



## CHANGING TRENDS AND PATTERN OF INDIA-RUSSIA RELATIONS IN RECENT YEARS

Dr. Santaram,

Anjali Bajaj,

Associate Professor, Department of Commerce,

Research Scholar, Department of Commerce,

Meerut College Meerut.

Meerut College Meerut.

### Abstract

*Russia has been a longstanding and time-tested partner for India. Development of India-Russia relations has been a key pillar of India's foreign policy. Since the signing of "Declaration on the India-Russia Strategic Partnership" in October 2000 (during the visit of Russian President H.E. Mr. Vladimir Putin to India), India-Russia ties have acquired a qualitatively new character with enhanced levels of cooperation in almost all areas of the bilateral relationship including political, security, trade and economy, defence, science and technology, and culture. Under the Strategic Partnership, several institutionalized dialogue mechanisms operate at both political and official levels to ensure regular interaction and follow up on cooperation activities. During the visit of the Russian President to India in December 2010, the Strategic Partnership was elevated to the level of a "Special and Privileged Strategic Partnership."*

### 1.1 Political Relations

**Annual Summit:** The Annual Summit meeting between the Prime Minister of India and the President of the Russian Federation is the highest institutionalized dialogue mechanism in the strategic partnership between India and Russia. So far seventeen Annual Summit meetings have taken place alternatively in India and Russia. Russian President Vladimir Putin visited Goa from 15-16 October 2016 for the 17<sup>th</sup> Annual Summit, which resulted in 19 documents related to cooperation in defence, space, information security, foreign policy, trade & investment, hydrocarbons, shipbuilding, railways, and science and technology. Prime Minister Modi and President Putin also adopted a Joint Statement "Partnership for Global Peace and Stability" and a "Roadmap of Events" to celebrate the 70<sup>th</sup> anniversary of the establishment of the diplomatic relations between India and Russia in the year 2017. Earlier, PM and President Putin held a bilateral meeting on the sidelines of the SCO Summit in Tashkent (Uzbekistan) on 24 June 2016. PM will visit Russia in June 2017 for participation in the St. Petersburg International Economic Forum as the Guest of Honour. The 18<sup>th</sup> Annual Bilateral Summit will also be held on 1<sup>st</sup> June 2017 in St. Petersburg.

**1.2 Intergovernmental Commissions:** There is regular high-level interaction between the two countries.

Two Inter- Governmental Commissions - one on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC), co- chaired by the External Affairs Minister (EAM) and the Russian Deputy Prime Minister (DPM), and another on Military Technical Cooperation (IRIGC- MTC) co- chaired by Russian and Indian Defence Ministers, meet annually. The Inter- Governmental Commission on Military Technical Cooperation (IRIGC-MTC) co- chaired by the two Defence Ministers and its Working Groups and Sub-Groups review defence cooperation between the two countries. Russian Defence Minister visited New Delhi for the 16<sup>th</sup> Session of the IRIGC-MTC on 26 October 2016. DPM Rogozin visited India in September 2016 to co-chair the 22<sup>nd</sup> session of the IRIGC- TEC with EAM. In 2017, DPM Rogozin visited India for the meeting of Co-Chairs of IRIGC-TEC on May 10 (EAM is the Co-Chair from the Indian side). He also called on PM and met NSA during this visit.

**1.3 Bilateral Interaction/Visits:** Deputy PM Dmitry Rogozin visited India on 20 August 2016. He called on PM and also met NSA. DPM Rogozin subsequently led a large Russian delegation to the Vibrant Gujrat Summit in January 2017, and called on PM. NSA visited Russia on January 30-31, 2017 and met the Secretary of the Security Council of the Russian Federation, Nikolai Patrushev. They discussed issues of mutual bilateral, regional and global interest, with special focus on security and defence cooperation. Foreign Secretary visited Russia for Foreign Office Consultations on March 16-17, 2017. Deputy NSA visited Russia in March 2017 and met his counterpart for the 17<sup>th</sup> India-Russia Joint Coordination Group Meeting. He also attended the 4<sup>th</sup> International Arctic Forum Meeting in Arkhangelsk. Russian Minister for Industry and Trade, Denis Manturov visited India in March 2017. He jointly inaugurated the International Engineering Sourcing Show – 2017 with CIM in Chennai. He later attended the first-ever India-Russia Military Industrial Conference in Delhi on March 17-18, 2017, and also had a separate meeting with RM. DPM Trutnev visited India in March 2017. He met EAM in Delhi, and signed deals worth US \$ 1.4 billion during his visit to Mumbai. Russian side also signed a Term Sheet with TATA Power for developing a coal field in Kamchatka during this visit. Minister of Defence, Finance and Corporate Affairs of India, Mr. Arun Jaitley attended the 6<sup>th</sup> Moscow Conference on International Security on 25-26 April 2017. He also had a bilateral meeting with his Russian counterpart during this visit. NSA visited Russia in May 2017 to attend the 8<sup>th</sup> International Meeting of High Level Officials Responsible for Security Matters in Zavidovo. He also had a bilateral meeting with his Russian counterpart. Earlier in 2016, EAM held separate bilateral meetings with DPM Rogozin and Foreign Minister Sergey Lavrov on the sidelines of the 14<sup>th</sup> Russia-India-China (RIC) Foreign Ministers meeting in Moscow on 18 April 2016.

**1.4 Consultations:** Pursuant to the signing of the Protocol for Consultations between the foreign ministries, Secretary (West), Secretary (ER) and Secretary (East) visited Russia for bilateral consultations in 2016. Other official level consultations (Secretary/Joint Secretary) on issues such as disarmament & non-proliferation, Central Asia, European issues, information security, South Asia, UN, BRICS, SCO and RIC were also held in 2016. During the 17<sup>th</sup> Annual Summit, the sides concluded a Protocol for Consultations between the foreign ministries for the period 2017-18. In 2017, a number of Consultations on issues such as disarmament and non-proliferation, information security, property issues, and counter-terrorism have already taken place in accordance with the new plan.

**BRICS:** During Indian Presidency of BRICS from February 2016, Russia actively participated in the BRICS Ministerial and high official level meetings in India. Russian President, Vladimir Putin participated in the 8<sup>th</sup> BRICS Summit and BRICS-BIMSTEC Outreach Summit in Goa on 15-16 October 2016, where the member states adopted the Goa Declaration. China has assumed the Presidency of BRICS in 2017.

### 1.5 Defence and Security Cooperation

India has longstanding and wide-ranging cooperation with Russia in the field of defence. India-Russia military technical cooperation has evolved from a buyer - seller framework to one involving joint research, development and production of advanced defence technologies and systems. BrahMos Missile System as well as the licensed production in India of SU-30 aircraft and T-90 tanks, are examples of such flagship cooperation. During the 17<sup>th</sup> Annual Summit, the sides concluded agreements on supply of S-400 air defence systems, construction of frigates under Project 1135.6 and shareholders agreement on the formation of joint venture to manufacture Ka-226T helicopters in India. The two countries also hold exchanges and training exercises between their armed forces annually. The joint military exercise „Indra 2016“ was held in the Ussuriysk District in Vladivostok from 22 September -02 October 2016. The annual bilateral naval exercise. Indra – Navy took place off the coast of Vishakhapatnam on 14-21 December 2016.

Air Chief, Arup Raha visited Russia from 24-29 October 2016. Russian Naval Chief visited India in March 2017. The first ever India-Russia Military Conference took place in Delhi in March 2017. Nearly 45 Russian entities participated in this conference. FSB Director, Alexander Bortnikov led a nine-member delegation to India in March 2017, and called on the Minister of Home Affairs.

## 1.6 Economic Relations

Making the economic partnership a strong pillar of the bilateral partnership like other areas of cooperation between India and Russia is a key priority for both governments. In December 2014, the leaders of the two countries set a target of US \$ 30 billion bilateral trade by 2025. According to Russian Federal Customs Service data, bilateral trade during in 2016 amounted to US\$ 7.71 billion (decline of 1.5 % over 2015), with Indian exports amounting to US\$ 2.39 billion and imports from Russia amounting to US\$ 5.32 billion. Major items of export from India include pharmaceuticals, tea, coffee and tobacco, machinery and mechanical appliances, organic chemicals, and electrical machinery and equipment. Major items of import from Russia include pearls, precious and semi-precious stones & metals, nuclear power equipment, electrical machinery and equipment, mineral oil & products, iron & steels, and optical, precision and surgical equipment. India and Russia are exploring various ways for enhancing bilateral trade. A few important steps/projects that could provide a major boost to bilateral trade are: Operationalization of the „Green Corridor project between the two countries which has already reached an advanced stage; implementation of the International North- South Transport Corridor, and the signing of an FTA between Indian and the Eurasian Economic Union (EaEU). In December 2016, Eurasian Economic Union (EaEU) approved the decision to start negotiations between India and the EaEU for signing an FTA. Indian investments in Russia are estimated to be about US\$ 13 billion which include Vankorneft and Taas-Yuryakh Tass fields; Imperial Energy Tomsk; Sakhalin I; Volzhsky Abrasive Works Volgograd; and Commercial Indo bank. Russian investments in India total about US\$ 16 billion, including the acquisition of the ESSAR Group, Kamaz Vectra in Hosur; Shyam Sistema Telecom Ltd, Sberbank and VTB. Earlier, both sides had expressed their desire to raise the level of investments in each other's countries to US \$ 15 billion (each way) by 2025. Based upon current figures it appears that the target will be achieved almost eight years earlier than planned.

The Inter- Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC) is the apex G2G forum to review economic cooperation. It reviews sectoral cooperation under working groups on trade and economic cooperation, priority investments, modernization and industrial cooperation (sub-groups on civil aviation, mining, fertilizer, and modernization), outstanding issues, energy & energy efficiency, science and technology, communications & IT, tourism and culture, and sub-groups on banking & financial matters and on conservation of tigers & leopards. The 22nd Session of the IRIGC-TEC was held in New Delhi on 13 September 2016, which was co-chaired by EAM and the Russian Deputy Prime Minister Dmitry Rogozin.

The India - Russia Forum on Trade and Investment co-chaired by the Commerce and Industry Minister of India and the Russian Minister for Economic Development, and India-Russia CEOs' Council are the two primary mechanisms to promote direct bilateral business-to- business contacts between India and Russia. Mechanisms such as India-Russia Business Council (partnership between FICCI of India and CCI of Russia), India-Russia Trade, Investment and Technology Promotion Council (partnership between CII of India and RUIE of Russia), India- Russia Business Dialogue (partnership between CII of India and Russia's Business Council for Cooperation with India) and India-Russia Chamber of Commerce (with focus on SMEs) supplement the efforts to build direct business - to - business ties. To promote smoother and greater movement of businessmen, the two countries signed a protocol on 24 December 2015 to simplify visa procedures for businessmen.

Hydrocarbons is an active area for exploring cooperation between the two countries. In the second and third quarter of 2016, Indian companies invested close to US\$ 5.5 billion in Russia's Oil and Gas sector, which included acquisition of 23.9% stake in Vankorneft and 29.9% in Taas-Yuryakh by an Indian Consortium of Indian Oil Corporation Limited (IOCL), Indian Oil Corporation Limited (OIL) and Bharat Petro Resources Limited (BPRL); and acquisition of 15% and 11% stake by ONGC Videsh Limited (OVL) in Vankorneft from Rosneft Oil Company of Russia. During the 17th Annual Summit, the sides concluded documents between Engineers India Ltd and Gazprom on the Joint Study of a gas pipeline to

India and other possible areas of cooperation; Agreement in the area of Education and Training between ONGC Videsh Ltd and Rosneft Oil Company; and Programme of Cooperation (PoC) in the Field of Oil and Gas for the period 2017-18; and the Sale and Purchase Agreement between a Rosneft-led consortium and Essar for acquisition of 98% stake in Essar Oil Limited. The Rosneft led Consortium has invested close to US \$ 13 billion in this deal. The sides are working towards realization of an Energy Bridge “between the two countries, which is based on robust civil nuclear cooperation, LNG sourcing, partnership in the Oil and Gas sector, and engagement in renewable energy sources.

In December 2015, Tata Power signed an agreement with the Russian Ministry of Far East Development for investment projects in energy sector in the region. In October 2016, Indian and Russian railways signed an agreement on high speed rails in India. In December 2015, Heavy Engineering Corporation (HEC), Ranchi concluded agreements with Russian company CNIITMASH on establishing a Centre of Excellence in India and modernization of HEC’s facilities; and Solar Energy Corporation of India signed MoU with Russian counterpart for constructing solar plants in India.

### **India participated in one of Russia’s of major flagship industrial exhibitions,**

INNOPROM 2016 in Ekaterinburg (Russia) from 11-14 July 2016 as a partner country, where the Indian delegation was led by Commerce and Industry Minister and the Chief Ministers of Andhra Pradesh, Maharashtra and Rajasthan. They also held a roundtable meeting with the Russian Prime Minister. Minister for Industry and Trade, Denis Manturov led a large delegation to India and attended the opening ceremony of the BRICS Trade Fair, and met CIM in October 2016. He also met the CM’s of Rajasthan, Andhra Pradesh, and Maharashtra.

### **Nuclear Energy**

Russia is an important partner for India in the area of peaceful use of nuclear energy. It recognizes India as a country with advanced nuclear technology with an impeccable non-proliferation record. In December 2014, Department of Atomic Energy (DAE) and Russia’s Rosatom signed the Strategic Vision for strengthening cooperation in peaceful uses of atomic energy between India and Russia. Kudankulam Nuclear Power Plant (KKNPP) is being built in India with Russian cooperation. KKNPP Units 1 and 2 have already become operational. PM Modi and President Putin jointly dedicated Units 1 & 2 to the nation on separate occasions through videoconferencing. They also initiated the concrete pouring for Units 3 & 4 through videoconference on October 15, 2016. An agreement on localization of manufacturing of nuclear equipment in India was also concluded during the Annual Summit on 24 December 2015. The sides are working for the early finalization of the General Framework Agreement and Credit Protocol for Unit 5 & 6.

### **Space Cooperation**

India-Russia cooperation in the field of peaceful uses of outer space dates back to about four decades. 2015 marked the 40th anniversary of the launch of India’s first satellite “Aryabhata” on a Russian (then USSR) launch vehicle Soyuz. In 2007, India and Russia signed a framework agreement on cooperation in the peaceful uses of outer space, including satellite launches, GLONASS navigation system, remote sensing and other societal applications of outer space. In June 2015, the space agencies signed an MoU on expansion of cooperation in the field of

the exploration and use of outer space for peaceful purposes. An agreement was signed between C-DAC and GLONASS for cooperation in technologies based on satellite navigation. On 15 October 2016, ISRO and Roscosmos signed an MoU to establish ground measurement gathering stations for GLONASS and NAVIC in India and Russia. Both sides are also exploring the possibility of cooperation in manned space flight.

### **Science & Technology**

The Working Group on Science and Technology functioning under IRIGC- TEC, the Integrated Long Term Programme (ILTP) and the Basic Science Cooperation Programme are the three main institutional mechanisms for bilateral Science and Technology cooperation, while the Science Academies of the two countries promote inter-academy exchanges. ILTP during its 25-year long implementation period, supported over 500 joint R&D projects and setting up of 9 thematic centers in India and Russia that resulted in generation of over 1500 joint publications and many new products, processes, facilities, and research centers besides developing over 10,000 scientific contacts. India-Russia Science and Technology Centre with a branch each in Delhi-NCR and Moscow was set up in 2011-12 in order to promote two-way transfer of technologies and their commercialization.

Two new Programmes of Cooperation in the field of Science, Technology, Innovation, and Biotechnology concluded in October 2013 have become active mechanisms for cooperation. These programmes have already supported the first batch of 11 joint R&D projects in 2014. In December 2014, Indian Council of Medical Research and Russian Foundation of Basic Research entered into an MoU for cooperation in health research. On 8 May 2015, Department of Science & Technology (DST) and Russian Science Foundation signed an agreement to support basic and exploratory research. During the 16th Annual Summit, C-DAC, IISc (Bangalore) and Moscow State University signed an agreement on cooperation in the field of high performance computing. During the 17th Summit, DST and FASO (Federal Agency for Scientific Organization) signed an agreement for cooperation in the field of science and technology. A Basic Science Cooperation Programme between DST and the Russian Foundation for Basic Research has been working quite successfully from 2016-17. A number of new initiatives such as the Indi- Russia Bridge to Innovation, cooperation in telemedicine, creation of a Traditional Knowledge Digital Library, GIAN, and the Russia-India Network (RIN) of Universities are being promoted to encourage the growth of bilateral interaction in the field of S&T.

## **1.7 CONCLUSION**

### **Historical Relationship between India-Russia:**

There is a strong tradition of Indian studies in Russia. Jawaharlal Nehru Cultural Centre at the Embassy of India, Moscow (JNCC) maintains close cooperation with leading Russian institutions, including the Institute of Philosophy (Moscow); Russian State University for Humanities (Moscow); Institute of Oriental Studies (Moscow); Institute of Asian and African Studies of the Moscow State University; School of International Relations of the St. Petersburg University; Institute of Oriental Manuscripts (St Petersburg); Peter the Great Museum of Anthropology & Ethnography (Kunstkamera) in St Petersburg; Far Eastern Federal University (Vladivostok); and Russian Institute for Cultural Research (Krasnodar). There is a Mahatma Gandhi Chair on Indian Philosophy in the Institute of Philosophy, Moscow. About 20 Russian Institutions, including leading universities and schools, regularly teach Hindi to about 1500 Russian students. Apart from Hindi, languages such as Tamil, Marathi, Gujarati, Bengali, Urdu, Sanskrit and Pali are taught in Russian Institutions. There is strong interest among Russian people in Indian dance, music, yoga and Ayurveda. JNCC conducts classes in yoga, dance, music and Hindi for approximately 500 students every month.

There are regular cultural initiatives to promote people-to-people contacts between India and Russia, including reciprocal Years of Culture. The President of India inaugurated the Year of Indian Culture "Namaste Russia" in Moscow on 10 May 2015. About 15 performances in 8 cities were held as part of „Namaste Russia“ across various parts of Russia over 2015. The Embassy with support from regional governments organized week-long celebrations marking the second International Day of Yoga (IDY) covering 70 regions spanning 11 time zones and involving over 50,000 Yoga enthusiasts. During the

previous Summit in October, the leaders adopted a Roadmap of Events“ to celebrate the 70th anniversary of the establishment of the diplomatic relations between India and Russia with year-long celebrations in 2017.

Indian Community in the Russian Federation is estimated at about 30,000. In addition, about 1,500 Afghan nationals of Indian origin live in Russia. About 500 Indian businessmen reside in Russia out of which around 200 work in Moscow. It is estimated that about 300 registered Indian companies operate in Russia. Majority of Indian businessmen/companies in Russia are involved in trading. Some entities also represent Indian banks, pharmaceuticals, hydrocarbon and engineering companies. Tea, coffee, tobacco, pharmaceuticals, rice, spices, leather footwear, granite, I.T. and garments are amongst the products being imported by these companies from India. There are approximately 4,500 Indian students enrolled in medical and technical institutions in the Russian Federation. About 90% of them pursue medical studies in about 20 universities/institutions across Russia. Hindustani Samaj is the oldest Indian organization in Russia functioning since 1957. Other Indian organizations in Moscow include the Indian Business Alliance, Overseas Bihar Association, AMMA (All Moscow Malayalee Association), DISHA (Indian-Russian Friendship Society), Textile Business Alliance, Bhartiya Sanskritik Samaj, and Ramakrishna Society Vedanta Centre. Embassy of India School in Moscow is affiliated to Kendriya Vidyalaya Sangathan in New Delhi with teachers deputed from India. The School has classes from I to XII with about 350 students.

- Russia noted the Soviet Union’s support for India’s sovereignty over the disputed Portuguese coastal enclaves such as Kashmir and Goa. Even after Article 370 was repealed, Russia still supports India’s claim to Kashmir.
- The Soviet Union agreed to a technology transfer to jointly produce the Mikoyan-Gurevich MiG-21 jet fighter in India in 1962. However, the USSR rejected a similar move to China.
- India and USSR signed the Treaty of Friendship and Cooperation in 1971 during the Bangladesh Liberation War.
- Political affiliation: The annual summit meeting between the Prime Minister of India and the President of the Russian Federation is the premier institutionalized dialogue mechanism in the India-Russia strategic partnership. Until 2020, her 20 summits a year alternated between India and Russia. In 2019, Putin signed a presidential decree awarding the Indian Prime Minister the Order of St. Andrew the Apostle, Russia’s highest honour.
- Two intergovernmental committees – the Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC) and the Military-Technical Cooperation (IRIGC-MTC) – meet annually.
- Defence and Security: Military technology cooperation between India and Russia has evolved from a buyer-seller framework to include joint research, development, and production of advanced defence technologies and systems.

## References

1. Tang W., Wu L., & Zhang Z. (2010). Oil price shocks and their short-and long-term effects on the Chinese economy. *Energy Economics*, 32(S1), S3–S14.
2. The Asan Forum, “Prospects and Limitations of Russo-Chinese Economic Relations”, accessed October 9, 2019.
3. The Embassy of the Russian Federation to the United Kingdom, “The Foreign Policy Concept of the Russian Federation 2016”, Accessed July 19, 2019.
4. Varghese G. (2017). Inflationary effects of oil price shocks in Indian economy. *Journal of Public Affairs*, 17(3), 1614–1612.
5. Vikram Suhag, “China’s attractiveness as a tourist destination for the Russian traveler. Inferences India should draw”, *Eurasian Studies*, accessed October 9, 2019.
6. Vladimir Putin (30 May 2017). "Russia and India: 70 years together". Times of India Blog. Retrieved 31 May 2017.
7. Vojtech. Mastny, "The Soviet Union's Partnership with India." *Journal of Cold War Studies* 12.3 (2010): 50-90.

8. Volodin, Andrei (5 September 2012). "India and APEC: Center of Mutual Gravitation". International Affairs. Archived from the original on 26 September 2012.
9. Wani, Nassir Ul Haq, Jasdeep Kaur Dhami, and Neeru Sidana. "Indo-Russia Trade: An Evaluation of Symmetry, Complementarity, Intensity and Similarity." *Management* 3.1 (2020): 14–33.
10. Yanagisawa A. Institute of Energy Economics; 2012. Impact of Rising on the Macro Economy; pp. 1–7.
11. Yoshino N., & Alekhina V. (2016). Impact of oil price fluctuations on an energy-exporting economy: Evidence from Russia. *Journal of Administrative and Business Studies*, 2(4), 156–166.
12. Younsi M. & Bechtini M. (2018). Economic Growth, Financial Development and Income Inequality in BRICS Countries: Evidence from Panel Granger Causality Tests, Faculty of Economics and Management, University of Sfax, Tunisia 14(04).
13. Yukata K. Oil prices and economic growth in developed countries. *Int. J. Bus. Soc. Sci.* 2015;6(11):1–7.
14. Zhang X., Liu X., Hang J., & Yao D. (2018). The dynamic causality between commodity prices, inflation and output in China: A bootstrap rolling window approach. *Applied Economics*, 50(4), 407–425.