Russia's Approach to India and China in Eurasia

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Introduction

Two themes dominate Russian foreign policy.

One is the almost pathological need to assert the importance of Russia as a powerful player in world affairs, and this is the main reason for Russia’s actions in Syria where it now has secure military bases and has demonstrated to the world its willingness to use force.

The other theme is the more rational desire to secure its border areas by maximizing influence over its neighbors, and in particular countries of the former Soviet Union. In the face of actual and mooted NATO expansion, this was the prime motivator for the annexation of Crimea and the support of separatists in eastern Ukraine.

These two themes jointly account for Russia’s enthusiasm for the Eurasian Economic Union (EAEU), which – despite its name – is seen by Russia more in political than economic terms. The EAEU is really an attempt by Russian to exert political influence in what might be called Eurasia. In Russian foreign policy eyes, Eurasia can in practical terms best be defined as encompassing the countries which are presently members of the Shanghai Cooperation Organization (SCO) – Russia, China, Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan, India and Pakistan – plus Turkmenistan, Afghanistan, Mongolia and possibly Iran. Sometimes the term “Greater Eurasia” is used, often for a wider grouping of countries that even includes ASEAN.

Russia regards China as being far more important than India when thinking about issues in the EAEU, Eurasia and the World.

China’s economic power, Russia’s long border with China, their energy-trade based economic relationship, and their shared interest in restraining US influence and power, mean that Russia and China look to assist each other in ensuring that Eurasia is a place of relative stability while they face what each sees as a generally hostile wider World.

India has little to offer Russia, apart from being a second-rank participant in its ideas about Eurasia (or Greater Eurasia) and as a buyer of Russian military and nuclear power equipment. Because Russia’s Eurasia concept has an anti-US bias, it has largely tossed aside historical warmth towards India and now warily sees it as a possible US ally in containing both Russia and China.

EAEU

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1 A 2017 Valdai Discussion Club report says it applies “the logic of concentric circles to Eurasia”. “The center is represented by Central Asia, Russia, China and Mongolia. The second Eurasian ring consists of Turkey, India, Pakistan, Afghanistan, Iran and Korea, while the peripheries are Europe, Southeast Asia and the Middle East.” Timofei Bordachev, “Eurasia: Doomed to Division?”, Valdai Discussion Club, September 7, 2017
http://valdaiclub.com/a/highlights/eurasia-doomed-to-division/
The EAEU was formed in January 2015 by Russia, Belarus and Kazakhstan, with Kyrgyzstan and Armenia joining later. According to its internet site, the EAEU is an international organization for regional economic integration. It “provides for free movement of goods, services, capital and labor, pursues coordinated, harmonized and single policy in the sectors determined by the Treaty and international agreements within the Union.”  

Evgeny Vinokurov, at the Center for Integration Studies at the EAEU associated Eurasian Development Bank, says in a March 2017 article that the EAEU is “best viewed” as a “functioning customs union with its own successes and stumbling blocks, enriched by several additional quite developed areas of economic integration.”

Vinokurov says that “in addition to its geopolitical objectives” – although he does not say it, these objectives are almost solely held by Russia – the EAEU has a “specific long-term economic agenda” of a common market for goods, services, capital, and labor. According to Vinokurov, the EAEU has “attained its most tangible results” in the labor market with few remaining internal barriers to free movement of labor.

The overall impression of this author from interaction with EAEU officials is that despite its weak economic foundations, most officials are determined to present a professional and competent face to the outside world.

Li Ziguo of the China Institute of International Studies notes that Russian stitched together the EAEU by offering costly “benefit lures” such direct payments, subsidies, and preferential tariff and import rule exceptions. He summarizes the issue in the following way: “While the European Union puts forward various requests to applicant countries if they want to join the union, the situation in the EAEU is totally opposite: applicant countries put forward various requests before they agree to join the union.”

EAEU members may fear Russia, with the example of Crimea clear to all, but neither do they want to be left alone in the face of rising Chinese power and assertiveness. In the view of this author, the future of the EAEU is not bright, although it is not about to collapse any time soon.

**Eurasia / Greater Eurasia**

In 2011, President Vladimir Putin published an article in a Russian newspaper, entitled: “A New Integration Plan for the Eurasian Continent: The Future is Born Today”. He foreshadowed the creation of a “powerful supranational association capable of becoming one of the poles of the modern world and serving as an efficient bridge between Europe and the dynamic Asia-Pacific region”, and even a “harmonious community of economies from Lisbon to Vladivostok, about a zone of free trade and even more advanced forms of integration”.

Despite the limited nature of the EAEU integration finally achieved in 2015 – or possibly because of it – in June 2016, Putin put forward an initiative to create a “greater Eurasian” partnership “involving the EAEU and countries with which we already have close partnership – China, India, Pakistan and Iran” and “other interested countries and associations”.

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2 [http://www.eaeunion.org/?lang=en#about](http://www.eaeunion.org/?lang=en#about)
Several months later, in October 2016, Putin spoke at the Valdai Discussion Club and said: “Russia advocates the harmonisation of regional economic formats based on the principles of transparency and respect for each other’s interests. That is how we arrange the work of the EAEU and conduct negotiations with our partners, particularly on coordination with the SREB project, which China is implementing. We expect it to promote an extensive Eurasian partnership, which promises to evolve into one of the formative centres of a vast Eurasian integration area.”

While Putin spoke of the “extensive Eurasian partnership” evolving in a “vast Eurasian integration area”, Sergei Karaganov, a leading light at the Valdai Discussion Club, writes about “a partnership or community of Greater Eurasia.”

A 2015 Valdai report, entitled “Towards the Great Ocean – 3. The creation of Central Eurasia”, called for “the transformation of Central Eurasia into a zone of joint development” by combining the Chinese New Silk Road initiative with the Russian project of Eurasian economic integration.” This report proposed the eventual “creation of a community (or a union) of cooperation, stable growth and security for the whole of Eurasia, which would stretch not only to the East, but also to the western ends of Eurasia”. The inclusion of the word “security” should be noted here.

A later Valdai report, “Toward the Great Ocean 4: Turn to the East – preliminary results and new objectives” released in May 2016, said that “the biggest Eurasian powers – Russia and China – are moving towards each other and seek to co-ordinate their regional projects” which means “in effect that they are “sponsoring the emergence of a new community in Eurasia”.

Up to this point the views of Vladimir Putin and “Valdai experts” would seem to be in accord.

In the view of Karaganov and others, Russia should use its “diplomatic and strategic clout and its plentiful resources to create a potentially powerful economic and political grouping around the rejuvenated SCO with China, India, Kazakhstan, Pakistan, other regional powers, and eventually Iran.” That is, a “Community of Greater Eurasia” geopolitical bloc which will include “China, Russia, India, Kazakhstan, Iran, and many other states”. However, whereas Kazakhstan continually gets a separate mention by Karaganov and others, Putin never separately mentions Kazakhstan – but rather always envisages it participating as part of the EAEU and not as an individual country. It is clear that Putin envisages the EAEU being one of the “Community of Greater Eurasia” cornerstones. It is because of these expectations that Putin will be grateful to President Xi for agreeing to a document in May 2015

8 SREB refers to “Silk Road Economic Belt”, which was later joined by the “21st Century Maritime Silk Road” to become “One Belt, One Road” (OBOR). More recently, OBOR has become known as the “Belt and Road Initiative, (BRI). When quoting I have used the terminology originally included in the quote. Otherwise I use the BRI term.

9 Vladimir Putin, speech on subject of “The Future in Progress: Shaping the World of Tomorrow”, Valdai Discussion Club, October 27, 2016

10 Sergei A. Karaganov, “From the Pivot to the East to Greater Eurasia”, Russian Embassy to UK, April 24, 2017

11 “Toward the Great Ocean – 3: Creating Central Eurasia” Valdai Discussion Club, April 2015

12 “Toward the Great Ocean 4: Turn to the East – preliminary results and new objectives”, Valdai Discussion Club, 2016


that specifies “consideration of the long-term goal of moving towards a free trade zone between China and the EAEU”.  

A 2016 Russian International Affairs Council (RIAC) report says that “when it comes to maintaining security in Central Asia, Russia’s role significantly exceeds that of China. This is due to well-developed bilateral relations with the region’s countries in the military and political area, and also due to Russia’s leading role in the CSTO.”

Karaganov and other like-minded thinkers want to match Russia’s military power and influence in Eurasia with China’s growing economic power in the region. In its simplest form, the idea is that events in the Ukraine and more recently Syria have demonstrated that Russia has the capacity, knowledge and willingness to take tough military actions when need be.

China, on the other hand, is seen as lacking both the knowledge and willingness to exert a military presence in much of the Eurasian land mass to ensure its own vital economic and security interests. A June 2018 Valdai report, “The Rise of the Rimland: The New Political Geography and Strategic Culture” says: “Chinese geostrategy is based on Russia’s military might, given the countries’ close and trusting relationship.”

Karaganov’s view is that “in the future, a duumvirate, advantageous to all, may emerge in Central Asia, in which China will provide investment and resources, and Russia will contribute security and geopolitical stability.” The bloc’s leaders will be China, as a leading provider of financial and technological resources, and Russia, leading in diplomacy and security building.”

At the May 2017 Belt and Road Summit in Beijing, Putin said: “I believe that by adding together the potential of all the integration formats like the EAEU, the OBOR, the SCO and the ASEAN, we can build the foundation for a larger Eurasian partnership.”

On their side, the Chinese have few ideas of their own about Greater Eurasia and, in the experience of this author, when asked about it are likely to refer to the writings of Karaganov and express scepticism.

According to Ka-Ho Wong, writing in a RIAC ‘blog’, “A Comparative Study of the Greater Eurasian Partnership: The Chinese and Russian Perspectives”, “Chinese scholars understand the Greater Eurasian Partnership by reading Sergei Karaganov’s articles and the relevant Valdai club reports.”

17 CSTO refers to the Collective Security Treaty Organization.
21 Belt and Road international forum, May 14, 2017 http://en.kremlin.ru/events/president/news/54491
He says that Russian scholars perceive the “Greater Eurasian Partnership” initiative as “grand strategy”, while Chinese scholars consider it an “opportunistic move” by Russia to cope with its “international isolation”. The Chinese consider the idea to have a “bleak future” because of its “vagueness” and “strong political sense”. They consider Russia a “Eurocentric country” which will abandon the partnership “following rapprochement with the West”.

“Meanwhile”, he adds, “the EAEU has suffered from institutional deficiency and consequently most cooperation between China and the EAEU member states is on the bilateral level”.

In the experience of this author, the ideas of Karaganov and Eurasia (or Greater Eurasia) are often derided by more European orientated Russians working in the foreign policy area. This is particularly the case when he tells foreign visitors to Russia that “we are now Eurasians”. 23 A published critique by this author is available here.24

**Russia-China**

Historically, relations between China and Russia have not always been smooth. Following the establishment of the People’s Republic of China by the Communist Party of China in 1949, China and the then USSR became allies. But differences related to communist ideology eventually emerged, and border disputes even led to military conflict in 1969. From the early 1980s, however, relations began to improve as ideological differences dissipated and a series of agreements formally settled the border between China and Russia in 2003.

Despite the gradual decline in the differences in the 1980s, the two countries seemed to do their best to ignore each other for about two decades after the collapse of the USSR in 1991. There was a Russian tendency, in the words of a former Russian diplomat, Georgy Toloraya, to “habitually look down on China”25 and Russia focused on its relationship with Europe (and the US).

Karaganov noted in early 2018 interview with an Indian newspaper that “there are some members of the Russian elite who are fearful of China”.26 In 2015 Putin’s chief of staff at the time, Sergei Ivanov, explained why the Russian government had banned “foreign investment in a narrow strip of border zone” near China, saying: “Our population in the Far East is scarce, we don’t have enough” people.”27 However, a considerable amount of investment is occurring in relatively small scale individual projects. On a mid-2018 visit to Siberia’s Lake Baikal, this author was shown a number of new Chinese owned tourist hotels which were causing local controversy and resentment, and generally regarded as illegal.

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23 The authors private conversations in Russia.
24 Jeff Schubert, “Reflecting on Greater Eurasia and its Role in the World”, RIAC, April 20, 2018
26 Indrani Bagchi, "China and Russia are quasi allies", The Times of India, February 28, 2018
27 Kathrin Hille and Sam Jones, "Transcript of Interview with Sergei Ivanov", Financial Times, June 22 2015
Toloraya is certainly correct when he says that “Russia still remains an integral part of the European Judeo-Christian civilization” and “the Russian political class still does not know the East, and all its knowledge of it is often reduced to trite clichés”. 28

The Russia-China relationship also suffers from a significant language barrier, as both languages are difficult to learn and most discourse occurs via English – a fact which, in itself makes the users more inclined to look for contact in other countries where English is more common.

The moves by the European Union and NATO to expand in an easterly direction began to decidedly change the Russian view of its possible relationship with the “West”. This resulted in the annexation of Crimea in 2014 when internal events in Ukraine seemed to be leading to an anti-Russian government.

This falling out with the “West” and resulting economic sanctions led the Russian leadership to the obvious conclusion that Russia needed to build a closer relationship with China, while reducing its reliance on energy exports to Europe and imports of Western capital and technology. 29

In regards to China, Moscow decided that it needed to remove “three key informal barriers”. 30 In the future, sales of advanced weapons to China would have fewer restrictions, China would be allowed greater participation in large Russian infrastructure and natural-resource projects, and greater efforts would be made to cooperate with China in Central Asia.

Given its own concerns about separatism in the western regions (Tibet and Xinjiang) and its claims over Taiwan, China could hardly support the splitting-off of Crimea from the Ukraine or the Russian supported separatists in the Russian-Ukraine border areas. But, China could basically keep adopt a low profile on the issue and even try to subtly use the weakened position of Russia to its own advantage.

One advantage for China was that Russia’s actions sapped the focus and energy from the US “pivot to the East” by the US Obama administration. China wants to have as much control as possible over the sea approaches to its coastlines and the “pivot” was sees as a threat to China in much the same way as NATO expansion was seen as a threat to Russia.

Andrei Denisov, Russian Ambassador to China has noted that “it is not a romantic union of one heart but a calculated marriage”. 31 According to the earlier mentioned “Toward the Great Ocean 4” report, “fears and uncertainties persist. Russia fears that China will turn toward the US. In China many are afraid that Russia will cave in under the weight of its geostrategic commitments and revert to quasi-colonial status in relations with the West.” 32

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28 Georgy Toloraya, “Two Heads of the Russian Eagle”, Russia in Global Affairs, February 13, 2017  
http://eng.globalaffairs.ru/number/Two-Heads-of-the-Russian-Eagle-18592


http://www.theasanforum.org/country-report-russia-november-2016/

32 “Toward the Great Ocean 4: Turn to the East – preliminary results and new objectives”, Valdai Discussion Club, 2016  
http://valdaiclub.com/files/11431/
Most Russian advocates of closer Russian-Chinese relations do not necessarily want a “formal” military alliance. In the view of Karaganov and others, a “Greater Eurasia” macro-bloc is only viable if “China does not claim hegemonic status in the region”.33

The Russia-China relationship as it now exists is mainly a creature of the relationship between Presidents Vladimir Putin and Xi Jinping and whatever difficulties both countries are having in their external security environments. Putin and Xi both see themselves as historical figures leading the rejuvenation of their countries. Both want to use international economic relations to boost the power and prestige of their countries.

While much of the future of the central Eurasian area will be determined by the relationship between Putin and Xi, there is also ultimately a third player, in the form of the child-like Donald Trump and the self-important policies of the USA. If Putin and Xi are attracted to each other, it is the US that has pushed them into their embrace.34

While Crimea and the South China Sea remain significant issues for US policy makers, Putin and Xi will find solace in each other. If the US removed such pressure, the present leader-centric Russia-China relationship would quickly show sign of fatigue due to the absence of support from more fundamental deep ties between the two countries and due to competition in the central Eurasian region. The so-called “Thucydides Trap” might then show prominence as Russia clings to the idea that it should be the main security provider in the region and China begins to get nervous about this.

In the meantime, China seems in no hurry to change present circumstances and trends in central Eurasia because it has the upper hand, and will continue to pay lip-service to ideas of greater cooperation with Russia in order to prevent it playing a spoiling role in the SREB part of BRI. Russia’s relations with the countries of Central Asia and domination of the Caspian Sea35, along with its own energy exports to China, give it very significant opportunities to disrupt energy flows to China if it felt the need.

“At the core”, according to Irina Kobrinskaya, “Moscow views Chinese regional policy through the prism of Russia’s own efforts to strengthen (EAEU) integration within the post-Soviet space.”36 She adds that a “range of complex and contradictory Russian attitudes toward China: from dramatic forecasts of rampant Chinese expansion into the Far East and Siberia to a future where Russia and China work together as strategic partners overpowering the West’s weakening hegemony.”37

Dmitri Trenin, of the Carnegie Moscow Center, seems satisfied with the present situation when he succinctly – and perhaps optimistically – sums up the present stage of the relationship saying it is “founded on the premise that the two will never turn against each other, but neither will they automatically follow each other: a fine combination of reassurance and flexibility.”38

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33 Sergei A. Karaganov, “From the Pivot to the East to Greater Eurasia”, Russian Embassy to UK, 24 April 24, 2017 https://www.rusemb.org.uk/opinion/50

34 In June 2018, this author met with a very senior Chinese official who was visiting Russia as part of his BRI promotion responsibilities. He volunteered, with a laugh, that Russia and China partially had Donald Trump to thank for bringing them closer.

35 Most the energy fields of Kazakhstan and Turkmenistan are situated in or near the Caspian Sea which is dominated, in military terms, by Russia.

36 Irina Kobrinskaya, “Is Russia Coming to Terms with China’s ‘Silk Road’?”, Russia in Global Affairs, December 30, 2016 http://eng.globalaffairs.ru/PONARS-Eurasia/Is-Russia-Coming-to-Terms-with-Chinas-Silk-Road-18526

37 Irina Kobrinskaya, “Is Russia Coming to Terms with China’s ‘Silk Road’?”, Russia in Global Affairs, December 30, 2016 http://eng.globalaffairs.ru/PONARS-Eurasia/Is-Russia-Coming-to-Terms-with-Chinas-Silk-Road-18526

38 Dmitri Trenin, “National Interest, the Same Language of Beijing, Washington and Moscow”, Global Times, December 29, 2016 http://www.globaltimes.cn/content/1026358.shtml
The earlier mentioned May 2015 joint declaration of Presidents Xi and Putin says that Russia and China will “continue to search for points connecting regional economic integration processes within the framework of the EAEU and SREB in the interest of providing sustainable economic growth in Eurasia on the basis of strengthening cooperation and trust. The sides look forward to the start of negotiations between the EAEU and China about concluding an agreement on trade-economic cooperation.” An associated document specified “consideration of the long-term goal of moving towards a free trade zone between China and the EAEU” and indicated that working groups would be formed to progress issues.

Answering questions from Russian journalists following the June 2018 SCO summit, Putin mentioned an “agreement on deepening cooperation between the People’s Republic of China and the EAEU” which was “signed in Astana” on 17 May 2018. This eighty-one page “Agreement about trade-economic cooperation between Eurasian Economic Union and its member states on one side, and the People’s Republic of China on the other side” is very general and far from any sort of comprehensive trade or economic agreement. Putin himself acknowledged this, saying it was only “one step” and in an earlier interview with China Media Corporation he indicated there was yet “no question of reducing tariffs”.

In reality, a free trade agreement between China and EAEU is fundamentally difficult to reach because Russia views any agreement in “quite narrow political and security terms, and its economic agenda is orientated toward new industrial development rather than trade development”. China, on the other hand, “at the current stage, is most interested in enhancing economic development and trade across the Central Asian and wider Eurasian regions”.

Putin also told the Russian journalists that, while in China, he had agreed to a feasibility study for “a broad Eurasian economic partnership”. This seemed to indicate a narrower focus on economic issues than he would have liked.

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41 Владимир Путин ответил на вопросы журналистов, По завершении работы саммита Шанхайской организации сотрудничества Владимир Путин встретился с российскими журналистами и ответил на их вопросы. июня 10, 2018 (Vladimir Putin answered journalists' questions. At the end of the Shanghai Cooperation Organization summit, Vladimir Putin met with Russian journalists and answered their questions. June 10, 2018) http://kremlin.ru/events/president/news/57719

42 Соглашение о торгово-экономическом сотрудничестве между Евразийским экономическим союзом и его государствами-членами с одной стороны, и Китайской Народной республикой, с другой стороны (Agreement on trade and economic cooperation between the Eurasian Economic Union and its member states on the one hand, and the People's Republic of China on the other hand) https://docs.eaeunion.org/docs/ru-ru/01417817/late_21052018

43 Интервью Медиакорпорации Китая, июнь 6, 2018 (Interview of Media Corporation of China, June 6, 2018) http://kremlin.ru/events/president/news/57684


45 Владимир Путин ответил на вопросы журналистов, По завершении работы саммита Шанхайской организации сотрудничества Владимир Путин встретился с российскими журналистами и ответил на их вопросы. июня 10, 2018 года (Vladimir Putin answered journalists' questions. At the end of the Shanghai
According to Ka-Ho Wong, “China refers to the Greater Eurasian Partnership as the ‘Eurasian Economic Partnership Agreement’ in the latest Sino-Russian joint statement instead of ‘Eurasian Comprehensive Partnership’ used previously. The word choice emphasizing the economic nature shows China’s cautious attitude to the Greater Eurasian Partnership.”

According to Trade Map data, Russia’s exports to China in 2017 totaled $US39 billion, with crude oil accounting for more than half. Russian Customs data show that in the January-May period of 2018, Russian exports to China totaled $US21 billion.

**Russia-India**

India and the USSR established diplomatic relations in April 1947 and a Indo-Soviet Treaty of Peace, Friendship and Cooperation in August 1971. The USSR consistently used its UN Security Council veto to support India in its disputes with Pakistan.

Prime Minister Narendra Modi and President Putin met in Sochi on 21 May 2018, partly to celebrate 70 years of relations. According to the Kremlin internet site, the agenda included international and regional issues and the Russia-India “highly privileged strategic partnership”.

In his keynote address at the Shangri La Dialogue in Singapore on 1 June, Modi declared: "It is a measure of our strategic autonomy that India’s Strategic Partnership, with Russia, has matured to be special and privileged. Ten days ago in an informal summit at Sochi, President Putin and I shared our views on the need for a strong multi-polar world order for dealing with the challenges of our times."

The former Soviet Union became a major supplier of military equipment to India, and Russia continued this after the former’s collapse. Yet, India is not particularly satisfied with a number of aspects of the relationship, and is increasingly looking elsewhere.

The general quality of the Russian equipment, in internationally comparative terms, has been affected by the break-up of the USSR – and the now very bad relationship of Russia and the Ukraine – which severely disrupted supply chains, backwardness in many technologies, and by the inefficiency and corruption that now plagues much business in Russia.

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Cooperation Organization summit, Vladimir Putin met with Russian journalists and answered their questions. June 10, 2018

http://kremlin.ru/events/president/news/57719


48 Федеральная Таможенная Служба, Внешняя торговля Российской Федерации по странам и странам за январь-май 2018 года (Federal Customs Service, Foreign Trade of the Russian Federation by countries and countries for January-May 2018)


49 Владимир Путин встретится с Премьер-министром Индии Нарендрой Моди, мая 21, 2018 (Vladimir Putin will meet with Indian Prime Minister Narendra Modi, May 21, 2018) http://kremlin.ru/events/president/news/57462

50 Vinay Shukla, "From Sochi to Singapore Modi asserts India's strategic autonomy", RIAC, June 7, 2018

The two main obstacles to such Indian diversification of sources of military equipment seem to be the lower prices of the Russian arms and the fact that a large proportion of India’s present equipment is of Russian (or USSR) origin with systems that are complex to integrate with equipment from other sources. According to the internet site of Russia’s main military equipment exporter, Rosoboronexport, “military-technical cooperation between Russia and India hearkens back to mid-1950s” and “at present the armed forces of India are 70 per cent equipped with Soviet / Russian weapons”.51

According to a 2017 joint report by the RIAC and India’s Vivekanada International Foundation, “India is the only country in the world to implement a long-term cooperation programme in the weapons sector with Russia. The programme is intended to run for 10 years, from 2011 to 2020. The India–Russia Intergovernmental Commission for Military-Technical Cooperation, presided over by the Russian and Indian ministers of defence, plays a significant role in developing this line of cooperation. The two states are increasingly shifting from the traditional ‘seller – buyer’ model to the fully-fledged partnership involving technology transfer. India is manufacturing under Russian licences a wide range of military items and equipment.”52

A 23 June 2017 Rosoboronexport press release says that “today, Rosoboronexport's portfolio of contracts with India significantly exceeds four billion US dollars. And this is without taking into account the documents that are being prepared for signing”.53

Stockholm International Peace Research Institute (SIPRI) data for 201754 show that during 2013-17, Russia’s share or world “arms” exports was 22 per cent, with India taking 35 per cent of Russia’s exports followed by China with 12 per cent. During the same period, India was the world’s largest arms importer with a share of 12 per cent. India’s main suppliers were Russia (62 per cent of Indian imports), USA (15 per cent), and Israel (11 per cent). To a very significant degree, Russia and India are dependent on each other in the arms trade.

Rosoboronexport is keen to express its support for the “Made in India” policy in the field of military-technical cooperation, and its internet site refers several times to the “success” of the BrahMos project.55 Yet, the Indian side has complaints that letters raising particular issues with particular “Russian factories mostly pass through Rosoboronexport, leading to months long delays in responses”.56 This is contrasted with the more prompt responses of most Western suppliers. Russia says that it is “implementing a range of measures” aimed at solving such issues.57

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51 Accessed July 11, 2018.  http://roe.ru/eng/export/india/ There is no indication of when or how this 70 per cent was calculated.


The US’s Countering America’s Adversaries through Sanctions Act (CAATSA) is a problem for Russian arms sales to India, but is also a problem that Russia can do little about. Defense Secretary James Mattis has asked Congress to provide national security exceptions to CAATSA for countries like India.

According to Trade Map data, Russia’s exports to India in 2017 totaled $US6.5 billion, with some fuels and diamonds being the main non-military items. Russian Customs data show that in the January-May period of 2018, Russian exports to India totaled $US3 billion. These numbers are very small compared to the earlier mentioned equivalent numbers for China.

Russia’s developing relationship with Pakistan causes concern in India, although according to Karaganov, Russia’s relationship with Pakistan is “not in the same category as China or India.”

In April 2018, a Pakistani delegation led by its national security adviser to the prime minister went to Moscow and met with the Secretary of the Russian Security Council. According to the Council’s internet site, “the sides emphasized their interest in further cooperation between Moscow and Islamabad in the sphere of security. The issues of bilateral military cooperation, cooperation in the sphere of information security, counteraction to international terrorism are considered. The general situation in South Asia, the main challenges and threats to global security are discussed.”

The joint report by the RIAC and India’s Vivekananda International Foundation noted that: “For the moment there is agreement for 12 Russian-supplied NPPs in India. Russia is far ahead of other partners of India in setting up nuclear power plants in India.” “Civil nuclear cooperation between India and Russia has shown success in recent years and needs to be encouraged. Russia also supports India’s membership of the Nuclear Suppliers Group.”

On the Russian side there was an indication of Russian insensitivity to the position of India on the BRI. A foreword written by Vyacheslav Trubnikov, ex-Russian Ambassador to India and General of the Army, said that “unfortunately, the (Indian) expert community did not recommend that the Indian leadership attend the Belt and Road Forum in Beijing in May 2017” adding “where else but at the Forum could Russia, India, Iran and even Afghanistan discuss the need to build an International Transport Corridor (ITC) as part of the Belt and Road without allowing the massive infrastructural mega-project to profit only one party?”

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60 Indrani Bagchi, "China and Russia are quasi allies", The Times of India, February 28, 2018 https://blogs.timesofindia.indiatimes.com/Globespotting/china-and-russia-are-quasi-allies-on-strategic-affairs-russia-and-india-have-serious-conversations-only-at-top-level/
ITC is a reference to what is also known as the International North-South Transport Corridor which, if completed, would provide a direct railway link between an Iranian sea-port and Russia via Azerbaijan. A sea-link from Iran to India would be expected (or hoped) to reduce transport costs and time between India and Europe.

The Foreword for the Indian side, written by Kanwal Sibal, Former Foreign Secretary of the Government of India, was blunt to saying that India felt led-down by Russia on the issues of China, Pakistan, Afghanistan and the US. On the issue of the ITC, Sibal said that “Russia, Iran and India could have jointly realised the ITC if the determination was there. China can be involved today, but without this project having to be part of China’s Belt and Road Initiative, especially as the ITC predates the BRI by years”.

The above mentioned June 2018 Valdai report, “The Rise of the Rimland: The New Political Geography and Strategic Culture” is written by a bevy of Russian foreign affairs analysts, the most notable being the very influential Fyodor Lukyanov who is Chairperson of the Presidium of the Council on Foreign and Defence Policy and Editor-in-Chief of the “Russia in Global Affairs” journal.

The report suggests that Russia needs to pay greater attention to India even though “their relations are friendly and their geographical zones of interests do not intersect”. It says that India is “predominantly a regional power” but suggests that India is becoming more ambitious. “The first sign of it is the Indian infatuation with the Indo-Pacific Region (IRP) as an alternative to the Asia-Pacific Region (APR)” and that “the struggle for India among leading players may emerge as the herald of the new world”.

It same report says that “the United States and its allies, primarily Japan, are trying to draw India into the Quad – a proposed multilateral security cooperation organization involving Japan, Australia, India, and the US – that is openly anti-China”. It says that in the light of this and other “ongoing global processes”, “it makes sense for Moscow to strengthen its ties with India not only in Eurasia but also in the IPR by increasing its presence in the Pacific and bolstering its ties with the Pacific nations, primarly those Southeast Asian countries (as well as Japan and South Korea) that are of most interest for India”.

The Valdai report says that Russia “should also develop ties with other Southeast Asian countries which are not involved in acute territorial disputes and are interested in promoting close security and economic cooperation with Russia. The more political and economic sway Russia gains in the region, the easier it will be to enter into dialogue with any promising partner, including India”.

### Afghanistan & Central Asia

According to Kraraganov, Russia “was aghast” when it saw the US going into Afghanistan with ground troops. “That was a disaster. Now it’s different – we want it to be confined to Afghanistan’s borders. If needed we will support Taliban, if needed, we will support anti-Taliban forces. But they should not spread the ‘Afghan disease’ or terrorism disease to the neighbouring areas, be that India or central Asia. For the time being we don’t want US

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65 [https://eng.globalaffairs.ru/](https://eng.globalaffairs.ru/)

troops to leave Afghanistan – their withdrawal would create more problems. We understand that unlike India or China, they don’t have a vested interest, they don’t want to lose face. But for us it’s a huge national security issue.”

In May 2018, the SCO-Afghanistan Contact Group met in Beijing, the first time with India as a full member. The Indian delegation also met separately with those from Russia and China.

SCO

Past Chinese attempts to give the SCO a greater economic focus have largely been unsuccessful. In an April 2017 interview with Kommersant, a Russian newspaper, Russia’s “special representative for SCO affairs”, Bakhtiyor Khakimov, said that while China is “in favor of active progress” on a free trade area within the SCO, Russia is in no hurry. When pressed on the relationship between the SCO, the EAEU and “Eurasian integration”, Khakimov stated that “Russia consistently resolves that the priority task is the construction of the EAEU”.

The reality is that if there is to be any sort of free trade area on the Eurasian landmass, Russia does not want the SCO involved because any SCO based free trade agreement would give too much power to China. Moreover, Russia does not want individual Central Asia countries, as individual members of the SCO, directly involved in a free trade agreement with China. Instead, it wants the EAEU – under Russian domination – to be an equal “partner” of China and its SREB (part of BRI).

Russia prefers that the SCO continue as a security organization. It wants closer military cooperation with China and is willing to do this within the SCO framework because it knows that it presently has the upper hand. It has military bases in several Central Asian countries, and generally these countries would still prefer to have Russia rather than China as their “main security provider”.

Free trade is not mentioned in the 2017 or 2018 SCO official communications. In the view of this author, the absence of a “free trade” reference in more recent SCO official commentary reflects the fact that China is feeling increasingly confident about what can be achieved with its BRI – without, if necessary, the formal or informal support of other SCO members.

From Russia’s point of view the addition of India (along with Pakistan in June 2017) was largely pushed by it on the basis that the “inclusion of such an important continental power will only increase the weight of the SCO”. China eventually agreed provided that Pakistan was also invited to join.

Trenin has written that the inclusion of India and Pakistan “makes sense for Russia as it seeks to position itself in the geopolitical context of Greater Eurasia”. “Moscow’s strategic goal is to embed China in a web of friendly arrangements and thus to alleviate Beijing’s propensity to act unilaterally.”

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67 Indrani Bagchi, "China and Russia are quasi allies … On strategic affairs Russia and India have serious conversations only at top level”, The Times of India, February 28, 2018, https://blogs.timesofindia.indiatimes.com/Globespotting/china-and-russia-are-quasi-allies-on-strategic-affairs-russia-and-india-have-serious-conversations-only-at-top-level/


69 Михаил Коростиков и Елена Черненко (Mikhail Korostikov and Elena Chernenko), “Членство в ШОС не приглашение на чай” (”Membership in the SCO is not an invitation to tea”), Kommersant, April 4, 2017, http://www.kommersant.ru/doc/3275166

Denisov and Safranchuk argue that China tends to see the SCO as an authoritative “regional organization” aimed at “stability and security in the Central Asian region”, whereas Russia is wary of the “Asian format” for Central Asia (ie its historical backyard) and tends to see the SCO as part of a new “international architecture”.\textsuperscript{72} For Russia, the expanded SCO is “a crucial geopolitical instrument that challenges the global order led by the West”\textsuperscript{73} and a part of its Greater Eurasia concept.

Yan Xuetong says that China had “resisted the expansion for many years, but at some point this resistance in itself began to worsen its relations with Russia and India”\textsuperscript{74} But, in the view of this author, this may ultimately be in China’s interests. Realizing that the SCO had nowhere to go with its then membership make-up and wishing to promote the alternative attributes of the SREB in any way possible, it made sense for China to ultimately agree to the expansion.

Following the June 2018 SCO meeting in the Chinese city of Qingdao, an “Information Report following the Meeting of the Council of Heads of State of the Shanghai Cooperation Organisation Member States” was published on the official internet site. It contained a paragraph which said:

“The Republic of Kazakhstan, the Kyrgyz Republic, the Islamic Republic of Pakistan, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan reaffirmed their support for China’s Belt and Road Initiative (BRI), and approved the efforts to jointly implement it, including the coordination of the development of the Eurasian Economic Union and BRI.”\textsuperscript{75}

The sense of this paragraph was virtually repeated in the “Declaration of the Council of Heads of State of the Shanghai Cooperation Organization” issued on 10 June at the same meeting, and signed by all leaders including Indian Prime Minister Modi:

“Reaffirming their support for the Belt and Road Initiative (BRI) of the People’s Republic of China, the Republic of Kazakhstan, the Kyrgyz Republic, the Islamic Republic of Pakistan, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan, the Member States express appreciation for the joint efforts taken towards its implementation, including efforts to coordinate the development of the Eurasian Economic Union and the BRI and call for using the potential of the regional countries, international organisations and multilateral associations to create a broad, open, mutually beneficial and equal partnership in the SCO space.”\textsuperscript{76}

India has clearly expressed its reservations about BRI and all SCO decisions are to be made by consensus, so it has been surprising to see endorsement of BRI in a SCO declaration. It suggests that India is prepared to compromise in some areas in order to give the SCO a chance to be of benefit to India.

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\textsuperscript{71} "Shanghai Cooperation Organization at Crossroads: Views From Moscow, Beijing and New Delhi”, Carnegie Moscow Center, June 9, 2017 https://carnegie.ru/commentary/71205
\textsuperscript{74} Yan Xuetong, “Не понимаю, почему Россия не настаивает на формировании альянса с Китаем” (“I do not understand why Russia does not insist on forming an alliance with China”), Kommersant, March 17, 2017 http://www.kommersant.ru/doc/3243633
\textsuperscript{75} “INFORMATION REPORT following the Meeting of the Council of Heads of State of the Shanghai Cooperation Organisation Member States”, June 10, 2018 http://eng.sectsco.org/news/20180610/443710.html
\textsuperscript{76} Declaration of the Council of Heads of State of the Shanghai Cooperation Organization, June 10, 2018 http://eng.sectsco.org/documents/
The SCO statements also reflect the determination of Russia to push its EAEU project to the forefront of developments in the Eurasian region.

For Russia, the EAEU – even in the matter of a Declaration – is more important than Indian sensitivities about the BRI. This does not mean that Russia is dismissive of India. After all, it was Russia that pushed China to accept Indian membership (along with Pakistan) of the SCO. It is just matter of priorities.

**Conclusion**

Russia clearly, and logically, puts more emphasis on its relationship with China than with India. India, in recent years, has mainly been seen as a market for Russian military equipment and civilian nuclear technology. This has led Russia to be sometimes very casual when considering India’s broader interests. As a result, some very influential analysts to believe that “Russia is losing India”⁷⁷.

However, there are also signs that India growing ambitions, as evidenced in Russian eyes by the Quad, are leading to some refocus on India. According to Karaganov, Russia’s “relations with India are clear and there are unused opportunities that have been missed in the last 30 years”.⁷⁸

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⁷⁷ Private conversations with his author.
⁷⁸ Indrani Bagchi, "China and Russia are quasi allies", The Times of India, February 28, 2018