Chapter – IV

RELATIONS WITH ASIAN COUNTRIES:
FOCUS ON INDIA, CHINA, JAPAN AND IRAN
RELATIONS WITH ASIAN COUNTRIES: FOCUS ON INDIA, CHINA, JAPAN AND IRAN

One of the principal directions in the Russian foreign policy in Asia is the development of friendly relations with the leading Asian states, primarily with China and India. The concurrence of the fundamental approaches of Russia and the PRC to the key issues of world politics is one of the basic mainstays of regional and global stability. Russia seeks to develop mutually advantageous co-operation with China in all areas. The main task is, as in the past, bringing the scale of economic interaction in conformity with the level of political relations.

Russia intends to strengthen its traditional partnership with India, including in international affairs, and to help overcome problems in South Asia and strengthen stability in the region.

Russia views the signing by India and Pakistan of the Comprehensive Nuclear Test Ban Treaty and their accession to the Treaty on the Non-Proliferation of Nuclear Weapons as an important factor of stability in the Asia-Pacific Region. It will support the line for the creation of nuclear weapon-free zones in Asia.

The Russian Federation comes out for a stable development of relations with Japan and for the attainment of a true good-neighbourliness corresponding to the interests of both countries. Within the framework of the existing negotiating mechanisms, Russia will continue to search for a mutually acceptable solution for the formalisation of an internationally recognised border between the two states.

Russian foreign policy is aimed at building a positive dynamism of relations with the states of South-East-Asia.

It is important to further develop relations with Iran.

Improving the overall situation in Asia, which is faced with growing geopolitical ambitious of a number of states, a mounting arms race, and
the persistence of sources of tensions and conflict, is of fundamental importance for Russia.1

Russia-China Relations

The 2000 Russian foreign policy concept sees China as a key Russian partner in Asia, and notes that the convergence of the two powers' views on many key international issues is a major factor contributing to stability in Asia.2 Foreign minister Igor Ivanov describes Russo-Chinese cooperation as aiming at making the international order more just and democratic, and notes that the bilateral relationship is a weighty factor in maintaining global stability.3 The Putin leadership is not interested in playing a China card against the West (even if this were possible), but it is interested in using its relationship with China to demonstrate to the West that Russia does have other friends. There are several factors which make it logical for Russia to seek a cooperative relationship with China.

- Russia's weakened state since 1991 makes it inadvisable to have a confrontational relationship with a state with which it shares a border of almost 5,000 kilometers in length, particularly as China twice ceded territory to Russia in the 19th Century. Moreover, the Russian Far East is seriously under populated (it has a population of about 8 million, and an area of 6.2 million square kilometers; the neighbouring province in northern China has a population of 100 million and an area of 1.9 million square kilometers), and China is growing in strength both economically and militarily.

---

2 "Russians and Chinese are once again brothers forever", The CDSP (Ohio), vol.53, no.2 (2001), p. 18.
3 Ibid.
Russia desires to be a significant player in the Asia-Pacific region. Its weakened state again makes it more logical to cooperate with China rather than oppose it.

Russia and China have common security interests in Central Asia. Both states fear the threat of Islamic extremism and separatism, and they have both expressed unease over the US military presence which has been deployed in Central Asia since 2001.

China's need for military technology makes it a logical partner for the Russian military-industrial complex, which has been energetically seeking markets since the collapse of the Soviet Union.

Chinese energy needs make it logical for Beijing to purchase Russian gas and oil.

Although Russian overt criticism of US unipolarity has diminished since “9-11”, Moscow is still clearly uncomfortable with many aspects of US foreign policy, a concern which is shared by China.

In addition to the development of bilateral cooperation, as symbolised by the signing of the Friendship and Cooperation Treaty in July 2001, Russia and China also cooperate in multilateral forums such as APEC (Asia Pacific Economic Cooperation) and the Shanghai Cooperation Organisation. This cooperative relationship seems likely to continue for the foreseeable future. Aleksandr Lukin argues that in contrast to Russia's relations with the West, Russia and China have no major areas of disagreement. The Russian Sinologist Aleksandr Yakovlev argues

---

that there are good reasons in the long term for the formation of an alliance with China against the USA.\(^5\)

Over the centuries and until the present day, the Russian and Chinese states have been under constant and dangerous pressure from the same global powers which the Western nations and Japan were and still are today. Also, the threat to the very existence of these two states from the powers mentioned has, over time, assumed increasingly ominous features. At present, due to the planet's limited raw material and environmental potential, the most profound antagonism has arisen between these powers - "the super-developed centre" and the extensive world periphery to which both China and Russia belong. The countries of the periphery will only be able to survive if they unite into a "new global pole", which can happen only if Russia and, particularly, China assumes a leading role. Neither of these countries will be able to escape from this role, for they are both "targets, primary targets at that, in the West's hegemonic strategy", which is currently as consolidated as never before. And since an alliance will soon be necessary for its participants to survive, it is clear that preparations for it must be made now."\(^6\)

However, there is also a school of thought which sees China as a potential threat. Then defence minister Igor Rodionov expressed this fear openly in December 1996. More recently, an article by Aleksandr Sharavin in Nezavisimaya Gazeta in September 2001 argues that China is the main (and possibly the only) military threat to Russia. Sharavin argues that Siberia and the Russian Far East could be a tempting target for an authoritarian regime in need of natural resources. He notes how vulnerable Siberia and the Russian Far East are in comparison to


\(^6\) "China as a geo-political cat", The CDPSP (Ohio), vol.55, no.10 (2003), p. 18.
Sharavin argues that all the preconditions exist for Chinese aggression against Russia.¹

Sharavin's view is a rather extreme one, and is probably only held by a small minority. Aleksandr Yakovlev criticised Sharavin's viewpoint and argued that such a view of China could become a self-fulfilling prophecy and make an enemy of China.⁸ Aleksandr Lukin saw fears of a Chinese threat as being "terrors for those who are weak-nerved".⁹

Others who favour further westernisation of Russia are concerned that the multipolar foreign policy long favoured by the post-Kozyrev foreign policy establishment will simply make Russia a mere tool of China's foreign policy. By implication, Russia will therefore gain little from partnership with China. Konstantin Kosachev, deputy chairman of the Duma International Affairs Committee, wrote in 2000, "China, a great nation, probably a future superpower, is unlikely to be interested in an anti-American alliance with Russia. Beijing is playing its own complicated game in which strengthening economic relations with the US and the complicated relations with Japan, and India, and much more are taken into account. The Chinese leaders can talk about multipolarity, the threat of American hegemony, and so on, but this is only moves in their game, so there is no point in deluding ourselves."¹⁰

However, the prevailing view in Russian foreign policy circles is that "strategic partnership" with China is of value, enhancing Russia's position in the international system, and will therefore be pursued as a significant component of contemporary Russian foreign policy.

¹ Aleksandr Sharavin, 'Third threat. The military development of Russia without Taking into account the danger emanating from China', Nezavisimaya Gazeta, 28 September 2001. Also see "Shanghai Organisation starts its First War", The CDPSP (Ohio), vol.55, no.31 (2003), pp. 17-18.
⁹"Shanghai Organisation starts it's First War", The CDPSP (Ohio), vol.55, no.31 (2003), pp. 17-18.
¹⁰"Russians and Chinese are once again brothers forever", The CDPSP (Ohio), vol.53, no.2 (2001), p. 18.
Russia also perceives China as an ally in countering the forces of religious fundamentalism and terrorism, which threaten the multi-ethnic and multi-religious fabric of their societies. This has prompted Russia to see stronger co-operation with China on regional security, especially in Central Asia.

China's Xingjian-Uighur Autonomous province not only has a predominantly Muslim population of Turkic origin, the area is of great economic importance to China due to its vast natural resources like oil, gas, iron, and coal. This is also China's principal nuclear testing and missile launching sites. Any instability in Central Asia would destabilise this important region of China. China thinks it can temper the potential for Islamic or nationalist threat in Central Asia by an economic policy that closely integrates Xingjian and Central Asia with the Chinese economy.

In the short-term, Russia and China share common interests in deterring ethno-nationalism and resurgent Islam in Central Asia. The relationship between these two countries was in a period of détente, driven by common commercial and other interest.

The meeting between President Jiang Zemin of China and President Vladimir Putin of Russia in Beijing on July 18, 2000 aroused major attention of the international public. The first Chinese-Russian summit since Vladimir Putin took presidential office was designed to show how much the relations between Moscow and Beijing would build on the existing heritage of Chinese-Russian relations and to what extent new co-operative elements would emerge between these two major Asian neighbours. The summit has confirmed that China and Russia have remarkable, undoubtedly common interests in developing all-round co-operation.

The pragmatism that was in evidence in the approaches of the two party's reveals that based on clearly perceived common interests, long-term strategic co-operation between Beijing and Moscow was
envisaged. It was based on relations of mutual support and support it peace in the world or, as specified by President Putin, co-operation between the Russian Federation and the People’s Republic of China on international security issues “can play a decisive role in maintaining global peace and stability”. The Chinese-Russian documents signed in Beijing make no mention of words characteristic of harsh confrontation with the West but do include reflections about defence and the best protection of vital national interests. The signed documents, the Beijing Declaration and the Joint Statement on Anti-Ballistic System, contain an unequivocal message that Beijing and Moscow do not accept American dominance in the world.\textsuperscript{11}

In their Joint Statement on “anti-ballistic missile issue” President Jiang and Putin stressed their “firm opposition” to the plans of Washington to built anti-missile systems over America and in the Far East. Thus, they gave a clear response to the attempts by Washington to push through amendments to that treaty and rejected, by all intents and purpose, once and for all anticipation that Moscow should accept “certain amendments”.\textsuperscript{12}

**Interests Viewed From a Broader Perspective**

Beijing holds that the general characteristics of Chinese-Russian relations include the two countries’ “opposition to hegemony and the policy of force” and that they favour a multiplier world. The NATO-US aggression against the sovereign Yugoslavia from March 24 to June 10, 1999 is the first on the list of these dangerous American demonstrations of the policy of force that put in jeopardy the vital national interests of PR China and the Russian Federation. It further led to a more pronounced Chinese-Russian rapprochement.\textsuperscript{13}

\textsuperscript{12} Ibid.
\textsuperscript{13} Ibid. pp. 22-23.
It is now the 21st century, on hearing such high flown declaration one cannot help suspecting that the new treaty between Moscow and Beijing could suffer the same sad fate as the 1950 Soviet-Chinese treaty, especially since the border issue between Russian and China has not been completely resolved.

The treaty states that Russia and China have no territorial claims against each other and that in accordance with the 1991 (Soviet-Chinese) agreement, negotiations will continue on demarcating disputed sections of the eastern border. Until these sections are delimited, the two sides will maintain the status quo.14

The Treaty of Good Neighbourliness, Friendship and Cooperation was signed between the Russian Federation and the peoples Republic of China on 16 July 2001. Russia and China have signed a number of protocols and agreements in the post-Cold War era covering strategic issues, but this treaty subsumes them. The contextual circumstances that promoted the treaty can be summarised: Russia and China's growing apprehensions about US' global dominance; Russian and Chinese perceptions of strategic pressured by the US, with the eastward expansion of NATO, active American role in Central Asia and reinforcing the US-Japan Security Co-operation Guidelines; China's worries about US' intervention in countries on the Yugoslav model, on humanitarian considerations; Bush Administration's National Missile Defence (NMD) and Theatre Missile Defence (TMD) plans.15

The two nations drafted a nucleus of security norms to serve as the basic building block of "a just and rational international new order". The agreement was spelt out in a joint communique issued by the Prime Ministers of the two countries at the conclusion of their latest regular meeting in Shanghai. The Chinese Prime Minister, Zhu Rongji, and his Russian counterpart, Mikhail Kasyanov, said the concept should be

---

anchored to international law. Mutual trust, equality and cooperation among the states with an anti-updated security concept. The salient features of the strategic entente were their stern opposition to the unilateralist style and substance of the United States, an urgent appeal to the international community to safeguard the outer space from weaponisation moves of any country, most notably the US, and a definitive proposal that the United Nations Security Council should play a core role in (the) international anti-terrorist operations.\footnote{"China, Russia Offer Alternative Plan", \textit{Strategic Digest} (IDSA: New Delhi), vol. 32, no. 9, September 2002, pp.1209-1210. Also see, \textit{The Hindu} (New Delhi), August 23, (2002).}

An authoritative Chinese summary of the latest Sino-Russian joint communiqué speaks of the urgency for ensuring that outer space remains weapons-free. The entire international community had been urged to take necessary legal steps to ensure a weapons-free outer space. Terrorism, according to the leaders of China and Russia, poses a common threat to the whole international community.

Given this reality, any anti-terrorist strikes should be undertaken only on the basis of international law and in observance of the UN Charter. Calling for closer international cooperation to fight terror, Mr. Zhu and Mr. Kasyanov said the anti-terrorist strikes, such as those now being carried out under the US' auspices, should suffer from "no double standards". Nor should terrorism be linked to specific ethnic groups or religions. Above all, the UN and its Security Council should take the lead and play a "core role" insofar as international anti-terrorist operations are concerned.\footnote{Ibid, Also see, \textit{The Hindu} (New Delhi), August 23, (2002).}

Mr. Jiang's post-summit observation of such an effusive magnitude, quite rare by the standards of China's pragmatic diplomacy in the present phase of the post-Cold War era, was in some measure echoed by Mr. Putin, who underlined that their bilateral relationship had by now reached a quite high level. The emphatic theme of their summit

\footnote{16 \footnote{17}}
was the evolution of a special strategic equation between the two-
countries. 18

**Defence Cooperation:** Russia has emerged as the largest arms supplier
to China. The main arms dealer, Rosoboronexport, is negotiating to sell
China 30 to 40 Su-30MK2 planes, a naval version of the heavy multi-
role Su-30MKK fighter Russia sold China earlier, the reports said.
Armed with the X-31A anti-ship range of over 3,000km will boost
China’s ability to challenge the US military might off Taiwan. 19

The Russian delegation, led by the Prime Minister, Mikhail Kasyanov,
was focusing on economic cooperation with China in the civilian
sector, but defence tie-ups were also on the agenda during its August
21-24, 2002 visit. Mr. Alexei Volin, the deputy chief of Mr.
Kasyanov’s staff, said the sides, among other project, were discussing
the assembly of Russian multi-purpose helicopters in China. China was
reported to have already ordered from Russia this year two Project
956EM Sovremenny destroyers for $1.4 billions, eight Kilo submarines
for $1.5 billions and S-300F naval air defence systems for $200
millions. The two sides were also said to be close to striking a deal for
the delivery of about 30 Su-30MK2 fighters equipped with X-31A anti-
ship missiles. The Russian delegation source told Interfax that Russia
sells China weapons worth between $2 to $2.5 billions a year. 20

Russia’s Su-27SM fighter upgrade is being boosted by a parallel
project modify China’s su-27s to such an extent that Beijing could be
underwriting the entire Russian effort. Developed by Sukhoi and the
Technocomplex group of Russian avionics companies, the SM
programme will give the 1980s- vintage Su-27 air – superiority fighter

---

18 “Russia China: Russia, China Pledge friendship”, _Strategic Digest_ (IDSA: New
Delhi), vol. 33 no.1, January 2003, pp. 79-80. Also see _The Hindu_ (New Delhi),
19 “China to buy Russian fighters”, _The Hindu_ (New Delhi), August 2 (2002). Also
see, _strategic Digest_ (IDSA: New Delhi), vol. 32 no.9, September 2002, p.1131.
20 “Russia-China: Moscow to sell more arms to Beijing”, _Strategic Digest_ (IDSA:
New Delhi), vol. 32 no. 9, September 2002, p.1134. also see, _The Hindu_ (New Delhi),
August 23 (2002).
a combat capability roughly equivalent to that of the multi-role Su-30MK. While it has made halting progress to date, Russia’s air force has identified the Su-27SM as its number one acquisition priority and is expected to give the programme the go-ahead before the end of 2003. However, Technocomplex has confirmed that around 100 upgrade kits have already been delivered to China’s People’s Liberation Army Air Force (PLAAF) for use with its Su-27SKs and license –built Shenyang J-11s. 21

Russia is to sell weapons worth $2 billions to China in the year 2004 under a defence cooperation accord signed in Moscow. A protocol signed by the Defence ministers of Russia and China, Sergei Ivanov and Cao Gangchuan, provides for the execution of new and ongoing contracts worth more than $2 billions, a Russian defence industry source told the Interfax news agency. The protocol was signed at the end of a one-day session of the Russian-Chinese inter-governmental commission for military-technical cooperation. China, the biggest buyer of Russian weapons, has been purchasing about $2-billion worth of defence hardware from Russia in recent years, the source said. Experts said China is anxious to increase the share of technologies in its defence shopping bag in Russia from the current 30 to 70 per cent. The $2-billion defence bill for 2004 will most likely cover the ongoing contract for the construction of two Project 956E Sovremenny (modern), eight Kilo-class submarines, and a number of S-300 anti-aircraft systems. 22

The Russian defence establishment views China as a high military-political risk and vetoes the sale of top-notch weapon systems and technologies that could pose a threat to Russia. To compensate for the Russian ban on such systems, Beijing has been lobbying with the


Chapter IV

European Union for lifting the embargo on defence supplies to China. China took delivery of its first of 24 Sukhoi Su-30MK2 two-seat multirole fighters, acquired under a 2003 deal with Russia’s Rosoboronexport state armaments agency. The Su-MK2 is a further development of China’s customised Su-30MKK fighter, and provides an enhanced ground - attack capability. The new aircraft can also carry the Russian Kh-31A anti-ship missile, which will also be integrated with the Chinese navy’s Su-30MK3 fighters. Optimized for anti-ship operations, the Su-30MK will be delivered to China’s naval aviation units from 2005. China has imported around 80 Su-27SK/UBK fighter/trainers from Russia, as well as over 70 Su-30MKK multirole fighters under acquisitions worth $6-7billion. The country is also building a further 200 Su-27SKs under a licence agreement worth another 195 billion. The locally built aircraft has a maximum take-off weight of 29,000kg (64000lb), against the Su-30MKK’s 38,000kg, and lacks a ground-attack capability.²³

India and Russia are thinking in terms of inviting China to become part of their plans to develop a fifth generation, multi-role fighter aircraft, the outgoing Russian Ambassador to India, Alexander Kadakin said.²⁴

China and India are emerging as possible customers for a Russian air-to-air missile originally designed to force US and other NATO fighter pilots to turn off their aircraft’s radar. The missile, a version of Vympel R-27P (AA10 Alamo) is filled with a passive seeker that homes in on the emissions from a threat-fighter’s radar.²⁵

---

In the 1990s, Russia delivered eight S-300s to China. The total number of the air defence systems may reach 16-20 S-300 divisions, which includes those supplied under a 2002 contract that was completed on August 5 2004 (as payment of the former USSR’s debt) and those stipulated in the new contract. China accounted for 39 per cent of all Russia’s arms exports last year, which were worth $5.4 billion.\textsuperscript{26}

Alexander Rumyantsev and Zhang Yunchuan noted successful and fruitful work of Russian and Chinese enterprises on a whole number of cooperation trends, he said. In particular, according to the official, Russia and China noted efficient cooperation as regards the construction of the Taiwan nuclear power plant, construction of a fast neutron factor, in the field of peaceful uses of space nuclear energy industry. Scientific-technical cooperation results were also considered. Russian and Chinese scientific-research organisations carried out a great amount of work on such directions as controlled thermo-nuclear synthesis with magnetic holding of the plasma, technology of underground lixiviation of uranium ore, drafting the solution reactor for production of medical isotopes, said the official.\textsuperscript{27}

**Economic Cooperation:** According to the ministry’s data, in 2003 Russia became China’s largest trade partner (after Japan, the US, Hong Kong, South Korea, Taiwan, Germany, Malaysia and Singapore). Russia accounts for 1.8 per cent of China’s foreign trade turnover. In 2003 the highest rate of bilateral trade turnover in the history of Russia-Chinese and Soviet-Chinese relations was achieved. It totaled $15.7 billion (32.1 per cent growth against 2002\textsuperscript{1}), including $9.7 billion in exports China (15.6 per cent growth) and $6 billion in

\textsuperscript{26}“Russia-China: Russia and China Draft New Contract for purchase of S-300 PMU Anti-Aircraft Defence system”, *Strategic Digest* (IDSA: New Delhi), vol. 34, no. 9, September 2004, pp.1302-1303.

\textsuperscript{27}“Russia-China: Russia China Intend to Cooperate in Nuclear energy Sphere” *Strategic Digest* (IDSA: New Delhi), vol. 34, no. 9 September 2004, p.1309.
imports from China (71.4 per cent growth). Russia’s favorable balance was estimated at $3.7 billion (a 24.4 per cent drop against 2002).28

Russia supplies important raw materials to China. It meets 60 per cent of China’s timber needs, 20 per cent of its steel needs, 4-5 per cent of its oil needs, etc. thus Russia’s share in certain goods in much higher than its average share in China’s foreign trade. Meanwhile, Russia is striving to expand its exports to include, above all, civil engineering products such as energy engineering goods and equipment for nuclear, hydroelectric and thermoelectric power plants, the Russian Economic Development and Trade Ministry said. The diversification of the trade structure, an increase of the share of civil engineering products, provision of stable and predictable conditions of mutual trade, completion of bilateral talks on Russia’s accession to the WTO and promotion of mutual investments are the top priorities of Russian-Chinese cooperation in 2004, the ministry reported.29

According of Mr. Fadeyev, the Chinese side reiterated its need for 10 million tons of Russian crude and refined products in 2005 and for another 16 million in 2006 while the Russian side pledged to bring up its oil supplies to China to at least 30 million tons by the year 2007. Russian railways should be prepared to carry 30 million tons of oil across the border with China, 25 million via Zabaikalsk-Manchuria and the remaining 5 million, via Naushki, Mr. Fadeyev said. The supplies should not be confined to crude oil and refined products, he pointed out. The two sides will need to provide adequate transportation facilities to be able to meet their 2010 bilateral trade target of $60 billion, a triple of the current turnover.30

28 “Russia-China: Russia, China Discuss Cooperation and WTO”, Strategic Digest (IDSA: New Delhi), vol. 34. No. 9, September 2004, pp.1351-1352.
29 Ibid.
30 “China-Russia: China to develop transportation Infrastructure to Accommodate Larger Oil Supplies from Russia”, Strategic Digest, (IDSA: New Delhi), vol. 34, No. 12, December 2004, p.1762.
Chapter IV

The Eastern Siberia-Pacific Ocean project calls for building an oil pipeline from the town of Taishet (Irkutsk Province) to the town of Skovorodino (Amur Province) and on to Perevoznaya Bay (Maritime Territory). The oil pipeline will have a total capacity of up to 80 million metric tons of oil a year, and total investments will be on the order of $16 billion. Construction of the oil pipeline is to be completed by 2008. The Eastern Siberia-Pacific Ocean project will be implemented in phases. The first phase will involve building the section of pipeline from Taishet to Skovorodino. At the same time, construction work will begin on an oil terminal in Nakhodka, to which oil from Skovorodino will be delivered by rail.³¹

The second phase will entail construction of the section from Skovorodino to Perevoznaya. The work will get under way only after oil companies commence the industrial development and exploitation of oil fields in Eastern Siberia and Yakutia. Most of the natural resources that are the focus of the project — 24 million tons of oil from Western Siberia and 56 million tons from deposits in Eastern Siberia and the Republic of Sakha (Yakutia) — are still untapped.³²

**Shanghai Five:** The “Shanghai Five” initiative has been one of the most successful initiatives between Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan. The “Shanghai Five” held their first summit in April 1996 in Shanghai. The fifth summit was held in Dushanbe on 5 July 2000. It has not only offered better inter-state relations on a new basis, but it has given new security concept and a new model for regional co-operation. At the 1998 Almaty summit, the ‘Shanghai Five’ for the first time discussed the issue of religious extremism and international terrorism and committed themselves to take measure to crack down on international terrorism, organised crime, weapons smuggling, narcotics trafficking and other cross-border crimes. At the Dushanbe summit on 5 July 2000 a new stage in co-operation was

---

³¹ “Eastern Pipeline won’t make it to China”, *The CDPSP* (Ohio), vol. 57, no. 1, p. 6.
³² Ibid.
Chapter IV

reached. The five states reiterated their determination to jointly fight national separatism international terrorism and religious extremism, which constitute the main threat to regional security, stability and development. They also resolved to fight weapon and drug trafficking and illegal immigration. Members undertook not to allow activities in their respective territories that could undermine the sovereignty, security or social order of the five member's states.33

Shanghai Cooperation Organisation: The foreign ministers of the Shanghai Cooperation Organization met June 4, 2005 in Astana, the capital of Kazakhstan. The SCO is made up of six states – Russia, Kazakhstan, Kyrgyzstan, China, Tajikistan and Uzbekistan. Mongolia has observer status, and India, Iran and Pakistan accorded the status a month from June 4, 2005, during an SCO summit in Astana on July 5-6, 2005.

Ever since the events in Kyrgyzstan and Uzbekistan, the leaders of the SCO countries and of neighboring states have been concerned primarily about extremism and so-called emergency situations. The six have decided that banding together is the best way to combat these problems. This certainly doesn’t mean that the SCO is turning into a bloc intent on opposing "color revolutions" in the region. SCO officials maintain that their present task is to fight terrorism, and new cooperation mechanisms are being created within the organization to that end. Russian Foreign Minister Sergei Lavrov spoke about them with Vremya novostei.34

Conclusion

The recent Asian crises have exposed the inability of Asian security organizations and fora to deal with them. No organization resolved the 1995-96 Taiwan crisis or the 1997-98 financial crises. Indonesia is

34 “So A Nonexistent Military Base Is a Hot Topic?”, The CDPSP (Ohio), vol. 57, no. 23, July 6, 2005, p.5.
facing serious challenge to its integrity and ASEAN has been unable to forge a consensus on that, the financial crisis, or other issues, including an effective response to Chinese threats in the Spratley Islands.

Russo-Chinese rapprochement takes place against this regionally dynamic and unstable background that includes Russia’s decline and China’s rise. However Moscow will not accept this diagnosis. Thus it continually tries to revise the status quo to enlarge its role. China too is a revisionist power and both see the enemy of their objectives in US policy. The common threats that they see and shared interests that they have are increasingly propelling their partnership into a condition that transcends cooperation and approaches coordination, especially as NMD becomes a salient issue. We see joint Sino-Russian policies in Iraq, the CIS, the UN, Kosovo, and now on vital issues of their national defence. To pretend that this trend towards greater strategic coordination will simply dissolve before superior strength or wisdom or because in the past China and Russia have been unable to forge an enduring partnership is to abdicate the requirements of statesmanship. Complacency about Sino-Russian partnership and the easy assumption that because Russia is basically irrelevant to Asia, the US, India or others need not worry about it and that China will not be a threat because it cannot threaten these countries militarily are misplaced.

**Russia-India Relations**

**The Soviet Period**

The Soviet-Indian relationship from the Khrushchev period to 1991 was a very friendly one. A friendship and cooperation treaty was signed by the two powers in 1971. The Soviet Union became a significant arms supplier to India, and a significant economic relationship also developed. India was not part of the Soviet bloc, but could in some respects be seen as a quasi-ally of the Soviet Union.
The Yeltsin Period

Although the end of the Cold War ended Soviet-US global competition, both sides still had an interest in maintaining a cordial relationship with India. The break up of the Soviet Union in 1991 did initially disrupt India’s relationship with the Russian Federation. The ending of East-West rivalry meant that Moscow was less interested in supporting India against Pakistan. In the early 1990s, the Russian leadership pursued an Atlanticist foreign policy, and took an equidistant stance between India and Pakistan. In 1993, then Russian foreign minister Andrey Kozyrev followed the US line on nuclear non-proliferation and Kashmir. Yeltsin complied with US wishes and refused to supply India with cryogenic technology for its civilian space programme. In 1993 a new Russo-Indian treaty was signed, which dropped the security clauses that had existed in the 1971 Soviet-Indian treaty.

From India’s standpoint, the relationship improved following the appointment of Yevgenny Primakov as foreign minister in January 1996. Primakov saw India as an important strategic partner for Russia, and spoke of the formation of a possible Russo-Indian-Chinese strategic triangle. The Indian leadership was undoubtedly pleased at Moscow’s decision to upgrade the relationship in the second half of the 1990s. However, it had no interest in forming a strategic triangle with China. From New Delhi’s standpoint, Russian friendship, though desirable, was now of less value in countering China, given the improvement in the Moscow-Beijing relationship in the 1990s. Moscow in the second half of the 1990s continued to see its relationship with India as one means of countering the USA’s post-Cold War dominance of the international system. India may also have seen its ties with Russia as being useful for this purpose, although New Delhi’s relationship with Washington improved following the end of the Cold War.
The Putin Period

Putin's emphasis on developing close ties with Europe and the USA did not preclude the policy of cultivating India as an important partner. This was seen in his visit to India in October 2000, where a declaration on strategic partnership was signed, along with several economic and military-technical cooperation agreements. The agreement on strategic partnership was an attempt to place the bilateral relationship on a higher level, and also attempted to institutionalise the relationship, by having annual summits and increased cooperation between the foreign ministries of the two states. It was also agreed to enhance the role of the Indo-Russian Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation.

Common Worldviews and Security Concerns

The Delhi Declaration on Further Consolidation of the Strategic Partnership between India and the Russian Federation, signed by the Prime Minister of India and the President of the Russian Federation during his December 2002 visit, aimed at elevating the strategic partnership to an even higher and a qualitatively new level in both bilateral relations and in the international arena. A number of agreements were signed to facilitate the further development of Indo-Russian relations in various fields of cooperation.

The two sides had an in-depth exchange of views on regional and international issues of mutual interest and concern. The Russian Federation reaffirmed its support to the republic of India as a deserving and strong candidate for the permanent membership in an expanded United Nations Security Council. Both sides confirmed that international terrorism, religious extremism, separatism and secessionism, trans-border organised crime and illicit traffic in arms

and drugs constitute a growing and serious threat to international peace, security and stability. The tragedy involving hostage-taking in Moscow in October 2002 as well as the wave of terrorist attacks in India and other countries demonstrate that the international community faced with an extensive threat by the forces of international terrorism. India and Russia firmly reject and condemn all types of terrorism, based on any ground – political, religious or ideological – and wherever it may exist. It was emphasized that the countermeasures against this menace should be taken on a comprehensive and sustained basis. Such measures should be directed also against those states, entities and individual who support, fund or abet terrorists or provide them shelter or asylum to engage in Cross-border terrorism. There should be no double-standards in the fight against terrorism.36

Both sides also reaffirmed the relevance of the Moscow Declaration on International Terrorism of 6 November 2001. They stressed the importance of strict implementation of UN Security Council Resolutions on the fight against terrorism, in particular Resolution 1373. They also advocated intensifying efforts to finalize in the United Nations the draft International convention of the suppression of Acts of Nuclear Terrorism and the draft Comprehensive Convention against international Terrorism.

In their in-depth discussions regarding developments in Afghanistan, both sides noted the continuing threat to security in Afghanistan. Concern was expressed at the possible regrouping of former Taliban and Al Qaeda elements and their continuing links with their sponsors.

Both sides considered security and stability in Central Asia to be of vital significance to them and supported further consolidating the secular and democratic way of life chosen by the people of Central Asia. Both sides discussed in detail the current situation in South Asia. They stressed the importance of Islamabad implementing in full its

36 "India – Russia, Joint Statement" Strategic Digest (IDSA: New Delhi), vol. 32, no. 12, December 2002, pp. 142-14225.
obligations and promises to present the infiltration of terrorists across the Line of Control into the State of Jammu and Kashmir and at other points across the border, as well as to eliminate the terrorist infrastructure in Pakistan and Pakistan controlled territory as a prerequisite for the renewal of the peaceful dialogue between the two countries to resolve all outstanding issues in a bilateral framework as envisaged in Shimla Agreement of 1972 and the Lahore Declaration of 1998. Both sides noted the ever-increasing importance of Asia – pacific Region and stressed the significance of the bilateral and multilateral relations with the countries of this region in the interest of stability and security in this vast region. 37

Both sides strongly opposed unilateral use or threat of use of force in violation of the UN Charter, as well as interference in internal affairs of other states. It was stressed that a comprehensive settlement of the situation around Iraq is possible only through political and diplomatic efforts in strict conformity with the rules of international law and only under the aegis of the United Nations. Both Sides noted the importance of continuing intensive work with the Iraqi leadership in order to encourage it to cooperate in good faith with the United Nations.

Documents signed between Russia and India, New Delhi on Dec.4, 2002:

1. Delhi declaration on further Consolidation of Strategic Partnership.

2. Joint Declaration on Strengthening and Enhancing Economic, Scientific and Technological.


37 Ibid.

5. Memorandum of Understanding on Cooperation in the field of Telecommunications.

6. Protocol between the Government of the State of Karnataka of the Republic of India and the Samara Region Administration of the Russian Federation on trade, economic, scientific, technological and cultural cooperation signed by Shri S.M. Krishan, Chief Minister of Karnataka and Mr. K.A. Titov, Governor of the Samara Region.  

With bilateral trade already at a low level and set to decline further due to tapering off of India debt repayments to Russia, the meeting with Mr. Sinha saw considerable attention being paid to this aspect. The two sides agreed on the need to promote increased interaction among corporate and industry associations to prepare for trading through normal commercial channels in the post-Rupee scenario. 

India and Russia had decided to set up a joint centre for transfer of technology developed by the two countries to industries and third nations. The issue was to be later discussed in depth at the two-day 11th joint council meeting of the integrated long-term programme cooperation beginning in Bangalore. 

**Terrorism and Indo-Pak Relations:** Russia has consistently supported Indian position on terrorism and the Indian policies towards Pakistan.

Russian Foreign Minister Igor Ivanov focused on how to overcome Indo-Pakistani tension, as well as issues of interaction in the fight

---

38 "Documents signed Between Russia and India," *Strategic Digest* (IDSA: New Delhi), vol. 32, no. 12, December 2002, pp. 1425-1427.
39 "India – Russia: India, Russia conclude Space work on naval deal," *Strategic Digest* (IDSA: New Delhi), vol. 32, no. 12, December 2002, pp. 1465-1466.
Chapter IV

against international terrorism and religious extremism, during his
negotiations in New Delhi. Igor Ivanov welcomed an initiative from the
Indian leadership to restore diplomatic relations with Pakistan at the
ambassadorial level, as well as air-and bus links between the two
countries. The sides also discussed how to guarantee strategic stability,
international security and how to enhance the role of the UN in
international affairs. 41

Russia firmly supported the territorial integrity of India and advocated
the settlement of the Kashmir problem on the basis of the Shimla
accords and the Lahore declaration.42

India and the Russian Federation declare that through their
longstanding relationship as reliable, predictable and responsible
strategic partners, they were dedicated to strive for finding effective
and long-term solutions and appropriate responses to the new global
challenges and threats to humanity, basing their efforts on the UN
Charter and principles of international law.43

A joint statement issued today at the end of the three-day visit of the
Prime Minister, Atal Bihari Vajpayee, to Moscow, urged Islamabad to
implement in full its assurances to prevent infiltration of terrorists
across the Line of Control and to dismantle the terrorist infrastructure
in Pakistan and Pakistan-controlled territory as a prerequisite for a
purposeful dialogue between the two counties.

Russia had registered its appreciation and support for India’s peace
initiatives and hoped that Pakistan would come out with a positive
response. The joint statement said that Russia supported the steps taken
by India in Jammu and Kashmir in combating international terrorism,

41 “Russia-India: Moscow studies Kashmir deadlock,” Strategic Digest (IDSA: New
Delhi), vol. 33, no. 8, August 2003, pp. 813-814.
42 “India-Russia: India, Russia worried over Taliban activity from Pak,” Strategic
43 “India, Russia for greater effort against terrorism,” Strategic Digest (IDSA:
New Delhi), vol. 33, no. 10, October 2003, p. 1128.
while India reaffirmed support for Russian action in Chechnya to protect its territorial integrity and constitutional order.\textsuperscript{44}

India and Russia recorded complete identity of views on terrorism and called on the international community to take decisive action against those who aid and abet terrorism across borders, harbour and provide sanctuary to terrorists and provide them with financial means, training or patronage. The two countries further stressed that international action against terrorism cannot be selective, but had to be uniform, comprehensive, continuous and multifaceted.

Russian appreciation of India’s position was evident from the announcements Moscow made after the attack on the Indian Parliament. Russia had strongly supported India’s fight against terrorism and was willing to forge closer political and military co-operation. The Deputy Chief of the Russian Security Council, Oleg Chernov, who visited India in January 2002, pointed out that. The barbarous act of terrorism committed by Islamic extremists on December 13 in Indian Parliament premises highlighted once again the pressing need to take the most drastic and harsh measures against those who trample upon the most precious gift of right to life. He added that Russian fully understood India’s position on terrorism and that Pakistan must act effectively on its commitment to eradicate terrorism. The head of the Lower House Defence Committee, Andrei Nikolayev, stated that Russia was willing to enter into close political-military and military-technical co-operation with India in the fight against terrorism. Russia viewed international and cross border terrorism as a major source of global instability. It affects trade, economy and development. They understood its menace to the territorial integrity and sovereignty of India.\textsuperscript{45}

\textsuperscript{44} The Hindu (New Delhi), Nov. 14, 2003.
Afghanistan: The fifth meeting of the India-Russia Joint Working Group on Afghanistan was held in New Delhi on 17-18 July, 2002. They agreed that the regrouping of Al-Qaida and Taliban cadres in Afghanistan, and on its southern and south-eastern borders, presents a serious threat to Afghanistan and to regional peace and stability. The two sides welcomed and supported the key continuing coordinating role of the United Nations in post-conflict reconstruction and rehabilitation of Afghanistan, noted the UN contribution to mobilizing international humanitarian aid and establishing the new administrative institutions in Afghanistan. The two sides reiterated that terrorism cannot be justified on any grounds and must be eradicated wherever it exists. They recalled that UN Security Council Resolution 1373 reaffirmed the principle that every State has the duty to refrain from organizing, instigating, assisting or participating in terrorist acts in another State or acquiescing in organized activities within its territory directed towards the commission of such acts, and further mandated that all States must refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts.46

Russia favours trilateral cooperation among Moscow, New Delhi and Teheran on Afghanistan. The Russian First Deputy Foreign Minister, Vyacheslav Trubnikov, said the economic reconstruction of Afghanistan could proceed faster if Russia, India and Iran pooled their aid efforts.47

The Russian diplomat said Moscow, Teheran and Delhi were well-placed to jointly help Afghanistan as they had made a weighty contribution to the strengthening of the Northern Alliance and the defeat of the Taliban regime in Afghanistan. The three countries had

---

46 India-Russia: 5th session of India – Russia joint working group on Afghanistan,” Strategic Digest (IDSA: New Delhi), vol. 32, no. 8, August 2002, pp. 1029-1030. Also see “Is there a Putin Doctrine in Foreign Policy?”, The CDPSP (Ohio), vol. 54, no. 3, August 28, 2002, pp.1-3,p.7;
strong and time-tested ties with Afghanistan in the economic, military and other spheres.  

**Defence Cooperation:** Defence cooperation is the mainstay of India – Russia relationship. It was noteworthy that Russia sells only that military hardware to China, which the Russian armed forces already had. While India receives more modern weapon systems, developed jointly with the Russian design bureaux.  

The Indian military delegation led by Naresh Chand, Director, Army Air Defence, which attended the Russian Expo Arms-2002, took back to India new Russian proposals for the upgradation of India’s 1700 T-72 MBTs to the level of T-90S and for acquisition of the medium-range surface-to-air missile system BUK-M1 which can be integrated with India’s indigenous air-defence systems.  

In another major development, the Indo-Russian joint working group on aviation met in Moscow to discuss technology transfer for the Su-30MKI fighter and finalize a project report on the joint construction of a multi-role transport aircraft.  

Mr. Putin, during his visit to India in December 2002, had signed several agreements on defence deals like Admiral Gorshkov aircraft carrier, SU 30-MKI, and AIC class submarines, which are the poor man’s nuclear submarines.  

The defence mechanisms had well coordinated. India-Russia Defence Cooperation had transcended a buyer-seller relationship and now encompasses joint research, design development and co-production.  

---

48 “Russia – India: Russia – India-Iran tie-up will help Afghanistan,” *Strategic Digest* (IDSA: New Delhi), vol. 32, no. 8, August 2002, pp. 1094-1095.  
49 “India – Russia-China: India has edge over China in Russia defence ties,” *Strategic Digest* (IDSA: New Delhi), vol. 32, no. 12, December 2002, pp. 1461-1462. Also see, *The Hindu* (New Delhi), Nov. 11, 2002.  
51 *The Hindu*, (New Delhi), August 20, 2002.  
The protocol signed in Moscow by Defence Minister Fernandes on 17 January 2003 was really an important landmark in Indo-Russian Military-Technical co-operation. Though the details of this protocol were not known, it was believed that all major issues of procurement and related questions were covered by it. The slow progress towards procuring four Tu-22M3 backfire strategic bombers and two Akula-class nuclear submarines is attributed by press reports to hard bargaining by Russia over the price for refitting the aircraft-carrier Gorshkov.53

Mr. Klebanov, widely regarded as Mr. Putin’s pointman for defence agreements with India, has air-dashed to New Delhi for a second time in a month to impart an air of finality for selling the second hand, partially –gutted aircraft carrier to the Indian Navy. The Russians have been locked in negotiations since February 2002 but there were serious disagreements on the price for fitting new equipment and making it usable. At stake was also the fleet of 40 fighter jets to be housed on the carrier.54

Sources said that Mr. Klebanov and Mr. Fernandes also discussed the issue of steady supply of reasonably priced spares for the air force and the navy. The two sides were also understood to have touched on the issue of leasing two Russian nuclear submarines. In order to ensure that both sides did not violate the missile control regime, Russia plans to replace the submarines’ 3,000-kg-range cruise missiles with 300-km-range ones.55

On 20 January 2004, India signed its biggest-ever defence deal with Russia for the purchase of the aircraft carrier Admiral Gorshkov, along with the deck-based MiG-29K fighter aircraft and other systems including torpedo tubes, missiles systems and artillery units.56

54 The Hindu (New Delhi), Dec.4, 2002.
In addition to being extensively refurbished, the carrier will be fitted with a dozen anti-ship missile launchers, latest fire control and electronic warfare systems and 24 naval attack aircraft besides anti-submarine and early warning helicopters. In addition, the two sides are likely to carry forward discussions on forging a partnership in co-development and co-production. A significant step had already been taken in this regard with the successful testing of the supersonic Brahmos missile. Mr. Fernandes visited the missile’s development site in Russia.57

The Brahmos supersonic cruise missile under development by India and Russia had been launched for the first time from a mobile complex at the Indian defence ministry’s test range on the eastern coast of India on 9 November, 2003. It was the fifth successful flight test of the 290km (155nm)-range Brahmos, which was being developed by India’s Defence Research and Development Organisation and NPO Mashinostroyenia. The missile was designed for a Mach 3 cruising speed at an altitude of 15,000m (50,000ft) and was launched from fixed and mobile platforms on land, surface ships, submarines and aircraft.58 India had carried out final assembly and firing of a Brahmos supersonic cruise missile. This was the seventh Brahmos test, but was believed to have been the first missile to have actually been assembled in India.59

The airspace Equipment Corporation, which was established in 1998, in 2003 ranked among the biggest Russian aircraft production associations. This corporation had more than 30 aircraft.60

Russia has also agreed to supply the TU-22 long-range bombers but the planes to be supplied to India would not be strategic in range and

---

action, meaning safeguards may be introduced to ensure they were not used as nuclear delivery platforms.\textsuperscript{61}

With the dispatch of the train load of T-90s parts Russia completed the delivery of 186 sets of semi-knocked-down and fully-knocked-down tanks for assembly at the Avadi Heavy Vehicles Factory near Chennai. Under a contract signed in 2001, India purchased 310 T-90s MBTs, out of which 124 tanks were supplied in ready-to-use configuration.\textsuperscript{62}

Like the other two frigates, INS Talwar and INS Trishul, which were delivered in June 2003, INS Tabar had been built at Baltiysky Zavod shipyard in St. Petersburg at a cost of close to $1 billion. The inclusion of these powerful and multidimensional warships will greatly enhance India's naval might.\textsuperscript{63}

Sukhoi exported 40 combat aircraft in the year 2004, securing business worth $2 billion. Sales will pick up in 2006-7, when the Russian air force resumes taking delivery of fighter aircraft, including the Su-34 and Su-35.\textsuperscript{64}

A senior executive of Russian arms export agency Rosoboronexport said in New Delhi in January 21, 2004 that Russian had submitted to India about 300 proposals for sales though 2010. Many deals however, due to bureaucratic delays in the Indian Defence Ministry.\textsuperscript{65}

Russia has sanctioned not only the transfer of more advanced hi-tech weapons to India, but also the licenses for the production of critical subsystems. In the case of China, such deals were blocked by the Russian Defence Ministry.

\textsuperscript{61} The Hindu (New Delhi), Jan 21, 2004.
\textsuperscript{62} The Hindu (New Delhi), April 6, 2004.
\textsuperscript{63} The Hindu (New Delhi), April 20, 2004.
\textsuperscript{64} “India-Russia: India rejects single seat SU-30 MKI idea,” Strategic Digest (IDSA: New Delhi), vol. 34, no. 9, September 2004, pp. 1289-1290.
\textsuperscript{65} “India-Russia: India, Russia Await outcome of several long-pending deals,” Strategic Digest (IDSA: New Delhi), vol. 34, no. 3, March 2004, pp. 389-391.
The reason for this difference in policy was that Russian strategists did not foresee any conflict of interest between Russia and India, whereas China was perceived as a potential rival and threat to Russia, given the long common border and growing Chinese migration to sparsely populated regions for Siberia and the Far East. While India and Russia roughly account for 30 per cent of Russia’s defence exports each, there was an important qualitative difference in these supplies.66

Russian exports of combat aviation to India and China were given as a typical example of Moscow’s differentiated policy towards both. While India had obtained an in-depth license for the manufacture of Russia’s most sophisticated SU-30MKI fighter plane, including the advanced AL-31FP engine, China had to obtain engines for the planned licensed production of 200 SU-27SK jets from Russia.67

Trade and Energy Cooperation: Both India and Russia are taking a hard look at measures to bring India-Russia bilateral trade up to the true potential by diversifying their trade basket. In this regard they are focusing on the Russian electronics and information technology sectors in addition to the traditional areas of power and metallurgy. Commercialization of technologies developed through joint science and technology projects is another promising area of future collaboration. They are also looking to measures to promote greater investment flows from their two countries. Cooperation in energy had a long-term strategic significance for both the countries. Their collaboration in the Sakhalin-I project had made good progress. They had agreed to extend their cooperation to other areas including the Caspian Sea and to other aspects of energy sector.68

Indo-Russian co-operation in the field of oil and energy production helped meet India's growing demand for important oil. India had already invested 1.7 billion dollar in the Sakhalin-1 offshore oil field in return for 20 per cent equity in oil from Rosneft the national oil company of Russia. The Iran investment yielded about 2 to 4 million metric tons of oil per year and 5 to 8 million cubic meter of gas per day from the project. Joint ventures were being set up in India for cutting and polishing diamonds to be re-exported to third countries. Work was proceeding apace on joint manufacture of Russian civilian aircraft in India.

A massive $3-billion Indian investment in two oil and gas fields - $1.5 billion in Sakhalin-III and another $1.5 billion investment in the joint Russian – Kazakh Kurmangazy oil field in the Caspian – was envisaged in the memorandum of understanding (MoU) was signed during the visit.

The ONGC Videsh Ltd. (OVL) already has an investment of $1.7 billion in the Sakhalin-I oil field. With the new investment, India and Russian could truly speak in terms of a real partnership in the energy sector.69

Though trade remains an area of concern for the two countries, the officials believe that the agreements in the energy sector will give a concrete meaning to the strategic partnership. Mr. Putin visited the Indian information technology industry in Bangalore to see for himself some of the IT navratnas.

For India, Russia is a key interlocutor and a reliable partner. The challenge for both countries has been to manage the transition from the Soviet Union to Russian even while the strategic convergences that underlay Indo-Soviet friendship continue to be valid.70

India and Russia also clinched an agreement on Visa-free travel for diplomats and officials. In all likelihood, that agreement, too, was signed during the Putin visit. Discussions on easing regulations for the issue of business visas also gained steam.\(^{71}\)

**Nuclear Cooperation:** A fuel supply agreement for the Koodankulam nuclear power plant had been signed between India and Russia.\(^{72}\) The best part of the agreement is that the Russian Federation will supply fuel to the plant for its entire lifespan, be it 30 years or 60 years. Also, the agreement is between two Governments, not merely a commercial contract.\(^{73}\) Russia took into account India's security concerns while supplying arms to China.

Russia had approved the sale of nuclear submarine and an aircraft carrier to India, but not to China. In case of China, such deals were blocked by the Russian Defence Ministry.\(^{74}\)

Russia had offered to supply floating nuclear plants to India as a way of bypassing international restrictions on nuclear technology transfer. It was discussed in the context of a ban imposed by the Nuclear Suppliers Group on nuclear cooperation with Indian and other countries which refused to place all their nuclear facilities under international control. Russia would not be violating NSG rules by supplying floating reactors to India as they would remain Russian property.\(^{75}\)

Russia was now constructing to nuclear reactors at Koodankulam in Tamil Nadu under an accord signed before the NSG clamped down its restrictions in 1992. Being a member of the NSG, Russia could not had

---

\(^{71}\) "India-Russia: India, Russia plan big oil-gas deals," *Strategic Digest* (IDSA: New Delhi), vol. 34, no. 12, December 2004, pp. 1805-1808.

\(^{72}\) *The Hindu* (New Delhi), March 22, 2003.


\(^{74}\) "India-Russia: India's concerns taken into account: Russia official," *Strategic Digest* (IDSA: New Delhi), vol. 33, no. 8, August 2003, pp. 779-780.

\(^{75}\) *The Hindu* (New Delhi), Nov.20, 2003.
any new nuclear deal with India, but floating reactors were different. 76 Russia pushed for lifting international restrictions on the flow of nuclear technologies to India. 77

There was a pressing need to review the guidelines of the Nuclear Suppliers Group (NSG) and work out a special arrangement for India to allow it to cooperate with other countries in the nuclear field.

The US objections had blocked talks on the issue. Russia defied the US pressure to sign a 1998 agreement for the supply of two 1,000 MW light-water nuclear reactors for the Koodankulam power station in Tamil Nadu, arguing that the deal had been negotiated before the NSG shaped a ban in 1992 on the supply of nuclear technologies to countries which had not placed their nuclear programmes under “full” safeguards of the International Atomic Energy Agency. Plans to supply four more Russian reactors to Koodankulam had been put on hold pending the lifting of NSG restrictions. 78

India’s nuclear weapons had played a positive role and helped deter war in the region, a senior Russian Parliamentarian said. If India had no nuclear weapons, war in the region would have been inevitable. This was the first time a top Russian politician had voiced unqualified support for the Indian nuclear programme. Russia conducted the 1998 nuclear tests, but conveyed its understanding of India’s motives. The positive view of India’s nuclear status was in stark contrast with Moscow’s concern for the safety of nuclear weapons in Pakistan. 79

Space Cooperation: Joint space research was emerging as a thrust area of Indo-Russian cooperation in science and technology, with India and Russia agreeing to pool efforts for an unmanned space mission to the moon and the setting up of a space navigation system.

76 “India-Russia: Russia offers India floating n-plants,” Strategic Digest (IDSA: New Delhi), vol. 33, no. 12, December 2003, p. 1413.
78 The Hindu (New Delhi), Nov. 3, 2003.
79 The Hindu (New Delhi), Nov. 24, 2002.
A memorandum of understanding signed in November 2003 between ISRO and the Russian Aviation and Space Agency, Rosaviakosmos, on the sidelines of the prime Minister, Atal Bihari Vajpayee’s visit to Russia, called for massive Russian input in ISRO’s moon mission programme.

India and Russia have signed a protocol to boost cooperation in space, including joint development of a global navigation system and launching a Russian spacecraft on Indian-made rockets. The agreement also covered joint development of equipment for Earth probes; research in electric engines for spacecraft and for building a space-based solar observatory to study X-ray radiation. Russia had also indicated an interest in joining India’s Chandrayaan lunar project. In the 1970s and 80s, the Soviet Union launched India’s first satellites – Aryabhatura and Bhaskara – from Baikonur Cosmodrome in what is now Kazakhstan. Rakesh Sharma, the first Indian astronaut, traveled to the Soviet Salyut-7 space station in 1984.80 India and Russia would join hands to develop new missile boosters and space probes, the Rosaviakosmos chief said after the signing ceremony in the Kremlin.

Russia had also agreed to help India to construct space antennas and build electrical rocket engines needed for lunar missions. The two sides identified specific aspect and the format of cooperation in the lunar programme and updated an intergovernmental agreement on space cooperation signed.81

Russia said it was close to concluding a deal had India to complete its long-stalled Glonass satellite navigation system-raising questions about future collaboration of India and Russia in Europe’s Galileo program. The deal has been under discussion for several months under a framework cooperation agreement signed in November 2003. Indian leaders maintained a low profile, probably due to Galileo discussions.

81 The Hindu (New Delhi), Nov. 13, 2003.
Indian sources said India would probably agree to launch 8-9 satellites to help complete Glonass, which has been limping along well below strength since the fall of the Soviet Union. Koptiev proffered that Indian help could allow a full fleet of 18 satellites to be in orbit by 2007.82

In another breakthrough for Indo-Russian cooperation in science and technology the two sides agreed to set up two joint research centers in India. A centre for gas hydrate studies established in Chennai and an earthquake research centre opened in Delhi.83

**Russia- India-China Cooperation:**

India – China – Russia trilateral partnership is the most talked about these days. When the proposal was first mooted by the then Russian Prime Minister Primakov, it received a lukewarm response in the other two countries. But since then the idea has been picked up and a cautious beginning has been made with informal consultations among the Foreign Ministers of the three countries on the sidelines of the United Nations General Assembly in 2002 and 2003. The prospect of the trilateral alliance or axis has generated considerable interest and debate in official circles as well as among academics and media around the world. One leading supporter of this initiative believes it will go a long way in ‘restoring the missing equilibrium in the present international security environment’ which has been disturbed by the unilateral actions of the United States.84 Before leaving for his crucial visit to India in January 2004, the Russian Defence Minister Sergei Ivanov welcomed the prospects of trilateral cooperation and hoped that it would eventually extend to the sensitive defence sector. He asserted that “This would promote stability and security in Asia”.85

---

potential of this group can be gauged from the fact that these three countries along with Brazil are going to be among the largest economies in another forty years according to one projection. 86

In the present unipolar world it was only India, Russia and China who through their concerted efforts towards building large infrastructure projects in the fields of energy, transport and water management could help the world community to overcome the ongoing international economic and financial crisis and restore the missing equilibrium in the present-day international relations. 87

Trilateral interaction among Russia, India and China had very good prospects, according to the Indian Ambassador to Russia, Krishnan Raghunath. Moscow, Delhi and Beijing were moving from non-governmental contacts in a triangular format to discussing issue of common concerns at a high official level.

The meeting of the Foreign Ministers of the three countries on the sidelines of the United Nations General Assembly in New York the year 2003 made an important contribution to deepening trilateral discussion.

According to the Indian envoy the range of issue of common concern was broad enough. These included global and regional security, international terrorism and narcotics, proliferation of weapons of mass destruction and nuclear materials, as well as multilateral economic partnership in major regional projects. 88 For the more active development of the tripartite co-operation, it would be good to diversify the respective contacts among the three countries. 89


The United States had moved down in Russia's regional priorities from the top place in 2002, to the third place in the year 2004, coming after the post - Soviet Commonwealth of Independent States and Europe, but ahead of Asia.\(^90\)

In a separate communication, the Russian Foreign Minister described India as a strategic priority on Russia's southern flank. Relations with India were an obvious priority for Russian in the southern direction, Mr. Ivanov said that the 2000 Strategic Partnership Declaration had raised Indo-Russian relations to a qualitatively new level of interaction, as manifested by the November 2003 Moscow Declaration on Global Challenges and Threats to World Security and Stability which registered shared views on fundamental international problems.\(^91\)

In the Joint Declaration by the Russian Federation and the Republic of India signed in December 2004 the two sides felt that their bilateral cooperation in all forms, and their strategic partnership, contributes to the strengthening of the regional and global goodwill and cooperation. They are determined to further enhance in every possible way the relations of partnership and closely interact on a bilateral and multilateral basis, with other states, regional and international forums.\(^92\)

**Conclusion**

India and Russia will continue to see each other as important partners. There never have been any major points of contention between Moscow and New Delhi since the mid-1950s, and it seem unlikely that any major disputes could arise in the foreseeable future. They have an obvious interest in maintaining a cooperative relationship. India aspires to being a major power in South Asia. Its armed forces are the

---

\(^92\) "Russia-India: Joint Declaration," *Strategic Digest* (IDSA: New Delhi), vol. 34, no. 12, December 2004, pp. 1691-1694.
fourth largest in the world, it has the fourth largest economy in 2000 in terms of purchasing power parity, the eight largest industrial economy, and the world's largest pool of scientists and engineers after the USA. The Indian economy has had an annual average growth rate of 5-7% since 1991, and India could be the third largest world economic power by 2020. 93 India is therefore capable of playing a major role outside the South Asian region, and may well become one of the major poles in the international system in the twenty-first century. It is therefore logical for Russia to endeavour to cultivate it as a major partner. Both powers have an interest in opposing Islamic inspired terrorism, and Moscow is likely to welcome an active Indian role in Central Asia for this purpose. Indian influence in Central Asia and Afghanistan is from Moscow's standpoint a useful counter to Pakistani influence, particularly if an extremist Islamic regime ever comes to power in Pakistan. Moscow may also see an expanded Indian role in Central Asia as a useful check on Chinese influence in this region. Although Russo-Chinese relations are currently very cordial, China is arguably a serious long-term threat to Russian security interests, and Russia may see India as a counter-weight if this threat does emerge, much as the USSR did during the Cold War. As India plays a key role in maintaining security in the Indian Ocean, a cooperative relationship gives Moscow the opportunity to play a role here too; hence the value to Moscow of joint Russo-Indian naval exercises.

India's value to Russia at the moment lies in India's aspiration towards a multipolar international system; both powers have an interest in opposing American unilateralism. However, India's opposition to US foreign policy is now less strong than it was during the Cold War. Relations improved markedly during the 1990s, although they did cool during the Clinton Administration given US opposition to Indian nuclear testing. Relations with the Bush Jr., Administration have improved, and US-Indian military cooperation has stepped up since

In some ways, India’s relationship with the USA is similar to the Russo-US relationship. Neither power is willing to let its opposition to US unilateralism jeopardise its relationship with Washington, although both see their friendship as a means of signaling to the USA that they have important partners other than Washington. India’s potential value to Moscow as a means of mounting a significant challenge to the USA’s current position is limited. However, India’s growing importance means that Russia will continue to see New Delhi as a major partner, and seek to develop its political, economic and military relationship with it. India has been irritated by the US decision in June 2004 to accord Pakistan the status of Major Non-NATO Ally, which may slightly enhance New Delhi’s estimation of its relationship with Moscow.

Russia-Japan Relations

Russia views her relationship with Japan within the context of the Asia-Pacific region as a whole. Russia sees herself as an Asian-Pacific, as well as a European (or arguably Euro-Atlantic) power. It is a region containing four major powers (the USA, China, Russia and Japan – the first three being nuclear powers); it contains more than half of the world’s population; it is a major economic centre, rivaling the USA and the European Union; it could become a source of several major security problems, such as possible Chinese expansionism, North Korea’s potential emergence as a nuclear weapons state, and the mooted US-Japanese development of theatre missile defence systems.

Russia desires to play a full part in the political, economic and security processes taking place in the Asia-Pacific region. She is therefore a member of APEC, and has a close relationship with ASEAN. In the post-Soviet period she has sought to develop close ties with China and South Korea, and has also attempted to normalise her ties with Japan. Russia’s main objectives in policy towards Japan can be summarised as follows:
• To resolve the territorial dispute, and finally conclude a peace treaty.

• To develop a close strategic partnership, cooperating both bilaterally and in multilateral fora such as the UN, G8, APEC and the ASEAN Regional Forum.

• To develop a close economic relationship with Japan, particularly in the Russian Far East, where Moscow would like to see greater Japanese investment. Russian energy resources in Siberia and the Far East and Japan's dependence on imported energy potentially constitute a solid basis for the bilateral relationship.

• To prevent the US-Japanese security relationship from developing in directions that could be inimical to Russian interests (e.g. over regional missile defence).

• To develop a close partnership as a partial counterweight to Chinese power in the Far East. For this reason, Russia probably has no intrinsic hostility to the US-Japanese Security Treaty.

Dispute over the Kurile Islands: The dispute over the Kurile Islands is the most contentious issue between the two countries. In the 1956 Soviet-Japanese Declaration the two countries stated that they were no longer at war and would restore diplomatic relations. In that same document, Khrushchev’s government said that once a peace agreement had been concluded, it would be prepared to give the Japanese the Island of Shikotan and the Habomai chain, the similar part of the Southern Kuriles. Preparation to evacuate the Soviet citizens there were reportedly under way when Nikita Sergeyevich (Khrushchev), angered by Tokyo’s cozying up to the Americans, reneged on his promise.

Even during the period of all-out fraternisation with their former enemies, Mikhail Gorbachev, during his visit to Tokyo in 1991, refused
to acknowledge the promise to turn over Shikotan and Habomai, referring to it as something that belonged to history. Under Yeltsin, Russians muttered incoherently about the problem, saying that they reaffirmed all prior agreements while at the same time trying to avoid the subject of Khrushchev's abortive gift.

Putin saw things differently however, reliable sources said that the president ordered an analysis of the legal underpinnings of their relations with Japan, and that the analysis showed there was no getting around the 1956 declaration. As a result, during his visit to Tokyo, Putin stated on his own initiative that Russia was committed to the provisions of the 1956 declaration.

But as the Russian Foreign Ministry promptly explained Moscow would like to talk with the Japanese about arriving at a common interpretation of the document. Tokyo was inclined to believe that Moscow promised in 1956 to return part of the Southern Kuriles no matter what, and that Japan must now concentrate on recovering the remaining two islands. Russia was of a different opinion: The intention 44 years ago was merely to mark the signing of a peace treaty with an "act of goodwill". If Tokyo was unwilling to sign a treaty under those terms, the offer of the gift was withdrawn.94

In a discussion in the state Duma on the status of the islands there was striking unanimity among the speakers who strode to the Duma podium to demand a tougher position in talks with the Japanese and an end to the very possibility of any territorial compromise. There were fantastic claims about the value of the disputed islands' reserve and economic potential $2.5 trillion, and the annual revenue from the territories' fishing resources alone was claimed as high as $4 billion. A series of fanciful notions were voiced in the lesser chamber on Okhotny Row:

94 The CDPSP (Ohio), vol.52, no.36 (2000), pp.5-7.
withdrawing from the 1956 treaty the way the Americans pulled out of the Antballistic Missile Treaty.  

Russia had signaled readiness for compromise in long-standing territorial dispute with Japan over four islands in the Kurile chain. The Russian foreign minister Sergi Lovrov, suggested using the same approach in settling the border problem with Japan as Moscow recently used to negotiate a border pact with China. Russia was looking for a comprehensive settlement with Japan, which would clear the way to multi-billion Japanese investments in the development of Russia's Far East and Siberia.  

Russian Foreign Minister Sergei Lavrov laid out for his guest the approach to the Southern Kuriles that Moscow formulated late last year: We recognize the 1956 Joint Declaration, in which the USSR agreed to turn over the lesser part of the Southern Kuriles (the island of Shikotan and the uninhabited Habomai chain) to Japan, but only as a final concession and only after a peace treaty is signed.  

**Other Issues:** Russia's admission to the World Trade Organisation and Japanese investments in Russia, notably the energy sector are some of the other issues between the two countries. At a meeting in Tokyo in 2003, the Japanese Prime Minister, Junichiro Koizumi, and his Russian counterpart, Mikhail Kashyanov, decided to give an economic thrust to the interactions through a bilateral trade and investment promotion organization as early as possible after April, 2004. According to the Japanese side, the two leaders further confirmed their recognition that the establishment of an oil pipeline to Russia's Pacific coast is essential for economic development in east Siberia and the Far East region.  

---

95 *The CDPSP* (Ohio), vol. 54, no.11 (2002), p. 17.  
97 *The CDPSP* (Ohio), vol. 56, no. 46(2004), pp. 1-5  
Mr. Koizumi informed Mr. Kasyanov of Japan’s support for Russia’s accession to the World Trade Organisation and urged Russia to ratify the Kyoto Protocol on global warming and other climate issues. Mr. Koizumi’s appeal as regards Kyoto Protocol acquires importance in the context of Russia’s reported second thoughts on the issue. The understanding on peace treaty negotiations was seen as an effort to clear up the adverse legacies of both the Second World War and the Cold War in the Political atmosphere of a heightened diplomatic engagement between Russia and Japan. The participation of these two countries in the multi-lateral talks in another aspect of the intensity of contacts between Japan and Russia According to diplomatic observers.  

Experts of the pacific frontier department of Russia’s federal security service (FSB) and the Japanese marine Security department gathered for a routine meeting in Vladivostok, Russia’s Far East. The experts were also expected to approve a programme of the Vladivostok port call by two Japanese frontier vessels in September 2004.

Besides, the experts discussed a plan for the joint tactical exercise that engaged Russian and Japanese frontier vessels and train rescue operations and the arrest of transgressor at sea. The two countries also intend to join hands against drug and arms trafficking poaching and seafood contraband.  

For the first time, Japan is beginning to think of Russia as a serious economic partner. The volume of trade between the two countries was approximately $8 billion last year, an increase of more than 40%. This figure is negligible, of course, compared to the scale of Japan’s trade with the United States and China. However, it will increase sharply once the Sakhalin oil and gas projects are in full swing. Russia’s first

100 “Russia-Japan: Russia, Japanese sea Boderguards step up cooperation,” Strategic Digest (IDSA: New Delhi), vol. 34, no. 8, August 2004, pp. 1237-1238.
oil export pipeline in the Far East could prove even more important for Tokyo; the pipeline will run from Taishet to Nakhodka and is intended primarily to meet Japan's needs.101

Conclusion

The Russo-Japanese relationship seems likely to continue in much the same direction as it has done since the late Gorbachev period. In other words, it is likely to remain cordial, without developing into a close political, economic or military partnership. The economic relationship is meagre, compared with Japan's with the USA, China and the EU, and the level of inter-personal contact between the two states is also low. In 2002, just 70,000 Japanese visited Russia, and 40,000 Russians travelled to Japan. This compares with 2.3 million Japanese visiting South Korea in 2002, with 1.47 million South Koreans visiting Japan, 2.38 million Japanese visited China in 2001, with 530,000 Chinese coming the other way.102

This is because the linkage with the Kurile Islands dispute is likely to remain despite the attempts of the Action Plan to develop relations in other areas. Whilst greater trust and cordiality as envisaged by the Action Plan are likely to develop, it is unlikely that such a rapprochement will succeed in completely delinking the territorial dispute from other aspects of the relationship. As Vladimir Putin has said, the resolution of the territorial dispute is something that will have to be tackled by future generations. The fact that Putin is the first leader to openly acknowledge and accept Article Nine of the 1956 Declaration since the January 1960 Soviet Memorandum to the Japanese government does constitute a small step forward. However, the status quo is likely to remain for several decades to come.

In these circumstances, the Action Plan is probably the most feasible option for improving Russo-Japanese relations.

**Russia-Iran Relations**

Iran has become one of Moscow's most important bilateral partners since the end of the Soviet Union. During the 1990s, Moscow saw her relationship with Iran as one of the key aspects of her attempts to promote the emergence of a multipolar international system. It was thus one of the ways in which Moscow demonstrated to Washington her determination to pursue an independent foreign policy. Russia's decision to complete the construction of a nuclear reactor for the Bushehr nuclear power plant in the face of strong US opposition has become almost a symbol of Moscow's desire to pursue her own policy towards Iran. The improvement of US-Russian relations since September 2001 has not swayed Moscow from continuing to cultivate close ties with Tehran.

The US certainly wouldn't be happy with improved Russian-Iranian relations, but whether this was a minus for Moscow or another plus remains unknown. The past several years have shown that Russia got more from the Americans precisely when it took a hard-line position. But within Moscow political circles both the Indian and Iranian experiences had helped shape the conviction that the never again should relations with any of Moscow's partners serve as a bargaining chip for trade with the US of any other country. Had this view been proclaimed at the right time it could have become part of an as-yet non-existent Putin doctrine.\(^{103}\)

Russo-Iranian links were placed on a firm legal basis when Iranian President Mohammad Khatami visited Russia in March 2001, and signed an agreement on basic cooperation with Vladimir Putin. This visit gave an impetus to what had been a flagging relationship. The

\(^{103}\) *The CDPSP* (Ohio), vol. 52, no. 49 (2000), pp.21-22.
Putin-Khatami summit discussed closer economic cooperation and both sides issued a statement on the Caspian Sea. In April 2002, Iranian foreign minister Kharrazi visited Moscow where he outlined in a speech the fundamental features of the Russo-Iranian relationship and exchanged the ratification documents of the March 2001 agreement. The Kharrazi meeting showed a broad degree of common ground between Russia and Iran on regional security issues such as Afghanistan, Tajikistan and Iraq. Both Kharrazi and Russian Foreign Minister Igor Ivanov condemned the term “axis of evil” applied by US President George Bush to Iran, Iraq and North Korea. Kharrazi also probably went further than his Russian hosts would have liked by criticizing the US military presence in Central Asia, and US support for Israel.

The Caspian Dispute:

The Caspian Sea deposits, when combined with the estimated mainland reserves the countries that surround it, are huge and could be nearly one-third the size of the Persian Gulf reserves. Russia and Iran differed on the formulation that defined the sharing of the Caspian seabed resources. Iran believed that the five countries — Iran, Russia, Azerbaijan, Kazakhstan and Turkmenistan—that straddle the Caspian Sea should share these resources equally. Other states, especially Kazakhstan, Azerbaijan and chiefly Russia, disagreed with Iran, pointing to the variations in the length of their coastlines as the basis for an alternatives arrangement.

Impatient with the delay in arriving at a consensus, Russia has worked out reserves -sharing bilateral agreements with Kazakhstan and Azerbaijan. Under this arrangement, the seabed, with crucial modifications, was carved along a median line drawn between the countries that face each other. Iran felt that was lost out greatly in case this arrangement was applied. From the 20 per cent that it claims, its share would drop to 12 to 13 per cent of the seabed. Encouraged by Russia which had already worked out a deal with Kazakhstan for a
stake in developing its off-shore Kurmangazy field, Astana, on its part, was working out a sea bed sharing arrangement with Azerbaijan. Incidentally, India was also getting embroiled in Caspian Sea politics for the Kazakhs during the Prime Minister, Atal Behari Vajpayee’s June 2002 visit to Almaty, offered New Delhi participation in developing the Kurmangazy field.\(^\text{104}\)

Iran, in the light of the joint progress made by Russia, Azerbaijan and Kazakhstan, was feeling left out. In the year 2001, it expressed its resentment by sending its gunboats after an Azerbaijani survey ship which was allegedly in its territorial waters. The move stemmed from an incident that occurred on July 23, 2001. Baku claimed that Iranian naval patrol boats invaded Azerbaijan’s territorial waters, sealing off the area surrounding the Alov, Araz and Sharg oil fields. The British Petroleum Company, one of the main players in developing the Caspian, stopped its activities in the region because of the unstable situation.\(^\text{105}\) The near clash between Azerbaijan and Iran was a wake up call, especially for Russia that was looking for stability in the Caspian.

Significantly, in what appeared to be an ultimatum to Iran to make up its mind, the Russian defence minister, Sergei Ivanov, had announced that Russia, along with Kazakhstan and Azerbaijan, would be shortly undertaking military exercises in the Caspian. But keen to avoid a confrontation with Iran, provided its strategic interests in the Caspian were not undermined. Russia had subsequently Invited Iran to participate in these maneuvers.

By going ahead with flexing its muscles, Russia, according to analysts, had signaled to the Iranians that it protected its core interest in the Caspian, even if it had to pay a high cost. But, on the other hand, if the Iranians respected Russian stakes in this zone, Moscow was ready to promote Iranian interests in other fields, even if this meant confronting Washington.

\(^\text{104}\) The Hindu (New Delhi), August 1, 2002.  
Military-Technical Cooperation:

Russian-Iranian military-technical co-operation has long been a central focus of American domestic politics and US-Russian relations. US President George W. Bush was the first to play the Iranian threat card, which did during his election campaign by revealing the existence of Gore-Chernomyrdin agreement. Under that agreement, Russia pledged to stop supplying arms to Iran as of December 31, 1999. The issue became particularly acute when Moscow informed Washington, four days before the US president election, that it was withdrawing from the agreement and initiating full-scale military-technical co-operation with that rouge state. The US reacted instantaneously. Deputy Assistant Secretary of State John Barker announced that Moscow could be hit with economic sanctions if it began selling arms to Iran.

The next step in the military and diplomatic between the US and Russia was Iranian President Khatami’s visit to Moscow in March 2001. During talks, Iran confirmed that it was very interested in extensively updating military hardware produced in the late 1960’s and early 1970’s. And that was when talk of a framework agreement on military-technical co-operation first arose.

Under the agreement, Russia basically pledged to meet its earlier commitments to up-grade obsolete equipment and sold new weapons systems to Iran. Iran was especially interested in S-300PMU-1 and S-300PMU-2 Favorite surface-to-air missile systems, which it needed in order to protect the Bushehr nuclear power plant and other strategic installations. Tehran was also interested in Buk-M1 and Tor-M1 surface-to-air missile systems. Moreover, Russia modernised Iran’s MIG-29 and SU-27 jets and provided the country with missile boats, landing craft and patrol boats. A $100 million contract for 550 BMP-3 infantry-fighting vehicles was now ready for signing.\(^{106}\)

---

\(^{106}\) The CDPSP (Ohio), vol. 53, no. 34 (2001), p.17.
Ignoring American protests Russia had unveiled plans to expand trade and economic ties with Iran. The Russian Government had approved a 10-year programme of wide-ranging economic cooperation with Iran, which covered nuclear power, aviation and hydrocarbons.

The plan cannot but be seen a challenge to the US, with the Russian Prime Minister, Mikhail Kasyanov, signing it the same day the US Congress called for replacing the political regime in Iran. Under the plan Russia was to build 10 nuclear reactors in Iran, a sour issue with Washington, and several thermal power stations, Russia also helped Iran manufacture Russian airliners and aircraft engines, built two steel plants and several petrochemical projects, as well as developed oil, gas and coal fields.\textsuperscript{107}

The plan also called Russian participation in the financing and exploitation of a gas pipeline between Iran and India, and cooperation with Iran in developing the North-South transport corridor, including the construction of a railway line linking two Iranian ports-Bandar Abbas in the Persian Gulf and Anzali in the Caspian Sea.

Simultaneously a senior Russia military official reaffirmed Moscow’s intention to sell Iran conventional weapons, which was fiercely opposed by Washington. The Deputy Defence Minister in charge of arms exports, Mikhail Dmitriyev, said Russia could sell some defensive weapons to Iran and help it modernize its Soviet-built military hardware.\textsuperscript{108}

Russia in 2002 announced that it was considering supplying more nuclear power reactors to Iran at its facility in Bushehr. The US was opposed to the supply of the reactors as it feared Iran might use them to develop nuclear weapons. Russia had dangled the carrot of supplying more nuclear power reactors to Iran, and in return wants concessions

\textsuperscript{107} The Hindu (New Delhi), July 28, 2002.
\textsuperscript{108} “Russia-Iran: Russia’s move to expand ties with Iran may anger us”. Strategic Digest (IDSA: New Delhi), vol. 32, no. 8, August 2002, p. 1095.
from Teheran on the Caspian issue. With Iran facing pressure from all­around, it might find it difficult to spurn Moscow’s comforting hand.109

After two years of talks on nuclear proliferation with the US Under­Secretary, John Bolton, in Moscow in August 2003 Russian diplomatic source was quoted as saying that there were no new developments on the subject of Iran at Bolton’s consultations at the foreign Ministry. Simultaneously, the Russian Atomic Energy Ministry announced having handed over the Iranian side a feasibility study for a second reactor in Bushehr.110

Russia’s rejection of US concerns about Iran’s nuclear weapons programme cast a cloud over the Russian President; Vladimir Putin’s meeting with the US President George W. Bus, in Camp David in September.111

The alarming situation with regard to Iraq was one of the central topics of Igor Ivanov’s talks and meetings in Tehran in 2003. A joint statement was adopted on the basis of Igor Ivanov’s talks with the Iranian leadership. The document stressed that fighting with terrorism required the participation of all members of the international community and the development of common approaches, as well as the investigation of all instances of terrorism, including its root causes. In this regard, the sides noted the decisive role of the UN. At the same time, the statement said that the sides rejected any unilateral of selective steps with respect to terrorism and any double standards in the approach to it. Making unsubstantiated allegations against other countries on the pretext of combating terrorism contradicts the aims and principles of the UN Charter and other international legal norms, the statement pointed out.112

109 “Iran-Russia: Iran may find it hard to spurn Russia offer”, Strategic Digest (IDSA: New Delhi), vol. 32, no. 9 September 2002, pp. 1155-1156.
111 “Russia-Iran: US fails to sway Russia on Iran” Strategic Digest (IDSA: New Delhi), vol. 33, no. 9 September 2003, p. 736.
112 The CDPSP (Ohio), vol55, no.10 (2003), pp.18-19.
Irrespective of any additional delays related to NPT safeguards issues, under the existing schedule for Bushehr-1 commissioning delivery of the fuel would not be required for at least six to eight months, even if the board did not cite Iran for non-compliance. A noncompliance citation, Russian sources said, would surely indefinitely delay any further action by Russia to bring the Bushehr fuel deal closer to fruition, including signature of the government-to-government agreement on fuel take back.\textsuperscript{113}

Russia continued nuclear cooperation with Iran and the Russia President, Vladimir Putin, visited Teheran to advance bilateral relations. Moscow saw no obstacles to cooperation with Iran in the Nuclear field, Mr. Putin said while receiving the head of Iran’s Supreme National Security Council, Hassan Rohani, in the Kremlin in the year 2003. Iran as a full-fledged member of the international community had full right to develop its peaceful nuclear programme.\textsuperscript{114}

Mr. Putin was quoted by Itar-Tass as saying that Teheran had the right to engage in uranium enrichment. At the same time he said he had highlighted three key issues in Russia’s dialogue with Iran: the opening of all Iranian nuclear programmes to the IAEA, the signing of the additional Protocol on IAEA inspections and the discontinuation of uranium enrichment.\textsuperscript{115}

Iran was believed to be seeking Russian help to upgrade its air-defence system around Tehran and other key industrial centers with the Almaz S-300PMU long-range and Tor-M1 short-range surface-to-air missiles. It was also said to be interested in upgrading its Sukhoi Su-24 MK

\textsuperscript{113} “No one knows what will happen a week from”, \textit{The CDSPS} (Ohio), vol. 55, no. 10 (2003), pp. 18-19; also see “Russia-Iran: Rumyantsev says Bushehr fuel deal awaits high level shuttle diplomacy” \textit{Strategic Digest} (IDSA: New Delhi), vol. 33, no. 11 November 2003, pp. 1258-1259

\textsuperscript{114} \textit{The Hindu} (New Delhi), Nov. 11, 2003.

\textsuperscript{115} “Uranium Breakthrough”, \textit{The CDSPS} (Ohio), vol. 56, no. 47 (2004), p. 21; also see “Iran-Russia: Iran Suspends Uranium enrichment” \textit{Strategic Digest} (IDSA: New Delhi), vol. 33, no. 12 December 2003, p. 1419.
strike aircraft to extent their night attack capability and converting its MiG-29 air-defence fighters to the MiG-29MT multirole variant.

Industry sources said a warming of relations resulted from a recent meeting between Iran’s National Security secretary, Khasan Roukhaani and Russian president Vladimir Putin.\textsuperscript{116}

In the 1990s Russia sold weapons worth $3.3 billion to Iran, including MiG-29 fighters and S-200Velong-range surface-to-air missiles, but in 1995 the Kremlin cancelled projects with Iran under pressure form Washington. In December 2000, however, Russia resumed weapons deals, although since then it had only sold anti-tank missiles and helicopters.\textsuperscript{117}

At a press conference during the General Conference, Russia’s Minister for Atomic Energy Alexander Rumyantsev said that negotiations were still going on with Iran on a contract to supply fuel for the Bushehr plant, including the return of spent fuel. This was required an addition to the government-level cooperation agreement between the two countries, but Rumyantsev said that the government issued a degree that allowed him to negotiate.\textsuperscript{118}

Rumyantsev was also asked about reports of Russian involvement in a heavy-water production plant in Iran. He explained that while Russia knew that Iran was working on such a project, it had not given any assistance. He said that the Iranians had worked on a design of a plant to produce 10 tons of heavy water per year that was being developed as part of an assessment into the possibility of building a CANDU plant. The capacity of the heavy-water plant matched that needed for the CANDU. Rumyantsev added that the design was very similar to the heavy-water plant built described in some detail in scientific literature.

\textsuperscript{116} Flight International, Nov. 25-December 1, 2003.
\textsuperscript{117} "Iran-Russia: From seeks Russia air defence", Strategic Digest (IDSA: New Delhi), vol. 34, no. 1 January 2004, p. 55.
\textsuperscript{118} Nuclear News, November 2003.
As far as the supply of equipment or assistance in the design of the plant was concerned, Russia had given none.  

Alexander Rumyantsev, head of Russia's Federal Atomic Energy Agency met Iranian Ambassador Gholamreza Shafee in Moscow in 2004 to discuss progress in the construction by Russian experts of the Bushehr nuclear power station. The sides also discussed matters related to the signing of a treaty on returning spent nuclear fuel to Russia. Russia was completing the construction of the station's first generating unit. The contract for building the station was signed in 1995. According to Russia's terms and conditions the spent nuclear fuel will be sent back to Russia for processing and storage. The obligatory return of spend fuel and payment for the services associated with this was not stipulated in the agreement to construct the station, which was a flaw in the contact. And this was why Rumyantsev went to visit Iran in the autumn in 2004.

Thus we can see that by the turn of the century Russia had realised that it had important stakes in Asia, particularly in neighbouring Asian countries like India, China, Japan and Iran. However, it should be noted that the relationship with the West had not been diluted at the cost of its turn to the East. Russia's basic policy of courting of the USA and the West remains, although its style may have changed. This pattern puts in sharp focus that Russia's foreign policy has been in transition, certainly during the years of our review.

At a time when Washington is stepping up the pressure on Iran and Syria, Russia is trying to restore its influence in the Middle East, expanding its contacts with countries threatened with American invasion.

119 "Russia-Iran: Russia-Iran negotiations ongoing regarding Bushehr", Strategic Digest (IDSA: New Delhi), vol. 34, no. 1 January 2004, p. 66.
120 "Russia to Build Low Cost Nuclear Power plant", The CDPSP (Ohio), vol. 55, no. 45 (2003), pp. 15-16; also see "Russia-Iran: Russia and Iran move toward power station completion", Strategic Digest (IDSA: New Delhi), vol. 34, no. 8 August 2004, pp. 1193-1194.
And now, against the backdrop of its increasingly strained relations with the Bush administration, Tehran is dispatching its senior official responsible for security and defense to Moscow. Apart from discussing the issue of the spent fuel Iran also appears to want to sound out Russia’s views, in order to find out whether it can count on the latter’s support in a worst-case scenario.

In conversations with diplomats from South Asian and Middle Eastern countries, one hears complaints that Russia is too susceptible to pressure from the United States and is reluctant to uphold its interests forcefully for fear of complicating its relationship with that country. But in the wake of Syrian President Bashar Assad’s recent visit to Russia, which caused displeasure in both Washington and Tel-Aviv, and also given the possible clinching of a Russian-Syrian deal whereby Moscow will sell Strelets missile systems to Damascus, third-world countries might conclude that our country is now going to pursue a more assertive policy.

It cannot be ruled out that, following the collapse of Russia’s policy in Ukraine, as well as its setbacks in the Caucasus, the Kremlin has decided to give Washington an asymmetrical response in a region where the Americans are having to pay a high price for their Iraqi gambit.

In any case, given the Kremlin’s desire to maintain a strategic dialogue with the US, Putin is going to have to demonstrate some diplomatic adroitness at his upcoming summit with Bush. At this point it’s anyone’s guess whether he will be able to convince the White House chief that, in seeking to uphold Russia’s legitimate interests in a region that supplies the Western world with fossil fuels, the Kremlin does not plan to encourage forces that are destabilizing the Middle East.

---

121 The CDPSP (Ohio), vol. 57, no. 4 (2005), pp. 18-19.
On February 27, 2005, Russia and Iran finally signed two documents that have been the subject of repeated protests by American government officials and Russian environmentalists. Under the first protocol, in 2006 Russia will begin supplying Iran with nuclear fuel to be used at the Bushehr nuclear power plant. The second agreement states that spent nuclear fuel will be returned to Russia, so that Iran cannot use it to make a nuclear bomb.\textsuperscript{123}

The delivery of Russian nuclear fuel for the Bushehr nuclear power plant is the most sensitive issue for Tehran at this juncture. Russian uranium is seen here as indicating that Moscow is not afraid of international pressure and will not leave Iran before completing construction of the nuclear power plant. The Iranians know full well that once nuclear fuel has been brought to Bushehr, Russia will not be able to suspend performance of the contract under any circumstances. For this reason, the Iranian leadership insisted that Russia ship the nuclear fuel rods to Bushehr as soon as possible.

At all Russian-American summit meetings, Moscow has insisted that the construction of the Bushehr nuclear power plant in no way moves Iran closer to acquiring nuclear weapons. But the US has doubts about how peaceful Iran's atomic appetites are. Recently, through channels that have not been definitively identified (but most likely through Pakistan), Iran acquired Western-made equipment for enriching uranium, although the equipment does not have sufficient capacity to turn nuclear materials into weapons-grade fuel.

\textbf{Conclusion}

The Russo-Iranian bilateral relationship is an important one to both Moscow and Tehran. Russia's interest in selling arms, supplying nuclear technology and expanding the economic relationship make clear her interest in cultivating Iran as a long-term partner. Russia

\textsuperscript{123} "Uranium for Iran", The CDPSP (Ohio), vol. 57, no. 9, March 30, 2005, p. 6.
intends to pursue this relationship in spite of US disapproval, and in spite of her own improved relationship with the USA. Moscow rejects the USA's categorisation of Iran as a rogue state and a sponsor of terrorism, and instead sees Iran as an important actor and force for stability in the Persian Gulf region. By developing a close political, economic and security relationship with Iran, Moscow hopes to give herself a long-term presence in the region. This relationship is likely to endure irrespective of how the US-Russian one develops. Iran will look to Moscow as a partial counterweight to the US imposed isolation to which she has been subjected since 1979. If the USA takes military action against Iraq, then Iran is likely to see her relationship with Moscow as being even more valuable.