

The twilight of the Russian-Indian strategic partnership

Witold Rodkiewicz

Less than a decade ago, both Russian and Indian analysts would have described the relations between Moscow and New Delhi as problem-free from a political perspective. No other power was as convenient a partner for Russia as India. The first cracks in the relationship between the two countries began to emerge in the mid-2010s as a result of China's growing power (India is in conflict with China) and its increasingly assertive foreign policy. Other factors included the development of Russian-Chinese cooperation and the ongoing rapprochement between India and the US.

At first glance, it may seem that the full-scale war launched by the Russian Federation against Ukraine has served to further strengthen the relationship between Moscow and New Delhi. However, contrary to official rhetoric, the foundations of the Russian-Indian 'specially privileged strategic partnership' have been eroding, due to several factors, and this erosion is likely to continue.

The Moscow-New Delhi relationship from 2000 to 2013: an (almost) problem-free partnership

Maintaining close ties with India was one of the main goals of Vladimir Putin's Asia policy. During his first official visit to India in autumn 2000, less than six months after taking office as president, he and the Indian prime minister signed a declaration of strategic partnership. A series of annual summits, held alternately in both countries, were intended to be the most important element of this partnership. The annual frequency of these visits was maintained until 2021.¹ In 2010, as part of the 'turn to the East'² strategy which Moscow announced at that time, its relationship with New Delhi was officially raised to the rank of a 'specially privileged strategic partnership'.

From the Kremlin's point of view, the development of this 'strategic partnership' with India was one part of its efforts to undermine the position of the United States. The Russian elite views the US as an actor which is not only excessively powerful, but also as one which attempts to use its superiority to influence Russia's internal politics. Moscow pursued the policy of undermining the US position,

¹ No summit was held in 2020 due to the COVID-19 pandemic.

² Witold Rodkiewicz, *The turn to the East. The flawed diversification of Russian foreign policy*, OSW, Warsaw 2014, osw.waw.pl.

claiming that it was in line with the allegedly 'natural' and 'objective' evolution of the international system towards a so-called multipolar order. The Kremlin sought partners which shared its dislike of the dominant role of the US in the post-Cold War international system and which were ready to support each other in contesting America's power. According to the Russian elite, Moscow's relations with India were also intended to offset China's position, since Moscow recognised and appreciated China's growing importance as early as the mid-1990s. Although Putin continued this policy on the basis of these assumptions, he eased off on the 'multipolarity' rhetoric and denied any revisionist intentions, at least until 2007.

In India the Russian offer of this type of strategic partnership fell on fertile ground. This was because of the still vivid memory of the support the USSR had offered to India to resist Western (in particular American) pressure. India

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had been involved in several disputes with the United States and had cherished superpower ambitions of its own, both regionally and globally. Therefore, a shared dislike of Washington's excessively powerful position, the desire to have as much leeway as possible in its relations with its smaller neighbours and in domestic politics, together with a general anti-Western *ressentiment*, all formed the basis for the strategic partnership between Moscow and New Delhi. India therefore found the concept of a multipolar order attractive. Moreover, both sides intended their mutual relationship to offset the growing role of China. This is why the elite in Moscow was convinced of the full convergence between Russia's and India's interests on the international arena.³

One weak point of this strategic partnership was the insignificant economic cooperation between the two states. While between 2009 and 2012 the value of bilateral trade rose from \$7.5 billion to \$11 billion, in 2013 and 2014 it fell to \$10.1 billion and \$9.5 billion respectively. This sum accounted for a mere 1.2% of Russia's foreign trade and less than 1% of India's.⁴ The volume of bilateral investments was equally small: in 2000–15 the value of India's investment projects in Russia stood at \$8 billion, and Russia's investments in India \$4 billion. The majority of Indian investments involved the energy sector (\$4.5 billion).⁵ India's most significant investment projects were carried out by the OVL state-owned fuel company: in 2001 it bought a 20%-stake in the Sakhalin-1 project and in 2008 it spent \$2.6 billion to purchase the Imperial Energy company which was involved in exploiting oil and gas fields in western Siberia.⁶ Military-technical cooperation has been the main pillar of the Russian-Indian partnership (see the Annex).

The first cracks, and the attempts to reset the strategic partnership

Aside from the positive tradition of Soviet-Indian relations, another fundamental element of the Russian-Indian strategic partnership was the convergence of their foreign policy goals. However, over time, the memory of the Soviet-Indian relations gradually faded, and the evolution of the international situation pushed the elites of both countries in different directions. Various shifts, in particular those

³ In 2013 an analysis prepared by a think tank linked with the Russian foreign ministry read: "The strategic partnership between Russia and India is a natural and objective occurrence" and "the national interests of the two states are convergent or at least not divergent". И.С. Иванов (ed), *Тезисы о российско-индийских отношениях*, НП РСМД, 2013, russiancouncil.ru, p. 4.

⁴ 'Обзор торгово-экономических отношений Индии и России за 2014 год', ved.gov.ru, p. 1.

⁵ И.С. Иванов (ed), *70-летие дипломатических отношений России и Индии: новые горизонты привилегированного партнерства*, no. 34/2017, НП РСМД, russiancouncil.ru, p. 21, 24–25.

⁶ 'Торгово-экономическое сотрудничество между Российской Федерацией и Республикой Индией', Ministry of Economic Development of the Russian Federation, ved.gov.ru, p. 4–5.

which occurred in the wake of the 2008–09 economic crisis, began to affect the behaviour and position of important international actors, thus changing the context of Russian-Indian relations. Aside from the relative weakening of the US's position, the rise of China's power and assertiveness should be viewed as the most significant of these shifts. It coincided with the rise in tensions between Russia and the West, which were accompanied by the strengthening of ties between Beijing and Moscow. Their 'strategic partnership' began to transform into an anti-American quasi-alliance, albeit one in which Russia was slowly becoming China's 'junior' partner.⁷

New Delhi's reaction to China's increasing power and aggressiveness was different from Moscow's: instead of 'bandwagoning', it chose to pursue a balancing policy which included the decision to launch strategic cooperation (including in military affairs) with the US and its Asian allies. The Quadrilateral Security Dialogue (known as the Quad) established in 2017 was conceived as the official framework of this cooperation.

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India's decision to diversify its arms imports came as a major blow to Russia's interests. This resulted in a slow but steady decrease in Russia's share in supplies of arms to India; in 2012–16 it was 68%, and in 2022 it dropped to 59%.⁸

India began to complain about the quality of the products supplied by Russia's arms industry, the lack of servicing for the equipment provided, and delays in receiving spare parts.⁹ Moreover, India began to press for a fundamental change in the nature of the military-technical cooperation, namely moving from purchases of readymade systems to their joint design and co-production, combined with transfers of high technology.

As a result of shifts in mutual relations and in the balance of power in the China-US-Russia-India quadrilateral, significant differences emerged between Moscow and New Delhi for the first time. The former viewed the increasing cooperation between India and the US as a threat to its interests, especially as it was accompanied by the weakening of the Russian position on the Indian armaments market, as mentioned above. Russian diplomacy fiercely attacked the US initiatives in the Asia-Pacific region, and interpreted the rapprochement between New Delhi and Washington as America's attempt to 'drag' India into the anti-China coalition, treating it as if it were a passive object of US policy. Moscow's rejection of the Indo-Pacific concept (which envisages the development of cooperation between India, the US, Japan and Australia) has had a particularly toxic effect on the mutual relationship. For the Indian political elites this concept "is... one of the pillars of foreign policy and a source of justified pride".¹⁰ New Delhi, for its part, was critical of China's One Belt One Road initiative (OBOR) and of Russia's consent to 'coupling' it with the Eurasian Economic Union (EEU). India viewed OBOR as a veiled imperial project by Beijing intended to build up China's hegemony in Eurasia, and feared that the 'coupling' of OBOR and the EEU could result in China increasingly dominating Russia.¹¹

⁷ See M. Bogusz, J. Jakóbowski, W. Rodkiewicz, *The Beijing-Moscow axis. The foundations of an asymmetric alliance*, OSW, Warsaw 2021, osw.waw.pl.

⁸ П. Ананд, 'Россия и Индия: определяющие отношения в эпоху неопределённости', Международный дискуссионный клуб «Валдай», 30 May 2023, ru.valdaiclub.com.

⁹ 70-летие дипломатических отношений России и Индии..., *op. cit.*, p. 30–32.

¹⁰ А.В. Куприянов, 'Россия и Индия: проблемы и перспективы сотрудничества', *Полис*, no. 4/2022, p. 71.

¹¹ 70-летие дипломатических отношений России и Индии..., *op. cit.*, p. 11, 17.

Another issue which undermined Indo-Russian relations involved Moscow's decision to 'unfreeze' and then to expand its relationship with Pakistan, which New Delhi viewed as an existential threat.¹² Moreover, Islamabad is a client of Beijing, and so from India's perspective any Russian support to Pakistan *de facto* equates to its support for China and against New Delhi. From India's point of view, all this "undercuts the traditional deep mutual geopolitical understanding [between Russia] and India in the region".¹³

Back in 2017 the problems discussed above prompted analysts from the two countries to write about the need for a 'reset' in bilateral relations. In a report compiled at that time under the auspices of a Russian state think tank, an Indian expert highlighted the need to "revise India-Russia relations on a new, perspective-oriented basis". The Russian 'curator' of this project (Vyacheslav Trubnikov, a retired general of the Foreign Intelligence Service of the Russian Federation) said that the "current model of cooperation has largely been exhausted" and should be "taken to a new level which would fully correspond with the reality of the global politics of the 21st century".¹⁴

The Indian side has tried to boost its economic relations with Russia on at least two occasions. Indian Prime Minister Narendra Modi personally attended two flagship Russian economic events held in

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2016 and 2019. This brought certain results: Indian companies increased their involvement in the Russian energy sector and bought stakes in the Vankor and Taas-Yuryakh oil fields, which raised the value of their investments up to \$16 billion.¹⁵ In 2017, the Russian state-controlled company Rosneft purchased a 49%-stake in the Indian Essar Oil Ltd. energy company for \$12.9 billion and became a stakeholder in India's second biggest oil refinery.¹⁶ As a consequence, the value of mutual investments exceeded \$30 billion.¹⁷

An increase in bilateral trade was also recorded; in 2019 its value returned to the level of \$11.2 billion, and in 2021 it reached \$13.6 billion (which accounted for 1.7% of Russia's foreign trade). However, this volume remained insignificant, in particular compared with the Russian-Chinese economic exchange: in 2021 its value exceeded \$140 billion (almost 17% of Russia's foreign trade).¹⁸ No change in the current economic model of Indian-Russian cooperation has been recorded; it continues to involve state-controlled companies carrying out projects which are agreed at the intergovernmental level. The launch in 2015 of consultations on signing a free trade agreement between India and the EEU was interpreted as a harbinger of a major shift in trade relations. So far, however, the agreement has not been concluded.

¹² In 2014, Russia lifted the embargo on arms supplies to Pakistan and signed an agreement on military cooperation, and in 2016 an agreement on cooperation between the navies was concluded. In 2017 it delivered Mi-17 helicopters to Pakistan, and Moscow and Islamabad have held annual military exercises since 2016. V. Kaura, 'Russia's Deadly Embrace of Pakistan', *BESA Center Perspectives Paper*, no. 936, Begin-Sadat Center for Strategic Studies, 31 August 2018, besacenter.org.

¹³ K. Sibal (India's former deputy foreign minister), 'Предисловие с индийской стороны', in *70-летие дипломатических отношений России и Индии...*, *op. cit.*, p. 10.

¹⁴ *70-летие дипломатических отношений России и Индии...*, *op. cit.*, pp. 3, 4, 20.

¹⁵ Л. Кулик, А. Калинин, 'Развитие российско-индийских экономических связей в новых условиях', *Аналитическая записка*, no. 43/2022, НП РСМД, russiancouncil.ru, p. 6.

¹⁶ The company was renamed Nayara Energy Ltd. 'Rosneft Successfully Closes Strategic Deal for the Acquisition of 49% of Essar Oil Limited', Rosneft, 21 August 2017, rosneft.com; 'Нефтеперерабатывающий завод в Индии', *idem*.

¹⁷ 'Information published on the website of India's embassy in Russia', December 2022, indianembassy-moscow.gov.in.

¹⁸ 'Внешняя торговля Российской Федерации по странам', Federal Customs Service of the Russian Federation, customs.gov.ru.

Certain successes were also recorded in the field of military cooperation. In 2019 the joint production of Kalashnikov rifles was launched in India, and in 2018 a contract was signed to deliver S-400 air defence systems to India. The latter development was symbolically significant because Russia had previously sold similar systems to China. In addition, in December 2021 a new 10-year programme of military-technical cooperation for 2021–30, was signed and a mechanism for political-strategic consultations in the form of annual meetings of foreign and defence ministers was established. Furthermore, it was announced that an agreement regarding the mutual use of military bases and logistical infrastructure would be signed. It therefore seemed that New Delhi's efforts to hamper the rapprochement between Moscow and Beijing by expanding its cooperation with Russia had had at least partial success.

The Russian-Ukrainian war and its consequences

From a superficial perspective, one may receive the impression that Russia's massive military attack on Ukraine has corroborated or even strengthened the Russian-Indian 'specially privileged strategic partnership'. However, upon closer inspection it is evident that this partnership is continuing to erode. Moscow and New Delhi are on divergent trajectories in relation to the main axis which 'organises' the configuration of forces on the international stage, that is, the rivalry between Beijing and Washington. Russia's war with Ukraine and its fierce confrontation with the West have contributed to a further tightening of the Russian-Chinese quasi-alliance, while at the same time increasing its asymmetry in favour of China. India's conduct is the opposite – it has intensified its relations with the US, while the tensions in its relations with Beijing are not diminishing. Some Russian experts argue that the Russian Federation should use its relations with India to halt the formation of a bipolar international system (based on the US on the one hand and China on the other) and to build a polycentric order (this continues to be Russia's official foreign policy goal). However, this situation is unlikely to materialise.

At first glance, the Russian-Indian partnership has operated smoothly since 24 February 2022. New Delhi has failed to either condemn or openly criticise the Russian invasion of Ukraine; it did not join the

Western diplomatic isolation of Moscow; and it has abstained six times in the UN forum (the Security Council and the General Assembly) when voting on resolutions critical of Moscow. In a move that was very significant for the Russian Federation, it also refused to join Western economic sanctions, and even supported several resolutions opposing the sanctions which were adopted by the BRICS and the Shanghai Cooperation Organisation. In the G20 forum too, India sought to remove the issue of the Russian invasion from the agenda.

A huge increase in Russian-Indian trade has been the most spectacular effect of the war.¹⁹ Between April 2022 and April 2023, it increased by 250%, and its value now amounts to almost \$50 billion.²⁰ This could suggest that both sides have succeeded in establishing a robust economic basis for their mutual relationship. However, this increase in the value of trade resulted from a more than fourfold increase in Russian exports of energy carriers and semi-finished products (mainly oil, diesel, coal, artificial fertilisers and metals) to \$46.3 billion.²¹ The share of Russian oil in India's imports rose from

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¹⁹ As Russia has classified its trade statistics, the figures quoted in the text are based on statistics from India, in which the financial year starts in April.

²⁰ В. Скосырев, 'Моди призвал нарастить торговлю с Россией, но банки не слушаются', *Независимая газета*, 23 April 2023, ng.ru; 'Георгий Бовт – о том, что мешает российско-индийской торговле в рупиях, несмотря на общие намерения уйти от расчетов в долларах', *Российская Газета*, 9 May 2023, rg.ru.

²¹ 'Old friends: On Russia-India bilateral ties and the Ukraine issue', *The Hindu*, 20 April 2023, thehindu.com.

0.2% prior to February 2022 to 45% in June 2023 and stood at around 2.2 million barrels daily.²² At the same time, Russia's imports from India dropped by 12% and stood at less than \$3 billion. This means that no change in the structure of trade was recorded, and the increase in trade resulted from New Delhi's decision to take advantage of the temporarily favourable price situation, and particularly of the fact that Western restrictions had forced Russia to sell its oil at a significant discount.

Paradoxically, the significant surplus which has emerged in Russia's trade with India has become a serious problem for both sides. In an attempt to avoid US sanctions, they agreed that India would use non-convertible rupees to pay for its imports. As a consequence, Russian companies have accumulated large amounts of rupees (equivalent to around \$40 billion) in bank accounts in India, and no mechanism has yet been devised to convert them into other currencies. New Delhi would like Moscow to invest these funds in India, but the Russian side is opposed to doing so. It is worth noting that the talks on a free trade agreement launched back in 2017 have effectively been suspended.²³ Moreover, India views its increased oil imports as a temporary occurrence, as evidenced by the absence of Indian investment activity in expanding its capacity for refining Russian oil.²⁴

This situation stands in stark contrast to India's dynamically growing economic relations with the United States, in which private business plays the main part. This has resulted in increasing numbers of American investment projects being carried out in India, and includes extensive cooperation in the field of high technology. Prime Minister Modi's recent visit to the US at the beginning of July 2023 has reaffirmed and reinforced the forward-looking and strategic nature of New Delhi's economic ties with Washington.

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The war has had a negative effect on Indian-Russian military cooperation. Most importantly, there have been delays in the delivery of components and spare parts from Russia.²⁵ The most spectacular example of the difficulties triggered by the conflict has been the delayed delivery of the final two (out of the five contracted) batteries of the S-400 air defence system.²⁶ India has also suspended talks regarding the contract to purchase Russian helicopters. Moreover, the logistical cooperation agreement announced back in December 2021 has failed to materialise. Similarly, the military-technical cooperation agreement for 2021–31 signed at that time has not been notified. The annual Indra joint military manoeuvres, which were due to have taken place in Kaliningrad oblast in 2022, have also been cancelled (formally 'postponed' until 2023).

Although New Delhi has decided not to join the Western policy of diplomatically isolating Moscow, the intensity of contacts between the two states has decreased significantly. Most importantly, there has been an unprecedented pause in the cycle of annual visits paid by the two countries' leaders. In 2022, Prime Minister Modi decided against visiting Russia without publicly explaining why, and there are many indications that he will not travel to Russia this year either. Similarly, there are no signs suggesting that President Putin intends to travel in person to the G20 summit which India will hold in September. Since 24 February 2022 the two leaders have met only once, during the summit of the Shanghai Cooperation Organisation held in September 2022 in Samarkand (Uzbekistan). It should be

²² S. Sharma, 'After hitting fresh high in June, India's Russian oil imports may decline in July', *The Indian Express*, 4 July 2023, indianexpress.com.

²³ 'Посол РФ рассказал о причинах сопротивления Индии западному давлению', *Известия*, 5 June 2023, iz.ru.

²⁴ R. Sharma, A. Longley, 'India Is Starting to Reach the Limits of Its Russian Oil Splurge', *Bloomberg*, 27 June 2023, bloomberg.com.

²⁵ D. Peri, 'After a year of Ukraine war, forces looking to tide over delays in arms supply', *The Hindu*, 23 February 2023, thehindu.com.

²⁶ A. Banerjee, 'Ukraine war delays S-400 delivery', *The Tribune*, 24 March 2023, tribuneindia.com.

noted that Modi has indirectly publicly criticised the Kremlin's policy, saying that today's era is not an era of war.²⁷ Furthermore, 2022 saw no consultations between the defence and foreign ministers (2+2) in the format which had been initiated in 2021, and according to one Indian expert, the Russia–China–India trilogue has now “withered”.²⁸ Serious differences between Moscow & Beijing (on the one hand) and New Delhi (on the other) have emerged within the BRICS format: the former two are seeking to expand this group of states and intend to transform it into an anti-Western platform, which has provoked resistance on the part of Indian diplomacy.²⁹

The erosion of strategic partnership

The war between Russia and Ukraine has further exacerbated the problems which were already present in Russian-Indian relations. Their fundamental cause is the fact that both New Delhi and Moscow view strengthening their ties with Washington and Beijing respectively as a priority. For both countries, their choice of priority partner is an issue of major existential importance. This is why the growing structural rivalry between the US and China is causing problems in Russian-Indian relations.

For Moscow, maintaining as favourable and close relations with India as possible is an obvious imperative in a situation of its sharp conflict with the West and its growing dependence on its Chinese quasi-ally. However, there are no indications that the Kremlin can take the steps it needs to halt the slow erosion of these relations, and the Russian invasion of Ukraine has further limited Moscow's ability and freedom to act in this field. For its part, New Delhi is understandably trying, for as long as possible, to prolong the state of affairs wherein by tightening its strategic cooperation with Washington it is able to make various profits from its neutral stance on the conflict between Russia and the United States. However, it seems that the growing polarisation of the international system and Russia's increasingly limited ability to meet India's growing demand (for high technology, investment and industrial co-operation) will inevitably lead to a further erosion of the relations between the two states.

APPENDIX

Military-technical cooperation between Moscow and New Delhi

Russian-Indian military-technical cooperation dates back to the Cold War, when the USSR was India's main arms supplier. At the time of the USSR's collapse, 70% of the equipment operated by the Indian armed forces was Soviet-made. Post-Soviet Russia continued this cooperation. As a consequence, India became the biggest importer of Russian-made weapons, while Russia gained the status of India's biggest arms supplier.

As late as 2017, 70% of Indian military equipment was based on Russian-made platforms.³⁰ In 1991–2019 Russia sold weapons worth \$70 billion to India, and the years 2017–19 alone accounted for \$15 billion of this sum. In 2019, Moscow sold military equipment worth more than \$4 billion to New Delhi, which accounted for around 30% of its arms exports. In that year the portfolio of India's contracts signed with Russian providers was worth \$14 billion (almost 30% of all orders).³¹ In 2018–21, the total value of this portfolio was \$14 billion.³²

²⁷ 'U.S. welcomes Modi telling Putin now is 'not an era of war'', Reuters, 21 September 2022, reuters.com.

²⁸ П. Ананд, 'Россия и Индия: определяющие отношения в эпоху неопределённости', *op. cit.*

²⁹ R. Jain, K. Kaushik, 'India's Modi unlikely to travel to South Africa for BRICS summit, sources say', Reuters, 2 August 2023, reuters.com.

³⁰ 70-летие дипломатических отношений России и Индии..., *op. cit.*, p. 31.

³¹ 'ВТС России в 2019 году', *Новый Обронный Заказ*, no. 2/2020, p. 13.

³² 'Defexpo India-2022', Центр анализа мировой торговли оружием, armstrade.org, p. 1.

India has been the only country with which Russia has carried out ten-year programmes of military-technical cooperation. Their implementation is supervised by a special intergovernmental committee, established in 2000 and co-chaired by the two countries' defence ministers. It is composed of two working groups and nine sub-groups, and meets regularly once a year.³³

The two states' military cooperation is not limited to the export of Russian weapons: it also includes the production of these weapons under licence in India (Su-30MKI fighter jets, T-90 tanks, BMP-2 infantry fighting vehicles and Kalashnikov rifles), and one spectacular example involving the joint design and production of the BrahMos guided sea-to-sea missiles. Since 2003, Russia and India have organised joint military exercises referred to as Indra.³⁴

³³ 'Индийско-российское сотрудничество в области обороны', Embassy of India in Moscow, indianembassy-moscow.gov.in.

³⁴ 70-летие дипломатических отношений России и Индии..., *op. cit.*, p. 16, 31.