

India-Russia Strategic Partnership
Common Perspectives

India-Russia Strategic Partnership

Common Perspectives

Edited by
P. Stobdan



Institute for Defence Studies and Analyses
New Delhi

India-Russia Strategic Partnership: Common Perspectives / P. Stobdan (Ed)

ISBN 81-86019-81-2

Disclaimer: The views expressed in this book are those of the authors and do not necessarily reflect those of the Institute for Defence Studies and Analyses or the Government of India.

First Published in 2010

Copyright © Institute for Defence Studies and Analyses, New Delhi

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without first obtaining written permission of the copyright owner.

Published by

INSTITUTE FOR DEFENCE STUDIES AND ANALYSES

No. 1, Development Enclave, Rao Tula Ram Marg,

Delhi Cantt., New Delhi- 110 010

Tel. (91-11) 2671-7983

Fax. (91-11) 26154191

E-mail: idsa@vsnl.com

Website: <http://www.idsa.in>

Produced by

PENTAGON PRESS

206, Peacock Lane, Shahpur Jat,

New Delhi-110049

Phones: 011-64706243, 26491568

Telefax: 011-26490600

email: rajan@pentagonpress.in

website: www.pentagonpress.in

Typeset in Garmond 11pt by The Laser Printers

Printed at Chaman Offset Printers, Delhi.

Contents

<i>Foreword</i>	<i>vii</i>
<i>About the Contributors</i>	<i>xi</i>
1. Introduction	1
2. Russia and the West <i>K. Khudoley</i>	10
3. US and Russia: Passing of Cold War or Renewal of Equitable Partnership <i>Andrey Volodin</i>	32
4. Nuclear Non-proliferation: Challenges Ahead <i>Vladimir T. Novikov</i>	41
5. Nuclear Non-proliferation/Nuclear Disarmament: An Indian Perspective <i>Rajiv Nayan</i>	48
6. Instability in Afghanistan and Pakistan <i>Bakhtiyar Mirkasymov</i>	69
7. Emerging Trends in Afghanistan and Pakistan: Implications for Regional Security <i>Arvind Gupta</i>	78
8. The Iranian Nuclear Issue <i>Vladimir E. Novikov</i>	90

9.	Soviet/Post-Soviet Security Perspectives towards South Asia: An Historical, Analytic Overview <i>Nisha Sahai Achuthan</i>	96
10.	India and Russia: Allies in the International Political System <i>Anuradha M. Chenoy</i>	131
11.	Russian-Indian Bilateral Cooperation <i>Tatiana Shaumyan</i>	149
12.	Indo-Russian Trade and Economic Cooperation: The Way Ahead <i>Arun Mohanty</i>	165
13.	Conditions and Prospects of Intellectual Property Market Organisation in the Context of Innovative Anti-recessionary Development of Indo-Russian Partnership in the 21st Century <i>Vladimir N. Lopatin</i>	178
	<i>Index</i>	189

Foreword

India's relationship with the erstwhile Soviet Union and the Russian Federation is founded on trust and mutual interests. In the early years of this relationship, India greatly gained from the Soviet Union in developing its core industries and laying the foundation for future growth. During the Cold War years, India depended on the Soviet Union for its unflinching support in protecting its vital interests in a number of fields including Jammu & Kashmir. Many of India's scientific and technological accomplishments particularly in the field of space and nuclear energy became possible because of strong support extended by the Soviet Union. The Indo-Soviet Friendship Treaty of 1971 provided a framework for deepening this cooperation. India's defence forces owe much to the technology, equipment, training and product support available from the Soviet Union and its successor states. The military-technical cooperation between India and Russia has been the centerpiece of the bilateral relationship and will continue to remain important in years to come.

The decade of the Nineties was marked by developments which had profound implications for geopolitics and also impacted India-Russia relations. In the wake of the Soviet Union's disintegration, Russia remained focussed on coping with its own internal turbulence. The Soviet military – industrial complex disintegrated. Russia passed through a difficult transition to market economy. This was disruptive for defence supplies to India, which was itself introducing economic

reforms and diversifying its international interactions. Combined with availability of new sources of defence supplies particularly in the west and Israel, India-Russia defence relationship began to undergo changes. The Russian state itself began to look westwards and the two countries seemed to drift from each other for a while.

However, India has always recognized the importance of Russia and repeatedly emphasized that its relationship with one great power is not at the cost of its relations with its erstwhile friends and partners. This approach underpins India's policy of forging strategic partnerships with all the great powers i.e. the United States, the Russian Federation, Peoples Republic of China, the European Union and Japan. Simultaneously, India continues its efforts to deepen cooperation with member countries of SAARC, ASEAN and IBSA. India's policy is based on developing constructive and mutually beneficial cooperation with all countries in its region and other parts of the world.

The relationship between India and Russia needs to be nurtured in the changing global environment. Traditionally, both countries have favoured a rule based international order with both subscribing to the notion of a multi-polar world. Despite new sources for defence supplies, Russia remains a crucial partner for India. With its rapid economic growth, India's energy needs will continue to multiply. India will be a growing market for hydrocarbons as well nuclear energy and thus, energy offers considerable potential for mutually beneficial cooperation. India's globalizing service industries and corporates can help diversify the Russian economy and develop bilateral trade.

It was in this background that the IDSA organized a dialogue between scholars from Russia and India to deliberate on a range of issues concerning the two countries. These included among others, Russia's approach to the West, the Iranian nuclear issues, the situation in Afghanistan-Pakistan, the issues of Intellectual Property Rights, future of Russia-India bilateral cooperation. The dialogue was in a way a stocktaking of developments on these issues and an exploration of the emerging opportunities to deepen this strategic partnership.

The initiative of organizing this timely conference was taken by

Prof P. Stobdan. He has painstakingly worked with the participants to secure their well researched articles. It is hoped that this valuable collection of essays will enrich the discourse on India-Russia relations and contribute to thinking about ways of adding greater substance to this partnership.

N. S. Sisodia
Director General, IDSA

About the Contributors

Dr. Andrey Volodin

Institute for World Economy and International Relations Russian Academy of Sciences.

Dr. Anuradha M. Chenoy

Professor, Russian and Central Asian Studies, School of International Studies, Jawaharlal Nehru University, New Delhi.

Dr Arun Mohanty

Associate Professor, School of International Studies, JNU, New Delhi, India.

Dr. Arvind Gupta

Holds the Lal Bahadur Shastri Chair at IDSA, New Delhi. The views expressed are his own.

Dr. Bakhtiyar Mirkasymov

Head of the Asia Pacific Department of, Russian Institute for Strategic Studies (RISS), which is a government organization tasked with preparing analytical documents to the executive and legislation state bodies.

Prof. Konstantin Khudoley

Dean, School of International Relations, Saint Petersburg State University.

Shri N.S. Sisodia

Director General, Institute for Defence Studies and Analyses (IDSA).

Dr. Nisha Sahai Achuthan

Senior Visiting Scholar, Institute for Defence Studies and Analyses (IDSA) is from the 1968 batch of the Indian Administrative Service (IAS) and she is a New York based Consultant on Security issues and Sustainable Development.

Prof. P. Stobdan

Senior Fellow, Institute for Defence Studies and Analyses (IDSA).

Dr. Rajiv Nayan

Senior Research Associate, Institute for Defence Studies and Analyses (IDSA).

Dr. Tatiana Shaumyan

Head, Centre for Indian Studies, Institute of Oriental Studies, Russian Academy of Sciences.

Dr. Vladimir N. Lopatin

Doctor of Law (2000), Professor, Class III State Advisor; Director, National Scientific Research Institute of Intellectual Property (NSRIIP) Moscow.

Dr. Vladimir E. Novikov

Leading researcher at the Department of Defence, Russian Institute for Strategic Studies (RISS), Moscow.

CHAPTER 1

Introduction

P. Stobdan

Russia has staged a remarkable comeback after a decade of political and economic instability that followed the Soviet collapse in 1991. Its resurgence has become more distinct since 2004 when Vladimir Putin, through his tough domestic policy measures, put an end to several ambiguities and misgivings about Russia's ability to stage a comeback as a power of consequence. Putin's military successes in Chechnya provided Russia the latitude and sense of self confidence for restoring the country's lost strength and international prestige.

In the recent past, the Russian economy has staged a significance recovery mainly due to the windfall from oil revenues. The country has emerged as the world's biggest energy producer, pumping more oil than Saudi Arabia and making Europe dependent on the export of its natural gas. The growing commodity exports have swelled Kremlin's coffers, which in 2008 possessed the third largest foreign currency reserves in the world. It has a significant stabilisation fund worth billion of dollars. With the current 7 to 8 per cent growth rate, Russia is set to emerge as a powerful economy. However, Russia remains a nation fraught with problems and uncertainty. Russia's natural resources' export based economy will necessitate policies for diversification in other areas. Russia has lost its capabilities, especially technical skills for handling large project management. Also, Georgia's

ability to bring down six Russian aircraft indicates the chinks in the Russian armoury.

The surge in the Russian economy is also linked to a power struggle within – redistribution of wealth (centralisation and re-privatisation) – especially in the energy sector and even in military industrial complexes. Corruption is rife with little transparency in the decision-making system. Its judicial system is weak and requires urgent reforms. There has been considerable opposition against the leadership for adopting autocratic tendencies, backsliding on democracy, curbing free press, encouraging nationalism and xenophobia while using energy as a powerful weapon of foreign policy.

Also on the downside, the country has been facing a widening gap between the rich and the poor. The social sector, i.e., education, health and transport systems, suffers from acute underinvestment. The country is also mired in a dangerous demographic crisis – its population is declining by 800,000 people every year that could curtail its future economic growth. It is difficult to imagine how merely 100 million people in the decades ahead would be able to defend a vast nation of 11 time zones. Among other things, Russia is concerned with ever increasing Chinese incursions into its territory, a problem they are not able to deal with.

On the international stage, Russia has been seeking to counter the repudiation of its great power status while pressing for strategic autonomy as against the earlier strategy of partnership with the West. This could be indicative of Russians getting emboldened by the windfall from oil revenues, making it determined to reassert itself on the regional and global stage. This is also clearly discernable from the new Russian foreign policy doctrine. While the repeat of a Cold War-like situation is unlikely, Russia is trying to stand up against the scenarios being drawn up by the West, including the expansion of NATO into the traditional Russian strategic neighbourhood. The 2008 crisis in Georgia has sparked off renewed tension between Russia and the West. Russia has also pledged to station new missiles in response to US plans to place a missile-defence shield in Eastern Europe. The new Russian stance is reflected in its counter-strategy

to deal with global issues or at least its unwillingness to concede to the challenges posed by the trans-Atlantic unity that is not likely to be altered under US President Barack Obama. The rift continues as Moscow has rejected the idea of pressuring Iran over its nuclear programme in exchange for the US abandoning its planned missile defence system in Eastern Europe. On its part, NATO has not abandoned its bit to bring Ukraine and Georgia into its fold. The stand-off over Georgia also remains a conflicting issue.

However, at the same time, Russia continues to face inherent technological limitations and military drawbacks as compared to the US. Nevertheless, Russia has been adopting a more nuanced game, especially in the Caucasus, Eastern Europe and Central Asia. China's entrenched influence and the West's ability to use its economic leverages can further drive a wedge between the former Soviet Republics and Russia. The crisis in Georgia is a case in point. That is why Russia has been pushing a new idea for a Pan-European Security structure or a single Euro-Atlantic space from Vancouver to Vladivostok while also incorporating China and India to play a role in Euro-Atlantic affairs. While Russia is likely to remain engaged with the issues concerning its relations with the West, especially in terms of developing a fresh relationship with the US, it has begun to refine its foreign policy with regards to other regions such as west Asia, Central Asia, East Asia and South Asia. Russia considers relations with China, Iran, Afghanistan and India to be critical in the global balance of power.

Traditionally, the former Soviet Union/Russia and India have had a substantive relationship, which was cemented by the Indo-Soviet Friendship Treaty of 1971. India had immensely benefited from Russian science and technology in all fields, including its defence and space programmes. India continues to depend to an extent of almost 60 per cent on Russian defence supplies and also benefits from Russian cooperation in the field of hydrocarbon and nuclear energy. In the past, India and the erstwhile Soviet relationship was nurtured on the basis of mutual need and sustained for a long time through political, strategic and economic commitment from both sides. That continues to be an important goal in official pronouncements. Even

today, Russia is the only major power that has constantly rendered unstinting support on all issues of critical importance to India. Even now, it is a country that never tries to corner India when all other powers, such as the US, China, Pakistan and others, try to isolate or exploit India's vulnerabilities. Russia is among the countries that lobbied for a waiver from the Nuclear Suppliers Group of countries for a civilian nuclear deal and also consistently voiced its support for India's candidature for the permanent membership of the UN Security Council. Russia's unconditional supply of its cutting edge defence equipment and technology, including the Sukhoi 30 MKI, to India remains of paramount importance. Russia has also helped India build its Arihant submarine. The nuclear power stations at Kalpakkam were set up by the Russians.

Ironically, despite the rich content in India's relationship with Russia, which is strategic in nature, the people in India are not well informed about the relationship. There have been various stumbling blocks that have impeded the relations from moving forward in recent years. Public perception in India about Russia has been shaped by a few minor and negative aspects, such as Russia's attempts to revise the price of the aircraft-carrier Admiral Gorshkov. This may have dented Indian trust in dealing with the Russians.

Similarly, in the overall dynamics of ongoing geopolitical developments, there have apprehensions growing in certain corners about what kind of course this relationship will take in the future. Inevitably, there have been growing feelings both in India and Russia in recent years to move away from old nostalgia and instead seek a more realistic relationship based on current realities. It is a misconception that Russia and India have substantially moved away from each other, as can be seen from divergent foreign and defence policies pursued by both countries. Besides, the lack of a transport corridor and of a suitable banking system has inhibited meaningful commerce between the two countries. In fact, the bilateral trade turnover has stagnated at around \$5 billion annually for the past several years.

However, for most optimists, the prospects for India-Russia relations are still good. The economies of both India and Russia are

growing. The changes in the global market and the slowdown in economies have widened the opportunities for India and Russia to explore fresh convergence of interests. Moreover, the economies of both the countries are complementary to each other. Russia has huge natural resources and there is tremendous scope of market expansion. The potential for cooperation remains unrealised as both India and Russia have been paying greater attention to the West rather than to each other. India will always remain a vast market for Russia's energy and raw materials. Russia has a strong scientific and technological base that India can be take advantage of. On its part, Russia remains a vast market for Indian goods. Diversification in relationship is, therefore, a major challenge, especially when linkages are yet to be established between engines of growth in India and Russia. As its economy grows, Russia will refurbish its strategic assets. This is important because many in India still view Russian weapons as the best bet for India's requirements.

But, all said and done, the overall guiding spirit of India-Russia relations will remain strategic, diplomatic and political. Russia is still a country with large stockpiles of strategic bombers, with a veto power in the Security Council and acts as a useful counterweight against global hegemony. It is also important that India should not forget its old and time-tested strategic partner, as the traditionally strong US-Pakistan relationship and China-Pakistan nexus still persists. Further, Russia's diplomatic support to India in the context of the issue of Kashmir should not be lost sight of. Needless to say from an Indian perspective, Russia will be critical for creating a multi-polar world and a multi-polar Asia in the 21st century.

Fortunately, there has been a marked improvement in Indo-Russian relations that had suffered setback after the Soviet collapse. High-level visits from both the countries in recent years have enabled the relationship to regain lost ground. In 2009, Russia invited the Indian Prime Minister to attend a slew of high profile meetings, including those of the Shanghai Cooperation Organisation (SCO) and Brazil-Russia-India-China (BRIC) Summits in Yekaterinburg. The SCO, which is keenly nurtured by Russia and China as an exclusive nucleus, had earlier excluded those with observer status from

the core deliberations. But, Russia changed the format in 2009 to include Iran, India, Pakistan and Mongolia in the core agenda.

It is also clear that Russia's showdown with Georgia has changed the rules of the game. Moscow had lost diplomatic face not only in Europe but also in Asia. Many of Russia's own friends, including some SCO members, were incensed by Moscow's adventurism towards its former republics. Similarly, the way Russia used gas as an instrument for arm-twisting invited international ire. China and Central Asian states remain wary about Russia's action and did not endorse Moscow call for recognising Abkhazia and South Ossetia during the 2008 SCO summit in Dushanbe. The adroit Chinese were certainly not keen to pick up fight at the risk of ruining relations with the West. Moscow also perhaps realised that it was speedily losing control in the Eurasian space in favour of China, especially when the global meltdown inevitably made the Central Asian states more dependent on China. The former Soviet republics have probably begun to rely more on Chinese driven institutions than the moribund organisation led by Russia. Unlike Russia, Beijing has shown no inclination for prematurely confronting the West. China has also shown cautiousness about admitting Iran into the SCO as a full member and may have moderated Central Asian behaviour against Moscow's likings. It was against this trend of Russian losing its economic, political and cultural attractiveness vis-à-vis China that it was keen to cajole India fully into the Eurasian space.

The importance of India to Russia is also linked to the global financial crisis. Both Russia and China have been attempting to evolve a fresh financial architecture, including a proposal for new global currency to replace the dollar, in an effort to pre-empt another financial meltdown. Moscow hopes that Brazil, India and China will join hands under the BRIC formula to push the idea further.

Prime Minister Manmohan Singh's trip to Moscow in December 2009 was extremely significant for India to push a bilateral nuclear accord and defence pacts with Russia. A "path-breaker" umbrella agreement for expanding civil nuclear cooperation was signed by Prime Minister Manmohan Singh and President Dimitry Medvedev in Moscow. The deal on nuclear cooperation was pegged as even

better than the 123 Agreement India had signed with the US. The agreement will give India the right to reprocess spent fuel and facilitate the transfer of sensitive enrichment and reprocessing technologies. The umbrella nuclear accord will be signed during Putin's first trip to India as Prime Minister of Russia in March 2010. New Russian nuclear reactors will be located at Haripur in West Bengal. On the defence side, among other things, a broad agreement on the aircraft-carrier Admiral Gorshkov has been signed by India and Russia, which has been held up due to pricing issues.

Indo-Russian strategic ties in recent years have also assumed significance against the backdrop of the US' Af-Pak Plan, particularly in the context of Obama's bid for mastering support of regional powers to make his Afghan policy a success. Russia has also been talking about the Afghanistan problem more seriously than before. It is mainly because the focus of geopolitics has shifted from Iraq to Afghanistan – a traditional backyard of Russia – that its role has not drawn that much attention. In fact, Russia had sponsored a high profile conference on Afghanistan in March 2009 to seek a stepped-up role to deal with increasing security issues emanating from Afghanistan, especially against terrorism, drug trafficking and organised crime. The Russians have suspected that the economic downturn may have had an impact on the Taliban as well, which was bound to strengthen the drug chain as a source of terrorism. The SCO's efforts have been hampered by NATO presence in Afghanistan and as the Russians claim, Afghan opium production has soared by over 44 times since the NATO and US deployment and ever since Russian border guards withdrew from the Tajik-Afghan border in 2005.

Moscow has shown willingness to provide transit routes for NATO shipment across Russia and Central Asia to Afghanistan, an offer that is being downplayed by the US as it would prefer to rely on Pakistani supply routes. More than anyone else, Russia fears that there will be a serious power vacuum in Afghanistan and it will upset the existing balance should the current Western policy fail. For India, Russia is important to counter the negativities falling on India out of the US Af-Pak plan. In a follow-up to Prime Minister Manmohan

Singh's trip to Moscow in 2009, Russia's Secretary of the Security Council, Nikolai Patrushev, visited India in January 2010 to expand counter-terror cooperation and review the implications of a proposal for reconciliation with the Taliban that was endorsed at the London conference in January 2010. Both India and Russia are opposed to the idea of making a distinction between the so-called good and bad Taliban.

Similarly, the visit to New Delhi by another key Kremlin official and Deputy Prime Minister Sergei Sobyenin during the 'Defexpo' in New Delhi in February 2010 will certainly boost further military and technical cooperation ties between the two countries.

Against this backdrop and as a part of its ongoing research activities, the Institute for Defence Studies and Analyses (IDSA) had organised a two-day interactive dialogue entitled *India-Russia Strategic Dialogue: Opportunities and Challenges* on March 13 -14, 2009, in New Delhi, with the participation of well-known experts from top think-tanks from Russia. In fact, it was for the first time since the Soviet collapse that IDSA organised such an event with the aim of reviving dialogue between think-tanks in Russia and India to exchange perspectives on the changes in the international and regional security environment and the need for greater Indo-Russian cooperation. It was hoped that the dialogue would help us in bridging the gap in knowledge on Russian affairs in India.

The endeavour was to make the bilateral dialogue more than a scholarly exercise. The dialogue, through discussion of assigned papers, sought to address the most pressing and important issues of the day.

The dialogue was structured along the following sub-themes.

SESSION 1 International Security: Indian and Russian Perspective

Russia and the West/NATO

US Policies towards Russia

Nuclear Non-Proliferation/Disarmament

International Terrorism

Rise of China

SESSION 2 Regional Security Issues: Indian and Russian Perspective*Instability in Pakistan-Afghanistan**Iranian Nuclear Issue**Security Issues in Central Asia & the Caucasus***SESSION 3 Indo-Russian Partnership & Preparedness in the 21st Century***Political Relations – Problems and Prospects**Space and Science & Technology***SESSION 4 Indo-Russian Partnership & Preparedness in the 21st Century***Trade, Investment & Commerce**Defence Cooperation – Problems & Prospects*

This book contains several in-depth research papers presented at the two-day dialogue. The issues covered in book are thematic in nature with perspectives from both Russia and India written by individual authors. The book should be of particular interest to those tracking the dynamic changes in India-Russia relations and the issues that dominate them.

CHAPTER 2

Russia and the West

K. Khudoley

The question of whether Russia is a part of Europe and what is its relationship with the West is one of the most complex and controversial points in public policy debates that have been going on in Russia for more than a decade. Almost the entire 19th century was marked by disputes between the “Westerners”, who claimed that Russia was a part of Europe moving along the same lines as Western European states, and “Slavophiles”, who argued for a special path for Russia. The aim of the 1917 Revolution was the creation of a state whose very existence was a challenge to the Western capitalist world. However, this experiment suffered a complete failure—the Soviet Union ceased to exist. This had a serious impact on international relations in general.

At the turn of the 21st century, the world saw a qualitatively new situation become apparent. The old system of a bipolar world of the Cold War period vanished; a new one has yet to emerge and this process is likely to take a while. Unipolarity or multipolarity are now only trends rather than an established world order.

In the coming years, the United States is likely to retain the position of the leading power. It will dominate in all aspects—militarily, economically, politically and culturally—although its influence will not be as great as in the 1990s. Some other poles of

political power will emerge. And while they are unlikely to be on the path of confrontation with the US, there will be a number of issues on which they will pursue their own individual policies and defend their interests. In particular, obviously, the differences between the US and the European Union will increase. Therefore, the notion of “West”, that was so clear and certain in the years of the Cold War, will gradually be getting more and more amorphous. At the same time, the transatlantic connection will continue to play an important role in international relations. However, the significance of Europe to the US will gradually decrease. It is also unlikely that European states will be actively involved in various conflicts in the depth of Eurasia.

It is quite obvious that the role of India and China, whose economies have made significant progress in recent years, will be gradually increasing.

Russia is also looking for its place in the emerging new system of international relations. In the 1990s, there was a prevailing view in Russia that the country would rapidly integrate into the Euro-Atlantic community and become part of the Western world. This, however, did not happen. Moreover, the ruling elites became convinced that the West was seeking unilateral advantages and did not take into account the interests of Russia. The default of 1998 presented the Russian leadership with a dilemma – to abandon sovereignty in the financial sector, or to choose a different course of development, based on the model of state capitalism preserving state sovereignty to the maximum. The choice was made in favour of the latter. In doing so, particular emphasis was placed on keeping under control the fuel and energy resources, which were seen as the main factor of influence in both domestic politics and international arena. The concern over the weakening position of Russia in the world was shared by Russian society as a whole. The development of a new system at the beginning of the 21st century was also due to the rising prices for oil and gas, as well as to the emergence of new threats, namely, international terrorism. Thanks to favourable conditions in the oil and gas market, Russia has been able to markedly improve its socio-economic situation, pay off the debts of the Soviet era and the loans of the

1990s, and accumulate significant financial reserves. In these circumstances, the ruling circles of Russia began to feel much more confident on the international scene. It is no coincidence that in 2006-2007, a number of officials and politicians close to the United Russia party were characterising Russia as an “energy superpower”.¹ Terrorist attacks in Russia (which occurred a few years before the 9/11 attacks on New York and Washington DC) have also contributed to the growing sentiment in favour of strengthening the state.

In the political sphere, the differences between Russia and the West are essential, but not insurmountable.

In recent years, Russian authorities have continually argued for a multipolar world.² This has caused some irritation in the US, especially with the George W Bush Jr. Administration. In Western Europe, the idea of a multipolar world does receive some support. However, neither the US nor the EU consider Russia as one of the possible poles of the modern world. Russia is seen as a possible junior partner whose view in some cases can be disregarded. Such treatment caused great dissatisfaction among the Russian political elite. A manifestation of this was V Putin’s speech at a conference on security in Munich in February 2007. This statement differed from his earlier ones by its harsh tone. In the media, it was taken as a declaration of a new Cold War. In fact, by using tough rhetoric, the Russian leadership was trying to get the attention of the West. However, this line did not produce results. In the US, the anger against Russia only increased and Washington was unwilling to care about Russia’s position or its interests. That was exactly one of the reasons for the Caucasus conflict of August 2008. When launching military operations in South Ossetia and attacking Russian troops, the leadership of Georgia did not expect to be counterattacked because it was absolutely sure that the Russian response will be limited to diplomatic protests and media campaigns. Today, even some US experts admit that the reaction of Russia during the August 2008 crisis in the Caucasus was to a large extent caused by US’ attitude towards Russia.

The Caucasus crisis has shown yet another novel element of the foreign policy of Russia – it has become a revisionist power. Prior to

these events, Russia principally insisted on the need to preserve the *status quo*. Most obviously, it was manifested in such a complex issue as walking the fine line between the right of nations to self-determination and territorial integrity of states. Russia undoubtedly used post-Soviet conflicts to strengthen its influence. But it had for a long time refused the possibility of changing the legal status of disputed territories or redrawing state borders established after the collapse of the Soviet Union. This line remained unchanged even after a unilateral declaration of Kosovo's independence in February 2008 and its subsequent recognition by most Western countries. As Putin said, "We acted above and beyond the call of cautiousness—we 'swallowed' it."³ And it was only the armed conflict that pushed Russia to recognise Abkhazia and South Ossetia. It cannot be ruled out that in the future too, Russia will continue to make unilateral moves if confronted with military threats to its interests.

In today's world architecture, Russia still attaches great importance to the UN. Here, the approaches of Russia and the US differ markedly. Russia reacts very badly to any plans to displace the UN, especially in the case of appeals in some American quarters to create a League of Democracies based on NATO. Russia feels confident enough in the UN forum as a country-founder and permanent member of the Security Council with veto power. However, the complexity of the position of Russia is that the balance of power on the world stage in the 21st century differs significantly from the mid-20th century when the UN was founded. As a matter of fact, Russia is not opposed to UN reforms or to adding new permanent members to the Security Council. Assurances of this kind were given to Germany, India and some other countries. However, the Russian elite is well aware that increasing the number of permanent members of the UN Security Council and UN reform will lead to a decline in the influence of Russia in the organisation. Russia's position on this issue is also shared by China. As noted in the Russian-Chinese Joint Declaration of 2007, both parties consider attempts to accelerate the expansion of the Security Council counter-productive.⁴

One of the main objectives of the foreign policy of Russia under both Presidents Boris Yeltsin and Putin was the entry to the club of

highly industrialised nations and the transformation of the G-7 to the G-8. Russia did manage to achieve this, albeit more slowly than originally anticipated. Holding the G-8 Summit in St. Petersburg in 2006, in fact, strengthened the position of Russia as an official member of this elite club. However, it did not fully satisfy the Russian political circles. Russia's role in decision-making of the G-8 is not great, while on many issues Russia stands alone. The remaining seven members of the club are closely tied together politically and economically (they are energy importers, while Russia is an exporter of energy), and tend to hold a common view on global issues. The Finance Ministers, whose activity within the club is rather autonomous, continued to meet from time to time in the G-7 format. Moreover, in the West (especially in the US) calls to expel Russia from the G-8 are still heard now and then. For example, during the 2008 election campaign, Senator John McCain called for Russia to be replaced by India and Brazil in the G-8.⁵ This development is very unlikely, since such a drastic deterioration of relations with Russia is not in the interest of either the US or Japan, or, for that matter of Western Europe. However, the probability of holding separate meetings by the G-7 in parallel with the G-8 is quite likely. An example of this is the statement of the Foreign Ministers of the G-7 sharply criticising Russia during the Caucasus crisis in August 2008.⁶

The ruling circles of Russia, disappointed with their role in the G-8, perceive the threat of exclusion quite seriously (sometimes too seriously). In these circumstances, the Russian leadership is beginning to show interest in other possible combinations, with the participation of major countries outside the G-8. It primarily concerns the triangle of Russia-India-China and the BRIC (Brazil, Russia, India and China) group of states. At the same time, Russian politicians do not take a unified approach in the matter of what is the goal of rapprochement with these countries. Some people firmly believe that this is an attempt to create a real alternative to the West, while others trust that this way Russia is strengthening its position in negotiations with the West, hoping to get a better offer from it. The same holds true for the development of relations with Latin America. Some circles

in Russia consider it an important means of weakening the influence of the US, while others see it as one of the trade-offs in negotiations with the US on limiting its activity in the post-Soviet territory.

This uncertainty in the position of Russia is due not only to wavering and disagreement inside political circles. According to some influential figures, it also gives Russia room for manoeuvre in negotiations and agreements with a variety of forces.

A distinctive feature of Russia's policy in the 21st century is the emphasis on strict adherence to sovereignty, denying the slightest possibility of transferring any part of it to supranational bodies. It logically follows from the intent to create a "power vertical". Hence, the suspicion toward non-governmental organisations, particularly if they are at least partly financed from abroad. From time to time, there are debates on the possibility of quitting the Council of Europe, especially when its parliamentary assembly adopts a resolution critical of Russia, or when Russia loses to its own citizens in the European Court of Human Rights.⁷ It can be explained in part by the desire to reduce the level of criticism towards Russia, but sometimes what is hidden behind it is the tendency toward political isolationism.

The Cold War was manifested most vividly in the military sphere. The arms race between the two opposing blocs was reaching unprecedented proportions. The arms arsenals were enough to destroy all life on the planet many times over. The arms race and regional conflicts, which directly or indirectly involved the great powers, required enormous expenditures. This was one of the main reasons for the collapse of the Soviet Union.

With the end of the Cold War, the situation changed. Russia withdrew its troops from the countries of Central and Eastern Europe, and the Baltic States. The number of US troops in Europe significantly decreased. Central Europe stopped being a zone of great concentration of troops and weapons of the opposing blocs. And no new area of military tension, even remotely resembling the Central Europe of the time of the Cold War, has appeared since then. This, of course, has greatly improved the overall environment. Russia and the US have signed several agreements on the reduction of strategic offensive weapons. A number of regional conflicts have also been

resolved. The search for compromise was often less difficult once the confrontation of the opposing blocs was over.

However, despite these positive developments that mitigated substantially or even eliminated international tensions, some traces of the Cold War time persist. In particular, there is continued growth in military spending. A strong lead in it is held by the US. In the 21st century, its military spending accounted for more than half of all global spending. Military spending in Russia, although experiencing a rise in recent years, is substantially less than that of the US or some other states. This is an issue of serious concern in Russia. This, of course, is no match for the arms race of the times of the Cold War, but such developments have a negative impact on the relations between Russia and the West. Unfortunately, we can see in it some elements of remilitarisation.

Russia reacts in a particularly sensitive way to any changes in the area of strategic arms. Missiles and nuclear weapons are the only remaining attributes of a superpower that Russia still has. Their loss or weakening, in the opinion of some influential political circles in Russia, is not acceptable. It is of no coincidence that in the “National Security Strategy of the Russian Federation until 2020”, the task of preserving the capacity of the strategic nuclear forces is named as the most important.⁸

Of the key significance here are, of course, the US-Russian agreements. Unfortunately, Russia and the US have largely been held hostage to the legacy left from the Cold War. The missile and nuclear capabilities of both countries were intended to inflict rapid eliminating strikes and technically it is impossible to change.⁹ Hence, there is a significant proportion of suspicion on both sides against each other. In addition, influential circles in the US are looking forward to changing the balance of power in their favour. They are betting on the idea that Russia, for economic reasons, will not be able to preserve, let alone modernise its nuclear arms. The article in *Foreign Affairs* outlining a possible scenario of striking the weakening nuclear potential of Russia and China caused great concern in Russian military circles.¹⁰ Russia’s reaction to the plans of deploying a missile defence system in the Czech Republic and Poland is an offshoot of

that. The revitalisation of the military presence in the areas adjacent to the US (joint manoeuvres with the fleet of Venezuela, etc.) was designed to give Russia some advantages in negotiations on missile defence.

Russian political circles are closely watching for possible changes in the American approach to the plans for a missile defence under President Barack Obama, and whether a replacement of the Treaty on the Limitation of Strategic Offensive Arms, which expires at the end of this year, will be found. The Joint Statement by Russian President Dmitry Medvedev and US President Obama on the issues of defence on July 6, 2009,¹¹ is, of course, a positive sign. However, it is as yet unclear as to whether a turning point has been reached.

Russia is showing some concern over the expansion of NATO. At some stages, President Boris Yeltsin as well as President Vladimir Putin also expressed an interest in Russia joining NATO. However, the reaction of the other side was clearly negative. Now a very negative attitude toward NATO has taken root among Russia's ruling elite, and it has grown even stronger after the Caucasus conflict of August 2008. Just like during the times of the Cold War, Russia and NATO once again found themselves on the opposite sides of the conflict. Nevertheless, Medvedev, noting that the question of Russia joining NATO was no longer relevant, did not deny such a possibility in the future. "Never say never," said he on this subject on November 16, 2008.¹²

Some influential forces in Russia are hoping to create a bloc that could confront NATO and become an alternative military and political force. Initially, it was hoped that the Shanghai Cooperation Organisation could become such a force. Some even began to call the SCO a "counterweight to NATO".¹³ Soon, however, it became clear that China, which plays a key role in the SCO, has no desire for such a development. In addition, some Russian politicians and military, who initially were enthusiastic about the SCO, began to realise that the influence of Russia in this organisation was limited. Therefore, attention has increasingly switched to the Collective Security Treaty Organisation, where Russia is the largest and most

influential country. Particular attention has been paid to the Collective Security Treaty Organisation (CSTO) after Medvedev became Russia's President. This is particularly reflected in the "Concept of Foreign Policy" (2008), which refers to the "transforming the CSTO into a core institution of security in the area of its jurisdiction".¹⁴

However, the evolution of the CSTO has been slow. The military structure is being created with great difficulty. The difference in approaches is substantial. Thus, Tashkent reacted to its plans to establish a base of collective rapid reaction forces in the Kyrgyz Republic (near the border with Uzbekistan) quite adversely.¹⁵ Almost all countries of the CSTO maintain ties with NATO, participating in the programme "Partnership for Peace". Some differences also emerged during the Caucasus conflict – all the CSTO countries refused to recognise the independence of Abkhazia and South Ossetia. The attempts to transform the CSTO into a strong military bloc, despite much spending by Russia, therefore, are problematic.

A manifestation of the negative reaction to NATO expansion was the emergence of revisionist elements in Russian military policy. Since NATO countries did not ratify the adapted Treaty on Conventional Armed Forces in Europe, Russia has unilaterally suspended the implementation of obligations under it.¹⁶ Some Russian military leaders (for example, General Yuri N. Baluyevsky) are calling for abandoning the treaty of 1987 on medium and shorter-range missiles.¹⁷ It has not yet led to an increase in military tension, but demonstrated the emergence of some new trends.

The situation on the issue of relations between Russia and the West in countering new challenges and threats, and the proliferation of nuclear weapons is equally difficult.

Among the new threats that have emerged in the 21st century world politics, international terrorism has become of particular danger. Terrorist attacks have taken place in Russia and many other countries, including the leading Western powers such as the US, Britain, etc. The 9/11 attacks in New York and Washington DC made a particularly shocking impression on the world community. In autumn 2001, Russia declared its accession to the anti-terrorist

coalition, lending the US and its allies assistance in the conduct of military operations in Afghanistan and agreeing to the deployment of US military bases in Central Asia – a region where Russia's influence is predominant. A number of other steps to promote cooperation in this field (exchange of information between agencies, etc.) were taken. However, such high level of cooperation was short-lived. The US considered the steps of the Russian leadership as a manifestation of Russia's weakness, while Russian leaders were disappointed that the West did not offer anything in return. As a result the level of cooperation in the war on terror began to fall; in fact, the "double standard" approach became increasingly manifest in the assessment of what constituted a terrorist activity.

The issue of nuclear non-proliferation brings together rather than divides Russia and the West, since neither side will like to see the emergence of new nuclear powers. Both Russia and the West declared their support for the treaty signed in 1968 on the Non-Proliferation of Nuclear Weapons. However, the treaty is outdated on a number of positions and, in our view, has shown to be ineffective. Moreover, the number of states whose level of development now allows them to create their own nuclear weapons has increased significantly in comparison with 1968. In May 2009, North Korea conducted a successful nuclear test. Most experts tend to believe that soon enough Iran will be able to join the nuclear club.¹⁸ The advent of two nuclear states close to Russia's borders is hardly in line with its long-term interests. Therefore, officials in Russia have made clear their opposition to missile and nuclear programmes of North Korea and Iran. In the Security Council, Russia voted for UN resolutions calling on Iran and North Korea not to develop nuclear weapons. However, unlike the US and some other Western powers, Russia is reluctant to impose tough sanctions, focusing on a political settlement of problems through diplomatic negotiations. This position is attributable to several factors. First of all, Russia does not want the appearance of yet another conflict near its territory, which cannot be avoided in the case of the use of armed force. In addition, some circles in Russia believe that the emergence of new nuclear powers will be a prerequisite to the emergence of a multipolar world and

will be directed primarily against the US. Note that the problem of proliferation of nuclear weapons will soon be further complicated because none of the approaches—either hard one, with the threat of sanctions and the use of force, or soft, based on political and diplomatic methods of negotiation, has succeeded. The number of states wishing to possess nuclear arms is not decreasing. Most likely, both Russia and the West will have to look for qualitatively new responses to the emerging challenges.

Unlike the Soviet Union, Russia is involved only in some regional conflicts taking place in the post-Soviet space. In the 1990s, the focus of the West on them was negligible. In recent years, the situation has changed. In fact, in all of them, Russia and the West support the opposite sides. It is unlikely that it will come to a repeat of the tragic events of August 2008, but such conflicts will continue to complicate these relationships.

In the economic sphere, the relations between Russia and the West are not smooth either. For a long time, the Soviet Union had been striving towards full economic autarky, reducing foreign economic relations to a minimum. A similar policy was tried by other socialist countries. The processes of integration within the Council for Mutual Economic Assistance by the administrative command method and non-market ways progressed very slowly. In the 1970s, the USSR was forced to expand trade and economic cooperation with the West. It became apparent that only the West could offer the latest technology, a steady market for the export of energy and mineral resources, and hard currency for other trading operations. Nevertheless, the primary focus on domestic market was true for the Soviet economy up until the very end of the Soviet Union. Naturally, this heritage defines the main directions of development of the Russian economy at present.

The dominant role in the economy of modern Russia is played by the military-industrial complex and the energy sector.

The Russian military-industrial complex is one of the major anti-Western forces in Russia. And it is not only a matter of the “inertia of the Cold War”, although this aspect also plays a certain role. The main reason is that the Russian defence industry is facing competition from the West almost everywhere and it is losing one position after

another. After joining NATO, the countries of Central and Eastern Europe have almost entirely abandoned the practice of purchasing Russian arms. The interest in military-technical cooperation with the West, including the purchase of arms, is being also shown by a number of countries in the post-Soviet space. Because of their dissatisfaction with the quality of Russian weapons, a number of countries in Asia and Africa are no longer buying them either. Most notable has been the failure of the Russian military-industrial complex in India—a country which for many years had been one of the main buyers of Soviet and Russian weapons. Some breakthroughs into new markets (Venezuela, etc.) do not change the overall picture. Finally, in Russia too, a discussion has started on the possibility of purchasing weapons from the West for its own armed forces.¹⁹ It should be noted that the West has not been making any serious attempts to develop cooperation with Russia in the sphere of arms production. Going through a difficult time, the Russian military-industrial complex expects to improve its business in the event of complication of relations with NATO and the resumption (at least in part) of an arms race.

The fuel and energy sector in Russia's economy has significantly strengthened its position over the past two decades. In the 1990s, it was mainly focused on continuing to supply oil and gas to post-Soviet states (as a rule, at significantly lower than the world average prices), as well as to Western countries, primarily in Europe. In the second half of the 1990s, the issue of privatisation of the largest oil companies was seriously addressed. In that case, they most likely would have been bought out by major transnational corporations with predominantly American capital. The European Union has been consistently pressing Russia to ratify the Energy Charter. This essentially meant the development of trade relations in the field by rules developed without the participation of Russia.

Both former and current Presidents, Vladimir Putin and Dmitry Medvedev, respectively, pay much attention to the fuel and energy sector. Almost every important issue in this area is dealt with by the very top officials of the State. Major importance is given to large corporations (Gazprom, Rosneft and others), which are dominated

by state capital and are closely linked to the government. In doing so, they on the one hand affect the Government's decisions (including foreign policy), and on the other are used as political instruments in the international arena. Opportunities for foreign and private capital in the Russian energy sector are limited.

In recent years, the situation for Russian companies on the international scene has become less favourable. The European Union has decided to differentiate the sources of energy supplies by planning the construction of oil and gas pipelines bypassing Russia. It primarily concerns the "Nabucco" pipeline. Russia's gas conflicts with the Ukraine and Belarus have also led to a reduction of confidence in the reliability of Russian energy supplies. The energy dialogue between Russia and the US has not seen any considerable development. Attempts to shift from eastern to western markets (China, Japan, etc.) have so far yielded little result. The question whether China will pay for Russian gas and oil at world prices, or will seek special, privileged conditions remains open. In the future, the struggle for control over natural wealth of the Arctic may intensify. Here, the positions of Russia, the US, Canada and the EU are often significantly different and sometimes diametrically opposed.

The financial and economic crisis has put many complex issues before the world community and leading states. The Russian leadership declared that the crisis can be overcome only through joint efforts and called upon all states not to use the crisis to achieve unilateral advantage. President Medvedev took part in the G-20 Summit and a number of other international forums intending to find solutions to the crisis. Nevertheless, one cannot but see that there are some significant differences in the approaches of Russia and the West.

First, Russia and the West differ in their estimates of both the crisis and the ways out of it. In the West, the dominant view is that the current economic system must be preserved as a whole, though also reformed and modernised. Increased government intervention in most cases is seen as a forced, temporary measure.

In Russia, the approach is quite different. Many Russian initiatives

are aimed at creating a new economic order rather than transforming the existing one. This primarily refers to the project of creating a new world reserve currency. This idea was explicitly stated in the Russian proposals for the G-20 Summit in London in April 2009.²⁰ Russia made no secret that it viewed the crisis as a reason to put an end to the “American financial monopoly”.²¹ Increased government intervention in the economy is considered to be an important step that is sometimes given an ideological colouring. It is presented as “the end of the era of neo-liberalism”.²²

Secondly, Russia is trying to use the crisis to build an independent pole in the sphere of economy.

First of all, the Russian government announced plans of making the rouble one of the regional reserve currencies.²³ Judging by how often the idea is voiced in the speeches of President Medvedev and Premier Putin, Russia’s ruling circles are seriously considering this prospect. At the same time, Russia is holding talks with several countries on conducting trade in the national currency. It is understood that in the post-Soviet space transactions should be conducted mainly in roubles.

In fact, Russia has changed the policy in respect of its membership in the World Trade Organisation. The talks on Russia’s WTO accession have always been difficult. On the one hand, there had been some serious disagreements on this subject within Russia’s ruling elite. On the other, the West doubted that Russia would abide by WTO rules even after its entry into the organisation and pressed for unilateral concessions by Russia. Despite that the leadership of Russia had sought to achieve a positive result anyway. Thus, in a message to the Federal Assembly in 2006, Putin explicitly stressed the need for Russia’s accession to the WTO.²⁴ However, further delays in the negotiations led to the appearance of a belief in Russia’s ruling circles that the West would never agree to Russia joining the WTO. To make matters worse, there emerged a view that the WTO itself was in a state of crisis and that the concessions asked of Russia were too high a price for its membership. The Caucasus crisis of August 2008 gave Russia a good reason to deviate essentially from earlier agreements, while negotiations formally continued. Then Prime Minister Vladimir

Putin launched the idea of joining the WTO as part of the Customs Union of Russia, Belarus and Kazakhstan.²⁵ In essence, this means that the Customs Union is seen by Russia as a more important entity than the WTO. Because chances of the Customs Union joining the WTO are almost non-existent, the most likely next step can be an attempt to make the Customs Union into a local WTO.

Finally, it should be noted that until the current financial and economic crisis eases, the Russian government is intending to support its manufacturing sector and reduce imports of equipment, which mainly came from Western countries.

The financial and economic crisis has acutely raised the question of the future ways of development of the Russian economy, which at the beginning of the 21st century was growing mainly due to favourable market prices for oil. As President Medvedev stressed at a meeting with leaders of parliamentary factions on August 10, 2009, “we cannot go on like this – this is a dead end”.²⁶ The transition from a commodity to innovation economy should objectively encourage a rapprochement with the West. By the same token, there will emerge such factor as the need for external borrowings. Russia is likely to need such borrowing in the next few years and the West is the only source for getting foreign loans. However, there will be another factor which will push Russia in the opposite direction. The demographic situation in Russia remains very difficult. There is shortage of manpower in many industries. The option to replenish it through the immigration of Russians from other countries in the post-Soviet space has been practically exhausted. In these circumstances, the influential circles of the political and business elite look forward to the labour force from China. This largely explains their pro-China orientation.

The second area of bitterness from the Cold War – after the military one – was the ideological or spiritual confrontation. It was a very intense battle of two antagonistic ideologies. The ideology of Soviet communism has suffered a complete failure.

The new Russia declared a complete break with totalitarianism in the spiritual realm and started searching for new values. In the first half of the 1990s, both western liberal ideas and the views of

traditional Russian conservatives of the pre-revolutionary era were widely spread. The former were reflected in the Constitution of 1993 in the proclamation of the primacy of human rights. The main provisions of the 1993 Constitution are fully consistent with the documents of the Council of Europe. The latter are a result of the increasing influence of the Russian Orthodox Church and a growth of monarchical sentiments. Both affected, to a greater extent, the higher strata of society, while the vast majority of citizens found themselves in a spiritual vacuum. Later, the position of liberals sharply weakened. The main blame here, in our opinion, can be laid upon the discouraging outcome of the economic reforms of the Yeltsin period and the departure of a large part of the liberal intellectuals for the West. In these conditions, a revival of the Soviet ideology has taken place. Ideas of a great power of both tsarist and Soviet periods have merged in a fantastic interlocking.

The ideological views of the Russian elite in the 21st century represent a specific mixture of many different doctrines. In general, the elite are satisfied with their position and do not want any major changes. Because it is composed mainly of comers from the Soviet state apparatus, for them stability is associated with the USSR. They have a negative assessment of the era of changes – the times of Presidencies of Michael Gorbachev and Boris Yeltsin – and a desire to revive the Soviet traditions, rituals, etc. The other philosophy course affecting the ruling circles are the views of the White emigration. The White emigration as a whole did not accept the views of the liberal democracy and has maintained allegiance to traditional values of the Russian Empire – the Orthodoxy and the great power. The impact of western democratic ideas on the highest strata of Russian society has gone down but not disappeared. Suffice it to note that a significant number of high-ranking officials and businessmen send their children to study in schools and universities in the US and Western Europe.

It is important to emphasise that in the minds of most of Russia's elite, the notions of Europe and the West are not the same. Most of the high class, as well as ordinary citizens of Russia, consider themselves Europeans and Russia – a European country. Therefore,

the notion of Europe triggers in them a positive response in most cases. However, the West, as in the Soviet times, is viewed as something hostile to Russia.

The position of the top Russian leadership is an attempt to preserve all three currents and to maintain a balance between them. This was clearly demonstrated in 2000 when adopting the law on state symbols of Russia: the tricolour flag, symbolising the democratic tradition, the emblem associated with the Russian empire, and the melody of the Soviet anthem. It is also manifested in practical steps. Putin and Medvedev support preservation of Soviet traditions if they are associated with the image of great power and statehood (military parades, etc.), but not the ideas of communism and the October Revolution. They are the first leaders of Russia after the Revolution of 1917 who declared their belonging to the Orthodox Church. Putin restored at his own expense the tombs of one of the eminent figures of the White Movement – General A. Denikin, philosopher-immigrant I. Ilyin (Putin has repeatedly cited him in his speeches), and some others'.²⁷ At the same time, Putin and Medvedev have repeatedly maintained their commitment to European values.²⁸ Certain restrictions on relations with the West in the spiritual sphere, appearing in recent years, aim primarily at limiting foreign influences on the domestic political struggle in Russia. It is no coincidence that these restrictions appeared after the “Orange revolution” in the Ukraine.

Although in recent years the Russian government has been intervening more actively in the spiritual realm, no serious attempt at creating a unified ideology that will oppose the West has been made. The Russian leadership clearly believes that it should benefit more by manoeuvring in the ideological sphere, than by fixing its specific position. One should also note a total absence in all the currents of Russian socio-political thought of any new ideas that can become attractive for either the Russian society or foreign partners. The probability that a new ideology will emerge in the context of the desire of the ruling elite to maintain the *status quo* is minimal.

However, although Russia is unlikely to be able to put forward its ideology in opposition to Western values, the spiritual dimension

will soon play a bigger role in international relations than ever before. This also applies to relations between Russia and the West. There is a collision of different values. In the European Union, NATO and other Western organisations, the proliferation of liberal values of democracy have come to occupy a larger place, while the geo-political aspects have receded into the background. The attractiveness of the ideas of liberal democracy for the residents of the European part of the post-Soviet space is beyond doubt. That is the biggest fear of a large part of the Russian elite.

It can be assumed that the most sensitive issue in the near future will be the question of history. First and foremost, it is, of course, the assessments of the events of the 1920s and 1930s of 20th century and the Second World War. In doing so, the Russian ruling circles will constantly fear that the debate on historical events will be a prelude to presenting Russia with financial and territorial claims. To this one should add that the issue of assessing the events of World War II concerns not only the ruling circles. The pride for the victory in World War II is perhaps the only one that unites representatives of all political currents in Russia. About two-thirds of the families still celebrate May 9 as a family holiday. Therefore, any steps to disparage the victory will be perceived by the Russian society as an assault.

Thus, the relations between Russia and the West are qualitatively different from the times of the Cold War. On the one hand, they lack confrontation, but on the other they have ceased to be the core focus of world politics. Modern Russia, despite the proclamation of a multi-vector foreign policy, in practice, views its relations with the West as the main focus of its foreign policy. The place of Russia in the foreign policy of the West is far more modest.

The ruling circles of Russia and the West consider themselves offended by the other party. The West is not happy with the fact that, as they believe, Russia has not followed the road to liberal democracy and opted for a different model of development. At the same time, it is not taken into account that in Russia the transition could be much more difficult and lengthy than in the countries of Central and Eastern Europe. In turn, the Russian elite believe that

the West does not allow Russia to take its rightful place in the new world order, instead it is humiliating it. Hence, the search for points of support in order to strengthen Russia's position. At this stage, the Russian leadership has been able to significantly reduce and in some areas completely exclude Western influence on the internal development of the country.

Russia is making known its desire to become one of the poles of the new world. However, the actual steps in this direction are very rather inadequate. The possibility of a new attempt to integrate into the Western community is not excluded, although it is unlikely to happen soon. Much here will depend on further development of the global economic situation in general and specifically in Russia, as well as on the US and the EU policies with regard to Russia.

Now the relations between Russia and the West can be best described as the ones of partnership and competition. They are most likely to remain the same for the nearest future. Neither party will attempt to move beyond the point of no return.

NOTES

1. Orlov, D. *Byt' li Rossii "Energeticheskoy sverhderzhavoy"?* (Will Russia be an "Energy Superpower"?), *Izvestia*, January 17, 2006.
2. *Strategia natsional'noy bezopasnosti do 2020 goda* (The National Security Strategy till 2020), May 13, 2009, Official site of the President of Russia, at <http://www.kremlin.ru/text/docs/2009/05/216229.shtml> (accessed August 18, 2009).
3. Interview with Prime Minister V. Putin to the First Channel of the German TV "AGD", August 29, 2008, Official site of the Prime Minister of Russia, at <http://www.premier.gov.ru/pressconferences/458.html> (accessed August 18, 2009).
4. Joint declaration of the Russian Federation and the People's Republic of China, March 26, 2007, Official site of the President of Russia, at http://www.kremlin.ru/interdocs/2007/03/26/2014_type72067_120789.shtml?type=72067 (accessed August 18, 2009).
5. McCain, John. "An Enduring Peace Built on Freedom", *Foreign Affairs*, 86 (6), p. 27.
6. Statement on Georgia by G-7 Foreign Ministers, August 27, 2008, G-8 Information Center, at <http://www.g8.utoronto.ca/foreign/formin080827.html> (accessed August 18, 2009).

7. *Kosachev ne iskl'uchaet vozmozhnosti vyhoda Rossii iz Soveta Evropy* ("Kosachev does not write off a possibility for Russia to quit the Council of Europe"), IA "Regnum", September 15, 2008, at <http://www.regnum.ru/news/1055172.html> (accessed August 18, 2009).
8. *Strategia natsional'noy bezopasnosti do 2020 goda* (The National Security Strategy till 2020), May 13, 2009, Official site of the President of Russia, at <http://www.kremlin.ru/text/docs/2009/05/216229.shtml> (accessed August 18, 2009).
9. *Zolotarev, P. Protivoraketnaya oborona: istoriya i sovremennost* ("Anti-missile Defense: past and present"), *Rossia v global'noy politike*, 3, 2008, pp. 134-135.
10. *Plugatarev, I. SShA gotoviatsia k beznakazannomy yadernomy udary* ("The USA is getting ready for nuclear strike with impunity"), *Nezavisimoe voennoe obozrenie*, March 31, 2006, at http://nvo.ng.ru/wars/2006-03-31/1_usa.html (accessed August 18, 2009).
11. Joint statement of President of the Russian Federation D.A. Medvedev and President of the United States of America B. Obama on Missile Defense, July 6, 2009, Official site of the President of Russia, at <http://www.kremlin.ru/text/docs/2009/07/219077.shtml> (accessed August 18, 2009).
12. Meeting with representatives of International Relations Committee, November 16, 2008, Official site of the President of Russia, at http://kremlin.ru/appears/2008/11/16/0526_type63376type63377type82634_209249.shtml (accessed August 18, 2009).
13. *Ruslan Kondratov: ShOS ukrepl'aet svoi pozitsii i stanovitsya protivovesom NATO v Evrazii* ("Ruslan Kondratov: SCO is consolidating its position and becoming a counterweight to NATO in Eurasia"), June 15, 2009, Press-Service of the Faction "United Russia", at <http://erduma.ru/press/36783> (accessed August 18, 2009).
14. *Kontseptsia vneshnei politiki Rossiiskoi Federatsii* (The Concept of Foreign Policy of the Russian Federation), July 12, 2008, Official site of the President of Russia, at <http://www.kremlin.ru/text/docs/2008/07/204108.shtml> (accessed August 18, 2009).
15. Information message of "Zhahon" Agency, August 3, 2009, IA "Zhahon", at http://www.jahonnews.uz/rus/rubriki/politika/soobshenie_agentstva_jaxon_po_rashmesheniyu_rossiyskix_voinskih_formirovaniy.mgr (accessed August 18, 2009).
16. *Ukaz Prezidenta RF* (Decree of the President of RF), July 13, 2007, 872, Official site of the President of Russia, at <http://document.kremlin.ru/doc.asp?ID=40713&PSC=1&PT=3&Page=1> (accessed August 18, 2009).

- August 18, 2009).
17. *Gavrilov, Yu. Vyhod est' vsegda* ("There is always a way out"), *Rossiiskaya gazeta*, 16, February 2007, at <http://www.rg.ru/2007/02/16/dogovor.html> (accessed August 18, 2009).
 18. *Iran's Nuclear and Missile Potential. A Joint Threat Assessment by U.S. and Russian Technical Experts*. NY: EWI, May 2009, pp. 5-6.
 19. *Fedutinov, D. Beschelovechoe oruzhie* ("Inhumane weapon"), *Kommersant-Business Guide*, 150, August 18, 2009.
 20. Russian Federation proposals for the G-20 Summit in London (April 2009), March 16, 2009, Official site of the President of Russia, at <http://www.kremlin.ru/text/docs/2009/03/213992.shtml> (accessed August 18, 2009).
 21. *Fedorov, E. Monopolia ili razvitie* ("Monopoly or development"), *Parlametskaya gazeta*, July 17, 2009, at http://www.pnp.ru/chapters/firstperson/firstperson_10280.html (accessed August 18, 2009).
 22. *Krah liberal'nogo kapitalizma* ("The collapse of liberal capitalism"), *Parlametskaya gazeta*. November 21, 2008, at http://www.pnp.ru/chapters/economics/economics_8015.html (accessed August 18, 2009).
 23. Speech of D. Medvedev at XII St. Petersburg International Economic Forum, June 7, 2008, Official site of the President of Russia, at http://kremlin.ru/appears/2008/06/07/1200_type63377type82634type122346_202221.shtml (accessed August 18, 2009).
 24. Address to the Federal Assembly of the Russian Federation, May 10, 2006, Official site of the President of Russia, at http://kremlin.ru/appears/2006/05/10/1357_type63372type63374type82634_105546.shtml (accessed August 18, 2009).
 25. *Po itogam zasedaniy Mezhhgosudarstvennogo soveta EvrAzES i Vysshego organa Tamozhennogo soyuza glavy pravitel'stv vystupili pered zhurnalistami* (Following the meetings of the Intergovernmental Council for Eurasian Economic Cooperation and the High Body of Customs Union, the Heads of States spoke before journalists), June 9, 2009, Russian Government portal, at <http://www.government.gov.ru/content/governmentactivity/mainnews/archive/2009/06/09/9723780.htm> (accessed August 18, 2009).
 26. Excerpts from the meeting of D. Medvedev with leaders of political parties represented in the State Duma, August 10, 2009, Official site of the President of Russia, at http://www.kremlin.ru/appears/2009/08/10/1621_type63376_220700.shtml (accessed August 18, 2009).
 27. *Izvestia*, May 26, 2009.

-
28. Speech of D. Medvedev at a meeting with representatives of political, parliamentary and civic circles of Germany, June 5, 2008, Official site of the President of Russia, at http://www.kremlin.ru/appears/2008/06/05/1923_type63374type63376type63377_202133.shtml (accessed August 18, 2009). Also see Gevorkian, N. Timakova, N. Kolesnikov, A. *Ot pervogo litsa razgovory s Putinyim* (Conversations with Putin in the first person). Moscow: Vagrius, 2000.

CHAPTER 3

US and Russia: Passing of Cold War or Renewal of Equitable Partnership

Andrey Volodin

‘History never ends, as a reading of world history would tell anyone. After the fall of the Berlin Wall, (the) US-led West moved-first stealthily, then rampantly-to roll back Russia from the strategic space it occupied as a Second World War victor.’ This quote by Indian diplomat, K Gajendra Singh, who has dwelt upon the geopolitical essence of recent developments in Russia-America relations, have today become even more telling after the allegedly seminal changes at the very top echelon of the US political class in January this year.

These words are also indicative of the long-term strategy of the ruling classes in the US and its allies in Western Europe and Japan vis-à-vis Russia after the dismemberment of the Soviet Union. This strategy has its internal logic and short and long-term consistency. Let us recollect, for example, that the US neoconservatives made it public in January 2001 that the US would use all its political will and military prowess to effectively impede integration trends, if any, on the post-Soviet field.

The Bush Administration did everything in its power to isolate and ultimately weaken Russia, even in the post-Soviet space. The

arrival of US troops in Central Asia after September 11 did trigger worries not only in Russia but in China also. Very soon, it became quite clear that the US 'war on terror', beginning with the occupation of Afghanistan and removal of the Taliban was consciously and consistently exploited by Washington to position its military forces for strategic control of various regions. Under the neo-liberal mode of globalisation, Western politicians were persuaded by the corporate sector that nations could be treated as mechanical devices, in other words, bought and sold at will. The next step in this direction was the intervention in Iraq to sustain US' "absolute energy invulnerability" (this strategy dates back to the 1930s when the country was governed by Franklin D. Roosevelt), i.e., to control the territory's oil fields and the "greater Middle East" at large. In this geopolitical context, bases in Central Asia were part of the grand design of the US administration to exercise dominance over energy and other natural resources in the very heart of Eurasia. It is timely and relevant to mention here that the strategic foreign policy goals of the Soviet Union (and previously those of the Russian Empire) were initially and mainly targeted at the Eurasian landmass and were never a menace to US geostrategic interests. According to the eminent economist and political scientist, Baldev Raj Nayar, 'the Soviet Union was essentially a regional power, albeit a big regional power, dominant only in the region that it physically controlled with its military presence. Against this, much of the world outside this region, a region that largely coincided with Mackinder's Heartland, was within the orbit of the US, either through military alliances or economic dependence.'¹

The significant part of the American overall geopolitical design was the transformation of Europe, both "old and new", into a part of US-centric West, to the point of building a single North Atlantic geopolitical entity, which had its origins in the Transatlantic Declaration of November 22, 1990. From a geostrategic viewpoint, the European Union was in fact considered to be a bridgehead for US on the Euro-Afro-Asian landmass. This policy was relatively efficient: due to the lack of viable and healthy intellectual autonomy, hegemonic power groups in Europe kept the European Union in a

state of perpetual subordination to US strategic interests. Realistic attitudes, adopted several decades back by such eminent personalities as Charles de Gaulle and Willy Brandt, were eclipsed by simplistic ideological considerations.

Putting this notion in a succinct manner, the US sought to reimpose a new version of the Woodrow Wilson doctrine (“sanitary belt”) on Russia in a qualitatively different international set up. The “hidden agenda” of this concept was to build an anti-Russian front (the very idea was never articulated for the sake of political expediency) and to maintain US’ own hegemony in Europe. The importance of East European “connection” was dictated by geography: this area is located between the Baltic and the Black Sea. The “new” doctrine of Russia’s containment was outspokenly denounced by the then President, Vladimir Putin, during his speech at the forty-third Security Conference in Munich (February 10, 2007). This approach was unequivocally restated by incumbent President Dmitry Medvedev, immediately after taking oath.

The US, as well as the West at large, ought to take into consideration the new “domestic” context of Russia’s foreign policy. Today, most Russian people are loyal to their rulers, appreciate the recent economic recovery of their country and are sensitive to the higher international profile regained by the Russian Federation after the decade (or so) of internal turmoil. Nowadays, so popular feelings go, Russia is a stronger international actor, both in terms of goals and tools, than is accepted by the West. The US, on the contrary, has experienced a number of geopolitical setbacks like Iran, Afghanistan, Iraq, Pakistan, the Balkans and Georgia. The Russians are realists to understand that regaining world power status is equivalent to consolidating economic power in a broader political sense and developing a more pragmatic (“mercantilist”) posture towards international politics. This “new realism” in Russia’s foreign policy is shaped by a number of factors, having cultural roots in the conservative backlash articulately asserting itself in Russian society and polity in the last 3-4 years. The disappointment and frustration, spontaneously associated with paradigmatic “models” and economic advice allegedly imported from the West, are part and parcel of the

de facto recognition of the fiasco of the “modernisation project” advocated by the Russian ruling class for the last two decades. This project, according to the rank and file, proved invalid even despite the obviously positive economic climate that the country experienced due to the “vertical rise” of fuel prices in global markets.

The need for a conceptual revision of the current, totally inefficient model (logically and institutionally dating back to Vladimir Lenin’s New Economic Policy of the early 1920s) is dictated by several strategically significant challenges (and accentuated nowadays by the roaring crisis) that have to be met without delay, since otherwise the likely alternative scenario will be the ultimate loss of Russia’s sovereignty. The issues to be addressed may be summarised as follows:

1. *Primitivisation/Deindustrialisation* of the national economy, which makes it impossible to manufacture a broad range of high value added goods, capable of competing with Western analogues on an equal footing.
2. Preponderance of *early industrial* types of economic activity (retail, usury, intermediary services of an early industrial origin) that prevents the self-assertion of a *knowledge-based economy* on Russia’s economic space.
3. Reproduction of *enclave-type* economy that further aggravates socio-economic disparities and disproportions.

This mode of economic “development” adversely affects Russia’s geopolitical capabilities and resources. It is not time and place here to debate the parameters of economic crisis in Russia and the US. Nevertheless, the fact remains that at the heart of the revision of foreign policy’s fundamentals lies the US’ economic crisis that forces the Obama Administration to rethink old adversarial relationship and the “efficacy” of sheer unilateralism as such. In the final analysis, quoting Alexander Rahr, the noted German expert on Russian affairs, “the end has come for all sorts of egoism.” Also indicative of the actual state of the “sole superpower” is this quote by a renowned Indian scholar: ‘The US neoconservatives, backed by the administration, have announced that the US should enforce its will on the rest of

the world and international laws are there only for other states. This doctrine is a sign of US weakness in the economic field: the US can no longer pay for the energy resources it needs for the kind of military-centred, environmentally destructive path of profit accumulation it is pursuing, and hence militarism has become a means of grabbing resources without paying a proper price, increasing the profits of crony companies and generating employment in defence industries.²

Here, we must accept that a sort of “regrouping of forces” is taking place in Russia-US relations. The entire agenda of bilateral cooperation is to be “reset”. Also, we must keep in mind that the nascent US-Russia relationship is not a “new *détente*”. It looks like a marriage of convenience and the pressing force of circumstances has brought both countries together. ‘Russia is behaving aggressively as it wants to catch up for the lost 18 years after the collapse of the Soviet Union,’ note two Italy-based scholars, Serena Giusti and Tomislava Penkova. ‘It seeks to play a balancing role in major international disputes and their settlement to avoid further exclusion from world affairs. It does not have stable political allies and prefers to establish strategic partnerships.’³

The “imperial over-stretch” has pushed the US to ‘reset our relations on a more productive plane’ (as said by US Undersecretary of State N. Burns, the former ambassador to Russia). Under the new circumstances, tentative areas of bilateral cooperation include a number of vital issues. These are:

1. Afghanistan

Russia is prepared to open new supply routes across its territory for NATO forces positioned in Afghanistan. The general idea behind bilateral cooperation in the field is to ensure that Afghanistan will never become “a platform for the export of violent extremism” to the outer world. For all logical and practical reasons, it is Iran that has emerged as a genuinely key player in the Afghan and Iraq imbroglio. According to Russia’s Foreign Minister Sergei Lavrov, “at issue ... is involving Iran on an equal, worthy basis in efforts to resolve the Iraqi and Afghan conflicts, as well as in all aspects of the

Middle East settlement". Also, we are to keep in mind that Turkey, as demonstrated by the 2008 August crisis in Transcaucasia, is quickly acquiring, alongside with Iran, the status of a *new regional influence*, vitally interested in the minimal non-regional involvement in the "Greater Middle East" area.

2. Non-proliferation

America seems to be keen on sustaining the existing regime of non-proliferation. It is relevant to emphasise in this context that the bombing of the former Union Republic of Yugoslavia in 1999 provoked the crisis of non-proliferation: some rulers began to treat nuclear weapons as an efficient means of self-defence when faced with outside intervention. Hence, the Obama Administration, according to political analysts, will do its utmost to prevent Iran from acquiring nuclear status. Russia is regarded as an indispensable strategic partner in the field of non-proliferation, supposedly in exchange for dismantling of a highly controversial ABM system projected to be installed in Poland and the Czech Republic. On its part, Russia senses that the Obama Administration may ultimately decide to scrap the missile defence system given the large amount of funds needed for such a huge and financially risky project. Developing this argument a little bit further, President Medvedev has indirectly noted that there is hardly any scope for US-Russia trade-offs adversely affecting Moscow's expanding ties with Tehran.

One can have no difficulty in guessing that this marriage of convenience is not synonymous to a genuine strategic partnership. For example, the Obama administration is unlikely to stand as an impartial observer in view of Russia's new and far-reaching political and military initiatives in Central Asia. Also, the "great game" over the Caspian energy resources and pipelines is likely to continue unabated. Putting this argument in a different manner, the US cannot learn to live with the current level of Russia's control over energy supply to Europe and this energy security issue has serious implications for US' trans-Atlantic leadership. But, again, the diversification of energy delivery routes is ultimately dependent not on the US and/or West Europe but on the political expediency of

the new regional leaders, namely Turkey and Iran working together. The Kremlin is of the view that the appearance of the US and NATO naval vessels in the Black Sea during the five-day war in August 2008 was part of the US design to weaken Russian marine power. This conflict was instrumental in renewing Russia's military build-up as a countermeasure to the US' geopolitical challenge.

On its part, Russia, too, is suspicious of US' intentions in Afghanistan. As to Iran, Russia's ties with this country are fast-expanding and are far too strategic in a wide terrain stretching from the Caspian to Central Asia, or putting it figuratively, from radical Islam to natural gas, to be sacrificed at the altar of nascent Russia-US relations.

Under the existing circumstances, one can conclude that President Obama will be hard-pressed to find the "perfect" balance, if any, in US' relationship with Russia that is seeking global self-assertion. The President's "window of opportunity" remains rather narrow. As the eminent US political scientist Joseph Nye argues, Obama's application of "smart" power is also a matter of expediency – a product of our complex and changing world. In this, "post-American" (as articulated by Fareed Zakaria) world, the US may be the only superpower (in the author's view the "first among the equals") that can influence but not exercise control over other regions of the world, such as a boundless Eurasia.

In conclusion, one can say that there exist two conflicting "visions" of Russia's motives, lying at the changing foundations of the country's review of its post-Communist foreign policy. On the one hand, as argued by *Stratfor's* authors, Lauren Goodrich and Peter Zeihan, "with a crashing currency, the disappearance of foreign capital, greatly decreased energy revenues and currency reserves flying out of the bank, the Western perception is that Russia is on the verge of collapsing once again. Consequently, many Western countries have started to grow complacent about Russia's ability to further project power abroad. But this is Russia. And Russia rarely follows anyone else's rulebook." This surrealistic perception is balanced, on the other hand, by the Russian public's desire to reset bilateral relations with the US. But the Russians, argues another intelligence report by

Stratfor, “want to clarify how far the Americans really intend to rewind the tape. The 2004 Orange Revolution and NATO’s reach to the Baltics crystallised Moscow’s fears that the US intends to encircle and destabilise Russia in its former Soviet periphery through NATO expansion and support for the colour revolutions. Since then, Russia has been resurgent. Moscow has worked aggressively to reclaim and consolidate its influence for its long-term security while the US remains preoccupied in its war with the jihadists.”

Nowadays, people in Russia have become more sensitive to ideas articulated by the patriarch of modern social sciences, Walt W. Rostow. This passage is very instructive: “It is now clear in retrospect in a world of diffusing power that the notion of the US as a superpower has been an illusion since 1948 at least. It is progressively becoming more of an illusion. The US does represent a significant margin of power and influence, when it both expresses the majority will and is prepared to back its rhetoric with action. If the US seeks to do something which runs against the grain of majority thought and feeling in the world, it can be easily frustrated. When it acts in conformity with the majority interest, the US can still play a critical catalytic role in the enterprises of both the UN and the regional organisations, while reserving its right to defend its core interests. We are, in short, the world’s critical margin. ... The US cannot impose its will on others as a hegemonic power, but big things are difficult to do in the world community without our active participation.”⁴

The Russians are frequently and rightly rebuked for their loss of an historic memory. Nowadays, the Russian society, both the people and the “elite”, is united in thanking the West, i.e., the US and others, for the impeccable “historic lesson” our nation has been taught after the dismemberment of the Soviet Union. This gratitude will definitely be transformed into a more realistic approach towards other countries, as well as their intentions and “hidden agendas”. And Russia-US relations will not be excluded from such an approach.

NOTES

1. Nayar B.R., *The Geopolitics of Globalisation: The Consequences for Development*. New Delhi: Oxford University Press, 2005, p. 89.
2. Bagchi A.K., *Perilous Passage: Mankind and the Global Ascendancy of Capital*. New Delhi, Oxford University Press, 2006, p. 335
3. *World Affairs*, 12 (4), Winter 2008, pp. 16-17.
4. *Leading the World Economically*. Amsterdam: Dutch University Press, 2003, p. 273.

CHAPTER 4

Nuclear Non-proliferation:
Challenges Ahead

Vladimir T. Novikov

The international nuclear non-proliferation regime today faces the most serious crisis in its history. There are a number of reasons for this, but the most important reason, according to me, is the collapse of the bipolar system of international relations and the collapse of the USSR. We also have to take into account the conviction of the political elite in the United States that the US is the only superpower and its leadership has the exclusive right and knowledge about the structure of any new system of international security. A majority of this segment sees a link between the national security of the US and strategic stability of the new system of international security. The US political, economic and military power is seen as the tool for achieving this goal.

The US undertook a number of steps in the 1990s, which were directed to dilute the nuclear factor in international relations. In particular, there was a significant reduction in US and Russian strategic nuclear arms, the non-proliferation treaty (NPT) was prolonged, the Comprehensive Test Ban Treaty was negotiated and open for signing, and work on concluding the Fissile Material Cut-off Treaty (FMCT) was actively conducted. There is no doubt that

such steps strengthened the international nuclear non-proliferation regime.

But, to my mind, the reduction in nuclear arms and the US attitude to strengthening the nuclear non-proliferation regime were viewed by the US as a means to enhance its own cumulative power. Firstly, it was the strategic goal of the US to prevent the emergence of another superpower. Secondly, the idea was to forestall the emergence a new regional power that would threaten the US national security interests. It is necessary to note the US perception of those capable of possessing nuclear weapons (even one crude nuclear explosive device). The US policy-makers view this as a unique means to check US influence. For this reason, the struggle against spreading of nuclear weapons and even against scientific and technical preconditions of its creation by potential rivals became a key element of the Clinton administration. And, so it is quite understandable why the second half of the 1990s were marked by a number of military or political crises where the US remained an active participant, including in Iraq, North Korea, Iran and Yugoslavia.

The US has made considerable advancement not only in the economic sphere but also in the field of development and production of conventional (especially smart) weapons, which, in one sense, had created an illusion amongst its elite. They did realise that a preliminary strike could prevent other states from possessing nuclear weapons. At that time, the strategy of non-proliferation got significant support in the Congress and the US government, and that was reflected in the development of special military means and methods of struggle against nuclear objects on the territory of other states.

In this connection, the decision of the US Senate not to ratify the CTBT, to leave the ABM Treaty, and the US aspiration “to modify” available nuclear warheads under “new tasks” looks quite understandable. And that practically means the development of new kinds of nuclear arms (R&D in the area of mini and micro-nukes and Reliable Replacement Warheads).

Undoubtedly, such action by the US generated fears in some states concerning their national sovereignty, with the effect that they redoubled their efforts to get nuclear weapon, or at least scientific

and technical capabilities. And it is precisely for this reason that a significant number of countries had sharply criticised the US policy towards nuclear non-proliferation at the NPT conference in 2000.

The next eight years of Republican administration, with neo-conservative domination, resulted in further deepening of the crisis in the nuclear non-proliferation regime. The Bush administration emphasised on the use of force to deal with the crisis situations, especially the pre-emptive strike policy against the “infringers of the regime”. The US occupied Iraq militarily on the pretext of Iraq’s nuclear related activities. The withdrawal of North Korea from the NPT in 2003 also was a consequence of the refusal by the US to implement the Framework Agreement of 1994. At that time, the secret network of illegal exports of sensitive nuclear technologies to Libya, Iran and North Korea were revealed. And that network had been created by the father of “Pakistan’s nuclear bomb”, A Q Khan. It is remarkable that the US deliberately overlooked Islamabad’s nefarious designs. Similarly, gross infringements of the NPT regulations and the IAEA Charter by South Korea came to light. Korean experts secretly carried out experiments in the field of sensitive technologies, but the US did not insist on rigid sanctions in their case.

Instead of seeking close cooperation with all interested parties to deal with the non-proliferation issue, Washington resorted to a policy of using force against those intending to go in for a nuclear-related programme. In fact, the emphasis was on a struggle against the possibility of a “nuclear terrorism threat” without convincing proof. In this connection, the failure of the 2005 NPT general conference, North Korea’s nuclear explosive test in 2006, and strengthening of Teheran’s efforts in mastering technology for uranium enrichment became quite clear.

It is thus clear that the prospects for changes in the international nuclear non-proliferation regime will largely depend on the US policy outlook. The new US administration under President Barack Obama gives certain hopes for positive changes in US policy in the field of nuclear non-proliferation. I will deal in the remaining section on the possible changes that might come about in the near future.

At the moment, Obama has suggested the following:

- “Complete support” for NPT, especially for Article VI (nuclear disarmament);
- “NPT strengthening” which consists of “automatic application of strict sanctions to states, whose activity *does not meet* the regulations of the Treaty, especially with regard to Iran and North Korea;
- Conclusion of the Fissile Materials Cut-off Treaty (FMCT) with full mechanism of verification;
- Support for Indo-US nuclear agreement in the field of peaceful nuclear energy (so called Agreement 123);
- Support initiatives directed on the reduction of “the nuclear threat emerging from the former Soviet states”, strengthening efforts to curb various programmes in Russia, especially the weapon grade nuclear materials, diversification and training for Russian nuclear scientists, who worked in nuclear-weapon complex of the country; and
- Strengthening of struggle against threat of nuclear terrorism.

Apparently, countering nuclear terrorism is a priority of the US policy. In particular, Obama considers it necessary “to develop effective strategy of struggle against this threat”. The characteristic features of this strategy will be the following:

- Counter measures against terrorists accessing sources of nuclear materials, which are suitable for creation of a nuclear explosive (on the chain reaction basis), or “a dirty bomb”;
- Withdrawal of highly enriched uranium (especially weapon grade quality) from the civilian sector of the economy;
- Substantial increase in the level of security of nuclear installations to prevent the possibility of plunder, capture or purchase of weapons-grade nuclear materials by terrorists in the black market;
- Organise a special summit devoted to the problem of prevention of nuclear terrorism acts and for the development of joint antiterrorist programme (shared security partnership programme);

- Reduction of terrorism threat by decreasing tensions in regions while granting aid (non-military) to friendly states. It looks like some kind of “a new Marshal Plan” with \$50 billion to be provided by 2012; and
- Increased efforts (in conjunction with Russia and other countries) to the development and introduction of complex and comprehensive standards, to protect nuclear materials from plunder.

On the basis of the above, it is fair to assume that the US will probably try to involve all countries having sensitive technologies and nuclear materials of weapon grade quality in discussions. The new US administration might allocate \$1 billion for the protection of nuclear weapon grade materials and the most essential part of these schemes is to use it as “ginger bread” for obtaining access to nuclear installations.

Another step to strengthen nuclear non-proliferation include creating “new infrastructure of nuclear power in the world.” For this purpose, it has offered to develop new technologies, other than “sensitive” technologies for producing weapons grade uranium and plutonium. For this purpose, the US and other states are seeking to do:

- set up an international nuclear fuel bank;
- to organise international centres for rendering services in manufacturing low enriched uranium for atomic power plants;
- • to give potential consumers (first of all to less developed countries) “convincing guarantees of maintenance of their requirements for nuclear fuel”; and
- to guarantee a price policy which “will convince less developed countries on the inexpediency of constructing their own plants to enrich uranium or for regeneration of plutonium”.

The new US president and his advisers are hopeful that the new infrastructure for nuclear power will serve the purposes of these states, “whose nuclear ambitions are camouflaged by the necessity to exclude

key objects of a nuclear power”. And that will convince other countries that it will not be possible for anybody to avoid international pressure in such cases.

It is impossible to determine unequivocally the nature of policy that will be adopted by the US. But it is important to emphasise on the word used by Obama that “the US must get rid of the tyranny of oil”. This is bound to increase nuclear ambitions of Iran. But it is hardly possible without construction of atomic power plants. Under Obama’s plan, the US will be ready to authorise allocation of about \$150 billion in the next 10 years and a significant part of this money will go on the development of non-polluting electric power production, using solar and wind energy. But a majority of experts opine that the potential of these technologies and their possible contribution to power supply is rather small.

Considering the sharp fall in oil prices as also the recent financial meltdown, the prospects of the new US plans for measures on nuclear non-proliferation seem premature. It is all the more difficult to gauge the scale of nuclear power development on the basis of new technologies. It is also rather difficult to give detailed forecast about the possible change in Washington policy to *de facto* nuclear states like India, Pakistan and Israel, and also North Korea and Iran. The case of the last two is being described by the US as “the basic challenge to nuclear non-proliferation”. However, it is probable that in relation to the first three states, Washington will continue the policy followed by the last administration, i.e., minimalist change with regard to Israel and Pakistan.

Obama’s intention in the near future is to withdraw troops from Iraq and to relocate part of them to Afghanistan. The plan, it seems, is not just geared for Iraqis to seek their aspirations “allowing the Iraq government to provide security to the people”, but essentially to reduce the huge cost that the US is incurring on maintaining troops. It is impossible to exclude the fact that the plan to send troops to Afghanistan is linked by experts to the US bid to resolve the Iranian issue militarily.

The US plan for sending forces to Afghanistan is also linked to its aspiration to take hard measures in Pakistan. Many US experts

say that this will help counter the Al-Qaeda more effectively and curb attempts by Islamic radicals to get hold of Pakistani nuclear weapons.

As far as North Korea is concerned, the US policy is most probably going to be a moderate variant. But it will depend on Pyongyang's ability to take practical steps. However, it is not necessary that Washington will be ready to reconcile in the absence of any real results from the Korean side for a long time.

Washington will in all likelihood continue to put maximum pressure on Iran, using diplomatic, political and economic levers, including pressure through the UN Security Council. The US can prolong the tactic of toughening UNSC sanctions. The new US administration may also induce its other allies to do the same.

It will be desirable to the world community if it finds in Obama a more flexible partner than his predecessor. However, it is not necessary to have illusions that further interaction with new US administration will be easy in the nuclear field.

CHAPTER 4

Nuclear Non-proliferation/Nuclear
Disarmament: An Indian Perspective

Rajiv Nayan

Nuclear non-proliferation and nuclear disarmament are two related and dominant themes of the contemporary international system. In principle, the international community—consisting of both the members and non-members of the Nuclear Non-proliferation Treaty (NPT)—maintains an obvious linkage between non-proliferation and disarmament. It has been pointed out that disarmament is ‘relevant for the balance and sustainability of the non-proliferation regime as a whole.’¹ Article 6 of the NPT prescribes, “Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament....”² However, different review conferences and their preparatory conferences have witnessed a constant struggle between the non-proliferation and nuclear disarmament goals enshrined in the treaty. The 2005 NPT Review Conference (RevCon) saw a clash between the ‘only non-proliferation’ and the disarmament lines of the treaty. This resulted in the failure of the RevCon and raised a big question mark on the survival of the treaty. In a post-mortem of the RevCon, some analysts and diplomats concluded it to be a failure of the treaty, but others

considered it to be only the failure of RevCon 2005. Later, Preparatory Committee (PrepComs) of the 2010 RevCon were held, dominated by the relationship between non-proliferation and nuclear disarmament. The strategic community of the Western world appears to have been convinced that it will be difficult to expect continuous support of the Non-Nuclear Weapon Countries on non-proliferation if some demonstrable move is not made on the disarmament front.

Meanwhile, several high profile statements, write-ups and reports are coming in to bridge the gap between nuclear non-proliferation and nuclear disarmament. Some of these initiatives are trying to give a new twist to the debate on the relationship between disarmament and non-proliferation. Many of the recent seemingly nuclear disarmament moves are considered important because of the support from those who earlier championed the continued relevance of nuclear weapons for national and international security. Many such 'realists' are now teaming up with established disarmament groupings or persons for supporting nuclear disarmament or to envision a world without nuclear weapons. In this regard, the most noteworthy moves are two op-ed articles written by the United States' (US)-four, namely, Henry Kissinger, Sam Nunn, George Shultz and William Perry, in January 2007.³ In fact, the January 2007 writings of Henry Kissinger, Sam Nunn, George Shultz and William Perry have triggered the current phase of the debate and campaign for nuclear disarmament. There is a need to discern the emerging trends in the ensuing debate to find out ways ahead.

Trends

The international community is witnessing several new initiatives, views and proposals for nuclear disarmament.⁴ These initiatives are coming from different non-governmental, international and regional organisations, bodies and organs. National governments are continuing with their group or country positions on nuclear disarmament. From time to time, the policy making and academic communities have also been providing intellectual support and arguments for disarmament. The debate so far has not provided any solution to find a path for universal nuclear disarmament. The old

and new champions of nuclear disarmament are greatly divided. However, in some areas, most of the proposals and initiatives appear to be converging. For example, all prominent initiatives and reports are recommending or promising to remain in the realm of feasibility and practicality of nuclear disarmament measures. Thus, the report of the International Commission on Nuclear Non-Proliferation and Disarmament (ICNND), co-chaired by Gareth Evans and Yoriko Kawaguchi, in its very title states that it would be a 'practical agenda for global policy makers' on eliminating nuclear threats. In fact, the very objective of the Commission was to take an inclusive approach, emphasising the 'interconnectedness of the challenges in relation to non-proliferation, disarmament and the peaceful uses of nuclear energy' and to 'make practical and realistic recommendations in each of these areas...'⁵

Incremental Reduction

None of the main proposals talk of immediately abolishing nuclear weapons. Almost all favour incremental reduction of existing arsenals, with the nuclear weapons countries under and outside the NPT framework. Perkovich wants nuclear weapon countries to 'agree to work incrementally, in reciprocating steps, towards nuclear disarmament.' The British government proposed to decrease the 'stock of operationally available warheads by a further 20 per cent, to the very minimum ... considered viable to maintain an independent nuclear deterrent'.⁶ The ICNND report has: short-term action agenda to 2012, the medium-term action agenda to 2025, and the longer-term action agenda: Beyond 2025. Generally, the proposals and initiatives emphasise the relevance for transparency and verification for existing arsenals, though a couple of them underlined the problem in accepting transparency by countries such as China, India and Pakistan, which are believed to keep smaller nuclear weapon inventories.

Arms Control

Arms control has been associated with nuclear disarmament in the current debate and emerging initiatives. The 'beginning at the top

approach' suggested by most initiatives has basically focused on the US and Russian arsenals. The Global Zero initiative asks the US and Russia to start cutting down their nuclear weapons stockpiles. Kissinger and others in a 2008 op-ed article too acknowledged: 'The US and Russia, which possess close to 95 per cent of the world's nuclear warheads, have a special responsibility, obligation and experience to demonstrate leadership, but other nations must join'. A similar view has been echoed by Perkovich and Acton in their Adelphi paper in which they write, 'To enable the project of nuclear disarmament to proceed, the new leaders of the US and Russia should further reduce the size, roles and political-strategic prominence of their nuclear arsenals.'⁷ The British government views that "There are still over 20,000 warheads in the world, and the United States and Russia hold about 96 percent of them".⁸ The UK government has officially stated that it is in favour of unilaterally reducing nuclear warheads, which are not important for deterrence. The ICNND report recommends a 'world with no more than 2,000 nuclear warheads.' By 2025, it wants to reduce their warheads to 500 each and all other countries together are supposed to keep 1,000 warheads. Though the report recommends zero warheads, yet it has not prescribed the limit. However, the US security establishment appears reluctant to go in for unilateral nuclear disarmament.

In most of the proposals, Strategic Arms Reduction Treaty, implementation of the 2002 Moscow Treaty on Strategic Offensive Reductions and other similar arms control measures are to be strengthened. Besides, in the 2008 op-ed the US-four asked Russia and the US to 'undertake negotiations toward developing cooperative multilateral ballistic-missile defense and early warning systems, as proposed by Presidents Bush and Putin at their 2002 Moscow summit meeting. This should include agreement on plans for countering missile threats to Europe, Russia and the US from the Middle East, along with completion of work to establish the joint data exchange centre in Moscow. Reducing tensions over missile defense will enhance the possibility of progress on the broader range of nuclear issues so essential to our security. Failure to do so will make broader nuclear cooperation much more difficult.'⁹

Continued Reliance on Nuclear Deterrence

In their 2007 op-ed, the US-four favoured building of a solid consensus on reversing the nations' reliance on nuclear weapons. They apparently found the post-Cold War nuclear deterrence 'increasingly hazardous and decreasingly effective'. Yet, despite formally committing to the goal of zero nuclear weapons, no nuclear weapon country appears willing to renounce nuclear weapons. The UK maintains it necessary for an independent nuclear deterrent. Obama is under tremendous pressure to keep the US nuclear deterrence not only safe and reliable but also suitable for 'particular actors, situations, and forms of warfare.' In one document, the Democratic Party pledged to 'maintain a strong deterrent as long as nuclear weapons exist.' Kissinger and others asked countries to start with 'elimination of short-range nuclear weapons designed to be forward-deployed.' They advocated that massive retaliation and mutually assured destruction should be removed from the nuclear doctrine as these elements have no relevance for nuclear deterrence. Although the ICNND recommends changes in the nuclear doctrines of the nuclear armed states, yet it has underlined the significance of nuclear weapons.

Relevance of Non-proliferation

None of the reports have dismissed the relevance of non-proliferation. Different components of non-proliferation continue to shape the agenda for nuclear disarmament, though the international community is being told that the current move will curb both 'horizontal and vertical proliferation.' It may also be conceded that it is 'impossible to curtail nuclear-weapons proliferation without serious progress towards nuclear disarmament.'¹⁰ The coupling of disarmament-non-proliferation is the salient feature of all initiatives and proposals. Some of the writings acknowledge that for last 15 years, the nuclear disarmament agenda was missing in the non-proliferation agenda.

After linking it to nuclear disarmament, most of the initiatives provide details of the global non-proliferation task. Dealing with nuclear terrorism primarily through control of nuclear materials

scattered in 40 countries, efforts to prevent the financing of proliferation, control of the uranium enrichment process with the assurance of its availability at a reasonable price through IAEA, control of the nuclear fuel cycle, the Comprehensive Test Ban Treaty (CTBT), the Fissile Material Cut-off Treaty (FMCT), etc., figure quite prominently in all these initiatives and proposals. The initiatives want full implementation of non-proliferation measures such as the Global Threat Reduction Initiative, the Proliferation Security Initiative, the Global Initiative to Combat Nuclear Terrorism, Cooperative Threat Reduction Programme and so on.

One such report suggests, 'the international community should make illicit proliferation of nuclear weapons and materiel an international crime.'¹¹ The US-4 in their first op-ed article continued the old Western thinking and misperception about safety of nuclear weapon countries. In that article, they pointed out, 'new nuclear states do not have the benefit of years of step-by-step safeguards put in effect during the Cold War to prevent nuclear accidents, misjudgments or unauthorised launches'.¹² A country like Pakistan may have safety problems, but it should not be used to universalise and generalise about new nuclear countries.

Importance for Civil Nuclear Energy

As several non-proliferation measures associated with the current phase of disarmament proposals and initiatives had to gain legitimacy, the nuclear disarmament campaign in a package deal offered something for peaceful nuclear energy, nuclear export controls and the demand of the developing world for advanced technology acquisition. Kissinger and his coauthors in their 2008 op-ed piece said, 'with the growing global interest in developing nuclear energy and the potential proliferation of nuclear enrichment capabilities, an international programme should be created by advanced nuclear countries and a strengthened IAEA. The purpose should be to provide for reliable supplies of nuclear fuel, reserves of enriched uranium, infrastructure assistance, financing, and spent fuel management – to ensure that the means to make nuclear weapons materials isn't spread

around the globe.’¹³ The ICNND report dealt with the issue in greater detail.

Non-proliferation, Nuclear Disarmament and India

Nuclear disarmament has become an integral part of India’s peace and security policy. It has been proposing and supporting the idea of comprehensive disarmament, and has been in the forefront of the campaign against all types of catastrophic and destructive weapons. However, it prefers elimination of major weapon systems destabilising the international system; nuclear weapons in particular stand out in this regard. India supported the United Nations’ very first resolution 1 (I) of 1946 that was adopted unanimously and which asked for the elimination of nuclear weapons along with other WMD. It assigned priority to eliminating atomic and hydrogen bombs. Ever since its independence, India has been supporting global efforts to regulate and reduce arms in general and nuclear weapons in particular.

From 1940 onwards, India has been demanding greater commitment of the great powers to disarmament in general and elimination of nuclear and other WMD in particular. India rightly considers that without the active involvement of the great powers and the focus on major weapon systems, especially WMD, the entire disarmament exercise will be futile. India had told the UN in the early years of the Cold War itself that “For the success of any plan of disarmament, powers which possess the largest armaments should themselves first agree as to its fundamental principles.” Although India is active in several international, regional, and other groupings, it decides the issue on merit. For example, in the 1950s, when India was an active promoter of the idea of the Asian grouping, it disagreed with other leading Asian countries like Iraq on the formation of a military bloc of small and weak nations to defend against atomic weapons.

Special Session on Disarmament-I

India supported the consensus document adopted in the Special Session on Disarmament-I (SSOD-I) in 1978. It underlined the need

for urgent negotiations to halt the production and qualitative improvement and development of nuclear weapons. It also highlighted the mechanism for verification, among other issues. The SSOD-I declaration included proposals to secure the methods to avoid the use of nuclear weapons and endorsed the need for effective arrangements in which nuclear weapon states neither use nor threaten to use nuclear weapons against non-nuclear weapon states. It recommended several programmes of action, and machineries to implement nuclear disarmament. It also mentioned that nuclear arms race was hindering economic and social development of mankind, and was blocking the achievement of the new international economic order.

India welcomed the signing of the 1987 Intermediate Range Nuclear Forces Treaty (INF) between the US and the Soviet Union. This treaty signified a change in the approach from management of arms control to arms reduction, with the treaty providing for the destruction of launchers, not nuclear-weapons. India proposed a time bound “Action Plan” at the 15th Special Session of the UN General Assembly on June 9, 1988, on general and complete nuclear disarmament by 2010. However, quite evidently, the Rajiv Gandhi Action Plan was simply ignored. Kissinger and his co-authors have discussed this plan in their op-ed.

Rajiv Gandhi Action Plan

Stage I (from 1988 to 1994)

- Elimination of all Soviet and US land-based medium and shorter range missiles and agreement on a 50 per cent cut in Soviet and US strategic arsenals;
- Agreement on a phased elimination by the year 2000 of US and Soviet short-range battlefield and air-launched nuclear weapons;
- Conclusion of a convention to outlaw the use and threat of use of nuclear weapons pending their elimination;
- Declaration by the US and Soviet Union that the fissile material released under the INF treaty would be used for peaceful purposes only and accordingly be subjected to

supervision of the IAEA;

- Non-nuclear powers to undertake not to cross the threshold into acquisition of nuclear weapons;
- Initiation of multilateral negotiations to be concluded by 1995 for a new treaty eliminating all nuclear weapons by the year 2010;
- Moratorium on the testing and deployment of all space weapons;
- In principle acceptance of the need to establish an integrated multilateral verification system under the aegis of the UN as an integral part of a strengthened multilateral framework required to ensure peace and security during the process of disarmament as well as in a nuclear-weapon-free world;

Stage II (from 1995 to 2000)

- Completion of Stage I and the induction of all other nuclear weapon states;
- Elimination of all medium and short-range, sea-based, land-based and air-launched nuclear missiles by all nuclear weapon states;
- Elimination of all tactical battlefield nuclear weapons (land, sea and air) by all nuclear weapon states;
- Entry into force of the comprehensive test-ban;
- Negotiations on the withdrawal of strategic nuclear weapons deployed beyond national boundaries;
- Completion of the ratification and entry into force of the convention prohibiting the use and threat of use of nuclear weapons;
- Conclusion of the new treaty eliminating all nuclear weapons by the year 2010 to replace the non-proliferation treaty; removal of all military forces and bases from foreign territories;
- Commencement of negotiations for the establishment of an integrated multilateral verification system under the aegis of the UN

Stage III (from 2001 to 2010)

- Elimination of all nuclear weapons from the world;
- Establishment of a single integrated multilateral comprehensive verification system which, *inter alia*, ensures that no nuclear weapons are produced;
- Effective implementation of arrangements to preclude the emergence of a new arms race and universal adherence to the comprehensive global security system.

Nuclear India and Nuclear Disarmament

Year after year, India has made attempts to get nuclear weapons declared illegal and to prohibit their use in any circumstances. The May 1995 indefinite and unconditional extension of the NPT made India believe that the nuclear weapon countries were not interested in the idea and provision of nuclear disarmament. Actually, the NPT extension legitimised the nuclear arsenals of the five nuclear weapon countries. The nuclear weapon states did not even agree to a discussion on the core issue of nuclear disarmament in a working group, let alone reaffirm commitment to eliminate nuclear weapons as contained in SSOD-I declaration.

Meanwhile, in the 1980s and 1990s, India's own security environment had substantially deteriorated because of missile and nuclear proliferation in the neighbourhood. Many tend to believe that the 2003-04 proliferation network as a unique as well as new proliferation arrangement. In reality, the proliferation network has existed in one form or another for a long period. Earlier, a ballistic missile and nuclear weapons technology network involving North Korea, Pakistan, Iran, China, Libya, Saudi Arabia was there. As a result, Pakistan was able to acquire prohibited technologies for its nuclear and missile developments programmes, which it then passed on to other countries too. Of late, American intelligence realised that China's involvement in nuclear and missile proliferation was at least five times greater than what was estimated before.

In response to the changing international strategic environment, India went nuclear in May 1998 without violating any international law. A series of tests helped India redefine its security matrix.

However, a nuclear India did not abandon its old policy of nuclear disarmament to pursue international peace and stability. The then Indian Prime Minister, Atal Behari Vajpayee, in his *suo motu* statement before Parliament on May 27, 1998, stated, 'India is now a nuclear weapon state. This is a reality that cannot be denied. It is not a conferment that we seek; nor is it a status for others to grant. It is an endowment to the nation by our scientists and engineers. It is India's due, the right of one-sixth of humankind. Our strengthened capability adds to our sense of responsibility...We had taken a number of initiatives in the past. We regret that these proposals did not receive a positive response from other nuclear weapon states. In fact, had their response been positive, we need not have gone in for our current testing programme. We have been and will continue to be in the forefront of the calls for opening negotiations for a nuclear weapons convention, so that this challenge can be dealt with in the same manner that we have dealt with the scourge of two other weapons of mass destruction – through the biological weapons convention and the chemical weapons convention.'

After the Indian nuclear tests, the Prime Minister was asked, 'Doesn't your government's decision constitute a radical departure from the policies of the past five decades?' He replied in the negative and said the 'government's policy is consistent with the nuclear disarmament policy that successive governments have followed. Like all previous governments, we too believe that India's national security, as also global security, will be increased in a nuclear weapons-free world. Past governments have taken a number of initiatives in this regard in the United Nations. As an MP and leader of the Opposition, I had supported these initiatives.'¹⁴ Even after going nuclear, India worked actively in the Non-Aligned Movement to organise an international conference on nuclear disarmament in 1999. It adopted credible minimum deterrence as an objective for its nuclear weapons.

International Convention to Ban Use or Threat of Use of Nuclear Weapons

In 1982, India had sponsored a resolution for a convention on the

prohibition of the use of nuclear weapons. In that resolution, it had requested the Conference on Disarmament to begin negotiations on an international convention to ban the use or threat of use of nuclear weapons under any circumstances. Other principles such as 'no-first use' and 'no use against non-nuclear weapon countries' are salient features of India's nuclear doctrine. India still expresses its willingness to join multilateral negotiations to 'enshrine its commitment to no-first use and non-use of nuclear weapons against non-nuclear weapon states in legally binding agreements.' The Indian non-offensive nuclear doctrine may instill greater confidence among non-nuclear weapon countries with regard to nuclear disarmament and create a more favourable climate for pursuing nuclear non-proliferation goals with the overall objective of elimination of nuclear weapons. India supports the 1996 verdict on the advisory opinion of the International Court of Justice (ICJ), and supports the argument that "there exists an obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict and effective international control." India is also active in various international forums, campaigning for the implementation of the verdict of the ICJ against the use of nuclear weapons.

Universal and Verifiable Nuclear Disarmament

Although India has been welcoming unilateral and bilateral mechanisms to reduce nuclear armaments so that countries shed their surplus and unnecessary nuclear weapons accumulation, multilateral approaches to disarmament negotiations and treaties remain the most preferred option. It treats multilateralism as a great stabilising factor in global power politics because of its ability to provide solutions to strong and conflicting preferences as well as permanent and recurrent conflicts. India maintains that only universal disarmament can be genuinely multilateral and truly global in nature. Effective verification is an integral part of India's disarmament policy. From the initial years, India has maintained that for "guaranteed disarmament", progressive disclosure and verification is necessary.

India fully realises the importance of institution-building to

sustain its campaign for nuclear disarmament. India favours a distinct role for the UN in disarmament in general and nuclear disarmament in particular. It has been active in the General Assembly for disarmament activities. Expressing its concern over the current situation in the UN, an Indian delegate stated, 'There is a deep connection between the deficient functioning of the United Nations' disarmament machinery and the decline in the multilateral ethic in international relations'. India has been active in the Disarmament Commission set up by the First Special Session of General Assembly. It welcomed the reconvening of the Disarmament Commission after a gap in 2006. India is a strong supporter of making the Conference on Disarmament the nodal body for negotiations on nuclear disarmament. India supports conclusion of a nuclear weapons convention.

Non-proliferation Norm-building

India envisions non-proliferation as a step towards nuclear disarmament. In the Indian perception, nuclear disarmament and nuclear non-proliferation 'intersect and reinforce each other' because they are "not mutually exclusive". India treats both phenomena as "two ends of a single continuum". It underscores that non-proliferation problems are to be addressed in parallel to the measures for ensuring halt in production and development, reversal and finally complete elimination of nuclear weapons. It maintains that control and disarmament should be simultaneously pursued and that it is not possible to isolate the two concepts. The basic idea behind such an approach is that priority and emphasis on nuclear disarmament must not be diluted or eroded. In 1960, Jawaharlal Nehru moved a resolution in UN General Assembly on 'Prevention of the Wider Dissemination of Nuclear Weapons' on behalf of Ghana, Indonesia, United Arab Republic, Yugoslavia and India. This (General Assembly Resolution 1576 (XV) of December 20, 1960) called upon the nuclear weapons states to refrain from relinquishing control of nuclear weapons to any other country not possessing such weapons and refraining from transmitting information necessary for the manufacture of nuclear weapons.

On a number of occasions, the Indian government has pronounced its commitment to the principle and the norm of nuclear non-proliferation. In recent years, India, aware of the expectations of the international community, has developed a positive attitude towards non-proliferation and has been demonstrating an appropriate non-proliferation behaviour. Despite its opposition to the NPT, India has been generally supportive of the idea of non-proliferation. On May 9, 2000, the then Indian Minister of External Affairs stated before Parliament that 'India holds that genuine and lasting non-proliferation can only be achieved through agreements that are based upon equality and non-discrimination, for only these can contribute to global peace and stability'. On another occasion, another minister said 'India's policies have been consistent with the key provisions of NPT that apply to nuclear weapon states. These provisions are contained in Articles I, III and VI.'¹⁵ Thus, Indian policy seems to be in harmony with at least some of the principal goals and shared convictions of the members of the NPT, if not the entire NPT. No one can imagine construction, effectiveness or success of a regime without the attitudinal adherence to the norm of that particular regime.

The then Indian Foreign Secretary stated on October 24, 2005, 'Unlike some other states who eventually joined the NPT, India did not undermine the NPT even though it differed with many of its premises. At no stage did we support irresponsible theories that projected nuclear proliferation as a new version of balance of power. India, in fact, scrupulously followed all the basic obligations of an NPT member, resisting suggestions for nuclear cooperation that could have had adverse implications for international security. Indeed, in the four decades since NPT, our record contrasts favourably with NPT members, even of the weapons state category, some of whom encouraged and abetted proliferation for political or commercial reasons.'¹⁶ The post-July 2005 joint statement debate underlined the evolution of a national political consensus on non-proliferation, even though the disagreement on different aspects of the India-US civil nuclear energy cooperation came to the fore.

Test Ban and CTBT

In April 1954, Nehru made a statement where he proposed the idea of a standstill agreement. It was considered a step towards nuclear disarmament. India contributed positively to the framing of the CTBT in different UN organs, including CD. In 1995, it supported the UN General Assembly resolution (50/65) which gave a mandate to the CD to conclude “a universal and internationally and effectively verifiable comprehensive nuclear-test-ban treaty that will attract the adherence of all states” while “reaffirming that a comprehensive nuclear-test ban is one of the highest priority objectives of the international community in the field of disarmament”. To make the CTBT relevant, he asked negotiators to take a genuine step towards nuclear disarmament with a concrete time-frame. When the CTBT was concluded, the CD ignored the mandate for disarmament given to it by the UN General resolution while concluding the treaty. Some of India’s concerns were ignored. Consequently India refused to accept a CTBT without step-by-step nuclear disarmament. The Indian representative explained the stand when she opposed the treaty,

‘We had wished and continue to wish for a genuine commitment by the nuclear weapons states to eliminate their nuclear weapons in a reasonable and negotiated finite span of time. Without such a commitment, the treaty becomes an unequal treaty which retains the present discriminatory nuclear regime -sanctioning, in effect, the possession of nuclear weapons by some countries for their security and that of their allies, while ignoring the security concerns of other states ... The text presented for adoption bans only explosive testing... Such a prohibition is today considered acceptable by the nuclear weapons states as these states have already completed their programmes of explosive testing. ... As this text will not lead to the qualitative capping of the development of nuclear weapons, it cannot be considered an integral and first step of a nuclear disarmament process. ... The text circulated by the sponsors contains a provision in its Article 14 on Entry into Force, which is contrary to the fundamental norms of international law. This provision which makes ratification by India and 43 other countries essential for Entry

into Force of this Treaty was introduced after India had clearly stated that it was not in a position to subscribe to this treaty in its present form. Customary international law lays down that no obligations can be imposed on a country without its specific consent. We had indicated that we would withhold our consent to the Treaty text unless our concerns were addressed.¹⁷

Moreover, because of the US decision for not ratifying the CTBT, the Indian strategic community finds the treaty irrelevant and not worth discussing. However, in the future, if debate starts on reviving the CTBT, there is need to ponder over some of the issues highlighted by the western strategic community. A background paper prepared by Union of American Scientists notes, 'Technically, the treaty will not have the value today that it would have had in the 1950s or 1960s when the great leaps in nuclear weapons development depended on nuclear tests. Information about nuclear weapons design is now widespread, as are the technologies for making such weapons.'¹⁸

Fissile Material Cut-Off Treaty

India is one of the original proponents of an FMCT. India co-sponsored the 1993 UN General Assembly resolution 48/75L, which gave mandate to negotiate a non-discriminatory, multilateral and effectively verifiable treaty for banning the production of fissile material for nuclear materials or other nuclear explosive devices. India is supportive of current activities for FMCT and is actively participating in the ongoing negotiations. India believes that the final treaty must impose the same obligations and the responsibilities of all the parties to the treaty. Most importantly, India has been insistent on the verification system.

Export Controls and India's Nuclear Energy Quest

India maintains that nuclear disarmament should not obstruct a nation's right to access technology for human security. Nuclear disarmament should not put a cap on nuclear science. For the pursuit of human security, frequently, India has been taking varying measures. Although India is opposed to the ad hoc cartels on high technology transactions, it has been supportive of the idea of export control. It

feels that there is nothing wrong about reasonable and responsible control. In a July 2005 joint statement with the US, India assured that it would exercise restraint in transferring reprocessing and enrichment technology to a country that did not possess it so far. India is one of the 20 countries which have highly advanced research for laser isotope separation methods to enrich uranium.

Safeguards with the IAEA

On safeguards, Indian officials say that as a founder of IAEA, it always approaches safeguards activities constructively. To implement the Indo-US nuclear deal, India offered to put 14 civil reactors (functional and under construction) under perpetual safeguards phase wise by 2014.¹⁹ Six of these reactors are already under the safeguards system. Besides, all the future civilian reactors, including the fast breeder types, will be under the same safeguards system. However, the authority to designate any facility civilian will lie with the Indian government. India-specific safeguards and an additional protocol have been approved by the IAEA Board of Governors in 2008 and 2009, respectively.

Other Initiatives

Currently, India is engaged in meeting the contemporary proliferation threats posed equally by state and non-state actors. In the wake of unprecedented revelations in last couple of years about long-operating perilous underground networks reflecting on non-proliferation vulnerabilities and potential threats of nuclear terrorism, India worked with the international community to deal with the problem. It is already positively engaged in the Container Security Initiative (CSI) and Proliferation Security Initiative (PSI). India has negotiated with the US for the introduction of CSI measures at one of the Indian ports (the Jawaharlal Nehru Port) as a pilot project on reciprocity. In the early 2005, the Indian External Affairs Minister said that the introduction of CSI would lessen the danger of the shipment of dangerous cargo and would help the movement of containers of India's largest trading partner.²⁰ In the same way, India is working for PSI. Frequently, before the deal was approved, Indian officials

repeated that in principle India supports PSI, but it is studying its implications on international law. The Indian WMD Act 2005 also has some provisions for different types of interdiction. After the deal, Indian officials reiterated its positive engagement to these two new non-proliferation concepts, depending on the cooperation and attitude of the international community.²¹ They expect that India is treated as an ally, not a target.

India has been campaigning against WMD-related terrorism in all multilateral forums. On July 24, 2006, India became one of the signatories of the International Convention for the Suppression of Acts of Nuclear Terrorism 2005. This convention demands countries to punish terrorist acts using nuclear materials. Countries are also supposed to cooperate in the prevention, investigation and prosecution of these offences through information sharing, extradition and mutual legal assistance.

Conclusion

Nuclear disarmament has been visualised as a 'joint enterprise' by Kissinger and his co-writers in their January 2007 op-ed. In the last couple of years, no doubt, the campaign for nuclear disarmament appears to be gaining momentum. However, the task is not easy because there are countries such as France and the US, who openly emphasise on the relevance of deterrence and doubt the feasibility of total abolition of nuclear weapons. The US nuclear establishment has a problem in reducing its size of nuclear arsenals because of the US commitment to extend a nuclear protective umbrella to its allies. The US officials have categorically asserted that their country will not go for unilateral nuclear disarmament and any size below what is required for security for US and the allies may be considered a case of unilateral nuclear disarmament.

Similarly, the road map for nuclear disarmament is hazy; and skepticism about its success prevails even among the writers of some of the proposals. Although a step-by-step approach in principle has been accepted, yet there is very little clarity about the steps. In some nuclear weapon countries, at the government level too, the idea for sacrifice of redundant weapons is gaining ground. Still, the countries

are reluctant to sacrifice those nuclear weapons which are useful for their security and for credible/ effective nuclear deterrence. The real problem is about the last stage of reaching zero. And this is the most vital and crucial stage. The recent proposals and initiatives do not offer many concrete suggestions in this regard. “Hedging and managing nuclear expertise in the transition to Zero and after” are still important issues pending resolution. Is it a mere revival of the old ideas? Gorbachev wrote in an op-ed in 2007 in response to the op-ed of Kissinger and his co-authors that ‘the road to this goal began in November 1985 when Ronald Reagan and I met in Geneva. We declared that a nuclear war cannot be won and must never be fought.’²² After the end of the Cold War, hardly any move for nuclear disarmament was made.

As discussed, India firmly believes that nuclear weapons are weapons of mass destruction and should not be the weapons of war. The Indian policy and outlook reiterate “the very existence of nuclear weapons, and of their possible use or threat of their use, poses a threat to humanity”. India still wants a nuclear-weapon free world through global, verifiable and non-discriminatory ways. Nuclear disarmament has remained the core of its foreign and security policy. However, the continuing relevance of the role of nuclear weapons in national security strategies of nuclear weapons states and the absence of appropriate non-discriminatory and universal disarmament arrangements poses a great challenge before the international community to live in a world without nuclear weapons. India and Russia have time tested understanding of the twin issues. The two countries may work out on the twin issues in the new strategic environment.

NOTES

1. Sharon Squassoni, “The New Disarmament Discussion,” *Current History*, January 2009, p. 43, at http://www.currenthistory.com/pdf_org_files/108_714_033.pdf
2. United Nations, The Treaty on the Non-Proliferation of Nuclear Weapons, at <http://www.un.org/events/npt2005/npptreaty.html>
3. George P. Shultz, William J. Perry, Henry A. Kissinger and Sam Nunn, “A World Free of Nuclear Weapons,” *The Wall Street Journal*, January 4,

14. Embassy of India, "Interview with Prime Minister Atal Bihari Vajpayee: India is Now a Weapons State," Washington, DC, at <http://www.indianembassy.org/pic/pm-interview.htm>
15. Government of India, Ministry of External Affairs, Lok Sabha starred question no. 2647 by Prem Chand Gupta, Answered by Omar Abdullah, "Nuclear Non-Proliferation Treaty", August 16, 2001, at <http://www.mea.gov.in/parliament/rs/2001/08/aug16-2647.htm>
16. Shyam Saran, "Nuclear Non-proliferation and International Security", October 24, 2005, at http://www.indianembassy.org/press_release/2005/Oct/31.htm
17. Embassy of India, "Statement in Explanation of Vote by Ms Arundhati Ghose", at http://www.indianembassy.org/policy/CTBT/ctbt_UN_september_10_96.htm
18. Union of American Scientists, "CTBT and Non-proliferation," *Backgrounder*, at http://www.ucsusa.org/global_security/nuclear_weapons/page.cfm?pageID=1040
19. Manmohan Singh, "PM's Suo-Motu Statement on Discussions on Civil Nuclear Energy Cooperation with the US: Implementation of India's Separation Plan", March 7, 2006, at <http://pmindia.nic.in/speech/content.asp?id=291>
20. Government of India, Ministry of External Affairs Government of India, Rajya Sabha, Rao Inderjit Singh, the Minister of State in the Ministry of External Affairs in reply to the Unstarred Question Number 370 : Screening of Containers at Foreign Ports, posed by Murli Deora, March 3, 2005, at <http://meaindia.nic.in/parliament/rs/2005/03/03rs30.htm>; Government of India, Rajya Sabha, Rao Inderjit Singh, the Minister of State in the Ministry of External Affairs in reply to the Unstarred Question Number 3136: "Joining of Container Security Initiative", posed by Akhilesh Das and Prema Cariappa, April 21, 2005, at <http://meaindia.nic.in/parliament/rs/2005/04/21rs10.htm>
21. n. 16, Shyam Saran.
22. n. 4, Mikhail Gorbachev.

CHAPTER 6

Instability in Afghanistan and Pakistan

Bakhtiyar Mirkasymov

The problem of Afghanistan and Pakistan has been a product of historical rivalries of great powers, regional politics and indiscriminate use of religion for political ends. Tolerance, if not connivance, of the Afghan authorities and the Interim Stability Assistance Force to drug cultivation and trafficking has resulted in record poppy harvests, and increased the drug menace in Afghanistan, its neighbours and other countries. Drug business is closely connected to insurgency and has to be dealt with socio-economic tools. The current developments in Afghanistan and Pakistan demand urgent attention and coordinated action from both countries and the international community. Failure to do so will further aggravate a very unstable situation, bringing more suffering to the peoples in the region.

The situation in Afghanistan has deteriorated over the last two years. The year 2008 was the worst year in terms of casualties, taking the number of coalition forces killed to 940, including 576 US soldiers. The number of attacks against them increased by 40 per cent compared to 2007. Coalition forces cannot move around the country without military escorts. Even civilian targets are increasingly coming under attack. Gradually, the Taliban movement

appears to have spread to the north of Afghanistan, causing anxiety among local population in those areas. In addition to criminal activity and other localised violence, half the country is engulfed in a violent insurgency. The Taliban, Gulbuddin Hekmatyar's *Hezb-i-Islami*, Jalaluddin Haqqani's network, Al-Qaeda, and other groups are involved in a sustained effort to overthrow the government and force foreign troops to leave. Asia Foundation's data for 2008 indicates that insecurity remains the biggest problem facing the country. Nearly a quarter (24 per cent) of Afghans identify insecurity as the country's most significant problem and another 21 per cent point to factors closely linked to insecurity, including the presence of the Taliban (8 per cent), interference of foreign countries (8 per cent), drug smuggling (2 per cent), the presence of warlords (2 per cent), and crime (1 per cent). In sum, nearly 50 per cent of Afghans identify factors directly or indirectly linked to insecurity as the most significant problem in the country.¹

It is essential to improve governance in the country. Most Afghans do not support the Taliban but the general population will not oppose them in the case of a weak government. Development is urgently needed to provide employment and education to keep young people away from terrorist activities. The Afghan army has to be built and its capabilities increased. The present annual cost of maintaining a planned 134,000 strong Afghan army is US\$2 billion, which is three times the total Afghan government revenue.

Due to the negligence of the US forces to drug cultivation, production of raw opium peaked in 2007 reaching 8,200 tonnes.² A slight decrease in 2008 production was the result of over-production, rising stockpiles and falling prices. Nearly two-thirds of the total production is taken out of the country. Export of opiates from Afghanistan in the same year amounted to \$4 billion or 53 per cent of the country's GDP.³ However, local producers got only \$1 billion of that amount. In 2008, 14 provinces in Afghanistan grew cannabis, which is another lucrative illegal export. Over 90 per cent of all opiates illegally consumed in Russia come from Afghanistan.⁴

There is a correlation between drug production and insurgency. At present, 98 per cent of the opium cultivation is concentrated in

the seven provinces most troubled by Taliban insurgency and criminal activities (5 in south Afghanistan and 2 in the west).⁵ Former US defence minister Donald Rumsfeld allowed local warlords to continue their drug business in exchange for their loyalty to the Americans and promises not to side with the Taliban. But it is the drug trade that finances the Taliban and Al-Qaeda. According to different estimates, 20 to 60 per cent of drug income feeds insurgency.⁶ Proceeds from drug business finances insurgency allowing it to be independent from outside help and this creates a situation with its own dynamics, which is difficult to forecast and predict.

Economic development is crucial to the stability of Afghanistan. Western countries are providing considerable amounts of financial resources for Afghan reconstruction, but this is not proving effective. Out of the total \$25 billion in foreign assistance given to Kabul by 2008, only \$15 billion was actually spent. According to various estimates, 40 per cent of that amount, or \$6 billion, went back to the donor countries in the form of companies' profits, fees and salaries of numerous consultants and specialists. Another share of that assistance is pocketed by corrupted Afghan officials. As a result, not more than 7-8 per cent of the declared assistance really goes into the reconstruction of the country.⁷ The expenses incurred during the stay of a foreign consultant amount to \$250,000, which is 250 times the average yearly salary of an Afghan employee.⁸

The Islamist militancy and ethnic revolt on both sides of the Durand Line, the 2,400-km frontier between Afghanistan and Pakistan, is linked to many complex global and regional problems. Stability in Afghanistan will largely depend on the behaviour of outside powers. US policies, however, have not addressed the long-standing conflicts over the frontier region. They are sidelining the northern alliance, favouring the Pashtuns. The globalisation of the Afghan conflict introduced structural changes to Pashtun society, replacing secular and modernist nationalism associated with the royalist elite, tribal leaders and intellectuals by Islamic radicalism. The NATO is engaged in a double game with the Taliban trying to negotiate with some and fight the others. This results in uncertainty in many parts of the country, especially in the north.

Decades of Pakistani investment in Pashtun Islamism turned it into a strong political force and diminished the nationalist threat. Pashtun Islamism also created its own transborder ethnic realities, which are backfiring against its original sponsors.⁹ Pakistan is now paying the price for this policy by losing control of much of the frontier area to groups it has supported; groups that exploit their ties in Afghanistan, just as the Taliban exploit their ties in Pakistan. The government of the North-West Frontier Province (NWFP) of Pakistan received the green light from Pakistani president Asif Zardari to enforce the Sharia law in Malakand and Swat Valley districts near the border with Afghanistan. The extremists battling the Pakistani army from November 2007 want the central government to withdraw the army from the region. If the Pakistani authorities concede to their demand, the extremists will control even more territory in the border area.

The growth in political strength of pro-Taliban forces in Pakistan is tied to the rising influence of Muttahida Majlis-e-Amal (MMA) – a coalition of six political parties, where Deobandi and ethnic (Pakistani) Pashtun groups are particularly important. In the October 2002 elections, the MMA became the second largest party in Baluchistan; it gained an absolute majority in North-West Frontier Province and became the third largest party in the national parliament of Pakistan. The MMA's political influence and interaction with the Taliban unfolded differently in the three border regions, but common to all was a situation where MMA affiliates and other traditional networks were more influential than representatives of Pakistan's central government and where the MMA helped create an environment ideologically and politically supportive of Taliban groups.

The accord on North Waziristan in September 2006 was indicative of the central government's weakness and the prominent role of the MMA, which helped broker the deal. The Pakistani military had been attempting to track down Al-Qaeda and Taliban groups since 2002 in the Federally Administered Tribal Areas, but faced serious difficulties. In the 2006 accords, tribal leaders pledged to ensure that militants did not move across the Pakistan-Afghanistan

border or attack the Pakistani military. The actual effect of the accords has, however, been the reverse: protection and room for manoeuvre for the Taliban. There was a three-fold increase in attacks on coalition forces in southern and south-eastern Afghanistan after the accords were signed.

Pakistan's policy towards Taliban and Al-Qaeda extremism is inconsistent, incomplete and insincere. While Pakistani military has conducted combat operations against foreign fighters, especially in tribal areas, it is tremendously reluctant to arrest or kill high-level Taliban officials. The deep-rooted tribal lines, frequently shared by soldiers and Taliban, have proved to be more resilient than military requirements imposed by the US upon Pakistan.¹⁰ With 18 per cent of the Pakistan Army of Pashtun origin, there is a danger that the army itself might lose its coherence.

Most Afghan Pashtuns do not support the insurgency, but nearly all insurgents are Pashtuns. The insurgency is organised, funded, trained and directed from Pakistan, where most Pashtuns live and where most Pashtuns have always lived. Pashtuns believe themselves to represent a majority of the Afghan population, and claim a predominant role in that country's government.

The Taliban regularly ships arms, ammunition and supplies into Afghanistan from Pakistan. Most suicide bombers came from Afghan refugee camps located in Pakistan. Components for improvised explosive devices are often smuggled across the Afghan-Pakistan border and assembled at safe houses in provinces such as Kandahar.

Pakistan has both geopolitical and domestic political incentives for destabilising its neighbour. Geopolitically, Pakistan fears an independent Afghan state aligned with India. Domestically, Pakistani elites will prefer to see Pashtun ambitions externalised in the pursuit of power in Afghanistan, rather than turned inward, in the pursuit of greater autonomy, or even independence for Pashtunistan.

The international community, therefore, needs to work to offset these incentives with a more persuasive array of counter-incentives, designed to lead Pakistan to assert effective control over its own territory and population, and prevent either from being used against its neighbour.

Pakistan is not a problem susceptible to a military solution. Therefore, other sources of influence will need to be used. First, India and Pakistan should resolve their differences over Kashmir, that dispute being the root cause of radicalisation in Pakistani society and the government's use of terrorism as an instrument of state policy. Second, assistance programmes need to address the economic and social needs of the Pashtun populations on both sides of the border, not just in Afghanistan. There is only limited benefit in winning the hearts and minds of Pashtuns resident in Afghanistan, if the larger number of Pashtuns living in Pakistan remains hostile and ungoverned. Third, both the Afghan and Pakistani governments should be encouraged to establish an agreed border regime and legitimise the current frontier. Afghanistan's recognition of the border will be a sign of political maturity and will deprive Pakistan's interventions of any legitimacy:

- The Afghan claim is simply unacceptable to Pakistan as it will jeopardise its very existence. The NWFP accounts for 20 per cent of Pakistan's territory, and ceding it to Afghanistan will open a Pandora's Box and again raise doubts about the viability of Pakistan.
- Afghanistan may be tempted to believe that it has nuisance capabilities that can be used against Pakistan, but engaging in a policy of tit-for-tat with Islamabad will ultimately prove more destructive for Kabul.
- Although it will undoubtedly satisfy Pashtun nationalists, changing the border will alter the demographic balance of Afghanistan and exacerbate other groups' resentment of Pashtun political dominance.
- Pakistani Pashtuns will not be willing to be merged in a greater Afghan entity.
- Recognising the border will not truly separate Pashtuns of both countries. The border is porous and Pashtun populations have always migrated from one side to the other according to the needs of their herds.

In order to win over the Taliban, the US administration should

build a robust Afghan army with sound financing and equipment; revise and articulate NATO missions in Afghanistan, including cooperation with international organisations like UN, Shanghai Cooperation Organisation (SCO), neighbouring countries, and its exit strategy; cut off the Taliban from the drug business; stop air assaults against residential areas, which cause civilian casualties; and deny the Taliban the ability to move freely in Afghanistan and Pakistan.

And finally, Pakistan should be discouraged from using religion as a policy tool. Fundamentalist parties have never fared well in elections in Pakistan and are unlikely to do so in the future.

The Baluch are divided among three states: Pakistan, Afghanistan, and Iran. The Baluch nationalists hold the view that the colonial boundaries weakened them economically and culturally, resulting in their impoverished life as minorities in all three states. They have viewed Afghanistan in a relatively favourable light, because its demand for Pashtunistan led Kabul to extend moral and material support to Baluch nationalists as well.

Pakistan and other neighbours of Afghanistan see the consolidation of a state dependent on the US as a long-term threat. Pakistan sees the US increasingly favouring India, particularly in the area of nuclear cooperation, and faces an Afghan government whose rhetoric has become more confrontational. As a result, Pakistan sees no strategic advantage in eliminating the Taliban, who have established themselves in parts of south-western and south-eastern Afghanistan, control parts of Federally Administered Tribal Area (FATA), and have their main headquarters and support networks in Baluchistan.

The new civilian government in Pakistan promised to engage militants in dialogue rather than combat while the Pakistani military continued operations against Taliban and Al-Qaeda bases in the remote FATA region. However, the US air and rocket strikes inside Pakistan cause civilian casualties that strain US-Pakistani relations and increase local support to the Taliban. As a result, the militant threat is spreading beyond FATA, reaching other places in northern Pakistan.

The Afghans will only reconcile their differences if they were subjected to convergent pressures from all their foreign sponsors and supporters.

Up to 75 per cent¹¹ of all military supplies to NATO forces in Afghanistan come via Pakistan. Although the Pakistan route is not safe and reliable, it is the cheapest and fastest. NATO is considering ways to send convoys with supplies to Afghanistan via the northern route. Russia is interested in solving the Afghan problem and has offered to negotiate the passage between CSTO and NATO, but NATO leaders prefer dealing with the former Soviet Union countries on a bilateral basis. The absence of dialogue by NATO countries with Russia, China and the SCO on Afghanistan does not contribute to improvement in the regional security.¹²

In March 2009, an international conference on Afghanistan was held in Moscow under the auspices of the Shanghai Cooperation Organisation. In the wake of the event, the SCO members and Afghanistan worked out a joint statement, a plan of action and a final declaration.¹³ The adopted papers call for strengthening coordination with different international organisations in their efforts to fight drug production and trafficking, terrorism and organised crime in Afghanistan. The papers stress the need for gradual involvement of Afghanistan in the SCO efforts to stabilise and deal with the Afghan problems.

NOTES

1. "State Building, Security, and Social Change in Afghanistan, Reflections on a Survey of the Afghan People", The Asia Foundation, available at <http://www.asiafoundation.org>
2. "International Narcotics Control Strategy Report", US Department of State, Bureau for International Narcotics and Law Enforcement Affairs, Volume 1, March 2009, p. 106.
3. "Afghanistan Opium Survey 2008", Executive Summary, UNODC.
4. Alexandr Shirokov, "Stop Drug Traffic. Russia Must Deal with Afghanistan" (in Russian), RBK daily SPb, December 26, 2008, available at <http://spb.rbc.ru/daily/26/12/2008/271440.shtml>
5. Kirk Kraeutler, "U.N. Reports that Taliban is Stockpiling Opium", *The New York Times*, November 27, 2008. available at <http://www.nytimes.com/2008/11/28/world/middleeast/28opium.html?partner=rss>

6. "Opium Funding up to 40 Percent of Afghan Unrest: US General", Agence France-Presse, October 18, 2007, available at http://news.yahoo.com/s/afp/20071018/wl_sthasia_afp/afghanistanunrestnatodrugs
7. Victor Korgun, "US and Nato Looking for a Way out of Afghan Dead End" (in Russian), available at <http://fondsk.ru/article.php?id=1719>
8. "Jason Straziuso, Afghan Aid Money Spent on High Salaries", Associated Press, March 25, 2008.
9. Barnett R. Rubin and Abubakar Siddique, "Resolving the Pakistan-Afghanistan Stalemate", United States Institute for Peace, Special Report 176, October 2006, p. 10, available at www.usip.org
10. V. Belokrenitskiy, V. Moskalenko, "*Pakistan: Ispytanie na Prochnostj*" (in Russian), *World Economy and International Relations*, 6, 2008, pp. 75-78.
11. Alexandr Shirokov, "Stop Drug Traffic. Russia Must Deal with Afghanistan" (in Russian)/RBK daily SPb, December 26, 2008, available at <http://spb.rbc.ru/daily/26/12/2008/271440.shtml>
12. Heidi Kjærnet, Stina Torjesen, "Afghanistan and Regional Instability: A Risk Assessment", Norwegian Institute of International Affairs, NUPI Report, Oslo, 2008, p. 33, available at www.nupi.no
13. Shanghai Cooperation Organization, official site, <http://www.en.sco2009.ru/news>

CHAPTER 7

Emerging Trends in Afghanistan
and Pakistan: Implications for
Regional Security

Arvind Gupta

This paper argues that the growing instability in Pakistan can pose serious threat to international security, because Pakistan is a nuclear weapon state and some of the world's most potent terrorist groups are based in that country. Any strategy to resolve the Afghan problem must begin with Pakistan, as the Taliban continue to enjoy safe havens there. The paper suggests an international conference to discuss the deteriorating situation in Pakistan. It also recommends an international initiative towards internationally guaranteed neutrality for Afghanistan.

The growing instability in Afghanistan and Pakistan has compelled the Obama administration to order a thorough review of the US policies towards Afghanistan and Pakistan. The President has decided to send an additional 17,000 troops to Afghanistan in the next four months and appointed Mr Richard Holbrooke as his special envoy on Afghanistan and Pakistan. The Obama administration is increasingly treating Afghanistan and Pakistan as one problem, as is reflected in the new nomenclature, AFPAK. So far, thanks to Indian

efforts, the Obama administration has refrained from linking AFPAK with Kashmir. Mr Holbrooke visited the region in February 2009 to acquaint himself with the situation. A fresh US policy in the region can emerge after the reviews are completed. This paper highlights the emerging trends in Afghanistan and Pakistan and makes some suggestions as to what can be done by the international community to deal with the emerging threat from AFPAK to international security.

I. Afghanistan

There is increasing realisation that the current NATO and US strategy to deal with the growing Taliban insurgency is not working. The deteriorating situation in Afghanistan is inseparably linked with the fact that the Afghan Taliban has sanctuaries, training camps and safe havens in Pakistan. The Afghan Taliban has heavy presence in the Federally Administered Tribal Area (FATA) and Quetta (Balochistan) regions of Pakistan.

After the swearing in of Mr Barack Obama as President, the US has continued with its drone attacks on suspected Taliban and Al-Qaeda hideouts in the FATA region. Thus, the new President is continuing with the policy of drone attacks instituted by Mr George Bush, his predecessor. While publicly the Pakistan government has protested against the drone attacks, secretly, it endorsed them. However, the attacks seem to have little impact on the capability of the Taliban to carry out their operations in Afghanistan.

US Secretary of State Robert Gates, in his testimony to the Senate Armed Services Committee, stated that the US would have to lower its expectations in Afghanistan. The US efforts should be to prevent the Afghan-Pak border region from being used by terrorists to attack US interests. He said, "If we set ourselves the objective of creating some sort of Central Asian Valhalla over there, we will lose, because nobody in the world has that kind of time, patience or money."¹ The testimony indicates that the US may not pursue its larger goal of rebuilding Afghanistan and instituting democracy there. Gates has also openly stated that so long as Taliban safe havens exist in Pakistan, it would be difficult to control insurgency. After Iraq, the US may

be looking towards an exit strategy from Afghanistan to avoid getting bogged down in the quagmire. The question is whether a US exit will take place before Afghanistan is stabilised or will its eventual exit lead to greater instability in the region.

The US has decided to induct 17,000 extra troops in Afghanistan during the spring/summer of 2009. NATO has not so far found extra troops for Afghanistan. There are considerable differences within NATO countries with regard to the deployment, as many countries do not wish to send their troops to active war zones and attach numerous caveats to the question of deployment. The Western countries are also trying to build the Afghan National Army and the Afghan National Police to take on the counterinsurgency and law-enforcement duties. However, the building up of the Afghan National Army (ANA) is a long drawn and slow process. Currently, the ANA's strength is about 70,000. This is proposed to be nearly doubled by 2012. Until then, the bulk of the fighting will have to be done by Western forces. It remains to be seen whether the troop surge in Afghanistan will have a noticeable impact on Taliban insurgency. In a highly significant move, the US has decided to arm local Afghan tribes to fight the Taliban. The success of such a policy of the army is doubtful and goes contrary to the disarmament, demobilisation and reintegration (DDR) campaign of earlier years. The Taliban have proved to be flexible, agile and adept at handling military pressure from the Western forces. There are apprehensions that the induction of 17,000 US troops in Afghanistan will push the Taliban fighters into Pakistan, which will destabilise the situation there. The increased fighting will lead to greater civilian casualties.

There is considerable confusion over the efficacy of talking to the Taliban. The Karzai government, with Saudi Arabia's help, has tried to talk to them. The UK has tried to open channels of communication with the Taliban. The US is also not opposed to talking to the "good Taliban" However, the efforts have not succeeded. The Taliban, no longer a monolithic entity, feels that it is winning the war. It does not seem to be under any kind of pressure to talk to the government. The distinction between the "good Taliban" and "bad Taliban" is also questionable.

The US is paying a heavy price in Afghanistan. According to Congressional Research Service, the US has already spent \$173 billion on Operation Enduring Freedom (OEF) since 2001.² However, even a fraction of this amount, spent properly, would have stabilised Afghanistan. Today, Roadside bombings are proving highly lethal to Western troops. Nearly 175 US and Allied troops were killed in roadside bombings during 2008. The Pentagon created a counter-IED organisation in 2006 with an annual budget ranging from \$3.5 billion to \$4 billion. The US is also planning to buy 2,080 heavily armoured vehicles in addition to the 2,000 already in place. Each will cost about \$1 million. Clearly, the US strategy is expensive and unsustainable in the long run. It is a matter of time before the US may have to look for an exit strategy from Afghanistan.

The US and NATO supply routes from Pakistan to Afghanistan have been repeatedly attacked by the Taliban. This has led NATO and the US to approach Russia and the Central Asian Republics for alternative supply routes. Russia will use this opportunity to negotiate with NATO and the US, and increase its influence in the region. Kyrgyzstan, probably under Russian pressure, has already asked the US to close its base in Manas.

The policy to control illicit drug production by aerial spraying and burning the crops has failed. Hillary Clinton has described Afghanistan as a “narco-state”. The total opium production in 2008 was estimated to be 7700 tonnes, down by 6 per cent over that in 2007.³ Still, the drug production is quite high. While opium production is down, hashish production has gone up. The lower drug production could be due to the prevailing high stocks of opium held by traders and warlords. Seven provinces contribute 98 per cent of drug production. The total income from poppy farming was estimated to be \$730 million in 2008, down from the \$1-billion level in 2007. Drugs continue to fuel terrorism and insurgency in Afghanistan. The warlords, drug traffickers and insurgents collect about \$500 million in taxes from opium production.

The presidential elections in Afghanistan are due in 2010, although the dates have not been fixed. The political atmosphere in Afghanistan is highly charged as the relations between the President

and the Parliament are strained. Afghan political leaders have accused Karzai of trying to sabotage the presidential elections. Several legislators have said that they would refuse to recognise Karzai as the President after May 21. The weakening of Karzai may not improve the Afghan situation particularly when there is no visible alternative to him.

The US has openly criticised President Karzai and his government of being corrupt and inefficient. In retaliation, President Karzai has publicly castigated the Western forces for killing civilians in indiscriminate military operations. Although there is as yet no visible alternative to Karzai, his position has been considerably weakened due to the public criticism of his functioning by Western governments. The tensions between Karzai and the West will hamper anti-militancy and developmental efforts in Afghanistan.

It is clear that the present Western approach to resolving the Afghan problem is failing. This is primarily due to the fact that Pakistan has proved to be an unreliable partner of the US in the latter's war on terrorism. It has extracted billions of dollars in civilian and military aid from the West while continuing to follow an ambiguous and half-hearted policy towards the Taliban. The Taliban is the creation of Pakistan and insurance for Pakistani influence in Afghanistan once Western forces leave. The fundamentalist elements in Pakistan (e.g. Muttahida Majlise Amal – MMA) were encouraged and patronised by Musharraf on whom the US was relying. The FATA region continues to be the hotbed of Taliban/Al-Qaeda activities.

The solution to the Afghan problem cannot be contemplated without the involvement of regional powers, including Iran, Russia, Central Asia and India. There has to be greater involvement of the Afghan people themselves in any solution. The traditional democratic institutions may not work. Tribal structures in Afghanistan, decimated by the Taliban and drug lords, may have to be restored. A massive aid effort is needed. For instance, the Western countries should consider buying the entire poppy grown (costing about \$733 billion) until such time that the poppy crop is replaced by alternative crops. The aid will have to be channelled through the Afghans themselves.

Taliban sanctuaries in Afghanistan must be destroyed. Moreover, the aid effort has to be well coordinated. This is not the case today. The Afghan government has to be in the loop in military and civilian efforts.

India has committed substantial financial (\$1.1 billion) and human resources to reconstruction efforts in Afghanistan. India has constructed the strategic 200 km Zaranj-Delaram road, which provides an alternate link to Afghanistan via Iran. The international community should use this road and reduce dependence on Pakistan. However, this will require Western rapprochement with Iran.

II. Pakistan

The Afghanistan-Pakistan region has long been the epicentre of international terrorism. The ambivalent policies of the Pakistani government have contributed to the rise of the Taliban, the restoration of Al-Qaeda and the emergence of Tehrike Taliban Pakistan (TTP). In addition, several terrorist groups, like the LeT, Jaishe-Mohammad, IMU, etc., have presence in Pakistan. In the recent past, these groups have gained strength and stepped up their activities. For instance, the 26/11 Mumbai terror attacks were carried out by the LeT, which is based in Pakistan and is linked with the Al-Qaeda and the Taliban. The Pakistan government and the army are either unable or unwilling to control these groups, some of which have global reach.

The rise of Tehrike Taliban in the FATA region of Pakistan in the last few years has been nothing short of meteoric. The influence of TTP has grown beyond the tribal agencies into the North West Frontier Province (NWFP). The Pakistani army has deployed nearly 100,000 troops on the Western frontier but this has not prevented the rise of Pakistani Taliban. The recent “peace deal” between Mullah Fazlullah of Tehrike-Nawaze Sharia-Mohammadi (TNSM) a Taliban group in Swat Valley (NWFP) and the NWFP government is an example of Pakistani establishment’s capitulation to the rising Taliban. The Swat deal has also raised concerns about the increasing Talibanisation of Pakistan. The attack on the Sri Lankan cricket team in Lahore on March 3, 2009, bore resemblance with the Mumbai terror attacks, in as much as 12 heavily armed young terrorists in

backpacks fired at the bus carrying the Sri Lankan team. The visible lack of security forces was striking. The attack in Lahore was an example of how bold the Pakistani terrorists have become despite the US drone attacks.

The turmoil in Pakistan is increasing. The disqualification of former Prime Minister Nawaz Sharif to contest elections upheld by the Pakistani Supreme Court is widely perceived to be a conspiracy by President Zardari to keep Nawaz Sharif out of the political arena. Whatever may be the truth, the stand-off between Zardari and Nawaz Sharif will deepen the political crisis in Pakistan. The resulting confusion can only be exploited by the militants.

The return of democracy in 2008 in Pakistan had raised expectations of stability. On the contrary, instability in Pakistan has increased as the government has proved to be too weak to rein in terrorism and to assert itself vis-à-vis the military. The Pakistan army will be in a position to take advantage of the political instability and insecurity in the country to return to the centre stage and to bargain with the US for more military assistance and influence.

The Pakistani economy, having been mismanaged for a long time, has been struck hard by the global economic slowdown. The government had to approach the IMF for a stringent loan of \$9 billion to bail the country out of its repayment crisis. The deepening economic crisis can give a fillip to terrorism and insurgency.

The concurrent political, economic and security crises in Pakistan is pushing the country into deeper turmoil and instability. It is in the danger of becoming a failed state and has been ranked ninth on the list of unstable states prepared by the US journal *Foreign Policy* (May-June 2008).⁴ Instability in Pakistan will have a destabilising effect on the entire region. This is already evident in the rising Taliban insurgency in Afghanistan, terror attacks in India and attacks on the Sri Lankan cricket team. Pakistan is not new to instability. But one can argue that the instability this time around has stronger forces at work. To stabilise Pakistan will not be easy.

Pakistan's response to these developments has been that of brazen denial. It has blamed the US policies for problems in the region. It has claimed credit for fighting Al-Qaeda and the Taliban. It has

demanded greater military and economic assistance in return for its efforts. Above all, it continues to draw international attention to Kashmir while continuing its support Kashmiri terrorist groups. These are diversionary tactics being followed by the Pakistani establishment.

The Pakistanis have tried to pressurise the US to link Afghanistan problem with the resolution of the Kashmir issue. Pakistan continues to maintain that Kashmir is a central issue between India and Pakistan, and that the resolution of Kashmir will alone stabilise the problem of militancy in the region. It has maintained an ambiguous position on terrorism. Its response to the Mumbai terror attacks has been that of flip-flop and denial. Although the Pakistanis have admitted that the Mumbai terror attacks were plotted and planned in Pakistan, it has refused to take credible steps to dismantle the infrastructure of terrorism.

Dealing with an increasingly unstable Pakistan, where the army remains the supreme arbiter and the government is weak, remains the major challenge for international community. A specific challenge is that of preventing the nukes falling into the hands of Pakistani jihadis. The exoneration of Dr A Q Khan, the architect of the nuclear black market, is a matter of serious concern. Indulging Pakistan with more military and economic aid, as the US is contemplating, is unlikely to resolve the issue of international terrorism.⁵ Instead, greater pressure on the Pakistani government and the military to come clean on terrorism and to launch determined and effective campaign against the militants, irrespective of the fact whether they are Taliban or Kashmiris, needs to be exerted.

III. What should be done?

There are widespread fears that Pakistan may be heading towards a collapse and that this could be highly destabilising for regional and global security. Several influential opinion makers in the US have argued that Pakistan must be saved. The US may be contemplating pumping in more money to save Pakistan. Comparisons with Somalia are becoming frequent in the global media. It is important that the Pakistan problem should be diagnosed correctly. The fact is that the

Frankenstein monster, namely, the Taliban, was created by the Pakistani establishment. The problem in Pakistan is the supremacy of the army. The army has been found wanting in fighting the Taliban and Al-Qaeda although it projects the opposite to the world. All manners of jihadi groups are based in Pakistan. Their numbers are growing and yet the Pakistan army's efforts to deal with them are half-hearted. Their leaders roam freely, delivering inflammatory speeches and planning attacks within and outside Pakistan. The Pakistani army will have to be pressurised to see reason and see an opportunity in cooperating with India and not confronting it on Kashmir. A genuine change of heart in Pakistan army's thinking on Kashmir and terrorism will deliver peace and stability to the region.

The deterioration of the situation in a nuclear Pakistan will be a threat to international security. The time is right for an international conference of stakeholders on Pakistan to diagnose the problem and to exert requisite pressure on the Pakistani army to take the fight against terrorism seriously. If Pakistan becomes a threat to international security due to its collapse, the issue may have to be discussed in the UN Security Council too. The US has correctly linked the Afghan problem with the Pakistan problem, treating the whole region as "AFPAK". Pakistan is a bigger problem, as it has nuclear weapons whose safety is of paramount concern. The US should disregard Pakistani protestations about linking Afghanistan with Kashmir. Such a link will be counterproductive. The talk about a "grand bargain" involving concessions to insurgents and resolution of regional issues is highly misleading and dangerous. There should be no compromise with the terrorists⁶

There has been considerable talk about a fresh strategy in Afghanistan involving more aid, greater capacity building and higher level of troops on the ground. These approaches will not work so long as the Taliban and other terrorist groups enjoy safe havens in Pakistan and as long as Pakistan army continues with its ambivalent approach on fighting terrorism. To begin resolving Afghanistan, the international community will have to start with Pakistan and the Pakistan army. Any assistance to Pakistan should be conditional upon its army giving up support to terrorists.

Historically, stability in Afghanistan has come only when it has been a neutral country. Therefore, the international community should consider an initiative which guarantees Afghanistan's neutrality and keeps the great power competition out of it. This has to be positive neutrality, which ensures that international assistance for rebuilding Afghanistan continues to flow but without outside interference. On December 22, 2002, the neighbours of Afghanistan, namely, Iran, Pakistan, Uzbekistan, Tajikistan, Turkmenistan and China had signed the Kabul Declaration on Good Neighbourly Relations, which reaffirmed non-interference in Afghanistan's affairs. There is a need to draw an international instrument on neutrality, which will be guaranteed by the UN and other regional and major powers. In a recent article, Henry Kissinger has drawn a parallel between the need to stop intervention in Afghanistan and the Belgian neutrality, which prevented outside intervention and interference for nearly 100 years.⁷

The international community needs to have a fresh look at Afghanistan's developmental needs. Some lessons can be drawn from India's development experience, particularly in the area of employment generation and primary school education. For instance, India has an ambitious National Rural Employment Guarantee Scheme (NREGA) and Sarva Shiksha Abhiyan (universal primary education programme), which have proved to be reasonably successful. The international community should start similar programmes in Afghanistan on a pilot basis to ensure that the fruits of development reach the poorest sections of society. The programmes can be started initially in areas which are relatively peaceful and free of Taliban. The programme should be administered through local administration under national and international supervision. The entire poppy crop could be bought and the farmers compensated adequately. These measures will prove to be cheaper than the expensive military campaign currently being run by the Western countries. Indian experts and NGOs can be employed under security cover to implement these programmes.

An effective way of lifting Afghanistan out of poverty would be to restore economic linkages between Afghanistan and India. This

can be done only through Pakistan. Islamabad must be pressurised to allow bilateral trade between India and Afghanistan through Pakistani territory.

NOTES

1. <http://www.bloomberg.com/apps/news?pid=20601087&sid=alAEQzTqf6He&refer=home> (accessed January 29, 2009).
2. Congressional Research Service (CRS) Report for Congress, "The cost of Iraq, Afghanistan and other Global War on Terror Operations Since 9/11." Updated October 15, 2008, at <http://fas.org/crs/natsec/RL33110.pdf>
3. *Afghanistan Opium Survey 2008*, United Nations Office on Drugs & Crime (UNODC) and the Afghan Ministry of Counter-Narcotics, November 2008.
4. According to the Foreign Policy indicators of instability, Somalia is ranked number 1 amongst the unstable states with a score of 114.2. Afghanistan is ranked 7 with a score of 105.4 and Pakistan is ranked 9 with a score of 103.8. It is interesting Afghanistan and Pakistan differ by a score of mere 1.6. This indicates that Pakistan is almost as unstable as Afghanistan in this estimation. See http://www.foreignpolicy.com/story/CMS.php?story_id=4350, July-August 2008.
5. The Atlantic Council of the US in a report published in February 2009, has suggested that the US administration must support Kerry/Lugar legislation which provides for US \$15 billion of non-military aid to Pakistan over the next 10 years. The report, written by Senator Kerry and others, also recommends that the US must try and defuse India-Pakistan tensions. See http://www.acus.org/publication_pdfs/65/Pakistan_Report.pdf.
6. In an article titled "From Great Game to Grand Bargain: Ending Chaos in Afghanistan and Pakistan", *Foreign Affairs*, Nov.-December 2008, Barnett R. Rubin and Ahmed Rashid wrote, "The crisis in Afghanistan and Pakistan is beyond the point where more troops will help. US strategy must be to seek compromise with insurgents while addressing rivalries and insecurities."
7. Henry Kissinger has made several interesting points in his recent article on Afghanistan: the strategy of creating a Central government and extending its authority to the entire Afghanistan is unlikely to succeed; criticising Hamid Karzai openly is not a good policy; the induction of 17000 extra US troops will not be sufficient to stabilise the situation;

Afghanistan needs to become neutral; the US should set up a working group composed of Afghanistan's neighbours, India and the P-5 to work out the principles for the country's international status; cooperation with Russia should be pursued; Pakistan should be persuaded to make correct decisions and choices; NATO should be persuaded to stop being an alliance a la carte. See Henry A. Kissinger, "Afghanistan: The Way Forward", *International Herald Tribune*, February 27, 2009.

CHAPTER 8

The Iranian Nuclear Issue

Vladimir E. Novikov

During the last five years, the Iranian nuclear programme has posed a fundamental challenge to international relations. The political, economic and strategic situation, not only in the Near East but also at a global level, including the future of the international nuclear non-proliferation regime, depends on a proper solution to this crisis.

The essence of the crisis consists of the following. The NPT guarantees the right of any state member of the Treaty “to undertake research, production and use of nuclear energy for peaceful purposes (including in the field of sensitive technologies),” if these activities are carried out under IAEA safeguards. Observance of balance of nuclear materials and absence of undeclared nuclear activity in Iran have been mentioned in recent reports of the IAEA Director General. However, a number of the Western powers, especially the United States, consider the development of sensitive technologies by Iran as a “quasi-legal” way of developing nuclear weapons. They also consider Iranian nuclear research and development, connected with sensitive technologies, carried out in the past as a “violation” by Tehran of its international obligations. On their part, Iranian officials were reluctant in giving “answers” to questions concerning its nuclear programme and Iran has refused to suspend activities on enrichment

of uranium in Natanz, due to which “the Iranian nuclear file” has been transferred to the Security Council.

The former Republican administration in the US had convinced the world community that only the immediate termination (or the long suspension) of activities in Natanz and Arak could confirm the peaceful aspirations of the Islamic Republic of Iran and that would form the basis for direct Iran-US negotiations. According to Western official statements, the tactics of “escalation of sanctions,” as per the framework of the United Nations Security Council, should “convince” Teheran to meet the Western concerns. However, Iran considers the Security Council resolutions as illegitimate.

Senior Iranian officials believe that the West is trying to suspend Iranian’s nuclear programme, which is an important part of its scientific, technical and economic development strategy. At the same time, the unexpected successes achieved by Iran in enrichment of uranium indicate the inefficiency of the sanctions imposed against it.

With the US is playing the determining role in resolving the Iranian nuclear crisis, Washington will have to make a final decision as to what option will be more preferable, a diplomatic one or one of using force. The US political elite regards Iranian national interests in the nuclear sector as a threat to national security, since Teheran aspires to gain the status of a regional power challenging US presence in West Asia, a region that is a major source of hydrocarbon raw material. Despite the political rhetoric of the US side, particularly its upholding and adherence to the values of democracy that also compels it “to struggle against non-proliferation of weapon of mass destruction (WMD) and fight against international terrorism”, the deeper US-Iranian contradiction revolves around economic interests, especially for the US to retain its control over the sources and delivery of oil supplies, including that of Iranian supplies.

Given the information that is currently available, it is extremely difficult to answer how this conflict can be resolved. It becomes more difficult when a variety of rather changing factors influence the trends of development. Opportunities for negotiations are far from exhausted, with the Iranian side showing certain readiness for a

compromise. Here, it is also necessary to take into account that fact that Iran's nuclear programme has become a national idea and its suspension without any really significant "compensation" threatens the influence of President Ahmadinejad and his supporters.

At the same time, actions of the Western states, especially of the US, testify to the fact that prospects for resolution of the crisis look rather problematic. The Republican administration is deliberately driving the situation into a corner, provoking Teheran to demonstratively "neglect" the Security Council resolutions, thereby creating preconditions for the application of force. The US is learnt to be drawing up plans for preliminary air strikes against Iranian nuclear sites.

However, a major factor constraining Washington from unilateral use of force (without obtaining UN Security Council consent) is the extreme complexity that any analysis of the probable political, economic and ecological consequences that such action will result in as also the unpredictable reactions to such action from the international community as a whole and the Muslim world in particular. President Obama faces a difficult choice because an overwhelming majority of his team considers Iran's nuclear programme to be a threat to US national interests. Nevertheless, the US president has shown readiness for direct negotiations with Teheran.

From a Russian perspective, any solution which will satisfy all parties will be extremely difficult to reach, because the actions of the Western countries, led by the US, as also by the Iranian side in recent years have led to a situation of political, legal and military deadlock.

None of the international treaties ratified by Iran forbid creation of nuclear installations using sensitive technology, if such production has a peaceful purpose. Moreover, article IV of the NPT entails all participants of the treaty to promote maximum possible exchange of equipment, materials, as well as scientific and technical information, with the purpose of assisting each other in the peaceful use of nuclear energy. And from this point of view, the charge against Iran for illegally constructing plants in Natanz and Isfahan looks rather doubtful. According to NPT rules, Iran has the full right on

such construction. The basic requirement of the safeguards agreement of the IAEA with any country demands preliminary (for 180 days) information to the IAEA before nuclear material can be delivered there. Development and testing of technology (equipment) without use of a nuclear material also cannot be considered to be a violation by Teheran of its obligations.

The charges against Iran for the construction of research reactor IR-40 and its ability to function in a mode of production of weapon grade plutonium appear even less convincing.

To the valid infringements of obligations taken on by Iran, it is possible to attribute that Tehran was carrying out such R&D in the field of sensitive nuclear technologies without informing the IAEA and also concealing data on the sources of imported nuclear materials and technologies.

If Teheran can convincingly answer questions on its earlier nuclear programme and if it is willing to cooperate with the IAEA (including the permission to carry out intrusive inspections on the declared nuclear objects), it will fundamentally liquidate the presence of “the Iranian nuclear file” in the UNSC. In that case the Security Council is faced with the necessity of making a decision on rather uneasy questions of political and legal character. If UNSC decides to return the “Iranian nuclear file” to the IAEA, acceptance of the corresponding decision may cause further complexities.

However, it is difficult to foresee that such a development will take place in the near future. Process of escalation of sanctions has gone too far. Even if it is to be admitted that the Western countries and the US really want to achieve the justifiable settlement of the crisis through the diplomatic measures, it will be difficult for them “to keep face”. Thus, in the near future, it is hardly to expect “the Iranian nuclear file” being returned to the IAEA.

The question of the efficiency of sanctions demands special attention. The US and the European “three” really believed that the application of politics of pressure and sanctions against Iran would force Tehran to slow down, if not completely stop, its enrichment of uranium. In their opinion, the Iranian R&D base cannot provide for the manufacture of centrifuges in significant quantities. At the

same time, economic sanctions will weaken essentially the power of Ahmadinejad's government.

Such "hopes" about the pressure and sanctions against Teheran were not justified however. Iran has shown the determination to continue realisation of its nuclear programme and has toughened procedures on allowing IAEA inspectors into the country. Iran actively continues to increase capacities at its enrichment plant in Natanz, on developing and testing new generation centrifuges, construction of reactor IR-40 in Arak and a building of heavy water plant at the same place. The IAEA experts have noted significant successes of Iranian scientists and engineers in realisation of the nuclear programme. In particular, they noted that by the end of 2007, the number of centrifuges in Natanz had reached 3,000 and the degree of uranium enrichment, about 4 per cent. Iranian officials have also made several statements, which leave no doubts about its intention to continue realisation of the nuclear programme, especially in the field of uranium enrichment. In April 2008, Ahmadinejad declared the start of the installation process for 6,000 centrifuges in Natanz and also manufacturing and testing of a new generation centrifuges. He also talked about plans to build a plant for production of uranium concentrate by March 2009.

As a result of Iran's stand, an increasing number of experts have begun to speak about the inefficacy of the sanctions policy. In November 2007, the US National Intelligence Council released an unclassified report in which it estimated with a high degree of confidence that Iran's nuclear weapons programme was halted in 2003 and that halt lasted for at least several years. Thus (in the certain measure), the competency of the sanctions imposed by the UN Security Council was put under doubt.

On February 22, 2008, the IAEA prepared an official report for the Security Council in which it was noted that Iran had replied to a number of key questions concerning its nuclear programme. At the same time, it noted that the Iranian side had refused to cooperate with the Agency in clearing up the questions put by US representatives. These questions concern continuation of the uranium enrichment programme and development of head parts of potential

missile delivery vehicle. Using this report, Washington undertook significant efforts to convince the members of Security Council towards the need for strengthening pressure on Iran by toughening the sanctions, leading to the adoption on March 3, 2008, of the resolution 1803 (S/2008/141).

The obvious unwillingness of the European countries to continue with the policy of sanction against Iran is visible. The new US administration too has not developed a final policy in relation to Teheran. In this connection, the role of the Islamic countries of the region in solving the Iranian crisis essentially grows. There are no doubts that prospects for the solution of the crisis depend not only on perception of the regional countries but also on the prospects of a possible change in the politico-military balance of forces in the region.

None of the Arab states in the Gulf region are keen to see Iran transforming itself into a regional power. Fears of other countries will amplify even more if Iran has the key nuclear fuel cycle objects and this can result in counter-measures on the part of the some Gulf States. In fact, most of the smaller but rich oil countries will feel safer if Iran transforms itself not only as a huge supplier of natural resources, but also as an advanced scientific, technical and industrial potential country.

It is, therefore, possible to conclude that there are certain preconditions for solving the Iranian nuclear problem through negotiations. However, these will necessitate very serious efforts by all interested countries.

CHAPTER 9

Soviet/Post-Soviet Security Perspectives
towards South Asia: An Historical,
Analytic Overview

*Nisha Sahai Achuthan**

For any meaningful discussion of the Indo-Russian partnership and preparedness in the 21st century, it is important to understand and analyse the Soviet and post-Soviet security perspectives towards the region. Existing literature on this partnership abounds in the Indian perspective, but relatively less appears to have been written on the Soviet/Russian perspectives. This paper seeks to highlight the historical, analytic overview of Soviet/Russian perspectives, starting from Lenin to the Putin period and beyond. It covers the period starting from the Bolsheviks to the Brezhnev era by way of background while for the post-Brezhnev period it has a more detailed analysis of the Gorbachev and Yeltsin periods. It also covers significant shifts in the trajectory and the course corrections undertaken in the second half of the Yeltsin period.

Evolution of Soviet Security Perspectives Towards South Asia: Lenin to Brezhnev (1917 to 1982)

Historically, the former Soviet Union's perceptions of its physical security have been reflected in what it viewed as a legitimate concern

for stable borders and developments along its southern periphery. Geographically, these concerns stemmed from the contiguity of some and proximity of other Asian states on its southern flank, many of which bore ethnic, religious and cultural affinity with the Soviet Union's own Central Asian Muslim population spread over five republics. Soviet fears and anxieties were rooted historically, having been subject to repeated invasions between the seventh centuries BC and AD – all having come mainly through the Central Asian regions in the south, or directly across from Turkish territory. Security was thus sought by the erstwhile Soviet Union, like the other nation states of this time, leading to its "maximisation". And it was these conditions under which the Soviet Union's southward expansion began

During the Lenin and Stalin (1917-53) periods, Soviet perceptions of India emerged in a clearer and more direct form. However, under Stalin even though strategies for the East and for India were elaborated, yet in their denunciation of the nationalist leaders and exaggeration of the communist successes that was predicated on the doctrinaire and class-analysis-approach of the Comintern, they remained divorced from the reality of the situation obtaining in India.. Together, these factors also precluded the Soviets from assessing realistically the implications of India's independence in 1947 and thereby also the potential of India's role at the state level in Soviet Union's anti-imperialist strategy – the full significance of which was to be grasped only in the Khrushchev period.

The security dimensions of Soviet Union's perspectives of India, which stood out in bolder relief in the Khrushchev period, evolved and took on a definite shape against the background of external and internal determinants, such as the politics of the Cold War, the US strategic moves in the region, the newly-formulated Soviet approach towards the independent Afro-Asian nations and their emerging security interests in the South Asian region as a whole; and the contours of Soviet Union's security policy towards the states of South Asia – India, and Pakistan, whose own relations were marked by regional tensions exacerbated by Pakistan's evolving security ties with the US. The US moves, particularly its defence agreement with

Pakistan in 1954, provided to the Soviets a ready-made rationale for arms aid to India. The years following the 1962 Sino-Indian war, which were to witness a further strengthening of the Soviet-Indian security ties, were marked by the exchange of high-level military delegations. In addition to the use of military aid, Soviet Union's security objectives in this region also envisaged the use of its political and economic capabilities as policy instruments. Unlike in the Stalin period, ideology now helped, rather than hindered, the promotion of state-level relations; the *volte face* of the Soviet academic assessments of India and the altered guidelines for the CPI too were steps that appear to have been taken in pursuance of this newly formulated strategy.

The broad features of the Soviet Union's security approach towards the South Asian region as it had evolved under Khrushchev crystallised further during the early-Brezhnev period (1964-70), accompanied by necessary adaptations and refinements in the country's policies. Their security approach during this period came to be conditioned increasingly by the interface of the Soviet-Chinese and Soviet-US competition for influence at different levels. Soviet Union's conceptions of security during this period, as a super-power, appear to have ranged from traditional, narrow concerns to the more expansive notions, envisaging its quest for equality with the US at various levels, including a role in world affairs. At the regional level, this was reflected in the Soviet decision to mediate in the 1965 Indo-Pakistan war and thereby both win the confidence of Pakistan and also deny the US a role in the security management of the region. Also, the Soviet-Indian security perceptions during this period appear to have converged even more, and at different levels, especially in respect of the US and Chinese role in relation to Pakistan.

This period witnessed the further consolidation of relations with India following the traditional pattern that of growing state-level relations between the two sides on all fronts – political, economic and military. In his report to the 23rd CPSU Congress of 1966, the then President, Leonid Brezhnev stated that “our traditional friendship with India and with her great people, a friendship that has withstood the test of the time, has grown even stronger.”

A further consolidation of the Soviet-Indian Strategic partnership was seen in the late Brezhnev period (1971-82), with the signing of the Indo-Soviet Treaty of 1971 and the Soviets supporting India in the Bangladesh war – while the US backed Pakistan. It also witnessed the deepening of the Indo-Soviet partnership in different areas, particularly in defence cooperation. This was also a period when the Soviets floated the concept of Asian security and they enhanced their presence in the Indian Ocean to counter the perceived threat from the US.

The subsequent Andropov period (November 1982 to February 1984) and the Chernenko period (March 1984 to March 1985) were relatively uneventful in the context of Soviet Union-South Asia relations and neither did they represent any significant shift in policy trends of the Brezhnev era.

The Gorbachev and Yeltsin years (1985 to 1999)

The first-half of the Gorbachev period (1985-88) was characterised by the de-deification of Stalin, open criticism of Brezhnev's stagnant economic policies and its supersession by *Perestroika* (reconstruction) and *Glasnost* (openness). However, as regards the determinants of the Soviet approach towards the South Asian region, there was a seeming convergence of Soviet- Indian strategic perceptions, both at the regional level of analysis (for example in respect of Pakistan's role in Afghanistan) and at the global level (convergence of views on disarmament and a nuclear weapon free world in opposition to US policies). Shifts in the determinants of the Soviet approach to this region began in the late Gorbachev years (1989-91) and there was a continuation of these trends in the early years of the post-Soviet era, i.e., the first part of the Yeltsin years (1992-95), which have been generally characterised as Eurocentric. The latter part of the Yeltsin years (1996-99) saw the rectification of this imbalance in Russian policies, with the Russian leadership during the Putin period (2000-08) once again restoring the same strategic primacy to India as was assigned to it in the Soviet era, albeit in a de-ideologised context.

The Gorbachev era, characterised by the de-deification of Stalin, an open criticism of the stagnant economic policies of Brezhnev and

the belief in the twin doctrines of Perestroika (reconstruction) and Glasnost (openness), ushered in the “de-ideologisation” phase of Soviet domestic and, in turn, its foreign policies, all of which was bound to have an impact on the country’s approach towards the South Asian region. Foreign policy pronouncements were to become singularly free of the heavy ideological verbiage of the Brezhnev era and at the policy-level, they led to cutbacks in overall aid to the Third World.

The first half of the Gorbachev period (1985-88) continued to be characterised by high-level visits from the two sides – India and the Soviet Union, which appear to compare favourably with the record of such visits under Brezhnev and Khrushchev. From the Indian side, these included visits by Rajiv Gandhi, who had taken over as Prime Minister in October 1984, following the assassination of Indira Gandhi, in May 1985, soon after Gorbachev had taken over, and thereafter once again in November 1987. From the Soviet side, Gorbachev visited India in November 1986 and again in December 1988 while Prime Minister Ryzkov undertook a visit in November 1987. Gorbachev’s warm reception speech welcoming Rajiv Gandhi, in which he underlined Soviet Union’s consistent support to India and his statement to Indian media that ‘friendship with India has always been an active tradition of our foreign policy for decades’, were reminiscent of the bonhomie characterising the speeches of Brezhnev and Khrushchev.

Rajiv Gandhi’s visit in November 1987 was marked by the same warmth and Gorbachev is said to have remarked that ‘he had not spent so much time with any visiting foreign dignitary as he had done with the Indian Prime Minister’. In his Vladivostok speech on July 28, 1986, Gorbachev referred to India as ‘The Great India, with its moral authority and traditional wisdom, with its specific political experience and huge economic potentialities’ and in the course of a second visit to India in December 1988, in his dinner speech at Rashtrapati Bhavan (President’s residence), he chose to disabuse and dispel ‘speculations...that the Soviet Union is changing its priorities, even becoming cold towards India. Comparisons are being drawn...between Soviet-Indian relations and other foreign policy

contacts of the Soviet leadership'. That India continued to be accorded a place of primacy by the Soviets is best articulated by Gorbachev in his own words in his book published in 1997. Under the section 'New Thinking and The World' in chapter 5 on the Third World, the only country to which a whole page is devoted is India, where under a sub-section, Soviet-India Relations, Gorbachev states: "India, a southern neighbour of ours...is a great power...[our] relations have steadily developed over many years...in...my visit to India in 1986...we adopted the now famous Delhi Declaration [which] reflects the unique nature of [our] relations...exemplary in many respects...that spiritually enriches both sides...an example for others to emulate."¹

But it was Soviet security concerns relating to developments in Afghanistan on its southern periphery, following the withdrawal of Soviet troops in February 1989 – after a decade-long presence in Afghanistan since its military intervention in 1979 – and the convergence of Soviet-Indian security perceptions in relation to these developments, that were to underpin its security approach towards the South Asian region under Gorbachev. The Soviet Union's growing disenchantment with Pakistan's role in colluding with the Mujahideens to destabilise the Najibullah regime in Afghanistan, which the Soviets continued to support even after their military withdrawal and which was a regime that also enjoyed the support of India, were developments that were to shape the dynamics of the Soviet Union, India and Pakistan triad.

This was also the period that Soviet-Indian relations had an impact at the *geopolitical level*, specifically in the context of the issue-based content of *Soviet-US relations*. It was marked by Gorbachev's mounting criticism of US President Ronald Reagan's Star War Programme (SWP), Soviet-Indian convergence of views on disarmament and Indian support of Gorbachev's proposal to the US for a comprehensive disarmament proposal, which included a ban on nuclear tests and a freeze on strategic offensive weapons. In fact, Rajiv Gandhi had articulated his views on disarmament with considerable force at the meeting of the six heads of state hosted by him in New Delhi in January 1986, who in their joint declaration

had vehemently criticised the arms race in outer space, called for a comprehensive test ban treaty and had sent a joint message to Reagan and Gorbachev urging them to suspend nuclear tests for 12 months – all of which was widely covered in the Soviet press. Gorbachev had responded to this by saying: ‘We have a high opinion of these initiatives. The ideas voiced in the discussion on the heads of six countries and the Soviet initiatives go in the same direction’. During Gorbachev’s visit to India in November 1986, both he and Rajiv Gandhi were critical of Reagan’s SWP and their views were articulated at length in the Delhi Declaration adopted by both sides, calling for a “nuclear-weapons-free world”, free of violence, fear and suspicion.

The continued salience of geopolitical factors and its impact on Soviet-Indian relations was evidenced further in the continued centrality of the *China factor*. Sino-Indian relations had then hit a new low, with China’s border incursions in June 1986 in the North-Eastern state of Arunachal Pradesh. While from the viewpoint of India’s strategic calculations, continued close relations with the Soviets would have provided the necessary counterweight to China, however, unlike in the years during the Sino-Soviet split, and the Sino-Indian rupture in the wake of the 1962 war – when there was a near convergence of Soviet-Indian geostrategic interests in respect of China – the mid-80s were a period that saw both China and the Soviets seeking to improve mutual relations. In fact in his speech at Vladivostok on July 26, 1986, when Gorbachev had referred to the “Great India with its moral authority...” he also expressed his interest in promoting Asian-Pacific security; this was an arrangement that was clearly intended to include China and not simply contain it, as was the underlying objective of Brezhnev’s Asian security plan. This makes it clear that given the significance of its security plan process, the Soviets did not want to be in a position to be taking sides between China and India; instead they were doing a balancing act – i.e. while signalling to India their desire to improve relations with China but at the same time continuing to articulate their special ties with India; thereby conveying to both China and India the Soviet expectation for them to move forward and mend their fences.

As regards the policy instruments employed by the Soviets to

promote their security objectives in the region, through continued special ties with India, both military and economic aid continued to play an important role in conjunction with the use of their political capabilities, as it had during the Brezhnev era. While Soviet military aid to India picked up momentum during the Gorbachev period, but it continued as before to be predicated on certain factors. Historically, the US-Pakistan military alliance predated the formation of Soviet-Indian military ties. In fact, each has been a function of the other and has been aimed at countering the other party; the easy, soft currency payment terms and pricing made Soviet equipment more price worthy for India and more importantly it was the only viable option available, especially in view of India's inability to acquire comparable equipment from the West. These factors in turn provided the Soviets the needed opportunity to continue building upon their special military relations with India. The caveats in this relationship, however, were that "despite its military aid to India, the Soviet Union has not gained any military or naval bases. Its military presence in India is limited to those involved in training...maintenance. In 1986, there were only 200 Soviet military personnel in India. Similarly, the numbers of Indian military personnel who have received training in the Soviet Union are very small."³

Concomitant with military aid, the Soviet Union, under Gorbachev, continued to employ economic aid as key policy instruments and that during his '1986 visit to New Delhi...they were very generous in bestowing economic assistance to India...As Indian priorities shifted into the energy sector, Soviet aid followed...Soviet credits to India made India the USSR's largest debtor'.⁴ Another trend was in the form of joint ventures with state governments; by the beginning of 1988, about 30 Indian states and private companies had submitted schemes for joint venture with the Soviet Union.⁵ Commenting on Gorbachev's 1986 visit, Soviet commentator Leonid Sedov stated that it 'by far exceeded the limits of bilateral Soviet-Indian relations'.⁶ To sum up then, in many ways the Gorbachev period (1985-91). at least the first half thereof (1985-88), which had witnessed four top-level visits – two by Rajiv Gandhi and two by Gorbachev – was in the continuum of the traditional strong ties

between both sides and where the centrality of such bonds precluded any significant shift in the Soviet approach towards India, notwithstanding the dictates of *Perestroika* (restructuring of the Soviet economy) and *Glasnost* (openness) ushered in by Gorbachev. As was noted, close defence and economic ties continued under the same traditional arrangements of payments in soft currency/barter, serving the interests of both sides.

Similarly, the de-ideologisation of Soviet thinking notwithstanding, and despite the realism which had begun to characterise the writings of well-known Soviet analysts on Indian polity and economy, a western scholar observes that 'Western scholars seeking to analyse official thinking in the Soviet Union on Soviet-Indian relations are handicapped by the lack of *glasnost* on this subject, that has traditionally prevailed in Moscow...Under Gorbachev, Soviet officials have generally become more willing to provide information on foreign policy issues, but as far as Soviet-Indian relations are concerned...there has been if anything, a closing of ranks between the two governments...'⁷

The lack of movement in Soviet-Indian relations in the *second half of the Gorbachev period (1989-91)* can be attributed primarily to Gorbachev's preoccupation in dealing with the tumultuous developments in East Europe, unleashed ironically by his very own *Perestroika*, its destabilising effect on the Soviet Union's own political and economic processes and the failed coup by Yanayev in August 1991, all of which cumulatively were to lead to Gorbachev's resignation in December 1991. Coincidentally, the year 1989 was also one when Rajiv Gandhi's Congress-led government, with which the Soviets had traditional close ties for several decades, lost the battle of ballot.

The period 1989-91 also saw the absence of the natural chemistry, which had characterised interactions between the two forward looking and "non-superannuated leaders" – Rajiv Gandhi in his mid forties and Gorbachev in his mid fifties – and was also accompanied by the surfacing of dissonant views in Soviet-Indian defence and economic relations, dictated by the harsh economic realities that *Perestroika* had ironically unleashed. "With the USSR moving in 1991 towards ruble

convertibility and towards conducting all trade on a hard currency basis, the question became: what would be the effect be on Indo-Soviet trade... (and) the arms trade too. Moscow announced that India, like other buyers, would have to pay for its arms in hard currency.”⁸

These were issues which in the Yeltsin period were to become full blown critical issues in Soviet-Indian relations awaiting resolution. To this extent then the second phase of the Gorbachev period was in many ways one that set the stage for Yeltsin. And significantly, Soviet-Indian economic ties, which had traditionally not been a function *per se* of Soviet strategic and security interests globally, were in the years to come to get more and more integrated with the latter. As regards Soviet relations with the other two key countries of the South Asian region, Pakistan and Bangladesh, with the Soviet cutbacks and pull out from Third World engagements, relations with these countries during this period remained at best peripheral. In the case of Pakistan, Soviet Union’s distancing from it was dictated primarily by the former’s collusion with the Mujahideen to destabilise the regime in Afghanistan, which the Soviets had continued to support even after their military withdrawal.

Post-Soviet Russian Security Perspectives and Policies towards South Asia: The Yeltsin Years

Gorbachev’s resignation on December 25, 1991, signalled the demise of the Soviet Union and Boris Yeltsin, President of the Russian Federation – which had officially replaced the USSR – emerged as the most powerful leader of the Commonwealth of Independent States (CIS), set up initially by the troika republics – Russia, Ukraine and Byelorussia – on December 10, 1991 and of which the 8 of the 15 constituent republics of the erstwhile Soviet Union then became a part of.. Not merely had the Soviet monolith collapsed as a political entity, but its “ideological monolith” too withered away.

This was a period that saw a vastly altered geopolitical scenario – tapering of the cold war, collapse of one of the poles in the bipolar configuration of world forces, emergence of other power centres (e.g., Japan, EEC and China). More significantly, the ‘de-ideologisation

process' of the Gorbachev period led to an end to the era of ideological confrontation and the US policy of containment of the Soviets, which had been the *leitmotif* of world politics since the post-war years. It was a period when state-interests and economic considerations, as against ideology, became the lodestar of Soviet global policies. And under Yeltsin, Russia, shorn of the Central Asian identity of the former Soviet Union, cut back further on its global commitments and moved towards becoming more and more Eurocentric. In fact, these developments, which became the groundswell of Russia's foreign-policy orientations at the global level, were in turn to determine the course of its domestic policies.

How then did these developments impact upon Russia's security perspectives towards the Third World in general and South Asia and India in particular? While earlier at the *regional* level, Soviet (and the US) policies in the South Asian region had to a large extent been a function of the triangular (US-USSR-China) competition for influence. Given South Asia's proximity to Soviet Union's southern borders, the Soviets had perceived threats from the role in this region of the other external powers, viz., US military aid and intelligence base in Pakistan, China's activities in Pakistan close to the Soviet borders, US deployments in the Indian Ocean targeting Soviet strategic installations and the role of other external powers in South Asian crises. And under Yeltsin, as at the global level, it was seen that at the *regional* level too, Russia's domestic policies would present reduced opportunities for it to be in competition with the external powers.

Under Yeltsin, Russia's official thinking too was to be shaped by those very trends dating back to the late-Gorbachev period – which saw changing Soviet perceptions towards the Third World. questions on the validity of applying Marxist-Leninist tools of analyses to developments in the Third World; contraction in Soviet Union's expansive notions of security that had earlier over-arched from Angola to Afghanistan, and was dictated by its immediate state-interests. Along the continuum of Soviet withdrawal from Afghanistan, under Yeltsin, there were further cutbacks in Soviet involvement in the Third World, facilitated partly by the role of the US, the dismemberment

of the Soviet Union and the shape of the Soviet economy. And with the geopolitical compulsions having receded to the background, the security perspectives/objectives of Russia towards the Third World were more and more dictated by the primacy of its *economic* interests. The collapse of the Russian economy and the need to shore up its hard-currency reserves hence were to be the critical factors that dictated Russia's postures in the Yeltsin years.

As regards Soviet-Indian relations, the trends that had set in during the last years of the Gorbachev period, including the relative neglect of relations with the Third world on account of Soviet pre-occupation with its own problems, were to gain further ascendancy during the first few years of the Yeltsin period (1992-96). It was only in March 1996, with the appointment of Yevgeny Primakov as the Foreign Minister (he was later elevated as Prime Minister) and with the internal political pressures of the pro-India lobby within the Russian Duma and of the academics, that a gradual "course-correction" came to be undertaken with respect to relations with India.

But this is not to say that relations with India were insignificant even during the first phase (1992-95). On the contrary, it is clear that the reverse is true given the exchange of high-level visits from both sides, the momentum of which was continued in the second phase (1996-99), and the overall record of which is comparable to exchange of visits during the Gorbachev and Brezhnev eras. The difference, however, lay in the changed overall approach of the Russians, especially in the early Yeltsin years – mainly the hard bargaining, accompanied at times by backing out from commitments, the inter-linkage of outstanding issues and placing conditionalities, all of which were practices usually employed in conventional diplomacy, but which for historical reasons had not characterised the course of the Soviet-Indian partnership. This is evident from the Russian stand on the following issues, many of which were security-oriented:

- Defence-ties, including renegotiation of terms of arms and spare part transfers;
- Russia's stand on India and nuclear non-proliferation and

- the “Cryogenic deal”;
- Bilateral trade, including negotiating the rupee-ruble exchange rate;
- Political ties – the high level exchange of visits comparable to the record of the Gorbachev and Brezhnev eras, in the course of which many of these issues were dealt with and agreements arrived at.

The changed *Weltanschauung* of the Russian leadership in the early Yeltsin years – the Eurocentric orientation of Russian foreign policy and cutbacks in Third World engagements, which had followed as a natural corollary to the ‘de-ideologisation’ process during the Gorbachev years where the primacy of Soviet economic and state interests came to supersede the traditional ideology-driven approach, has been touched upon above. While analysing the “linkage-strategy” and hard bargaining adopted by the Russians for negotiating the key issues listed above, an attempt has been made herein to discern the extent to which this was a function of any one or a combination of the aforesaid facets of the Russian *Weltanschauung*. And by way of background, an attempt has been made first to discern its trajectory, as it evolved in the two phases of the Yeltsin period, and then to glean therefrom the emerging Russian security perspectives with respect to India.

In the *first* phase of the Yeltsin years, the prevailing views that had gained ascendancy were those of the “Atlantists” in the foreign policy establishment led by the pro-West Foreign Minister Andrei Kozyrev, whose statements calling for “closer political and economic integration” with the West, and that “the developed countries of the West were Russia’s natural allies” were also reflected in the Working Paper on Russia’s Foreign Policy – a draft of which was circulated in early 1992 and was adopted later that year. In this document, a major section was devoted to highlighting the primacy of ‘striving to achieve a stable relationship with the US on the basis of a strategic partnership and to look towards the US for support in carrying out the complex economic and strategic talks in its foreign policy’. In this paper, the ‘Third World’ was regarded as the ‘chief source of conflicts’ and South Asia was accorded ‘seventh place in the list of 10 priorities’. A Russian

Foreign Ministry publication on the 'Concepts of Russian Federation's Foreign Policy' in January 1993, prioritised its regional/global security concerns in the following order: (1). The CIS; (2) Arms Control and Internal Security; (3) Economic Reform; (4) USA; (5) Europe; (6) Asia-Pacific; and (7) West and South Asia...

As regards Russian perspectives on India, in the early Yeltsin years, the two noticeable trends discerned were: the de-ideologisation of Russia-Indian ties and a shift from the traditional pro-India stance. The draft concept paper of the Russian Foreign Ministry encapsulated both these strains: 'While maintaining close relations with India, Russia should not let it be interpreted that its policy is deliberately pro-Indian, but it should not be artificially restrained in the name of striking an abstract balance and maintaining an equal distance, such as in the case of India and Pakistan'. About the same time, Russian Foreign Minister Kozyrev, in an interview, while critical of India on some points, stated: 'India remains central to Russian foreign policy calculations on political grounds – *strategic security* (emphasis added) and good neighbourliness, the twin principles of Russia's foreign policy. Changes that are occurring have liberated our relations from ideologised and subjective factors, and have replaced them with pragmatism and mutually-beneficial partnership'.

As opposed to this, a set of competing views, in the continuum of the traditional Soviet perspectives on India were expressed by some members of the Russian Duma (Parliament) and also in academic circles. In the former category were members such as Ambartsumov and Pudovkin(FULL NAMES), who 'openly articulated the view that India was, is and should remain Russia's first priority'. These views were shared by quite a few other well-known political actors like Zhirinovskiy, Burbolous and Lukianov(FULL NAMES), who were earlier chairmen of the Duma's group on India. This was the group that continued to advocate the traditional 'special relationship' with India, as between India and Pakistan, while the Foreign Ministry's view was that this was adversely affecting relations with Pakistan. There were others like Lukin(FULL NAME), former Chairman of the Duma's Foreign Affairs Committee, who cautioned that the 'West,

including the US, were trying to take advantage of Russia's immediate weakness to realise their economic, political and military objectives'.

Let us examine the extent to which the aforesaid trends found expression in the pronouncements of President Yeltsin in the course of his first visit to India (December 1992-January 1993). On the Indian side too, in 1991, following the second brief interregnum of non-Congress-Party-led governments during 1989-91, there was a change in government, which was once again led by the Congress Party, with veteran P V Narasimha Rao as the Prime Minister. The view put forth by Kozyrev and his team was that there was no need to preserve the 'special relationship with India... (of) the Soviet era'. His deputy, Kunadze too 'freely articulated these views' in Duma hearings. However, it was widely believed that because of the efforts of the pro-India lobby in Russia and of the Russian Diplomatic Mission in New Delhi, Yeltsin, during his visit, "boldly declared that India must continue to be a strategic partner of Russia (but) also emphasised that Russia would like to develop ties with India in a 'de-ideologised manner' (not) directed against a third party. He also endorsed India's stand on the Kashmir issue and assured that Russia would refrain from selling arms to Pakistan."

A careful and nuanced study of the Yeltsin visit reflects his adroit and skilful handling of the situation through his tight-rope-walking-diplomacy – by trying to "appease" virtually all "constituencies", both at home and in the host country – advancing Russia's redefined state-interests of close relations with India, albeit, rooted in *realpolitik*, and carefully articulating the different facets of Russia's new *Weltanschauung*. Against the background of the open debate within the Russian academic and political circles on the salience of special ties with India on the eve of his visit, and the kind of uncertainties it would have generated in the Indian political and academic circles, Yeltsin's reaffirmation of Russia's strategic partnership with India could in all probability have been a deliberate ploy.

Yet by carefully injecting the de-ideologised strain in his pronouncements, Yeltsin tried to appease domestic advocates of the "other" viewpoint of relations with India, while at the same time delineating the parameters of this redefined strategic partnership with

India: *First*, that it would be shorn of the rhetoric of the traditional anti-imperial and anti-China stance of the Soviet era, as was reflected in Yeltsin's specific statement during his visit: "...previously, the Indian card was played against the world imperialism and the so called Chinese hegemonism. Yes, indeed this card was played. We do not want to use India in political, I would say, intrigues." Here too, the statement, while reflecting the "state-interest" dictates of Russia's evolving foreign policy envisaging 'stable' relations with the US and good relations with China, was worded in a way which to say the least would only have sounded gratuitous to India. The extent to which the confluence of Russian interests with the US further impacted on Russian negotiations on outstanding issues with India are analysed later in this paper. *Secondly*, as regards Russia's position vis-à-vis India and Pakistan too, while endorsing the traditional Soviet stand on Kashmir, given the salience of the "Islamic factor", both in respect of Afghanistan and the CIS republics, Russia would have wanted to keep the doors open for improved relations with Pakistan. This was attempted by both sides during Russian Vice President Rutskoi's visit to Pakistan just a month prior to Yeltsin's visit to India, in December 1992, and Russian Foreign Minister Kozyrev's visit in April 1993.

The joint communiqué issued at the end of Rutskoi's visit stated *inter alia* Russia's policy to 'develop relations with Muslim states on new principles, devoid of ideological obstacles... and based on mutual benefits', reiterated 'Russia's support for Pakistan's proposal for a nuclear free zone in South Asia', and the reference to Kashmir could be interpreted as being advantageous to Pakistan." The careful and nuanced different wordings of the Kashmir issue – one way in Pakistan during the Rutskoi, visit and another way by Yeltsin in India – once again reflected Russia's studied approach to discrete issues, in each of which the primacy of state interests was the paramount factor. However, Russia's departure from the traditional Soviet position of abstaining from the Pakistan sponsored nuclear free zone proposals in the UN by voting in favour thereof in November 1991 and reference to it in the Rutskoi visit joint communiqué a year later would certainly not have been to India's liking, just as Yeltsin's oblique

criticism of Pakistan's role in Afghanistan and his reassurance to India of Russia refraining from supplying arms to Pakistan – in keeping with the traditional Soviet policy – would have irked Pakistan. This clearly reflects Yeltsin's dexterity in performing the balancing act.

Similar considerations of *realpolitik* too would have led to the dropping of the “*security clause*” of the Indo-Soviet deal of 1971 – while renewing the treaty during Yeltsin's visit to India. This clause had envisaged ‘the two sides entering military consultations in the event of threat to each other's security, coming to each other's help in the event of aggression, prohibiting either side from providing assistance to a third party engaged in armed conflict against the other’. The latter was replaced by retaining a “muted and pragmatic” clause, according to which the two countries would refrain from taking any action which might affect the security interests of each other. Rather than dismissing this as a unilateral abrogation by Russia of the 1971 treaty, as some analysts hastily did, what needs to be recognised is the sea-change in the two geopolitical scenarios in which the treaties had been signed. The 1971 treaty was signed in the wake of the 1971 Indo-Pakistan hostilities erupting into a full scale war, with the US and China supporting Pakistan, and the Soviets supporting India, and when all security clauses of the treaty were invoked. Clearly, any sophisticated analysis of the new treaty (of 1993) would need to take cognizance of both the vastly changed geopolitical scene and new Russian *Weltanschauung* – as the mandarins in South Block undoubtedly would have done—to realise that all the security clauses of the 1971 treaty would not have found a fit in the new Russian thinking. Further, it is equally possible that with India's own expansion of its relations with the US and China, it too would have preferred not to be circumscribed by any limiting elements of the treaty.

Let us now discern the evolution of Russian perspectives/approach to India as was reflected in the pronouncements/documents emerging from other high-level state visits from the two sides following the 1993 Yeltsin visit. These include the return visit by Prime Minister Narasimha Rao in June 1994, and the signing of the ‘Moscow Declaration on the Protection of the Interests of the Pluralistic States’

– an extremely important document, pointing to the convergence of their interests on these aspects. Rao's visit was described by Russian Deputy Premier Yuri Yarov as one where 'India and Russia have completed the stage of learning as to how to work in new conditions'. The last high-level visit in phase I of the Yeltsin period (1992-96) other than that of defence and trade ministers was that of Prime Minister Victor Chernomyrdin in December 1994, a visit that was significant both for the conclusion of agreements relating to cooperation in space research, merchant shipping, etc., but more importantly for publicly stating – as had Yeltsin – that Russia was not supplying arms to Pakistan, thereby setting to rest speculations to this effect and also for criticising Pakistan for 'lending support to Muslim rebels in Chechnya'.

The later years of the first phase of the Yeltsin period witnessed the beginning of Yeltsin's problems with the Russian Duma, which had begun to block and overturn almost all his political and economic initiatives – trends which were to continue well into the second phase of his leadership. On the Indian side in 1996, the Congress Party government was replaced by a United Front Government during 1996-99, led initially by Prime Minister H D Deve Gowda and then by I.K. Gujral, a Russophile and a former ambassador to the Soviet Union. The Russian approach to India characterising the second phase was by and large defined by the then foreign Primakov, which was also a period that saw the gradual weakening of Yeltsin's political position. While speaking to journalists, Primakov – a Middle East expert and former Director of the Institute of Oriental Studies, Moscow – placed India fourth in the pecking order, after the US, Europe and China, in the list of countries with which Russia was developing relations. Within a month of his taking over in March 1996, Primakov visited India, where in a meeting with the Parliamentary Standing Committee on External Affairs, he underscored the durability of Russian-Indian relations by emphasising that they would remain 'unaffected by the political fortunes of the ruling parties in the two countries'. He 'spoke of India as a global power and a priority partner for Russia'. The idea of a 'strategic partnership' between India and Russia was set afloat. In the course

of Primakov's second visit to India in 1998, Russia came out in full support of India's candidature for the Security Council as was reflected in the joint statement, according to which "Russia considers India . . . to be a strong and appropriate candidate for permanent membership of an expanded UN Security Council" and it also "underscored the commonality of approach of the two countries on a number of international issues."

Two other themes were highlighted by Primakov during this period: The *first* was the reemphasis on Russia's Eurasian identity and also of the security interests in its southern borders with the CIS states. Even though Russia's southern borders now had the ring of CIS states as buffers – which was not so with the former Soviet Union, when the Soviets had heightened security concerns in relation to its Southern underbelly – the fact many of these states continued to be politically, economically and ethnically unstable was a source of concern. And the second theme floated was the need for multipolarity in a unipolar world, with a triangle of Russia-China-India and possibly Iran forming the second pole. Neither theme was new and had earlier been touched upon by Yeltsin also, but given Primakov's less-confining world view, greater emphasis was placed on both themes with renewed vigour. In the course of his 1993 visit to India, Yeltsin had highlighted the fact that "most of its territory – 10 million out of 17 million sq.km. – lay in Asia and that most Russian citizens lived in the Asian part of Russia. This...was further reiterated during...Prime Minister Rao's visit to Russia in ...1994. Similarly, the *second* theme raised by Primakov too had been dwelt upon by Yeltsin himself, who emphasised the need for greater understanding and cooperation among the three great countries of the region. And the preparation for this was carefully undertaken by Russia in its even-handed relations as between China and India, building both simultaneously. The first half of the nineties was also marked by three summits between Russia and China, and during Yeltsin's visit to China in 1996, in addition to signing 14 major agreements, another interesting move was that the leaders of China, Russia, Kazakhstan, Tazikistan and Kyrgyzstan – The *Shanghai Five* – signed a pact on "confidence building-measures along their

common border” indicating Russia’s continued concerns about the security of its southern borders. The theme of multipolarity too was mooted by Yeltsin during his visit.

Let us now revert to the discussion of further building-up of these themes by Primakov, who while articulating the defining features of Russia’s foreign policy as Foreign Minister admitted that it suffered from ‘imbalances’, which he said must be ‘overcome’. He admitted that ‘the development of relations with the US ... was only one among the priority tasks of Russian foreign policy. He repeatedly underlined the need to diversify...Russia’s international ties. In his 1998 visit to India as Prime Minister, Primakov ‘made the informal proposal of a strategic triangle among Russia, India and China’. Reasons such as the “unsettled border problem” and the fact that all the three countries had heavy economic transactions with the Western countries would have been obvious stumbling blocks. And as the early years of 2000 have shown, in addition to the West expanding its markets in China and India and “outsourcing of jobs” particularly to India, the sheer economics of relatively more “profitable” economic contracts with “hard-currency” partners would most likely have stood in the way of such a partnership of Russia, India and China.

Let us now analyse how Russia’s perspectives on India and Pakistan evolved during the second phase of the Yeltsin period. As was noted earlier, Russia would have preferred the Indo-Pak enmity not to stand in the way of its efforts to build up relations with Pakistan, given the latter’s importance for Moscow, and the “Islamic factor”, both vis-à-vis the Central Asian Republics, Afghanistan – where a Pakistan-supported Taliban fundamentalist regime was in power – and its own Muslim population, where it had charged that Pakistan had supported the Chechnya rebels. This was even as it accorded India its due as the dominant South Asian power. Further, Russia believed that improved relations with Pakistan were likely to have a moderating and sobering influence on the latter. Interestingly, during the Pakistan Prime Minister’s visit to Moscow in 1999, there were references in the Russian media “about the desirability of including Pakistan – the seventh nuclear power – in the strategic understanding

among Russia, China and India...” Primakov, in his talk [with] reporters, stated that relations among these four countries (including Pakistan) are of ‘great importance for the stability and security of South Asia’ and that ‘Russia is interested in relations between the states of this region to be built up on a normal basis’ and is ‘ready to take the most active part in this process’.

However, when hostilities on the Indo-Pakistan border broke out in the Kargil Conflict in 1999, in keeping with the time-honoured traditional Soviet position, Russia did not hesitate to brand Pakistan as the aggressor. A press release by the Russian Foreign Ministry in June 1999 made an ‘earnest appeal’ to Islamabad to ‘refrain from violations of the Pakistani-Indian accords on the location of the agreed line...any attempt to change this line may have grave consequences’. Hence, while the Russians would have clearly not wanted to be in a situation of having to take sides between the two adversaries, in the event of outbreak of hostilities, they had no hesitation in calling a spade a spade. Nonetheless, building up cooperative relations with Pakistan continues to be a part of its strategic calculations. As regards Soviet relations with Bangladesh, the third large state in this region, it appears that given Russia’s altered *Weltanschauung*, dictated by the primacy of its economic and strategic interests, relations with Bangladesh were maintained mainly at the level of trade and commerce, in keeping with the trends which had set in during the Gorbachev period.

Let us now revert to a **discussion of the Russian position on outstanding issues with India**, and discern alongside, where possible, the extent to which its negotiating strategy was a function of the different dimensions of its *Weltanschauung*, as it evolved through the two distinct phases of the Yeltsin period. These include (i) Russia-India defence ties/arms (including spare parts) transfers; (ii) Russia-India NPT and the cryogenic rocket engine deal; and (iii) Russia-India bilateral trade.

A: Russia-India Defence Ties: Arms (including Spare-part) Transfers

Soviet arms transfer policies in South Asia during the period 1955-

81 had been largely shaped by geopolitical considerations, stemming from the superpower competition. Under Yeltsin, Russia and India – which had 70 per cent of its defence equipment of Soviet origin, and by then was heavily dependent on Russia for critical spare parts – were to negotiate their arms deals in a vastly changed environment. For Russia, hard economic realities were leading it to employ its defence industry primarily for commercial purposes, considerations which were now beginning to supersede politico-strategic ones. Critical issues such as the pricing and volume of the equipment, the currency in which it would be sold, since traditionally both commercial and military transactions between the two sides had been made in their respective national currencies, availability of credit for purchase and other allied issues would have to be resolved. Similarly, India's readiness to buy the multi-role combat aircraft MiG-29 was to depend upon the offer made by Russia in terms of price, production-support and credit facilities (as is known all MiG series in the past had been under co-production terms with the Soviets.) Concomitant with the above developments was the possible impact of Russia's proposed sale of military hardware to Pakistan and China on India's strategic concerns. Reports in the Russian press referred to the Chinese market being flooded with offers of sale of highly sophisticated Russian armaments (including MiG-29 and MiG 31, and submarines), rhetorically asking in this context "Does it not harm the interest of Russia and its relations with other neighbouring countries"? In respect of Pakistan, however, as noted earlier, the Russians went out of their way to officially deny media reports at the highest levels, such as for example Yeltsin and Primakov's statements as also those of their Defence Minister of any arms sale offers.

Many of the critical issues in Russian-Indian defence ties were to be negotiated and resolved by defence officials from both sides in the course of a series of visits all through 1992-98, including exclusive defence visits and of military delegations accompanying the high-level political visits. The first in the series of defence visits was that of Indian Defence Minister Sharad Pawar to Moscow in September 1992. It took place at a very critical phase when India was in dire

need of spare parts for the massive inventory of its MiG aircraft acquired from the Soviets over the years. It was then feared that the MiGs would have to be grounded soon unless replenishment of spare parts was resumed. In fact, exactly a year earlier, Pawar's visit to Moscow (September 1991) had not yielded much, forcing India to turn to Ukraine for the supply of spares for the AM-32 and TU-142 M aircraft, in return for the export of "medicines and cloth and partial payment in hard currency". In May 1992, in the course of Russian Deputy Prime Minister Gennedy Burbulis' visit, while assuring India that Russia would continue the supply of defence spare parts, the condition laid down was that 'the new credits would be available at double the existing interest rates plus one-tenth of the payment was required in advance'. Against this background of hard negotiations characterising the Russia position in the opening years of the Yeltsin period, Pawar was extended a "red carpet treatment", including a meeting with Yeltsin. Under an agreement signed in September 1992, India received a credit line of US\$830 million to buy special equipment. Soon thereafter, India received a proposal from the Russian's for co-production of spare parts for the MiG 21s and they also offered the sale of the latest MiG model on favourable terms.¹⁰

In the course of Yeltsin's visit to India in January 1993 accompanied by Foreign Minister Kozyrey and Defence Minister Grachev, one of the thorniest issues in Indo-Russian relations requiring early resolution was addressed: the Rupee-Ruble exchange system, which was based on the principle of barter and had hitherto not been linked to the hard currencies. Since it was mutually beneficial, this system had been central to all military-economic bilateral transactions. The impasse on this issue, however, stemmed from Russia's insistence on adhering to the old rate, despite the depreciating value of the ruble, and also from its reluctance to agree to India repaying outstanding credits as per a new rate, which in turn was likely to be disadvantageous to Russia. By the time of Yeltsin's India visit, the ruble had collapsed and he was keen to extract concessions from India by giving empty promises – like committing to the supply of the cryogenic rocket engine, which cancelled by him

within the next six months. The exchange rate was settled more to Russian advantage and the loan repayment period too was settled during Yeltsin's visit only to be flouted by the Russians soon thereafter when Yeltsin invited Prime Minister Narasimha Rao to visit Russia in July 1994. In the course of this visit, Yeltsin, as per press reports, is said to have informed the latter about his decision to "auction 50 per cent of the import quota for India to Russian businessmen." This included agreements to set up joint ventures in the fields of civil and military aviations; the Indo-Russian Aviation Private Ltd was set up in India to 'manufacture spare parts to upgrade and service military aircraft of Russian origin...such ventures are to be based on purely commercial considerations'. Soon thereafter, in the course of the Russian Deputy Prime Minister Yuri Yarov's visit to India in the summer of 1994, follow up discussions took place and plans to set up engine overhaul plants for MiG 29 and for upgrading of T-72 tanks were also finalised.

In the course of Prime Minister Victor Chernomyrdin's visit to India in December 1994, it was decided to sign a long-term military and technical cooperation agreement up to the year 2000, and the Russian leader in a statement to journalists denied that Russia intended to supply arms to Pakistan. The Deputy Director of the Rosvooruzhenie, Oleg Sidorenko, who accompanied Foreign Minister Primakov on his visit to India from March 29 to 30, 1996, is said to have given assurances that there would be no interruption in the supply of spare parts. In August 1996, Yeltsin sent his top adviser on defence and foreign policy, Boris Kuzyk, to New Delhi to settle ongoing discussions on the proposed Sukhoi-30 deal 'billed as one of the biggest aircraft deals between the two countries in decades of defence cooperation.... As of now, no plane in the IAF (Indian Air Force) possessed such an interception range...as the Su-30'.

This deal, which was signed by the Narasimha Rao government, in its last days, when election campaign was in full swing, came under a cloud of suspicion when a leading National Daily, the *Indian Express* broke the story in 1996. Almost a decade later on March 18, 2005, Shekhar Gupta, Chief Editor of this daily, in his article 'One Aircraft and Great Statecraft; the Sukhoi-30 Deal and how it brought three

mutually hostile political parties together in India's interest', revealed some interesting tit-bits of this deal, based on his conversations with top leaders of the two parties that succeeded the Rao government and also with Narasimha Rao himself upon retirement. Gupta claims to have learnt that the Rao government 'had paid an advance of around \$350 million to the Russians without any final price settlement'. He went on to add that the *Indian Express* 'checked out their usual sources... and it did not seem that the decision, though hasty, was malafide'. Gupta then reveals the more juicy tit-bits without on this occasion, revealing the specific source, and adds 'it seems that Yeltsin had told Narasimha Rao that he too was heading for elections, that the Sukhoi factory, which happened to be in his constituency, was too broke to even pay salaries to its staff and if India could pay it, that advance it (sic) would work like magic in his election campaign. That advance was, therefore, a political deal...to be adjusted in the final pricing later'. Gupta goes into interesting details of his conversations with the leaders of three different political parties, which were in power in close succession, citing this as an example of how they were able to close ranks by not making an issue of this in the larger national interest. Gupta concludes his article by contrasting this with 'general antagonism in our politics through this past month and you know why that Sukhoi story is so worthy of recall'. If this story is credible, then as a researcher, I found it useful for pointing to the following: *First*, it once again reveals the superb, almost cunning negotiating skills of Yeltsin, though often used to serve his own larger interest. *Second*, it also confirms a broad national consensus cutting across party lines in India, a point I have made earlier on continuing the traditional close ties with the Soviets/Russians, even while diversifying and upgrading their strategic partnership with other global players.

Continuing with our discussion of Russian-Indian defence ties, on October 19, 1996, Russian Defence Minister Igor Rodionov, signed an agreement with his Indian counterpart, M S Yadav, wherein the two sides *inter alia* agreed to conduct joint exercises between the armed forces of the two countries to promote friendly ties and also to hold periodic exchange of information on military matters

‘including operational doctrines of military equipment’. Russian Deputy Prime Minister Oleg Davydov, in the course of his visit to India declared on October 30, 1996, that his country ‘would not supply arms to any country inimical to India’ and the major outcome of his discussions with Defence Minister Yadav was that it was decided that a large number of important defence related projects between the two countries should be implemented. During Yadav’s return visit to Moscow in 1997, it was decided to extend the existing defence agreement for 10 years, i.e., up to 2010, and in the course of Prime Minister Primakov’s visit in December 1998, the two countries formally signed the long-term military technical cooperation agreement till the year 2010, estimated at \$10.15 billion .

The aforesaid point to sustained defence contacts between the two sides, all through the 1992-98 period, which for the Russians had now come to be predicated mainly on commercial considerations. Even in the 1992-96 (pre- Primakov) period, when the thorny issue relating to the currency exchange rate was being negotiated by the Russians, through their “linkage-strategy”, the defence contacts were frequent, and once an agreement on the issue was arrived at during Prime Minister Narasimha Rao’s visit to Moscow in July 1994, specific agreements on long-term military cooperation were worked out. With Primakov’s visit to India in March 1996, defence ties picked up further, with three top-level visits of defence officials taking place in 1996 alone. Discussions on the Sukhoi deal picked up momentum and the non-commercial aspects of defence ties, such as agreements on joint exercises and exchange of military information reminiscent of the Soviet era, too were arrived at. That the defence ties survived the ups and downs – albeit temporary – in the trajectory of Russian-India relations is primarily because they were mutually beneficial. In the case of Russia, as a *Krasnaya Zvezda* article of September 15, 1999, stated: ‘Although faced with increasing international competition, Russia would try its best to retain India as a major buyer of military hardware. Defence exports are considered crucial for the very maintenance and development of Russia’s vast military industrial complex as the orders from its own Ministry of Defence have declined because of shortage of funds’.

In the case of India, the technological gap in some of the Russian military equipment notwithstanding – which had in effect led her to diversify sources through the West – the huge inventory of solid Soviet equipment purchased over the decades, without having to expend hard currency, needed to be both maintained, modernised and upgraded. The latter was done by negotiating co-production of next generation models with the Soviets/Russians themselves, a feature which had been part of their package from the very start, when the West had denied such an arrangement to India. Another way of upgradation was through purchase of electronic equipment from Western countries and Israel and fitting it into their inventory of Soviet/Russian hardware or even with new Russian purchases. For example, as per a *New Times* article of August 1998, India's purchase of the aircraft carrier Admiral Gorshkov would be 'fitted with western systems'. To sum up then, unlike the Soviet era, when their arms transfers to India, as elsewhere in the Third World, were dictated by ideological concerns and the superpower competition for influence, with the end of the Cold War and the breakup of the Soviet Union, such determinants had come to be superseded by purely commercial considerations. But, where such transfers, as in the case of the proposed cryogenic rocket deal, conflicted with the evolving Russian-US strategic partnership, India's priorities were to take a back seat, with the entire deal becoming a part of the "linkage" strategy of which Yeltsin was a practitioner par excellence.

B. Russia-India Nuclear Non-proliferation Treaty (NPT) and the Cryogenic Rocket Deal

In contrast to the diplomatic support, which the Soviet Union had extended to India on almost all issues of importance to her, the Russian leadership under Yeltsin appeared to be acting in tandem with the US as it were, on specific issues such as the NPT conditionality. In the draft concept paper prepared by the Russian Foreign Ministry and presented to Parliament, it was stated unequivocally that 'while developing military-technical ties with India, the specificity of its stand on international problems, primarily on non-proliferation should be taken into account'. Similarly, in an interview to the

Hindustan Times in May 1992, the pro-west Foreign Minister Kozyrev “chided India for its continued refusal to sign the NPT.” However, Yeltsin, on the eve of his visit to India in January 1993, announced on Russian TV that NPT was not on the agenda of his forthcoming talks in India. Another move, which was a departure from the positions taken by the earlier Soviet leadership and which upset India, was the Russian support for the Pakistan initiated concept of a nuclear free zone in South Asia. The aforesaid points to the fact that while in their internal assessments and public statements at a certain official level, the Russians – especially in the early Yeltsin years marked by a pro-West tilt – expressed concern on this matter, however at the top leadership-level, they stopped short, as Yeltsin did not want to make it an issue in relations with India.

Let us now examine how Russia’s shifting positions in respect of the cryogenic rocket deal with India had become a function of the dynamics of its evolving strategic relations with the US. After Yeltsin took over, Foreign Minister Kozyrev in his press conference at New Delhi in May 1992 reassured that Russia would honour the contract as per the Soviet Government’s agreement with India in 1991 to sell cryogenic rocket engines and related technology; a similar statement was made by first Deputy Minister of Foreign Trade Glazlyev in his interview to *Tass* about the same time. The US objected to this on the premise that it violated the Missile Technology control Regime (MTCR) and hence decided to impose sanctions against the space organisations of Russia and India for two years.¹¹ This notwithstanding, Dunayev, head of Glavkosmoss, in his talk with journalists in Moscow assured continuation of supplies to India, despite the sanctions. The US Senate Foreign Relations Committee had adopted an anti- proliferation amendment, sponsored by Joseph Biden, making ‘US aid to Russia conditional on the sale of rocket technology to India’. Succumbing to the arm twisting tactics of the US, Yeltsin in his breakfast meeting with Clinton at the G-7 summit meeting in July 1993 is said to have acquiesced to the US pressure to cancel the rocket deal with India. Russia’s decision to cancel the deal with India was conveyed in a letter to the Indian Ambassador in Moscow on July 17, 1993, attributing it to ‘some changes in the

Russian Government regulations in this respect' while simultaneously announcing on the same day that Koptev, head of the Russian Space Agency (RSA) would be heading a delegation to India to 'renegotiate the rocket engine deal'. In September 1993, Russia went ahead and signed the MoU on the MTCR with the US; as per the MoU, Russia was 'accommodated into the US space programmes' and were also offered monetary compensation by the US. The renegotiation of the rocket deal with India was finalised only in early 1994, by which time the two-year US embargo on the space organisations of Russia and India had at any rate ended. As per the new agreement, Russia would not transfer to India the cryogenic rocket technology, but would supply seven engines, four of which would be free of charge and for the remaining three India would pay \$3 million each; as per head of the ISRO, this 'would give enough time to India to develop its own engines'.

This renegotiated agreement appeared to have been a face-saving one for all three sides; however, the trajectory of the negotiations following the initial agreement in 1991 brought to the fore the dynamics of the strategic equation of each side with the other, and its attendant limitations. When push came to shove, it was fairly clear that in a unipolar world, willy nilly when their own interests were at stake, the Russians would have to give in to US arm-twisting and "conditionality" strategies. The first aspect was verbalised loud and clear by Prime Minister Chernomyrdin in a statement to the press while departing for the US to sign the MoU in September 1993. It said that space technologies would be provided to third countries 'not at the cost of Russian security and keeping in mind that these countries would not develop their own nuclear weapon delivery vehicle'. But that they continued to reassure India of their intent to renegotiate the agreement – with an offer to supply four of the three engines gratis – was primarily to re-establish their credibility to the extent that they could, but only after taking cognizance of US objections. And at another level, it had also to reassert its status and image as an "independent- big power", which had undoubtedly been tarnished with their having to give in to US pressure tactics. And lastly, this was also a testimony to the durability of Russian-Indian

relations – predicated on their respective self interests, with each side displaying enough flexibility to negotiate a final settlement and for them not to allow this issue to jeopardise or close the doors to the larger and more significant contexts of the requirements of their respective military hardware markets.

C: Russia-India Bilateral Trade

In the Soviet era, both Soviet writings and public pronouncements on discrete aspects of Soviet policies – political, military and economic – were analysed through the dominant prism of the Marxist Leninist framework; however with the break up of the Soviet Union, in the de-ideologisation of Russian foreign and security policy, and more significantly given the fragile state of the Russian economy, it was Russia's *economic* interests that came to supersede ideology as the single most important determinant. And we have seen this in evidence both in the last years of the Gorbachev period and all through the Yeltsin period, when no longer was it possible to examine the Russian security policy – equally in respect of India too – without reference to the economic component, given its salience in the broader definition of security, as redefined by the Russian leadership. The draft concept paper of the Russian Foreign Ministry, singularly free of ideological verbiage, summed this up by stating that 'on the whole the policy towards India should be pragmatically renewed, based on realistic possibilities and the legitimate interests of both sides, with emphasis on economic stimuli'.

To this extent then, any study of the security policy of post-Soviet Russia towards India would need to examine this emerging intertwined interface of security and economic dimensions, some of which had been undertaken in the preceding section. The two critical outstanding issues, carried over from the last years of the Gorbachev period, plaguing Russian-Indian economic relations had been (i) the ruble-rupee exchange rate and the (ii) impact on the debt issue and in turn on bilateral trade. An analysis of the first issue its impact both on trade and pricing of military hardware, and its resolution in the course of Yeltsin's 1993 visit to India, ostensibly with "advantage to Russia" had been undertaken in the preceding section.

As regards the currency in which bilateral trade was to be translated, the Russian preference clearly was for the much sought after “hard currency”. However, given the state of their economy, particularly the chronic shortage of consumer goods, much of which was being met through trade with India in soft currency, it was decided bilaterally to continue with this arrangement for some time. The first Russian-Indian trade agreement signed by the visiting Russian trade delegation in New Delhi in February 1992 – a month after Yeltsin’s took over – endorsed this as a transitional arrangement, but also factored in “hard currency trade” between the private sector of both countries, which was now possible in Russia with the decentralisation processes at work.

The above agreement notwithstanding, Russian-Indian trade failed to keep its traditional pace on account of the deep fluctuations in the respective currencies of the two sides – in particular, the virtual collapse of the ruble, because of mounting inflation. In the preceding section, we had examined how the Russians by ignoring the declining value of the ruble and selectively clinging to its artificially-inflated value as per its original exchange rate with the dollar, were trying to manipulate a highly inflated ruble-rupee exchange rate to their advantage. But more significantly for India, the other vexatious issue stemming from the differing positions on the exchange rate was determining the quantum of loan amount – as noted earlier mainly for military hardware – and the period for its repayment, issues that had brought bilateral trade to a virtual standstill during 1991-92. Once again, by manipulating rates selectively, Russia came up with the figure equivalent to \$16 billion for the outstanding loan, while India maintained it was only \$12 billion; Russia wanted the entire amount to be paid in one go while India asked for it to be deferred. As a compromise settlement in January 1993 during Yeltsin’s visit, two discrete rates were agreed upon by bifurcating the loan into two categories, with two different deferred periods for repayments of each to be made through Indian goods. Another problematic matter, which was to irk the Indian side, was the unilateral decision on the “auction” issue. In 1994 Yeltsin, when faced with a situation where Russian businessmen were not willing to import goods from India, took a

unilateral decision to “auction 50 per cent of the import quota for India to them; as a result, they were free to re-export the Indian goods to hard currency market at cheap rates and thus compete with Indian exporters.” This auction plan was disclosed quite cleverly on the last day of the visit of the Indian Prime Minister’s visit to Russia in July 1994 in an *Izvestia* article by Foreign Economic Relations Minister Davydov. Further, in September 1994, Russia once again unilaterally announced a six-month deferred payment facility to Russian importers of Indian goods in addition to interest-free credit. The aforesaid accounts are based on Indian press reports and that some of this was taken cognizance of in Russian media is reflected in a *New Times* article, which noted ‘India today is hostage to Russia’s domestic chaos. This country that had been for Delhi its biggest and most reliable commercial and economic partner is now violating business commitments, failing to fulfil deliveries and curtailing purchase of traditional commodities’.¹¹

Summing Up

A comparison of the respective trajectories of Russian-Indian military and economic relations would hence point to the following: In both cases, unlike in the Soviet era, when the Cold War strategic and ideological overlays were added determinants, in the post-Soviet period, as has been noted, the single overriding consideration for Russia was the commercial/economic one necessitated also by its declining economy. While the Russians were ruthless in their negotiations in both areas military and economic areas, given the relative significance of the former, they displayed the needed flexibility to prioritise it and place it back on track. Their working out a face-saving settlement, to satisfy both the US and also partly meet Indian requirements in the cryogenic rocket deal, which was initially dictated by the more pressing geo-strategic considerations, such as the US pressure to cancel this deal with India, displayed a nuanced and carefully worked out strategy in keeping with Russia’s security interests in relation to both the US and India. At the political level, however, the exchange of high level visits from both sides – comparable to the record of such visits in the Soviet period – and the public

pronouncements of Russian leaders, particularly in the second half of the Yeltsin-period, especially after Primakov took over as Foreign Minister, points to the continued significance attached by Russia to their time-tested relations with India.

In the overall smooth course of the Soviet/Russian-Indian partnership, the Yeltsin period was one, in which it went through ups and downs, and through several rough patches, which led many an analyst to conclude pessimistically that the era of the close partnership would perhaps never come back. In this context, I would like to revert to EH Carr's dictum that 'all history needs to be politically relevant', and as such the relevance of the history of this solid partnership spanning several decades ought not to be lost sight of. And further, as the course of developments thereafter in the Putin period and beyond (2000 to the present) – which forms the second part of my ongoing research – also shows, such prophecies were again to be proven wrong. Without going into the details of these developments during the Putin period, I would like to sum up as follows:

Under Putin – who was schooled as an *apparatchik* in the Soviet officialdom in the Brezhnev era, during which the foundations of the Soviet-Indian strategic partnership were firmly laid and consolidated–this multi-faceted strategic partnership was re-solidified to a point where it would remain unaffected by the vagaries of shifts in the global /regional political climate, or be impacted by the "simultaneous-bilateralism", which came to characterise post-Cold War diplomacy. This was matched by a similar zeal from the Indian side; both sides were at pains to emphasise the "permanence" of their relationship, which had cut across regime changes; and not the least significant was the sustained warmth, traditional *bonhomie* and more importantly the "respect" accorded by each to the other, evident not just in the interactions of the leaders but also in the mutual diplomatic support to each others' aspirations to participate and have an effective voice in global and regional forums.

Both sides also continued to dwell upon the growing strategic dimensions of their relationship, grounded in the firm foundations of their "converging security interests" at the global and regional levels. This was reflected in the speeches/interviews of leaders and in

official documents: it was further reflected in India's support of Russia's call for multi-polarity, multilateralism, reforms in the UN Security Council and Russia's support for India's candidature for a seat in the Security Council and for the latter to be more representative; their emphasis on India's legitimate role in the consultative processes in Afghanistan; their floating the idea for inviting India to join the *Shanghai Five*; and now lately, as the concept note of this conference points out, also to have India play a role in Euro-Atlantic affairs while floating the idea for a 'single Euro-Atlantic space from Vancouver to Vladivostok'. All of this was in keeping with aspirations of each side to be given a voice in international forums in keeping with their stature.

In his first visit to India in October 2000, Putin in his sentimental address to the Indian Parliament had captured all the aforesaid thus:

'This is my first visit to India. I am sincerely touched by the friendliness, sincerity and ... cordiality that we experience on the Indian soil. This is proof that Russian-Indian relations are free of any political fluctuations. They are stable, firm and they are not altered by time... our relations with India have always been and remain one of the most important areas of Russian foreign policy, and they have a special influence and significance for us. I would like to emphasise ... that no matter how our relations with other countries developed... they are not to prejudice our relations with India. This will never be so. India is a great country. It is our long term partner and ally... there has never been a voice of conflict. Russia and India are ancient civilisations, but at the same time they are living democracies...'

Similar sentiments had been expressed by Putin in the course of his visit in December 2002 at the official dinner in his honour:

'This is my second visit to your wonderful country. Its beauty and originality excite admiration while the genius and diligence of the Indian people arouse the feeling of high respect. Disagreement or conflicts have never overshadowed the long-standing Russian-Indian friendship...our national characters, life perception, our spirituality and culture also have a lot in common...'

Quite often it is sentiments such as these, outside the pale of conventional diplomatic jargon, which truly touch the heart of the leaders and people in question, and contribute towards laying solid and deep foundations in relationships, as has been in the case of the time-tested Soviet/Russian-Indian partnership.

NOTES

1. Gorbachev, Mikhail, *Perestroika: New Thinking for our Country and the World*, Harper & Row, New York, 1967, pp. 185-186.
2. Achuthan, Nisha Sahai, *Soviet Arms Transfer Policy in South Asia: the Politics of International Arms Transfer (1955-1981)*, Lancers International, New Delhi, 1988, p. 183.
3. Duncan, Peter J.S., *The Soviet Union and India*, Routledge, New York, 1989, pp. 83-84.
4. Racioppi, Linda, *Soviet Policy Towards South Asia Since 1970*, Cambridge University Press, New York, 1994.
5. Duncan, *op. cit.* p. 77.
6. Quoted in Racioppi, *op.cit.* p. 166.
7. Duncan, *op. cit.* p. 93. For his coverage and analysis of Soviet writings on India during the Gorbachev period, pp. 85-92.
8. Racioppi, *op. cit.* pp. 168-169.
9. The vast ideologically-oriented source material – in the form of Soviet writings – (military and political) on local Wars, National Liberation Movements, Missions assigned to the Soviet Navy – had lost its validity, as had the overarching role of the CPSU. Given Yeltsin's Euro-centric mind set, diplomatic pronouncements on South Asia and India too were scanty in the early years.
10. Data under this section is based on relevant press reports.
11. Data under this section too is based on relevant press reports.

CHAPTER 10

India and Russia: Allies in the
International Political System

Anuradha M. Chenoy

India is seeking a greater role for itself in the international system today. This aspiration is based on the belief that it is a stable democracy and has significant economic growth potential. It has been a leader amongst the non-aligned countries and an upholder of international law. India believes that the way to establish great power status is by aligning itself with the major superpower of the international system, a role that is endorsed by the US. India has thus been gradually abandoning its traditional 'balancing' role, based equality with all powers. It is shedding its history of not joining any one military alliance and walking into the trap of 'aligning' with one superpower or bloc. It is in this context that it is important to view India's relations with Russia. These relations have been a critical aspect of India's role in the international political system and have had deep domestic implications for both India and Russia. Indo-Russian relations are embedded in a history of trust, mutual compatibility and interest that makes it difficult to find parallels in bilateral relations. To reject this is to forget, if not reject, history. This article reviews the relations between the two countries in the light of the recent trends in global politics and raise questions on the staying power and direction of this relationship.

The Importance of International Vision

In their repeatedly stated international vision, both Russia and India support the concept of a multi-polar world, an idea shared by China and many others.¹ Here, it is argued that while there is one superpower, there can be multiple poles that are important centres of economic and political power, acting as independent actors (NUPI, 1997). This conceptualisation determines policies that work towards the further strengthening and creation of a multi-polar world as opposed to the assertion of a uni-polar world. This vision supports the co-existence of multiple powers and possibilities in the international system; a collective security that is inclusive; greater regionalism to foster common regional interest; negotiated settlements; the possibility of independent foreign policy; and that international decisions be made through bodies like the UN that should be strengthened, democratised and empowered (Russian Federation, 2000).

The uni-polar concept in contrast asserts the domination of a single hegemonic superpower. In describing the world in these terms, states, including those formerly in the Non-Aligned Movement (NAM) or G-77, built strategic asymmetric partnerships with the US to maintain a stable subordination under a perceived omnipotent US domination. These client states then become subsidiary beneficiaries of the superpower. It is from the vision of a uni-polar world that ideas like 'clash of civilisations', 'with us or against us', 'single path of development', 'military and superpower hegemony', 'regional hegemony' and 'client states' arise. These ideas provide justification for policies that include regime change or selective military intervention in specifically chosen states in the name of human rights and democracy initiatives; sanctions outside the ambit of international law and institutions; the creation of regional hegemony based on military force; and road blocks for international law, which are justified on the basis that the international system is anarchic. A foreign policy based on the uni-polar idea is bound to lead to military alliances, hegemonic policies and creation of regional hegemony that promotes regional tensions. This has been established recently in the occupation of Iraq and Afghanistan, and not so recently in Vietnam

and elsewhere. The Indo-US strategic partnership, evident with the signing of the Indo-US Defence Framework of 2005, followed by the 123 Agreement of 2007, squarely puts India into US obligations and foreign policy interests (Chenoy and Chenoy, 2007). Despite claims to the contrary, India will, by virtue of this alliance, be lending support to such unilateralism. The US expects all its allies to be 'either with it or against it' and has made this crystal clear repeatedly. The 123 Agreement and its binding Act, the Hyde Act, both emphasise this.

Will the two visions of a uni-polar or a multi-polar world lead to military blocs and revive the politics of the Cold War? This appears farfetched following the collapse of the Soviet Union and Russia's transition to capitalism. However, while all Cold war institutions that Russia inherited as the successor state to the Soviet Union, such as the COMECON and the Warsaw Pact, have collapsed, the US-led Cold War regime remains intact. Thus, NATO not only remains but has been strengthened and today touches the Russian borders. The US has not dismantled the Missile Technology Control Regime that continues to bar Russia. The US walked out of the Anti-Ballistic Missile (ABM) Treaty. The US critiques Russia on its democracy. The US challenges Russian influence in Central Asian republics, its policy on Iran, and most of all, its aspirations with China for a multi-polar world.

The Russian attempt to construct multi-polarity is based on collective security and the politics of inclusion. It is opposed to any one single ideology – thus, for example, liberal market and state-guided ideologies are equally acceptable to it – whereas the uni-polar vision argues the primacy of the market. The multi-polar vision emphasises non-military solutions to international problems; it argues for the inclusion of states. Thus, Iran participated as an observer at the meeting of the Shanghai Cooperation Organisation, rather than being isolated as an outcaste. Multi-polarity thus broadens the concept of security. The powers that advocate a multi-polar vision – Russia, India, China and others – can engage seriously with the US and all other powers, and seek to strengthen this relation while maintaining an independent foreign policy.

India articulates and advocates the multi-polar concept but is simultaneously seeking to align with the uni-polar one. In these circumstances, India will be able to engage closely with its traditional partners like Russia and the CIS only to a limited extent. The uni-polar idea and US national interests will first distance India from Russia and subsequently bring India into the US orbit. The US distrust of China and its aggressive postures against Iran will, in these circumstances, have to be endorsed by India.

Is Russia Important for India?

The economic decline of Russia after the Soviet disintegration, its uneasy transition to a market economy, the lack of institutional structures to sustain a healthy market system or vibrant democracy, its open engagement and new friendships and allies, including the US, China, and the European Union (EU), and an opening with Pakistan forced New Delhi to believe that Moscow can no longer be a stable partner. Against this, India, with its newly acquired status as a major power and its attraction for its economic growth, market, middle class and new aspirations, now attracts the US. This then raises the primary question: Is Russia still important for India? Secondly, how much further can (and should) India deepen its alliances with Russia? To address these questions, it will be useful to deconstruct India's linkages with Russia in different sectors.

The Strategic Advantage

Russian-Indian relations give a strategic advantage to both. This calculation is not based on unqualified or speculative futuristic projections (for example, this relation will make India into a great power) but on time tested and empirically verified conclusions. More than 80 bilateral documents give the necessary politico-legal basis to such a relationship, as does by the Indo-Russian Strategic Agreement of 2001. The latter agreement gives India-Russia relations multiple directions and establishes strategic and political sub-systems within a bilateral framework. This is evident from official terminology: 'Indo-Russian relations are civilisational and time-tested,' and 'importance attached to them cuts across party lines in India and is

not subject to political vicissitudes' (MEA 2002). The eulogies and rhetoric India and Russia extend to each other play out in military, economic and public relations. In concrete terms, the strategic edge that India gets from its relationship with Russia are in areas that are critical to Indian interests like Kashmir, energy security, and in relations with China and Central Asia.

Kashmir and Terrorism

Russia's stand on the issue of Kashmir and the terrorism faced by India on account of this dispute has been consistent and unconditional over time or regime change. Every Russian leader, from Yeltsin to Putin, has reiterated this and it forms the basis for India's trust with Moscow. Russia has never tried to 'balance' India's interest with Pakistan; India has never put into a position of having to compete with other countries to prove its 'loyalty' by approving all other Russian positions (for example on Iran, Iraq, etc.); Russian defence and strategic support is not balanced with a link to any other Russian partner, including China. The US on its part has never supported the Indian position on Kashmir. They have hyphenated their relations with India with that with Pakistan. The US needs Pakistan for its Afghanistan policy. They will thus continue to 'balance' India and Pakistan.

International terrorism is perceived as a threat in the Russian national security doctrine, and both India and Russia have expressed concern that the international coalition against terrorism has not paid sufficient attention to terrorism in regions like Kashmir, Chechnya, etc., and is instead focused entirely on Afghanistan and Iraq. It can thus be judged to be selective and motivated. Russia and India have had reasons to combine forces on this issue, resolved to exchange information and set up working groups and will have to address this problem regionally.

Central Asian Republics and the SCO

Strategic interests of India, where Russia is the key player, are the Central Asian Republics (CARs) and the Asian regional networks like Shanghai Cooperation Organisation (SCO). These two issues are

interlinked with other key strategic and material interests of India like energy security, relations with China and regional security.

India has built long-term, independent and autonomous relations with the Central Asian Republics. Of these, those with Kazakhstan and Tajikistan stand out while those with Uzbekistan, Kyrgyzstan and Turkmenistan have yet to reach the same level. India's interest in the region lies in the vast oil and natural gas reserves in Kazakhstan, Turkmenistan and Uzbekistan. In Tajikistan, India has a geo-strategic interest, since it borders Afghanistan, Pakistan and West Asia. India has negotiated an air base here. The Central Asian states have attracted much international attention and all great powers have been making an attempt to influence politics in the region. It was for such geo-strategic reasons and access to hydrocarbon resources and pipelines that the US negotiated and built military bases in the CARs. A decade of ties, built through the mechanism of the Commonwealth of Independent States (CIS), were violated, since the US bases were an attempt to curb Russian influence in the region.

The effort to bypass traditional oil and gas pipelines from Russia and Iran, and take them through regions favoured by the US, like Turkey and Georgia, further heightened geo-strategic rivalry. (For example, the Baku-Tbilisi-Ceyhan (BTC) pipeline through Turkey and Georgia.) Russian argues that it can meet the transportation needs for Caspian Sea oil and gas. The Caspian Sea basin is the region of major hydrocarbons and India can gain access to this region through Russia. The colour revolutions of 2004-05 that led to regime changes in Ukraine, Georgia and Kyrgyzstan, as also the violent uprisings in Uzbekistan were viewed by the CARs as US intervention and they used the 2005 meeting of the SCO to demand a timeline from the US on removing its troops from the region. The SCO has not been supportive of regime change, and it gave shelter to Uzbekistan when it was being pressurised by the US. It has also discredited the colour revolutions.

India has wisely kept out of the geo-strategic rivalries even though it has interests in the region. However, India is at a strategic disadvantage since unlike Pakistan and China it does not have direct access to the CARs. In these circumstances, it needs Russia that is a

long-term ally. Russia is linked with the CARs through historic ties, manifest in common links that range from transportation and pipeline routes; a 10 million diaspora of ethnic Russians throughout the region; the presence of 20,000 Russian troops in CIS region; and a share in river, communications and power grids. A number of formal treaty arrangements, besides the SCO, like the Collective Security Treaty Organisation, CICA, etc., bind Russia with the region as natural and long-term allies. In order to maintain its links with the region, India thus has to fortify its relation with Russia and the CARs, both independently and through deeper participation in organisations like the SCO, where the heads of states of this region meet regularly.²

The SCO deals with more than the issue of energy. It is primarily a security organisation favoured by both Russia and China as a key regional organisation for collective security. The 2006 meeting, attended by the Presidents Putin and Hu Jintao, pointed out that the SCO had a role 'in maintaining peace and stability in the zone of its responsibility'. The serious role that they envisage for the SCO is evident in the declaration of June 15, 2006: 'In case of emergencies that threaten regional peace, stability and security, SCO member states will have immediate consultation on effectively responding to the emergency to fully protect the interests of both the SCO and its member states' (SCO 2006). The Chinese President had earlier argued that the SCO would also deal with the 'three evils—terrorism, separatism and extremism. These concerns are shared by India, Russia and China, as also the other members. The US is wary of the SCO since it believes it can become an alternative to their plans for expansion of its influence in the region and for its proposed 'partnership for peace' plan that is part of NATO linkages in the region. It will be in US interest that India downgrades its interest in the SCO and there will pressure on India to do so. In this context, it would have done India well if the Prime minister had himself attended this meeting, just as the Presidents of Pakistan and Iran did. None of the members or observers in the SCO can become full or equal members of NATO and thus need their own organisation. At same time, the SCO does not plan to be a military alliance and

focuses on economic, energy and regional security. In fact, the Chinese have repeatedly talked of the SCO as a non-aligned organisation.

In these circumstances, India should make all attempts to become a full member of the SCO. But the US policy of regime change has alienated all the CARs from the US. They have all got closer to the Russian position and are linked to the SCO. The US now sees the SCO as a 'competitor'. The next step will be that US sees it as 'threat'. India's goodwill in the SCO is already beginning to decline as a consequence of the Indo-US tie up.

Russia-India-China Possibilities

Already, the idea of the Russia-India-China triangle floated by Foreign Minister Yevgeni Primakov has been put on the back burner because of the Indo-US deal. However, two things stand out. Firstly, Russia's deepening engagement with China and, secondly, the improved Sino-Indian relations to the point where the two do not see each other as threats.³ The Russian and Chinese have improved their relations from what was a 'constructive partnership' in 1994 to 'strategic partnership' by 1996 and then to signing the Treaty for Friendship, Alliance and Mutual Assistance in 2001 (*Xinhua*, July 16, 2001). This treaty goes ahead on the Sino-Soviet Friendship Treaty of 1950 that had formed the base for the Sino-Soviet linkages. The new treaty is comprehensive, touching on all vital issues of Sino-Russian relations. It envisages co-operation in energy, military, trade and shares a common vision of international affairs, including the need for a multi-polar vision and world. It is thus designed to make long-lasting commitments and to resolve outstanding problems. The Russians are keen that India take advantage of these relations and again the SCO is a body that can enable this partnership. The US, on its part, has opposed and criticised the vision of a multi-polar world, the Russia-India-China alliance and other collective moves.

For India's Defence

India's relations with Russia are based on structural inter-dependence and a key to this is that the Indian military continues to depend on

Russia for almost 70 per cent of its hardware imports. This dependence has gradually been re-inventing itself from a supplier-client relation to one of partnership, with joint production of sophisticated weaponry ranging from equipment to the manufacturing of the indigenous BrahMos missiles. Russian-Indian collaboration in space, nuclear power, satellite technology makes Indian military and security apparatuses intertwined with Russian military industrial complexes. During the painful Russian transition, India's imports from Russia helped sustain the economies of the Russian military industrial complex and 800 Russian defence industries kept working on Indian (and Chinese) orders.

India is one of the world's most lucrative arms markets. It is the second largest arms market, with Russian share being around \$4.8 billion. In 1987, the Soviet Union had a 44 per cent share of global arms exports while the US had 29 per cent. By 1997, Russian share of the global market had fallen to just 4 per cent. By 2000, Russia revived its arms sales and is today the third after the US and the UK. Defence orders from India sustain part of the Russian military industrial complex, especially in St. Petersburg and Irkutsk that would otherwise have faced closure. India is the only country with which Russia has a long-term programme of military-technical co-operation, with an agreement signed in 1994 and which was valid till the year 2000 and was then renewed for another 10 years. Annual Indian orders from Russian defence industry work out to about \$2 billion, with China being Russia's only other defence customer at this scale. India has entered into a \$1 billion programme with Russia for the manufacture of *SU-30KI* fighter aircraft. India also gets most of its naval hardware from Russia and has recently acquired the 636-class submarines. Defence thus is a key part of the economic and strategic relations between the two countries. In fact, it is the most privileged part of the relationship.

The main US interest today is in replacing Russia as India's defence supplier. The idea of billions of dollars that India spends on arms makes it a 'prize' for the US. The new tender that India has floated for 126 multi-role fighter aircraft is being contested by both the US and Russia. But if India encourages Russian-US rivalry, it will lose its privileged position with Russia.

Energy for India

An increasingly strategic area of India- Russia relations is now linked to the energy sector. As an oil importing nation, where India imports 80 per cent (70 million tonnes of crude oil valued at \$30 billion dollars in 2005-06) of its oil needs. Russia has come to the assistance of India whenever it faced an oil crisis. In 2005, as oil touched \$50 a barrel, the Russians offered India oil at below market prices (Alexander's, 2005). As the then Indian petroleum minister, Mani Shankar Aiyer, said: 'In the 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. What I am talking about is the strategic alliance with Russia in energy security, which is becoming for India at least as important as national security' (Baruah, 2004). These moves have been critiqued by the US, with Secretary of State Condoleezza Rice warning Russia not to use oil for diplomacy.

India is seeking to increase its energy imports from Russia and the Central Asian Republics of Kazakhstan and Turkmenistan in various ways that include partnership and investments in oilfields. However, India needs to be more focused in this area. A North-South international transport corridor, that is based on a combination of land and sea routes, is on the anvil and India needs collaboration with Iran and Russia in this regard. This is an issue that has been objected to by the US, who support the Turkmenistan-Afghanistan-Pakistan pipeline as that will be under their control. The planned India-Iran Pakistan pipeline that was encouraged by Russia will not happen now because of aggressive US isolation of Iran. India has a clear interest in Russian hydrocarbon resources as is evident from the ONGC investments in Sakhalin I and II. The Russians have also invited India to be part of Sakhalin III, shortly after they denied this deal to the US. However, India will have to shrug off US pressure if it wants to ensure its interests in this region.

Nuclear Power

India's quick rate of growth and expanding energy requirements have become the basis of a debate decision that can change the very

direction of India's foreign policy and relations with Russia. India's decision to sign a strategic agreement with the US, involving an Indo-US civil nuclear deal, has been officially welcomed by Russia because they believe that it will be easier to conduct nuclear trade with India once the US enables the IAEA and the Nuclear Suppliers Group (NSG) to give India the requisite permissions. However, India had earlier rejected the Russian offer of two new nuclear engines to upgrade the Kudankulam nuclear plant on the grounds that it first wanted to sign the Indo-US deal. This has indicated to the Russians the gradual shift in priorities of the Indian government.

Russia is important for India's nuclear energy plants and it has already helped India build the Kudankulam (Tamil Nadu) nuclear plant at a cost of \$ 2.6 billion. The frequent attempts by the US in blocking Indian indigenous industry in these sectors from getting Russian equipment, for example, the cryogenic rocket as also nuclear engines for this plant have been bypassed by Russian firms with backing of the Russian Government. In early 2000, the Russian company, Glavkosmos, was firm on supplying the nuclear engines to India despite US pressure on Russia on the basis of the Missile Technology Control Regimes (MTCR). Similarly, in 2006, India required 60 tonnes of uranium that Russia had undertaken to supply, even before India received the go-ahead from the Nuclear Suppliers Group. Under the rules, only signatories of the Nuclear Proliferation Treaty can acquire such engines. The US was opposed to the deal until the Indo-US nuclear agreement came through, since it was interested in capturing and controlling India's nuclear power industry. US Secretary of State Condoleezza Rice wrote: 'India plans to import eight nuclear reactors by 2012. If US companies win just two of those reactor contracts, it will mean thousands of new jobs for American workers' (Rice, 2006). India thus has to make a clear political choice as to what deal will give it energy security even as it maintains its independence in international matters.

Trade and Economics

A matter of concern to both Russia and India is the small share of Indian capital in investments in the Russian economy and bilateral trade between the two, which reached only \$3 billion in 2005-06.

This trade, which was at an all-time high during the Soviet period, saw a decline after Soviet disintegration. The privatisation of both economies and the problems with the rupee-rouble exchange rates and the large Indian debt became a roadblock. These glitches have been overcome over the last decade and the Indian rupee debt is now being used for investment projects in India and Russia. In this context, both sides have agreed to facilitate an increase in trade to \$5 billion. India's interest in investing in Russia lies in the fact that the investments by ONGC Videsh in the gas projects of Sakhalin I and II are the largest external investments made by India totalling almost \$3 billion.

The Russia of old, which had been marked by political instability, economic and financial crisis, high inflation and a lack of economic laws and regulations, is a thing of the past. Russia today has shown a consistent increase in its GDP at 7 per cent per annum and industrial growth of 3 per cent per annum, and has a favourable trade balance and substantial foreign exchange reserves. Laws regulating the economic and financial system have been put in place and have worked well during the last five years. The high prices for Russian raw material exports, especially oil, have played a big role in its economic success. The political system has seen regular elections to the parliament and for the post of the president. The federal system has been working and an attempt to stop the autarchy of some regions has been made by centralising the appointment of governors. Several Russian business tycoons that were seen to have made large profits through illegal means have been indicted for tax evasion, with the assets of oil giant, Yukos, which was owned by the imprisoned oligarch, Mikhail Khodorkovsky, having been bought over by companies controlled by the Russian government.

In such changed circumstances, the agreements signed during the 2005 Putin visit between the State Bank of India, Canara Bank and several Russian banks that are to open operations in both countries will assist Russian-Indian business deals. This is important since trade and economic cooperation depends on the financial mechanisms of implementing deals and projects, and the recognition of bank guarantees. This agreement brings the banks of both countries into

each other's markets, conforming to international trade practices. Russia's request that it be given 'market economy' status, which is necessary while it negotiates an entry into the World Trading Organisation has been supported by India. This status has been given to them by the US, China and the European Union. India has been negotiating for a permanent membership of the Security Council, a position that President Putin clarified Russia would support. India, however, still has to seek international consensus for this goal.

The Russian government's intention to diversify trade, joint ventures and economic partnerships is evident, with the setting up of the joint working groups on business. India and Russia have in the recent past collaborated on the super computer Padma Ru and proposals are being worked on new projects. While the mechanics of all these bilateral ties are regulated by the Russian-Indian Inter-Governmental Commission for Scientific, Technological and Cultural Cooperation that has held 10 sessions till 2006, it is clear that the two countries need to diversify their trade, commercial and cultural relations. Russia-India signed an accord in 2005 on joint development and use of the Russian global navigational satellite system for peaceful purposes. While India has signed a similar agreement with the European Union, the access given by the Russians is at a qualitatively higher level.

Several sectors of the two countries are complementary but as yet unexplored. For example, the services, the small-scale and education sectors. These sectors witnessed good collaboration during the Soviet period. The intermediate period of transition saw a setback to these, and now both governments need to provide information and set standards for these structures. Indian students had a great interest in going to medical and engineering schools in Russia. The Russian students can gain from coming to Indian management schools and technological and liberal social science institutions. Despite the current drawbacks that range from below standard facilities and the problem of recognition of degrees, thousands of Indian students still attend Russian medical colleges. The education and human resource ministries of both countries need to look urgently into this aspect, since it remains a sector with unexplored potential.

Popular Perceptions

Russian-Indian relations are interestingly matched by popular and elite perceptions in India and Russia. In a survey by Russian Institute of Nationalities and the Friedrich Ebert Foundation of experts involved in shaping foreign policy in government, academic, private institutions, newspapers, NGOs, political parties, etc., it was found that in answering the key question whether Russia should follow the Western path, seek alternatives or continue Russian uniqueness, the majority supported uniqueness. Most believed that foreign policy should be more balanced between the East and West, and this matches with Russian national interest (64 per cent). The pursuit of strategic partnership with the leading Asian powers (India and China) occupied first place at 67 per cent. Partnership with Europe and CIS came second and third, respectively. The US has lost ground to Europe in popular perception (Izvestia, 2001). Surveys in India currently show that it is the US that is most popular with the Indian elite and the upper middle classes. The Indian press too is enthused primarily by the US. Indian popular perception and political consensus is behind long-term relations with Russia, without cost to an alliance with the US. Russia is seen as a reliable and trustworthy partner. But with the new Indo-US tilt, Indian foreign policy is in transition.

Russia-India: From Balance to Tilt

The balance that Russia wanted to maintain just after Soviet disintegration gradually gave way and became a tilt in favour of India. Witness, for instance, the foreign policy concept of the Russian Federation in 1992 that stated in the context of the Indo-Pak conflict, Russian policy should not be seen as 'pro-Indian'. This document proposed that ties with Pakistan be brought up at level with India and those relations with both 'rest on economic stimuli'. By 1996, this argument was dropped and replaced by the multi-polar concept, where foreign minister Primakov gave central place to relations with India. In 2000, the Russian national security doctrine had radical shifts when the authors argued: 'Russia's foreign economic interests do not lie with the West; instead Russia must seek markets in the

Third World countries' (RNSD, 2000). The foreign policy concept of June 2000 spoke of 'strengthening traditional partnership with India, including in international affairs' as a crucial direction of Russian foreign policy as pro-active engagement with India had been re-initiated. This had resulted in the Strategic Partnership Agreement with the NDA government in 2000. Indo-Russian relations have moved up every year since then and have been followed up by the United Progressive Alliance since 2004- 2005.

India and Russia have their share of problems. Russia has still \$1 billion worth Indian rupees, a part of the Indian rupee debt. The problem of Russian bank guarantees and visas still come in the way of improved trade. However, these are not problems that can be resolved and there is no shortage of political will or hidden interests that would bind the two sides or complicate their relations with any third party. In these circumstances, it would be fair to say that the Indo-Russian bi-lateral relations should be the model on which India can design relations or strategic partnerships with other countries.

In India, however, the balance or even tilt with Russia is now tilting the other way. Our foreign policy strategists and policy makers are arguing that our relations with the US will not effect our relations with other powers. However, the US is 'not any other power'. Its fundamental tenet is exclusivity. No strategic partner of theirs has been able to steer clear of their pressure, and has always either to be with them or be seen as against them. The US believes neither in multiple paths of development nor in a multi-polar world.

Leadership Changes

As the new leadership of Russia under Medvedev takes control, Putin continues to dominate in both official capacity as Prime Minister and unofficially as the powerful force behind the government. This leadership would like a continuity in Russia-India relations, but would expect a level of reciprocity that India might have constraints with, given its increased interest of becoming part of the US alliance structure. Clearly, this will take time and will not be evident immediately. But history shows, that countries engaged with the US get sucked into strategic alliances with that power at the cost of other (including their own) interests.

Russia's Geo Strategic interests and Pakistan

Russia has responded to India's strategic tilt towards the US in its own way. In July 2009, Russia attended an important meeting of what has come to be known as the Dushanbe Four. This meeting had leaders from Pakistan, Uzbekistan, Russia and Tajikistan. The focus between these close neighbours was energy security and sharing of hydro-electric power. According to the agreements signed, Pakistan would be a beneficiary of power from Tajikistan and Uzbekistan, and from plants aided by Russia. This agreement, though small, has given Pakistan a bigger entry to Russia through Central Asia, a feature earlier denied to them. Clearly, neo geopolitical formations will arise in response to India's own strategic interests.

Conclusion

India's foreign policy is in transition and moving towards a clear tilt towards the US. However, Russia and others could have provided a viable alternative, where India could have maintained its choices. India has decided to reject that path and model. Building regional alliances and being pro-active in organisations like the SCO and CICA were sure roads for broadening the Indo-Russian bilateral relation into a broader regional multi-lateral one as a factor in multi-polarity. India instead is now in a search for a shadowy concept of great power status that is 'great' because it is subordinate to a superpower in critical areas. This will lead India to uncharted areas of foreign policy, breaking with its earlier time-tested policies, probably even at the cost of its independence. Indian foreign policy architects argue that 'nothing can come in the way of Indo-Russian relations'. However, many of the proposals that are likely to strengthen these relations like belief in the multi-polar vision and regional alliance in the SCO, are being opposed by the US. India will thus have to make a choice on these issues. Regional collaboration rather than hegemony is more likely to give India the status it wants, since it will broaden India's security to include other ambits like energy, environment, etc. India seems to think otherwise.

NOTES

1. This concept was outlined in The National Security Concept of the Russian Federation, *Nezavisimoye Voennoye Oborzeniye*, December 17, 1997. For the original text in Russian, see Russian Federation, 1997. It finds a place in the Declaration on Strategic Partnership between the Republic of India and the Russian Federation, signed in New Delhi by the President of the Russian Federation and the Prime Minister of India on October 3, 2000. Also see Pushkov, 1997.
2. In the June 2006 SCO meeting in Shanghai, India was represented by Petroleum Minister Murli Deora.
3. Statement of Defence Minister Pranab Mukherjee, *The Hindu*, June 13, 2006.

REFERENCES

- Alexander's, 2005, "Russia offers oil at below-market price to India", *Alexander's Gas and Oil Connections: News & Trends: CIS/Russia*, 10 (10), May 26, available at <http://www.gasandoil.com/goc/news/ntr52151.htm> (accessed January 11, 2008).
- Baruah, Amit, 2004, "India, Russia plan big oil-gas deals", *The Hindu*, November 14, at <http://www.hinduonnet.com/thehindu/2004/11/14/stories/2004111405920100.htm> (accessed March 12, 2008).
- Chenoy, Kamal Mitra and Anuradha M. Chenoy, 2007, "India's Foreign Policy Shifts and the Calculus of Power", *Economic and Political Weekly*, 42 (35), September 1-7, pp. 3547-3554.
- Izvestia, 2001, *Izvestia*, May 25, *Current Digest of Post-Soviet Press*, 53 (21), p. 6.
- MEA, 2002, "Bilateral Relations between India and the Russian Federation", Central and East European Division, Ministry of External Affairs, Government of India, November 28.
- NUPI, 1997, "Primakov's interview in Nezavisimaya Gazeta", December 30, at <http://www2.nupi.no/cgi-win//Russland/krono.exe?1559> (accessed September 20, 2007).
- Pushkov, Alexi K., 1997, "Modern World Order: The Russian View", unpublished paper, Harvard Academy for International and Area Studies, Cambridge, MA, November 13-15.
- Rice, Condoleezza, 2006, "Our Opportunity with India", *The Washington Post*, March 13, p. A15.
- RNSD, 2000, "Russian National Security Doctrine", *Current Digest of Post-Soviet Press*, 52 (4), January 10, pp. 9-20.

- Russian Federation, 1997, *Kontsepsiya natsionalnoy bezopasnosti Rossiyskoy Federatsii, ukazom Prezidenta Rossiyskoy Federatsii ot 17 dekabrya 1997 g., no. 1300* [National Security Concept of the Russian Federation, approved by the President of the Russian Federation on December 17, 1997, g. no. 1300], *Rossiyskaya gazeta*, December 26, pp. 4-5.
- , 2000, *The Foreign Policy Concept of the Russian Federation*. Approved by the President of the Russian Federation V. Putin, 28 June, at <http://www.fas.org/nuke/guide/russia/doctrine/econcept.htm> (accessed September 20, 2007).
- SCO, 2006, “Declaration on Fifth Anniversary of Shanghai Cooperation Organisation”, Shanghai, June 15, at <http://www.sectSCO.org/html/01470.html> (accessed September 12, 2007).

CHAPTER 11

Russian-Indian Bilateral Cooperation

Tatiana Shaumyan

After a period of stagnation in Russian-Indian relations throughout the 1990s, Russia has considerably intensified its contacts with India in the political, economic, military-industrial and cultural sectors. The Declaration on Strategic Partnership signed in October 2000 provides a development framework for a long-term perspective.

At present, the top priority issues on the bilateral agenda are high technologies, telecommunications, aerospace, energy, including the construction of a nuclear power plant in India, and military-technical collaboration.

Russia and India attach a lot of importance to their interaction in the energy sector, which embraces the construction and modernisation of hydroelectric and thermal power plants. In 2006, the first assembly block of the Tehri hydro power plant (Uttaranchal) – the tallest dam in Asia-erected with Russian assistance was commissioned. At the same time, *Silovye Mashiny* (power machines) of Russia and Bharat Heavy Electricals Ltd (BHEL) concluded a contract on the joint modernisation of five power generating units of the Obra thermal power plant (Uttar Pradesh), with an aggregate capacity of 1,000 MWe. Most power generating units in India use equipment manufactured by BHEL according to Russian designs.

Both sides have agreed to encourage more investment in the

energy sector by Indian companies in the Russian market and by Russian companies in the Indian market as a high priority programme. India has invested about \$2 billion in the oil production business under the Sakhalin-1 project and is currently evaluating opportunities for its involvement in the Sakhalin-3 project. Such transactions are lucrative undertakings for both Russia and India, with the latter's petroleum imports constituting over 70 per cent of its domestic consumption.

India views the development of nuclear energy as a critically important target. In the year 2000, the domestic output of electric energy amounted to 101,000 MWe. It is expected that demand for electric energy will triple over the next 20 years to reach 292,000 MWe. Considering the shortage of alternative energy sources available, its production at nuclear power facilities is due to increase by a factor of 7-12 (according to a conservative and an optimistic scenario).

For this reason, India and Russia are particularly interested in seeking long-term cooperation arrangements with regard to nuclear power plant development programmes. The construction of two nuclear reactors for the Kudankulam Nuclear Power Project (Tamil Nadu), with a cumulative capacity of 2,000 MWe, is nearing completion. In January 2007, an agreement was reached on building two additional nuclear reactors as part of this project apart from other nuclear power installations elsewhere in India.

Russian-Indian Scientific and Technological Interchange

A diversified and multifaceted cooperation in science and technology with the USSR, and subsequently Russia, has been always regarded as a matter of paramount importance for India's economic advancement.

The Soviet Union made a substantial contribution in the formation of India's infrastructure at the very outset of that process. Bilateral collaboration between the Soviet and Indian scientific communities was initiated at the level of individual projects, such as the creation of a vaccine against poliomyelitis. Soviet researchers and experts were involved in the establishment of more than 30 R&D

centres and laboratories in India, including the Indian Institute of Technology in Bombay, Indian R&D Institutes of Petroleum at Dehradun and Ahmedabad, autonomous faculties at educational establishments (information science and technology at Bangalore University, geophysics at the University of Hyderabad), and technical colleges of metallurgy in Ranchi, petroleum in Baroda, heavy engineering in Bhopal, and radio-engineering at Hyderabad. Practically all industrial installations built with the Soviet assistance, were provided with personnel training centres. Throughout the years of joint collaboration, over 100,000 Indian nationals were able to improve their professional qualification in the course of their interactions with Soviet specialists while executing development and operational management of industrial installations. A considerable amount of Indian human resource contingent (over 5,000 persons) received their higher education in Soviet educational establishments and scientific research institutions.

Throughout the period of 1980s-1990s, certain changes were introduced in the economic, social and political conditions that had provided a foundation for bilateral interaction in science and technology. Since independence, India has built up its own powerful R&D capabilities in industrial and agricultural sectors and also in various disciplines of fundamental science. This facilitated the process of making our bilateral contacts in science and technology more profound, as there was a considerable qualitative incentive for such improvement. Within the framework of Integrated Long-term Programme for Cooperation in Science and Technology (ILTP), from 1984 through 1989, our two countries jointly developed 112 themes in 22 priority scientific areas, including solar energy use, anti-corrosion metal protection, power metallurgy, foamed metals manufacture, high pressure physics, meteorology and oceanography. The ILTP completed 20 years in 2007, with 300 projects being executed since the programme was initiated. Today, more than 70 institutions in Russia and 55 institutes and laboratories in India are taking in its implementation. At present, work is underway along more than 120 avenues, a broad information exchange is in progress, and seminars, science conferences and workshops are conducted on a regular basis.

During summit meetings held at the outset of the 21st century, the leaders of our nations concluded a number of significant accords, including those relating to bilateral contacts in science and technology. The ILTP between India and Russia has been extended for another 10 years (until the year 2010). The primary emphasis was laid this time on the identification of ways to commoditise Russian technological know-how, consolidate fundamental and applied research and translate it into cutting-edge technologies and joint production of new merchandisable output, which is competitive in world markets. Currently, 146 joint scientific and technological projects have been designated by the two countries' experts as highly relevant in such areas as biotechnology and immunology, laser and space technology, hydrology and oceanography, theoretical and applied mechanics, radio-physics and astronomy, computer engineering and electronics, biomedicine, heavy engineering, astrophysics, chemical sciences. A transfer to the new cooperation areas – computerisation, robotisation and information technologies – has been also envisaged.

It is important here to mention a few joint projects, which are being executed within the ILTP framework. These include the creation of the International Advanced Research Centre for Powder Metallurgy and New Materials (ARCI) in Hyderabad and the setting up of the Indian-Russian Centre for Advanced Computer Research in Moscow in July 2000. About 670 scientists from 190 R&D institutes and laboratories in India and Russia have participated in the realisation of these projects.

Since the mid-1990s, bilateral contacts in science and technology were given a powerful impetus to acquire a new dimension. Both Russia and India have been moving along towards building up more open, competitive economies integrated with the global system. There has been an appreciable mutual efforts at restructuring bilateral science and technology interaction so that it is result-oriented and solution-driven, as dictated by the current social and economic environment. Here, our production cooperation pursued in the interests of science and technology progress and transfer of technologies are of prime importance.

Until relatively recently, the transfer of technologies has been regarded as a mere concomitant element of production collaboration, and it was only in the 1990s that it was acknowledged as an autonomous area of economic exchange. In the past, its distinct feature was a heavy presence of governmental agencies from both sides taking part in the transfer of technologies and also the fact that the bulk of such technologies were connected with the defence sector. Annual payments from India for military technologies to the former USSR exceeded the costs borne by the Indian economy with regard to civil technologies by hundreds of times. Consequently, the transfer of industrial technologies was at a fairly low level.

Over the last two decades, India has liberalised its economy and has been engaged in exerting consistent efforts to upgrade its research and advanced development potential, and make extensive use of this in its national economy. India's electronics, pharmaceuticals, automobile manufacturing and petrochemicals industries have been experiencing a boom, and the production strategies of many Indian manufacturers have been reoriented towards projects based on the employment of state-of-the-art technologies and equipment, and advanced scientific and technological data.

We, in Russia, have accumulated a huge amount of breakthrough technologies and developments, which are owned by Russian research centres and industrial amalgamations, and they can be extremely attractive and useful to Indian business companies. However, these particular radically new opportunities have not been tapped so far. And one of the reasons for this is that there is no mechanism for such cooperation that links India's industries directly to the Russian R&D infrastructure. There is an urgent need to compile a data bank featuring advanced technologies, which can radically improve possibilities for transferring technologies at the level of independent businesses, companies, and R&D centres of our two countries.

As part of the ILTP initiatives, India and Russia have embarked on the scientific exchange in laser and aerospace industries, biotechnologies, immunology and computer engineering. Besides, cooperation has been developing along six avenues of fundamental

science: mathematics, applied mechanics, physics and astrophysics, environmental monitoring and protection, general chemistry.

Commercial and industrial adaptation of fundamental and applied research and development findings through new generation equipment systems, materials and high-tech products has now become a priority for ILTP implementation. Listed below are some of the areas where Russia is helping India bring home the latest technologies.

Medicine: Russia is helping set up the National Centre for Production of Vaccines against Poliomyelitis to fully meet the demands of the Indian market. Russia is also aiding in the development of new generation immunomodulators and is establishing a specialised anti-tuberculosis centre where Russian lasers will be used. There is also cooperation among medical personnel in studying and applying Ayurveda methods and joint research in immunology, epidemiology, biophysics, oncology, endocrinology and cardiology.

Materials: A powder metallurgy centre is being set up in Hyderabad by Indian scientists in accordance with design and technology recommendations supplied by Russia. Work is underway there to introduce advanced technologies for producing powder substances, which can be used for evolving new materials with unprecedented characteristics.

Electronic Materials: With inputs from the Siberian Division of Russian Academy of Sciences (Institute of Nuclear Physics), a centre for the production of industrial electron accelerators has been opened in Mumbai, while a modern radio-chemical research centre will be built in Indore.

Information Technologies: A Moscow-based Russian-Indian computer centre, equipped with a network of powerful parallel computers, such as PARAM-10.000, developed by the Pune-based Centre for Advanced Computer Systems, has been established. With these supercomputers, it is possible to develop a short-term weather forecasting programme and a programme modelling interaction of the atmosphere and the ocean reflecting monsoon circulation and processing seismic data. This is extremely important to India, as its

agriculture is contingent on the monsoon. The centre, under the Automation and Design Institute of the Russian Academy of Sciences, has a capacity of 72 billion operations per second. The centre was set up following a mutual agreement in 2000.

Biotechnologies: In February 2002, an Indian-Russian biotechnologies centre was commissioned in Allahabad. It has access to the most sophisticated and economically profitable technologies for zinc bacterial extraction from mining waste. Joint research is underway to obtain a vaccine against hepatitis C and to create agricultural crops resistant to fungus infection. Efforts are being undertaken to generate high-yield transgenic plants resistant to adverse conditions to be used for food production purposes.

Silicone: The project of large-scale production of semi-conducting silicone for microelectronics, power electronics and solar energy applications can boost the chances for our two nations to become world producers of such critical strategic material.

Gas Hydrates: The project for establishing a Russian-Indian technological centre for gas hydrates' studies is expected to allow access to new varieties of energy resources and also help create an alternative source of fresh water.

Aircraft Building: The joint Saras-Duet project is being undertaken for developing a light transport aircraft for passenger carriage along routes of up to 2,000 km with prospective penetration of third-world countries' markets. Russia is also aiding the training of Indian specialists, and setting up of India's first experimental aircraft design bureau under the Nation Aerospace Laboratory.

Space Exploration: The Photon project by the two countries uses the gamma-telescope to study kinetics of solar flares.

Seismic Instrument-Making: In Chandigarh, an Indian-Russian centre for geophysical instrument-making has been set up. It employs Russian sensors with Indian digital recorders for establishing a globally-coordinated monitoring network in India to forecast earthquakes.

Industrial Accelerators: Employees of the Nuclear Physics Institute of the Siberian Academy of Sciences and the Advanced Technologies Centre in Indore, in collaboration with the Nuclear

Research Centre in Bombay have developed, designed and commissioned an industrial electron accelerator, ILU-6.

High-Temperature Synthesis: Russia is aiding the manufacture of high-performance filters for purification of drinking water in India and assisting in industrial technology for processing of zirconium dioxide to procure heat-resistant materials.

Earth Science: India is using new Russian-made seismic instruments to record weak soil fluctuations, devastating seismic phenomena, etc. Russia and India are also engaged in using seismic tomography to research into the lithosphere structure of continental India, offshore areas and the Indian Ocean bottom.

Mathematics and Physics: Russian experts are aiding in the design of electronuclear installations and facilities to process nuclear waste.

Semi-Conducting Materials: Launching production of semi-conducting silicon for microelectronics, power energy and solar energy applications. There is a silicon shortage in the world, and Russia has considerable reserves. India and Russia can join the five-nation team of producers of this strategic material, which is the core of modern technologies.

Notwithstanding the above, the potential for bilateral cooperation has NOT been used to the fullest and has been lagging behind the intensity of our political contacts. Future joint activities are envisaged in such key areas as telecommunications, computerisation, IT industry, space exploration involving the employment of qualified labour resources from both countries.

Military-technical Cooperation

In the entire spectrum of Russian-Indian relations, the *military-technical cooperation* has traditionally been accorded the most prominent status. The first deals involving the deliveries of Soviet weapon systems to India were made in August 1962, when India purchased helicopters, transport aircraft and the MiG-21 jet fighters. In the same year, the construction of production facilities for military hardware was undertaken at Nasik, Koraput and Hyderabad.

After the Indian-Pakistan armed conflict in 1965, the US and other Western countries imposed an embargo on the exports of

weapons systems to India and Pakistan. From that time, the principal supplier of arms and military equipment to India became the USSR. Throughout the period from 1965 to 1969, the USSR accounted for 80 per cent of India's imports of military hardware. And although over the following years, that proportion has been gradually decreasing (in 1970-74, it was 70 per cent, and in 1975-79 – 57 per cent), the Soviet Union remained the main supplier of defence technology and equipment to India until the time of its dissolution.

Consequently, by the mid-1990s, nearly 70 per cent of the Indian Army, 80 per cent of Indian Air Force and 85 per cent of the Indian Navy was equipped with Soviet- or Russian-made military hardware.. The disintegration of the Soviet Union had an appreciably negative effect on bilateral business in the military-technical arena. A sharp reduction in the supplies of military equipment and related spare parts from Russia to India after 1991 seriously affected the position of India's armed forces and created a lot of difficulties for them.

Due to these factors, matters related to the military-technical interaction became the centre of bilateral negotiations. Following the signing of the Treaty of Friendship and Cooperation between the Russian Federation and the Republic of India in 1993, a long-term programme on military and technical cooperation till 2000 was endorsed. In December 1998, an integrated long-term programme on military-technical cooperation till the year of 2010 was adopted.

In the year 2000, an agreement was reached between our two countries on the creation of an Inter-governmental Commission on Military-Technical Cooperation, inter-governmental accords were signed on the purchase and production in India of cutting-edge Russian tanks, armoured vehicles and fighter aircraft under Russian licenses and also on the transfer to India of the Admiral Gorshkov aircraft-carrier. The final accord on the transfer of Admiral Gorshkov to India was signed in January 2004. The value of the deal was \$1.5 billion. It was stipulated to allocate \$974 million for the modernisation and refurbishment of Admiral Gorshkov aircraft carrier and \$530 million for the delivery of 16 MiG-29K multi-role carrier-based fighters and Ka-31 and K-27 maritime reconnaissance helicopters. The refurbishment of the aircraft carrier was supposed to be completed within four years, i.e., by August 15, 2008, by a nearly

23,000 -strong labour force working in Russian docks. The successful completion of this deal would have meant that India would order 30 more aircraft from Russia in the future. The overall amount of the deal for Russia, including its involvement in the construction of new port facilities and all required infrastructure enabling India to use the aircraft carrier, was expected to be \$3 billion. However, due to various problems of technical nature, largely through the fault of the Russian side, the timeframe was extended by four more years, till 2012. The Russian side also raised the question of increasing the amount of remuneration for its refurbishment efforts by an extra \$2 million. The Indian side was compelled to agree to such increment in cost: the Ministry of Defence had already made an advance payment towards the deal, and it was not seeking to rupture the contract or look for an alternative contractor or purchase a similar aircraft carrier of the same category, due to time limitations.

On October 18, 2007, an inter-governmental agreement was signed in Moscow on joint development of an advanced multi-functional fighter aircraft of the fifth generation. This project might become one of the biggest collaboration programmes between the two countries in the military-technical sphere. The agreement was concluded within the framework of the 7th session of the Russian-Indian Inter-governmental Commission on Military-Technical Cooperation. According to expert estimates, its development will take five years. Flight tests of the prototype are due to be completed by 2009 and full production by 2015. It should enter the Indian Air Force by 2017. India wishes to induct a fighter aircraft which will possess equal or even superior capabilities to those of the US F-22 Raptor and F-35 Joint Strike Fighter (JSF). Apart from that, another inter-governmental agreement was signed on the Russian-Indian co-production of airframe components for the assembly of Su-30 MKI and their installation on Su-30 MK aircraft manufactured in Russia. As a result of fulfilling the requirements of the agreement, the engineering capabilities of Russia's and India's aviation industries will be reconfigured to allow a closer coordination, ranging from design concept to production technologies.

Based on the data made available by Russia's Federal Service on Military-Technical Cooperation (FSMTC), the MTC programme

with India till 2010 comprises around 200 projects. Its total value is estimated at approximately \$18 billion. Among the most promising endeavours in the Russian-Indian joint military-technical interaction is the production of the BrahMos missile systems, licensed production of T-90C tanks, Su-30 MKI combat aircraft, refurbishment and refitting of the Admiral Gorshkov aircraft carrier.

On October 7, 2007, in his opening address to the Russian-Indian Inter-governmental Commission on MTC, Russia's Defence Minister Anatoly Serdyukov expressed a high opinion of the level of bilateral MTC between our two countries, specifying that the most significant current projects within the existing framework were the licensed co-production of Su-30 MKI aircraft and T-90C tanks, implementation of the BrahMos programme and also execution of the contract to build three additional frigates under 1135.6 project. India's Defence Minister A K Antony stated in his address that cooperation projects regarding the BrahMos missiles, the fifth generation combat aircraft, multifunctional transport aircraft between Moscow and New Delhi had confirmed that the joint partnership between the two countries had a strategic character. All mutual activities seeking to meet the goals of the MTC between the two countries have been planned up to the year 2010. Mr Antony conveyed confidence that working groups and sub-groups, which had been set up within the framework of the Russian-Indian Inter-governmental Commission on MTC, would be able to resolve all controversial issues, particularly those related to India's concerns over the Admiral Gorshkov contract.

The joint venture to produce BrahMos missiles was established in early February 1998 in conformity with the agreement between Russia's and India's governments on the development and production of anti-ship cruise missile systems. At present, the Russian-Indian joint venture offers its potential customers four versions of the BrahMos missile – ship-to-ship, surface-to-surface, surface-to-ship, ship-to-surface. BrahMos has also completed work on the development of two more missile modifications – air-based and underwater-deployed. They are currently ready to undergo testing and maiden-launching. It has been estimated that the market capacity for the BrahMos cruise missile is around 2,000 units, and its value

is \$10 billion. The BrahMos missiles are in demand from a number of countries, while contracts with some of them are already being prepared. Interest towards this Russian-Indian defence technology has been displayed by Indonesia, Malaysia, UAE, South Africa, Chile and other states. The list is constantly expanding and can eventually include 10-15 countries. The main JV customer is India; it has already made payment for its orders to the tune of \$2 billion. According to the JV CEO, Sivathanu Pillai, within the next decade, his company will be able to increase the production of the BrahMos supersonic cruise missiles up to a 1,000 per year.

According to Alexander Dergachev, BrahMos Chairman of the Board of Directors, the Russian-Indian venture hopes to accomplish another order from Indian government within the near future – to equip new India's submarines with the BrahMos missiles. "The next contract involves seven submarines. When will it take place is still an open question. Hopefully, very soon," he said, adding that Delhi is planning to open a tender for the delivery of submarines for its navy. One of the primary preconditions – BrahMos missiles should be deployed on them. India has already concluded a valid contract to build six submarines on the basis of the French Scorpion. Delhi and Moscow are now involved in negotiations focusing on the possibility of installing the Russian-Indian cruise missiles on them. Moscow and Delhi are likely to commence joint development of the tank and aircraft of the new generation submarines, speculation about which has been going on for a while.

Russian-Indian Aerospace Cooperation

Indian space research programmes are closely linked to the history of Russian and world space exploration. India became the seventh member of the international space club – after the USSR, US, France, Japan, China and UK – by putting its first operational satellite into orbit with its own SLV-3 launch vehicle in the summer of 1980. It was preceded by successful work to implement the 10-year space exploration and development programme supported by the Indian government.

A conspicuous element in India's approach to joint space

endeavours is its openness and willingness to forge partnership with any nation who is prepared for such a dialogue. India has been equally effectively engaged in cooperation with the major space-faring nations – the USSR (later Russia) and the US. The USSR offered consultancy to India on launch vehicles and supplied it with a number of up-to-date devices based on the cryogenic technology, afforded a possibility to participate in manned flights for Indian cosmonauts aboard Russian orbital platforms. The US made a contribution to the development of Indian satellite systems. Thus, back in the mid-1970s, NASA granted a one-year lease of its ATS-6 communications satellite to the Indian Space Research Organisation (ISRO) to conduct experimental research to beam TV programmes directly to the country's agricultural areas. Also, the first regular operational communications and meteorology satellite working for India was manufactured in the US. Americans also provided assistance to India in developing its own earth surface remote sensing equipment, which was a matter of paramount importance to the state carrying out extensive farming and live-stock breeding in areas difficult to access. As a result, a constellation of six Indian remote sensing satellites (IRS) is currently in operation.

Russian-Indian space partnership mainly focuses on such important lines of activity as space navigation, lunar exploration and man-controlled space flight programmes. During a visit to India made by Vladimir Putin in January 2008, an unparalleled Agreement on Long-Term Cooperation in Joint Development and Use of the Russian Global Navigation Satellite System (GLONASS) was entered into.

Over the initial period, India will make its contribution by way of employing its own launch vehicles to provide a replacement for navigation satellites that have become obsolescent or unusable for some other reasons. In addition, India will participate in the development of the ground segment of the system. Our Indian counterparts have got access to high technologies and have acquired excellent expertise in marketing techniques, which can be extremely instrumental in creating, distributing and selling navigation satellite signal receivers. For Russia, it is now a most challenging problem: it

is quite efficient in satellite manufacturing and launching, but cannot ensure an efficient market application for them.

As for the Indian side, it can benefit from the development of the Russian satellite navigation system, particularly in the sense that it will cease to be dependent on a similar American system, controls of which rest with Washington.

Earlier, the Indian side contemplated a possibility of participating in Europe's GALILEO satellite navigation system, but the European system can incur a much higher cost and is not going to be superior to the Russian one, judging by its technical performance. Besides, GLONASS is scheduled to become operational on a global scale before GALILEO.

In executing its manned space missions, India has drawn a lot on the Russian expertise. The first Indian astronaut was Indian Air Force pilot Rakesh Sharma in 1984. He went to space as a member of an international team with his Soviet crewmembers on board the Soyuz spacecrafts and visited the Soviet Salyut-7 orbital station. Having completed a number of orbital experiments, Wing Commander (retired) Sharma is now a chief consultant to ISRO. India started its space exploration programme in 1975, when its first Aryabhata satellite was launched with the help of a Soviet carrier rocket from Kapustin Yar space vehicle launching site.

In March 2008, India approached Roskosmos with a request to arrange a space flight on board the Soyuz spacecraft for its astronaut as part of India's preparation for launching its own manned space vessel. The Russian side displayed a positive attitude to that proposal and provided additional confirmation to its position during the December summit last year. An Indian astronaut is planned to go on a space mission first on board a Russian space vessel. This mission is tentatively scheduled for 2013. It will be followed by an Indian manned spaceflight in 2015.

The ongoing India's lunar exploration programme is directly linked with Russia. In 2007, the two countries signed an inter-governmental agreement on a joint lunar expedition in 2011-2012. This time, a space ship consisting of two modules is planned to fly to the moon. The first module will stay in lunar orbit, while the

second one will make a soft landing. A lunar rover will roll out of it to collect data on the moon's mineral resources. In the autumn of 2008, the Indian spacecraft Chandrayaan-1 began its journey to the moon. From a low lunar orbit, it will map details of the moon's surface. The launch, according to the Indian Space Research Organisation (ISRO), is the first part of an extensive national programme to explore the moon.

Once this comprehensive lunar surface research is completed, it will provide India with invaluable scientific data enabling it to play a key role in an international programme to establish habitable lunar research stations.

The Indian government has approved the allocation of Rs 950 million (around \$20 million) to launch India's own manned spacecraft. A capsule (spacecraft) with service module carrying a 2-astronaut crew is planned to be placed into a lower earth orbit. After a seven-day manned mission to space, the capsule accommodating astronauts will splashdown in the defined Indian Ocean water area. The ISRO is developing a training centre for future cosmonauts in Bangalore. Nearly 200 cadets are expected to be enrolled there for training and four of them will be selected as candidates to accomplish a space mission as prime and back-up crew members.

Riding high on the success of its first research satellite, Chandrayaan-1, ISRO plans to complete a number of impressive projects. Firstly, in joint effort with the Russian Federal Space Agency (Roskosmos) it is envisaged to implement the Chandrayaan-2 project that will involve a space vessel comprising 2 lunar modules—a lander and a robotic rover—tentatively in 2012, with the help of India's GSLV (Geosynchronous Satellite Launch Vehicle). An Indian astronaut's lunar landing is scheduled for 2020, and participation in international expeditions to Mars is tentatively planned for 2030.

During a visit to India by Russian President Dmitry Medvedev in December, 2008, Roskosmos negotiated a deal with its Indian counterparts in New Delhi on sending an Indian astronaut on an orbital space mission and also on collaboration in the creation of an Indian-built spacecraft. The Indian astronaut is due to go to space in 2013 whereas the nation's first crew-carrying spaceship is expected

to be unveiled two years later. Therefore, astronautics development across the huge territory of Eurasia, the bulk of whose programmes are generated by Russia, China and Kazakhstan as members of the Shanghai Cooperation Organisation (SCO), will receive a considerable boost from India, which is currently enjoying an observer status in the SCO.

CHAPTER 12

Indo-Russian Trade and Economic
Cooperation: The Way Ahead

Arun Mohanty

Indo-Russian trade and economic relations are an important component of bilateral co-operation, and certainly have the potential to touch much higher level than the current turnover. However, adequate effort has not been made by both countries to harness this potential to their mutual advantage. For most part of the post-Soviet period, annual bilateral trade turnover between the two countries has hovered around US\$2-3 billion, a figure that did not correspond to the economic potential that both countries possess nor did it reflect the high-level political relations that both countries enjoy. Nevertheless, there are reasons to feel satisfied about the latest trends in Indo-Russian trade, which crossed US\$7 billion in 2008.

Lack of stability was a characteristic trait of Indo-Russian trade during the 15 years following Soviet disintegration. Structural reforms coupled with the elimination of state monopoly over foreign trade and abolition of a clearing arrangement were the major reasons for the decline in bilateral trade between the two countries in the post-Soviet area. Thus, from a peak of \$5,485 million in the year 1990, the year preceding break up of the Soviet Union, trade relations between Delhi and Moscow witnessed a long period of decline. In

1991, the trade turnover declined by more than \$2 billion to \$ 3,487 million. This trend continued in 1992 and 1993, touching \$ 1,391 million and \$1,100 million, respectively. The settlement of the debt-repayment issue between the two countries in 1995 provided a boost to bilateral trade, which increased to \$1,914 million. In the subsequent years, Indo-Russian trade witnessed ups and downs, but never exceeded the \$2 billion level.

A significant feature of Indo-Russian trade during the decade from 1993-2003 was that almost 80 per cent of Indian exports were financed through the debt repayment channel. Though this arrangement facilitated Indian exports, it also opened the window for a lot of corruption, reduced the competitiveness of Indian goods in the Russian market and dealt a heavy blow to the reputation of Indian commodities. The end of the arrangement for Indian supplies through the debt-repayment rupee channel delivered a serious blow to Indian exports to Russia.

A disturbing feature of our bilateral trade has been that while the balance of trade between the two countries was in favour of India in the decade following the Soviet collapse, it has turned very strongly in favour of Russia in the subsequent years starting from 1999, which should be a matter of serious concern for India. According to Russian sources, the balance of trade between the two countries was more than \$3.5 billion in the year 2008 in favour of Russia. If one includes defence purchases, the balance in favour of Russia will be much higher. (*New Theme*, 7 (1), p. 11.)

Table 1: Indo-Russian Trade from 2004-08

	<i>(in \$ million)</i>				
	2004	2005	2006	2007	2008
Total trade volume	3151.3	3098.4	3898.6	5321.0	6946.1
Indian import	2502	2314	2925.4	4011.3	5231
Indian export	649.3	784.4	973.2	1309.7	1715.1
Balance	-1852.7	-1529.6	-1952.2	-2701.6	-3515.9

Source: *New Theme*, 7(1).

While we should feel satisfied that bilateral trade turnover has

been growing at a rate of almost 30 per cent annually during the last five years, India has to feel concerned about inadequate growth in its exports to Russia. In fact, while Russian exports to India are growing very fast, growth of Indian exports to Russia has been negligible.

India was the largest trading partner of the former Soviet Union among the developing countries, and the former USSR was India's third largest trading partner. The share of former Soviet Union in India's foreign trade was 9 per cent while Russia's share is today only 1.5 per cent. Russia's share in Indian imports is 1.1 per cent and in exports it has a 2 per cent share. (*Mohanty, A 2003*).

One of the weak features of Indo-Russian trade has been the narrow base of the trade basket. If one looks at the composition of Indian exports to Russia, one sees that three group of products, such as agricultural products (tea, coffee, rice, tobacco, etc.), textiles and pharmaceutical products constitute almost 80 per cent. Similar is the case with Russian exports to India. Four products-metals, newsprint, chemicals and fertilisers-dominate the Russian export basket to India. The narrow base of import and export from both sides is quite evident from tables 2 and 3. However, there has been a change in the structure of Russian exports to India as a result of increased supplies of machinery to the Kudankulam nuclear plant in Tamil Nadu.

Russia has been a key destination for Indian tea for decades. However, this has registered a sharp decline in recent years, with other exporting countries like Sri Lanka cutting into India's share of the Russian tea market. A similar trend is evident in the case of textiles also. It is only in the case of pharmaceutical exports that some increase is evident.

Prospects for Expansion of Trade

India and Russia have large economies, which are supplementary in nature. The annual rate of growth of both economies are significant. Hence, there is a huge potential for growth of bilateral trade. However, little has been done to harness this potential. India and Russia are strategic partners and enjoy excellent political relationship.

**Table 2: Composition of Indo-Russian Trade
Top 10 Imports from Russia in 2005-06**

(Value in \$ million)

No.	Commodity	2005-06
1	Iron & steel	590.09
2	Fertilisers	484.95
3	Natural and coloured pearls, precious, or semi-precious stones, pre-metals, jewellery articles	157.20
4	Nickel, nickel products	147.01
5	Newsprint, paper boards	100.5
6	Rubber and rubber articles	80.91
7	Copper and copper articles	76.52
8	Nuclear reactors, boilers, machinery	62.70
9	Organic chemicals	46.11
10	Salt, sulphur, stone, lime, cement, plastering material	41.45

Source: Ministry of Commerce, Government of India.

Table 3: Top ten Exports to Russia in 2005-06

(Value in \$ million)

No.	Commodity	2005-06
1	Pharmaceutical products	233.15
2	Tea, coffee, spices	67.77
3	Miscellaneous edible preparations	54.92
4	Tobacco and tobacco substitutes	39.27
5	Preparations of vegetables, fruits, nuts	31.18
6	Cotton	27.75
7	Plastic and plastic products	25.49
8	Nuclear reactors, boilers, machinery	22.67
9	Articles of apparel and clothing accessories	17.84
10	Electrical machinery and equipment , electronic goods	16.79

Source: Ministry of Commerce, Government of India.

But, the bilateral trade does not reflect this strategic partnership nor does it correspond to the mutual potential. Governments of both countries have expressed serious concern over the state of bilateral trade and have set up a joint study group in order to find ways and means to provide a strong boost to trade ties. Also, during President V Putin's official visit to India in January 2007, both countries

decided to achieve a trade turnover worth \$10 billion by 2010. (*New Theme, 2007: 14*).

Potential Areas for Trade Growth

There are several areas which promise to take the trade turnover between the two countries to a higher pitch.

Diamond and Gold

India has the largest rough diamond cutting industry in the world and Russia controls 25 per cent of world diamond deposits, which should make both countries natural partners for business in the area. A memorandum of understanding (MOU) was signed between the two countries during President Putin's state visit to India in 2000 for bolstering trade in the area. Much remains to be done to use the full potential in the area that can provide a strong impetus to bilateral trade. According to experts, diamond trade alone can boost Indo-Russian annual trade turnover by \$500 million. It is matter of some satisfaction that a small volume of diamond trade has taken place between the two countries. (*Business Messenger, 2001 Moscow: 39*).

Coal

India needs a huge amount of coal, which can be imported from Russia's Siberia and Far East. Here, the issues of railway tariff and export duty have to be tackled before importing Russian coal.

Highway Construction

Russian companies are successfully taking part in India's huge highway construction. India has earmarked huge sums for infrastructural development. Since India has embarked on a path of multi-lane highway construction, Russian participation in this project can be significant. India is also laying gas and oil pipelines, an area in which Russia has significant experience. Involvement of Russian companies in pipeline construction can be a major factor of trade growth.

Information Technology

India is world's leading nation in IT with a 40 per cent annual growth. Profits of Indian software exports are comparable to revenues from Russian gas exports to Europe. Though some experts believe that India and Russia are competitors in the area, there is tremendous potential for mutual cooperation. Russia is keen to use Indian experience in the area in building IT parks in several of its leading cities. President Putin's visit to Bangalore in 2004 clearly indicated Russian interest to use Indian experience in the area.

Removing Infrastructural Bottlenecks

Both countries have built a sound legal foundation for promoting trade and economic ties. Agreements on mutual investment protection and avoidance of double taxation are in place for facilitating ties. However, these are not enough. There are number of infrastructural bottlenecks that have to be removed in order to improve trade ties.

Banking

After debt-repayment rupees funds are exhausted, adequate banking facilities are urgently required for facilitating bilateral trade. After the massive financial meltdown in Russia in 1998, Indian banks lost faith in the Russian banking system, thus creating problems in the area of trade facilitation. Indian banks simply stopped honouring letter of credits (LCs) and guarantees issued by Russian banks. Guarantees provided by banks in each other's country should be honoured to promote trade. State Bank of India and Canara Bank, which had (their own) representative offices in Moscow in the Soviet era, have now opened a joint venture bank with 60:40 equity. ICICI bank, which entered Russian market recently, has purchased a Russian bank, which is doing well. Russian banks are also planning to open their branches in Delhi for the promotion of bilateral trade and economic relations. These are steps in the right direction for bilateral trade promotion.

Shipping Arrangement

The movement of goods between the two countries is taking place through shipping companies of third countries. Adequate shipping arrangements and port facilities should be built for strengthening trade. In this context, the North-South International transport corridor issue should be taken up more seriously. If the corridor becomes functional, the transit time for Russia-bound Indian goods can be reduced by half. India and Russia along with Iran should make serious efforts for making the transport corridor fully functional to the benefit of all the countries of the region.

Insurance Coverage

India's Export Credit Guarantee Corporation (ECGC), which protects Indian exporters from political and commercial risks, discriminates against Russia, having put it in B grade, which in practice means providing only 60-80 per cent insurance coverage for Russia-bound Indian goods. This discriminatory practice should be stopped.

Russian Visa Problem

Receiving Russian visas has been a major constraint in the development of trade and economic ties between the two countries. The cumbersome visa process and harassment at Moscow international airport has dissuaded many Indians to do business in Russia. Moscow has been insisting on signing a re-admission agreement with Delhi in order to ease the visa process system, which is not acceptable to the Indian side. The crux of the problem lies in the fact that Russia has become a springboard for many illegal Indians trying to enter Europe, which in turn has been exerting pressure on Russia to check illegal migration from Russian territory. Indian reluctance to sign the re-admission agreement has not succeeded in easing the Russian visa procedure, which has resulted in dampening the spirit of Indian businessmen willing to visit Russia for developing business there. Though the issue is serious, it can be resolved given flexibility, goodwill and mutual concession from both sides.

High-tech Cooperation

Russia is a powerhouse of high technology. India as Moscow's most trusted and genuine strategic partner can be a preferred partner for cooperation in this area. India should take note of this fact and try to augment cooperation in this area. There are already a number of projects in this vital area, such as manufacturing of multi-role transport aircraft, fifth generation combat aircraft, supersonic BrahMos missile, etc. India should pay more attention on using state-of-the-art technology possessed by Russia in different areas.

Russia has very sophisticated technology in the area of railway traffic management. Both countries are engaged in talks for transfer of this technology to India. Russia's achievements in nano-technology are very impressive. After years of negligence, Russia has now embarked on the path of development of an innovative economy. Russia is planning to build techno-parks across the country by investing billions of dollars. Development of nano-technology has been given top most priority, with a state commission, headed by first deputy Prime Minister Sergei Ivanov, being set up. Russia will invest 200 billion rubles in next few years for promoting nano-technology. India can benefit from this by taking advantage of its strategic partnership with Moscow. (*Malyarov, Oleg 2003*)

India and Russia have signed a memorandum of understanding for joint building of a multi-role aircraft, which has huge demand in both countries. An agreement is expected to be signed very soon for this by utilising part of the debt-repayment rupee funds. India and Russia have also signed a MOU for joint development of fifth generation aircraft. Despite the slow progress, cooperation in joint development of the fifth generation aircraft looks quite promising.

Offset Programme

Indo-Russian defence cooperation has been a significant component of growing strategic partnership between the two countries. The defence deals between the two countries over the period of last four decades have been worth of \$35 billion and currently both countries are successfully developing military technical cooperation under an agreement worth \$18 billion, covering the period up to 2010. The

annual acquisition of Russian military hardware by India is worth around \$1-1.5 billion.

It is noteworthy that an in-principle decision has been taken for reinvesting 50 per cent of the contract value in India, which will provide a tremendous fillip to bilateral economic cooperation in the years to come.

Cooperation in the Energy Sector

India, being an energy consumer, and Russia, being an energy producer country, are natural partners for cooperation in this area. Russia can play a vital role in ensuring India's energy security in the coming decades as our energy consumption grows. India has invested \$1.7 billion in the Sakhalin energy project from where the first oil shipment has reached India. India is seriously thinking of buying 10 million tonnes of Russian oil annually. According to the then Indian petroleum minister, Murli Deora, India will import as much as 50 million tonnes of oil from Russia in future. India is seriously contemplating to invest in Sakhalin-3 project and take part in the development of Kovytko gas field. According to Irkutsk administration sources, Indian investment in Kovytko can reach \$6.5 billion. India has serious intentions in investing in East Siberian oil and gas fields and to acquire stakes in Sakhalin-3 offshore energy project.

Russian gas giant Gazprom has entered into a strategic cooperation agreement with Gas Authority of India Ltd (GAIL) and has also signed an MOU with Oil and Natural Gas Corporation (ONGC) Videsh Ltd for projects to supply gas and hydrocarbons. Gazprom and Zarubezhneftgaz are working jointly with GAIL on exploration and drilling operations in the Bay of Bengal.

Gazprom has also signed an MOU with GAIL for joint cooperation in each other's country as well as in third countries. There is an agreement between Russia's Lukoil and IOC for annual supplies of 15 million tonnes of oil and petroleum products to India. Lukoil and OVL are also engaged in talks for cooperation. Similarly, Reliance has shown interest in investing in the Russian energy sector, which is a welcome sign.

Russia has been our traditional partner in electricity production.

There are number of projects in the area where Russian companies are successfully working. Russian participation in mini-hydro projects can be significant.

Coal and Metallurgy Industry Modernisation

The Jhanjra mine, which was designed and built with Soviet technical assistance in the 1980s, is still considered as one of the most promising supply units in the Indian coal industry. Russian companies, like Rusugolmash and Zarubezhugol, are taking keen interest in projects to modernise mines in India. Giprosakht Institute has implemented various design projects within the framework of the MOU signed with CMPDII of India. According to Coal India Ltd. managers, Russian equipment is of world class and price-wise competitive, and fully complies with the techno-economic requirements for the development of new open cast mines in India. Russian technology in metallurgy is of international standard and cost-effective. Many of our flagship steel plants are built with Soviet know-how and these plants are likely undergo modernisation. This is where our cooperation can be productive and serve mutual interest. This will in turn strengthen our trade and economic relations.

Cooperation in Nuclear Energy Generation

Nuclear energy generation is yet another important area where bilateral cooperation has a bright future. The Kudankulam nuclear plant with two reactors is under construction in Tamil Nadu with Russian technical know-how. During President Medvedev's first-ever visit to India in December 2008, an agreement was signed for the construction of four more reactors with Russian technical assistance at Kudankulan. The end of India's nuclear apartheid has opened avenues for stronger cooperation between India and Russia in this area. Russia is likely to be involved in building several more nuclear plants in the east coast of India. Experts talk about construction of about 20 nuclear reactors in India with Russian technical know-how, which will provide new quality to cooperation between the two countries.

Investment

Despite the agreement on mutual investment protection, avoidance of double taxation and other accords, mutual investment in each other's country has been insignificant. The total Russian investment in India is around \$200 million while Indian investment in Russia is at around \$2 billion, out of which ONGC Videsh alone has invested \$1.7 billion in the Sakhalin energy project. (*Mohanty, A. 2001*)

Economies of both countries are dominated by the private sector. However, private players in both countries are yet to look at each other for business development. Sustained efforts should be made to bring the private players of both countries closer. It was in this context that the Indo-Russian Investment Forum, aimed at bringing the private sectors of both countries closer, was organized in February 2007 following President Putin's visit to Delhi. This became a milestone in evoking mutual interest of private sectors of both countries on doing business in each other's country. It has been decided that the Indo-Russian Investment Forum will be an annual event, being held alternately in New Delhi and Moscow.

The Sun Group has been a major Indian private player in the Russian market. It has been working in Russia for the last 50 years and has been a pioneer in mobilising investment into the Russian economy. The Sun Group has invested \$200 million in beer production in Russia and has a 40 per cent stake of beer production in that country. Sun Capital has also made major acquisitions in Russian energy sector. It has acquired 25 per cent stake in Itera Energy Company, and is making bids for acquiring stakes in other Russian companies. Sun Capital also signed an agreement with Russian energy major, Rao EEC, during the St.Petersburg Economic Forum in 2007 for building power plants in India with Russian technical know-how.

Similarly, Mahindra and Tata are making serious efforts to open manufacturing units in Russia. Recently, Tata Tea purchased 49 per cent stake in a large Russian tea and coffee company. Amtel is another success story. The company has a strong foothold in the Russian tyre industry and its annual turnover is reportedly more than \$1 billion.

Russian private players too seem to be waking up to do business

in India. An Ural-based Russian truck company has signed agreement to manufacture trucks in West Bengal. Major Russian companies, like AFK Systema and Basic Element, have of late shown serious interest in doing business in India. AFK Systema is planning to invest \$5-7 billion in the Indian telecommunication system and real estate development.

Re-investment of Debt-Repayment Rupee Funds

Both countries have finally agreed to use the balance of the debt-repayment rupee funds as investment in India. Both countries have agreed to invest this money in the manufacturing of the multi-role transport aircraft, production of titanium dioxide in India for the purpose of exporting it to Russia and other projects. A part of this money has been proposed to be used as investment in the Indian energy sector. This is likely to augment bilateral economic cooperation in coming years.

India and Russia have very productive cooperation in the area of science and technology. Both countries have been developing this cooperation for more than two decades under integrated long-term programme (ILTP). More than hundred projects have been successfully completed under ILTP, the largest bilateral cooperation programme in science and technology between any two countries. However, the weakest link in the programme is lack of industrial application of the results of these projects. A decision has been taken to open an office in Moscow that will work for quick commercialisation of the results of Indo-Russian joint projects in science and technology.

Conclusion

Structural reforms coupled with application of full-scale market mechanism in trade dealt a heavy blow to bilateral trade and economic relations between India and Russia. The signing of several dozen bilateral agreements has done precious little to promote trade and economic relations between the two strategic partners. Their trade and economic ties do not reflect the excellent political relations enjoyed by them and indeed constitute the weakest link in their

growing strategic partnership. Despite repeated calls to double the trade turnover target over the last decade, bilateral trade volume does not show signs of significant growth. Sustained efforts have to be made to bring the private economic players of both countries in order to bolster bilateral trade and economic relations. Ways and means have to be found to diversify each other's export and import baskets.

Everything in the sphere of trade and economic relations should not be left entirely to the market forces. If India and Russia are strategic partners, state intervention in promoting trade and economic ties is essential. Prudent state intervention combined with marriage of private sectors of both countries holds the key for strengthening of trade and economic relations between the two natural and genuine strategic partners that India and Russia are. It is time for both sides to draft a bilateral Comprehensive Economic Cooperation Agreement (CECA) or think of some kind of free trade agreement in order to infuse new blood into the stagnating bilateral trade and economic relations.

REFERENCES

1. *Business Messenger*, 2001, Moscow: Indian Business Alliance, p. 39.
2. Mohanty, A., 2001, *Indo-Russian Relations: From Yelstin to Putin (1991-2001)*, Moscow: Ikar.
3. Mohanty, A., 2002, *Rossia I India – Strategicheskkiye Partneri (Russia and India- Strategic Partners)*, Moscow: International Centre for Socio-Political Studies.
4. Mohanty, A., 2003, *India I Rossia-Torgovo-Ekonomicheskkiye Svyazi (India and Russia – Trade and Economic Relation)*, Moscow: Ikar Publishers.
5. Malyarov, Oleg, 2003, *Indiya-Sotsialno-Ekonomicheskkiye Problemi I Puti Ikh Resheniya (India-Socio-Economic Problems and Ways of Their Solutions)*, Moscow: Institute of Oriental Studies, Russian Academy of Sciences.
6. *New Theme*, 2007, Vol. 7, Issue 1, January-February, p.14.

CHAPTER 13

Conditions and Prospects of Intellectual
Property Market Organisation in the
Context of Innovative Anti-recessionary
Development of Indo-Russian
Partnership in the 21st Century

Vladimir N Lopatin

In the last three years, the National Scientific Research Institute of Intellectual Property¹ (NSRIIP) has signed 55 agreements with state government bodies, the following among them; Federal Service for Intellectual Property, Patents and Trademarks (Rospatent); Federal Service for Defence Orders; Federal Agency on Protection of Military, Special and Dual-Use Intellectual Property (FAPRID) affiliated with the Russian Federation Ministry of Justice; Russian Federation constituent entities' government bodies; and state corporations like Russian Defence Export (Rosoboronexport), Russian Technologies (Rostekhnologii) and Russian Corporation of Nanotechnologies (Rosnano). NSRIIP has also established scientific research centres of intellectual property in all federal districts of Russia and several branches of the Institute in the European Union and North America.

Such geographic expansion allows the NSRIIP team to broaden the scope of scientific research and carry out full-cycle services in the

field of intellectual property for universities, organisations and major Russian energy, oil, aviation and ship-building corporations. In its turn, it serves to working out unique technologies to solve most complicated problems of the innovation cycle, i.e., transfer knowledge into a new product and to prepare the benchmark and rules of the future intellectual property market for it to operate as civilised.

The present report covers the main conclusions, pointing out the core challenges and problem-solving approaches based on the aforementioned research.

Situation Assessment: Russia and India as Strategic Partners

International Legal Framework

- 13 April, 1947 – Diplomatic relations established;
- 28 January, 1993 – Treaty of Friendship and Cooperation;
- October, 2000 – Declaration of Strategic Partnership;
- 2000 – Complex Long-Term Scientific-Technical Cooperation Programme for the period until 2010 (more than 130 projects);
- 3-7 February, 2006 – Memorandum of Cooperation between the Ministry for Economic Development of Russia and the Ministry for Trade and Industries of India (increasing goods turnover up to \$10 billion by 2010);
- The Year of Russia in India (2008) and the Year of India in Russia (2009);
- 30 June, 1994 – Scientific-Technical Cooperation Agreement (for 10 yrs++);
- 23 December, 1994 – Agreement for the Promotion and Mutual Protection of Investments (for 10 yrs + 15 yrs);
- 21 December, 1998 – Joint Document on Development of Trade, Economic, Industrial, Financial, Science and Technology Cooperation (by 2010);
- 4 December, 2002 – Protocol of Protection and Execution of IP Rights, attached to the Agreement of 30.06.1994;
- 12 November, 2003 – Protocol of Scientific Cooperation Between the Russian Academy of Sciences and the Science

&Technologies Department, Government of India; Scientific Cooperation and Scientist Exchange Agreement between the Russian Academy of Sciences (RAS) and Indian National Science Academy (INSA);

- 3 December, 2004 – Cooperation Agreement on Peaceful Space Exploration, incl. a Supplement on IP;
- 13 February, 2007 – Agreement on Protection of Some Items of Tea, Rice and Mango used on the territory of Russia.

Conclusion: Improvement and Development Needed

Commercial Development Priorities

- Transition from trading to bilateral joint production using innovative technologies through the intellectual property market;
- Improvement of the infrastructure from bilateral to multilateral cooperation through promoting innovations (Hailigendam Process 8+5—India, China, Mexico, Brazil, Republic of South Africa, Asia-Pacific Economic Cooperation);
- Construction of Kudankulam NPP (cost about \$2.6 billion with rated capacity of 2000 MW), and nuclear fuel supply to Tarapur NPP;
- Sakhalin-1 oil-gas field development project with participation of the Indian state enterprise, ONGC (\$1.7 billion investments by India);
- Exploration and development of gas fields in the shelf area of the Bay of Bengal with participation of IAI Gazprom;
- Metallurgy;
- Transport corridor (North – South);
- Lunar mission “Chandrayan-2”.

Military-Technical Cooperation

- RF MTC (728 military industry sector enterprises) – 57 countries, only 1/3-intergovernmental agreements;
- India – over 40 per cent of RF defense export and 60-70 per cent of own defence imports;

- MTC programme by 2010 – over 200 projects amounting to approx. \$20 billion {MiG-29 Ê Fulcrum, MiG-29 ÊUB, Êà-31, Smertch Multiple Launch Rocket System (MLRS)};
- Strategy – transition from trading to joint licensed production (SU-30ÏÊI airplane, Ò-90Ñ tank, BrahMos supersonic cruise missile).

The successful foreign experience of transition to innovative economies (US, Japan, China) shows that the principle condition of such transition is organising an intellectual property (IP) market.

Three Questions of IP Market Organisation

- *What (IP market object)?*
- *Who (IP market participants/entities)?*
- *How (IP market development mechanisms)?*

Three Reasons why it is Important

1. IP is the crucial resource of the anti-recessionary innovation development strategy;
2. IP is companies' capitalisation and property insurance resource in transition to self-regulation in construction;
3. IP is an opportunity for the poor become wealthy.

The basic objects of the market are not results of intellectual activity but intellectual property, which serves as the basis of non-material assets of major market participants. The only possible way to legally implement new technology in real economy, either of national or foreign enterprises and organisations, as well as to prevent rights infringement, is to assign copyrights and insure legal protection of the intellectual property.

The state, that finances more than three-fourths of all research and advanced development activities, must assign copyrights for the results of these activities either to state enterprises and organisations, or to state corporations, treasury, or reserve it for the performer.

Today, for absolute majority of the results of intellectual activities, copyrights are not determined neither openly – through patenting, nor through closed techniques – knowhow as highly confidential and proprietary. Consequently, they are not considered to be intellectual

property, but information. As it is, the latter has been removed from objects of civil rights and civil transactions in compliance with Article 128 of the Russian Civil Code (since January 1, 2008).

According to Rospatent figures, only about 10 per cent of all patentable government funding intellectual property objects are been patented, while only 1-2 per cent of them are commercialised. And only 368 intellectual property rights have been assigned to the Russian Federation since January 1, 2009.

Nowadays, the amount of Russian patent applications is negligibly small, not only if compared to European countries, but even if compared with former USSR practices. This is also the reason for extremely small share of innovative products – it doesn't exceed 5 per cent, – in the total sales volume of industrial products in Russia. If 20 years ago, more than 3,000 national inventions were patented each year abroad, in 2006, there were only 500 such applications.

While in developed countries, every fourth national invention is patented abroad, allowing them to sell copyrights effectively and to protect them in case of infringement on the territory of these countries, in the Russian Federation, only every 60th national invention is patented, that is 100 times less than in the US and 50 times less than in Germany. Obviously, it is necessary to restore the system of selection and patenting of national inventions abroad.

Today, foreign producers work out unprecedented ways in international practice to legally assign exclusive copyrights for Russian government funded inventions in their own favour even as they also make free use of technical documentation containing technologies and other results of such intellectual activities.

According to inspections of Rospatent and the Accounts Chamber of the Russian Federation, in the majority of Russian enterprises and organisations, the non-material assets are negligible (less than 1-2 per cent). The foreign semicentennial experience of non-material assets capitalisation with respect to intellectual property is practically either neglected or of no use.

Moreover, in 2008, the Russian Ministry of Economic Development forecast that the outstripping growth of expenditures on research and advanced development in China and India would

bring them up to scientific and technological leadership in the world by 2020; by increasing the input into the knowledge-driven economy, they will have one-third share of the global economic development. The experience of these countries is also disregarded or taken primitively.

The reasons are as follows:

First of all, Russian legislation has changed substantially in terms of intellectual property.

According to paragraph VIII of Article 2 of the Stockholm Convention (constituting WIPO – 1967), the term “intellectual property” includes the complex of rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

As the Convention has been ratified by the Russian Federation, and more than 20 of its international treaties signed and ratified by state laws contain direct references to the standards mentioned, these provisions remain in force from January 1, 2008. Furthermore, on January 1, 2008, Part 4 of the Russian Civil Code entered into force. It includes the norms concerning intellectual property, previously covered in six special laws.

Moreover, Articles 2 and 128 of Part 4 of the Russian Civil Code has been amended substantially, and Article 138 has been removed completely. Therefore, Article 2 determines exclusive rights for intellectual activities as copyrights, while the results themselves or their equivalent individualisation means—as intellectual property (see Article 128). Whereas, unlike international standards, in the Russian law system, the list of intellectual property objects is restricted, while the list of rights for them is open.

According to Part 4 of the Civil Code, the following are referred to as intellectual property rights:

1. exclusive property right;
2. personal non-property right;
3. right for access, “droit de suite”; and
4. other rights like right for remuneration, right for withdrawal, right for patent, right for denomination of selection achievements.

A revolutionary amendment for the Russian and international laws and law enforcement practices is Article 1252, which determines the list of infringing merchandise and set-off measures.

Starting from January 1, 2008, in Russia, the following are considered to be infringing: any tangible medium of legally protected intellectual activity results or means of individualisation (20 categories) in case of infringement of exclusive copyrights (cf.: only 4 categories before). Whereas, not only is the tangible media are subject to set-off and further destruction, but this includes all manufacturing equipment and resources used for the purpose.

Secondly, there is no innovative motivation of the major participants at any stage of the process, be that producing knowledge in the course of research or technology adoption in the real sector of economy and further commercialisation.

The roots of this problem originate in socialisation of any intellectual property in Russia in the beginning of the 20th century and until 1990s. So, the problems of allocation and assignment of rights, as well as building up a remuneration system for using official results of intellectual activity, remain on the front burner.

Thirdly, the connection between the three main groups of government entities and businesses in the innovation cycle has not been formed yet because of the following:

- Multiple re-organisations of the responsible Ministry (Ministry for Industry, Science and Technologies – renamed into Ministry for Education and Science now) has led to a gap between declared powers and real functions, which have been transferred to other authorities;
- Among 80 state clients distributing budget funds for research and development, there are only two main participants in the civil sector – Ministry for Education and Science, and Federal Agency for Science and Innovation. As a rule, their activity in the field often terminates with obtaining new knowledge and “cash disbursement”, so the most important objectives of adopting and commercialising new technologies are thereby not achieved;

- The main government entities responsible for creation and development of the innovative infrastructure are Ministry for Economic Development and Ministry for Information Technologies and Communication. The other three government entities responsible for the real sector of the economy, i.e., Ministry for Industry and Commerce, Ministry for Energy and Ministry for Regional Development, have no significant power either over implementation of the state research and development programme or over transformation of obtained knowledge into innovative products.

Major tasks of building up non-material assets at innovation launch stage

Research & Development – Results of intellectual activity (obtaining new knowledge) – Innovation (commercialisation of the new knowledge):

1. Inventory and recording of intellectual activity products {expert evaluation of their industrial exploitability, protectability, marketability of the new knowledge and technologies (marketing, monitoring), and determining means of their protection};
2. Building up intellectual activity products database of institutions, enterprises, treasury (in regions) in accordance with the expert evaluation figures regarding the following criteria:
 - products of intellectual activity (PIA) do not need additional technological development before commercialisation;
 - PIA needs technological development {investor–venture investments (business angels, venture funds and campaigns)}
 - in compliance with research and development results, PIA calls for ME to produce a pilot lot and start production (investor–venture funds, enterprises, banks);
 - PIA with high commercialisation potential as per research and development results do not need ME; (investor-venture fund, enterprise, or banks);

- allocation of intellectual property rights for PIA (among the State clients, the customer, the performer and the author);
- assignment of rights for PIA (patenting, registration, knowhow);
- evaluation of rights for PIA;
- determination of the remuneration and/or compensation system for authors for creating PIA;
- introduction of PIA to the financial statement as non-material assets (if necessary);
- tax optimisation of non-material assets;
- determination of terms of non-material assets transference (alienation agreement, license agreement, security and pledge agreement, franchise agreement, Memorandum and AC -non-material assets as part of equity capital);
- insurance against intellectual property risks; and
- protection of infringed intellectual property rights.

Conclusions

1. At the international level, it is necessary to join efforts within the framework of joint innovative programmes, implementing pilot projects on managing intellectual property in each country-participant of the dialogue and make provisions for best practice exchange. At the national level, state departmental policy must be unified and coordinated.
2. It is important to point out most stable industries and sectors of economy relevant for their effect to overcome the crisis; and to identify innovative technologies which are crucial for each of these sectors. On the basis of this analysis, the stated projects must be corrected, including those within the framework of international cooperation.
3. Permanent monitoring of implementing the national project on managing intellectual property is also needed. The system must be created and operated according to common, understandable and transparent criteria and rules of

innovative motivation of all participants of the process, and have a united coordination centre.

4. Coordinated actions are necessary for carrying out the following activities:
 - legal education in governmental, scientific and business structures;
 - improvement of legislation and methodological bases (it is important to set up an International Technical Committee for Standardisation of “intellectual property and innovations in the economy”); and
 - staff training and continuing education.

In the 21st century, along with traditional commodities intellectual rights for innovative technologies must become a significant point of the bilateral Russian-Indian cooperation market. They would serve as a result and an indicator of implementing innovative development strategy through the intellectual property market.

Suggestions

For successful development of the Russia-India relations under joint strategic innovative projects, NSRIIP offers for consideration and possible implementation the following suggestions concerning the organisation of the intellectual property and innovations market:

- Considering the divergences of norms of the bilateral agreements between Russia and India (1994-2008) and the national laws regulating the relations in this area, to carry out comparative legal analysis of the specified statutory acts and to prepare offers on their streamlining and improvement (April–December 2009).
- To carry out inventory of PIA on Russian-Indian strategic partnership projects in order to reveal and allocate rights for the intellectual property being created, to evaluate the market cost of created (acquired) non-material assets on the basis of intellectual property for their further commercialisation, and even on the territory of other countries. To consider joint license manufacture of Su-30MKI planes, as well as

engineering and manufacture of the fifth generation plane in India as the first pilot project trial of legal and economic mechanisms of the Russian-Indian cooperation.

- In order to create an effective mechanism of launching innovative dual-use technologies in the civil sector of economy under realisation of military-technical cooperation projects and strategic Russian-Indian partnership and to optimise expenses, to establish a non-profit partnership – International (Russia-India) Specialised Technology Park – Conversion—, (where at JSFC “Systema” can act as one of the founders with subsequent transfer of front office functions to its representatives).
- To constantly implement and monitor the aforementioned tasks, as well as to maintain management of the intellectual property of the international technology park, set up a NSRIIP branch in India.

NOTES

1. The NSIRP is a unique scientific non-profit organization in the Russian Federation that specializes on intellectual property research issues. NSRIIP was founded in 2005 by the Accounts Chamber of the Russian Federation with the participation of the Russian Academy of Sciences.

Index

A

a dirty bomb 44
a new Marshal Plan 45
absolute energy invulnerability 33
Achuthan, Nisha Sahai 96
Afghan National Army (ANA) 80
Afghanistan 36, 79
as a “narco-state” 81
Afghanistan and Pakistan, Emerging
Trends in :
Implications for Regional
Security 78
AFPAK 86
Af-Pak Plan 7
123 Agreement 7
of 2007 133
Al-Qaeda 47, 70-73
Anti-Ballistic Missile (ABM) Treaty
133
Arms control 50
attack on the Sri Lankan cricket
team in Lahore 83
Attacks in New York and
Washington DC 18

B

Baku-Tbilisi-Ceyhan (BTC)
pipeline 136
Banking 170
Berlin Wall:
fall of the 32
Bharat Heavy Electricals Ltd
(BHEL) 149
Black Sea 38
Brandt, Willy 34
Brazil-Russia-India-China (BRIC)
5, 14
formula 6
Brezhnev, Leonid 98
Bush, George W. Jr. 12

C

Caspian energy resources and
pipelines 37
Caucasus crisis 12
Central Asian Republics (CARs)
135
Chenoy, Anuradha M. 131
China-Pakistan nexus 5
Clinton, Hillary 81

- Coal 169
 Cold War 11, 15, 53, 97, 122
 Inertia of the 20
 Collective Security Treaty
 Organisation (CSTO) 18, 137
 Commonwealth of Independent
 States (CIS) 105, 136
 Composition of Indo-Russian Trade
 168
 Comprehensive Test Ban Treaty
 (CTBT) 42, 53, 63
 Test Ban and 62
 Conditions and Prospects of
 Intellectual Property Market
 Organisation in the Context of
 Innovative Anti-recessionary
 Development of Indo-Russian
 Partnership in the 21st Century
 178
 Container Security Initiative (CSI)
 64
 Cooperation in Nuclear Energy
 Generation 174
 Investment 175
 Re-investment of Debt-
 Repayment Rupee Funds 176
 Counterweight to NATO 17
- D**
- Denikin, General A. 26
 Dergachev, Alexander 160
 Diamond and Gold 169
 Disarmament, demobilisation and
 reintegration (DDR) 80
 double standard 19
 Durand Line 71
- E**
- Energy for India 140
 energy superpower 12
 escalation of sanctions 91
- European Union (EU) 134
 Evolution of Soviet Security
 Perspectives Towards South
 Asia: Lenin to Brezhnev, 96
 Export Controls and India's Nuclear
 Energy Quest 63
 Export Credit Guarantee
 Corporation (ECGC) 171
- F**
- Federally Administered Tribal Area
 (FATA) 75
 Fissile Material Cut-off Treaty
 (FMCT) 42, 44, 53, 63
 Foreign Affairs 16–32
 Foreign Policy:
 Concept of 18
- G**
- G-20 Summit in London in April
 2009 22–23
 G-77 132
 G-8 Summit in St. Petersburg in
 2006 14
 Gandhi, Rajiv 104
 Action Plan 55
 visit in November 1987 100
 Galle, Charles de 34
 Goodrich, Lauren 38
 Gorbachev, Michael 25 99, 100,
 103
 Gorshkov, Admiral 4, 7
 Gowda, H D Deve 113
 grand bargain 86
 great game 37
 greater Middle East 33
 guaranteed disarmament 59
 Gupta, Arvind 78
- H**
- Haqqani, Jalaluddin 70

- Hekmatyar, Gulbuddin 70
Hezb-i-Islami 70
 hidden agendas 39
 High-tech cooperation 172
 Highway Construction 169
Hindustan Times 123
 Human Rights:
 European Court of 15
- I**
- IAEA 93-94
 ICNND 52
 imperial over-stretch 36
 Importance of International Vision 132
 Improvement and Development Needed 180
 Commercial Development Priorities 180
 Military-Technical Cooperation 180
 Three Questions of IP Market Organisation 180
 Three Reasons why it is Important 180
 Incremental Reduction 50
 India and Brazil in the G-8 14
 India and Russia:
 Allies in the International Political System 131
 India's Defence 138
 Indian Remote Sensing Satellites (IRS) 161
 Indian Space Research Organisation (ISRO) 161, 163
 Indian WMD Act 2005 65
 India-Russia relations 4
 India-US civil nuclear energy cooperation 61
 Indo-Russian Strategic Agreement of 2001 134
 Indo-Russian Trade and Economic Cooperation: The Way Ahead 165
 Indo-Russian Trade from 2004-08 166
 Indo-Soviet Friendship Treaty of 1971 3, 99
 Information Technology 170
 Infringers of the Regime 43
 Instability in Afghanistan and Pakistan 69
 Insurance Coverage 171
 Integrated long-term programme (ILTP) 176
 Integrated Long-term Programme for Cooperation in Science and Technology (ILTP), 151
 Intermediate Range Nuclear Forces Treaty 55
 International Advanced Research Centre for Powder Metallurgy and New Materials (ARCI) in Hyderabad, 152
 International Commission on Nuclear Non-Proliferation and Disarmament (ICNND), 50
 International Convention to Ban Use or Threat of Use of Nuclear Weapons, 58
 International Court of Justice (ICJ) 59
 Iranian Nuclear File 93
 Is Russia Important for India? 134
- K**
- Kargil Conflict in 1999 116
 Karzai, President 80, 82
 Kashmir and Terrorism 135
 Khan, Dr A Q 43, 85
 Khudoley, K. 10
 Kissinger, Henry 49

- Kudankulam Nuclear Power Project 150
- L**
- Lavrov, Sergei 36
 Leadership Changes 145
 Lenin and Stalin periods 97
 Lopatin, Vladimir N. 178
- M**
- Marxist-Leninist tools 106
 Medvedev, Dmitry 6, 17, 21-22, 34, 163
 Military-technical Cooperation 156
 Mirkasymov, Bakhtiyar 69
 Missile Technology Control Regimes (MTCR) 141
 modernisation project 35
 Mohanty, Arun 165
 Multi-role combat aircraft MiG-29 117
 Mumbai terror attacks 83
 Muttahida Majlis-e-Amal (MMA) 72
 Mutual Economic Assistance: Council for 20
- N**
- Nabucco pipeline 22
 National Rural Employment Guarantee Scheme 87
 National Scientific Research Institute of Intellectual Property (NSRIIP), 178
 NATO 2, 7, 17, 21
 Nayan, Rajiv 48
 Nayar, Baldev Raj 33
 NDA government 145
 Nehru, Jawaharlal 60
 New Thinking and The World 101
New Times 122
- Non-Aligned Movement (NAM) 58, 132
 Non-proliferation Norm-building 60
 Non-proliferation, Nuclear Disarmament and India 54
 North Korea 47
 North-West Frontier Province (NWFP) 72
 Novikov, Vladimir E. 90
 Novikov, Vladimir T. 41
 Nuclear Deterrence:
 Continued Reliance on 52
 Nuclear India and Nuclear Disarmament 57
 Nuclear Non-proliferation Treaty (NPT) 41, 48, 61
 Nuclear Non-proliferation:
 An Indian Perspective 48
 Challenges Ahead 41
 Nuclear Power 140
 Nuclear Suppliers Group (NSG) 141
 Nuclear-weapons-free world 102
- O**
- Obama, Barack 3, 17, 43
 Obra thermal power plant 150
 Offset Programme 172
 Cooperation in the Energy Sector 173
 Coal and Metallurgy Industry Modernisation 174
 Oil and gas market 11
 Oil and gas to post-Soviet states 21
 old and new 33
 ONGC 142
 Operation Enduring Freedom (OEF) 81
 Orange revolution 26

-
- P**
- Pakistan 83
 Pakistan's nuclear bomb 43
 Partnership for Peace 18
 Pawar, Sharad 117
 Perry, William 49
 Popular Perceptions 144
 Post-Soviet Russian Security Perspectives and Policies towards South Asia: The Yeltsin Years, 105
 Post-Soviet space 20
 Potential Areas for Trade Growth 169
 Diamond and Gold 169
 Coal 169
 Highway Construction 169
 Information Technology 170
 power vertical 15
 Preparatory Committee (PrepComs) 49
 Prevention of the Wider Dissemination of Nuclear Weapons, 60
 Products of Intellectual Activity (PIA) 185
 Proliferation Security Initiative (PSI) 64
 Proposed Sukhoi-30 deal 119
 Prospects for Expansion of Trade 167
 Putin, Vladimir 21
- Q**
- quasi-legal 90
- R**
- Rao, P V Narasimha 110, 121
 Reactor IR-40 93
 Reagan, Ronald 101
 Regrouping of forces 36
 Relevance of Non-proliferation 52
 Removing Infrastructural Bottlenecks 170
 Banking 170
 Shipping Arrangement 171
 Insurance Coverage 171
 Russian Visa Problem 171
 High-tech Cooperation 172
 Review Conference (RevCon) 48
 Rice, Condoleezza 141
 Roosevelt, Franklin D. 33
 Rumsfeld, Donald, Former US defence minister 71
 Russia and India as Strategic Partners, Situation Assessment: 179
 International Legal Framework 179
 Russia and the West 10
 Russia help us
 Medicine, 154
 Materials, 154
 Electronic Materials, 154
 Information Technologies, 154
 Biotechnologies, 155
 Silicone, 155
 Gas Hydrates, 155
 Aircraft Building, 155
 Space Exploration, 155
 Seismic Instrument-Making, 155
 Industrial Accelerators, 155
 High-Temperature Synthesis, 156
 Earth Science, 156
 Mathematics and Physics, 156
 Semi-Conducting Materials, 156
 Russia's Federal Service on Military-Technical Cooperation (FSMTC), 158

- Russia's Geo Strategic interests and Pakistan 146
- Russia-India Nuclear Non-proliferation Treaty (NPT) and the Cryogenic Rocket Deal, 122
- Russia-India Defence Ties: Arms Transfers, 116
- Russia-India-China Possibilities 138
- Russian Academy of Sciences (RAS) 180
- Russian Global Navigation Satellite System (GLONASS), 161
- Russian Orthodox Church 25
- Russian Space Agency (RSA) 124
- Russian visa problem 171
- Russian-Chinese Joint Declaration of 2007 13
- Russian-Indian:
- Aerospace Cooperation 160
 - Bilateral Cooperation 149
 - Bilateral Trade 125
 - From Balance to Tilt 144
 - Scientific and Technological Interchange, 150
- Russia-US relations 36
- Rutskoi, Russian Vice President 111
- Ryzkov, Prime Minister 100
- S**
- Safeguards with the IAEA 64
- Sam Nunn 49
- sanitary belt 34
- Saudi Arabia 80
- Security Council 19
- Shanghai Cooperation Organisation (SCO) 5, 75, 133, 135, 164
- Shanghai Five 114
- Sharia law in Malakand and Swat Valley 72
- Sharif, Nawaz 84
- Shaumyan, Tatiana 149
- Shipping arrangement 171
- Shultz, George 49
- Singh, K Gajendra 32
- Singh, Manmohan 6
- Slavophiles 10
- Sobyanin, Sergei, Deputy Prime Minister 8
- Sole superpower 35
- Soviet/Post-Soviet Security Perspectives towards South Asia: An Historical, Analytic Overview 96
- Special Session on Disarmament-I 54
- Star War Programme (SWP) 101
- Stobdan, P. 1
- Strategic Partnership Agreement 145
- Symbols
- T**
- Taliban 70, 71, 72, 73
- group in Swat Valley 83
- Talibanisation of Pakistan 83
- Tehri hydro power plant 150
- Tehrike Taliban Pakistan (TTP) 83
- Tehrike-Nawaze Sharia-Mohammadi (TNSM) 83
- The end of the era of neo-liberalism 23
- The Iranian Nuclear Issue 90
- The Strategic Advantage 134
- Third World 108
- Trade and Economics 141
- Triangular (US-USSR-China) competition 106
- U**
- Universal and Verifiable Nuclear Disarmament 59

-
- Upgrading of T-72 tanks 120
US and Russia: Passing of Cold War
or Renewal of Equitable
Partnership 32
US Journal Foreign Policy 84
US' intentions in Afghanistan 38
US' trans-Atlantic leadership 37
US-Pakistan relationship 5
- V**
- Vajpayee, Atal Behari 58
vertical rise 35
Volodin, Andrey 32
- W**
- war on terror 33
- Weapon of mass destruction
(WMD) 91
Weltanschauung 108
Westerners 10
World Trade Organisation 23
World War II 27
- Y**
- Yadav, M S 120
Yeltsin, Boris 25, 99
- Z**
- Zaranj-Delaram road 83
Zardari, President 84
Zeihan, Peter 38