will have to explore alternate sources. Moscow, it is argued, may not be in a position to meet the Indian demands as paucity of funds may force Russians to close down their units. Besides, many of the Russian scientists and technocrats are reported to have left the country and got jobs in the Western countries where they are promised better salaries and employment opportunities.

whatever existing military weapons and hardware are in stock in the member states of CIS. They would like to sell them in the Western markets in order to earn foreign exchange. Above all, one significant advantage which accrued to India in procuring armaments and equipment from the Soviet Union i.e., on credit, is most unlikely to be revived.

Although Russia has put forward a proposal of military collaboration with India, but the harsh reality is that Moscow does not feel the strategic need of India in the post Cold War period. As a matter of fact decline in the strategic significance of India to Moscow began with the improvement of relations between the Soviet Union and China. Moreover, when Gorbachev started giving priority to good relations with the West which was to provide loans and technologies, there was a sea change in the geo-strategic perceptions of the Soviet Union. Now when Russia is strategically integrated with Europe and China has ceased to be a socialist rival, need for a strategic consensus with India does not have the same relevance as in the previous two decades. In brief, diplomatically India cannot hope to depend on Russia to the same extent as she did on the Soviet Union.
It is unlikely to expect USA to throw her former military and political allies, like Pakistan, totally in the lurch, if and when issues and problems like Kashmir come for discussion in the United Nations or elsewhere. All the same India cannot depend upon the Russia support in the changed situation. What is required is that strategic and diplomatic losses here and there should be compensated with new initiatives and modified responses to meet the exigencies of the new situation.\(^{18}\)

Undoubtedly, defense ties constituted a critical element in Indo-Russian relations. Like the erstwhile Soviet Union, Russia came to be a predominant supplier of military hardware and spares to India. As the Indian armed forces had large quantities of Russian arms, the supply of spares had also to come from Russia. The figures provide their own tell-tale story: the rate of dependency for Russian spares was 40 per cent for the army, 60 per cent for the air force and 80 per cent for the navy.\(^{19}\) India’s defense requirement included modernization of equipment and a state-of-the-art air defense. We have already noted the early hiccups in this defense relationship as a result of the break-up of the Soviet Union and the breakdown of the centralized production apparatus in the economy as well as in defense industries.

Gradually the obstacles were overcome to an extent, and from 1997 onwards Russia was again on the way towards establishing a special position in the supply of defense-related equipment.

India and Russia decided in March 1997 to continue defense ties into the 21st century and Russia offered a new air defense system and a $10 billion military deal. Significant agreements were reached during Yevgeny Primakov’s visit in December (1999) when cross-century defense relationship was formalized. Described as ‘cooperation 2010 Document’ it envisaged
partnership in research, development and joint production of sophisticated equipment besides incorporating other defense areas.20

The defense ties expanded phenomenally between 1999-2000. India contracted to purchase, among other items, 40 super class jet fighters, Sukhoi SU-30K, of which the first installment came last year. It may be noted that this was the modern jet fighter that had not even been fully inducted into the Russian air force and that China had been supplied only SU-27.29 Russia was also set to supply state-of-the-art T-90 battle tanks.

The then Defense Minister George Fernandez went to Moscow in June 2000 to negotiate new defense deals. He described his discussions with the Russian President and the Russian Defense Minister as ‘path-breaking’ with a $400 million deal for the supply of 100 T-90 main battle tanks (MBT) and for the production of another 200 MBT in India. It was also agreed that Russia would complete delivery of SU-30 MKI fighter jets to India by 2003 as part of an earlier $1.8 billion contract. The fighter jets would also be produced under license in India.

The two countries also formalized the defense deal during the Russian President’s visit by which India contracted in $3 billion deal to purchase 310 T-90 tanks and 140 Sukhoi 30 MKI multi-role fighters. What was significant was that the technology for their manufacture in India would also be transferred. India would also acquire subsequently the aircraft carrier Admiral Gorshkov and pay only for the refitting charges.21

The problems relating to the debt issue elicited serious deliberation from both sides. The Russians agreed in July 1999 that Russian would utilize the rupee-ruble debt funds for investment in projects in India. This was decided
during the first Deputy Prime Minister, Dr. Viktor Khnstenko’s visit towards the end of July. Both countries are now taking the measure of the problem but a great deal remains to be done. Something vital will be missing in their relationship if the economic content was not deepened.\textsuperscript{22}

With the liquidation of the Soviet empire the Central Asian Republics offer an opportunity for India of opening up whole “new vistas of economic cooperation”. Technologically and industrially backward as compared to the European Republics, the new sovereign States of Tajikistan, Azerbaijan and Uzbekistan would stand to gain as much out of expanded relationship with India. Geo-politically speaking, these Republics are closer to the sub-continent than Europe. South Block, it appears, has taken note of it as was evident from the visits of the political leaders from these countries in 1991-92 and economic agreements signed with them. It is through these new bonds of friendship with these States that India can hope to salvage whatever is left of the Indo-Soviet friendship.

Likewise changes have taken place in other parts of Europe and in the First World as a sequel to the developments in the Second World and Soviet Union. Hence, it is suggested that India will also have to build new bonds of trust and understanding and exploit opportunities even within the Western camp. To quote a former Indian diplomat:

“Now we will have to learn to lobby with the Americans and the Europeans and create groups which will look after our interests in their countries, both politically and economically.”\textsuperscript{23}

As per this line of thinking, it will be unrealistic to deal with USA and Europe as one bloc. In fact, as was apparent during the Gulf crisis and War in
1990-91. European countries, particularly both France and Germany, did not fully endorse US perception of the crisis and or the strategy of resolving the crisis. The difference was more conspicuous in the initial stages of the crisis. Eventually, however, because of their common oil interests in the region, Europe and USA waged a war under the aegis of the United Nations. But, in South Asia or in the sub-continent, these countries are in the process of re-defining their strategic and political interests.

Consequently, India will also have to learn to deal with them separately and not as a bloc. In the coming decades, it is possible that both USA and Western Europe would be competing for markets both in East Europe and in the Third World. Since India, too, offers a very large consumer market, such a competition can be diplomatically exploited by her to sit her economic advantage. Therefore, as United Europe is willing to help their freed neighbours and open the door for them to institutions like the Council of Europe and the European Community. Europe may act as an autonomous centre of power towards the close of the century. It is this global scenario which Indian policy planners would not be able to ignore altogether.

Like Unified Germany in Europe, Japan in Asia is another economic Super Power to be seriously reckoned with, by India and the Third World. Japan’s interests in Southeast Asia on East Asia have priority over those of U.S.A. Therefore, USA and Japan might compete with each other in these regions. It is in this context that India’s expanded diplomacy - economic and political - with Japan sounds most logical. The domestic economic crunch has motivated India to lure Japanese capitalists to invest money in the Indian market. Economic linkages may soon be extended to include the political and strategic areas. Rising Sun of Asia is all set to embark on a bold peace offensive. Two particular events, Tokyo’s decision to participate in the peace
keeping operations in Cambodia, and Japanese Emperor’s visit to China, signify the prospective role that Tokyo would play in the Asian affairs in future. Therefore, India might also have to learn to live with this changed reality.

In short, with the dismantling of the red and white blocs there are several more, grey and pink areas which have emerged on the global scene. A declined world offers conditions for building up of new cooperative and beneficial ties, both on bilateral and multilateral bases.\(^{25}\)

In the new global order India will have to pay maximum attention to the improvement of relations with her neighbours. The courses of dialogues with most of the neighbouring countries including Sri Lanka, Bangladesh and China, which have been in progress on certain pending issues, are welcome developments. But, as far as Pakistan is concerned, no encouraging developments have so far taken place and an atmosphere of doubt and suspicion persists. Nevertheless, as internal situation in Pakistan is worsening, hopefully Islamabad does ultimately realize the futility of an anti-Indian posture in the region. In view of Pak-US ties becoming more problematic, there are signs of political realism. Pakistan’s top military brass have realized that a Military option vis-à-vis India will not be in the interest of people and the country. “If this trend continues the armies emerge as the pillars of confidence-building in Indo-Pakistan affairs.”\(^{26}\) If this happens, South Asia will be able to utilize adequate the given potential in regional cooperation. Resources, skills market opportunities needed for the long term economic industrial development of each country will then be possible.

It is characteristic of the new global order which has emerged in the post Cold War period and after the collapse the Soviet Union, that reordering of the
old ties and reasons are necessary. As a result of the process of dealignment, building new bridges, striking of new bonds of friendship and mutual cooperation are in sight. Undoubtedly, for India, it poses fresh challenges. But, it also offers new opportunities which, if handled with diplomatic skill and single-mindedness, can be exploited India’s advantage.  

**Impact of Economic Reforms in Russia on Trade with India**

The disintegration of the Soviet Union led to a disruption for many sectors of Indian economy. Many of these problems that Russia has been facing in its economic sphere have affected India’s trade and economic relations with Russia. As per on the basis of DGCI and S data, total trade turnover between India and Russia declined sharply from over $2,368 million in 1991-92 to $860 million in 1992-93. Although there was some improvement in trade turnover is subsequent years, during the period 1993-99, India’s exports to Russia have been in the range of about $600 to 1,000 million per annum. Annual export data does not show any steadiness and in fact there have been wide fluctuations in exports over the years. Similarly, India’s yearly imports from Russia have been fluctuating in the range of $250 to $850 million. For India, the former Soviet Union was an important trading partner of India, which is no more the case at present. Similarly, India has lost its position among Russia’s foreign trade partners. Moreover, there is lack of growth and dynamism which should be a matter of concern for the policy makers and business community at large.

It is important to note that some large industrial houses which were operating for many years during the Soviet era wound up their establishments in Moscow presumably due to uncertain and unfavorable socio-economic conditions prevailing in the country. Equally significant was the fact that several projects that were initiated in the early 1990’s by some reputed Indian
companies to set up processing units in Russia including that of Tata's tea processing and packaging unit miserably failed. India's Finance Minister Yashwant Sinha has, in his address in Mumbai during Putin's meeting with Indian business community, opined that there were a few shortcomings with regard to trade with Russia.\textsuperscript{28} There are some experts and businessman who consider that the prevailing mechanism of trade has not done much good for promoting Indo-Russian trade. What is more, 80-85 per cent of this annual export trade is accounted for by debt repayment funds (DRF) and that too mainly concentrated on a few traditional items such as tea, coffee, tobacco, rice, leather etc. There are very few nontraditional items in India's export basket with the exception of pharmaceutical products. Hence one would legitimately question about the prospects of India's trade with Russia beyond say, 2005 when DRF are fully utilized. Hence the visit of Russian President Vladimir Putins to India and agreements signed by both the countries and opportunities created after the visit should be utilized for finding ways and means to revive trade and economic relations between India and Russia.

Notwithstanding the prevailing situation as mentioned above, there has been a realization on the part of both in India and Russia about vast potential for growth in trade economic relations between the two countries given their large size, vast resource potentialities, skilled manpower etc. Both the countries have also good record of trade and economic co-operation during the Soviet era. Moreover, as pointed out by India's finance minister at the Mumbai meeting with the Russian President, both the countries have initiated economic policies of liberalization, privatization and greater integration with the world economies which should enhance scope for closer economic ties. Hence as an appropriate step in this direction leading Indian business group such as the CII, FICCI have rightly taken initiative in identifying some specific areas of co-operation with Russia.
For instance in their assessment, given skilled manpower from India and Russia’s strong R and D base coupled with hardware design capabilities, there is vast scope for the two countries to collaborate in areas such as IT including advanced computing, biotech (including pharmaceuticals), telecommunication, training of personnel in managerial and financial services and so on. There are other areas of co-operation which are identified by Russia and were specified during the recent visit of the Russian deputy prime minister Ilya Klebanov to India. They include power engineering, new materials, utilization of industrial waste, environment control systems and instrumentation.²⁹

**Bilateral Level: The Techno-Commercial Impulse**

The end of the Soviet era posed special difficulties for India, particularly in the military realm given its huge dependency on Soviet arms transfers for spare parts and equipment. During this crunch, the Indian Defense Ministry was even forced to turn to Ukraine and East European states as a stop gap measure. As Indo-Soviet ties unraveled at a dizzying speed, India faced multiple crises in the security and economic spheres, with not only its strategic framework in shambles, but also in the financial sector, where the country was left with just enough foreign exchange to cover a fortnight’s worth of imports.

Russia could offer no help for the latter emergency even if it wished to do so, revealing its stark limitations and lopsided development. Indeed, the rupee-ruble arrangement that had earlier been viewed as innovative and uniquely helpful became a burden to both countries and only complicated India’s financial situation. Besides, in India’s view, Russia was unceremoniously dumping its erstwhile ‘special’ partner with unseemly haste in the new Russia’s rush into the western fold.³⁰
Emerging Trends in Indo-Russian Relations

Indo-Russian relations have begun to unfold new trends which stand as a complete contrast to the situation soon after the demise of the Soviet Union and end of the bipolar world. The ruling elites in both the countries have begun to look at these relations with an open mind and without any ideological overtones. This is reflected in the recent tendencies in the relation between the two countries, both in geo-economic and geo-strategic terms. These relations have both continuity and change, though it will be incorrect to equate Indo-Russian relations with Indo-Soviet relations. The driving force behind indo-Russian relations in the beginning of the 21st century is commonality of geopolitical and geo-economic interests of both the countries in the new historical conditions. Notwithstanding that both the countries are witnessing changes in their internal economic and political structures. With India there came to be greater depth in the fast-emerging relationship. Russia and India began to redevelop a multifaceted political, economic, security and defense relationship.31

Indo-Russian Cooperation in the Field of Defense

India’s connections with Moscow always had a strong military side. Under the new regime, Russia was keen to continue with defense contracts. The receipts from defense contracts are in hard currency. Thus, despite US pressure on the Russians to stop military co-operation with India (which was a part of Clinton’s talks with Yeltsin in September 1998), the Russians would like to strengthen defense exports.

The reason for Russian interest is clear. Russian Military Industrial Complexes were in great need for funds. Despite the initial problems faced by the breakup of the Soviet Republics and dispersion of some defense industry, Russia revived the possibility of re-negotiating defense contracts and the
contracts on rocket and nuclear power technology. The US tried to impose sanctions on the Russian firm Glavkosmos, when they tried to sell cryogenic rocket to India. But here too, US advice was rejected.

Indian military and defense orders now sustain many defense industries in Russia, especially in St. Petersburg and Irkutsk which would otherwise have faced closure at the time of transition in the Russian economy. India is the only country with which Russia has a long-term programme of military-technical co-operation, which was signed in 1994, till the year 2000. This was renewed for another 10 years, during the Primakov visit and a Defense Agreement until 2010 with deals on aircraft carrier, planes and modernization.32

The Indo-Russian agreement on the sale of highly advanced air defense systems clinched by an Indian defense delegation to Moscow in September 1998 was viewed by the Indian government as a feather in the cap for Indian security especially in the context of economic and military sanctions imposed by the USA. The Indo-Russian defense deals contribute to the new arms race that has been set off in the subcontinent after the Indian nuclear tests and the Pakistani response in May. Given the possibility of nuclear tipped Ghauri missiles and the Chinese M-11 missiles acquired by Pakistan. It is with this in mind that India sent a high level team to Moscow with a long shopping list. Six S-300V Anti- Tactical Ballistic Missiles costing billions of dollars are being purchased. Bilateral military programmes include that both countries help each others R&D efforts. India has a programme for 1 billion dollar with the Russian for the creation of new fighter planes the SU-30K1 fighters India also gets much naval hardware from the Russians and has recently acquired the 636-class submarines Defense is thus the major component of Indo-Russian relations. It underlies the economic and strategic relations between the two. In fact it is the most privileged part of the relation.33
Reviving the old defense cooperation with India, the declaration highlights defense and military technical cooperation, service to service cooperation, Joint Research and Development (R&D) and training. In 1994, India and Russia reached an agreement on long-term bilateral military-technical cooperation till the year 2000. This was extended by a decade in October 1997. On the government side the defense relationship will happen at the political level with the setting up of an Indo-Russian Inter Governmental Commission on Military-Technical Cooperation (IGCMTC). The Indian Defense Minister Mr. George Fernandez and the Russian Deputy Prime Minister Mr. llya Klebanov will jointly head this. The IGCMTC will have two working groups and will meet annually. One group will be headed by the Defense Secretary of India and will deal with military-technical cooperation, the second one will be headed by the Secretary, Defense Production and will be involved in the production area of ship building, aviation and land systems. Acquisition of military hardware from Russia will give more teeth to the Indian armed forces in terms of its reach and capability.

A new, cooperative sphere in the Indo-Russian relationship has been addressed in agreements. Inter-Governmental agreements were signed during President Putin’s visit for the acquisition of the aircraft carrier Admiral Gorshkov, MIG-29 K fighters on board the Gorshkov, Kamov-31 and Kamov-28 early warning helicopters, T60 S tanks and license production of 140 SU-30 MKI in India. Nearly $3 billion defense contracts have been finalized. India would acquire complete technology transfer from Russia for indigenous production. Russia has also agreed to lease four Tu-22 M maritime reconnaissance, medium bomber aircraft to India. Final contracts however, are yet to be signed.34
A total of eleven agreements were reached to enhance bilateral ties. At the governmental level, an Indo-Russian Intergovernmental Commission on Trade, Economic, Scientific, Technological and Cultural cooperation has been agreed upon through eleven working groups. In the oil and gas sector, India’s Gas Authority of India Ltd. and Russia’s Gazprom have signed a contract in the field of oil exploration.

At present the Indian Navy has acquired two submarines and three frigates from Russia. The first of the two type 877 EKM Kilo class submarines Sindhurakshak’, was commissioned into the Indian Navy on December 24th 1997. The submarine was built by the Admiralteiskie Verifier (Admiralty Shipyards) of St. Petersburg, with Russian Baltic fleet instructors training the Indian crew. The ‘Sindhushastra’ is armed with Novator Alfa Klub anti-ship missiles with a range of 300 km, which could also be optimized for land attack roles. The Indian Navy’s submarine fleet includes ten ex-Russian Type 877-EKM Kilo class submarines four of the ten Kilo class submarines will be retrofitted with Klub missiles at a later date. The new submarine will cost around US $300 million each.\(^{35}\)

In addition, the Navy is also acquiring three Krivak-class frigates (Project 1135.6) from Russia, which will be used for Anti-Submarine Warfare (ASW) operations. They will have a speed of 30-32 knots and a range of 4000 nm range at 14 knots. These vessels are fitted with SSM-Novator Alfa Klub missiles with a range of 300 kms. Besides these, the New Delhi class missile destroyer is exclusively fitted with Russian weaponry and sensors. These include SSM Zvezda missiles with a range of 130 kms and Gadfly with a range of 25 kms and the associated weapon designation system. A matter of considerable interest is the 44,500 tone Kiev-class aircraft carrier ‘Gorshkov’, which will cost around $ 750 million and will take three to four years to
complete. The carrier will be modified to provide a 12-14 Ski-jump for a short-take-off-but-arrested-recovery (STOBAR) capability for its air wing. The refit would entail rewiring the carrier, upgrading its propulsion power and air conditioning systems. Around 1,700 personnel will be there to operate this carrier in tropical waters. There are plans to acquire the naval variant MIG-29 K to be operated from aircraft carrier Gorshkov as and when it becomes part of the Indian Naval Fleet. About 40-45 MIG-29 Ks would be purchased. These will be armed with air-to-air, air-to-surface and television guided missiles as well as in-flight refuellers to increase the fighters’ striking range to around 600nm (1,111 km). These submarines, frigates and aircraft carrier will add to the Indian Navy’s deceasing number of principal combatants. The Navy’s maritime surveillance aircraft Tu-142M and reconnaissance aircraft 11-38 also require upgradation and engine overhaul, with Russian assistance.

The modernization of MIG-21 Bis is in the advanced stage, flight trial testing is on and bulk upgradation would be done by Hindustan Aeronautics Limited (HAL) through the subsequent transfer of technology. The modernization of MIG-27s has also been decided. On the Su-30 MKI mission computer and its navigation, the Indian Defense Research and Development Organization (DRDO) are collaborating with its Russian counterpart. SU-30 MKI will have equipment from five countries like France, Israel, South Africa, And United Kingdom and of course India, integrated and proven by the Russians. Thirty new systems will be fitted into the Su-30 MKI. The two sides also decided to encourage collaboration between the defense scientists, especially in the field of avionics.

The Air Force requires tanker aircraft to enhance the range and capabilities of deep-penetration fighter aircraft like the, Su-30MKI Mirage-2000 and MIG-29. This mid air-to-air refueling will enhance the lethal power
of the aircraft by keeping them much longer in the air. The IAF has received four of forty Mil MI-17-IV transport helicopters ordered for $170 million earlier this year. By late 2001 the remaining helicopters will be delivered to India. It is expected that all forty helicopters will have 12 Vikhr-(M AT-16) medium range air-to-surface missiles. This laser guided weapon has a maximum range of around 10 km.

India is buying 310 T-90S MBTs from Russia. The T-90S tank has a blend of layered armour and explosive reactive armour (ERA). The T-90S has a new Shtora-1 electronic system that deflects incoming missiles. Its missile power has a range of one kilometre over that of the T-72S and T-8OMBT. According to the reports the T-90s laser guided missile system is capable of hitting enemy armour and helicopters at a range of up to 5 km. Indian and Russian negotiators are yet to resolve their differences over the price of T-90S MB1. The total value of the deal is likely to be $800 million with the outright purchase of 124 tanks in fully assembled state and 186 in semi-knocked down and completely knocked down conditions. Uralvagonzavod tank factory will manufacture T-90S tank for India. The contract also includes a license for production of more T-90 S tanks a the Avadi Heavy Vehicles Factory, which has been manufacturing T-72 tanks, with Russia supplying engines, fire control systems and some other components. Up gradation and modernization of 1,500 T-72 tanks are on the cards. The Indian Army is also looking for self-propelled guns, which can fire 155mm rounds, and Tunguska anti-aircraft systems.

The IGCMTC would look into the purchase of BM 9A52 SMERCH (Tornado) multiple rocket launchers, which can haul twelve 7.5 meter missiles in a single salvo to wipe out enemy personnel and hardware in an area of over 67 hectares up to 90 km away and six S-300 PMU 1 how-to-high altitude air-defense systems for protection against missiles and aircraft. The two sides are
Currently negotiating financial terms. Also, India is looking into the in-depth modernization of Russian supplied surface-to-air Pechora missiles, which have already gone through trial tests in India.

According to the report of the Congressional Research Service, Russia is eyeing countries in Asia, the Middle East and Africa in order to protect its military industrial complex. Dr. Richard F. Grimmett author of the Congressional report says that Russia looks towards China and India as its lucrative customers in the years to come. Russian arms sale to the developing countries is to the tune of $4.1 billion.

Inherited from the Soviet era, Indo-Russian defense cooperation has stood the test of time. It would now be appropriate for both countries to work out an understanding on ‘Strategic Partnership’ covering whole range of issues-economic, political and military.

Russia understands the priority in broadening the bilateral defense cooperation to keep its own economy moving which is in some difficulty today. The survival of Russian defense industry is at stake. Capability is there which is to be harnessed. Russian equipment is sturdy and has the killer instinct but there is no timely technical backup system. India understands the need for the Russian defense industry to survive. It wants to deal with the manufacturer directly, not through any agencies. Joint venture and joint development between India and Russia is the need of the hour, which will progressively help in technology development in both the countries. Costing and pricing mechanism is still in the process of being developed. Inconsistency in the pricing system of the equipment is a matter of serious concern for India. Friendship prices are no longer available and hence, there are prolonged negotiations on the Gorshkov and T-90 deals with Russia. Russia has accorded
‘most favored nation’ status to India as far as prices go. For the first-time price lists have been finalized. Su-30 contract was not finalized because of the pricing problem. Through the pricing mechanism this time, the problem has been overcome for lifetime. India understands the need for license production keeping in mind the economic viability.\(^{36}\)

**Indo-Russian Naval Cooperation**

It may be mentioned here that although the U.S. had begun reducing its military forces worldwide, it has not done so in Diego Garcia. The Indo-American naval relations are slowly taking roots but they are still uncertain. The U.S. government has proposed to have Indian naval escorts for U.S. navy vessels at the straits of Malacca. When approved by the Indian Cabinet, it will advance Indo-U.S. naval cooperation over the Malabar type exercise that was coordinated in 1995-1998. In the September 2002, India and the U.S. had their week-long naval exercise ‘Malabar-4’ which was tactical in nature and warfare-oriented, in the Indian Ocean. India may be keen to cooperate with the U.S. troops and provide escort to U.S. naval vessels in the Indian Ocean. But the crux of the problem is that despite this trend in Indo-U.S. cooperation, the American administration still considers Pakistan as its strategic partner. The Indian defense experts cannot minimize this aspect. But it needs to make sure what it is going to gain from such cooperation. As despite Indian’s gesture of cooperation in fighting terrorism, the United States relies more on Pakistan and it remained the main player in America’s retaliatory attack on Afghanistan.

That being the position in the foreseeable future Indo-Russian naval cooperation will be a key factor in strengthening India’s maritime strength. It is in this setting that the importance of India’s negotiation with Russia for acquiring Gorshkov aircraft carrier should be seen. The long awaited package
deal for the acquisition of the Gorshkov aircraft carrier, as well as nuclear capable long-range bombers and submarines may be finalized in the near future. Defense Minister George Fernandez had indicated that we have agreed that all efforts will be made to complete the three contracts by the end of March 2003”.

It may be mentioned here that the 44,500 tonne Kiev-class Admiral Gorshkov aircraft carrier is tied to the supply of four Tu-22 M3 Backfire strategic bombers and two Akula-class nuclear powered submarines.

Indian Navy has already acquired the capability of operating nuclear submarines on the earlier Russian leased out INS Chakra Class nuclear submarines in the eighties. The submarines were decommissioned in1991.

The Indian Navy has even subsequently been keeping alive its skill in operating a nuclear submarine. “Training of personnel is an on-going process”.

The Indian Navy also wants two Tu-22 (black Jack) nuclear bombers on lease while its Tu- 124 long-range maritime reconnaissance aircraft are being overhauled.

Russia has also made a formal after to India for jointly developing a fifth generation fighter, which is expected to roll out- simultaneously with the U.S. Joint Strike Fighter (JSF).

Regarding the delivery schedule of three Krivak-111 Class stealth frigates under construction in St. Petersburg the Defense Ministry hopes that all the three warships Talwar, Trishul and Tabar has been handed over to the Indian Navy.  

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These facts show that within the framework of naval cooperation with all the countries, at the present the Indo-Russian naval cooperation continues to be a key factor.

**Indo-Russian Nuclear Cooperation**

Vladimir Putin’s visit to New Delhi led to an agreement on Indo-Russian cooperation in the peaceful uses of atomic energy. The earlier agreement with the Soviet Union for the supply of giant atomic power plants with a capacity of 1000 Mw. at Koodankulam, Tamilnadu had been signed in May 1988. It was the then Prime Minister Rajiv Gandhi and General Secretary Milkhaill Gorbachev who had initiated the agreement.

The Russian Delegation with Mr. Reshenikov included some of the world’s best nuclear scientists and technologists. Their arrival ahead of President Putin was significant. Nuclear cooperation in the peaceful use of atomic energy was firmed up. After the visit to RAPS Reshenikov mad it clear that four more units of the VVER type reactors of 1000 Mw capacity would be set up at Koodankulam. He remarked that from the economic point of view it is viable to have four units at the same site if not six.

Mr. Reshenikov’s contemporary Dr. V.K. Chaturvedi Chairman and Managing Director of the Nuclear Power Corporation of India Ltd. (NPC) are respectively Co-Chairman of the co-ordination committee at Koodankulam. At their meeting in New Delhi on Sept. 28 it was decided to prepare a Detailed Project Report (DPR) on Koodankulam.

Under the first agreement Kodankulam was to be a turnkey project with the NPC providing the site. The then USSR was to provide the design of the VVER 1000 type Pressurized Water Reactor (PWR). It would also bring the
fuel, equipments, components and spares and build the reactors. Under the supplementary agreement that is a technical one Russia will give the NPC the design and bring most of the equipment whilst the NPC will build the two reactors. Russian will also supply the enriched uranium fuel for the life of the reactors. Unlike the RAPS, light water will be the moderator.39

India and Russia have thus entered a new phase of nuclear cooperation. The construction of the Koodankulam reactors with the help of the Russian Federation would improve electricity generation and availability. The Russian delegation that accompanied Reshenikov included the director general ZAO Atomstroy export, Dr. V.V. Koziov, Deputy Director General Dr. G. O. Kumani, Director VVER Center, and RSC Kurchatov institute, Dr. G. I. Lunin, Director Atomenergo project and Dr. A. B. Malyshev Atomstroy export handles the export of Russian reactors, components and fuel. Dr. Lunin, a nuclear scientist has worked on the core Physics of every type of reactor, Dr. Malyshev was in charge of the over all 1000 Mv reactors.

Dr. Malyshev has opined that the VVER 1000 type reactors planned for Koodankulam would have additional safety features compared to the prototype made in Bulgaria. Russian nuclear power stations rank third in terms of safety after Japan and Germany. Russia was building two VVER type reactors in Iran and China also.40

A major feature of President Putin’s visit to India was his trip to the Bhabha Atomic Research Center (BARC) at Trombay, Mumbai on Oct. 5. This was indeed a significant development. It signals the support of a major head of state towards the strengthening of Indo-Russian relations. However, there were some points of divergence between New Delhi and Moscow of today on the politics of nuclear non-proliferation.
Russian President Putin urged India to sign the Comprehensive Test Ban Treaty (CTBT) during his visit to India. India has in any case stopped further nuclear resting since May 1998. Putin made his plea on the CTBT in a meeting with scientists of the Bhabha Atomic Research Center in Trombay near Mumbai. He did however; appreciate the Indian stand that its natural interests and the needs of its people should also be considered, Yet Putin felt it would be better for India if it were to sign the CTBT.41

There is in the present era division between Moscow and New Delhi on Nuclear non-proliferation and arms control issues. Russia and China are two major powers who are both members of the UN Security Council as also a member of the NPT regime. Their strategic cooperation on military and nuclear issues is necessitated by the need to reduce tensions and concentrate on economic development, Russia would also favor the emergence of a Russia-India-China triangulation of cooperation. The idea has as yet to take shape because neither India nor China would like to be freed from the bilateral arrangement that presently exists with the lone superpower the United States.

Also China favors India’s adversary Pakistan as a strategic partner and New Delhi has often enough cited China as a “threat” At another level, it must be pointed that the United States as a unipolar power has sought to object before the nuclear suppliers group to any further Indo-Russian nuclear cooperation in the peaceful uses of atomic energy.42

A major change took place when President Putin’s visit to BARC and exemplifies Russia’s evolving position on military-technical cooperation with India. He was the first Russian leader to tour BARC, joining only two other foreign leaders before, Chinese Prime Minister Zhou-en-Lai and British Prime Margaret Tharatcher. Putin’s high-powered 70-member delegation, which
included Deputy Prime Minister, Ilya Klebanov, Foreign Ministe Igor Ivanov and Defense Minister Igo Sergeyev, attests to the importance the Russians give India in this new phase of their defense industrial strategy.

India’s former Atomic Energy Chairman Chidambaram has sought to portray Indo-Russian cooperation in the nuclear realms far-reaching and ‘pan of an Indian plan to give significant impetus to the nuclear program. India’s target, as outlined, is to generate 20,000 MW of nuclear-generated electricity by 2020. Chidambaram stated that although India had a self reliant nuclear power program based on indigencized pressurized heavy water reactors (PHWR), the objective was to develop fast breeder reactors (FBRs) and thorium utilization in a closed nuclear fuel cycle, as well as modern light water reactors (LWR).

The current production is limited, and the Indian nuclear program has come under criticism in terms of cost, efficiency and safety. So far however, the nuclear power establishment has warded off such criticism, in part pointing out the need for reducing the country’s energy dependency, a view shared by successive Indian leaderships. The exigencies of working under external sanctions, imposed on India in light of its nuclear activity, has also allowed the nuclear energy program to enjoy a more exalted position than it might otherwise have had.

It is precisely in the context of sanctions and other international regimes that Russia’s role in the nuclear field becomes critical for India. India has been looking toward other suppliers such as France, but without immediate results. As a leading Indian strategic analyst commented, ‘The reality is that Russia today is the only great power which is ready to cooperate with India in the atomic energy sector’.
Nuclear cooperation is not without costs for Russia, and Russian policy has not been entirely predictable vis-à-vis India. So far, Russia has been able to circumvent some of the most restrictive clauses of key relevant regimes of which Russia is a member because of loopholes and creative interpretation. At the moment, India does not appear to have much choice but to bank on Russia’s stated and implied intentions. A critical testimony to the desire of the Russians to deepen future relations is the Memorandum of Understanding on peaceful nuclear energy uses signed along with the Declaration on Strategic Partnership during Putin’s visit to India. While the latter has been made public, the former remains unpublished.

Russia has been careful about not appearing to deviate from the most important nuclear export control mechanism, the Nuclear Suppliers Group and its guidelines. Russia itself has enacted national export control legislation, most notably the Federal Law ‘On Export Controls’ adopted in June 1999 by the Russian Parliament and signed by the President. There is also an Export Control Commission which has an impressive high level roster of representatives: the Federal Security Service, Ministry of Foreign Affairs, Ministry of Economy, Ministry of Defense, Ministry of Industry and Trade, the States Customs Committee, State Committee on Nuclear and Radiation Safety of the Russian President and the Russian Academy of Sciences. The Commission determines whether contracts and agreements and some licenses comply with Russia’s international commitments.

According to some leading Russian critics, ‘whole ministries are closely associated with certain companies in pursuing their short-term economic interests and ignoring long term Russian national interests’. A campaign against corruption was launched in spring 1999 by then Prime Minister Primakov which coincided with his other campaign to force Russian oligarchs
to follow the law. This may have led to his downfall when he was removed in May 1999.

The most export-oriented ministries are the Ministry of Atomic Energy, the Russian Aviation and Space Agency and the Ministry of Economics which stands in some contrast to the Russian Foreign Ministry. The greatest Russian lobbyist for nuclear collaboration with India in recent times was the former Minister of Atomic Energy, Yevgeny Adamov, who ignited a storm of controversy when he indicated in an interview with the newspaper The Hindu in December 2000 that Russia might consider withdrawing from existing export control regimes.

Adamov was making an oblique reference to the Nuclear Suppliers Group (NSG) which was formed in 1975. Adamov cited China as an example since it is not a member of the NSG, but is part of the Zangger Committee which does not require full-scope safeguards. The NSG’s Guidelines for Nuclear Transfers did not demand full-scope safeguards for non-nuclear states until 1992 following the discovery of Iraq’s clandestine nuclear weapon program. President Boris Yeltsin signed Decree No. 312, which paralleled the NSG guidelines — though it exempted Russia’s 1988 agreement with India to build two nuclear reactors at Kudankulam that provided for facility safeguards, thus meeting the requirements governing deals prior to 1992.

In 1996, Yeltsin reaffirmed Russia’s commitment to the NSG Guidelines. However, Putin took a step soon after he took office distancing the country’s policy from NSG by amending Russia’s export control legislation; in May 2000, Decree No. 312 was modified to allow nuclear supplies to non-nuclear weapon states whose activities were not under full-scope safeguards in exceptional circumstances’.
The position of Russia’s Minatom (Ministry of Atomic Energy) was that the new Decree significantly expanded Russia’s nuclear export capability and that it was linked to Russia’s intent to assist the Indian program. Indeed, Putin said as much when he noted in New Delhi that two more reactors in addition to Koodankulam were distinct possibilities. This was consistent with Adamov’s promise in The Hindu interview that ‘We will do our best to participate in India’s ambitious programme to generate 20,000 MW of nuclear power by 2020’.44

In another positive signal, Russia came to India’s rescue when China stopped badly needed supplies of enriched uranium fuel to Tarapur after India’s 1998 nuclear tests. India turned to Russia which began delivering supplies in February 2001, despite criticism from the west. For example, The Economist took the Russian leadership to task, calling Russia’s nuclear dalliance with India’, a result of ‘the fissile nature of Russian politics’. The Russians were accused of falling back on old Soviet connections with India, allegedly often with the connivance of officials who are supposed to police any irregularities.

Adamov, who was close to Putin, seems to have exerted strong influence on Indo-Russian nuclear policy. The Atomic Energy head apparently not only had Putin’s ear but was also close to certain influential business communities. According to some analysts, Putin’s decision to sign the Decree in May 2000 allowing nuclear supplies to non-nuclear countries which did not have full-scope safeguards may have been a political move to support Adamov as the nuclear energy chief tried to increase nuclear sales abroad.45

Crises in the over ridden by the drive for sales. Indeed, Adamov was perceived to have been replaced in March 2001 partly for his outspokenness (His interview to The Hindu), and enthusiasm for deals with Iran. His ouster
gave rise to speculation that the Ministry of Atomic Energy may abandon its attempts to substitute its corporate policy for state policy in nuclear non-proliferation thus providing an opportunity for the Ministry of Foreign Affairs.

On the contrary, Adamov’s successor, Alexander Rumyantsev, has come out firmly in favor of Russian nuclear assistance to India (and Iran for that matter). Rumyantsev, a former head of one of Russia’s top nuclear labs, left no room for confusion, and in a news conference, stated that cooperation with Iran on the Bushehr nuclear power plant was strictly civilian and in keeping with international commitments. Indeed, he indicated that the Russians were considering a second reactor at Blusher and vowed to catch up if work was lagging behind schedule. Regarding India Rumyantsev took the long view and noted that ‘India is our strategic partner. We want to ensure that there are no reproaches (from the international community) in this regard’. He stated that Russia intends to build a nuclear power station in India despite international concern.

Rumsyantsev’s statements so far should put to rest any sentiment that the replacement of Adamov would have negative repercussions for Indo-Russian relations in the nuclear sector as initial analysis might have suggested. Indo-Russian nuclear cooperation would seem to have support at the highest levels of Russian leadership, at least for now. But it is no secret that India would prefer to get nuclear assistance from France or even the US, and to that extent, India might be betting that the bait of its deals with Russia might eventually draw in the others. Moreover, India is not likely to forget Russia’s backtracking on the cryogenic engine technology contract in 1993 suggesting that it is not the most reliable partner. Thus while the stage is being set for a higher level of nuclear cooperation, there is no guarantee that other interests
and preferences will not take precedence in the future for either India or Russia.\textsuperscript{47}

**Scientific and Technical Cooperation**

Let us now turn to some aspect of Indo-Russian cooperation in science and technology. New avenues and areas of economic scientific and technical cooperation between India and Russia are being explored. A renewed Integrated Long-Term Programme (ILTP) for Indo-Russian cooperation in science and technology for instance is being actively considered.

The ILTP programme, signed by the President of erstwhile Soviet Union, Mikhail Gorbachev, and the late Prime Minister Rajiv Gandhi in Moscow in 1987, lasted till the year 2000. It has emerged as the world’s largest technology. This programme is a reflection of the close Russia in science and technology that has developed between India Russia over the last 13 years. The programme had facilitated exchange visits of over 2,500 scientists and generated a close to 300 developments projects in India and Russia.

Moreover, India and Russia have entered into an agreement to expand their cooperation in nuclear physics. A MoU (Memorandum of Understanding) has been signed between the Department of science and technology of the Government of India and Russia’s leading nuclear research institute, the Kurchatov Centre. The three year agreement, signed by the officials of India and Russia, will be automatically renewed unless one of the sides decided otherwise.

Nuclear physics has thus become one of the thrust areas of Indo-Russian cooperation under the 13 years ILTP, which would be renewed for another 10
years. The two countries are planning setting up a satellite link between the PARAM 10000 in Moscow and the supercomputer at C-DAC in Pune (Centre Development of Advanced Computing). The C-DAC and the Institute for Computer Aided Design (ICAD) have already prepared a joint work document identifying applications and areas of requirements will be met in Russia and India, besides third world countries.48

Multi-faceted scientific cooperation has been thriving between India and Russia, the most significant being cooperation in nuclear realm. As the culmination of this process has come the Indo-Russian agreement on collaboration reactors in India, each of 1000 Mwe generating capacity. The reactor are described as the WER type, incorporating the most advanced reactor technology in Russian and rated among the best in the world. The project is located at Kudankulam in Tamil Nadu.

The Kudankulam project is being implemented under the inter-Government agreement signed between the government of India and the erstwhile USSR in November 1988, which was subsequently amended through a “supplement” in June 1998. In the initial phase, a detailed project report for the project was prepared with the help of Premier Russian design Organization an institutes, a contract for which was signed between NPCIL and the Russian Organization Atomstroy export in July 1998.

The project has now entered the second phase of construction that civil Works with the ground breaking for the project work seared out On October 7, 2001.

The Kudankulam project has several distinguishing features-its design and technology, the impact Indian atomic reactor design technology, Indo-
Russian scientific cooperation terms for implementing the project and not the least, the financial arrangements to cover costs of an atomic project of such a massive size. Notable, too, has been another development related to the project strong pressures from nuclear weapon powers, particularly the United States, on Russia against implementation of the Kudankulam project, invoking terms of the London Club, of which Russia is a member.

To take the financial aspect first, one should note that the soft repayment terms of the Russian loan for the project set new parameters that facilitate implementation of this massive nuclear undertaking without any harsh burden on the Indian economy. The final costing and the financing terms of the project, completed in recent negotiations between the Indian and Russian sides, stipulate that the Russian side will carry out the entire design of the project and supply all the equipment and machinery for the plant. Eighty-five per cent of the cost of the supplies and services from the Russian organizations shall be covered under the State Credit extended by the Russian Government to the Indian Government for the project.

The total amount of credit for the project from the Russian side will work out to about 50 per cent of the total project cost. The credit utilized for the project is to be repaid in 14 equal installments, beginning with the commercial operations of the plant. This will enable loan repayments largely from earnings of power generations.

The scientific and technological aspects of the Russian reactor design have a special bearing for India, for induction of the light water reactor design, based on low enriched uranium as fuel will mean a departure from the existing pattern of atom & power plants in India. These have pressurized heavy water
reactors that use natural uranium as fuel and heavy water as moderator and coolant.

The view of the scientific establishment is that far form being a technological slow down, induction of the Russian reactor design will mean enrichment of India’s nuclear reactor technology. The Kudankulan project will be based on the latest WER, reactor design of pressurized water type (PWR), which is rated as the leading type of nuclear power reactors worldwide.

This perfunctory survey on the course of Indo-Russian cooperation in economy, science and technology clearly reflects that after 15 years of the disintegration of the Soviet Union, Indo-Russian cooperation has begun to take a new turn.

**Indo-Russian Energy Cooperation**

India and Russia showed readiness to work together in the peaceful uses of atomic energy. A memorandum of understanding (MOU) was signed on the peaceful uses of atomic energy. Russia reiterated that it would abide by international legal obligations in cooperating with India in the nuclear field. However, amongst the five permanent members of the United Nation’s Security Council (p-5), Russia has openly committed itself to cooperate with India in the field of nuclear energy. India’s growing demand for nuclear energy is to be met by Russian cooperation. Two large 1000 megawatts nuclear power reactors at Koodankulam in Tamil Nadu are being constructed by Russia each costing $2.6 billion. Russia is keen to construct more nuclear power plants in India. The Koodankulam nuclear power project predates the nuclear Suppliers Group (NSG) agreement. Since 1992, NSG restrictions effectively bar the member states from selling any nuclear related items as well as transfer of civilian nuclear technology to countries that do not accept full scope
safeguards on all their nuclear facilities. India is one of the countries which are
not accepting full scope IAEA safeguards. President Vladimir Putin received a
rare honour to visit the BARC complex in Mumbai. 

India has recently stepped up efforts to access energy resources in
Russia, the world's second largest oil producer and leading gas producer.
India's ONGC Videsh Ltd. (OVL) holds a 20 percent stake in Sakhalin-1 of
$1.7 billion, which is set to begin production this year eventually generating
2.3 billion barrels of oil and 17.3 trillion cubic feet of gas. India is also looking
to invest in the Sakhalin-3 project, which is estimated to hold 4.6 billion barrels
of oil and 770 billion cubic meters of gas as well as investing in the joint
Russian-Kazakh Kurmangazy oilfield in the Caspian Sea. During Russian
President Vladimir Putin's visit to India in December, the two countries also
signed a Memorandum of Understanding for joint exploration and distribution
of natural gas from the Caspian basin as well as for building underground gas
storage facilities in India.

The controversy over the sale of the Yugansk, which produces 60
percent of Yukos' oil output and pumps 11 percent of Russia's oil, has also
highlighted India's growing interest in Russian energy assets. While the
mysterious buyer, Baikal Finance Group, ended up selling its stake in
Yugansk to Rosneft in December, which has been acquired by Russian state-
owned Gazprom, this does not preclude the possibility of Yukos' assets being
acquired by India's ONGC. ONGC has been considering a $2 billion
investment for a 10-15 percent stake in Yugansk.

Indo-Russian energy cooperation is being further cemented by political
and military cooperation. Just as India increasingly relies on Russian energy
resources, so it also constitutes one of the biggest buyers of Russian military
hardware. During the then Indian Petroleum Minister Mani Shankar Aiyar’s visit to Moscow in October 2004, he voiced similar sentiments stating that “in the first half-century of Indian independence, Russia has guaranteed our territorial integrity, and in the second half it may be able to guarantee our energy security.”

In fact, growing Indo-Russian energy cooperation resurrects former Russian Prime Minister Yevgeny Primakov’s idea for a strategic triangle among Russia, India and China. These states are bound together by their shared interests in the fight against terrorism, the push for a multipolar world, and respect for the principles of state sovereignty and non-intervention with regards to their respective separatist movements in Chechnya, Kashmir and Taiwan. Now the energy sector can be added to this list of shared interests. India and China are already collaborating in the development of the Yahavaran oil field in Iran and India’s leading state-owned gas company, Gas Authority of India Limited, has acquired a 10 percent stake in China Gas Holdings. With India and China vying for assets in Yukos, Sino-Indian-Russian collaboration in the energy sphere could be further cemented. On December 3 during Russian President Vladimir Putin’s meeting with Indian Prime Minister Manmohan Singh in New Delhi, a joint statement was released which included a proposal for greater cooperation with China, stating that “the sides express their conviction in favor of a progressive increase in trilateral Cooperation, which also leads to social and economic development amongst the three countries.”
References


7. Supra no. 3 pp. 109-110.

8. See Paran Chopra, “The Crises of Foreign Policy,” p.120.

9. Supra no.3 pp.105-106.

10. Supra no.1 pp.87-88.


12. Supra no.10, p.91.


15. The Times of India, New Delhi, 4 September, 1992.


18. Supra no.12, p.95.


21. Supra no.5, pp. 35-36.


24. Supra no.17, p.4.

25. Supra no.1 p.97.


27. Supra no.1 p.99.

28. Supra no.5, p.83.

29. Ibid, p.84.


31. Supra no.5, p.15.

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32. Ibid p.67.
33. Ibid p.68.
34. Ibid p.76.
35. Ibid.
36. Ibid., pp.77-79.
39. Supra no.37, pp.159-160.
41. Supra no. 5 pp.113-115.
43. C. Raja Mohan, "India-Russia to Discuss Nuclear Issues", The Hindu, 3 October, 2000.
47. Supra no.44, p.148.

49. Supra no.37, pp.175-176.

50. Supra no.5 p.75.


CHAPTER-3

Indo-Russian Strategic and Economic Collaboration in the Post Cold War Era

Strategic alliances rarely survive the epoch in which they are born. But, the Indo-Russian strategic alliance has done just that. The time-tested relations between the two nations, based traditionally on mutual trust and understanding, have survived the end of the Cold War and the post-Cold War period, and moved into the new, though yet unnamed period of global politics. Since such alliances are based on the hard facts of national interests rather than sentimental attachments, it alerts us to the simple fact that for both Russia and India, their strategic concern in Asia has not radically changed since the 1950s.

During the State visit of the Russian President Vladimir Putin in October 2000, a declaration on Strategic Partnership between the Republic of India and the Russian Federation was signed. This is a document of cardinal significance and marks a new step forward in the elaboration of the principles of our bilateral relations. It lays down the broad contours of bilateral relations between the Republic of India and the Russian Federation in the twenty-first century.¹

After the disintegration of the USSR and the emergence of Russia as an independent State, Russia declared itself to be ‘State-continuator’ of the erstwhile USSR in the early 1990s. Nonetheless, India recognized Russia as the successor-State to the former Soviet Union. India’s relations with the Russian Federation are multi-faceted and encompass varied sectors including political consultations, economic and commercial relations and cooperation in trade and economy, science and technology and military. It is significant that India and
Russia are the world's largest democracies. India in terms of the size of the population and Russia in terms of its size.²

The importance of the declaration of strategic partnership signed in the end of year 2000 between India and Russia is that it promises economic, political, scientific and cultural cooperation. Equally significant is that the two countries will not only share vital information, old consultations on important issues and evolve joint decision to face international terrorism. The establishment of an intergovernmental commission on defense matters between the two countries is another facet of this partnership. Above all India and Russia has pledged to work for a multipolar world based on sovereignty equality of states.³

For an understanding of Indo-Russian relations, especially Russia's policy towards the issue of Kashmir it is important to understand the subject prior to the Soviet disintegration for two reasons: first, the study of the Soviet policy provides the historical background; second, it provides a comparative study of the same issue in pre and post-disintegration phases and thus providing some useful insights. Important among them is the continuity discerned in Russia's perception and policy towards the Kashmir issue since the Soviet time.

The Kashmir issue surfaced in the wake of the independence of the Indian subcontinent in 1947 from the British colonialism. After the invasion of Kashmir by the mercenaries and the tribal forces, aided and supported by Pakistan in 1947, the ruler of the then princely state decided to accede to the Indian federation. The Soviet perception towards the Kashmir issue was noncommittal at that time. The Soviet Union under the leadership of Joseph Stalin was under the impression that the whole Indian subcontinent was an
offshoot of capitalism; hence it had no role to play in the region. At that time it was the Cold War, moulded with ideological rivalry between the power blocs that influenced the Soviet policy towards the Kashmir issue. Stalin was of the view that India, like Pakistan, leaned towards Anglo-American bloc. The Soviet relations with India and Pakistan were based on Andrei Zhadnov’s thesis of two camps. Both South Asian countries were considered to be in the rival western camp. Hence, Stalin maintained equidistance from both the countries. In the pursuit of such a policy the Soviet representative remained absent during voting when the Kashmir question came up for discussion in the United Nations Security Council in 1948.

Shift in the Soviet Policy and the Cold War Dynamics

The later years witnessed dramatic changes in the international political scenario. The US-Pak axis grew to a new height. In 1948, Pakistan offered a base to the US in Gilgit area of Pakistan occupied Kashmir. For the Soviet Union the US presence in the South Asian region was a threat to its security. In 1949, when the Pakistani Prime Minister visited the US, he was offered military and economic support. The US policy towards Kashmir at that time was favourable to Pakistan and “unsympathetic and even hostile” towards India. Pakistan joined the Baghdad pact in 1955 and South East Asian Treaty Organization (SEATO), sponsored by the US in 1954. These steps of Pakistan created grave concern in the minds of both, the Soviet and Indian leaders. The developments led to reorientation in their foreign policies as a result of which both moved closer to each other.

It took four years for the Soviet Union to take any stand on Kashmir since the inception of the issue. When the United Nations Security Council met on 17 January 1952 to discuss the issue in its meeting, the Soviet delegate, Jacob Malik, spoke at length on the problem. Referring to various plans put forward
by London and Washington, he observed that those plans “instead of speaking a real settlement, were aimed at prolonging the dispute and at converting Kashmir into a trust territory of the US and the UK under the pretext of giving it assistance through the United Nations.” In support of his argument, he quoted from Pakistan and the US newspapers. On 9 August 1952 Pravda published a TASS report on the proceedings of Indian Parliament and supported the proposal made by CPI members, A.K. Gopalan and H. Mukerjee, in their debate on 7 August 1952 to withdraw the Kashmir question from the United Nations.

The initial response of India to the Soviet offer of closer relationship was lukewarm. The Soviet support to India on the Kashmir issue in the UN Security Council 1952 was not taken seriously by the Indian leadership. It appeared that India did not want Kashmir to be a factor in bloc politics between the two super powers. K.S. Shelvanker from The Hindu, attributed somewhat similar reasons to the Indian Prime Minister, Jawaharlal Nehru’s position: “...I understand that this is precisely the sort of development Indian diplomacy had been endeavoring to avoid from the beginning involvement of the Kashmir dispute in the Conflict between the rival power blocs and the propaganda and Passions of the cold war.” New York Times, on 21 January 52, wrote, “Indians fear Malik statement on Kashmir may complicate settlement of the dispute”, that the “general feeling here is that India wants an early settlement of the long-standing issue before the UN and that the manner in which the Soviet delegate delivered his frontal attack against the West has hardly contributed towards that end. It is feared in informed circles that Mr. Malik’S speech although it reflects Indian sentiment, might pose new problems and further complicate the dispute.”
Khrushchev criticized Pakistan’s policy as it is not guided by the vital interests of their people, of their state, but is dictated by monopoly circles of other countries. The proximity of Pakistan with the US and its membership of the ‘notorious’ Baghdad Pact, ‘the aim of which is anything but peace’, and its sanctioning of its territory for establishing American military bases, were considered detrimental to its security interests. This factor provided impetus for growing Indo-Soviet friendship. Bulganin, in a press conference in New Delhi on 14 December 1955 said, “As for Kashmir during our visit there we saw how greatly the Kashmirians rejoice in their national liberation, regarding their territory as an integral part of India.”

After completing his visit to India, Burma and Afghanistan, Bulganin in his report to the Supreme Soviet of the USSR argued that, “on the pretext of supporting Pakistan on the Kashmir question certain countries are trying to entrench themselves in this part of India in order to threaten and exert pressure on areas in the vicinity of Kashmir. The attempt was made to sever Kashmir from India artificially and converts it into a foreign military base.” But, he said, the people of Kashmir are emphatically opposed to this imperialist policy. “The issue has been settled by the Kashmiris themselves; they regarded themselves as an integral part of India. We became profoundly convinced of this during our meetings with the people in Srinagar, and in our conversations with the Prime Minister of Kashmir, Mr. G. M. Bakshi, and his colleagues”. Further he said, “The Soviet government supports India’s policy in relations to the Kashmir issue, because it fully accords with the interests of peace in this part of Asia. We declared this when we were in Kashmir, we reaffirmed our declaration at a press conference in Delhi on December 14, and we declare it today. Khrushchev in his speech expressed similar sentiments, “In Kashmir we were convinced that its people regarded its territory as an inalienable part of the
Republic of India. This question has been irrevocably decided by the people of Kashmir.\textsuperscript{11}

As a mark of growing friendship, the Soviet Union in the Security Council proceedings on Kashmir, in February 1957, applied its first veto on a resolution to use UN force to facilitate demilitarization. It was co-sponsored by Great Britain, the US, Australia and Cuba. The resolution was unacceptable to India. The resolution noted the importance the Security Council “attached to the demilitarization of the state of Jammu and Kashmir preparatory to the holding of a plebiscite” and “Pakistan’s proposal for the use of a temporarily United Nations force in connection with demilitarization”. The Security Council held “that the use of such a force deserved consideration.”\textsuperscript{12} The Security Council authorized its president Gunnar Jarring to visit India and Pakistan to bring about demilitarization or further the settlement of the dispute.

Sobolev, the Soviet delegate, on 18 February 1957, proposed amendments to the above mentioned resolution. He argued “the situation in Kashmir has changed considerably since 1948 when the Security Council had first called for a plebiscite. The people of Kashmir had settled the question themselves and now considered their territory an integral part of India.”\textsuperscript{13} In his resolution the Soviet delegate deleted reference to “the use of a temporary UN force in connection with demilitarization in Kashmir. After his amendments were rejected by the other Security Council members, he vetoed the Western sponsored resolution on 20 February 1957. He justified it by arguing that the resolution, as it stood, favoured Pakistan.\textsuperscript{14} In his government’s opinion the people of Kashmir had in fact already settled the question.

In March 1959, a Soviet delegation led by A. Andrew visited Kashmir to demonstrate that they regarded Kashmir as an Indian state. He described
Kashmir as ‘the most beautiful place of the world’ and reiterated that they regarded ‘Jammu and Kashmir as an integral part of the Indian Republic.’ Pointing out that Kashmir “is not far from the Southern frontier of the Soviet Union” he declared that “in your struggle we are your comrades.” The following month Karan Singh visited the Soviet Union. At a reception Khrushchev welcomed the guest from ‘friendly India’ and reiterated the Soviet support to the Indian Policy in Kashmir. Karan Singh thanked them for their unequivocal support to India, especially in the case of Kashmir.

To discuss the Kashmir issue, when the Security Council met on 27 April 1962, Platon Morozov (the Soviet delegate) declared that Kashmir is an integral part of India and the people of Kashmir have decided this issue. In its meeting on 21 June 1962, the representative of Ireland, supported by the British representative, introduced a resolution. According to Morozov, the ‘principal aim’ of the draft resolution was the holding of plebiscite and that would be nothing but ‘flagrant interference’ in the domestic affairs of India. He, therefore, urged the Council to reject the Irish resolution, which according to him was basically in line with the dictates of the US. When the Irish resolution was put to vote on 23 June 1962, the Soviet representative vetoed it. He declared that the question of holding plebiscite in Kashmir was ‘dead and outdated’ and the Kashmir question had been solved ‘once for all.’

The Khrushchev period witnessed a close relationship between India and the Soviet Union. It supported the Indian stand on Kashmir at Various fora. It also supported Nehru’s decision to withdraw the special status of Jammu and Kashmir and to integrate the state into the Indian Union fully. The Soviet attitude towards Kashmir has not changed since his visits to India in 1955 and 1960. When the Kashmir question came before the Security Council in February 1964, the Soviet representative, Federenko, reiterated his country’s

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view that the question of Kashmir had already been settled 'once for all'. He supported the Indian contention that a Security Council resolution would aggravate the situation.\textsuperscript{18}

The Brezhnev Policy

The Soviet attitude towards the Kashmir issue in the post-Khrushchev era underwent change. However, the Soviet envoy to India, Benediktov assured New Delhi in October 1964, policy towards Kashmir remain the same. During her visit to Moscow, the new Soviet Prime Minister Alexi Kosygin assured Indian Prime Minister, Indra Gandhi, that the Soviet support for India’s policy on Kashmir remains unchanged and that Moscow regarded ‘Kashmir as an integral part of India’.

However, the later years were marked with uncertainty regarding Soviet policy towards Kashmir. This shift could be attributed to the Indian defeat in the Sino-India war of 1962. There was a general trend in Soviet diplomacy to extricate itself from an immoderate involvement in intricate problems that were of no direct concern to its vital interests. By adopting such a policy the Soviet Union succeeded in disengaging itself from the Indo-Pakistan conflict in which it had embroiled itself. It took a neutral stand towards Kashmir issue, as it was interested to develop closer relation with both India and Pakistan.\textsuperscript{19}

Leonid Brezhnev, unlike his predecessor, decided to adopt a different policy towards the Kashmir issue. He envisaged the Kashmir issue as an opportunity to bring India and Pakistan closer and to turn the subcontinent into a peaceful arena under the aegis of the Soviet Union. In pursuance of this policy, the Soviet leaders attempted in the 1960s to develop good relations with Pakistan with an aim to counter Chinese influence there.\textsuperscript{20} However, due to certain factors it remained short-lived. During the Soviet attack on Afghanistan
Pakistan, along with the US, had played a key role in supporting the fighters’ struggle against the Soviet army. The Soviet interests, according to Brezhnev, would be better served if India and Pakistan could be developed as an independent counter-force free of American and Chinese influence. Reconciling Pakistan would help in improving Indo-Pak relations and consequently fulfilling the Soviet dream of India-Pakistan Soviet alliance. Such a triangular alliance, if it could be forged, would be a great bulwark against American and Chinese intervention in the subcontinent.

The Soviet leaders in the initial years of the Brezhnev period tried to establish closer economic and political relations with Pakistan to eliminate the American influence and at the same time prevent Pakistan from moving closer to China. It was in this Context that the Soviet leaders inaugurated their new policy to use Kashmir as a device for furtherance of Soviet foreign policy objectives and invited Pakistan’s President Ayub Khan for a visit to Moscow. Ayub Khan arrived in Moscow on 3 April 1965 and met Brezhnev, Kosygin and other Soviet leaders. Ayub’s visit was concluded with a joint communiqué containing a formula on national liberation movements, ambiguous enough to be applicable to Kashmir and, indeed, was so interpreted by Pakistan government and its controlled press.

From the position of negative neutrality, that is to say, simply limiting the action to the development of relations with the two rivals, the Soviet leaders began to display concern over the manner in which the Indo-Soviet relations continued to deteriorate. Following the outbreak of war between India and Pakistan in August 1965, Kosygin sent several letters to the leaders of both countries, appealing for immediate cessation of hostilities. He also offered his country’s ‘good offices’ in negotiating for a peaceful settlement. The Soviet Union warned all the other countries, especially in an indirect reference to the
Western countries that: no government has any right to pour oil in the flames. At the UNSC, where this matter was raised several times, the Soviet delegate attempted to maintain a nonpartisan view of the issue, though he referred to the Indian state of Jammu and Kashmir. He blamed the current conflict on those 'forces which are trying to disunite and set against each other the states that have liberated themselves from the colonial yoke' and those 'which are pursuing the criminal policy of dividing peoples so as to achieve their imperialist and expansionist aims.'

The friendship with the Soviet Union nevertheless stood in good stead when it came to the support of India on points of objection that India raised. On 25 October 1965, India’s Foreign Minister Swaran Singh objected to Pakistan’s Foreign Minister Z.A. Bhutto’s reference to the internal situation in Kashmir and upheld that it was India’s internal affair. He held that the opposite view was a deviation from the agreed agenda and thus walked out in protest. The Soviet Union had shown support to the Indian interpretation that the Council’s deliberations should be only on “questions directly connected with the settlement of the armed conflict, i.e. complete ceasefire and withdrawal of armed personnel.” It had also abstained from voting on the resolution adopted by the Council on 5 November 1965. The Security Council resolutions failed to resolve the crisis.

The Soviet Premier Kosygin, on 17 September 1965, in an identical message to Indian Prime Minister Lal Bahadur Shastri and Pakistan President Ayub Khan reiterated the offer for a meeting in Tashkent to reach an agreement on the restoration of peace ‘if both parties so desire.’ The Soviet Union was not interested to mediate in the conflict between the two sides but to facilitate to cease hostility and restore peace. The Soviet offer was accepted by both India and Pakistan.
Lal Bahadur Shastri, in a public meeting on 5 December 1965, reiterated his willingness to go to Tashkent and to accept the mediation of the Soviet Prime Minister to bring about understanding and good neighbourly relations with Pakistan. But he made it clear that the question of Kashmir could not be discussed there. The Soviet Union had expressed a similar view earlier and advised both India and Pakistan to avoid discussing major issues at Tashkent and regard the meeting as the first among a series of bilateral discussions. Shastri and Ayub agreed to meet at Tashkant on 4 January 1966. Kosygin attended the meeting at the request of both the parties. In his opening speech at the Tashkent summit, Kosygin said, in proposing this meeting, the government of the Soviet Union was guided by feelings of friendship towards the people of Pakistan and India, by a desire to help them to find a way to peace and to prevent sacrifices and hardships brought by the disaster of war. After a weeklong (4-10 January 1966) hectic parleys between the two sides, in which Kosygin took active part to break the deadlock in arriving at a mutually suitable agreement, Shastri and Ayub signed the Tashkent Declaration on 10 January 1966.

The important points in the Declaration were: withdrawal of force by both sides to former positions (held on 5 August 1965) and no later than 25 February 1966; observance of conditions of ceasefire in Kashmir; stoppage of hostile propaganda; resumption of diplomatic relations and renewal of normal diplomatic functions, etc. Kosygin hailed the Tashkent Declaration as an important political document and a new stage in the development of relations between India and Pakistan. Shastri, in a press meeting on 10 January 1966 praised Kosygin for the ‘great and noble role’ he played in holding the talks.

Thus, it was the shift in the Soviet foreign policy approach aimed at diminishing the US and the Chinese influence in the South Asian region that...
shaped its policy towards the Kashmir issue. To achieve that objective it was necessary, the Soviet leadership might have thought, to give equal weight to Pakistan alongside India. Moreover, it rested on the idea that the Kashmir problem was created by neither India nor Pakistan, but thrust upon them by the colonial powers. That was implied when Kosygin said during the Tashkent summit, it should be recalled that the discord between India and Pakistan is the heritage of long dominations of colonialists who set enslaved peoples against each other. The Soviet leadership maintained a balanced attitude towards the Kashmir problem in the period though its strategic policy considerations were changing under the new leadership in the region. This was evident from the report of the PTI correspondent in Tashkent during summit discussions: “Russia considers Jammu and Kashmir as an integral part of India; it is learnt from the highest authority here. The Soviet stand on Kashmir remains as before according to the sources. The sources said that Tashkent Declaration would improve relations between India and Pakistan on the one hand and further strengthen India’s relationship with Russia on the other.”

Despite the assurances by the Soviet leadership that its policies would not negate India’s interests, there were overtures from its side that were likely to hamper India’s interests. A high-level Pakistani military mission went to Moscow in June 1966 to explore the possibility of Soviet arms supply to Pakistan. New Delhi warned that Soviet arms to Pakistan would weaken Indo-Soviet relations. To allay India’s fear, the Soviet Union assured India that their policy with regard to Kashmir has not changed and they regard Kashmir as an integral part of the Indian Republic. Further, to demonstrate Moscow’s sincerity, the Soviet New Times published a map of India showing the entire state of Jammu and Kashmir as a part of the Indian Union. Despite all these assurances, a group of Soviet senior naval officers led by Vice-Admiral
Smirnov arrived in Pakistan in March 1968 to explore the possibility of cooperation between the two navies.

Kosygin’s visit to Pakistan to strengthen relations with Islamabad followed in April 1968. A Pakistani military mission led by General Yahya Khan arrived in Moscow on 6 June 1968 to negotiate the first Soviet-Pakistani arms agreement. The next day, it was announced that the Soviet Union has agreed to supply arms to Pakistan. Immediately Moscow began deliveries of tanks, artillery and armed personnel carriers. Protests from India were ignored. President of India, Zakir Hussain during his visit to Moscow from 8-10 July 1968, informed the Soviet leaders of India’s concern regarding the arms supply to Pakistan, but the Soviet Union did not pay attention to the Indian objection. Swaran Singh, in a statement to Parliament on 9 April 1969, said, “We have ... to admit that we have not been able to convince USSR of the greater danger implicit in the supply of arms to Pakistan. The Soviet policy continues to be to supply arms to Pakistan.”

**Turn in Kashmir Policy**

If the above discussions serve any indication, it was amply clear that during the initial years, 1991-92, Russia did not have any clear-cut policy towards Kashmir. The pro-Western drive to protect and promote national interests was the major thrust of Russia’s foreign policy in that period. Hence, it was not surprising to see changes in the Kashmir Policy on unexpected lines. It was evident during the visit of Russian Vice President, Alexander Rutskoi to Pakistan in December 1991. During the visit, he announced a very significant change in his country’s stand on Kashmir by saying that the right of self-determination of the people of Kashmir should be decided under UN auspices and in accordance with its resolutions. The Russia-Pakistan Joint Communiqué, issued on 22 December 1991, read, along with other things: “The Russian side
acknowledged Pakistan’s position and expressed the hope that the issue would be resolved peacefully through negotiations between Pakistan and India on the basis of international agreements. This was in clear negation of the Indian stand on the Kashmir issue.

It was also against the provisions of the Shimla Agreement signed by both India and Pakistan, which emphasized on the resolution of the Kashmir issue bilaterally without any third party mediation. This approach of Russia caused grave concern in the Indian political establishment in particular and public in general. Kesava Menon, expressing concern over the Russian stand, wrote, “It is now possible that Russia, which takes the Soviet Union’s seat on the United Nations Security Council, will not exercise veto in favour of India.”

Some other instances could be cited here to corroborate the Russian shift from its traditional approach towards India and Pakistan. The delegates of the Islamic conference, held in Moscow in September 1992, were received by Vice President Rutskoi and Russian Supreme Soviet Chairman, Khasbulatov. Among other things, the conference drew attention to the state of affairs in Kashmir, reported ITAR-TASS a news agency. From these events, it seemed apparent that Russian leaders were not interested in maintaining ‘special relationship’ of the earlier Soviet period because it had a ‘negative impact on relations with Islamabad’. The Khrushchevian policy of supporting Indian stand on Kashmir unequivocally seemed to be a relic of the past.

Initially Russia’s policy towards India was thus not identical with that of the erstwhile Soviet Union. In this period of transition, marked by turbulence in every aspect of Russian society, polity, economy and culture, the leadership gave up the traditional approach towards its old allies including India. In the
post-confrontation, post-communist world, the focus was on democracy, market reforms and pluralism for which, the leaders thought, western aid was essential. Nevertheless, the sudden shift in the priority areas proved costly for the Russian society. Gulf crisis, Yugoslavia-crisis and cryogenic rocket controversy, etc. provided ample proofs of Russia’s weakness. It was thus on expected lines that its relations with India, including stance on the Kashmir issue, should get affected in 1991-92. However, to view it as a radical change was premature, as later year’s unfolded.29

The Yeltsin Period

Russia’s policy towards the Kashmir issue favouring India appeared in a major way during the Yeltsin visit. The Russian president minced no words in expressing Russia’s ‘unequivocal’ support to the Indian stand on the Kashmir issue. He cleared the doubt in the Indian mind that the newly emerging Russian state, in its drive to shed the old ideology, had made a dramatic turn from the old Soviet policy. Yeltsin asserted the Russian stand on Kashmir while speaking at a meeting with Indian businessmen on 28 January 1993 in New Delhi: we stand for the integrity of India; we support the settlement in Kashmir according to the Indian version so as to maintain integrity and unity of India. We support it. And in whatever international organizations it may be the United Nations Security Council or others we shall stand by this point of view. These words were strong enough to clear any doubts in anyone’s mind.

Yeltsin’s pronouncement on the Kashmir issue was one of the important proofs of the Russian attempt to revive its relationship with India. The Hindustan Times editorial on 30 January 1993 titled ‘Yeltsin strikes a positive note’ wrote: supporting India’s position that Kashmir is its integral part and pledging to stand by it in the United Nations Security Council, the Russian President has held out the hope of a Soviet-type counter to Pakistan’s renewed
efforts to internationalize the issue. The Yeltsin visit also removed the Indian anxiety about the Russian stand not only on issues like Kashmir but also other related issues like Pakistan-sponsored terrorism and Pakistan’s move to spread religious fundamentalism in the region. He also clarified that “Russia will not seek to improve relations with Pakistan at India’s cost. In this backdrop of Russia’s unequivocal support to India on Kashmir, it was in expected lines that while the Indian press hailed the Yeltsin visit as ‘it heralds new phase of ties’, the Pakistani press described the Russian stand as ‘contradictory’ show of ‘poor judgment’ ‘threat to regional stability ‘serious attempt to isolate Pakistan at the global level’ and the like.

The Rutskoi visit to Islamabad earlier in December 1991 was disappointing for India as he was advocating international arbitration of the Kashmir issue. However, by 1993, the Russian leaders realized their mistakes and were bold enough to mend them. This was evident during the visit of K. Srinivasan, India’s foreign Secretary to Moscow in August 1994. His visit was important in view of Pakistan’s effort to internationalize the Kashmir issue in the forthcoming 49th session of the United Nations General Assembly. During discussions the Russian leaders expressed support to the Indian version of the Kashmir issue, i.e. it is a bilateral issue and should be resolved bilaterally according to the provisions of the Shimla agreement.

Russia’s Kashmir policy i.e. support the Indian stand on the issue, was reiterated later on many occasions. For instance, in the wake of Hazratbal crisis, Russia came forward to support India. In diplomatic changes the Russian government assured the Indian government that it sees Jammu and Kashmir as an integral part of India and the happenings there as internal affair of the country. 29 This was a clear rebuff to the Pakistani attempt to internationalize the issue. It supported the Indian action in tackling the crisis in the meetings
that took place between Indian and Russian diplomats aftermath of the Hazratbal seize.

Russia came heavily on Pakistan for artificially politicizing the Kashmir issue and for using human rights slogans for ‘non-human rights end.’ Oleg Malghinov, First Deputy Russian foreign Ministry’s Department on International Humanitarian Cooperation and Human Rights during his visit to India in the first week of June 1994, voiced his concern artificial politicization of the Kashmir issue by Pakistan. Kashmir is not a human rights issue, he said, and it should be resolved by means of direct talks by India and Pakistan on the basis of Shimla agreement. Malghinov was a member of the Russian delegation at the session of the Human Rights Commission in Geneva that year where Pakistan had to withdraw its bid to press for a vote on the human rights in Kashmir. He emphasized the Russian policy that we are for India’s integrity and we think that manipulating human rights slogans to give an additional argument by those who stand for its disintegration is a bad practice. He compared the Indian situation with Russia’s problems emerging out of ethnic violence and separatism and said, “We have the same problems here in Russia.”

In this context, the Russian support to India on the Kashmir issue was reassuring: while Russia was confronting the problems of separatism and religious fundamentalism in its Chechnya province, India was suffering from similar problems in Kashmir.

Vladimir Zhirinovsky, Russia’s liberal party leader supported the Indian stand on Kashmir in his usual radical tone. He minced no words in criticizing Pakistan for its help to terrorists in Kashmir during his visit to India on 6 March 1995. Referring to the fighting in Bosnia and Chechnya he said the same
element of religion which played havoc in Kashmir had now been injected in Bosnia and Russia. For him the problem in Kashmir was an internal problem, hence there was no necessity of any external interference. He stated that there would have been no conflict over Nagorno Karabakh if Armenia had been handed over that enclave; similarly there would have been no conflict if Kashmir had been with India.\(^{31}\)

Pakistan’s regular forces backed and reinforced an infiltration Kargil sector of Kashmir in the spring of 1999. The intrusion plan was in preparation while the Indian Prime Minister was on friendship mission to Lahore in February 1999. Russia was vocal in its support to India It assured of blocking any Pakistan to internationalize the issue at any international forum including the United Nations Security Council. A senior official in the Russian foreign ministry said: “we will block any attempt by Pakistan to raise the Kashmir issue in the United Nations.”\(^{32}\) This stand could be compared to Yeltsin’s unequivocal support to the Indian stand on the Kashmir issue about six years ago in January 1993.

Hence, the entire Yeltsin period, except the initial two years, was marked by consistency regarding its Kashmir policy. While the initial two years were marked by uncertainty, the later years witnessed marked improvements in bilateral relations. In this emerging scenario Russia’s policy towards Kashmir was favourable to India.\(^{33}\)

**Putins Approach Towards India and Kashmir**

India’s approach to the situation in Afghanistan and Central Asia was not much different from that of Russia. The terrorists active In Kashmir had (and still have) their bases in Pakistan and Afghanistan. Abdullah Abdullah, the Northern Alliance Foreign Minister, in May 2000, stated that 5000 Pakistanis
were training in Taliban run camps for guerilla war and terrorism in Kashmir. In this context, both India and Russia had common stakes in the turn of events in Afghanistan and Central Asia. Alexaer Kadakin, Russian Ambassador to India, rightly pointed out in the background of Prime Minister Vajpayee’s visit to Moscow in November 2003 that “New Delhi’s views on the situation in Afghanistan and Iraq are consonant with the assessments of our diplomacy.”^^ The joint declaration issued during the visit stated, “India and the Russian Federation strongly believe that Afghanistan should emerge as a peaceful, strong, prosperous, united and independent nation that would be free from external interference and living in peace and harmony with its neighbours.”^' It could be mentioned here that the political scenario that emerged after September 2001 provided the opportunity for leaders of both India and Russia to understand each other’s concerns in a better way; and this mutual understanding in turn led to the convergence of approaches of both the countries in tackling the terrorist menace in Chechnya, Kashmir and elsewhere.

A new development that took place after Putin came to power was the leader’s recognition of similarities between the issues of Chechnya and Kashmir. Putin utilized many occasions to draw parallels between the two issues. Some instances could be cited to corroborate this point of view. During his visit to India in October 2000, Putin shared a piece of information with the members of Indian parliament, which is ‘absolutely true and verified’ that, “the same individuals, the same terrorist organizations, extremist organizations are organizing and, very often, the same individuals participate in organizing, in conducting and igniting terrorist acts from Philippines to Kosovo including Kashmir, Afghanistan and Russia’s northern Caucasus.”^37 When there was the seize of one Moscow theatre named Nord-Ost on 22 October 2002, Putin replied to those who advocated for negotiation with the terrorists, “Osama Bin Laden, Taliban supreme Mullah Omar and their like minded are calling shots in
Kashmir, West Asia, Chechnya and elsewhere in the world. He rejected any possibility of talks with the terrorists. It was reported that in the year 2003 the terrorists killed about 300 people in Russia and it is no better in case of India. It was the psychological urge, besides the Pragmatic considerations, that brought leadership of both the Countries together. In this background, it was no surprise to see Russian leadership urge Pakistan to stop cross-border terrorism in India.

After the terrorist attack on Indian Parliament on 13 December 2001, the Russian Foreign Ministry warned Pakistan, in strict terms, to stop cross-border terrorism and create a conducive atmosphere for bilateral dialogue and consultation. To jointly tackle the menace of terrorism, during the visit of Prime Minister Vajpayee to Moscow in November 2001, India and Russia signed the Moscow Declaration. They set up joint working group during the visit of President Putin to India in December 2002. Moscow strongly condemned the terrorist attack that took place on 26 March 2003 in the Nandimarg village of Kashmir, killing more than twenty people. Besides condemning the terrorist attack, the Department of Information and Press of the Russian Foreign Ministry expressed its support to the measures taken by India to stop the activity of terrorist forces.

Taking into account all these positive developments, it would be logical to emphasize the point that terrorism is one of the important contributory factors for perceptual convergence between the two countries. This convergence led Russia and India to support each other on their stands on Kashmir and Chechnya respectively. The Ministry of External Affairs in India praised the referendum of March 2003 in Chechnya, under the guidance of the Russian government as important for the restoration, normalization, rehabilitation and economic reconstruction of Russian Federation’s Chechen republic within the democratic framework. Similarly, the Russian Foreign
Ministry release after the general election in Kashmir in October 2002, said that, very fact of holding elections is an evidence of the striving of Delhi and the population of Jammu and Kashmir to restore the normal situation in the state. Despite the attempts of the extremist elements to frighten the population of Kashmir, they could not hinder the voting.  

It would be too hasty to generalize based on one incident; this attempt at mediation may be an exception. The exceptions do not prove the rule, was confirmed by his statements made during his visits to India. Putin, speaking before the members of the Indian parliament on 4 October 2000, stated: This issue (the Kashmir issue) can be resolved on a bilateral basis on the basis of a compromise and on an unconditional respect for the line of control. Any foreign interference should be stopped. The same position he further reiterated during his visit to India in December 2002. During a joint press interaction, Putin supported the Indian position that for the resolution of the Kashmir issue, India and Pakistan should adhere to the principles of Shimla agreement and Lahore declaration. This position of Russia is in consonance with the position of India to peacefully resolve the issue bilaterally.

Besides supporting India’s position on Kashmir, Russia has expressed concern, from time to time, over the problem of cross-border terrorism from which India suffers. Russia agrees with the position of India that for any peaceful settlement of the Kashmir issue, Pakistan must create conducive atmosphere and for this to be possible it must stop promoting and supporting, overt or covert, cross-border terrorism. After the terrorist attack on Indian Parliament on 13 December 2001, Russia came forthwith in criticizing the terrorist attack and warned Pakistan against providing any kind of help to the terrorists. Kanwal Sibbal, India’s Foreign Secretary told the press in Moscow during the Vajpayee visit in November 2003 that Russia had backed the Indian
position on Kashmir by reiterating that an end to cross-border terrorism and the dismantling of the terrorist infrastructure in Pakistan was a prerequisite for a purposeful dialogue. During the visit, President Putin welcomed the initiatives taken by Prime Minister Vajpayee to improve relations with Pakistan. The joint statement issued during the visit expressed hope that Pakistan will come out with a positive response to the Indian initiatives for peace.

From the above discussions it is clear that Russia is unlikely to change its position on the issue of Kashmir because any contrary position would have its obvious bearing on the issue Chechnya. Both Chechnya and Kashmir are regions infested with terrorist and separatist elements. Tatiana Shaumian rightly pointed out that both the regions are fragile and both the regions have implications for territorial integrity of both the countries. It would be difficult to sustain any deviation from the stated position on these issues, especially when the menaces of terrorism separatism have affected both the countries and still continue to affect them. Hence, Putin’s approach on Kashmir is likely to continue on the same line in his second tenure in office. As the post-Cold War realities unfold, it has become almost imperative for both the countries to cooperate for mutual benefits.

Putin, in the context of India, realizes the nature of the rising Asian power. Despite the differences between Russia and China, both are searching for potential long-term partnerships. Between Russia and India there are virtually no differences. At the politico-military level the relations between the two countries can be termed as the best in the world, though the economic relations are moving at a slow pace. Whether, it is the issue of Kashmir or Chechnya, or the role of the UN, or the issue of democracy the interests of both the countries converge. The visit of Manmohan Singh in 2005 was a promising
one as it witnessed some important agreements in the economic sphere. In this growing stage of relationship, it can be said that Indo-Russian relations under the leadership of Putin in Russia would not witness any dramatic changes. Putin’s approach towards the Kashmir issue is likely to continue, that the issue is a bilateral one and it should be resolved bilaterally.\textsuperscript{43}

Military and Technical Cooperation

Indo-Russian Defense Cooperation aftermath of the collapse of the Soviet Union in 1991 got a severe jolt, first due to new Russia’s pro-Western tilt, and second, due to poor relations accumulated by many factors, one is certainly the diversion of interests of both the countries. While more than half of the Indian defense requirements were met by the Soviet Union, its collapse suddenly reduced the percentage of supply. As a result India searched for other suppliers. The first half of the nineties were very slow in defense cooperation between the two countries, thus to motivate Indian Defense Minister, Sharad Pawar to visited other countries including the United States, Britain, Israel and Ukraine far defense purposes. The conditions later improved, especially with the visit of Yeltsin to India in 1993, and visits to Russia by Indian Prime Ministers, Narasimha Rao and Deve Gowda in 1994 and 1997 respectively. In the current scenario, it can be said that Indo-Russian defense cooperation is the best part of their relations, as Russia has once again become India’s largest arms supplier.

India and Russia launched the policies of liberalization and market reforms in 1991. Both were facing, as President Yeltsin saw, ‘mostly the same problems’ and for the Solution of these problems the Russian leader suggested, “we are to cope with enormous economic and social tasks, and cooperation between India and Russia in this area could prove useful and important.”\textsuperscript{44} After the withdrawal of excessive reliance on the Western help, Russia turned
towards the old allies, including India. Slowly Russia recovered and the major irritants between India and Russia, like rupee-ruble controversy, were resolved during the Yeltsin visit in 1993. This paved the way for smooth Military Cooperation.

Also, there have been agreement on cooperation in terms of joint research and development ventures, such as the Brahmos missile and the fifth generation jet fighter, in the fields of biomedical and other technologies and joint space efforts, and Joint collaborations in Central Asian republics. Among the ten accords signed during the visit of Prime Minister Atal Bihari Vajpayee to Moscow in November 2003, there was an agreement on cooperation in space research, which included Russian assistance in an Indian lunar mission. India is the only Country with which Russia is engaged in the joint development and production of high-tech and complex weapon systems. Another hallmark in the relationship is the Indian production of the Su-30 MKI jet fighters, under Russian license, for sale to Malaysia. Russia has expressed willingness to cooperate with India on co production of weapons systems and platforms, like a fifth-generation fighter aircraft, advanced warships and submarines. Russia’s recent offer includes joint production and investment-sharing in the development of a fifth-generation fighter aircraft and a medium-class passenger-cum-cargo aircraft. There are negotiations for opening an Amour-class submarine assembly line in India. Russia’s sale to India forms 40 per cent of its total sale of military equipment worldwide.

One of the long-hassled defense deal finally came to a settlement after India signed its biggest ever defense deal ($1.5 billion or over Rs. 7000 Cr) With Russia for the purchase of the aircraft carrier, Admiral Gorshkov, in New Delhi on 20 January 2004. Defense Ministers of both the countries, George Fernandez of India and Sergei Ivanov of Russia, rightly called the deal a
‘historic landmark’ in bilateral ties. The Russian carrier would replace India’s only aircraft carrier, INS Virat. Its induction in 2008 would ensure that the navy does not lose its expertise in handling aircraft carriers. By 2006 New Delhi intends to buy at least 30 anti-stealth 2-D 5576-3 radar systems and locally produce 50 others. This project is estimated to cost $ 200 million. A Russian firm, Beriev, is currently building three A-50 AWACS (Airborne Warning and Control Systems) called A-50Ehl. The surveillance aircraft will be the first of its kind to be built in Russia, and combines a variety of systems from Israel, India and Russia.

India has become a trustworthy partner of Russia. But both are apprehensive about Pakistan’s military expansion. Russia’s Ambassador to India V. Truvnikov said in Shimla on 2 April 2005 that the US sale of F-16 jets to Pakistan could trigger arms race in South Asia. To quote him “At a time when relations between India and Pakistan have thawed, it would be a pity that the supply of F-16 fighter planes would destroy the fragile environment in South Asia and give rise to an arms race in the region.... America should think twice before the supply of these fighter planes to Pakistan.”

The Indian and Russian troops held joint military exercises in October 2005. Undergoing familiarization at Agra, paratroopers from both countries moved to Rajasthan and conducted a mock operation to destroy a terrorist camp. At the same time, the navies conducted joint exercises on the eastern seaboard. Some key Indian military and naval personnel underwent a two-month course in Russian to transcend the language barrier. A joint naval exercise was held in 2003. This is the first time that both wings of the armed forces simultaneously held mock war games. The two Countries hoped to make the joint exercises a regular event on the lines of similar exercises with the Western Countries Deepak Sinha, heading the 50th Independent Pars Brigade,
said the training of airborne forces was being held in two parts. The first was carried out in Agra, while the second was carried out in the Mahajan field firing range in Rajasthan. Five warships from the Russian Pacific Fleet, including a missile cruiser and two amphibious assault ships, took part in the ‘Indra.2005’ joint naval exercises which were more of anti-terror in nature and have been organized within the framework of Indo-Russian anti-terror cooperation. The exercise is supposed to enhance the capacity of both the countries to counter maritime threats. It was a two-day exercise that ended on 19 October 2005. The exercise was large in Scope in comparison to the last one held in 2003 as it focused more on tactical part rather than on using more weapons.

Bilateral defence was one of the major components of Prime Minister Manmohan Singh’s visit to Moscow in December 2005. The two sides agreed to shift the main emphasis in their military technical cooperation to joint development and manufacture of futuristic weapon systems. In his joint press conference with President Putin, Singh observed: Our perspective goal is to move towards collaborative projects involving design, development and Production of the next generation of military products. On 6 December 2005, both countries signed the much debated Intellectual Property Rights agreement, which opens the way for joint high-tech projects on a large scale. As per the agreement the accord would apply to new deals only, and not with retrospective effect. India agreed to give preference to Russian suppliers, but on condition that they make deliveries within reasonable time and price. The Multi-role Transport Aircraft and the 5th-generation fighter plane have been identified as two such projects. During the visit, both countries also updated their 10-year programme on military-technical cooperation up to 2010 to take into account the new thrust towards joint production of new weapons. The two sides signed a protocol on procedures for making changes in the programme.
According to Russian sources, the lease by India of two nuclear submarines is also in the pipeline. Under a $1.8 billion contract for a 10-year lease of two nuclear submarines, Project-09710 'Shchuka-B', Russia has resumed the construction of the vessels, which were frozen in the 1990s. Both sides also discussed the plan to jointly use a military base in Central Asia.

*The Tribune* reports that Russia has offered MIG-35s to India. Each of the fighter planes that the Indian Air Force would buy could cost anywhere between Rs 150 crore to Rs 200 crore, while the total contract would well be over Rs 25,000 crore. There are indications that the Indian government could be issuing the Request for Proposals, finally putting the process for the purchase in motion. The aircrafts are an improved version of the MIG-29s with capabilities that MIG Corporation claims no other fighter aircraft in the world has. The Russian experts have stated that the aircraft has an all aspect thrust vector control; can actually stop mid-way during flight. This quality would not only allow the fighter to get better accuracy in its attack role, but would also help to avoid an enemy fighter chase.

From the above discussions, it becomes clear that the factors of terrorism, multipolarism, democracy and economic imperatives have brought India and Russia closer. To maintain its territorial integrity and sovereignty, post-Soviet pluralistic Russia, like India, has been fighting the menace of terrorism. It is but natural for Russia to appreciate India's position on the Kashmir issue. Besides terrorism, other factors like multipolarism democracy and economic imperatives also act as cementing force for peace and friendship. Both are interested in the promotion of a multipolar cooperative security world order that is aimed not at any particular country but at the tendencies and policies, which promote unilateralism thus undermining international cooperative framework such as the UN and other multinational fora.
India and Russia have expressed similar expressions towards establishing democratic order in respective countries and in the world. The multi-ethnic and pluralistic culture of both countries has further reinforced their democratic sentiments. Though Russian experience in democracy is new which at times leads to diverse interpretations regarding sustainability of democracy in Russia, the discussions above show that the evolution of democracy is slow but steady. The lack of experience problems of separatism and terrorism further compound Russian dilemma whether to follow a particular course in democratic enterprise or to try different experiments. In contrast, India has been able to evolve a smooth democratic culture. Both countries have posed faith in each other to promote the spirit of democracy together. The establishment of Inter-Parliamentary committee is a step in that direction.

Indo-Russian Economic Collaboration

India and Russia continue to sustain the close and cordial relations in the post-soviet era. In recent years both the countries have been pursuing the course for establishing a strategic partnership which is regarded as the ultimate form of relationship between the two independent states. This goal indeed demands that the present relationship be enhanced to a qualitatively new level, particularly in the trade and economic spheres. This is reflected in the exchange of visits between the two countries at the level of heads of state and prime ministers, besides other political levels, exchange of trade delegations etc. Several agreements and Memorandum of Understandings have been signed these exchanges to further strengthen the economic relations. These agreements covering bilateral cooperation have been in the areas of industrial, financial and scientific fields.
The most important characteristic of Indo-Soviet economic cooperation is that the credits were not repayable in hard currency but in Indian rupees. This amount was utilized for the purchase of Indian goods exported to the Soviet Union. This had threefold advantage for our economy. First, the country saved foreign exchange resources including those on some of the commodities, which the country otherwise would have to buy in hard currency, such as crude oil and petroleum products. Secondly, it stimulated Indian export to the Soviet market—a market, which was assured and stable. Thirdly, it enabled India to industrialize itself and build basic industries.

Another aspect of Indo-Soviet cooperation was that public sector projects built with the Soviet assistance in their production capacities were comparable with those of the developed countries and even today constitutes a strategic component of the economy. It is relevant for instance to mention here that by the beginning of these projects had produced 48 million tonnes of pig iron, 38.5 million tonnes of steel and more than 30 million tonnes of rolled iron, 70 million tonnes of oil had been drilled, and about 4.30 lakhs of metallurgical and other machinery for heavy industries had been produced. These projects in the early eighties contributed 40 per cent of steel production...60 per cent of oil production and accounted for 15 per cent of power generation. This is how Indo-Soviet economic cooperation laid the basis for the industrialization of the country and transformed it from a developing country to a most developing nation. That more than 90 per cent of the Soviet economic assistance went to the share of metallurgy, fuel energies and machine building further reinforces this conclusion. If one takes into account Indo-Soviet cooperation in science and technology, space and nuclear technology in particular, the picture graphically illustrates how this friendly cooperation has made rich contribution in making India self-reliant. It is relevant to mention here that the first Soviet-Indian agreement of February 955. Which gave a
credit of Rs. 101.93 crore was directed to build the first phase of the Bhilai Steel Plant. The second Soviet credit worth Rs. 93.71 crore on 9 November, 1957 was to be utilized for the construction of the Ranchi Heavy Machinery Plant and the Ophthalmologic Glass Plant in Durgapur, a complex at Korba and the first phase of the Neyveli Thermal power station. The third Soviet credit of Rs. 14.99 crore was given on May 29, 1959 for the construction of the pharmaceutical industry-the Antibiotics Plant at Rishikesh, The Synthetic Drugs Plant at Hyderabad and the Surgical Plant in Madras. The Fourth Soviet credit of September 12, 1959 was intended for financing the projects of the third five year plan, which included some of the ongoing projects in addition to Thermal Power Stations, construction of the BaraUlil Oil Refinery, heavy Electrical equipment plant at Hardwar and prospecting and drilling work for oil and gas. This credit was worth Rs. 281.14 crore, to quote some figures.

On the other hand, India had found a new and stable market in the Soviet Union for its traditional export items such as jute, tea, jute articles, and coffee Spices, tobacco, skims and leather goods. With industrialization manufactured and semi manufactured goods to the Soviet Union, such a pig iron, accumulators and power cables. Another new area of India’s exports to the Soviet Union was consumer goods such as hosiery, cotton and woolen fabrics, garments, handcrafts, linen and some of the herbal medicines. And with the industrialization of the country, the pattern of the Indo-soviet trade too had started changing.

By early Eighties the trade turn over between the two countries was its. 2,000 crore and the Soviet Union became one of the biggest trade partners of India. It is also relevant to mention that with industrialization of India and growing demand of consumer goods in Soviet Union. The trade pattern between the two countries also started changing. Till the mid sixties, traditional
items of export-tea, coffee, raw wool, leather, spices, Jute and jute bags and cotton textiles constituted 80 per cent of India’s export to the Soviet Union but in the early Eighties, their proportion came down to some 50 per cent. This shift should be estimated in the context of expanding trade between the two countries.  

This shows that erstwhile Soviet Union became an important light partner of India, primarily because of rupee trade. Trade between the two countries increased from Rs. 1.3 crore in 1956 to Rs. 7.800 crore in 1990-91. India’s exports increased from Rs. 1.226 crore in 1980-81 to Rs. 5.255 crore in 1990-91 and her imports increased from Rs. 1,014 crore to Rs. 2,348 crore during the same period. The USSR accounted for 17 per cent of India’s exports in 1990-91 while USSR share in India’s imports was 5.9 per cent. It is important to mention that the trade denominated in Indian rupees benefited both the countries immensely. India like the Soviet Union, derived greater advantage as its need to source imports without spending foreign exchange was even more than that of the USSR.

After the disintegration of the Soviet Union this unique model of economic relationship under-went basic changes. A 5-year trade agreement was signed between India and Russia in May 1992 which marked the end of Rupee trade from January 1993 and ushered a new-phase of Convertible currency trade. India also extended a line of credit of Rs. 250 crore lots the purpose of financing India’s exports of tea, coffee and tobacco to Russia. Indian debt to Russia was to be repaid to the extent of Rs. 3.000 crore annually through exports of goods and services. The Indian debt was evaluated at Rs. 31,377 crore, out of this, Rs. 19,044 crore carrying an average rate of interest 2.4 per cent was to be repaid in 12 years. The remaining Rs. 11,733 crore carrying a nil rate of interest was to be repaid in 45 years beginning April 1993.2 This and
other measures laid the basis for restructuring the economic relations between India and Russia in the new conditions.

In August 1998, Russia faced a crisis due to (i) fiscal mismanagement (ii) overdue short-term foreign exchange liabilities. As a result rouble was under pressure. The IMF provided financial support of $22.6 billion to Russian bail it out.

As far as India is concerned rouble devaluation did not have much effect because 80 per cent of its exports are rupee denominated and governed by the Indian export. Rs. 3.000 crore worth of goods are explored to Russia every year in discharge of its debt obligation to the former Soviet Union.

Political stability in Russia combined with economic reforms has begun to turn the tide. Russian industries, particularly consumer industries have begun to pick up. Real incomes have begun to rise and rouble in now appreciating.

In 1992-93 India’s exports to Russia was 3.3 per cent of its total exports and its imports in the same year was 1.2 per cent of the total imports. In 1998-99 India’s exports to Russia was 2.1 per cent of its total exports and its imports in the same year was 1.3 per cent of the total imports.

This shows that after the disintegration of the Soviet Union, Indo-Russian trade has registered no marked change and there are various reasons for this, including tuff competition from western countries and poor image which India has created in the minds of Russian consumers.

No doubt, Russia provides a large market. The market sized is estimated at $18 billion. It is growing by 4 to 6 per cent every year especially for
foodstuffs, beverages, textiles, leather goods, consumer electronics and cosmetics. The emphasis in the Soviet consumer market is on basic needs. However, it leans distinctly towards all western consumer goods. Russians have learnt to demand the best. Indian exporters can no longer treat the Russian market as a place to dump sub-standard goods. In fact, in many important commodities India has lost market share substantially. Traditionally, Russia has been the largest importer of tea from India together with other products like rice, tobacco, pharmaceuticals, textiles and leather garments. But in tea Sri Lanka is overtaking India.

Similar is the situation with Indian companies operating in Russia. Of the 400 Indian companies that had operations have closed shop and more are on borderline. The enthusiasm of a few years back has eroded by continuing problems and the recession. Cadila, Balmer Lawrie, L & T and Bharat lorge are reported to have lost faith in operations.

There are ample opportunities to collaborate for Indians to have joint ventures in Russia. The areas include petrochemicals telecommunications and development of port facilities in the black sea region. Departmental Stores, fast food chains and hotel industry also offer investment possibilities in Russia. Indian joint ventures in Russia can also help us in penetrating the European market.

There is a good opportunity for a strategic partnership between India and Russia in the field of diamond business. Russia’s strong production base and India’s processing capabilities could be pooled to improve value addition to each other business-resulting from a stable and viable price for Indian processing industry and an assured market for Russia demands. MMT from the Indian side and Gokhran from the Russian side are expected to identify
different types of rough diamonds which could be supplied by Russian to the Indian processing industry at reasonable costs to market ii more competition in world markets. Russia would benefit by direct sales which would be more remunerative due to elimination of intermediaries.

Future prospects of Indo-Russian economic cooperation should be examined on the basis of experience of India’s economic relations with the Soviet Union, complementary nature of the economies of the two countries and above all the new economic reforms being introduced in the two countries.

It is relevant to mention here that Russia has made it clear that it will discharge its foreign debt regularly. Russian also declared in 2002 that it intends to join WTO. Significantly Russia’s foreign debt has come down to 51 percent of the GDP and can fall to 45 per cent by the end of 2002. As much as 2.6 billion dollars were accumulated in 2001 as a financial reserve. This money can fully pass into the year of 2003 (the year of the most sizable foreign debt payments Russia must pay about 19 billion dollars). But even in case of a pessimistic variant of a fall of oil prices, for instance, if they drop to 14 dollars per barrel, Russia will not face serious problems with the financing of a deficit free budget, as well as with the fulfillment of the foreign-debts obligations.

This trend should be seen in the context of on going structural reforms which are taking place in Russia at present. Russia has recently enforced laws controlling accumulation of wealth by criminals and mafia gangs. Importantly flight of Russian capital to other countries has dropped from 24.4 to 17 billion dollars.

This analysis shows how Russia is once again emerging as an economic power with its vast natural resources, crud oil, diamonds and its defense
manufacturing industries on one hand and expanding internal market on the other. This open new potentiality for Indo-Russian economic cooperation.

**Putin’s Claim of Qualitative Improvement in Russian Economy**

Vladimir Putin’s visit to India and in particular to Mumbai, the financial capital of India and his meeting organized by the CII and FICCI to discuss “India Russia Economic Co-operation” in which 350 CEOs of leading industrial firms of India interacted with the Russian President, assume great significance. As the long awaited visit of the Russian president to India has materialized, he has tried to convey to the Indian business circles that there has been a qualitative change in politico-economic life in Russia. So far as Russian economy is concerned, Putin seems to have turned the corner after the Country experienced major economic Crisis resulting from Rouble devaluation in August 1998. This is evident from the performance of the economy during the year 2000. The GDP growth for the year 2000 as a whole is expected to be about 6-7 per cent. Industrial output has registered a record 10 per cent growth during the period January-August 2000 against the corresponding period of the last year. On the agriculture front, grain collection has exceeded 70 million tons which is about 10 million tons more than that in 1999. This will reduce the dependence of Russia on the import of food grains. So far as the foreign trade sector is concerned, as of 1-8-2000, Russia has achieved a trade surplus of $ 38 billion as against $20 billion in the previous year by trading mainly with countries outside the CIS. What should be equally gratifying to Putin is that gold and foreign exchange reserves has exceeds $ 24 billion in August 2000 as against $ 13 billion when he formally took office in January 2000. Inflation has been brought down to below 40 percent and exchange rate of rouble has been stable at around roubles 26-27 to a dollar.
Continuing the record of good performance, according to available official sources, Russia’s tax collection has exceeded by about 75 per cent to reach 53 billion roubles ($2 billion by August 2000) and that profits of about 51,800 large and medium firms have risen by 110 per cent during January-July 2000 over the level of the corresponding period of last year. Sector-wise, the pre-tax profit making units were—communication tourism, food-processing and wholesale trade of industrial products. In the opinion of some analysts, Russia’s improved financial position is partly due to rise in world prices of oil and natural gas. It is estimated that at the minimum international price of $ 24 per barrel, there will be additional revenue to the tune of 54-60 billion roubles (about $ 2 billion) to the Federal budget. Hence it is contended that the Russian economy may be vulnerable if there is decline in the world energy prices. Notwithstanding this, there is overwhelming view in Russia that there is definite improvement in Russia’s economic Performance during the year 2000. Emphasizing Russia’s economic performance Putin has called upon Indian entrepreneurs to make use of Opportunities now available in Russia.

With this improvement in Russia’s economy there should be favorable influence on the general standard of living in the Country Hence there are expectations of increase in domestic demand for a wide range of consumer goods. In that case import demand for several consumer goods may go up. This situation may open up possibilities for India to step up exports of both traditional items such as tea, coffee, ready-made garments, medicines and even consumer durables. However, in view of the facts that at present most of these traditional items are exported against the DRF, the Russian government should be persuaded to auction rupee funds with greater regularity and transparency. This may create better opportunity and incentive and even provide a good basis for reliable and large export houses from India to supply good quality products to the Russian market.  

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Unresolved Economic Issues

There are several problems and issues which still confront the Policy markers and they should be analyzed and considered objectively. Firstly, ML-Factor has assumed great importance. (In the former Soviet Union M-L meant Marxism-Leninism and now in Russia M-L stands for Money - Laundering). Money laundering has become a major problem since millions of dollars are being continuously siphoned off from the country by semi-legal and illegal means. According to available reports, over the last one decade, the quantum of money being laundered from the country every year has been more than what the Country has received from various international financial institutions. But the irony of the matter is that on the issue of money laundering the Russian policy makers does not appear to have paid much attention and presumably therefore have not achieved much success so far. But ML issue has often caused much criticism and embarrassment to Russia’s policy makers. In an effort to tackle the problem of money laundering although Russia has signed the convention in May 1999, the same has not been ratified even by September 2000 presumably due to bureaucratic and technical hurdles. The Russian government has, therefore, now urged Putin to submit the same to the Duma (the Russian parliament) for ratification. At a time when Russia badly needs resources for development, outflow of hard currency from the country on a large scale adversely affects the economy and sends unfavorable signals abroad. The issue of money laundering is also linked with the pervasive problem of mafia and other related economic crimes in Russia which are affecting economic development in the country.

Secondly, Russia has a major problem of repayment of foreign debt which is exceeding $150 billion, although part of this debt is being carried forward from the Soviet era. While Russia has not defaulted on debt repayment, it has managed to reschedule its debt to the London Club. In the
year 2000, Russia has to pay foreign debt of USD 14.5 billion, but in the budget for the next year provision has been made for only USD 11.3 billion. Hence Russia has to mobilize additional resources for repayment of debt which will exert pressure of the budget.

Thirdly, Russia has been facing the problem of wage arrears for the last several years affecting even crucial sectors of the economy such as coal mining, power generation etc. While the severity of the problem might have become less, the current wage arrears exceeds 2 billion roubles ($75-80 million) causing some burden on the Federal State budget.

Fourthly, the Russian government has not been able put in place ownership rights even as the policy of large scale privatization of state property has been carried out since the last 8-9 yeas. This is particularly affecting the interest of foreign investors. Similarly, the Russian government has been slow in carrying out the much needed tax reforms, since the present tax system is highly complex and open to misuse by the authorities to harass the genuine entrepreneurs. In this context the observation of the foreign minister of Japan seems relevant. He has opined that while Japan has given a loan of $6 billion to Russia, investing that amount has become impossible because ‘Russia’s tax system lack of transparency in conducing contracts and legal mechanisms do not promote formal economic cooperation.’\(^{55}\)

Lastly, although Putin has been able to get the support of the Duma for most of his policies, there are on-going conflicts between some oligarchs particularly, Gussinsky and Boris Berezovsky on the one hand and Russian government on the other. Similarly, some regional governors are unhappy with the consolidation of power back with the centre after Putin has assumed Presidentship. While it may be too early to predict as to how these issues are
likely to be resolved, they have potentiality to affecting economic development in the country.

Hence if Putin will succeed in solving these issues and is able to push through necessary legislation and more importantly implement the policies, then Russia may very well succeed in creating proper investment climate to attract more investment opportunities from foreign countries. Hence Indian policy makers and the business community should also watch closely developments in Russia’s economic scene to draw necessary conclusions from India’s own interest and perspective.

Indo-Russian economic cooperation has not been commensurate with their mutual potentials. Felix Yurlov agrees with the opinion of several others that the first ten years of economic relations were a ‘lost decade’, and a ‘decade of lost opportunities.’ He says: Russia, in the mid 1990s, started changing its foreign policy and turning its attention towards east, and India in particular. Time was lost in spite of all advantages which we had in our relations with India, cooperation in different fields like trade and economic field, scientific, military, cultural field. So, we have lost quite a lot in those five years. With a bad start at present the bilateral trade between the two countries is at a level of $1.5 billion. Some of the factors that obstructed the smooth growth of economic relations were rupee-rouble trade controversy, diversification of economy in both the countries, major focus on military cooperation and negligence of other areas such as energy, space, information technology, etc.

Economic cooperation would be mutually beneficial for both the countries. While India can fill the consumer market voids in Russia, Russia can meet the Indian requirements in arms, oil, natural gas, mineral resources and metallurgy. Under the Integrated Long-Term Programme of Scientific and
Technical Cooperation (LLTP) signed during President Putin’s visit to India in October 2000, both countries undertook more than 150 joint scientific projects, which could provide relatively cheap technologies in various fields from biomedicine to semiconductors, computer chips, new materials and energy sources. During the then visit of Indian Petroleum Minister Ram Naik to Moscow in February 2001, the Indian Oil Company, ONGC Videsh Ltd. and the Russian Rosneft signed an agreement on the joint exploration of hydrocarbon resources in the Russian Far- Eastern island of Sakhalin. During the visit of President Putin to India in December 2002, both sides signed the Joint Declaration on strengthening and developing economic, scientific and technological cooperation. A document on economic cooperation between Indian State of Karnataka and Samara region of Russia, and another document on telecommunication were signed during the visit.56

The last quarter of 2003 witnessed some positive developments in economic relations between the two countries. The Confederation of Indian Industry (CII) opened its office at the Russian Chambers of Commerce and industry in October 2003 to facilitate the process of economic cooperation. During the visit of Prime Minister Vajpayee to Moscow in November 2003, 85 Indian businessmen accompanied him to study the prospects of investment and joint collaborations with Russian companies.57 Amit Mitra, Secretary General of FICCI (Federation of Indian Chamber of Commerce and Industry), accompanying the prime minister during the visit, estimated that the bilateral trade might reach $5 billion by 2005. He said such a breakthrough could be made through close cooperation in oil and gas industry, telecommunications and information technology, metallurgy and energy.58

Mani Shankar Aiyar, India’s Petroleum Minister visited Moscow in October 2005 to discuss India’s energy requirements with Russia. He
welcomed Gazprom’s (Russian firm) interest in the Iran-Pakistan-India pipeline (IPI). A 10-member high-level delegation of Gazprom arrived in Islamabad in October 2005 to begin formal discussion on the construction of the $7 billion Iran-Pakistan-India (IPI) gas pipeline, and an ambitious project of gas storage in Pakistan. It was the first visit of the Chairman of Gazprom to Pakistan, the world’s largest gas producing company with over 20 per cent share in global gas production.59

During Prime Minister Manmohan Singh’s visit in May 2005, both countries decided to set up a Joint Study Group (JSG) on Economic Cooperation to look into the feasibility of the Comprehensive Economic Cooperation Agreement (CECA). On the Kudankulam issue, the Prime Minister sought to allay fears of President Putin on the nuclear fuel falling into wrong hands and said a Bill to prevent its misuse would be introduced in the Indian Parliament. The Indian Cabinet had already Okayed the Bill. During Manmohan Singh’s visit to Moscow in December 2005 to attend the sixth bilateral summit, President Putin said, “We have been successfully cooperating in nuclear energy and Kudankulam nuclear power project is an example. We see India taking necessary steps to build relations with the Nuclear Suppliers Group (NSG).”60 Prime Minister Singh observed that there was a vast potential for expansion of cooperation in the field of civil nuclear energy given India’s growing energy requirements and the importance of nuclear energy as a clean and viable alternative energy source. Some of the most ‘significant and promising areas’ of cooperation identified during the visit were energy, telecom and transportation.

A major hurdle in Indo-Russian nuclear cooperation has been the restrictions imposed by Nuclear Suppliers’ Group (NSG) on both India and Russia. Russia, which is also a member of 44-member NSG, has assured India
of easing the restrictions. Sergei Ivanov, Russia’s Foreign Minister during his meeting with External Affairs Minister Natwar Singh in Moscow on 29 October 2005 indicated that NSG could make an exception regarding India in terms of norms observed by the nuclear group so that civilian nuclear energy cooperation could be expanded. Natwar Singh was in Moscow to attend the meetings of the Indo-Russian Inter-Government Commission (IRIGC) and the Shanghai Cooperation Organization (SCO).

During Prime Minister Singh’s visit an agreement was signed on technology safeguards while implementing the long-term cooperation in the area of joint development, operation and use of the Russian global navigation satellite system Glonass. G Madhavan Nair, Secretary, Department of Space and A Perminov, Director, Russian Federal Space Agency signed the agreement. This agreement envisages launching of Glonass satellite using GSLV launch vehicle of India. In turn, Russia will provide access to Glonass system signals for Indian use. It also envisages joint development of user equipment for exploitation of Glonass signals for commercial purposes. The agreement opens the road for the implementation of a 2004 agreement on joint design and ‘launching of Glonass communication satellites, which will be used by both countries for civilian and military purposes.

Another agreement on cooperation in the field of solar physics and solar terrestrial relationships within the framework of CoronasPh0t0fl project was signed during the visit. The Coronas-Photon mission aims at research in the field of solar physics and solar terrestrial relationships. The agreement enables integration of the Indian RT-2 payload with the Coronas-Photon spacecraft and the joint space experiment using the RT-2 equipment. The agreement basically revives a Soviet-era Coronas-Photon project under which six instruments fabricated at the Tata Institute of Fundamental Research (TIFR) were to have
been installed on a Russian Photon satellite. The project was frozen in the 1990s for lack of funds on the Russian side. During his visit to the Moscow State University, which conferred the title of Professor Honoris Causa, Prime Minister Singh urged the young Russians, especially the entrepreneurs, to visit and invest in India. Speaking before the academic council of the university he called on young Russians to, “Once again look at India and discover the new face of India”, because “There is a need for a new generation of Indians and Russians to discover each other...of late people-to--people, business-to-business contacts have been far below potential and certainly below what our friendship warrants.”

Viktor Khristenko, Russia’s Energy and Industry Minister invited India to invest in Russia’s energy sector, and join Russian companies in exploration and extraction activities in third countries, particularly in Central Asia. In the context of the interest expressed by ONGC and other Indian companies in picking up a stake in Russian energy companies like Transneft, Manmohan Singh and Khristenko agreed to promote cooperation between their respective oil companies through ‘joint ventures and equity participation.’ The Russian minister specifically welcomed India’s interest in participating in the Sakhalin-3 oil project in Siberia. India has already invested $2.7 billion in Sakhalin-1 but is expected to have to bargain hard for a share in even more lucrative Sakhalin-3 venture where Russian and international energy majors such as Lukoil, Gazprom, Rosneft and Exxon Mobil are all jockeying for position. Prime Minister Singh conveyed India’s willingness to consider positively the construction of additional reactors in view of its growing energy needs.

In a meeting Prime Minister Singh and Russian businessmen agreed to develop a long-term energy partnership and decided that India and Russia would explore oil and gas assets both in production and explorations in third
world countries like the Central Asian region. India also responded positively to the Russian request to construct additional nuclear reactors in view of India's growing energy needs. This was a clear signal that nuclear energy is set to play a pivotal role in India-Russia economic relations since international restrictions on technology transfer to India are expected to be lifted shortly. Referring to India's investment in Sakhalin-I, Manmohan Singh showed interest in Sakhalin-III. The dialogue between ONGC, GAIL, Roseneff and Gazprom, he said, is gaining momentum. Asking the business communities to seize the initiative, the Prime Minister also informed them that India was working on an agreement to permit the utilization of the remaining rupee debt for Russian investments in India as their bilateral trade was moving from the rupee-rouble arrangements to becoming a fully market determined phenomenon. Both countries discussed the difficult visa regime, lack of information, weak financial base and lack of transport links.

In the field of Indo-Russian economic cooperation, some new areas can be identified. One area is joint cooperation in Central Asia. India could play a bigger role in Russia's energy strategy such as joint exploration and prospecting for new areas in eastern Siberia and in the Caspian Sea basin. Involvement in the construction of the pipeline network, modernizing and upgradation of existing port facilities is another such area. India will have to go for long-term agreements to buy Russian oil.

The transport route in the present situation is via the Black Sea. A new opportunity that has opened up is to directly deal with the vast regions of Russia. For instance, the agreement between Gujarat and Astrakhan, Karnataka and Samara, can prove helpful. The potential for cooperation in diamond processing, development of inland waterways and road construction needs to be explored.
Lastly it can be said that Indo-Russian strategic ties confront three significant challenges. The first and most important challenge is that both India and Russia recognize the importance of the United States in the current international order and the importance of maintaining good relations with the unipolar power. For both countries, this imperative over-rides most other strategic requirements. This affects Indo-Russian relations in a variety of ways, from the most obvious such as limitations on the extent of military ties and, particularly, research and development collaboration, to less obvious ones, such as the fact that both India and Russia have closer economic relations with the US than with each other.

The second challenge that India and Russia face is in understanding and dealing with China. There is a general reluctance in the foreign/strategic policy establishment of major capitals around the world to talk in anything more than a whisper about how to deal with China. Both India and Russia recognize the long term threat that China poses, but are unsure of how exactly to deal with this threat. In the Russian case, this problem compounded by Russian arms sales to China, which though necessary to maintain a viable Russian defense industrial base, something which is in India’s interest also, nevertheless impacts on the military balance in Asia and on India’s security.

The third challenge that the partnership faces is that both countries are relatively weak. Unlike the Soviet-Indian partnership during the Cold War period, this was anchored by Soviet superpower capabilities to back the other on significant international issues. For example, it is unlikely that Russia is today in a position to veto decisions of the UN Security Council unfavorably to India, as it did during the 1971 war.
Despite these challenges, the strength of the relationship lies in the continuing complementarity of interests. Neither India nor Russia can tolerate the dominance of any single power in the global community and in the region. American power and China’s potential power in Asia are realities with which both India and Russia have already come to terms. Indeed, both powers may have actually learned to use these powers to promote their own interests, as can be seen in the war on terrorism and on other issues such as on nuclear weapons and ABMs. But these are strategies of weaker powers, and both countries will be more comfortable balancing against these powers than bandwagoning with them. As both India and Russia grow stronger, their mutual interest in countering the dominance of any single power in global and Asian politics will only bring them even closer.64
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Defence Collaboration between India and Russia in the Context of Changing International and Regional Scenario:

Indo-Russian Co-operation in the field of defense constitutes one of the most important features of Indo-Russian bilateral ties. However, the relationship is undergoing significant changes in the new context of market reforms and globalization, as well diversification of acquisitions by India. Owing to the past legacy and ongoing projects, Russia will remain, at least for the foreseeable future, a major defense partner of India. However, in view of the increased competition for the Indian defense market and the technological demands of India's defense sector, joint development and production of new weapons systems could become crucial for sustaining Indo-Russian co-operation in the coming years.

Co-operation in the field of defense constitutes the most important feature of bilateral ties between the two countries. A majority of the Indian military hardware is of Russian origin. Cooperation in the sensitive defense field presupposes and has engendered a high level of mutual trust and a broad compatibility of geopolitical interests. Despite the fact that Indian policy makers are engaged in diversifying the sources of military equipment and technology acquisitions, because of the long-established ties and ongoing projects, Russia is likely to remain for the foreseeable future the major defense partner of India. On their part, the Russian policy-makers and defense industry managers are aware of the need to adapt to the new market dynamism and growing competition in the sizeable Indian arms market. Indo-Russian defense ties have their share of new opportunities as well as the problems that the two sides need to address.
A major development that took place after 1993 was the increasing level of defense cooperation between India and Russia. It was no secret that Indian military establishment had been dependent on Russia for spares as well as its modernization. Though starting with a disappointing note after the disintegration of the Soviet Union, the Russian cooperation in the field of defense increased gradually. For instance, the two countries signed an agreement on military cooperation on 22 October 1996, during the visit of Russian Defense Minister, General Igor Rodionov to New Delhi. The accord envisaged reciprocal training of the services personnel at each other’s training institutions, joint military exercises, and deputation of observers to each other’s military practices. With this new pact, military steering groups were to be established by all the three services whose activities would be coordinated by Russia’s main Directorate of International Military Cooperation and India’s Defense Planning staff. The two sides were to exchange views and information on the operational doctrines of common military hardware. Other components of the agreement were related to deputation of military specialists for the maintenance of arms and communication, visit by senior officials, participation in seminars and symposiums, joint sporting and adventure activities. Indian Defense Minister Mulayam Singh Yadav, during his visit to Moscow in October 1996, signed an agreement to extend military to military cooperation that would last till the year 2010. India was the only country with which Russia signed this type of bilateral defence cooperation programme. President Yeltsin, during his discussions with Yadav, repeatedly referred to his country’s relations with India ‘brotherly.’

The uncertainty regarding the cooperation in the nuclear field was overcome gradually in the later phase of the Yeltsin period. The Russian leaders, during the visit of Indian External Affairs Minister, I. K. Gujaral to Moscow in February 1997, reiterated that Moscow would honour its commitment to sell nuclear reactors to India. The Russian Parliament, on 14
March 1997, approved with applause the statement that each one of its factions supports the policy of cooperation with India. This was an indication of the overwhelming public support in Russia for strengthening relations with India. This also served as a reliable pointer for the forthcoming visit by the Indian Prime Minister, H. D. Deve Gowda to the Russian capital in March 1997, in which both the countries discussed the policy of nuclear cooperation. One of the major purposes of the Deve Gowda’s visit was to finalize the purchase of two 1000 MW nuclear power reactors. The negotiation for the sale of reactors had started in 1988 but Russia started dilatorily after the 1992 Nuclear Suppliers Group Pact; it was bowing to the US pressure. It became doubtful if the reactors would ever be supplied. Since the proposal dated back to 1988, it could escape the provisions of the pact. To nullify the American pressure the Russian leaders assured Deve Gowda that no third country could have any say on their bilateral relations.

Deve Gowda, during his talks with President Yeltsin, recalled the Moscow Declaration of 1994 as a joint declaration against ‘aggressive nationalism, separatism religious extremism, terrorism and cross movement of narcotic drugs and arms.’ He emphasized that India and Russia had a shared interest in working together in these areas. These challenges posed danger to pluralistic societies of both the countries. Hence, to check the menace of these ever-increasing threats both needed to develop a common approach on the issues of mutual concern. Yeltsin was of the view that India was a major stabilizing factor in Asia. Hence, for peace and stability in the region, maintenance of the sovereignty and territorial integrity of India was important.

During Deve Gowda’s visit, Russia agreed to help India in developing a state of the art integrated air defence system. During the discussions Yeltsin criticized the NATO move to expand eastward. He referred to this move as ‘manifestations of expansionism’ and said, “Russia believes that dominance of
a group of states to the detriment of other members of world community is extremely dangerous and inadmissible.” Also that “the world cannot be unipolar and in a multipolar world India and Russia are two poles themselves.” This common resolve to promote the multipolar world order has been reiterated many times in later occasions.

Indo-Russian defense cooperation in the post-Soviet era has undergone a radical change. President Yeltsin’s visit to New Delhi in January 1993 saw a marked shift in the relationship between the countries. Yeltsin and Prime Minister P.V. Narasimha Rao signed a 20 years Treaty of Friendship and Cooperation replacing the similar 1971 Indo-Soviet Treaty. This extension by a decade has added a new dimension to Indo-Russian relations. During the Prime Minister Primakov’s visit to New Delhi in December 1998, seven agreements signed between India and Russia. The document on long-term military technical cooperation till the year 2010 is the key document. On a visit to New Delhi in March 1999, Russian defense Minister Igor D. Sergey and his Indian counterpart, George Fernandez signed a military cooperation agreement to train Indian defense personnel in key Russian military academies. The long-term bilateral defense cooperation programme will cover such new areas as naval nuclear technologies and anti-ballistic missile defense systems. This long-term MTC will enhance the joint R&D capabilities of the two countries in the production of new weapon systems. On December 27, 2000, India and Russia finally signed the single largest arms deal the Su-30 MKI will be manufactured in India with Russian assistance. This means complete transfer of technology to India. This Indo-Russian Sukhoi deal is the single largest defense deal ever signed by Russia with any foreign country. Under this deal, 150 Su-30 MKIs will be manufactured in India; including indigenous production of all the components over a period of the next two decades. The Su-30 MKI will have onboard avionics and other support Systems developing by India and also equipment from countries like France, South Africa, and the United Kingdom.
China also has MTC with Russia. Both China and India account for almost three-fourths of Russia’s armament exports.

Russia remains India’s biggest supplier of defense products but as Prime Minister Atal Bihari Vajpayee, stressed during the Putin’s visit in December 2002, the India Russia defense relationship goes beyond merely buyer and seller as it now encompasses a wide range of cooperation including research, design, development and co-production.

One of the major irritants about supply of Russian defense equipment is regular and timely flow of spare parts. The problem is complex because there is no single supply source as a large number of Russian companies are engaged in manufacturing of different spare parts. So far spare parts have been supplied to India through intermediacy and now Russia is evolving a system under which the original manufacturers will supply the spare parts to India. Indian anxiety is that the spare part should be supplied well in time.

Under an agreement reached recently, India’s defense acquisitions from Russia will now be negotiated on the basis of a model contract which will have a sub clause dealing with the life-long supply of spares or setting up facilities for their production in India. Russia has also agreed to provide unified price lists for spares and components and give Indian specialists access to technical documentation of the hardware sold to India.10

It is pertinent to mention here that Russia sees the proposed privatization of the Indian defense industry as a welcome chance for its arms manufacturers to consolidate their foothold in the Indian market.
“The Russian weapons industry is ready to look into opportunities for investment in the Indian defense sector,” said Viktor Komardin, deputy chief of the Russian arms exporting monopoly, Rosoboronexport on 17 February 2002. This shows that integration of the Indian and Russian defense industries would be in line with the current shift from the buyer-seller relationship to joint development and production of new weapon System.

Top defense factory managers of Russian have been visiting India, to Strategic partnership with India.

“We take interest in the privatisation of India’s defense plants,” said Mr. Korenkov, General Director of the Bazalt factory, Russia’s manufacturers of unguided munitions. “If Russia and India are strategic partners, it would be logical to integrate our defense industries.”

Bazalt, which has been supplying air bombs and artillery shells to India, is now proposing joint developments of new-generation munitions, such as winged air bombs that enable the pilot to hit targets 6 km to 15km away while staying out of range of enemy air defense.

“We are prepared to consider setting up a joint venture with an Indian entity and manufacture new munitions for our two countries as well as for export to third countries.” The Bazalt manager said.

Participation in India’s defense sector disinvestments programme can also help Russia to face up to mounting competition from Western arms manufacturers.
We propose to increase the share of high technologies in our defense exports to India, to move from licensed assembly of Russian made weapons to joint development and production and to promote factory-to-factory ties, said Mr. Komardin.

Experts said the Russian defense Industry, which is wholly state owned could invest both cash and technologies in the Indian defense sector. "The Russian defense industry is capable of investing in India $600 to $700 million over the next three to four years, said Alexand Vaskin of the Indo-Russian Security Forum. "As for technologies, the Russian contribution could be far weightier, if, For example, the two countries go for the joint development of a fifth-generation jet fighter or a fourth generation tank on the basis of the Russian T-95 MBI."15

This shows that Indo-Russian defense cooperation is not only expanding but has begun to take a multi-dimensional character. This leads to the conclusion that Indo-Russian defense cooperation has already entered a new phase.

India’s Nuclear Test and Russian Response

The rapid pace of relationship seemed to come to a halt after India tested nuclear devices in May 1998. That was a true test of friendship on the part of Russia. But it was difficult for Russia to reconcile the Indian tests given its stated stand on nuclear non-proliferation. It had always been an advocate of NPT and CTBT, and wanted India to sign both the treaties. India had rejected both the treaties on the ground that they were discriminatory. Russia had actually never raised the issue to such a level to jeopardize the emerging relations between the two countries. In the wake of the Indian nuclear tests
Russian leaders were in a dilemma regarding how to handle the quirky situation.

President Yeltsin, on 12 May 1998, publicly expressed his anguish and declared, “India has of course let us down over their nuclear explosions.”16 Foreign Minister Primakov in an interview emphatically stated: we do not like it. Naturally we are against them because India is upsetting stability that has taken shape in the world now in preventing nuclear explosion in general, both underground and so on. We would like very much that India, being our friend and partner, stop and would not go any further. Primakov, on 30 May 1998, made a three-point proposal for discussion at the foreign ministers’ conference of the P-5 at Geneva on 4 June. These were: (1) India and Pakistan should be subjected to increasingly intense pressure to make them sign the NPT; (2) India and Pakistan should be made to join the international test ban; (3) Everything should be done to ease tensions in the relations between the two states. The proposal envisaged signing of the NPT and CTBT by India and Pakistan, bilateral discussion to resolve outstanding problem between the two countries, and immediate interaction among permanent members of the UNSC to work out common measures for curbing an arms race in the South Asia. However, Primakov opposed any economic sanctions but stressed on the big powers stepping up “efforts for resolving the Indo-Pakistan conflict in Kashmir and sorting out all other outstanding differences between the two Countries.”17

Though the initial reaction of Russian leaders to the Indian nuclear test was bitter, yet they did not take any concrete step commensurate with their reaction. No one, Yeltsin, Primakov or Russian Parliament, stressed on the big powers to intervene to resolve the Kashmir issue. The strategy of Moscow seemed to resolve the post-Pokharan dilemma by condemning the nuclear tests in the subcontinent along with the other members of the P-5 countries but at the same time going ahead with business as usual with India. Russia did not
impose any sanction on India and did not let the nuclear issue have any bearing on bilateral relations.\textsuperscript{18}

Even some of the important agreements and defense deals were finalized after the nuclear test. For example, despite the US pressure Yevgeny Adamov, Russian Minister of Atomic Energy, signed a deal in New Delhi on 21 June 1998 to build two light water 1000 megawatt nuclear reactors at Kundankulam in Tamil Nadu. In fact, more than Indian tests, Moscow’s main worry was the threat of other threshold countries and above all Pakistan turning overtly nuclear. The Pakistan Ambassador in Moscow was called to the Russian Foreign office urging them to show maximum restraint in connection with the Indian tests, and to adhere to the non-proliferation norms. The Russian embassy in Islamabad also got in touch with the Pakistani authorities on the same issue.\textsuperscript{19}

Not all Russian leaders were critical of the Indian nuclear tests even at the initial phase of reactions. The Russian Duma in fact came out in praise of the Indian tests. Gennady Seleznev, Chairman of the Duma supported the Indian tests: “I believe that India acted correctly. In this respect it acted very consistently and it was a correct decision not to curtail its research programme halfway in spite of US pressure. I can only admire their national pride.”\textsuperscript{20} Izvestia in its headline, ‘Moscow will not quarrel with its ally Indian nuclear tests do not threaten Russia’ on 14 May 1998 emphasized, India is not Iraq, Iran, Libya or North Korea. To befriend her is not shameful. The reference obviously was to India’s long record as a practicing democracy and the international prestige that it enjoyed from its very inception. Vladimir Kuchenenko in Rossiyakaya Gazeta highlighted the double standards of the West and its attempt to preach ‘victorious morals’ to India. He asked why India can’t, for instance, ensure its own security through nuclear weapons at a time when other countries have this right.\textsuperscript{21} Hence looking at all these developments
one could well understand the Russian policy of not decrying India’s nuclear tests out rightly, but to show understanding at India’s security imperatives.

It would be appropriate to dwell, at some length, on the shift in Russia’s policy towards India, particularly towards the Kashmir issue after the last quarter of 1992. It is true that for over a year after the break down of the Soviet Union, the entire system of trade and economy, military and technical and cultural ties between India and Russia were thoroughly undermined. The situation was so hopeless that Russian analysts were said to fall into two categories: pessimists and skeptics. President Yeltsin saw himself as being involved in a war against economic collapse, panic, famine, decline and death. He admitted, “The coming months would be toughest in my life.” In such a desperate situation, the Russian leaders sought the help of the Western powers to revive the sagging economy. The transition from state socialism to capitalism required enormous financial resources. The Kozyrev-Gaider team hoped that the West, which so enthusiastically hailed the end of communism in Russia, would provide massive financial assistance for reforms. However, this did not happen on the scale expected by the reformist government. The consequent disappointment led to self-introspection among the Russian leaders. Vladimir Lukin, Chairman of the Duma International Committee even talked in the Duma of reframing Russian foreign policy as “all of Russia’s partners without exception the Americans, West Europeans and to my great regret, all East Europeans have used us as a doormat.” The US policy during the Gulf war in 1991, its vigorous pursuit of eastward expansion of NATO, its attitude to ethnic problems in Russia, led to the disenchantment among the Russian leaders; thus ending the romanticism between Russia and the West.

The factors that influenced the Russian leaders to adopt a Pragmatic policy were: Russia’s exclusion from deliberations related to the future of the Korean peninsula; the US efforts to deny Russian entry into the military
markets of US regional allies, such as South Korea; US encouragement of Central Asian energy development while playing down Russian role in this; and the US efforts to retain strategic importance in the Western Pacific highlighted the diminished position of Russia in US regional security calculations. The changes influenced the Russia foreign policy.

However, the requirements of Moscow and New Delhi in the defense field happened to be mutually complementary, and strong relationship was built over four decades. As Victor Komardin, the Deputy Director of Rosoboronexport remarked in a seminar in New Delhi in 2002, “The history of Russia forced the country to develop its military industry and science. . .The Russian defense sector provided armament and war equipment not only for the Russian Armed Forces but also for the armed forces of friendly states.”

Russia as the main successor state of the Soviet Union inherited the lion’s share of the Soviet Military Industrial Complex (MIC). It comprised of around 2000 enterprises, more than 900 research organizations and design centers and a work force of roughly 5 million. It was mainly the MIC along with the large energy sector that could compete in the world market. Arms exports were considered crucial for the very survival of the cash-starved defense industries owing to the paucity of domestic defense orders’ India and China emerged as the two major buyers of Russian military equipment.

Following the demise of the Soviet Union, many defense plants closed down and thousands of highly qualified scientists and technicians emigrated abroad. The pressing requirement of India at the time was to ensure the supply of spare parts. Various Indian ‘logistic delegations’ were deputed to scour about the defense factories or original equipment manufacturers (OEMs) scattered all over the former Soviet space literally with suitcases full of dollars in search of spare parts that were hard to come by in the confusion following the Soviet collapse. India, understandably, did not buy new weapon systems
from Russia during this period. Up to 1996-97, the major part of arms transfers from Russia or their production under license in India consisted of the order given to the former Soviet Union. The fact that Russia had buckled under US pressure in 1993 on the Cryogenic deal also created doubts about the reliability of Russia as a defense supplier, although both India and Russia did see to it that the incident did not mar their friendly ties.28

The Cryogenic Deal

The agreement on joint development of cryogenic booster unit was signed by the Soviet Space Agency Glavkosmos and the Indian Space Research Organization (ISRO) in 1991. The contract valued at 2.35 billion rupees provided for the transfer of Soviet cryogenic space technology to India and for training of Indian specialists.29

Russia as the successor of the Soviet Union had declared that it would abide by all the treaties and agreements signed by the latter. During his India’s visit President Yeltsin had openly committed himself to stick to the deal despite the U.S. pressure. At stake was Russia’s credibility as a reliable business partner as well as its substantial commercial interests. The Indian contract was a major order with Glavkosmos the canceling of which would have placed the Russian space agency in dire financial straits. The USA objected to the agreement on the ground that it was in violation of Missile Technology Control Regime (MTCR). According to the USA the technology involved in cryogenic engines was of dual use. It could also be used for developing ballistic missiles. However, it was stressed that in entering into the agreement both India and Russia were fully committed to this technology not being used for the development of ballistic missiles.
It was widely felt that the U.S. pressure on Russia to shelve the deal was also partly dictated by the U.S. commercial interests. The Russians felt that the USA did not want Russia to become a competitor in the world market of advanced technologies. It was also apparent that the USA did not want India—a prominent Third World country, to join the club of "space faring powers." Indian media commented widely that the USA did not want India to emerge as a possible competitor in future in the lucrative and upcoming satellite launch market by acquiring the capability of providing cheaper launch facilities. It seemed a part of the broader Western design to keep the Third World countries permanently shackled in an unequal and unfair system.

Despite his brave words in New Delhi in January 1993 that Russia would go ahead with the cryogenic deal, President Boris Yeltsin succumbed to the U.S. pressure when he met the U.S. President Clinton in Tokyo in June on the occasion of G-7 summit. A spokesman of the U.S. State Department thereafter curtly declared that Russia would sell a few rocket engines to India but halt the transfer of technology. Because of grave economic situation and political uncertainties at home, President Yeltsin’s need for Western economic and political aid was particularly great. He had reasons to be satisfied with the hefty aid packet offered.

The manner in which Indo-Russian cryogenic deal was scuttled made it glaringly apparent to the whole world that the USA was calling the shots and Russia, the successor state of the once mighty super power was meekly obeying. It was quite shocking and not easily palatable to a sizeable section of vocal opinion in Russia. Nezavisimaya Gazett, an independent centrist newspaper ruefully remarked that during the past two years relations between Moscow and New Delhi were governed not by Russia’s own interests but in accordance with U.S. policy objectives.
What followed made the divisions and cleavages within the Russian establishment open and apparent for everyone to see. Thus, the Russian Foreign Ministry and the President’s staff on the one hand and the Russian Parliament and the space agency, Glavkosmos, on the other hand seemed to be speaking in different voices. The Russian Foreign Ministry hastened to send a note to the then Indian Ambassador in Moscow, Ronen Sen, conveying Glavkosmos’s inability to fulfill the contract. But it was not corroborated by a government order which is usually the case.\textsuperscript{33} In fact, Alexander Dunayev, the Head of Glavkosmos, was not acquainted with the government’s decision of freezing or annulling the Indo-Russian contract. Dunayev told the Parliamentary Committee on Foreign Affairs that the Foreign Ministry had no right to declare a change in the Indian deal without a formal permission from the government. He further added that Glavkosmos intended to continue full scale deliveries to India, including technology, until the government makes a decision.\textsuperscript{34} The Speaker of the Parliament, Ruslan Khasbulatov remarked that if the Russian-Indian contract was cancelled, it would be Russia’s national disgrace. Many in Russia tended to agree with him.

The Indian contract worth 350 million dollars was a major order for Glavkosmos at a time when sources of government funding of the space agency were shrinking. Apprehensions were felt that backtracking from Indo-Russian space deal might adversely affect Indo-Russian cooperation in economic and military fields. It was felt that it could have a negative impact on Russia’s general image as a business partner and a source of defence purchases among the Third World countries. It could have a negative impact on the recently-concluded Russia-Malaysia agreement for the sale of Russian MIG-29 military aircraft, which were to be serviced in India. India was also to train Malaysian Air Force pilots.
In the absence of clear government order to this effect hopes were entertained for some time that the contract might not be cancelled after all. On 22 July Russian Parliament voted for a resolution that required Parliamentary ratification of any agreements reached by the government relating to MTCR. The Parliamentary Committee on Foreign Affairs and International & Economic Relations was to conduct hearing on the Indian contract.

In the meanwhile amidst reports of persistent, on U.S. Pressure Russia agreed to join the MTCR in early September 1993 at the time of Prime Minister Viktor Chernomyrdin’s U.S. visit. All Russian contracts with the third countries were to be revised. And the USA was to get full information on such contracts signed since 1990.

India drew her own conclusions. It was clear that on NPT and MTCR Russia had chosen to stand solidly with the West. It was also noted that the new Russian nuclear doctrine adopted by the Russian Security Council in November 1993 was almost identical with the nuclear doctrines of U.S., U.K. and France. Since 1982 the former Soviet Union had struck to the principle of ‘no first use’ of nuclear weapons. However, the new Russian security policy authorized Russian forces to strike first with nuclear weapons in case of aggression against the Russian Federation and ‘its allies’, which meant, as the Defence Minister Pavel Grachev made it clear, the other CIS countries. Russia was, thus, taking upon itself the defence of the former Soviet space. Moreover, as Russia was reducing its defence expenditure and making its armed forces leaner and meaner, it moved closer to the NATO doctrine on nuclear deterrence. In India it was seen as Russia backing away from the Delhi Declaration signed by Rajiv Gandhi and Gorbachev banning the use of and threat of use of nuclear weapons. Ironically, this change in Russian nuclear doctrine took place at a time when it openly aligned itself with the West in putting pressure on India for signing the Nuclear Nonproliferation Treaty, which India regarded as grossly
Indians realized that there were clear limits to Indo-Russian cooperation involving sensitive areas of technology and defence. Unlike the former Soviet Union, Russia was not an independent power centre and did not wish to antagonize the West for the sake of a Third World ally. Protecting Russia’s vital interests, particularly in the former Soviet space, would perhaps induce Moscow to resist the Western pressure. Relations with India obviously did not fall within the parameters of core Russian interests.

Russians were keen to ensure that while they complied with the U.S. desire to modify the cryogenic deal with India they should be adequately compensated for the financial losses they were likely to incur. Thus, it was reported that the USA offered Russia by way of compensation for the loss of Indian deal bidding rights for launching nearly a dozen commercial satellites in the coming six years at 40-70 million dollars a piece. Russia was also promised help in the construction of the international space station ‘Freedom.’

As regarded India and Russia, the two sides subsequently displayed maturity and realism and reached a compromise solution, Russia was to withhold from passing on to India those elements of technology that could be used for dual purposes —civil as well as military. But the technology not considered dual purpose was to be transferred. For the balance of money Glavkosmos was to provide India two additional rocket engines. The first Russian cryogenic booster units were to be handed over to Indian Space Research Organization in 1966.

The government of India put up a brave face on the entire episode and declared that it would push ahead with the indigenous development of the requisite technology. It was declared that as a consequence of watering down of Indo-Russian deal and withholding of the crucial technology by the latter, Indian programme would at the most be put back.
Moscow Regains Position as a Reliable Partner

During Russian Prime Minister Yevgeny Primakov’s New Delhi visit in December 1998, the two countries extended the long-term agreement on military technical co-operation up to the year 2010. The agreement envisaged shifting the emphasis from buyer-seller relationship to the joint development of new technologies. The two countries are at present co-operating under this programme. Following his return from Moscow in November 2005, Defense Minister Pranab Mukherjee indicated that after 2010 the progress of Indo-Russian defense co-operation will be reviewed and the two may go in for another 10-year programme.

As the country’s Prime Minister in 1999, Vladimir Putin observed that only 20 per cent of Russian defense industry plants were functioning and that many were about to be closed. After taking over the presidency in 2000, Putin critically noted that Russia’s MIC was archaic and that it did not correspond to the contemporary military-political tasks of the country. He took measures to revive and restructure the MIC through consolidation and amalgamation into viable and profit-making conglomerates. The objective was to create about 50 vertically integrated defense holdings and concerns with different forms of ownership. As a result, it appears that a substantial part of Russia’s MIC has been salvaged and the country has emerged as the second biggest arms exporter after the US. In fact, during 2000-2004, Russia was the largest exporter of conventional weapons, while during 1999-2003, the US was the largest exporter ahead of Russia.

Major Weapon Systems Purchased from Russia

The major weapon systems acquired or contracted from Russia in the last five years include Su-30MKI multi-role fighter aircraft, IL-78 tanker
aircraft to be used as platform for Airborne Warning and Control System (AWACS), Mi-1 7-IV military transport helicopters, R-77 air-to-air missiles, Kilo class/type 877E submarines, frigates, Ka-31 Helix airborne early warning helicopters, aircraft carrier Admiral Gorshkov, MiG-29K, including MiG-29KUB version for use on aircraft carrier Admiral Gorshkov, Ka-27PL (Ka-28 version) and Ka-31 helicopters; T-90 tanks, fire control radar, air and sea surveillance radar, combat radar, aircraft radar, anti-tank and anti-ship missiles, etc.\textsuperscript{42}

The heavy weaponry listed above is basically meant to deter adventurism on the part of India’s potential adversaries as well as to project power. In fact, there is a general consensus in the country’s strategic community that a country of India’s size and vulnerabilities must project power, especially so in the Indian Ocean region. The value of projects under the current long-term defense co-operation programme up to 2010 is generally agreed to be around $9-10 billion.\textsuperscript{43}

**Signing of Intellectual Property Rights (IPR) Agreement**

The bane of the Indian defence establishment is the failure to develop indigenous weapon systems of the requisite quality within the planned time. Russian equipment was purchased in bulk as a stopgap arrangement in the hope that it will be replaced by indigenous MBTs and LCAs. This did not materialise and a dependency has been created on imported hardware.

For the past couple of years, Russia had been insisting that India sign the IPR agreement regarding defence co-operation. The agreement was finally signed during Prime Minister Manmohan Singh’s visit to Moscow in December 2005. Apprehensive of India diversifying defence equipment sources, Russia was keen to safeguard its financial and intellectual property rights. The IPR
issue became a sore point. Russian Defence Minister Sergei Ivanov warned, "We will find it difficult to move forward in high-end defence technologies without an agreement on the protection of intellectual property. We will not hand over technologies for nothing. Russia is not Soviet Union." Russia also put pressure on New Delhi. India was warned that the doors of Russian defence factories would be shut to Indian military and technicians in the absence of an IPR agreement. In November 2005, Russia refused to transfer technology as part of its planned sale of Igla surface-to-air missile systems. Earlier, in late September 2005, Russia said it would not give the technology along with the Smerch Multibarrel Rocket Launcher system and reduced the order from 69 pieces to 46.

Russia has conceded the Indian demand that the IPR provisions apply to future transactions only. The accord is intended to ensure that no technology is transferred to third countries and royalty is paid to Russia for work performed on Russian-built weapons by other countries. Reports suggest that the terms of IPR agreement also mention Russia as India’s preferred supplier. Some Indian defence experts have cautioned against such a provision. However, India reportedly agreed to the clause as it is still “too dependent on Russian arms supplies.”

New Areas of Cooperation

The two countries have signed several new agreements that will sustain cooperation through the coming years.

Admiral Gorshkov (INS Vikramaditya) Deal

India and Russia have come to an agreement on the much-publicised 40,000-tonne aircraft carrier, under the Admiral Gorshkov agreement the
carrier will be refitted and modernised in Russia. It will be equipped with MiG-
29K fighters, Sea Harriers and Sea King, Ka-31 and Ka-28 helicopters. The
price negotiations are continuing. Investment decisions would be made after a
detailed project report is submitted by Russia. While the carrier is a free gift
from Russia, the refit package will cost about Rs 1.800 crore. This does not
include the price of 46 naval MiG-29s that are also being bought with the
aircraft carrier, which is expected to arrive in India by the end of 2008. The
total cost is likely to be Rs 5,000 crore.

**Nuclear Submarine Issue**

The Gorshkov deal was reportedly a part of the package that included
the lease of two 971 Shchuka-B or Akula class nuclear submarines and several
strategic Tu-22 (NATO designation ‘Backfire’) bombers. Subsequently,
Russia was reported to have backed out of the nuclear submarine deal so as not
to displease the Americans. The issue is in the news again. Citing Russian
sources, Vladimir Radyuhin wrote in *The Hindu* (December 7, 2005) that the
lease of nuclear-propelled submarines to India is in the pipeline. Under a $1.8-
billion contract for a ten-year lease, the Russian side has resumed the
construction of the subs, which was frozen in the 1990s. In October 2005, 200
Indian naval officers have started training at a submarine training centre at
Sosnovij Bor near St. Petersburg. Earlier, the Soviet Union had leased a
nuclear-propelled submarine nicknamed Chakra to India from 1988 to 1991.
The Navy is hopeful that the nuclear submarine will finally arrive.

India has issued a global tender for the purchase of 126 multi-role
fighter aircraft. The deal is worth $5-6 billion. Contenders are American F-16
Falcon and F/A-18 Super Hornet, the Swedish JAS-39 Gripen, the French
Mirage-2000-5 and the Russian MiG-29M2.42 Russia will have to contend
with other competitors. Rosoboron Service India Chairman Anatoly Negreev
candidly remarked, “Russia is worried about losing out to US, France and Israel. We need to be more competitive....India is our destiny.”

**Joint Development of Weapons**

Not being in a position to finance the production of weapons on a large scale, Russia has offered to conduct “joint development and production” of weapon systems. From the mid-1990s onwards, it has become the lit motif in Indo-Russian dialogue. Russian Defence Minister Sergei Ivanov recently said, “We are prepared to transfer high technology to India in strategic tie-up based on a new pattern of defence cooperation.” From the Indian perspective, joint development and production of major weapon systems offers a significant advantages vis-à-vis earlier licensed production which only “taught us to assemble kits and subassemblies but not design and manufacture of components.”

**Major Joint Development and Production Projects**

1. **BrahMos**

   The BrahMos supersonic cruise missile with the range of 280 km is based on 3M-55 Onyx missile designed by Russia’s NPO Mashinostroyenia. It is repeatedly cited as the shining example of joint research, development and production by India and Russia. The Indian Navy has already inducted the sea version of the missile. The land and air versions of the missile are in the process of development and likely induction. The Russian military so far has not inducted it. Russia needs to change its laws before its induction, which it has promised to do. The two countries have also decided to jointly market *BrahMos* to third countries by 2007, by which time India and Russia are expected to finalise sale procedures and put into space at least 18 satellites under GLONASS to track the missile’s movements. *BrahMos* is just one
example of joint collaboration. The IPR agreement has cleared the deck for more such projects. In view of difficulties and snags in the development of indigenous technologies, such collaboration might be the best way for India to acquire and develop new technologies.

2. 5th Generation Fighter Aircraft

For several years, the two sides have been considering joint development of the generation multi-role fighter aircraft and transport aircraft. The intention was reiterated during the December 2005 visit of the Indian Prime Minister. The Russian government has already selected the Sukhoi aviation firm for the purpose and likewise allocated funds. However, the size of the Sukhoi aircraft does not find favour with Indians. RIA Novosti (January 18, 2006) in one of its news report has argued that Moscow should develop both a light-engine plane and a heavy fighter. Russia needs a heavy-duty fighter as its weaponry and electronics have always been bulky. The Sukhoi-developed 5th generation fighter would be a heavy aircraft. Further, India and France might help Russia to develop a light-engine warplane, which could become popular in the international market. A competition is going on between the Sukhoi and MiG aviation firms in Russia. MiG proposes to build a lighter aircraft.

3. Medium Transport Aircraft Development Programme (MTA)

The development of MTA has been assigned greater urgency in India. MTA negotiations began in the late 1990s and in 2000 the $700-million project became part of the 10-year Indian-Russian military-technical cooperation programme. The investment was shared between Russian aircraft maker Irkut and India’s HAL (Hindustan Aeronautics Ltd). Subsequently, differences between the two came to light as the Russians wanted 19.5 tonnes of carrying capacity while the Indians are satisfied with 14-16 tonnes. Russia wants to
develop PS-12 engine to power the aircraft at the cost of $3-4 billion. The Indians are inclined to use French or US engines. Recent reports suggest the sides are close to agreement to resolve the issue. The cargo carrying capacity of the MTA will be 20 tonnes, but the Indian MTAs will be powered by Snecma Moteurs’ CFM 56-7 Turbofans. Solutions for the glass cockpits will be considered from the French firm Thales. IAF will acquire 45 and the Russian side 60 units.

4. Co-operation in Space - the GLONASS

During President Putin’s visit to India in December 2004, an agreement was signed between Roskosmos and ISRO on the joint use of the Soviet-era Global Navigational Satellite System (GLONASS) by making it fully functional by joint efforts, including the launching of new Russian satellites from Indian launch pads with the help of Indian vehicles. The deal will reduce India’s dependence on the US GPS (Global Positioning System), which may be denied in times of conflict. During Prime Minister Manmohan Singh’s December 2005 Moscow visit, an agreement was signed on measures to protect technology during long-term co-operation in joint development, operation and use of the GLONASS for peaceful purposes. Vladimir Radyuhin, however, opines that GLONASS shall be used by both the countries for civil as well as military purposes.

Joint Military Exercises

During past couple of years, Indo-US military-to-military co-operation has greatly expanded. In contrast, Indo-Russian defence co-operation has largely been in the military-technical field. Recently, Russia also has shown greater interest in boosting military-to-military ties. In October 2005, the two
armies and navies held joint exercises in the desert of Rajasthan and off the coast of Vishakhapatnam, respectively.\(^5\)

**Defence Deals**

**T-90 Tanks**

India will also purchase 310 front-line T-90 main battle tanks. The Rs. 3,000 crore ($705 mn) T-90 deals include the outright purchase of 124 tanks while the remaining 186 will be partly assembled and partly produced in India. This contract also includes transfer of technology, overhauling, and probable joint manufacturing and marketing of the tank to other countries.

India would also acquire complete technology transfer of the state-of-the-art tank with missile-firing capability for indigenous manufacture. There had been extended price negotiations on the equipment, necessitating the defence minister's visit to Russia as well.

The 310 T-90 tanks - which add up to five armoured regiments - have been necessitated due to delays in the indigenously developed Arjun main battle tank and will seek to offset the acquisition of a like number of T-80 UD tanks by Pakistan two years ago.

**Tu-22 Bombers**

In addition, the two sides have reached an agreement on the lease of four Tu-22 'Backfire' bombers, a maritime reconnaissance and strike aircraft fitted with 300km range air-to-ground missiles and capable of flying at three times the speed of sound.
The agreement on leasing the Tu-22s is a major breakthrough as the Russians had earlier been raising objections to its use in case of war owing to impediments posed by the Missile Technology Control Regime (MTCR).

**Su-30 Fighters**

A special feature of the Su-30 agreement is the joint production, joint marketing and buy-back of equipment manufactured by Hindustan Aeronautics Ltd (HAL) by Russian production agencies. The Su-30 agreement further provides for licensed production of additional engines, airborne equipment, setting up of repair and overhauling facilities and setting up of production facilities. It is planned to produce at least 150 Su-30s at HAL.

Russia is ready to cooperate with India in building a super-fighter jet of the 21 century. The Sukhoi Corporation has already made some headway in developing the fifth-generation fighter jet. It has built an experimental Su-37, which serves as flying laboratory for testing new technologies.

**Other Purchases**

Military cooperation between the two countries started more than three decades ago. It is estimated that more than half of the armaments the Indian Army are of either Soviet or Russian make. Out of the Army’s 3,400 tanks, 2,200 are of Russian origin: these include 700 T-55s and 1,500 T-72s. Eighty per cent of the Indian Air Force’s (IAF) equipment and 85 per cent of the Navy’s equipment are of Russian origin. According to estimates quoted in the Russian media, Russia annually sells military equipment worth more than $1 billion to India. The defence agreements signed with India since 1998 - which includes the deal to supply 40 state-of-the-art Su-30 fighters - are expected to fetch for Russia $4 billion annually.
Land Systems

India has signed a contract to buy 1,000 Russian laser-guided 155mm Krasnopol-M rounds and 10 laser rangefinders for Rs 1.49 billion ($345.5 million) to give its artillery a precision-targeting capability.

The agreement with KBP Instrument Making Design Bureau, signed in Aug 2000, is subject to the successful high-altitude test firing of the projectiles by the Bofors FH77B 155mm towed howitzer. They were successfully test fired in the western Rajasthan desert earlier in 1999. However, they reportedly failed to perform adequately during trials in northern Kashmir’s mountainous region.

Naval Systems

During Russian defence minister Igor Sergeyev’s visit to India in March 2000, the two sides had detailed discussions about the prospects of equipping the Indian Navy with Kilo and Amur Class submarines.

The Navy has taken delivery of the second Kilo class submarine built by Russia, INS Sindhushastra, worth $200 million. Russian shipyards are also arming the old Kilo submarines of the Navy with long-range missiles. Three new Krivak class frigates are being built for the Indian Navy in Russia and the price of each is estimated to be around $800 million.

Two of the Indian Navy’s Russian-built Sindhughosh-class (Kilo Type 877EKM/636) patrol submarines will be armed with the latest Russian 3M-54E1 anti-ship missiles (ASMs).

Two submarines are now at the Admiral Teyskiye Verfi Shipyard in St Petersburg for modernisation. The upgrade includes arming the submarines with the 3M-54E1 missiles, developed by the Novator Design Bureau.
A 10th submarine of this class that is under construction at the yard is also expected to have a missile-firing capability fitted. Vertically-launched versions of the 3M-54EI will arm three improved Krivak Ill-class (Project 1135.6) frigates that are under construction for the Indian Navy at the Baltiisky Shipyard in St Petersburg. Each frigate will boast eight 3M-54E anti-ship missiles. The hull of the first ship is already built; the keel of the second has been laid.

India’s decision to place orders with Russia for three battleships, the first of which would soon be joining the Indian Navy and christened Talwar, makes it very clear that the crumbling of the Soviet Union during the Eighties has made no difference to the continuance of Indo-Russian cooperation in all areas including the crucial defence sector. The present agreement is for the sale of frigates by Russia being built under a $1 billion contract to be completed by 2003. It imparts continuity to Indo-Russian naval cooperation, which began in the Sixties. An earlier proposal for the purchase of two 877 EKM submarines from Russia was based on a modality of payments in stages. They were intended to replace the Foxtrot submarines, which became due for decommissioning, and maintain the levels of submarine presence in the Indian Navy.

Air Force Requirements

India has already signed a contract worth $170 million for 40 Mi-17-IB helicopters. Fernandes, during his visit to Moscow in June 2000 said that the contract for the helicopters was the second most important one signed by the government after the Sukhoi deal of 1996.

The Indian government was interested in buying the A-50/ A-50U airborne early warning and control (AEW&C) aircraft built by Russia. India is trying to get the AEW&C capability because of the crash of its Airborne
Surveillance Warning and Control (ASWAC) prototype aircraft in January 1999. Russia has offered to deliver one A-50 version of the plane immediately and two upgraded versions within two years. There has been a test flight of the plane in Chandigarh. The A-50-U can take up to 100 targets simultaneously and it is said to have a detection range of around 230km against the MiG-21 type aircraft and a range of around 800km against missiles. India also plans to buy the S-300 air defence missile system from Russia.56

Moscow Adjusting to Change

The competition for a share of the Indian arms market is growing among major suppliers. The post-Pokhran sanctions on India by the US were removed in November 2001. Israel has emerged as the second biggest arms exporter to India after Russia. Diversification ensures that a country can not be held to ransom by a sole supplier. It can also lead to lower prices as well as access to various technologies. However, diverse suppliers cause the problem of interoperability of different types of equipment, while a single source of supply leads to standardisation of equipment. On their part, the Indian armed forces have the experience of using and integrating different types of equipment.

Moscow had previously balked at India’s attempts to diversify arms supply, especially when India opted for the British Hawk AJT (Advanced Jet Trainer) instead of MiG-AT. But, Russia appears to have finally reconciled to the inevitable change. A PTI dispatch from Moscow on January 18, 2004, quoted the Russian Defence Minister Sergei Ivanov as saying: “We had never planned to monopolise the Indian (arms) market. Depending only on one source is bad for any armed forces, it leads to their degradation.”57 Ivanov said that Russia understands India’s desire to get the best available technology and welcomes it, and has to compete by offering the best technology. Referring to the Israeli Phalcon radar deal that would be fitted into IL-78 tanker aircraft, he added that Moscow was not averse to ties with third parties while working on
Indian defence orders. He also referred to the French and Israeli systems having been incorporated in Su30 MKI multi-role fighter aircraft designed and developed for India. The Russian defence industry itself is changing, for instance, Russian NPO Saturn and French Snecma have set up a joint venture called Power Jet that produces SaM 146 aircraft engines. The engine is believed to "represent all the latest know-how." The European Aerospace and Defence System (EADS) has purchased a 10 per cent stake in Russia’s Irkut aviation company.

Owing to past legacy and long-term dependence, Russia is likely to remain a major defence partner. In a keynote address to the General Staff Academy of the Russian Armed Forces, the Indian Defence Minister said that Russia “has been, and remains the largest source of our arms, weapon systems and technology imports.” He emphasised that the recent strengthening of defence ties with many countries “is not at the expense of our traditional friendly relations with Russia which remain unique, time-tested and steadfast.”

Even if no new weapons are purchased, India will continue to need spare parts for the weaponry of Soviet/Russian origin and also depend on Russia for their upgrades and modernisation. The license production of 140 Su-30 MKI under a $3.5 billion deal, itself will go on till 2017-2018.

While diversifying arms acquisitions, India would not like to risk the derailment of the current system that may pose potential security hazards in the near term. India would like to maintain its strategic autonomy and decide each issue on the basis of merit and from the standpoint of India’s national interests. Steps have been taken of late to streamline defence acquisition procedure and make it more transparent, speedy and accountable.

Co-operation with Russia has made a vitally important contribution to the development of Indian defence potential. It has given India access to
sophisticated weapons and advanced technologies at a time when others were not willing. The defence cooperation reflected the convergence of their larger geopolitical interests. In the post-Soviet difficult transition period, arms purchases by India and China have helped the Russian MIC to tide over the crisis and survive. As a major arms supplier to both India and China, Russia has been persistently pressing for ‘triangular’ cooperation among Russia, China and India. However, despite the recent improvement in India’s relations with China, in view of the disputed status of the Sino-Indian border and other security concerns, India cannot afford to lower its guard. Russian arms supply to China and the possibility of further transfer of Russian arms and technology to Pakistan through China, do add to New Delhi’s worries. At the same time, if India distances itself, it may make Russia even more dependent on China.61

No country can be fully self-reliant in all areas of defence-related technology. Moreover, the today trend is towards joint development and production of defence equipment. According to the emerging opinion in the Indian strategic community the country must be self-reliant in areas where technology denial regimes are imposed, like nuclear and missile technologies. India may concentrate on developing and further expanding the areas of her core competence. In other areas, the country may opt for overseas partners, including Russia. Joint development and production of new weapon systems may emerge as a very promising area of continued Indo-Russian cooperation. It may provide continuity and stability to existing ties. Advanced avionics and electronic systems developed by Western countries and Israel may also be incorporated as is already being done. Competition among the suppliers may indeed be good and has already produced beneficial results. There is a need to handle the emerging situation with dexterity and savoir by giving attention to details and nuances. In the pursuit of its enlightened national interests, it is to be expected that India would seek to leverage its position as a major defence buyer, and so would Russia as a supplier.
In the 21st century geopolitical scenario, all the major actors are engaging each other. Nonetheless, India's ties with Russia will continue to be driven by not only common strategic and geopolitical interests but also shared interest in the defence sector. They would, however, need to adjust policies wherever necessary for enhancing mutual gains in this vital sector if they want to sustain a robust relationship in the new global environment.
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3. The National Herald, New Delhi, 10 October, 1996.


6. Supra no. 2, p 68.

7. Ibid, p.68


11. Ibid, p. 129.


14. Ibid,

15. The Hindu, New Delhi, 18 February, 2002.

16. Supara no. 12, p. 130.


20. Supra no. 20, P 157.


22. Supra no. 20, p. 90.


34. Supra no. 33, p. 57.
35. Supra no. 35 p.10.
38. Supra no. 32, p. 18.
43. Ibid, pp. 478-81.
44. The Hindu, 16 November, 2005; Strategic Digest, December, 2005, p. 1677.

50. Supra no. 1 p. 459.

51. Ibid., p. 459.


55. The Hindu, 7 December 2005.

56. Supra no. 1, p. 461.


61. Supra no. 1, pp. 462-63.
and cooperation was made. In spite of the earlier Soviet indifference and basic differences in Socio-political systems of the two countries, mutual relations improved markedly from 1953 onwards. There were many factors which demanded India to move closer to the USSR. India’s attitude towards the USSR has been derived from its overall foreign policy objectives. In understanding and evaluating this attitude, it is therefore, indispensable to keep in view two important considerations: first, the assumptions, motivations, style, basic goals and the principles of India’s foreign policy which governed her relations with other States in general; second, the specific goals which India sought to achieve in her relations with the USSR. It is the inter-relationship between the general and the particular objectives and the degree of their combination as well as contradiction that give us an idea of the various phases of India’s relations with the USSR. Such an analysis, however, should not be restricted merely to the conceptual level. The interaction of such other factors as intimate geographical, historical and economic ties between the two States, the influence of external factors and the failure or success of Indian diplomacy at the international level should also constitute a part of the analysis.

Jawaharlal Nehru, popularly known as the architect of India’s foreign policy, had a clear idea of what a country’s foreign policy shall be. It must sub serve its interests, both economic and political. India under Nehru’s leadership decided to expedite an historical process which by the very fact of India’s independence was known to be well under way. India realised the difficulties, the non-self-governing people were facing in overthrowing the colonial rule. The achievement of freedom by India made it necessary for her to follow a
policy of resisting colonialism throughout the world. The opposition to colonialism in turn is directed to lend help and support to the dependent peoples in the achievement of their freedom. This policy was manifested in the Asian Relations Conference, the Asian Conference on Indonesia, and in the meetings of the Colombo Powers which initiated the Bangdung Conference. Nevertheless, a closer examination of India’s foreign policy in this regard reveals that in everyone of these cases whether in her support to independence movements as in Indonesia or her hesitation to support them fully, as in the initial stages of the Suez Crisis, India’s policy has been first of all a policy of protecting her security and other vital interests. India demonstrated selectivity in championing the causes of dependent peoples. She refused to condemn Soviet colonialism in Eastern Europe. India’s attitude towards the Soviet colonialism was the product of the lack of experience with the Soviet Union as against the experience with Western colonialism. In fact, India’s championship of subjected people was not based on moral grounds alone. It was part of India’s strategy to safeguard India’s independence and security.

In September 1954, the Soviet Union made an unexpected and dramatic offer to build a giant steel plant in India to help India and to develop its iron and steel industry. Nehru welcomed the Soviet offer and indicated India’s readiness to accept the Soviet aid because Soviet help would “go a long way in the rapid industrialization of our country”. He also regarded the Soviet offer as a welcome alternative source for the supply of capital and machinery and also a bargaining counter to the West. On 2nd February 1955 the USSR and India signed an economic agreement providing the Soviet assistance for the construction of a giant steel mill at Bhilai. The agreement came at a time when a negotiation with Britain for another steel plant was bogged down on technical grounds.
The Soviet support to India’s claims on Goa had been made public from the very outset. During their 1955 visit, the Soviet leaders had expressed the hope that Goa would soon become a part of India. The Soviet President Brezhnev, who was on a state visit to India at the time of Goa operation declared in Bombay that the Soviet Union had complete sympathy for the Indian people’s desire to liberate Goa, Daman and Diu from Portuguese colonialism. On 8 December 1961 the day the world learnt of the liberation Brezhnev assured a civic reception of firm Soviet support for the action. The Soviet Prime Minister Khrushchev sent a telegram to Nehru saying that the resolute action of the Government of India to do away with the outposts of colonialism in its territory was absolutely lawful and justified.” He declared that the Soviet people unanimously approve of these actions. When the Westerners brought forward a resolution in the Security Council to censure India, the USSR blocked it with a prompt Veto. The Soviet delegate contended that his vote ‘represented a victory for the true principles of UN Charter:

*Today saw the expression of the will to defend colonial countries and peoples and their right to life, freedom and independence.*

The Indian Government and public were greatly appreciative of the profound sympathy and understanding of its aspirations by the USSR. The Soviet stand on Goa certainly helped in drawing India closer to the USSR and helped in consolidating the friendly ties.

It may be said that a community of interests between India and the USSR resulted in the steady growth of friendship and mutual diplomatic support. India-USSR relations developed on the basis of mutuality of interests and similarity of actions and reactions to a variety of challenges to both. Though, for different reasons, both were interested in limiting the US presence
in Asia, checking the arms flow to Pakistan opposing SEATO, CENTO and NATO, and at a later stage, containing China. Almost throughout this decade i.e. from 1953-1964, India had a sense of common purpose with the USSR. During this decade, the USSR remained India's principal source of strength in international affairs, as well as in her material needs. It goes to the credit of shrewd diplomacy of Jawaharlal Nehru that without entering into any formal treaty or alliance or giving the impression of being subservient to the USSR, he secured all from the USSR to suit the national interest of India. India under Nehru's stewardship always retained the freedom of action in her foreign policy.

The sudden collapse of the Soviet Union in December 1991 dealt a blow to India's foreign policy framework. Events happened with such rapidity for which India had not prepared itself. The shock was the more devastating as it was so unexpected and the collapse was so dramatic. India could not remain untouched of the consequences of the events taking place in international scenario. For India, the events in Soviet Union had been a major blow because changes in Soviet Union occurred at a time when India herself was going through a severe economic crisis and an internal turmoil of such a magnitude which changed the nature of the political complexion of India.

Even after the disintegration of Soviet Union the relations between the Russian Federation and India remained unchanged and there is a great scope for deepening the bilateral ties in future as well. The Indo-Russian relations are based on the strong foundations of good neighbourly ties, liberal political ideology, and convergence of national interests, geopolitical settings, economic opportunities and international interdependence.
Thus the 'collapse of the Soviet Union' leaves a vacuum in the international political system. The Soviet Union played an important role against imperialism and western expansionism. It supported national liberation movements and assisted in the development of several third world countries, which found themselves against the Western bloc of countries.

Some important steps were taken to sort out these problems as early as January 1993 by the then President Boris Yeltsin when he visited India. He tried to recreate the spirit of the Indo-Soviet friendship. During the visit he conveyed the impression that Russia put a high value on Indo-Russian relations. He described India and Russia as natural partners and that the Indian and Russian interests were identical. Significantly, he reiterated Russian support for India's position in Kashmir. At the same time India was turning again to Moscow with a long and expensive list for modern weaponry and hence emerged as the largest arm purchaser from Russia.

The collapse of the Soviet Union has affected India adversely in many sectors. Indeed, strategically speaking, the most important implications are in defense and military areas. India, as we know, was buying a very large number of military weapons, equipment and hardware from the Soviet Union. These included Mig fighter aircrafts, battle tanks, submarines etc. During 1986-90, according to one estimate, about 73 percent of the total value of arms imported by the Indian defense forces originated in the Soviet Union. Practical difficulties which confront Indian armed forces since 1991 include, replacement of the spare parts as well as replenishment of the existing stock. The matter assumed such a seriousness that the Defense Minister of India, Sharad Pawar, had to rush to Russia in September 1992 to bail out the armed forces of its immediate difficulties. At the end of the visit while there was some hope in the improvement of the situation, it was evident that ultimately India
will have to explore alternate sources. Moscow, it is argued, may not be in a position to meet the Indian demands as paucity of funds may force Russians to close down their units. Besides, many of the Russian scientists and technocrats are reported to have left the country and got jobs in the Western countries where they are promised better salaries and employment opportunities. Whatever, existing military weapons and hardware are in stock in the member states of CIS. They would like to sell them in the Western markets in order to earn foreign exchange. Above all, one significant advantage which accrued to India in procuring armaments and equipment from the Soviet Union i.e., on credit, is most unlikely to be revived.

Although Russia has put forward a proposal of military collaboration with India, but the harsh reality was that Moscow did not feel the strategic need of India in the post Cold War era. As a matter of fact decline in the strategic significance of India to Moscow began with the improvement of relations between the Soviet Union and China. Moreover, when Gorbachev started giving priority to good relations with the West which was to provide loans and technologies, there was a sea change in the geo-strategic perceptions of the Soviet Union. When Russia was strategically integrated with Europe and China has ceased to be a socialist rival, need for a strategic consensus with India did not have the same relevance as in the previous two decades. In brief, diplomatically India cannot hope to depend on Russia to the same extent as she did on the Soviet Union.

Gradually the obstacles were overcome to an extent, and from 1997 onwards Russia was again on the way towards establishing a special position for the supply of defense-related equipment.
India and Russia decided in March 1997 to continue defense ties into the 21st century and Russia offered a new air defense system and a $10 billion military deal. Significant agreements were reached during Yevgeny Primakov’s visit in December (1999) when cross-century defense relationship was formalized. Described as “cooperation 2010 Document” it envisaged partnership in research, development and joint production of sophisticated equipment besides incorporating other defense areas.

The Soviet Union was succeeded by the Russian federation and the people in Russia went through traumatic experience which has yet to end. Slowly and gradually the pieces are being picked and a surer policy is being established. It has certainly been a painful experience, the almost precipitous lowering of living standards, the fall in production, the amazing rise in unemployment and the equally amazing levels of corruption, the decline in central authority, the specter of the ugly face of the mafia, the increasing disparities and so on.

The worst is perhaps not yet over, but at least now there is a semblance of order and some re-establishment of central authority. The wheels of production have started moving although even the previous levels have not been achieved. At least foreign policy assumed some recognizable shape and Russia has begun to assert itself in a somewhat more determined manner with better coherence and purposefulness. Both Moscow and New Delhi are discovering that geopolitical realities do not vanish even in the winds of change.

The point does not need to be laboured that India had multifaceted and deep-going relationship with the Soviet Union which ranged from the political to economic and technological, and to strategic and security ties. It was a special and unique relationship. It was valuable to both countries for meeting
hostile external challenges; certainly for India the Soviet Union constituted irreplaceable counter-balancing force in facing up to its regional and international concerns and an added source of strength in pushing economic and scientific development. India had received valuable assistance in establishing a basic industrial infrastructure.

The most concrete expression of the new thinking was provided during the visit to India of the then Prime Minister Yevgeny Primakov in December 1998, when he told reporters that it would be very good if Russia China and India were able to form a regional bloc. A lot depends in the region on the policies of China, Russia and India, he said that India is a great power and our relationship is based on mutual interest and joint aspirations of the two countries for stability in the world. Primakov also reiterated the Russian stand that Russia supports India's claim to a permanent seat in the United Nations Security Council.

Many developments had and were taking place to reveal the identity of viewpoints as well as long term convergence of interests between New Delhi and Moscow. The events involving Yugoslavia and Kosovo, the bypassing of the United Nations, the devastation of Iraq, the spread of religious fanaticism, the Kargil war all these happenings continued to bring them together.

A major change took place after the terrorist attack on Indian Parliament on 13 December 2001, the Russian Foreign Ministry warned Pakistan, in strict terms, to stop cross-border terrorism and create conducive atmosphere for bilateral dialogue and consultation. To jointly tackle the menace of terrorism, during the visit of Prime Minister Vajpayee to Moscow in November 2001, India and Russia signed the Moscow Declaration. They set up joint working group during the visit of President Putin to India in December 2002. Moscow
strongly condemned the terrorist attack that took place on 26 March 2003 in the Nandinarg village of Kashmir, killing more than twenty people. Besides condemning the terrorist attack, the Department of Information and Press of the Russian Foreign Ministry expressed its support to the measures taken by India to stop the activity of terrorist forces.

Taking into account all these positive developments, it would be logical to emphasize the point that terrorism is one of the important contributory factors for perceptual convergence between the two countries. This convergence led Russia and India to support each other on their stands on Kashmir and Chechnya respectively. The Ministry of External Affairs in India praised the referendum of March 2003 in Chechnya, under the guidance of the Russian government as important for the restoration, normalization, rehabilitation and economic reconstruction of Russian Federation’s Chechen republic within the democratic framework. Similarly, the Russian Foreign Ministry release after the general election in Kashmir in October 2002, said that, very fact of holding elections is an evidence of the striving of Delhi and the population of Jammu and Kashmir to restore the normal situation in the state. Despite the attempts of the extremist elements to frighten the population of Kashmir, they could not hinder the voting.

Putin’s visit in December 2002 sealed a new special relationship between India and Russia. President Putin described that he was “the best friend of India”. A statement endorsed by Prime Minister Vajpayee, describing the Russian leader as “a trusted friend of India”. The Putin-Vajpayee summit produced a strong statement called upon Pakistan to fulfill its obligations by preventing infiltration of terrorists across the line of control and eliminating the infrastructure of terrorism as a pre-requisite for the renewal of peaceful dialogue. Russia unambiguously endorsed India’s stand that the Shimla
Agreement and the Lahore declaration provide the sole framework within which any India-Pakistan dialogue should eventually take place.

Significantly, on Iraq issue the two sides expressed complete unanimity of views, opposing unilateral use of force and supporting a comprehensive settlement of the issues only through political and diplomatic efforts under the UN aegis.

To sum up it can be concluded that there is a great scope for deepening the Indo-Russian relations not only to create conditions for improving the socio-economic conditions of their people but also to play an important role in shaping the future world order. The unipolar world order which came into existence after the break-up of the Soviet Union can be replaced by the multipolar world order if India, Russia and China came closer to each other to counter the Anglo-American hegemony. This relationship is equally marked by the absence of any national irritants, no border disputes, and no negative legacy of history. The identity of their views on the political and economic order and on major international issues ensures that their 'strategic partnership' would contribute to play the role in shaping the 21st century world order.
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