

Research Article

Indo-Soviet Strategic and Economic Relation

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Abstract: The Indo-Soviet relationship has been challenged due to the growing links of India with the US at present. But the recent termination of US preferential trade status for India by the Trump administration in June 2019 has brought a new element to their bilateral relationship. In 2014 major changes took place in both India and Russia. In India a new prime minister and also a new right wing government led by Prime Minister Modi came to power. In Russia also despite the Putin rule for quite some time, 2014 was a turning point because that in the year the Russian military fought in Ukraine and in 2014 the US emerged as a top arms supplier to India. Besides these Indo-Soviet relationships have many positives and treated as all-weather friends and they have been considered as a model of international co-operation. However, this paper will analyse the different strategic and economic relations between these two countries.

Keywords: Indo-Soviet relationship Strategic and Economic.

INTRODUCTION

Indo-Soviet friendly relation is always a subject of interest for both the countries. Though the both countries have different traditions and social systems, but these two have been considered as a model of international co-operation. The friendly relations of these two countries have a deep rooted union in their history. India has the long back relations since the 15th century with the Soviet Union from the visit of Russian merchant Afanasy Nikitin to Northern India and published an account of his travels.

Russia was our all-weather friend for quite some time, but of late definitely there is a decline or stagnation in our relationship. Things are dramatically changing in the world when it comes to Russia and with rest of the international community as well as between India and Russia. In 2014 major changes took place in both India and Russia. In India a new prime minister in new government and also a right wing government led by Prime Minister Modi came to power. In Russia also despite the Putin rule for quite some time, 2014 was a turning point because that in the year the Russian military fought in Ukraine. Than Russia was thrown out of G8 and Russia has strongly place themselves as anti US and the west and in fact today Russia is against any liberal thinking and the Western liberal thinking also today.

During the period of Cold War, India and the USSR had a strategic and diplomatic relationship. After the Dissolution of the Soviet Union, Russia continues its friendly relationship with India which resulted in both nations sharing a special relationship. Prime Minister Mr.Narendra Modi and President Mr.Vladimir Putin also have seen further growth and development. In 2018 at Sochi both the leaders met and helped to accelerate the partnership, displaying the role of interaction and cooperation between India and Russia.

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Background of Indo-soviet relation

The deep roots of the India-Russia relationship go back to the early 20th century when India was under British rule and the Czars ruled Russia. Mahatma Gandhi was also struck by the Russian Revolution of 1905. He developed a close connection with Russia and carried on lengthy correspondence with Leo Tolstoy.

The Soviet leaders understood that their 1917 Bolshevik Revolution is a better chance of success to encourage India to become free and independent. Many Indians who were fought in freedom struggle were established personal contacts with the Soviet leaders by the inspiration of Bolshevik Revolution. It was Pandit Nehru's thinking, which laid foundation of the policy of the Indian National Congress towards the Soviet Union. After visiting Soviet Union in 1927, on the occasion of the 10th anniversary of the Bolshevik Revolution, Jawaharlal Nehru came back deeply impressed with the Soviet experiment.

He was convinced that our country need not follow the path of capitalists but a developing country like India need a model that which emphasizes on social justice, equality and human dignity. Nehru was emphatic that our country must develop a close and friendly relationship with the Soviet Union.

It is noteworthy that even before India became independent, an official announcement was made on 13 April 1947 on the establishment of diplomatic relations between India and the Soviet Union.

Nehru's has an immense faith on Soviet Union and the Soviet Union was also consistently giving India valuable political, diplomatic and strategic support bilaterally. Soviet Union was playing important role in international forums on Kashmir and other vital issues affecting India's national interests.

The diplomatic role and back support of Soviet Union and the confidence provided by the Indo-Soviet Treaty of Peace, Friendship and Cooperation, which enabled India to successfully undertake the operations which created Bangladesh in 1971. This political understanding was fortified by a strong strategic and economic relationship.

Recent trends in the Indo-Soviet Relations

If we look the India Russia relations in 2010, our relationship to be special and privileged strategic partnership, we called them ourselves as special and privileged strategic partnership. But despite this there is a clear drift in our relationship right now. First of all even today despite of all these issues, 58% of the total arms import India from Russia even today. Israel has been in the second position to supply arms to India 15% and US supplies 12% arms to India. So it is no doubt that Russia continues to be the number one supplier of arms supplier to India.

But if we analyse the overall performance between 2014 to 2018, there is a 42% decline in the arm supply by Russia compared to what was there between 2009 to 2013. So in the previous 4 to 5 years that the supply of arms to India is 42% declined. So in the supply, the goal of achieving a 20 billion bilateral trade by 2015 is behind schedule when it comes to the bilateral trade. Our relationship with Russia is predominantly in the arms trade, not in the bilateral trade. Hence, it is a big drawback in our relationship. In fact during this stage we can see the India US bilateral trade reached hundred and Forty billion dollars even Russia China bilateral trade has reached almost hundred and seven billion dollars. But unfortunately India Russia is only around 15 billion dollars; our target was 20 million dollars. We are failed to achieve.

Very significantly in 2014 the US emerged as a top arms supplier to India. If we take one year particularly in 2014 where USA supplied more Arms to India than Russia which was a major change and a major shift in our import which is happening earlier. So Russia was

only second position, again in 2016 India became a major defence partner of the US.

We are started our 2 plus 2 dialogue in 2018 which sign our Logistics Exchange Memorandum Of Agreement(LEMOA) in 2016 and also we signed an agreement with US known as COMCASA (Communications Compatibility And Security Agreement) in 2018.

So we are more far ahead in our relationship with US in terms of the defence, which is not to the lagging of Russian definitely because of India's movement closer to US and in fact we earlier signed the Indo US Nuclear deal also in 2008. So Many things are happened and we are shifting and drifting towards USA.

Russia also did not keep quiet, they have decided to supply arms to China. They supply advanced weapon systems including Sukhoi- 35 to China, S-400 missile to china. They started engaging with Pakistan and that they started supplying MI-35 helicopter to Pakistan, also the engines for JF-17 Thunder Aircraft's they agreed to supply and even they started joint military exercise with Pakistan. So with China they increase their engagement with Pakistan, Russian increase their engagement.

Meantime India also cancelled our multi-role transport air craft project with the Russia, also our fifth generation fighter aircraft project that began in 2007 we cancel from Russia. So many of these steps have definitely have we can say that there is a stagnation in our relationship or there is a drift in our relationship between India and Russia, but at the same time there are many positives.

Let us see what are the positives between India and Russia will happen the last 4-5 years. First of all over the country is agreed to construct 12 nuclear power plants in India over the next two decades. Russia is willing to support India in localising the manufacturing .So that most of the components will be manufactured in India. So it is a appositive for India.

During 2014-15 there is an agreement for supply of crude oil by Rosneft to Essar. So it was an additional crude oil supply to Essar, cooperation in Helicopter engineering, in 2016 we agreed to purchase that the S400 Triumph Air Defence Missile system. Along with these India also agreed to purchase four free Gates in 2018. There is also an agreement for manufacturing of Ka-226T helicopters in India. In fact in 2017 we marked the 70 years of establishment of diplomatic relations between India and Russia.

In 2017 annual summit a third stage of the Kudamkulam nuclear power plant was also agreed upon in the 2017 summit. Than the first-ever tri-services exercise under the annual INDRA format we started. India also joined in the Shanghai cooperation organisation where Russia is a prominent player in 2017 as a full member. Definitely it is added to our bilateral relations.

In terms of bilateral investment we came initially a target of 30 billion dollars by 2025. But we achieved it already and now we are kept a target of 50 Billion Dollars of bilateral investment by 2025. So we are going in that direction.

But since 2017 there is no major for significant arms deal between India and Russia and in May 2018 Prime Minister Modi and the president Putin we had an informal Summit at sochi. In fact that is an indication acknowledgement of the need to address the drift in the relationship both in the leaders as well as leaders are aware that there is a relationship and we need to improve it.

These are.

1. First of all Sochi agreement was a good beginning.
2. Started FTA (Free Trade Agreement) between the Urasian Economic Union and India.
3. Launch of single window service in Russia for Indian Companies
4. Launch of Russia Plus in India to help Russian companies to invest in India
5. Set up a India Russia business Summit
6. Fareast agency in Mumbai
7. S-400 deal signed despite US pressure

CONCLUSION

There is a divergence of our foreign policy priorities are likely to continue in the future. Today our priority is to improve relationship with USA and other Western countries, where as Russia a priority is to be away from the Western World countries. West is enemy for the Russia now.

So there is divergence between India and Russia in the foreign policy objectives and the second cause is that the USA declared focus in Indo-Pacific. India is very happy in using of Indo- Pacific indo-pacific in this region but Russians are not happy with this. They are saying this indo-pacific is an artificial imposed construct which is promoted by USA, Australias and Japan only to counter balance China. So it is a major opposition between India and Russia. Another bone of contention is belt and road initiative of china. Russia has supported belt and road initiative of china. The belt which pass through central Asia through Russia to Europe. India opposed it. So it is a big disagreement.

Another big disagreement in Afghanistan. Russia has started the Moscow format in the informal talk. Russia is more willing to negotiate with Taliban and Afghan government was not involved in the Moscow format. Hence there was no official representatives were not there. Russia want some sort of role for Taliban, what also china want, also USA want.

There is an agreement and Pakistan was also invited for the troika meeting of US, Russia and China in Afghanistan excluding India. India was left out, India is furious; India was very upset for not being invited for the Afghan Issue.

So compromise with India is not acceptable. There is agreement between India and Russia in Afghanistan also. But at the same time there is some areas of cooperation for example both India and Russia agreed to have a joint venture ,a trilateral agreement in Bangladesh to start a nuclear power plant in Bangladesh at a place called ‘Rupor’ nuclear power plant in Bangladesh. It’s a trilateral agreement between India, Bangladesh and Russia.

Russians are to inviting India to join is willing to expand their East Asia in East Asia economic Union (EAEU) by including China, India, Pakistan and Iran. So they would like to participate in that and also the Russian wanted India to strengthen our International North South Transport Corridor (INSTC) north south transport corridor which is not moving forward much so we can improve relationships. But most importantly India –Russia relationships can be improve only if you are able to take our trade relationship improve substantially and another important area where we can corporate in the infrastructure in Shipbuilding, in High-speed Railways, in Food Processing, in High tech technologies, in Space Technology, in Aviation, in New materials, in Information communication Technology, in Medicine there are so many Areas where there can be Corporation.

But unfortunately there is we know some Road blocks in cooperation between India and Russia. One more important area where in India can incorporate that is the manpower. There is the de-population in Russia going on, especially in the Far East. In the Eastern part the Asiatic Russia between 1991-2015 there is 24% of declining of population in the eastern part, where a lot of resources are available .If there is an agreement, Indian workers can migrate and can execute the work and executing the job which can be add to the relationship between India and Russia. But most importantly the divergence in foreign policy goals are bound to be there and it will affect our bilateral relationship.

This will be big challenge because India’s approach to Afghanistan is different, India’s approach to belt in road initiative is different .India’s approach to west is different and west liberal thinking.

Russia recently in the G20 summit the Russian president was lashing out against the Western liberal thinking and he said the western liberal thought is a problem in the world. He was accusing it. So there are bound to be difference in priorities internationally. But at the same time there is a lot of scope, but one thing we should not forget is when India tries to move closer to the USA and the west, naturally countries like China and Russia will be suspicious. We will have to balance in our relationships.

India should understand that our strength will be in our strategic Independence. It is not in becoming an ally of the USA. We should not be trying to become a junior partner of the USA. We should maintain our strategic independence. In fact non-alignment is the strategic independent.

India should be having good relations with USA at the same time we should maintain good relations with Russia and china also and also good relation with any other country in the world.

So if we maintain a balance and if we can keep the relationship at according to its merit without being seen as 100% pro US and or anybody that will serve our purpose much better. So the non-alignment and the idea of a Neheruvian ideology is still relevant. Because if we are seen moving drifting closer to USA it will be a cost of relationship with Russia and even today 58% of our defence equipment are coming from Russia.

Russia was an all-weather friend and we should try to maintain that good relationship. Russia can supply oil and natural gas to India. There can be pipeline from Russia to India. We can have Technology partnership in many areas high tech areas.

If we can improve trade and people to people contact , it will raise our relationships .Till now Russia was our most valuable strategic partner and we should not miss this opportunity, we should not allow this to be drifted and reduced it to a junior partner or a lesser important strategic partner.

Because Russia is more willing to transfer Technology to India and Russia willing to co-operate in make in India programme and even in the defence field and in the nuclear field. India should not allow our relationship with Russian to be drifted away and we should maintain a strategic independence which deserves US. So that Russians are not and duly upset about our moving closer to USA.

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