

BLOCK-II

INDIA' S POLICY TOWARDS MAJOR POWERS

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Introduction

FOREIGN POLICY UNDER NARENDRA MODI: OLD FRAMEWORK, NEW SCOPE

Block – II (Units 4 to 7) is titled 'India's Policy Towards major Power'. A question, almost always asked in Indian foreign policy, is how much of continuity and change foreign policy undergoes with change of government in New Delhi. The question was raised more fervently, when the Bharatiya Janata Party (BJP) and its National Democratic Alliance (NDA) allies won the majority of seats in the lower house, Lok Sabha in the elections held in 2014. Prime Minister Narendra Modi formed the NDA – II government. BJP was the first non-Congress party which had secured the parliamentary majority on its own. There was the strong leadership of Prime Minister Narendra Modi. Given the ideological proclivities of the BJP and its foreign policy pronouncements, analysts anticipated some meaningful changes in Indian foreign policy.

Shortly before the 2014 election, Narendra Modi had stated in an interview that “my Hindutva face will be an asset when dealing with foreign affairs with other nations” (www.narendramodi.in Accessed on 15 November 2019). Analysts took the statement as indication of a strict ideological and assertive foreign policy under Modi. Everyone said that it would be ‘India First’ policy. Beyond it, there were only disagreements. The BJP election manifesto of 2014 had also mentioned the “Hindutva foreign policy”. Some three pages devoted to international affairs however did not elaborate on the idea. It expressed a general wish to “reboot and reorient” foreign policy.

BJP-led NDA won parliamentary majority again in 2019. Narendra Modi has just started his second term as Prime Minister. Five-and-a-half years now in power, one may legitimately ask: what has been Modi’s foreign policy?; and how much of change and continuity is there in his foreign policy? Pragmatism and national interest have been the bedrock of Indian foreign policy, since the end of Cold War and beginning of economic liberalization. Secondly, there is a good deal of consensus in India’s ‘strategic community’ on foreign policy goals and means. Thirdly, over the years, foreign policy process has been fairly institutionalized, which prevents major twists and turns in the conduct of external relations. Finally, an ideologically-oriented foreign policy is bound to stumble on geopolitical and geo-cultural realities – with their source in the domestic milieu and South Asian region. These realities call for a pragmatic course, and safeguarding of national interest as the top priority. As a result, most analysts see continuity rather than discontinuity under Modi. Interestingly, the BJP manifesto of 2019 also tends to confirm it. The document noted India “emerging as a power and connecting stakeholders in a multi-polar world.” It listed seven foreign

policy priorities which largely represent the trends of the post-2014 foreign policy and included things like reaching out to Indian diaspora and a permanent seat in the UN Security Council.

So, on the whole, there is continuity in Indian foreign policy under Prime Minister Modi. Where has the change come? The change is notable in the scope of foreign policy; which itself is quite meaningful. Let me elaborate a little on the expanding scope:

(i) Focus on Civilizational Values: To its credit, the government of Modi has attempted to connect foreign policy with Indian values by stressing civilizational and religious ties with East and Southeast Asia; by focusing on yoga; and especially in its campaign to connect with Indian diaspora. The Prime Minister has sought to utilize Buddhism to build closer ties with countries in East Asia and South East Asia. He has visited important Buddhist shrines in Sri Lanka, Japan and China. He has used Sufism to trace the historical link between India and Central Asia. India's initiative led to the UN General Assembly in 2014 declaring 21 June as 'International Day of Yoga'.

(ii) Diasporic Dimension: Of course, reaching out to Indian diaspora has become a celebratory aspect of Indian foreign policy. The Indian diaspora is to be harnessed for India's economic development; besides, it is an effective lever in dealing with US and other countries. In September 2014, Modi visited the US and addressed the Indian diaspora in New York's Madison Square Garden. Modi's "diplomatic showmanship" captured headlines in India and in US. Media described him a rock star. The high watermark of this diasporic summit policy was the 'Howdy, Modi' – a popular Texan greeting – event in Houston on 22 September 2019. Several thousand Indian-Americans gathered together; President Donald Trump joined and several Congressmen were in attendance. UPA government had identified Indian diaspora as a source to tap for India's economic growth. Celebrations of Parvasi Bharatiya Divas became an annual feature. However, Modi has added lot more vigour to the diasporic outreach. Today, diaspora is part of India's 'soft power' diplomacy.

(iii)A Foreign Policy of Multi-Alignment: Prime Minister Modi has tinkered with the long-established foreign and national security assumptions. For instance, Non-alignment has been replaced by the policy of multi-alignment. Today, India joins hands with US for security and development in the Indo-Pacific region; while Russia remains India's 'special and privileged strategic partner' and a source of military hardware. India engages both US and Russia simultaneously under different formats. Relations with US have reached higher stages of strategic partnership under Modi. New Delhi and Washington

have sealed several trade and defense deals and undertook joint military exercises. India wants a new partnership with US to harness its capital and technology for India's domestic development agenda. Common perceptions and interests in Indo Pacific are making India and US enhance their military cooperation. India is not hesitant about seeking a new strategic alignment with US in view of growing presence of China in the Indian Ocean. The government signed the bilateral Logistics Exchange Memorandum of Agreement with the US in 2016 to facilitate logistical support, supplies and services between the US and Indian militaries. This was followed by the signing of Communications Compatibility and Security Agreement in 2018 to help access advanced defence systems and enable India to optimally utilize its existing US-origin platforms. India is part of the 'Quad' involving the US, Japan and Australia. Problems remain; for instance, trade relations have growing disagreements. President Donald Trump has terminated tariff exemptions on \$5.6 billion worth of Indian exports; further, he wants India to open its market for American manufactures.

India joins hands with Russia in plurilateral groupings – BRICS to push for a multipolar world order; Shanghai Cooperation Organization (SCO) for security and economic development in South Asia and Eurasian region and the Russia-India-China (RIC) grouping for a dialogue among emerging powers. Not just great powers, India is engaging mutual adversaries as its strategic partners. For instance, India is a reliable partner of Israel and the UAE. Don't avoid partnerships; seek partnership to serve India's national and security interests. This has been the mantra of Indian foreign policy since 2014. In other words, the concept of strategic autonomy has undergone some meaningful change: today, India is not averse to risk taking in international affairs. Modi has brought lots of maturity and clarity in relationship with China. The informal summits – at Wuhan and Mamallapuram – underscore the ability of two countries to discuss bilateral and global issues in a spirit of understanding. The two countries have enhanced their strategic dialogue and agreed to not allow differences become disputes on border, trade, Dalai Lama and China's growing economic and military presence in India's neighbourhood etc. India is to maintain a pragmatic balance in its relations with the three major powers, remaining conscious of the fact that elements of these relations will be continuously impacted by the dynamic flux of today's global geopolitics. Meanwhile, India has moved away from its Non-aligned framework. Prime Minister gave a skip to the Non Aligned Movement's (NAM) summit both in 2016 and in 2019. No more

moral grandstanding in international relations; the foreign policy of the ‘emerging’ power is guided by pragmatism and national interest.

(iv) Impact of the Personality: There is a concurrence that Prime Minister is more energetic and visible on foreign policy front. He has been firm and categorical in defending national interest while dealing with US and China. India’s new assertive posture toward both Pakistan and China and a host of new strategic partnerships—such as the ones with Saudi Arabia and UAE—are actually indicators of new foreign policy pragmatism. The personal imprint of strong leadership on the course of external relations is there.

(v) ‘Emerging’ to ‘Leading’ Power: The scope of Indian foreign policy has broadened; it is in consonance with India’s rising global profile and capability. A significant development with wide ranging repercussion under Modi has been the shift where India has staked the claim, from the ‘emerging’ to being the ‘leading’ power. As and when this ambition is realized, Ashley Tellis opines that would constitute the ‘third most decisive shift’ in Indian foreign policy – one that could have “significant consequences for the future international order”. India is not yet there; it would take a series of changes in domestic economy, polity and military capability to reach that stage. But the move is discernible: India wants to be a rule writer rather than a rule taker in the international system.

UNIT – 5 INDIA’S POLICY TOWARDS USA

Structure

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5.0 OBJECTIVES

This Unit is about how the two largest democracies in the world have seen the ups and downs in their bilateral relations since 1947. India and US have collaborated on areas of economic growth, trade and defence. After going through this Unit, you shall be able to:

- Set the context of India’s diplomatic ties with US since independence;
- Differentiate India’s diplomacy and foreign policy during the Cold War and Post-Cold War years; and
- Explain the areas of cooperation and irritants in bilateral relations through various administrations.

5.1 INTRODUCTION

India has had a peculiar hot and cold relationship with the US since its independence. Throughout the Cold-War era, despite having many shared common values, both countries lacked conviction in their respective policies. The myopic Pakistan-centric American policy completely disregarding core Indian interests was the major cause of differences and mistrust between the two nations. Pakistan was an important cog in US Cold War strategy in the wider region of South Asia and the Gulf. India's was leader of the Non-aligned countries; and had a tilt towards socialism. India's model of 'mixed' economy was a closed model that had high tariffs and regulations for the operations of foreign multinational corporations – leading MNCs after the Second World War were American MNCs. And the US, too, always alleged that India's strategic perception and policies were heavily tilted in favour of the erstwhile Soviet Union. Many scholars described India's Non-aligned policy as unethical in the context when, they said, the world was facing the threat of Communist totalitarianism against freedom.

In the post-Cold War period, the central issue in US–India relations has been management of the tension in their mutual strategic calculations. Both Washington and New Delhi have viewed each other as partners that share common—but not always congruent—strategic interests. The US seeks to preserve its extant primacy in the international system. India, in contrast, seeks to increase its relative power at the regional and global level both in order to satisfy its own development goals domestically and to increase its security and influence externally. India has been less of a conformist and more of a 'revisionist' power in international relations; it has invariably sought to question the dominant norms and institutions of global governance. In changed geo-strategic environment that emerged after the post-Cold War, while India continues to adhere to and pursues the policy of Non-alignment and strategic autonomy, periodic hiccups across Pakistan and China have been irritants to strategic India-US relations. China's intents to establish its hegemony in trade and foreign relations has upset US. The objectives of both India and the US have been constantly challenged by China and Pakistan axis which threatens India's security and influence along the common borders. In a way, the competition between the US and China, on one hand, and between China and India, on the other, has opened the door for greater India-US cooperation since the end of the Cold War.

5.2 EARLY YEARS

India achieved independence in the midst of Cold War and in an era of bloc politics. As an independent nation, it was a difficult choice to side with a particular superpower in a world divided into power blocs. Long before independence, India's freedom movement had rejected the then prevailing norms of military alliances and use of force in international relations. After independence, the best way out of that was to stay Non-aligned, and organise other developing countries as a voice of freedom and development in international relations under the banner of the Non-aligned Movement (NAM). Non-Aligned Movement found resonance with host of African and Asian countries that gained or were in the process of gaining independence from the colonial rule. NAM was spearheaded by India along with Egypt, Indonesia and Yugoslavia.

India chose to be friends with both the superpowers and India's leadership of the NAM provided it the strategic edge. India engaged both US and USSR in the task of India's economic development with its five year plans that focused on agriculture, industry and growth of science and technology etc.

The US soon became India's most important and trusted bilateral partner. Notwithstanding strategic divergences, the two democracies have been uniquely moulded together since India's independence in 1947. Since then, the US has been a partner of trust for India, helping the country set up the early Indian Institutes of Technology (IIT), helping Indian atomic energy programme, food aid programme and spurring India's Green Revolution, fostering educational exchange through the 200,000 Indian citizens studying in US today. There are approximately 4 million Indian-Americans in the US enhancing this strategic relationship which expands beyond the bilateral trade that rose to \$126 billion in 2017. The partnership has developed into more than a friendship between two democracies and their leaders.

India's relation with three important neighbours (Pakistan, China and Soviet Union or erstwhile USSR) and US policy towards Asia and Africa have been most important determining factor of India-US relationship. India-US relationship in the early phase started with the positive note. In order to have a clear understanding of this relationship, one can see divided into two phases, i.e., Cold War phase (1947-1991) and Post –Cold War phase, i.e., 1991 onwards.

5.2.1 Cold War Phase – 1947-1991

The Indo-US relations have been best described as one of roller-coaster; at times, it has been punctuated by brief intervals of warmth and friendly gestures as well. To illustrate, both India and the

United States were on the same side on the Suez Canal issue in 1956. Again, in 1959, when President Dwight Eisenhower visited India, he was given a tumultuous welcome and the President on his part observed: "The strength of India is our interest." Similarly, in October 1962, when China invaded India, America along with Britain came to support India and thereby saved her from a military disaster.

Indo-US relations became very cordial during the John F Kennedy period. His successor, President Lyndon Johnson also kept the cordiality intact by establishing the Tarapur Atomic Plant Station (TAPS) and by supplying a large quantity of foodgrains to enable India to fight over the acute shortage caused by the severe drought in 1966-67. Again in 1973, as a friendly gesture, the US wrote off the largest amount of foreign debt ever cancelled in history by liquidating two-thirds of its accumulated rupee holdings (\$2 billion) in India acquired in return for wheat shipments under PL-480. It was a case of rare magnanimity on the part of Washington. Again, in 1978, President Jimmy Carter paid a goodwill visit to India to register and restore American sympathy and amity for India. Its economic aid, suspended since the Bangladesh crisis, was resumed and the US administration agreed to resume supply of the nuclear fuel for the TAPS, which was cut due to India's peaceful nuclear explosion at Pokhran in 1974. Clearly, Carter was predisposed to look to India as the leader of South Asia, but unfortunately these brief intervals of warmth were soon followed by bouts of bitterness and disillusionment for one reason or another.

Although the two countries were never in a direct confrontation but their world vision and approach for future world was totally different. Cold War phase has been considered to be a phase of back-and-forth diplomacy. A number of factors were responsible for this negative phase of relationship like:

- a) India's role in the foundation of NAM and its active propagation of Non-Alignment in international forums and as a basic principle of its foreign policy;
- b) Socialist planning of Indian economy through Five Year Plans by socialist leaders like Jawaharlal Nehru etc.;
- c) Recognition of Communist China by India (December 1949);
- d) Pakistan's closeness to USA;
- e) The Korean crisis and India's refusal to endorse the US sponsored "Uniting for Peace Resolution";
- f) United States stand on Jammu & Kashmir in the United Nation's Security Council;

- g) India's closeness to USSR and the Indo-Soviet Treaty of Peace, Friendship and Cooperation of 1971;
- h) India's nuclear programme and its refusal to sign the international non-proliferation treaties like the Nuclear Non Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT) post India's peaceful nuclear explosion at Pokhran in 1974;
- i) The US refusal to supply nuclear fuel to Tarapur Atomic Power Station (TAPS);
- j) Refusal of India to sign NPT and US intent on enforcement of Missile Technology Control Regime (MTCR) against India, which further added to bitterness;
- k) Bilateral relations suffered a setback in 1979 due to Soviet invasion of Afghanistan. India refused to rally behind the US and refused to describe Soviet Union as an aggressor;
- l) India also was critical about US supply of arms sell to Pakistan.
- m) During the tenure of Ronald Reagan, bitterness increased due to differences over Diego Garcia in the Indian Ocean and India wanted dismantling of the US base in Diego Garcia. India demanded establishment of Indian Ocean as a 'Zone of Peace'.

The bone of contention between Indo-US relations was the American hostility towards Soviet communism and the danger of its spread in South Asia as well as heavily-favouring America's Pak-oriented Indian sub-continent and Central-Asia policies. Under Baghdad Pact, US considered Pakistan, Iran and Iraq as the 'frontline' states against Soviet expansionism towards the warm waters of the Indian Ocean. These points alienated the position of the two countries in the policy making circles of each other and created a sense of mistrust and suspicion which remained up to the end of the Cold War.

5.2.2 Post-Cold War Phase 1991– Immediate Years

Indo-US relations have made significant strides in the post-Cold War era, leaving the infamous tag of "estranged democracies" behind. In fact, the two countries have premised their strong bonds upon the strength of their traditions as the oldest and largest democracies in the world. As governance structures, education, awareness and governments themselves have evolved in both countries, there is even more that has come under the ambit of "common values" shared between the US and India.

These shifts have also coincided with changing contours of the international order since the end of the Cold War. This marks one of the most important changes concerning India-US relations: one that seeks to balance shifting global power centers with a stable world order essentially determined by a new balance of power. As Asia transitions into the strongest continent, there is a new power scramble

that seeks to upend the world's traditional understanding of state alliances and partnerships.

In 1990-1991, the collapse of Soviet Union, the end of Cold War and the economic liberalization of India, the two countries looked afresh at their bilateral relations. During Prime Minister Narasimha Rao's tenure, therefore, despite several irritants both sides tried to move forward with their bilateral relations. Two countries held Joint Naval exercise in May 1992. Prime Minister Rao paid an official week-long visit to the US in May 1994, which helped to strengthen ties and was followed by signing of several Memoranda of Understanding (MoUs).

In 1995, following the India visits by the US Defence and Commerce Secretaries, several agreements were signed. However, US trade laws still affected India's export, which again was a disturbing factor in Indo-US relations. Relations saw setback regarding the sale of F-16 aircrafts to Pakistan. Once again supply of nuclear fuel to Tarapur reactor suffered, sales of cryogenic engines were hit, which created discomfort between the two. And US refused to sell super computer to India needed for better forecasting of weather – so necessary for the agriculture-dependent economy. India responded by devising one of its own which made US realize India's growing technological prowess.

The high rates of economic growth in India ushered through domestic reforms attracted international investors and India's strategic thinkers quickly captured this opportunity. Economic attractiveness gave the country space to engage the rest of the world on its own terms. This meant that India would not give in easily on strategic issues, but it would at the same time be flexible and engage with the rest of a world to achieve win-win outcomes.

As India's economy continued to grow and the country engaged with the rest of the world on a more equal footing, India underwent a third evolution in the country's strategic outlook. This shift, which is ongoing even today, seeks to position India among the great powers by showcasing a willingness to take on more international responsibilities. India is taking on these responsibilities to achieve the holy grail in the international order: a permanent seat at the United Nations Security Council (UNSC).

Check your progress Exercise 1:

1. What was the nature of Indo-US Relations during Cold War years (1947-1991)?

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2. How did end of Cold War and collapse of Soviet Union impact Indo-US relations?
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5.3 MODEST BEGINNING IN DEFENCE TIES

The security and defence perceptions of India and the United States during the entire Cold War period were so divergent and conflicting that they could not collaborate on security and defence issues. There was hardly any significant economic cooperation and political convergence between India and the US on various international issues that could enable them to enter into strategic and defence cooperation.

Despite the differences, some initiatives were taken during the Cold War years too. The US strategists saw India as the “pivotal” state of the region and Pakistan as a useful place to base long-range US bombers, as well as a potential ally to best serve US interests in the tense Persian Gulf region. Also, the US administration took a strong interest in India in the 1950s and 1960s with the hope that New Delhi could emerge as a credible balancer to Communist China. This was the period of the greatest US involvement and interest in South Asia.

India-US defence relations date back to the 1950s when the two countries engaged in joint exercises along with the British and Australians. The US approved the sale of 200 Sherman tanks worth \$19 million and S-55 helicopters and 54C-119 Fairchild military transport aircraft for the Indian Air Force (IAF). These were not in use in the US and were not of the Combating System or of the US Force Structure Group (FSG) weapons. Overall, Indian defence procurement from the United States during the early years was extremely limited: the defence equipment was of indifferent quality and the US was not forthcoming in giving the kind of weapons that India required.

During the Sino-Indian War in 1962, the US provided military supplies to India. This assistance

came in the form of small arms, ammunition and communication systems for mountain warfare. In a short reconciliation period after the Sino-Indian border war in 1962, the US gave economic assistance for fiscal years 1961-62 and 1962-63 in excess of \$2 billion, to blunt the Communist influence in South Asia.

During the Cold War, in the 1980s, a change in Indo-US defence cooperation was visible. In the wake of Soviet intervention in Afghanistan, the United States offered to sell American military hardware to India as well. An Indian team visited the United States in 1980 to explore the possibility of buying TOW anti-tank missiles and long-range howitzers. The Carter Administration had reversed its earlier policy of disapproving the use of an advanced American electronic guidance system in India's Jaguar aircraft and in the nuclear field, it permitted two more enriched uranium fuel shipments to Tarapur.

An MoU was signed between the US and India in 1984 on transfer of technology. In exchange for alterations to India's own export-control regulations, the United States would begin allowing access to civilian and dual-use technologies as well as some military assistance, subject to previous restrictions imposed by US law. Under this agreement, sensitive technology transfers took place. India received super computers, General Electric (GE) F-404 engines for the light combat aircraft (LCA) programme, LM-2500 gas turbine engines for upgrading Indian naval vessels, night vision devices for tanks as well as permission to co-produce the devices, co-production of the Northrop Corporation TF-5 aircraft in India and F-5 tooling facility at 5 per cent of the original cost.

In terms of export licenses issued by the US in 1987, India ranked number seven. In the period 1984-88, there was a five-fold increase in US government approvals of civilian technology exports to India. The MoU did lead to a surge of technology licences to Indian companies and government institutions, but mainly for the items that were below the level of state-of-the-art technology.

Since 1985, policymakers in the Reagan Administration began to use the term "opening to India." The US defence secretary visited India in 1986 and 1987 and his successor Frank Carlucci, in 1988, paved the way for improving ties between the US and India. The US also indicated the desire to forge closer relations with India and vice versa. There was a new beginning in Indo-US defence cooperation in 1989, when apart from the official dialogue, Track II diplomacy entered the scene.

Although India had walked out of the NPT in spite of sponsoring it in 1965, it had never confronted the dominant discourse of the international system so directly as when it walked out of the CTBT

negotiations and then challenged the existing international norms when it ended its self-imposed 24-year moratorium and embarked on a series of nuclear tests on 11 and 13 May 1998. As a result of India's nuclear test, the United States imposed mandatory sanctions and mobilized other nations, in particular, Japan, to cut economic assistance to India. France and Russia were more sympathetic to India but could not prevent the United States from creating an international framework of the UNSC Resolution in June 1998, which laid down that India sign the NPT and address the Kashmir dispute. China and UK were far more aggressive on this UNSC resolution. Also, during his visit to China in June 1998, Clinton announced a new strategic partnership with China and condemned India's nuclear test.

In the meantime, in 1999, the Kargil conflict took place which helped India put across strongly its point on defence and security concerns. In the Kargil case, for the first time, the US Administration viewed the Kashmir problem objectively. The policymakers regarded the whole episode of Kargil in an impartial way and found that Pakistan was guilty.

The two nations have signed defence contracts worth more than \$15 billion since 2008, up from \$500 million in all previous years combined. Major anticipated sales include 24 MH-60 Seahawk multi-role naval helicopters and a potential commercial sale of AH-64 Apache attack helicopters.

Check your progress Exercise 2:

1. How did the defence ties start between India and US?

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2. How did non-proliferation concerns impact India-US defence cooperation?

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5.4 NUCLEAR RELATIONS

In March 2000, India agreed to allow close international monitoring of its nuclear programme while refusing to give up its current nuclear arsenal. In 2002, negotiation for deal 123-Agreement were conducted, which allowed waiver to allow peaceful nuclear activities in India.

The Indo-US nuclear deal signed on 18 July 2005, now known as the Henry J. Hyde United States-India Peaceful Atomic Cooperation Act 2006, aimed at meeting India's energy requirements, has almost put an end to the nuclear confrontation between India and the US. The legislation allowed India to use it by purchase of US nuclear material and reactors. It was expected to lead to dismantling of the technology denial regimes that constrained Indo-US cooperation and commerce in defence technology. The deal strengthened the Indo-US ties as it expanded the scope of the Next Step in Strategic Partnership (NSSP) and High Technology Cooperation Group (HTCG) and opened up avenues for India in regard to dual use technology with United States.

After NSG waiver in September 2008, other countries like France and Russia have signed separate agreement for full nuclear cooperation with India. Further the signing of the civil nuclear deal, it promoted qualitative and quantitative upgradation in the defence cooperation. In March 2009, the US provided sale of P-8 Poseidon military aircrafts to India worth \$2.1 billion, which was considered as largest military ties between the two countries.

Many Indian observers termed the deal as marking the country's return to the non-proliferation mainstream, even as some sections alleged a compromise of national interests by submitting a 'self-reliant' programme to international scrutiny. On the other hand, critics across the globe questioned the privileged treatment to one country by transcending the NPT framework, which, they felt, could weaken the Treaty. Indo-US nuclear deal, was approved by the US Congress into law, now called the United States-India Nuclear Cooperation Approval and Non-proliferation Enhancement Act, on 8 October 2008 and was signed by India and US on 10 October 2008.

The promise of participation in global nuclear trade, facilitated by the September 2008 India-specific waiver from the guidelines of the Nuclear Suppliers Group (NSG), entailed three major outcomes for India:

- Uninterrupted flow of uranium for its reactors.
- Introduction of advanced reactor technologies to expand its nuclear energy programme.

- The strategic spin-off of gaining a seat at the high-tables of the non-proliferation regime.

The deal was also part of a broader courting of India by the US to help fight global terrorism and counter China's rising influence in Asia. The US also was hoping for greater alignment on other strategic issues, such as how to deal with a nuclear-armed Iran – a country that had long enjoyed friendly ties with India.

5.4.1 UN Security Council Reforms

Recognizing India as a “rising global power”, the US Secretary of State, Hillary Clinton declared that the USA was definitely committed “to consider India’s bid for a permanent seat in the UNSC”. US President Barack Obama’s affirmation in 2010 that “the United States looks forward to a reformed UN Security Council that includes India as a permanent member” was viewed as a major evolution in the US position. The US’ openness to India’s hope for permanent membership on the Council however remains at a declaratory stage.

5.4.2 Export Control Regimes

On 11 and 13 May 1998, India conducted a total of five underground nuclear tests, breaking a 24-year self-imposed moratorium on nuclear testing. Pakistan followed, claiming 5 tests on 28 May 1998 and an additional test on 30 May. The unannounced tests created a global storm of criticism, as well as a serious setback for decades of US nuclear nonproliferation efforts in South Asia. On 13 May 1998, President Clinton imposed economic and military sanctions on India, mandated by Section 102 of the Arms Export Control Act (AECA) and applied the same sanctions to Pakistan on 30 May. Some effects of the sanctions on India included: termination of \$21 million in FY1998 economic development assistance; postponement of \$1.7 billion in lending by the International Financial Institutions (IFI), as supported by the Group of Eight (G-8) leading industrial nations; prohibition on loans or credit from US banks to the Government of India; and, termination of Foreign Military Sales under the Arms Export Control Act. Humanitarian assistance, food or other agricultural commodities are exempted from sanctions under the law.

In early 2002, India tested a 700-kilometer range version of the Agni missile to give it a credible second-strike capability against Pakistan. Later, in April, the Indian Cabinet approved the establishment of a Strategic Nuclear Command (SNC) that would control the country’s nuclear arsenal.

In August 1999, India's Bharatiya Janata Party (BJP) government released a draft report by the National Security Advisory Board (NSAB) on India's nuclear doctrine. The report, although retaining India's no-first-use policy, called for creation of a "credible nuclear deterrence and adequate retaliatory capability should deterrence fail."

Through a series of legislative measures, US Congress lifted nuclear related sanctions on India and Pakistan. In October 1999, Congress passed HR 2561, the Department of Defence Appropriations Act, 2000 and it was signed by the President as PL 106-79 on 29 October. Title IX of the act gives the President authority to waive sanctions applied against India and Pakistan in response to the nuclear tests. In a presidential determination on India and Pakistan issued on 27 October 1999, the President waived economic sanctions on India. On 22 September 2001, President Bush issued a final determination removing remaining sanctions on Pakistan and India resulting from their 1998 nuclear tests. Currently, the last effects of the nuclear sanctions are four Indian entities (and their subsidiaries) that remain on the Department of Commerce list of entities for which export licenses are required.

Since 1991, the two countries began to evolve a new relationship hence inclined toward the friendship and cooperation. The two countries signed a lot of treaties and agreements for the better relations among them, the most prominent being the 123-Agreement between the Bush and Manmohan Singh government. Every year the leadership of the two countries visit each other which makes this relationship more viable and relevant. In 2010 the then President of US, Barack Obama visited India and acknowledged the emergence of India at the world stage as an emerging power "India is not emerging but has emerged as a leader at the international level and it would be in the interest of US to have close ties with it". In 2015 Barak Obama visited India again as Chief guest at the Republic day of India.

US President Obama expressed US support for India's membership to multilateral export control regimes like NSG, MTCR, the Australian Group (AG) and the Wassenaar Arrangement (WA) in a phased manner and removal of India's defence and space related entities from the US 'Entity List'. US remained one of the main supporters of India's entry to MTCR and its NSG Bid. India Joined MTCR in 2016 marking India's first entry into any multilateral export control regime. But India's NSG bid failed due to adamant Chinese opposition.

From energy and education to the military and geopolitics, both India and the United States now have a convincing rationale to engage with each other as "strategic partners". The defence sector

partnerships between the two countries have emerged as one of the strongest pillars of U.S.-India ties. With a seminal agreement signed in 2005 and subsequently renewed in 2015, this defence partnership has formed the bedrock of bilateral exchanges. Furthermore, technology transfer along with partnership enhancers like co-production and co-development of new technologies under the Defence Trade and Technology Initiative (DTTI) have propelled this relationship to a new level.

Check your progress Exercise 3:

1. What was the objective of US in improving its nuclear ties with India?

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2. What do you understand by export control regimes?

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5.5 ECONOMIC COOPERATION

Indo-US economic relations started improving after 2000. The decade witnessed the inflation of trade partnership between the two countries. On 21 March 2000, Prime Minister of India and President of United States released a document on the theme *India-US Relations: A Vision for the 21st Century* at New Delhi. In 1991, the bilateral trade figure stood at \$5.91 billion; in 2000 \$14.35 billion, in 2004 \$37.1 billion, in 2008 \$43.4 billion and in 2010 the figure stood at \$100 billion. Compared, US-China trade in the year stood to the tune of \$500 billion. Despite such sluggish pace of progress of Indo-US trade India seems to be lucrative destination of FDI and huge market of US exports and MNCs. IT sector is the major sector of cooperation between the two countries. However, outsourcing has been a serious problem and the domestic public opinion in USA is quite averse to outsourcing of jobs to India, China and elsewhere. In order to boost bilateral trade, cooperation in macroeconomic policy, financial sector and infrastructure financing, the two countries launched a new Economic and Financial Partnership between India's Ministry of Finance and the US Department of the Treasury in

April 2010. Earlier in 2005, to promote real and meaningful cooperation in trade and investment a US-India Trade Policy Forum was set up followed by the establishment of a Private Sector Advisory Group (PSAG) in 2007.

For greater involvement of private sector in discussion on issues involving trade and investment, the bilateral India-US CEO's Forum was reconstituted in 2009.

During Prime Minister Modi's visit in September 2014, it was decided to establish an India-US Investment initiative, with a special focus on facilitating FDI, capital market development and financing of infrastructure.

Indian IT companies contributed \$22.5 billion in taxes to the US Treasury between 2011 and 2013. Plus, they supported over 411,000 jobs in the US, including 3,00,000 jobs for US citizens and permanent residents during that time. More importantly, those jobs make US companies more efficient so that they can compete globally.

During 2014-15, India's export of computer services and IT/ITES services was around \$146 billion, of which exports to the US and Canada accounted for nearly 60 per cent.

Bilateral trade of goods and services between India and the US has gone up by 119 per cent since 2007, touching \$126.2 billion, according to the office of the United States Trade Representative (USTR).

The US and India view one another as important strategic partners to advance common interests regionally and globally. As on 2017, bilateral trade in goods and services is 2 per cent of US world trade, and has grown in recent years. The trade relationship is more consequential for India; in 2017, the United States was its second largest export market (16 per cent share) after the European Union (EU, 17 per cent), and third largest import supplier (6 per cent) after China (17 per cent) and the EU (10 per cent). US-India foreign direct investment (FDI) is small, but growing. Defence sales also are significant in bilateral trade. Civilian nuclear commerce, stalled for years over differences on liability protections, has produced major potential US supply contracts. The Trump Administration, which views bilateral trade balances as an indicator of the health of a trading relationship, takes issue with the US trade deficit with India and has criticised India for a range of "unfair" trading practices. Countering this view, India notes that the US bilateral trade deficit dropped in 2018.

Check your progress Exercise 4:

1. Why does US take India as an important economic partner?

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5.6 NARENDRA MODI TAKES OVER

When Narendra Modi took over as India's Prime Minister in 2014, Barack Obama had been the President of the US for almost six years. His perception of India was shaped largely by his judgment that India, unlike Pakistan next door, was thankfully 'not a problem'. India instead represented a great opportunity for the US and—in large measure due to his interactions with Modi's predecessor, Manmohan Singh, at the height of the global financial crisis—could be a potential asset for Washington as Obama restructured the character of US global engagement in the aftermath of the excesses of the Bush era. Unfortunately for Obama and the US, the second UPA term in office was completely unlike the first one, and the hope of a deepened bilateral partnership quickly ran dry—to the President's consternation—at exactly the time when most American policymakers were expecting a blossoming in the strategic partnership.

Narendra Modi's political instincts allowed him to quickly appreciate the extent to which US-India relations had fallen around the time he took office. Despite his limited experience with Washington up to that point, he understood that the pervasive frustration in both capitals did not bode well for his larger project of revitalising India, balancing the threats posed by growing Chinese power, and expanding New Delhi's influence on the international stage.

In a manner unlike his recent predecessors, Modi invested heavily in building up personal relationships with his peers abroad. Whether through his invitations to Presidents Obama and Trump to visit India as honoured guests on major national events or his repeated breaches of protocol by personally receiving visiting dignitaries at Indian airports, Modi sought to cement personal friendships with national leaders who are politically important to India. Beyond leaders within South Asia itself or those of Japan, Israel and a handful of European states, no one was more important to Modi than the US president. Consequently, he invested heavily in developing strong friendships with

his American counterparts, first Obama and now Trump, guided by the logic that, even if US and Indian national interests did not always cohere, the latter would always come out ahead if the individual steering policy in Washington were favourably disposed towards India. Modi personalized the conduct of India's international relations in ways not seen in decades to the advantage of India's interests as a whole.

While these changes in Modi's approach to foreign policy may appear to be stylistic, they have yielded important substantive successes. Two examples in widely different areas prove the point. The first is in the area of climate change. There is little doubt that the US and India played pivotal roles in the discussions leading up to the Paris Agreement. Prime Minister Modi, recognising the significance of securing an international consensus on mitigating climate change, pushed back against many in his own country to commit India to concrete pledges that made the final compact possible.

Modi's willingness to accept India's global responsibilities in mitigating climate change was equally vital to success in the lead-up to Paris: a concession unimaginable under India's tradition of 'Third World' posturing, which would have prevented it from accepting the obligations that finally made an international accord possible.

Another example of remarkable success has been India's cooperation with the US in shaping the security environment in the Indo-Pacific. While this term has taken on new life under President Trump, the defining agreement between the US and India occurred under President Obama. Prime Minister Modi's active involvement in shaping the 'US-India Joint Strategic Vision for the Asia-Pacific and the Indian Ocean Region' was couched in innocuous language, but its import was momentous.

Check your progress Exercise 5:

1. How did Modi's diplomacy improve India's ties with the US?

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5.7 ADVENT OF TRUMP ADMINISTRATION

With the advent of Donald J Trump administration, a great degree of unpredictability in India-US

relations has ensued, particularly in the strategic domain. However, cutting through the cloud of uncertainty, the Trump administration seems to be gradually adopting clear positions on security and strategic concerns in South Asia. Although the Trump administration took close to eight months to outline a stated South Asian policy, it managed to dispel some traditional US foreign policy clichés, especially in the light of altered security scenario and commensurate threat perceptions in South Asia.

The Trump administration's firmer stance against Pakistan and its exhortation to India to play a larger role in Afghan security is a new change in United States' South Asia policy. Despite Pakistan's lack of conviction, the Trump administration has continued the previous administration's push to project India as a net security provider in South Asia and the Indian Ocean. Projecting India as an emerging champion of security in Asia has some notable consequences. First, in one stroke, the United States will have a credible security partner in Asia that can theoretically and pragmatically counter-balance China's rise and hence create a perceived deterrent in the Asian theater. Second, India's proximity to the United States creates an Asian deterrent to Pakistan's rapidly growing strategic arsenal, which carries the risk of falling into terrorist possession. Third, the United States only stands to gain from the prospect of "burden-sharing" in Afghanistan through India's predominant influence in the region. In the past, India has repeatedly turned down Afghanistan's request for supply of military equipment.

5.8 LET US SUM UP

Today, the US–India relationship encompasses the most intense bilateral engagement that New Delhi enjoys with any nation. Given the steady expansion of the bilateral partnership over the last two decades, the range of joint activities today is breathtaking: from frequent bilateral summits between the heads of government to regular senior-level dialogues, the US and India today engage in numerous strategic consultations, wide-ranging defence, counterterrorism, homeland security, cybersecurity and intelligence cooperation, as well as myriad activities in energy, education, science and technology, public health and culture. Post-Cold War, each year adds new hopes and cooperation concerning India-US relationship. The relationship between two nations has largely expanded laying emphasis on each and every important global issue. Hence, in the last twenty years or so in general and five years in particular, the Indo-US relations have been developing on positive note of friendship and cooperation.

5.9 SOME USEFUL REFERENCES

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5.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

- 1) Your answer should be based on subsections (i) 5.2.1 and (ii) 5.2.2.

Check Your Progress Exercise 2

- 1) Carefully read Section 5.3 to write your two answers.

Check Your Progress Exercise 3

- 1) Read carefully Section 5.4 and blend subsections 5.4.2 to write your answer.

Check Your Progress Exercise 4

- 1) Your answer should be based on a careful reading of Section 5.5.

Check Your Progress Exercise 5

- 1) Your answer should be based on Section 5.6

UNIT – 6 INDIA’S POLICY TOWARDS RUSSIA

Structure

- 6.0 Objectives
- 6.1 Introduction
- 6.2 Influence of Socialism and Soviet Union on India
- 6.3 Indo-Soviet Relations: Initial Phase
- 6.4 India’s ties with Russia in the Post-Soviet Period
- 6.5 India - Russia Coordination at the UN
- 6.6 Strategic significance of Russia for India
- 6.7 India’s Concerns
- 6.8 Prospects of India-Russia Relations
- 6.9 Let Us Sum Up
- 6.10 Some Useful References
- 6.11 Answers to Check Your Progress Exercises

6.0 OBJECTIVES

In this Unit, you will be studying about India’s policy towards Russia. After going through this Unit, you should be able to understand:

- The reasons for the special position Russia occupies in India’s world-view and its external relations;
- Close cooperation in the political and defence matters;
- Importance of the Indo-Soviet Treaty of 1971;
- Relations in the post-Soviet period;
- Bases of the ‘special and privileged strategic partnership’; and
- Contemporary challenges facing India’s relations with Russia.

6.1 INTRODUCTION

India’s relations with Russia are considered unique in the history of International Relations. These ties have not witnessed any major fluctuations with change of governments; or, even the socio-

political systems in either country. There is perhaps no other example of two large countries having domestic consensus about their strategic partnership. The two countries have no bilateral issues or threat perception from each other and exhibit mutual trust and confidence in each other's strength. Above all, there is a positive popular perception about each other.

India and Russia have similar security concerns. They strongly condemn terrorism in all forms and manifestations, and call for comprehensive international efforts to combat the menace. They have similar position on global hotspots such as Afghanistan, Syria, and others. Russia has consistently supported India's candidature for the expanded United Nations Security Council's permanent membership and its application for NSG membership. There is an annual strategic dialogue; besides, the two countries meet regularly in plurilateral groupings such as the BRICS and the SCO. Both countries call for a multipolar order based on the centrality of the United Nations and 'rule of law' in the international system.

6.2 INFLUENCE OF SOCIALISM AND SOVIET UNION ON INDIA

India's relations with Russia (and with the Soviet Union before 1991) are generally described as 'historic', 'special', 'close' and 'friendly'. So much so that their strategic partnership has since 2010 come to be defined as an elevated 'special and privileged strategic partnership'. One has to look into the past to understand this special partnership. Socialist and Marxist ideas and the Soviet model inspired many leaders of the Indian freedom struggle, such as Subhash Chandra Bose and Jawaharlal Nehru. Manavendra Nath Roy of India had participated in the second Congress of the Communist International (Comintern) in 1920 and debated with the revolutionary leader Vladimir Lenin the question of Soviet support to the liberation movements in the colonies. After the 1917 Soviet revolution, Lenin had come out in support of the right to self-determination for minorities within Europe and the colonized peoples. The first socialist revolution in the world had ignited the desire for freedom and liberation among the colonies in Asia and Africa. Further, world's first socialist revolution had expanded the agenda of many national liberation movements: the goal became not only political freedom from colonial rule but also attainment of social justice and economic development. India was no exception; a number of political parties and groups came to be formed under the influence of socialist ideas. The formation of the Congress Socialist Party, the Communist Party of India and the Hindustan Socialist Republican Association/Army are some of the examples of this influence. Indian National Congress and its leadership, in particular, Jawaharlal Nehru were

impressed by the system of state planning in the building of Soviet socialist economy. After his visit to Moscow in 1927, Nehru wrote the monograph titled *All the World is Watching Russia, Some with Fear and Hatred, and Others with Passionate Hope and Longing to Follow her Path*. In a series of articles in 1933, Nehru argued that capitalism had become outdated and the future belongs to socialism. In particular, he thought of planning as a strategy of development for an independent India. The masses and the elite circles alike shared a sense of empathy and had a positive view of the developments taking place in Soviet Union – land distribution, worker’s cooperatives and state-owned enterprises and heavy industrialization, universal health and education and other social rights etc. India’s political and intellectual class including writers, poets and others had imbibed and ingrained socialist ethos of equality, egalitarianism and social justice with lots of fervor. Soviet Union had come as an alternative model of development to colonies and peoples suffering from colonial exploitation and imperialist domination. In India, many thought of socialism as an antidote to the prevailing hierarchy and inequality based on caste, creed and birth etc.

6.3 INDO-SOVIET RELATIONS: INITIAL PHASE

When India became independent, there was empathy, an understanding and a positive view of Soviet socialist model of development. These were the times of Cold War between the two power blocs – led by the United States of America and the USSR. US had launched a number of military alliances to check the growing might of the Soviet socialist bloc, such as the North Atlantic Treaty Organization (NATO). One similar pact was the Baghdad pact – later renamed as the Central Treaty Organization (CENTO). Pakistan was an important member of the CENTO. Pakistan, Iran, Iraq and Turkey were all ‘frontline’ states in US bid to deny Soviet Union access to the warm waters of the Indian Ocean and the Persian Gulf. There is a view that the real reason behind India’s close ties with the Soviet Union was the growing ties between Pakistan and the US. The real beginning in state-to-state ties was made during Nehru’s visit to Soviet Union in 1955 and the return visit of Soviet leaders Nikita Khrushchev and Nikolai Bulganin to New Delhi. The Soviet support came in the construction of major steel plants at Bhilai and Bokaro in the late 1950s. With this, Soviet Union became a major partner in India’s planned economic development. It helped establish large public sector enterprises during the first and second five year plans. Public sector companies like Bharat Heavy Electricals Limited (BHEL), Oil and Natural Gas Corporation (ONGC) and Hindustan Aeronautics Limited (HAL) were built with Soviet assistance. The India–China war of 1962 and the Sino-Soviet political split during 1960s further cemented Indo-Soviet ties. The signing of the Indo-Soviet Treaty of Peace, Friendship and Cooperation in 1971 was the milestone in this evolving

strategic partnership. The treaty provided India with a military defence shield at a time of deteriorating strategic scenario in the South Asian region. The next two decades witnessed emergence of close and multi-faceted political, economic and military cooperation.

Soviet Union faced multiple economic crises. Soviet socialist economic model had become unsustainable by 1980s. There were massive failures in economic structures, which caused severe crisis in agricultural and manufacturing outputs and shortages of food and consumer goods. Soviet state just could not meet the demand of its various sectors. There were no resources to upgrade industry and agriculture. Mikhail Gorbachev became Secretary General of the Communist Party of the Soviet Union (CPSU) in 1985. He initiated a 'new thinking' and concluded that meeting the economic needs of the people has become more important than the military security of the nation. That ensuring well being of its own population is more important than economically underwriting the socialist regimes overseas. Gorbachev criticized 'Brezhnev doctrine' which had asserted that Soviet Union has the right to intervene to protect Socialist governments wherever they might be threatened. These policies of the past had resulted in greater economic cost. There were questions about the quality of Soviet technology too. Cold War perception and policies had led to huge military spending; some 40 to 50 per cent of annual GDP was reportedly spent on the military defence of the nation and the allies. Soviet intervention in Afghanistan in 1979 had proved extremely costly; and militarily demoralizing too. Gorbachev's had to rethink of the Afghan imbroglio. He initiated 'restructuring' of the economy; the process was called *Perestroika*. Policy of *Perestroika* re-examined the spending on military and other security agencies; and age-old system of material and military support and subsidies to Soviet allies. The 'restructuring' of economy however needed flow of capital and technology from the West in order to overcome the structural weaknesses and backwardness. Attracting Western capital and technology did not prove easy. The structural economic weaknesses and loopholes in the overall policy framework, amidst Communist paradigm, resulted in its failure, which Gorbachev attributed to the bureaucratic rigidities. He found relations with the developing world of little use to the Soviet economy; historically, relations with the Third World had proved a drain. He called for an open discussion or *Glasnost* ('opening'). *Glasnost* was meant to give some political 'opening' to the Soviet citizens – freedom of expression including right to criticize and form political associations. This resulted in the birth of autonomous organizations in the Soviet society, which started denouncing the military and economic failures of the Union and even Communist rule itself. By 1989, *Glasnost* had spread across the Eastern Europe and Central Asian regions, with widespread demonstrations calling for more freedom. The Baltic states of

Estonia, Latvia, and Lithuania declared independence. Gorbachev refused to provide military support to the Communist governments in these countries to control these agitations. Democratic and freedom aspirations among the constituent socialist republics of the Soviet Union itself finally resulted in dissolution of USSR in 1991.

Check Your Progress Exercise 1

Note: i) Use the space given below for your answer.

ii) See the end of the Unit for tips for your answer.

1) Describe the Indo-Soviet relations.

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6.4 INDIA'S TIES WITH RUSSIA IN THE POST-SOVIET PERIOD

The Soviet disintegration was a big jolt for the Indian policy makers. The security and trade comfort zone had disappeared. Soviet military protection under the 1971 treaty was gone; so was the Rupee-Rouble trade. The Indian model of economic development that had worked under heavy state regulation and its 'licence and permit raj' stood exposed in 1991 when the country found that it did not have foreign exchange to cover for more than two weeks of imports. India pledged 47 tonnes of its gold reserves to the Bank of England in return for some US\$405 million so as to avoid default on payment of foreign loans. The then finance minister Manmohan Singh put India on the course of economic liberalization. The world of economic liberalization and globalization was a different world. Old presumptions and beliefs were gone. Post-Soviet Russia under Boris Yeltsin was also preoccupied with myriad internal political and economic problems. Russia was a pale figure compared to its superpower status of the Cold War era.

Bilateral relations had declined; more important, their bases had changed. Ideological empathy and political affinity was gone; relations were now pragmatic, even transactional. Towards the end of the 1990s, there were calls in Russian policy circles for a 'pragmatic renewal' of relations with India based on 'realistic possibilities and legitimate interests of both sides with an emphasis on economic stimuli'. Certain sections in Russian foreign ministry were against continuing with special relation with India as it might hurt Russia's relations with other South Asian countries, particularly Pakistan. The 'special relationship' had to go. There were other difficulties and the two countries had to overcome them before starting on a new course in their bilateral ties.

India and Russia signed a new Treaty of Friendship and Cooperation, replacing the 1971 Treaty of Peace, Friendship and Cooperation – importantly, the security clause of the earlier Treaty was deleted. The two countries decided to resolve contentious issues related to debts and Rouble-Rupee exchange rates. A treaty on cooperation in military field was signed and Russia reaffirmed supply of cryogenic rocket engines to India notwithstanding US objections. In 1994, Indian Prime Minister P. V. Narasimha Rao visited Moscow. The unique Moscow Declaration on Protecting the Interests of Multiethnic States against the danger of aggressive nationalism, religious extremism and separatism was signed. In March 1997, Indian Prime Minister Deve Gowda travelled to Russia and important agreements on military cooperation were signed. Russia agreed in principle to revive the 1988 agreement to supply two nuclear power reactors to India.

India evinced a renewed interest in Russia when Yevgenyi Primakov was appointed Russian Foreign Minister in 1996, and Prime Minister in 1998. During his visit to India in December 1998, the two countries signed various agreements including a joint document on the development of Russian-Indian Trade and Economic, Industrial, Financial, Scientific and Technical Cooperation and Long-term Programme of Military Technical Cooperation to the year 2010. The visit is remembered for his proposal for a Moscow-Beijing-Delhi strategic triangle. He wanted Russia-India-China (RIC) grouping to restore 'the missing equilibrium in the present international security environment' against US unilateralism.

The next milestone in Indo-Russian relations was the Declaration on Strategic Partnership signed during the visit of Russian President Vladimir Putin in October 2000. The two countries expressed support for a 'multipolar global structure' based on sovereign equality of all states and peoples. Integrated Long-term Programme on Scientific and Technological Cooperation and Russian-Indian

Intergovernmental Commission on Military and Technical Cooperation were also signed during the visit. A Joint Working Group on Afghanistan was agreed upon. The annual summit-level talks which started that year have since become a regular feature. In 2001 Indian Prime Minister Atal Behari Vajpayee travelled to Moscow and the Declaration on International Terrorism, which condemns the double standard adopted by the West on terrorism, was signed. President Putin's visit to India in December 2002 resulted in two major initiatives – the Delhi Declaration on Further Consolidation of Strategic Partnership and the Joint Declaration on Strengthening and Enhancing Economic, Scientific and Technological Cooperation. Prime Minister Vajpayee described the friendship between India and Russia as a stabilizing force in the changed world scenario and asserted that 'sky is the limit' in respect of India–Russia relations. While Prime Minister Manmohan Singh participated in the 60th anniversary celebrations of the Victory Day in 2005, President Putin was the Guest of Honour at the Republic Day celebration in 2007.

In December 2010, the Strategic Partnership was elevated to the level of a 'Special and Privileged Strategic Partnership'. Putin attended the 17th Annual Summit of the BRICS grouping at Goa from 15 to 16 October 2016; and Indian PM visited Russia in June 2017 to participate in the St. Petersburg International Economic Forum as the Guest of Honour. One can safely say that on many global and regional matters, the two have broadly similar positions. The two countries favour a multipolar world system based on prominent role of the UN and international law, common interest, equality, mutual respect and non-interference in the internal affairs of countries. They support reform of the UN Security Council so that the world body represents the geopolitical realities of the present world.

Check Your Progress Exercise 2

Note: i) Use the space given below for your answer.

ii) See the end of the Unit for tips for your answer.

1) Make a summary of India-Russia relations in the post-Soviet period.

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6.5 INDIA-RUSSIA COORDINATION AT THE UN

India's foreign policy was based on the concept and practice of Non-alignment. It gave India freedom to strike out an independent position on global matters of peace and security, and be the voice of the developing countries who were more concerned with the threats of neocolonialism and their continued economic underdevelopment rather than the facile ideological war between the two superpowers. India's independent Non-aligned position was reflected in its voting behaviour at the UN during 1950s and 1960s. After the Indo-Soviet Treaty of 1971, one could perceive its foreign policy tilt towards Soviet Union. In the post-Soviet period, there is once again a perceptible greater convergence between India and the Russian Federation in the UN as compared to India and US. This is mainly due to the fact that both, being economically developing nations, have similar interest and viewpoints on global economic order and share many common ideas of matters of international peace and security.

Traditionally the Soviet Union and India had consulted and supported each other at the UN. The Soviets supported India on Kashmir, Goa's liberation and Bangladesh War. Similarly India supported Soviet Union or abstained from voting against it on issues like the Soviet intervention in Czechoslovak in 1968 or Soviet military intervention in Afghanistan during the 1980s. Russia has continued to maintain support on issues of strategic and security concerns to India. India opposed NATO intervention in Yugoslavia's civil war in 1999, in keeping with Russian sensitivities. NATO's action was also without due authorization of the UN Security Council. India and Russia both chose to abstain on UNSC Resolution 1973 on Libya in 2011; and India abstained from voting against Russia at the UNSC on Syria. Similarly India abstained on a resolution brought by Georgia to provide access for the UN Human Rights Commissioner to the breakaway enclaves of Abkhazia and South Ossetia – which are recognized by Russia as independent entities (Action on Resolution on Cooperation with Georgia). In March 2014, India abstained from a vote on the resolution sponsored by the US and EU concerning Ukraine, which sought to declare the 'reintegration' of Crimea with Russia as illegal. At the 34th Session of UN Human Right Council (UNHRC) India supported Russian position on Myanmar, Sri Lanka and Israel.

Terrorism: India and Russia had supported the UNSC Resolution 13737 after the 9/11 terrorist attacks in US, which was adopted unanimously on 28 September 2001. Both have framed antiterrorism laws. India came up with the Prevention of Terrorism Act 2002 (POTA), and Russia adopted Presidential decree to curb the menace of terrorism in the Russian republic.

Iran Nuclear Issue: Iran has been subjected to four rounds of UN Security Council sanctions for its nuclear programme. Between 2006 and 2011 Russia supported the UN Security Council resolutions against Iran. But along with China it opposed the unilateral sanctions on Iran proposed by USA, Britain and Canada. At 31st and 34th UNHRC sessions, India voted against resolutions that criticized Iran.

Palestine Issue: India as well as Soviet Union/ Russian Federation have traditionally supported Arab states and Palestinians against Israel. In view of improvement in relations with Israel, India's position has since become more nuanced. However even now on many occasions, India voted in favour of Palestinians. Recently India along with 128 countries including Russia voted in favour of UNGA resolution against US recognition of Jerusalem as the capital of Israel. Similarly India voted in favour of four resolutions criticizing Israel at the UNHRC, including those concerning expansion of Israeli settlements and the right of the Palestinian people to self-determination. Russia has also supported such resolutions on the Palestine issue at UNHRC.

Nuclear Proliferation and Disarmament: On 2 December 2014, India supported a Russian resolution on No First Placement of Arms in Outer Space at the UN General Assembly. India maintained that outer space should not become a field of war and arms race but a new and expanding frontier of cooperative activity.

Environment: As major emitters of greenhouse gases (GHG) and as developing countries, India and Russia have reservations about the global climate change negotiations. In June 2017, during Prime Minister Narendra Modi's visit to Russia, both sides noted that wider use of natural gas is economical and environment friendly, with high potential to assist in fulfilling the provisions of the Paris Agreement on climate change and achieving sustainable economic growth through sharing of energy efficient skills and technologies.

According to the Paris climate commitments, all countries have voluntarily agreed to reduce their greenhouse emissions to tackle climate change. Their responsibility depends on their past, present

and future emissions. India and Russia are part of the agreement. The GHG emission level of the two countries between 2005 and 2012 is very similar. The countries emphasize on use of natural gas as an economically efficient and ecologically clean fuel to promote sustainable development and their commitment for reducing GHG emissions according to Paris Agreement. India is trying to get help from Russia in increasing use of clean fuel, e.g. in photovoltaic cell and HJT (hetero junction with intrinsic thin layer) technology, solar technology, which is cheaper in comparison to West.

India and Russia are members of several plurilateral fora – the BRICS, SCO and the trilateral RIC. Russia supports India's claim for a permanent seat on the UN Security Council; and its membership in the Nuclear Suppliers Group and the Asia Pacific Economic Community. The two countries hold similar approach to several regional issues – Afghanistan, Central Asia, Iran and West Asia.

It is a challenge for policy-makers in India and Russia to define and decide common goals and strategies to realize those goals.

6.6 STRATEGIC SIGNIFICANCE OF RUSSIA FOR INDIA

India has core strategic and security issues and Russian support has always been forthcoming on them:

Support on Kashmir and Terrorism: The Soviet Union/ Russian Federation among major world powers has always understood and supported India's position on Kashmir and terrorism. It consistently used its veto at the UN Security Council in favour of India on the Kashmir issue. On more than one occasion, Soviet Union/Russia has held Pakistan responsible for the spread of religious extremism and terrorism in this part of the world. Russia's position on Kashmir is clear as it is a matter of sovereignty for India. Some Russian scholars are of the view that in the changed geopolitical environment of the region, Russia and China should try to prevent any future conflict between India and Pakistan.

Support for India's Membership of Security Council: Since the mid 1950s, Soviet Union accepted India as the leader of the Third World and the Non-Aligned Movement. The Russian Federation has continued with the same assessment. Russia acknowledges India as an influential global player. Of the P-5, Russia remains most unequivocal in its support of India's candidature for permanent

membership in an expanded UN Security Council. The vision document issued after the Modi-Putin talk on 1 June 2017 at St. Petersburg talks about reform in UNSC to make it more representative of contemporary realities; and reaffirms Russia's 'strong support for India's candidature for a permanent seat on a reformed UNSC'.

Defence Supplies: India imports more than 70 per cent of its weapons systems and technologies from Russia – 75 per cent for army, 80 per cent for the air force and 85 per cent for its navy. Russia/Soviet Union has been the largest and most dependable supplier of inexpensive state-of-the-art military hardware to India. A Chatham House report of 2017 describes India as the largest market for arms, accounting for 10.3 per cent of world arms import between 2000 and 2016. Russia reportedly delivered 72 per cent of these imports. About 30 per cent of Russian arms exports are to India, the largest for any country between 2000 and 2016.

The bilateral defence ties are very extensive in their range and comprehensive in scope. Defence cooperation between India and Russian includes licensed production of weapon systems in India (e.g., Mig-27M, Sukhoi- 30MKI, T-72 tanks, etc.); joint research and development; and service-to-service cooperation. The supersonic anti-ship cruise missile systems 'BrahMos' is the most notable example of Indo-Russian joint project. 'BrahMos', with a 200–300 kilogram conventional warhead can fly at a velocity of up to 2.8 Mach and is touted to be unique and, it is said, is far superior to the American Tomahawk missiles. Joint production of the fifth generation fighter aircraft and medium military transport aircraft are forthcoming initiatives in this regard. The 16th meeting of India–Russia Intergovernmental Commission for Military Technical Cooperation, established in 2000, agreed to supply S-400 air defence systems and the IGA on Project 1135.6 frigates. The agreement for the manufacture of Ka-226T helicopters in India was also signed. This is the first concrete defence project under the 'Make in India' programme of the Modi government. Indian media has reported that India is keen on Russian participation in India's defence manufacturing sector. The supply of spares and delays in delivery are some of the problems in this regard. There are regular Indian–Russian joint exercises; Russia seeks to maximize India's military, industrial and technological capabilities. The two countries share a common threat perception: to fight radical Islamist movements and states; their continued problems with the US; and to balance China's rising military and political might. Russia values India as its strategic partner.

Check Your Progress Exercise 3

Note: i) Use the space given below for your answer.

ii) See the end of the Unit for tips for your answer.

1) Highlight the strategic significance of Russia for India.

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6.7 CONTEMPORARY CONCERNS OF INDIA

Sino-Russian Ties and Pak-Russia Rapprochement: The security situation in Europe and Asia has changed after the annexation ('reintegration' according to Russia) of Crimea by Russia; and the ongoing conflict in eastern Ukraine. The Western sanctions and the deterioration in Russia's relations with US and West has convinced Russia to 'pivot to Asia' by deepening its engagement with China. The difficult international situation and bad economic condition have propelled Russia to align with the China. Of particular concern is Russia's willingness to supply China with not just sophisticated weapons but transfer technology to it as well. Relations cannot be described as an alliance and can be seen as partnership of convenience, based on mutual interest and 'authoritarian peace'. Russia-China coming together may help Pakistan which has special ties with China.

Russia and China are cooperating in regional and international organizations—like BRICS, SCO and UN. They have also supported each other on issues such as Ukraine where China supported Russia; while Russia supported China's refusal to accept Permanent Court of Arbitration decision on South China Sea islands. Russia has also decided to participate in China's Belt and Road Initiative (BRI), which India has kept itself away from due to security and economic concerns. However it has been argued that Russia would not like to be subservient or junior partner to either West or China and hence there are limits to their partnership.

Similarly India has concerns about Russia's growing ties with Pakistan. This is mainly on account of

Russia's belief that Pakistan has assumed greater importance due to two reasons US withdrawal from Afghanistan and the geopolitical competition with the West. Pakistan was part of the Russia-initiated trilateral conference with China on Afghanistan in December 2016 as well as the six-nation conference held in Moscow in February 2017 – which also included India, Iran, China and Afghanistan. Russia is investing \$2 billion for the construction of 'North-South' gas pipeline from Karachi to Lahore. The two countries hold regular military exercises since 2016. Russia's military ties with Pakistan and engagement with Taliban are cause for concern for India. Both India and Russia will have to learn to deal with each other's ties with third countries such as the US, China and Pakistan without adversely affecting their bilateral strategic partnership. India's growing ties with US also cast a shadow over its relations with Russia. But military cooperation between India and US has its limits since the US remains reluctant to supply sensitive high technology to India. The Indian Prime Minister Narendra Modi sought to allay apprehensions about Indo-US relations negatively impacting ties with Russia when he quoted a Russian saying: 'An old friend is better than two new friends.'

Indo-Russian Trade: The weakest link in the India-Russia strategic partnership is the low level of bilateral trade, estimated at less than \$8 billion, much below the target of US \$15 - 20 billion fixed during various summits. Indo-Soviet economic and trade relations, based on special government-to-government arrangement came to an end with the disintegration of Soviet Union and transition of Russia from a socialist to a market economy which coincided with the launch of India's economic liberalization. The two countries switched from the traditional Rouble-Rupee trade to hard currency-based trade and reached agreement about repayment of civilian and military loans India had taken from the former USSR. However annual bilateral India–Russia trade remains under US\$10 billion. There can be many reasons for this. The Indian exporters to Russia complain about lack of market analysis, long route for transportation, inadequate banking system, tariff policy and regulatory regimes, strong competition in terms of quality and price and inadequate distribution system. The popular perception of India in Russia is positive, but India is seen as an agrarian, low-tech country which discourages Russian consumers from buying Indian products like software, machinery and auto-spares. The Indo-Russian Intergovernmental Commission (IRIGC) was set up in 1992 to promote bilateral economic cooperation. Its 22nd session was held on 13 September 2016 in New Delhi. In order to strengthen India–Russia bilateral economic relationship, the past cannot be a guide for future. It is time to do some fresh thinking. Trade bottlenecks need to be removed. There is inadequate knowledge of business opportunities; foremost this kind of an information gap needs to be addressed. Trade representatives and experts need to be stationed in each other's business

capitals. Besides, addressing the problem of stereotyped image, the two sides need to address the problems caused by bureaucratic rigidities and delays at custom clearings.

6.8 PROSPECTS OF INDIA-RUSSIA RELATIONS

Several initiatives are on the anvil for cooperation now and in the future:

Energy Cooperation: The former Soviet Union played a major role in hydro and thermal power generation as well as the petroleum and gas industry in India. In recent times cooperation in hydrocarbon and nuclear energy sectors has gained momentum. ONGC's \$2.7 billion worth of investment in Russia's Sakhalin oil and gas project is India's largest foreign investment so far. Recently the ONGC's acquired 15 per cent stake in Vancour energy field in Krasnoyarsk krai belonging to the Russian oil major Rosneft for \$1.7 billion followed by the sale of another 23.9 per cent stakes to a consortium of Indian companies for approximately \$2.02 billion. Thus, India could purchase 49 per cent of Vancourneft for \$4.22 billion through a series of transactions, outbidding China. Moreover, India has acquired 29.9 percent stakes in another east Siberian company, Tass-YuriakhNeftegazodobicha for \$1.2 billion. Earlier India purchased Imperial Energy Company in West Siberia for \$1.6 billion. Rosneft's acquisition of Essar Oil, which owns the second largest refinery in India (at Vadinar) for \$12.9 billion is another milestone. Accordingly Rosneft would supply 10 million tonnes of heavy oil for processing in the Vadinar refinery annually for next ten years.

India is the fastest growing among major economies, and is already the third largest in PPP [Purchasing Power Parity] terms. It is also the fourth largest consumer of energy after the US, China and Russia and will be the third largest consumer by 2030. The demand for gas is estimated to grow by 183 per cent, for oil by 121 per cent, and for coal 108 per cent by 2035. Thus new energy sources are urgently needed to meet the growing requirements. Russia, an energy super power can be critical in this regard.

Nuclear Energy: In order to meet its energy requirements India plans to generate 20,000 MW of nuclear-generated electricity by 2020. Russia is the only important nuclear power which has a proven record of cooperating with India in the atomic energy sector. It has built two nuclear reactors at Kudankulam, which are operational. Two more reactors are under construction, and another two are

under design – all at the same place. Russia intends to build 12 nuclear reactors at different locations in India in the coming years. It is pertinent to remember that the US and France also showed interest in nuclear cooperation with India but nothing has come out yet. These countries have reservations about India's nuclear liability law; while Russia has gone ahead in its cooperation with India. India has been able to negotiate a deal under which Russia would manufacture the equipment and components for the reactors in the country – giving a boost to 'Make in India' policy.

The two countries plan to implement new, mutually beneficial projects. A Working Group on Priority Investment Projects has been established. The India-Russia Forum on Trade and Investment along with business companies is engaged in selection of potential business initiatives, and trying to remove barriers to the free flow of goods, capital, and services. Presently 20 priority projects (10 Russian and 10 Indian projects) have been identified. These include transport engineering, chemical industry, aircraft industry and pharmaceuticals.

International North-South Transport Corridor (INSTC): Lack of economically viable trade route is considered a major hurdle in India's economic interaction with Russia. In September 2000, the two countries along with Iran had signed an agreement in St. Petersburg for the development of the North-South corridor to provide an alternative transport route for trade between India and Central Asia, and Europe. It will connect India to Central Asia and northern Europe through Iran and Russia. The INSTC can handle 20–30 million tonnes of goods per year, according to a study conducted by the Federation of Freight Forwarders' Associations in India. The Corridor, once operational, is estimated to be 30 per cent cheaper in terms of cost and 40 per cent shorter in terms of distance than the existing routes.

The launch of the 'Green Corridor' project for Customs facilitation in September 2016 is another important step for better connectivity and trade facilitation. Other areas of potential cooperation are dedicated freight corridor, modernization of railway stations and training of railway personnel which would further facilitate transports and logistics.

Check Your Progress Exercise 4.

Note: i) Use the space given below for your answer.

ii) See the end of the Unit for tips for your answer.

1) Identify India's major concerns in its relations with Russia

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2) Evaluate the promise and potential of Indo-Russian strategic partnership

6.9 LET US SUM UP

For India, Soviet Union is an important pillar of its foreign policy. The relations between the two countries are based on historical ties, common security and economic interests as well as common strategic perceptions and political-ideological orientations. In the post-Soviet period after some hiccups, India has created a new framework of relations with Russia based on similar position on a number of global and regional issues. Indo-Russian trade is modest, but Russia is vital for India’s military preparedness as well as energy security. Despite the growing Russia’s growing ties with China, and to a lesser extent with Pakistan, India still considers Russia a very important partner as Russia has consistently stood by India on national security and strategic issues (e.g. Kashmir and cross-border terrorism) and supported prominent role for India in international and Asian affairs.

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6.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

- 2) Your answer should be based on Sections 6.2 and 6.3. Identify and write down milestones in Indo-Soviet relations.

Check Your Progress Exercise 2

- 2) Your answer should be based on Section 6.4. Delineate the significant developments and events in bilateral ties in the 1990s.

Check Your Progress Exercise 3

- 2) Your answer should be based on Section 6.6. Write point-wise why Russia is important in terms of India’s trade, defence and security, and political profile in international affairs.

Check Your Progress Exercise 4

- 2) Your answer should be (i) based on Section 6.7. Discuss the dynamics and complexity in bilateral ties. (ii) Write your answer based on Section 6.8 and the overall reading and comprehension of the Unit. Clearly write how do you perceive and analyze the promise and potential of bilateral relationship between the two countries.



UNIT 7 INDIA'S POLICY TOWARDS CHINA

Structure

7.0 Objectives

7.1. Introduction

7.2. India's China Policy

7.3. Issue of Tibet

7.4. Border Dispute

7.5. Negotiations and Agreements

7.6. India-China Economic Relations

7.7. Belt and Road Initiative

7.8. Let Us Sum Up

7.9. Some Useful References

7.10 Answers to Check Your Progress Exercises

7.0 OBJECTIVES

In this Unit, you will be reading about India's policy towards the Peoples' Republic of China (PRC).

After going through this Unit, you would enable you to understand:

- Importance of neighbourhood and dynamics of India-China bilateral relations;
- Political and strategic relations between India and China;
- Evolution and content of India's China policy;
- Economic and trade relations; and
- Summing up the India-China relations.

7.1 INTRODUCTION

India and China are civilizational nations. The two nations share more than 5000 years of unbroken history, cultural and economic exchanges over millennia, and have been among the main sources of world's heritage and culture. Separated by the Himalayas, they share a 3488 kilometres long border. The two countries share a border with Bhutan and Nepal. India maintains that Aksai Chin is illegally occupied by the PRC. China and India also dispute most of Arunachal Pradesh. Nevertheless, both countries have agreed to respect the Line of Actual Control (LAC). Though the relationship has been generally cordial, there are border disputes and an economic rivalry between them that have sometimes led to strained relations. The modern relationship began in 1950 when India decided to end formal ties with the Republic of China (Taiwan) and recognized the PRC as the legitimate government. China and India are the two highly populated and fast growing significant economies in the world. Improvement in quality of diplomatic and economic influence has only increased the significance of their bilateral relationship.

Cultural and economic relations between China and India began centuries ago. Spread of Buddhism and trade was facilitated through the Silk Route. China's growing opium trade with the East India Company during the 19th century led to I and II Opium Wars. Both India and China played a crucial role in checking the military expansion of Imperial Japan during the II world war.

Jawaharlal Nehru based his vision of 'resurgent Asia' on friendship between India and China. He initially believed his vision of an internationalist foreign policy governed by the ethics of the Panchsheel (five principles of peaceful coexistence), was shared by China. Nehru was disappointed when it became clear that the two countries had a conflict of interest in Tibet

Most noticeable features of relations between India and China since World War II are border issue that caused three military disputes – the Sino-Indian war of 1962, the Chola incident in 1967, and the 1987 Sino-Indian skirmish. There was a clash at the Doklam in 2017 (the disputed Sino-Bhutanese border). Nevertheless, there is visible improvement in diplomatic and economic relations between the two countries since 1980s. China became India's largest trading partner in 2008. In recent years, there is also a noticeable extension of their strategic and military relations. Besides trade and commerce, there are other issues of mutual interest like climate change and reform of the global financial order, in which both India and China are cooperating.

The two countries have not resolved their border dispute and India has experienced Chinese military incursions into Indian territory. Both countries have steadily established military infrastructure along

border areas. India remains concerned about China's strong strategic bilateral relations with Pakistan.

In June 2012, China stated that "Sino-Indian ties could be the most important bilateral partnership of the century." Bilateral trade between China and India touched US\$89.6 billion in 2017-18, with the trade deficit widening to US\$62.9 billion in China's favour. In 2017, the volume of bilateral trade between India and China stood at US\$84.5 billion. This excludes bilateral trade between India & Hong Kong.

7.2 INDIA'S CHINA POLICY

India primarily perceives China as an authoritarian, communist legacy that continues to progress as a strong and powerful country in its neighbourhood. In India's consideration, China is a strong 'neighboring' country and already arriving on the global political stage as a superpower.

The Tibet episode, the 1962 war and the contrasting developmental paths over the decades have contributed to India's changed outlook. Essentially, India's current perception of China is that it is more of a powerful neighbour than a reliable partner. Many Indian opinion leaders feel India needs to come out with a China policy with a 'multiple' prism of competition, cooperation, correlation, coexistence, collaboration and conflict. But there needs to be reciprocation. Given India's increasing global stakes, it is expected that China acknowledges that India is also a power to be reckoned with.

China has emerged as a strong military and political power. Indian business community perceives China more as an opportunity; whereas the think-tanks and the media visualize China more as a strategic concern. Further the Indian government maintains a safe middle course. China currently is too strong, both politically and militarily, compared to India. Given the two countries' identical strategic interests in regional and global domains, the Indian policy appears to remain cautious and watchful of Chinese moves. Both countries heavily depend on resources for development which to a fair extent shapes their mutual perception. For India, China is still a security concern, especially on territorial and maritime domains. Thus, China poses multiple concerns and challenges to India politically, economically and strategically besides militarily.

The People's Liberation Army inflicted the final defeat on Kuomintang (Nationalist Party) in October 1949 and PRC was born as a socialist republic some two years after India had gained independence. India's first Prime Minister Jawaharlal Nehru had based his vision of a 'resurgent Asia' on friendship between India and China; and his vision of India's foreign policy was governed by the ethics of the

Panchsheel (Five Principles of Peaceful Coexistence)) which, he initially believed, was also shared by China. Nehru was disappointed when it was realized that the two countries had a conflict of interest in Tibet.

7.3 ISSUE OF TIBET

India established diplomatic relations with PRC on 1 January 1950. Chinese Communist Party (CCP) Chairman Mao Zedong considered Tibet as an integral part of the PRC. Chairman Mao saw Indian concern over Tibet as a manifestation of interference in the internal affairs of the PRC. The PRC reasserted control over Tibet and to end Lamaism (Tibetan Buddhism) and feudalism, which it did by force of arms in 1950. To avoid antagonizing the PRC, Nehru informed Chinese leaders that India had no political and territorial ambitions, except that traditional trading rights must be continued. With Indian support, Tibetan delegates signed an agreement in May 1951 recognizing PRC sovereignty but guaranteeing that the existing political and social system of Tibet would continue. Nehru considered that India's best guarantee of security was to establish a psychological buffer zone in place of the lost physical buffer of Tibet.

India published new maps in 1954 that included the Aksai Chin region within the boundaries of India. When India discovered that China had built a road through the region, border clashes and Indian protests became common. In January 1959, PRC premier Zhou Enlai wrote to Nehru emphasizing that no government in China had accepted as legal the McMahon Line, which the 1914 Simla Convention had defined as the eastern section of the border between India and Tibet.

In March 1959, Dalai Lama, the spiritual and temporal head of Tibet, sought sanctuary in Dharamsala, Himachal Pradesh where he established the Tibetan Government-in-Exile. Thousands of Tibetan refugees settled in Himachal Pradesh and Karnataka. Later, the PRC accused India of expansionism and imperialism in Tibet and throughout the Himalayan region. China claimed 104,000 km of territory over which India's maps showed clear sovereignty, and demanded 'rectification' of the entire border.

Check Your Progress Exercise 1

Note: i) Use the space given below for your answer.

ii) See the end of the unit for tips for your answer.

1) Explain the Tibet issue.

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7.4 BORDER ISSUE

Border dispute resulted in a short border war between China and India on 20 October 1962, resulting in Indian defeat as the PRC pushed the Indian forces to within forty-eight kilometres of the Assam plains in the northeast. It also occupied strategic points in the Aksai Chin and Demchok regions of Ladakh, before declaring a unilateral cease fire on 21 November. China claimed that it withdrew to twenty kilometers behind its contended line of control. India disagreed with the claim.

Relations between the PRC and India deteriorated during the rest of the 1960s and the early 1970s while the China-Pakistan relations improved and the Sino-Soviet relations worsened. The PRC backed Pakistan in its 1965 war with India. Between 1967 and 1971, a road to withstand all weather was built across territory claimed by India, linking PRC's Xinjiang Uyghur Autonomous Region with Pakistan; India could do nothing except protest.

An active propaganda campaign was continued by PRC against India; China in cahoot with Pakistan provided financial and other assistance to insurgent groups in northeastern India. The PRC accused India of assisting the Khampa rebels in Tibet. Sri Lanka played the role of chief negotiator for the withdrawal of Chinese troops from the Indian territory. Both India and China agreed to Colombo's proposals.

There were two more conflicts in 1967 between Indian and Chinese forces at their contested border in Sikkim. While the first conflict was dubbed the "Nathu La Incident", and the other one was called the "Cho La Incident". In September 1967, Chinese and Indian forces clashed at Nathu La. On 11 September, Chinese troops opened fire on a detachment of Indian soldiers tasked with protecting an engineering company that was fencing the Northern part of Nathu La. This escalated over the next

five days to an exchange of heavy artillery and mortar fire between the Indian and Chinese forces. It was reported that 62 Indian soldiers were killed. Soon afterwards, Indian and Chinese forces clashed again. In the Chola incident on 10 October 1967, both sides exchanged heavy fire. Both sides suffered loss of lives besides many being injured.

In August 1971, India signed its Treaty of Peace, Friendship and Cooperation with the Soviet Union. The PRC sided with Pakistan in its 1971 war with India. Though China strongly condemned India, it did not carry out any threat to intervene on Pakistan's behalf. In subsequent years both India and China progressed in economic and military areas, and met regularly to discuss and resolve the bilateral issues including the important border issue.

Check Your Progress Exercise 2

Note: i) Use the space given below for your answer.

ii) See the end of the unit for tips for your answer.

1. Describe the border issue in India-China relations.

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7.5 NEGOTIATIONS AND AGREEMENTS

India and the PRC renewed efforts to improve relations in 1977 with Prime Minister Morarji Desai heading the Janata Party government. In 1978, the Indian Minister of External Affairs Atal Bihari Vajapayee made a landmark visit to Beijing, and both countries officially re-established diplomatic relations in 1979. The PRC leaders agreed to discuss the boundary issue – it being India's priority –

as the first step to a broadening of relations. The two countries hosted each other's news agencies. The holy sites of Mount Kailash and Manasarovar Lake in Tibet were opened for annual Indian pilgrimages.

In 1980, Indira Gandhi approved a plan to upgrade the deployment of forces around the Line of Actual Control. India also undertook infrastructural development in disputed areas. Chinese troops could not move any further into the valley and instead were forced to withdraw from the valley. A long dialogue process started in 1981 after the visit of Chinese Foreign Minister Huang Hua – the first Chinese leader to visit India since Zhou Enlai's 1960s visit – to India. India and the PRC held eight rounds of border negotiations between December 1981 and November 1987. In 1985 the PRC insisted on mutual concessions without defining the exact terms of its "package proposal" or where the actual line of control lay. Thus the negotiations of 1986 and 1987 achieved nothing.

A warming trend in relations was facilitated by Rajiv Gandhi's historic visit to China in December 1988. The two sides stressed in the joint statement the need to restore friendly relations on the basis of Panchsheel. India and China agreed to achieve a 'fair and reasonable settlement while seeking a mutually acceptable solution' to the border dispute. The statement also expressed China's concern about agitation by Tibetan Separatists in India and reiterated that anti-China political activities by expatriate Tibetans would not be tolerated. Rajiv Gandhi signed bilateral agreements on science and technology cooperation, establish direct air links, and on cultural exchanges. The two sides also agreed to hold annual diplomatic consultations between foreign ministers, set up a joint committee on economic and scientific cooperation, and a joint working group on the boundary issue.

Top-level dialogue continued with the December 1991 visit of PRC Premier Li Peng to India and the May 1992 visit to China of Indian President R Venkataraman. Six rounds of talks of the Indian-Chinese Joint Working Group on the Border Issue were held between December 1988 and June 1993. Progress was also made in reducing tensions on the border via mutual troop reductions, regular meetings of local military commanders. In 1993, the sixth-round of the joint working group talks was held in New Delhi but resulted in only minor developments. Prime Minister P V Narasimha Rao and Premier Li Peng signed a border agreement dealing with cross-border trade, cooperation on environmental issues and radio and television broadcasting.

Beijing announced in January 1994 that it not only favoured a negotiated solution on Kashmir, but also opposed any form of independence for the region. Talks were held in New Delhi in February aimed at confirming established "confidence-building measures", discussing clarification of the "line of actual control", reduction of armed forces along the line, and prior information about forthcoming

military exercises. China's hope for settlement of the boundary issue was reiterated.

In April 1995 The Taipei Economic and Cultural Centre was opened in New Delhi in April 1995. The Centre serves as the representative office of the Republic of China (Taiwan) and is the counterpart of the India-Taipei Association located in Taiwan. Both institutions share the goal of improving India-ROC relations that were strained since India's recognition of Beijing in 1950.

Sino-Indian relations hit a low point in 1998 due to India's nuclear tests. In 1998, China was one of the strongest international critics of India's nuclear tests and entry into the nuclear club.

In the South Asian Association for Regional Cooperation (SAARC) Summit in 2005, China was granted an observer status. While other countries in the region were ready to consider China for permanent membership in the SAARC, India appeared reluctant.

Issues surrounding energy have acquired significance of late. Both countries have growing energy need to sustain continued economic growth. Both countries signed an agreement in 2006 to envisage ONGC Videsh Limited (OVL) and the China National Petroleum Corporation (CNPC) to placing joint bids for promising projects.

China and India re-opened Nathu La pass for trading in 2006. Nathu La was closed 44 years prior to 2006. Re-opening of border trade is helping ease the economic isolation of the region. In November 2006, China and India had a verbal spat over claim of the north-east Indian state of Arunachal Pradesh. India claimed that China was occupying 38,000 square kms of its territory in Kashmir, while China claimed the whole of Arunachal Pradesh as its own.

In October 2009, Asian Development Bank formally acknowledging Arunachal Pradesh as part of India approved a loan to India for a development project there. Earlier China had exercised pressure on ADB to cease the loan, however India succeeded in securing the loan with the help of the United States and Japan. China expressed displeasure at ADB.

In the 2012, BRICS Summit in New Delhi, Chinese President Hu Jintao told Indian Prime Minister Manmohan Singh that "it is China's unswerving policy to develop Sino-Indian friendship, deepen strategic cooperation and seek common development" and "China hopes to see a peaceful, prosperous and continually developing India and is committed to building more dynamic China-India relationship". In response to India's test of Agni-V missile, capable of carrying a nuclear warhead to Beijing, the PRC called for the two countries to "cherish the hard-earned momentum of cooperation".

On 16 June 2017, Chinese troops with construction vehicles and road-building equipment began extending an existing road southward in Doklam, a territory which is claimed by both China and

Bhutan. On 18 June 2017, around 270 Indian troops, with weapons and two bulldozers, entered Doklam to stop the Chinese troops from constructing the road. Among other charges, China accused India of illegal intrusion into its territory, across what it called the mutually agreed China-India boundary, and violation of its territorial sovereignty and UN Charter. India accused China of changing the status quo in violation of a 2012 understanding between the two governments regarding the tri-junction boundary points and causing "security concerns", which were widely understood as its concerns with the strategic Siliguri Corridor. The Minister of External Affairs of India Sushma Swaraj said that if China unilaterally changed the status-quo of the tri-junction point between China-India and Bhutan then it posed a challenge to the security of India.

On 24 July 2017, Chinese Foreign Minister Wang Yi claimed that Chinese troops had not intruded into Indian territory by its own admission. The US expressed concern in mid July 2017. China repeatedly said that India's withdrawal was a prerequisite for meaningful dialogue. On 21 July 2017, Sushma Swaraj said that for dialogue, both India and China must withdraw their troops.

On 28 August 2017, China and India reached a consensus to put an end to the border stand-off. Both agreed to disengage from the standoff in Doklam. In February 2019 China made two reported comments: one, objecting PM Modi's visit to Arunachal Pradesh; and secondly, India must sign NPT if it wanted entry to Nuclear Suppliers Group (NSG).

Recent terrorist attack in Pulwama and India striking at Pakistan's Balakot received global attention on Pakistan promoting terrorism and calls for action against Pakistan. China stands by Pakistan's position and even blocked UN resolution to designate Jaish-e-Mohammad leader an international terrorist and place a ban. This is a difficult situation for India to deal with.

7.6 INDIA-CHINA ECONOMIC RELATIONS

The trade and economic relationship between India and China has seen a rapid growth in the last few years. Trade volume between the two countries in 2000, stood at US\$ 3 billion. In 2008, the deficit reached US\$ 51.8 billion with China replacing the United States as India's largest 'goods trading partner'. In 2011 bilateral trade reached an all-time high of US\$ 73.9 billion. Further, the Indian trade deficit with China increased to US\$ 47.68 billion. In 2016, India was the 7th largest export destination for Chinese products, and the 27th largest exporter to China. India-China trade in the first eight months of 2017 was US\$ 55.11 billion.

India's trade deficit of \$61 billion with China refuses to shrink as India is unable to export more manufactured goods.

India is welcoming Chinese investments which have a huge potential even though it was a mere \$2 billion of Chinese FDI in 2017. India and China are natural trade partners as they complement each other. India is specializing in software and pharma and IT services while China is specializing in manufacture of electronic hardware and infrastructure building.

China is India's largest trading partner with bilateral trade reaching almost \$72 billion in 2016-17, from \$38 billion in 2007-08. Bilateral trade between April 2017 and January 2018 was reported to be more than \$73 billion. India's total trade with China for the financial year 2017–18 was \$84.4 billion and deficit was \$ 51.72 billion.

Check Your Progress Exercise 3

Note: i) Use the space given below for your answer.

ii) See the end of the unit for tips for your answer.

1. Describe and discuss India-China trade relations.

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7.7 BELT AND ROAD INITIATIVE (BRI)

At its first convening in 2017, President Xi Jinping proclaimed China's Belt and Road Initiative (BRI) as "the project of the century". The Belt and Road Initiative is an informal coalition with the objective of actualizing trillions of dollars for infrastructure investment across more than 60 countries.

China's grand strategic motivation for the BRI is as much defensive as offensive. China has become

the world's largest commodities importer as well as largest exporter of finished goods. Today's world features deterrence and sovereignty, democracy and transparency that minimize China's ability to dictate matters and terms. The more the BRI becomes a multilateral exercise, the more it connects Asian countries to China as well as rest of Asians to each other. From Russia and Turkey to Iran and Iran to Myanmar and Thailand, the resurrection of multidirectional Silk Roads with no dominant power symbolizes the return of Asia's past, one characterized by deference, not dominance. Asia has nearly 5 billion people, of which about 3.5 billion are not Chinese. Other Asians aspire not to live in a Chinese-dominated world order.

Many feel India should have signed on BRI. But the overwhelming consideration for India at the time of the BRI initiative in 2017 was that China Pakistan Economic Corridor (CPEC) goes through Pakistan-Occupied Kashmir (POK).

India could have also agreed to the recent proposal from China to have the trilateral economic corridor between Nepal, China and India. While Nepal has signed the trilateral agreement, India has abstained. It fears that China might dump its goods on India via Nepal. Similarly India also hesitated signing the RCEP mega trade treaty involving 16 countries including both India and China for the same reason.

Check Your Progress Exercise 3

Note: i) Use the space given below for your answer.

ii) See the end of the unit for tips for your answer.

1. What is Belt and Road Initiative? Explain.

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7.8 LET US SUM UP

India established diplomatic relations with PRC in April 1950. Prime Minister Nehru visited China in October 1954. While the India-China border conflict in 1962 was a serious setback to ties, Prime Minister Rajiv Gandhi's landmark visit in 1988 began a new phase of improvement in bilateral relations.

Focus in India-China tensions is the dispute over territory in the Aksai Chin area, and Tawang in the Indian state of Arunachal Pradesh, which China claims as a part of southern Tibet.

India realizes that any war with China would not be in its interests, as the Chinese military is far stronger. China also recognizes that a conflict with India would adversely affect its multifaceted investments made in India's neighbourhood and that the best way forward would be to maintain peace along the border. Further, India has emerged as an important destination for Chinese goods.

In 1993, the signing of an Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control (LAC) on the India-China Border Areas during Prime Minister Narasimha Rao's visit reflected the growing stability and substance in bilateral ties.

Both India and China are engaged bilaterally, regionally and globally and this approach is expected to continue for years to come. In June 2012, China stated its position that "Sino-Indian ties" could be the most "important bilateral partnership of the century". Indian PM Modi's words "Asia and the world will have a better future when India and China work together with trust and confidence".

Nevertheless trust deficit and a 'security dilemma' still remains an irritant in the bilateral relationship between India and China. India understands that any war with China would not be in its interests since the Chinese military is far more superior and stronger. Similarly, it is equally clear to China that a conflict with India would adversely impact its huge investment in India's neighbourhood and the best way ahead would be to maintain peace. China certainly has excess manufacturing capacity and is looking for dumping its products in huge Indian market.

Thus, while evolving India's approach to China has recently shifted from a hard line to a conciliatory approach, one needs to watch how the differences play out regionally and globally in the coming times.

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7.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

- 1) Your answer should be based on Section 7.3. Highlight the differences in perception of India and China over Tibet, and India's conciliatory approach.

Check Your Progress Exercise 2

- 1) Your answer should be based on Section 7.4. Describe the 1962 border war and deterioration in bilateral relations during the 1960s and 70s.

Check Your Progress Exercise 3

- 1) Your answer should be based on Section 7.6. Explain the dynamics of bilateral trade; and its impact on the overall relation between the two countries.

Check Your Progress Exercise 4

- 1) Your answer should be based on Section 7.7. Describe in details the BRI – its economic and strategic importance; and why India objects to BRI.