CHAPTER-4

Defence Collaboration between India and Russia in the Context of Changing International and Regional Scenario:

Indo-Russian Co-operation in the field of defense constitutes one of the most important features of Indo-Russian bilateral ties. However, the relationship is undergoing significant changes in the new context of market reforms and globalization, as well diversification of acquisitions by India. Owing to the past legacy and ongoing projects, Russia will remain, at least for the foreseeable future, a major defense partner of India. However, in view of the increased competition for the Indian defense market and the technological demands of India’s defense sector, joint development and production of new weapons systems could become crucial for sustaining Indo-Russian co-operation in the coming years.

Co-operation in the field of defense constitutes the most important feature of bilateral ties between the two countries. A majority of the Indian military hardware is of Russian origin. Cooperation in the sensitive defense field presupposes and has engendered a high level of mutual trust and a broad compatibility of geopolitical interests. Despite the fact that Indian policy makers are engaged in diversifying the sources of military equipment and technology acquisitions, because of the long-established ties and ongoing projects, Russia is likely to remain for the foreseeable future the major defense partner of India. On their part, the Russian policy-makers and defense industry managers are aware of the need to adapt to the new market dynamism and growing competition in the sizeable Indian arms market. Indo-Russian defense ties have their share of new opportunities as well as the problems that the two sides need to address.1
A major development that took place after 1993 was the increasing level of defense cooperation between India and Russia. It was no secret that Indian military establishment had been dependent on Russia for spares as well as its modernization. Though starting with a disappointing note after the disintegration of the Soviet Union, the Russian cooperation in the field of defense increased gradually. For instance, the two countries signed an agreement on military cooperation on 22 October 1996, during the visit of Russian Defense Minister, General Igor Rodionov to New Delhi. The accord envisaged reciprocal training of the services personnel at each other’s training institutions, joint military exercises, and deputation of observers to each other’s military practices. With this new pact, military steering groups were to be established by all the three services whose activities would be coordinated by Russia’s main Directorate of International Military Cooperation and India’s Defense Planning staff. The two sides were to exchange views and information on the operational doctrines of common military hardware. Other components of the agreement were related to deputation of military specialists for the maintenance of arms and communication, visit by senior officials, participation in seminars and symposiums, joint sporting and adventure activities. Indian Defense Minister Mulayam Singh Yadav, during his visit to Moscow in October 1996, signed an agreement to extend military to military cooperation that would last till the year 2010. India was the only country with which Russia signed this type of bilateral defence cooperation programme. President Yeltsin, during his discussions with Yadav, repeatedly referred to his country’s relations with India ‘brotherly.’

The uncertainty regarding the cooperation in the nuclear field was overcome gradually in the later phase of the Yeltsin period. The Russian leaders, during the visit of Indian External Affairs Minister, I. K. Gujaral to Moscow in February 1997, reiterated that Moscow would honour its commitment to sell nuclear reactors to India. The Russian Parliament, on 14
March 1997, approved with applause the statement that each one of its factions supports the policy of cooperation with India. This was an indication of the overwhelming public support in Russia for strengthening relations with India. This also served as a reliable pointer for the forthcoming visit by the Indian Prime Minister, H. D. Deve Gowda to the Russian capital in March 1997, in which both the countries discussed the policy of nuclear cooperation. One of the major purposes of the Deve Gowda’s visit was to finalize the purchase of two 1000 MW nuclear power reactors. The negotiation for the sale of reactors had started in 1988 but Russia started dilatorily after the 1992 Nuclear Suppliers Group Pact; it was bowing to the US pressure. It became doubtful if the reactors would ever be supplied. Since the proposal dated back to 1988, it could escape the provisions of the pact. To nullify the American pressure the Russian leaders assured Deve Gowda that no third country could have any say on their bilateral relations.  

Deve Gowda, during his talks with President Yeltsin, recalled the Moscow Declaration of 1994 as a joint declaration against ‘aggressive nationalism, separatism religious extremism, terrorism and cross movement of narcotic drugs and arms.’ He emphasized that India and Russia had a shared interest in working together in these areas. These challenges posed danger to pluralistic societies of both the countries. Hence, to check the menace of these ever-increasing threats both needed to develop a common approach on the issues of mutual concern. Yeltsin was of the view that India was a major stabilizing factor in Asia. Hence, for peace and stability in the region, maintenance of the sovereignty and territorial integrity of India was important.

During Deve Gowda’s visit, Russia agreed to help India in developing a state of the art integrated air defence system. During the discussions Yeltsin criticized the NATO move to expand eastward. He referred to this move as ‘manifestations of expansionism’ and said, “Russia believes that dominance of
a group of states to the detriment of other members of world community is extremely dangerous and inadmissible." Also that "the world cannot be unipolar and in a multipolar world India and Russia are two poles themselves." This common resolve to promote the multipolar world order has been reiterated many times in later occasions.

Indo-Russian defense cooperation in the post-Soviet era has undergone a radical change. President Yeltsin’s visit to New Delhi in January 1993 saw a marked shift in the relationship between the countries. Yeltsin and Prime Minister P.V. Narasimha Rao signed a 20 years Treaty of Friendship and Cooperation replacing the similar 1971 Indo-Soviet Treaty. This extension by a decade has added a new dimension to Indo-Russian relations. During the Prime Minister Primakov’s visit to New Delhi in December 1998, seven agreements signed between India and Russia. The document on long-term military technical cooperation till the year 2010 is the key document. On a visit to New Delhi in March 1999, Russian defense Minister Igor D. Sergey and his Indian counterpart, George Fernandez signed a military cooperation agreement to train Indian defense personnel in key Russian military academies. The long-term bilateral defense cooperation programme will cover such new areas as naval nuclear technologies and anti-ballistic missile defense systems. This long-term MTC will enhance the joint R&D capabilities of the two countries in the production of new weapon systems. On December 27, 2000, India and Russia finally signed the single largest arms deal the Su-30 MKI will be manufactured in India with Russian assistance. This means complete transfer of technology to India. This Indo-Russian Sukhoi deal is the single largest defense deal ever signed by Russia with any foreign country. Under this deal, 150 Su-30 MKIs will be manufactured in India; including indigenous production of all the components over a period of the next two decades. The Su-30 MKI will have onboard avionics and other support Systems developing by India and also equipment from countries like France, South Africa, and the United Kingdom.
China also has MTC with Russia. Both China and India account for almost three-fourths of Russia’s armament exports.

Russia remains India’s biggest supplier of defense products but as Prime Minister Atal Bihari Vajpayee, stressed during the Putin’s visit in December 2002, the India-Russia defense relationship goes beyond merely buyer and seller as it now encompasses a wide range of cooperation including research, design, development and co-production.

One of the major irritants about supply of Russian defense equipment is regular and timely flow of spare parts. The problem is complex because there is no single supply source as a large number of Russian companies are engaged in manufacturing of different spare parts. So far spare parts have been supplied to India through intermediacy and now Russia is evolving a system under which the original manufacturers will supply the spare parts to India. Indian anxiety is that the spare part should be supplied well in time.

Under an agreement reached recently, India’s defense acquisitions from Russia will now be negotiated on the basis of a model contract which will have a sub clause dealing with the life-long supply of spares or setting up facilities for their production in India. Russia has also agreed to provide unified price lists for spares and components and give Indian specialists access to technical documentation of the hardware sold to India.10

It is pertinent to mention here that Russia sees the proposed privatization of the Indian defense industry as a welcome chance for its arms manufacturers to consolidate their foothold in the Indian market.
“The Russian weapons industry is ready to look into opportunities for investment in the Indian defense sector,”11 said Viktor Komardin, deputy chief of the Russian arms exporting monopoly, Rosoboronexport on 17 February 2002. This shows that integration of the Indian and Russian defense industries would be in line with the current shift from the buyer-seller relationship to joint development and production of new weapon systems.

Top defense factory managers of Russia have been visiting India, to strategic partnership with India.

“We take interest in the privatisation of India’s defense plants,”12 said Mr. Korenkov, General Director of the Bazalt factory, Russia’s manufacturers of unguided munitions. “If Russia and India are strategic partners, it would be logical to integrate our defense industries.”13

Bazalt, which has been supplying air bombs and artillery shells to India, is now proposing joint developments of new-generation munitions, such as winged air bombs that enable the pilot to hit targets 6 km to 15 km away while staying out of range of enemy air defence.

“We are prepared to consider setting up a joint venture with an Indian entity and manufacture new munitions for our two countries as well as for export to third countries.”14 The Bazalt manager said.

Participation in India’s defense sector disinvestment programme can also help Russia to face up to mounting competition from Western arms manufacturers.
We propose to increase the share of high technologies in our defense exports to India, to move from licensed assembly of Russian made weapons to joint development and production and to promote factory-to-factory ties, said Mr. Komardin.

Experts said the Russian defense Industry, which is wholly state owned could invest both cash and technologies in the Indian defense sector. “The Russian defense industry is capable of investing in India S 600 to $700 million over the next three to four years, said Alexand Vaskin of the Indo-Russian Security Forum. “As for technologies, the Russian contribution could be far weightier, if, For example, the two countries go for the joint development of a fifth-generation jet fighter or a fourth generation tank on the basis of the Russian T-95 MBI.”

This shows that Indo-Russian defense cooperation is not only expanding but has begun to take a multi-dimensional character. This leads to the conclusion that Indo-Russian defense cooperation has already entered a new phase.

India’s Nuclear Test and Russian Response

The rapid pace of relationship seemed to come to a halt after India tested nuclear devices in May 1998. That was a true test of friendship on the part of Russia. But it was difficult for Russia to reconcile the Indian tests given its stated stand on nuclear non-proliferation. It had always been an advocate of NPT and CTBT, and wanted India to sign both the treaties. India had rejected both the treaties on the ground that they were discriminatory. Russia had actually never raised the issue to such a level to jeopardize the emerging relations between the two countries. In the wake of the Indian nuclear tests
Russian leaders were in a dilemma regarding how to handle the quirky situation.

President Yeltsin, on 12 May 1998, publicly expressed his anguish and declared, "India has of course let us down over their nuclear explosions." Foreign Minister Primakov in an interview emphatically stated: we do not like it. Naturally we are against them because India is upsetting stability that has taken shape in the world now in preventing nuclear explosion in general, both underground and so on. We would like very much that India, being our friend and partner, stop and would not go any further. Primakov, on 30 May 1998, made a three-point proposal for discussion at the foreign ministers' conference of the P-5 at Geneva on 4 June. These were: (1) India and Pakistan should be subjected to increasingly intense pressure to make them sign the NPT; (2) India and Pakistan should be made to join the international test ban; (3) Everything should be done to ease tensions in the relations between the two states. The proposal envisaged signing of the NPT and CTBT by India and Pakistan, bilateral discussion to resolve outstanding problem between the two countries, and immediate interaction among permanent members of the UNSC to work out common measures for curbing an arms race in the South Asia. However, Primakov opposed any economic sanctions but stressed on the big powers stepping up "efforts for resolving the Indo-Pakistan conflict in Kashmir and sorting out all other outstanding differences between the two Countries."

Though the initial reaction of Russian leaders to the Indian nuclear test was bitter, yet they did not take any concrete step commensurate with their reaction. No one, Yeltsin, Primakov or Russian Parliament, stressed on the big powers to intervene to resolve the Kashmir issue. The strategy of Moscow seemed to resolve the post-Pokharan dilemma by condemning the nuclear tests in the subcontinent along with the other members of the P-5 countries but at the same time going ahead with business as usual with India. Russia did not
impose any sanction on India and did not let the nuclear issue have any bearing on bilateral relations.\footnote{18}

Even some of the important agreements and defense deals were finalized after the nuclear test. For example, despite the US pressure Yevgeny Adamov, Russian Minister of Atomic Energy, signed a deal in New Delhi on 21 June 1998 to build two light water 1000 megawatt nuclear reactors at Kundankulam in Tamil Nadu. In fact, more than Indian tests, Moscow’s main worry was the threat of other threshold countries and above all Pakistan turning overtly nuclear. The Pakistan Ambassador in Moscow was called to the Russian Foreign office urging them to show maximum restraint in connection with the Indian tests, and to adhere to the non-proliferation norms. The Russian embassy in Islamabad also got in touch with the Pakistani authorities on the same issue.\footnote{19}

Not all Russian leaders were critical of the Indian nuclear tests even at the initial phase of reactions. The Russian Duma in fact came out in praise of the Indian tests. Gennady Seleznev, Chairman of the Duma supported the Indian tests: “I believe that India acted correctly. In this respect it acted very consistently and it was a correct decision not to curtail its research programme halfway in spite of US pressure. I can only admire their national pride.”\footnote{20} Izvestia in its headline, ‘Moscow will not quarrel with its ally Indian nuclear tests do not threaten Russia’ on 14 May 1998 emphasized, India is not Iraq, Iran, Libya or North Korea. To befriend her is not shameful. The reference obviously was to India’s long record as a practicing democracy and the international prestige that it enjoyed from its very inception. Vladimir Kuchenenko in Rossiya\textit{ka Gazeta} highlighted the double standards of the West and its attempt to preach ‘victorious morals’ to India. He asked why India can’t, for instance, ensure its own security through nuclear weapons at a time when other countries have this right.\footnote{21} Hence looking at all these developments
one could well understand the Russian policy of not decrying India’s nuclear
tests out rightly, but to show understanding at India’s security imperatives.

It would be appropriate to dwell, at some length, on the shift in Russia’s
policy towards India, particularly towards the Kashmir issue after the last
quarter of 1992. It is true that for over a year after the break down of the Soviet
Union, the entire system of trade and economy, military and technical and
cultural ties between India and Russia were thoroughly undermined. The
situation was so hopeless that Russian analysts were said to fall into two
categories: pessimists and skeptics. President Yeltsin saw himself as being
involved in a war against economic collapse, panic, famine, decline and death.
He admitted, “The coming months would be toughest in my life.” In such a
desperate situation, the Russian leaders sought the help of the Western powers
to revive the sagging economy. The transition from state socialism to
capitalism required enormous financial resources. The Kozyrev-Gaider team
hoped that the West, which so enthusiastically hailed the end of communism in
Russia, would provide massive financial assistance for reforms. However, this
did not happen on the scale expected by the reformist government. The
consequent disappointment led to self-introspection among the Russian leaders.
Vladimir Lukin, Chairman of the Duma International Committee even talked in
the Duma of reframing Russian foreign policy as “all of Russia’s partners
without exception the Americans, West Europeans and to my great regret, all
East Europeans have used us as a doormat.” The US policy during the Gulf
war in 1991, its vigorous pursuit of eastward expansion of NATO, its attitude
to ethnic problems in Russia, led to the disenchantment among the Russian
leaders; thus ending the romanticism between Russia and the West.

The factors that influenced the Russian leaders to adopt a Pragmatic
policy were: Russia’s exclusion from deliberations related to the future of the
Korean peninsula; the US efforts to deny Russian entry into the military
markets of US regional allies, such as South Korea; US encouragement of Central Asian energy development while playing down Russian role in this; and the US efforts to retain strategic importance in the Western Pacific highlighted the diminished position of Russia in US regional security calculations. The changes influenced the Russia foreign policy.

However, the requirements of Moscow and New Delhi in the defense field happened to be mutually complementary, and strong relationship was built over four decades. As Victor Komardin, the Deputy Director of Rosoboronexport remarked in a seminar in New Delhi in 2002, "The history of Russia forced the country to develop its military industry and science... The Russian defense sector provided armament and war equipment not only for the Russian Armed Forces but also for the armed forces of friendly states."  

Russia as the main successor state of the Soviet Union inherited the lion's share of the Soviet Military Industrial Complex (MIC). It comprised of around 2000 enterprises, more than 900 research organizations and design centers and a workforce of roughly 5 million. It was mainly the MIC along with the large energy sector that could compete in the world market. Arms exports were considered crucial for the very survival of the cash-starved defense industries owing to the paucity of domestic defense orders. India and China emerged as the two major buyers of Russian military equipment.

Following the demise of the Soviet Union, many defense plants closed down and thousands of highly qualified scientists and technicians emigrated abroad. The pressing requirement of India at the time was to ensure the supply of spare parts. Various Indian 'logistic delegations' were deputed to scour about the defense factories or original equipment manufacturers (OEMs) scattered all over the former Soviet space literally with suitcases full of dollars in search of spare parts that were hard to come by in the confusion following the Soviet collapse. India, understandably, did not buy new weapon systems...
from Russia during this period. Up to 1996-97, the major part of arms transfers from Russia or their production under license in India consisted of the order given to the former Soviet Union. The fact that Russia had buckled under US pressure in 1993 on the Cryogenic deal also created doubts about the reliability of Russia as a defense supplier, although both India and Russia did see to it that the incident did not mar their friendly ties.28

The Cryogenic Deal

The agreement on joint development of cryogenic booster unit was signed by the Soviet Space Agency Glavkosmos and the Indian Space Research Organization (ISRO) in 1991. The contract valued at 2.35 billion rupees provided for the transfer of Soviet cryogenic space technology to India and for training of Indian specialists.29

Russia as the successor of the Soviet Union had declared that it would abide by all the treaties and agreements signed by the latter. During his India’s visit President Yeltsin had openly committed himself to stick to the deal despite the U.S. pressure. At stake was Russia’s credibility as a reliable business partner as well as its substantial commercial interests. The Indian contract was a major order with Glavkosmos the canceling of which would have placed the Russian space agency in dire financial straits. The USA objected to the agreement on the ground that it was in violation of Missile Technology Control Regime (MTCR). According to the USA the technology involved in cryogenic engines was of dual use. It could also be used for developing ballistic missiles. However, it was stressed that in entering into the agreement both India and Russia were fully committed to this technology not being used for the development of ballistic missiles.
It was widely felt that the U.S. pressure on Russia to shelve the deal was also partly dictated by the U.S. commercial interests. The Russians felt that the USA did not want Russia to become a competitor in the world market of advanced technologies. It was also apparent that the USA did not want India—a prominent Third World country—to join the club of “space faring powers.” Indian media commented widely that the USA did not want India to emerge as a possible competitor in future in the lucrative and upcoming satellite launch market by acquiring the capability of providing cheaper launch facilities. It seemed a part of the broader Western design to keep the Third World countries permanently shackled in an unequal and unfair system.

Despite his brave words in New Delhi in January 1993 that Russia would go ahead with the cryogenic deal, President Boris Yeltsin succumbed to the U.S. pressure when he met the U.S. President Clinton in Tokyo in June on the occasion of G-7 summit. A spokesman of the U.S. State Department thereafter curtly declared that Russia would sell a few rocket engines to India but halt the transfer of technology. Because of grave economic situation and political uncertainties at home, President Yeltsin’s need for Western economic and political aid was particularly great. He had reasons to be satisfied with the hefty aid packet offered.

The manner in which Indo-Russian cryogenic deal was scuttled made it glaringly apparent to the whole world that the USA was calling the shots and Russia, the successor state of the once mighty super power was meekly obeying. It was quite shocking and not easily palatable to a sizeable section of vocal opinion in Russia. Nezavisimaya Gazett, an independent centrist newspaper ruefully remarked that during the past two years relations between Moscow and New Delhi were governed not by Russia’s own interests but in accordance with U.S. policy objectives.
What followed made the divisions and cleavages within the Russian establishment open and apparent for everyone to see. Thus, the Russian Foreign Ministry and the President’s staff on the one hand and the Russian Parliament and the space agency, Glavkosmos, on the other hand seemed to be speaking in different voices. The Russian Foreign Ministry hastened to send a note to the then Indian Ambassador in Moscow, Ronen Sen, conveying Glavkosmos’s inability to fulfill the contract. But it was not corroborated by a government order which is usually the case. In fact, Alexander Dunayev, the Head of Glavkosmos, was not acquainted with the government’s decision of freezing or annulling the Indo-Russian contract. Dunayev told the Parliamentary Committee on Foreign Affairs that the Foreign Ministry had no right to declare a change in the Indian deal without a formal permission from the government. He further added that Glavkosmos intended to continue full scale deliveries to India, including technology, until the government makes a decision. The Speaker of the Parliament, Ruslan Khasbulatov remarked that if the Russian-Indian contract was cancelled, it would be Russia’s national disgrace. Many in Russia tended to agree with him.

The Indian contract worth 350 million dollars was a major order for Glavkosmos at a time when sources of government funding of the space agency were shrinking. Apprehensions were felt that backtracking from Indo-Russian space deal might adversely affect Indo-Russian cooperation in economic and military fields. It was felt that it could have a negative impact on Russia’s general image as a business partner and a source of defence purchases among the Third World countries. It could have a negative impact on the recently-concluded Russia-Malaysia agreement for the sale of Russian MIG-29 military aircraft, which were to be serviced in India. India was also to train Malaysian Air Force pilots.
In the absence of clear government order to this effect hopes were entertained for some time that the contract might not be cancelled after all. On 22 July Russian Parliament voted for a resolution that required Parliamentary ratification of any agreements reached by the government relating to MTCR. The Parliamentary Committee on Foreign Affairs and International & Economic Relations was to conduct hearing on the Indian contract.

In the meanwhile amidst reports of persistent, on U.S. Pressure Russia agreed to join the MTCR in early September 1993 at the time of Prime Minister Viktor Chernomyrdin’s U.S. visit. All Russian contracts with the third countries were to be revised. And the USA was to get full information on such contracts signed since 1990.

India drew her own conclusions. It was clear that on NPT and MTCR Russia had chosen to stand solidly with the West. It was also noted that the new Russian nuclear doctrine adopted by the Russian Security Council in November 1993 was almost identical with the nuclear doctrines of U.S., U.K. and France. Since 1982 the former Soviet Union had struck to the principle of ‘no first use’ of nuclear weapons. However, the new Russian security policy authorized Russian forces to strike first with nuclear weapons in case of aggression against the Russian Federation and ‘its allies’, which meant, as the Defence Minister Pavel Grachev made it clear, the other CIS countries. Russia was, thus, taking upon itself the defence of the former Soviet space. Moreover, as Russia was reducing its defence expenditure and making its armed forces leaner and meaner, it moved closer to the NATO doctrine on nuclear deterrence. In India it was seen as Russia backing away from the Delhi Declaration signed by Rajiv Gandhi and Gorbachev banning the use of and threat of use of nuclear weapons. Ironically, this change in Russian nuclear doctrine took place at a time when it openly aligned itself with the West in putting pressure on India for signing the Nuclear Nonproliferation Treaty, which India regarded as grossly
Indians realized that there were clear limits to Indo-Russian cooperation involving sensitive areas of technology and defence. Unlike the former Soviet Union, Russia was not an independent power centre and did not wish to antagonize the West for the sake of a Third World ally. Protecting Russia’s vital interests, particularly in the former Soviet space, would perhaps induce Moscow to resist the Western pressure. Relations with India obviously did not fall within the parameters of core Russian interests.

Russians were keen to ensure that while they complied with the U.S. desire to modify the cryogenic deal with India they should be adequately compensated for the financial losses they were likely to incur. Thus, it was reported that the USA offered Russia by way of compensation for the loss of Indian deal bidding rights for launching nearly a dozen commercial satellites in the coming six years at 40-70 million dollars a piece. Russia was also promised help in the construction of the international space station ‘Freedom.’

As regards India and Russia, the two sides subsequently displayed maturity and realism and reached a compromise solution, Russia was to withhold from passing on to India those elements of technology that could be used for dual purposes - civil as well as military. But the technology not considered dual purpose was to be transferred. For the balance of money Glavkosmos was to provide India two additional rocket engines. The first Russian cryogenic booster units were to be handed over to Indian Space Research Organization in 1966.

The government of India put up a brave face on the entire episode and declared that it would push ahead with the indigenous development of the requisite technology. It was declared that as a consequence of watering down of Indo-Russian deal and withholding of the crucial technology by the latter, Indian programme would at the most be put back.
Moscow Regains Position as a Reliable Partner

During Russian Prime Minister Yevgeny Primakov’s New Delhi visit in December 1998, the two countries extended the long-term agreement on military technical co-operation up to the year 2010. The agreement envisaged shifting the emphasis from buyer-seller relationship to the joint development of new technologies. The two countries are at present co-operating under this programme. Following his return from Moscow in November 2005, Defense Minister Pranab Mukherjee indicated that after 2010 the progress of Indo-Russian defense co-operation will be reviewed and the two may go in for another 10-year programmer.

As the country’s Prime Minister in 1999, Vladimir Putin observed that only 20 per cent of Russian defense industry plants were functioning and that many were about to be closed. After taking over the presidency in 2000, Putin critically noted that Russia’s MIC was archaic and that it did not correspond to the contemporary military-political tasks of the country. He took measures to revive and restructure the MIC through consolidation and amalgamation into viable and profit-making conglomerates. The objective was to create about 50 vertically integrated defense holdings and concerns with different forms of ownership. As a result, it appears that a substantial part of Russia’s MIC has been salvaged and the country has emerged as the second biggest arms exporter after the US. In fact, during 2000-2004, Russia was the largest exporter of conventional weapons, while during 1999-2003, the US was the largest exporter ahead of Russia.

Major Weapon Systems Purchased from Russia

The major weapon systems acquired or contracted from Russia in the last five years include Su-30MKI multi-role fighter aircraft, Il-78 tanker
aircraft to be used as platform for Airborne Warning and Control System (AWACS), Mi-7-IV military transport helicopters, R-77 air-to-air missiles, Kilo class/type 877E submarines, frigates, Ka-31 Helix airborne early warning helicopters, aircraft carrier Admiral Gorshkov, MiG-29K, including MiG-29KUB version for use on aircraft carrier Admiral Gorshkov, Ka-27PL (Ka-28 version) and Ka-31 helicopters; T-90 tanks, fire control radar, air and sea surveillance radar, combat radar, aircraft radar, anti-tank and anti-ship missiles, etc.\textsuperscript{42}

The heavy weaponry listed above is basically meant to deter adventurism on the part of India’s potential adversaries as well as to project power. In fact, there is a general consensus in the country’s strategic community that a country of India’s size and vulnerabilities must project power, especially so in the Indian Ocean region. The value of projects under the current long-term defense co-operation programme up to 2010 is generally agreed to be around $9-10 billion.\textsuperscript{43}

**Signing of Intellectual Property Rights (IPR) Agreement**

The bane of the Indian defence establishment is the failure to develop indigenous weapon systems of the requisite quality within the planned time. Russian equipment was purchased in bulk as a stopgap arrangement in the hope that it will be replaced by indigenous MBTs and LCAs. This did not materialise and a dependency has been created on imported hardware.

For the past couple of years, Russia had been insisting that India sign the IPR agreement regarding defence co-operation. The agreement was finally signed during Prime Minister Manmohan Singh’s visit to Moscow in December 2005. Apprehensive of India diversifying defence equipment sources, Russia was keen to safeguard its financial and intellectual property rights. The IPR
issue became a sore point. Russian Defence Minister Sergei Ivanov warned, "We will find it difficult to move forward in high-end defence technologies without an agreement on the protection of intellectual property. We will not hand over technologies for nothing. Russia is not Soviet Union." Russia also put pressure on New Delhi. India was warned that the doors of Russian defence factories would be shut to Indian military and technicians in the absence of an IPR agreement. In November 2005, Russia refused to transfer technology as part of its planned sale of Igla surface-to-air missile systems. Earlier, in late September 2005, Russia said it would not give the technology along with the Smerch Multibarrel Rocket Launcher system and reduced the order from 69 pieces to 46.

Russia has conceded the Indian demand that the IPR provisions apply to future transactions only. The accord is intended to ensure that no technology is transferred to third countries and royalty is paid to Russia for work performed on Russian-built weapons by other countries. Reports suggest that the terms of IPR agreement also mention Russia as India’s preferred supplier. Some Indian defence experts have cautioned against such a provision. However, India reportedly agreed to the clause as it is still "too dependent on Russian arms supplies."  

**New Areas of Cooperation**

The two countries have signed several new agreements that will sustain cooperation through the coming years.

**Admiral Gorshkov (INS Vikramaditya) Deal**

India and Russia have come to an agreement on the much-publicised 40,000-tonne aircraft carrier, under the Admiral Gorshkov agreement the
carrier will be refitted and modernised in Russia. It will be equipped with MiG-29K fighters, Sea Harriers and Sea King, Ka-31 and Ka-28 helicopters. The price negotiations are continuing. Investment decisions would be made after a detailed project report is submitted by Russia While the carrier is a free gift from Russia, the refit package will cost about Rs 1.800 crore. This does not include the price of 46 naval MiG-29s that are also being bought with the aircraft carrier, which is expected to arrive in India by the end of 2008. The total cost is likely to be Rs 5,000 crore.

**Nuclear Submarine Issue**

The Gorshkov deal was reportedly a part of the package that included the lease of two 971 Shchuka-B or Akula class nuclear submarines and several strategic Tu-22 (NATO designation ‘Backfire’) bombers. Subsequently, Russia was reported to have backed out of the nuclear submarine deal so as not to displease the Americans. The issue is in the news again. Citing Russian sources, Vladimir Radyuhin wrote in *The Hindu* (December 7, 2005) that the lease of nuclear-propelled submarines to India is in the pipeline. Under a $1.8-billion contract for a ten-year lease, the Russian side has resumed the construction of the subs, which was frozen in the 1990s. In October 2005, 200 Indian naval officers have started training at a submarine training centre at Sosnovij Bor near St. Petersburg. Earlier, the Soviet Union had leased a nuclear-propelled submarine nicknamed Chakra to India from 1988 to 1991. The Navy is hopeful that the nuclear submarine will finally arrive.

India has issued a global tender for the purchase of 126 multi-role fighter aircraft. The deal is worth $5-6 billion. Contenders are American F-16 Falcon and F/A-18 Super Hornet, the Swedish JAS-39 Gripen, the French Mirage-2000-5 and the Russian MiG-29M2.42 Russia will have to contend with other competitors. Rosoboron Service India Chairman Anatoly Negreev
candidly remarked, "Russia is worried about losing out to US, France and Israel. We need to be more competitive....India is our destiny."^48

**Joint Development of Weapons**

Not being in a position to finance the production of weapons on a large scale, Russia has offered to conduct "joint development and production" of weapon systems. From the mid-1990s onwards, it has become the lit motif in Indo-Russian dialogue. Russian Defence Minister Sergei Ivanov recently said, "We are prepared to transfer high technology to India in strategic tie-up based on a new pattern of defence cooperation."^49 From the Indian perspective, joint development and production of major weapon systems offers a significant advantages vis-à-vis earlier licensed production which only "taught us to assemble kits and subassemblies but not design and manufacture of components."^50

**Major Joint Development and Production Projects**

1. **BrahMos**

The BrahMos supersonic cruise missile with the range of 280 km is based on 3M-55 Onyx missile designed by Russia’s NPO Mashinostroyenia. It is repeatedly cited as the shining example of joint research, development and production by India and Russia. The Indian Navy has already inducted the sea version of the missile. The land and air versions of the missile are in the process of development and likely induction. The Russian military so far has not inducted it. Russia needs to change its laws before its induction, which it has promised to do. The two countries have also decided to jointly market BrahMos to third countries by 2007, by which time India and Russia are expected to finalise sale procedures and put into space at least 18 satellites under GLONASS to track the missile’s movements.^51 BrahMos is just one
example of joint collaboration. The IPR agreement has cleared the deck for more such projects. In view of difficulties and snags in the development of indigenous technologies, such collaboration might be the best way for India to acquire and develop new technologies.

2. 5th Generation Fighter Aircraft

For several years, the two sides have been considering joint development of the generation multi-role fighter aircraft and transport aircraft. The intention was reiterated during the December 2005 visit of the Indian Prime Minister. The Russian government has already selected the Sukhoi aviation firm for the purpose and likewise allocated funds. However, the size of the Sukhoi aircraft does not find favour with Indians. RIA Novosti (January 18, 2006) in one of its news report has argued that Moscow should develop both a light-engine plane and a heavy fighter. Russia needs a heavy-duty fighter as its weaponry and electronics have always been bulky. The Sukhoi-developed 5th generation fighter would be a heavy aircraft. Further, India and France might help Russia to develop a light-engine warplane, which could become popular in the international market. A competition is going on between the Sukhoi and MiG aviation firms in Russia. MiG proposes to build a lighter aircraft.52

3. Medium Transport Aircraft Development Programme (MTA)

The development of MTA has been assigned greater urgency in India. MTA negotiations began in the late 1990s and in 2000 the $700-million project became part of the 10-year Indian-Russian military-technical cooperation programme. The investment was shared between Russian aircraft maker Irkut and India’s HAL (Hindustan Aeronautics Ltd). Subsequently, differences between the two came to light as the Russians wanted 19.5 tonnes of carrying capacity while the Indians are satisfied with 14-16 tonnes. Russia wants to
develop PS-12 engine to power the aircraft at the cost of $3-4 billion. The Indians are inclined to use French or US engines. Recent reports suggest the sides are close to agreement to resolve the issue. The cargo carrying capacity of the MTA will be 20 tonnes, but the Indian MTAs will be powered by Snecma Moteurs’ CFM 56-7 Turbofans. Solutions for the glass cockpits will be considered from the French firm Thales. IAF will acquire 45 and the Russian side 60 units.\textsuperscript{53}

4. Co-operation in Space - the GLONASS

During President Putin’s visit to India in December 2004, an agreement was signed between Roskosmos and ISRO on the joint use of the Soviet-era Global Navigational Satellite System (GLONASS) by making it fully functional by joint efforts, including the launching of new Russian satellites from Indian launch pads with the help of Indian vehicles. The deal will reduce India’s dependence on the US GPS (Global Positioning System), which may be denied in times of conflict. During Prime Minister Manmohan Singh’s December 2005 Moscow visit, an agreement was signed on measures to protect technology during long-term co-operation in joint development, operation and use of the GLONASS for peaceful purposes. Vladimir Radyuhin, however, opines that GLONASS shall be used by both the countries for civil as well as military purposes.\textsuperscript{54}

Joint Military Exercises

During past couple of years, Indo-US military-to-military co-operation has greatly expanded. In contrast, Indo-Russian defence co-operation has largely been in the military-technical field. Recently, Russia also has shown greater interest in boosting military-to-military ties. In October 2005, the two
armies and navies held joint exercises in the desert of Rajasthan and off the coast of Vishakhapatnam, respectively.\textsuperscript{55}

**Defence Deals**

**T-90 Tanks**

India will also purchase 310 front-line T-90 main battle tanks. The Rs. 3,000 crore ($705 mn) T-90 deals include the outright purchase of 124 tanks while the remaining 186 will be partly assembled and partly produced in India. This contract also includes transfer of technology, overhauling, and probable joint manufacturing and marketing of the tank to other countries.

India would also acquire complete technology transfer of the state-of-the-art tank with missile-firing capability for indigenous manufacture. There had been extended price negotiations on the equipment, necessitating the defence minister’s visit to Russia as well.

The 310 T-90 tanks - which add up to five armoured regiments - have been necessitated due to delays in the indigenously developed Arjun main battle tank and will seek to offset the acquisition of a like number of T-80 UD tanks by Pakistan two years ago.

**Tu-22 Bombers**

In addition, the two sides have reached an agreement on the lease of four Tu-22 ‘Backfire’ bombers, a maritime reconnaissance and strike aircraft fitted with 300km range air-to-ground missiles and capable of flying at three times the speed of sound.
The agreement on leasing the Tu-22s is a major breakthrough as the Russians had earlier been raising objections to its use in case of war owing to impediments posed by the Missile Technology Control Regime (MTCR).

Su-30 Fighters

A special feature of the Su-30 agreement is the joint production, joint marketing and buy-back of equipment manufactured by Hindustan Aeronautics Ltd (HAL) by Russian production agencies. The Su-30 agreement further provides for licensed production of additional engines, airborne equipment, setting up of repair and overhauling facilities and setting up of production facilities. It is planned to produce at least 150 Su-30s at HAL.

Russia is ready to cooperate with India in building a super-fighter jet of the 21st century. The Sukhoi Corporation has already made some headway in developing the fifth-generation fighter jet. It has built an experimental Su-37, which serves as a flying laboratory for testing new technologies.

Other Purchases

Military cooperation between the two countries started more than three decades ago. It is estimated that more than half of the armaments the Indian Army are of either Soviet or Russian make. Out of the Army's 3,400 tanks, 2,200 are of Russian origin: these include 700 T-55s and 1,500 T-72s. Eighty per cent of the Indian Air Force's (IAF) equipment and 85 per cent of the Navy's equipment are of Russian origin. According to estimates quoted in the Russian media, Russia annually sells military equipment worth more than $1 billion to India. The defence agreements signed with India since 1998 - which includes the deal to supply 40 state-of-the-art Su-30 fighters - are expected to fetch for Russia $4 billion annually.
Land Systems

India has signed a contract to buy 1,000 Russian laser-guided 155mm Krasnopol-M rounds and 10 laser rangefinders for Rs 1.49 billion ($345.5 million) to give its artillery a precision-targeting capability.

The agreement with KBP Instrument Making Design Bureau, signed in Aug 2000, is subject to the successful high-altitude test firing of the projectiles by the Bofors FH77B 155mm towed howitzer. They were successfully test fired in the western Rajasthan desert earlier in 1999. However, they reportedly failed to perform adequately during trials in northern Kashmir’s mountainous region.

Naval Systems

During Russian defence minister Igor Sergeyev’s visit to India in March 2000, the two sides had detailed discussions about the prospects of equipping the Indian Navy with Kilo and Amur Class submarines.

The Navy has taken delivery of the second Kilo class submarine built by Russia, INS Sindhushastra, worth $200 million. Russian shipyards are also arming the old Kilo submarines of the Navy with long-range missiles. Three new Krivak class frigates are being built for the Indian Navy in Russia and the price of each is estimated to be around $800 million.

Two of the Indian Navy’s Russian-built Sindhughosh-class (Kilo Type 877EKM/636) patrol submarines will be armed with the latest Russian 3M-54E1 anti-ship missiles (ASMs).

Two submarines are now at the Admiral Teyskiye Verfi Shipyard in St Petersburg for modernisation. The upgrade includes arming the submarines with the 3M-54E1 missiles, developed by the Novator Design Bureau.
A 10th submarine of this class that is under construction at the yard is also expected to have a missile-firing capability fitted. Vertically-launched versions of the 3M-54EI will arm three improved Krivak Ill-class (Project 1135.6) frigates that are under construction for the Indian Navy at the Baltiisky Shipyard in St Petersburg. Each frigate will boast eight 3M-54E anti-ship missiles. The hull of the first ship is already built; the keel of the second has been laid.

India’s decision to place orders with Russia for three battleships, the first of which would soon be joining the Indian Navy and christened Talwar, makes it very clear that the crumbling of the Soviet Union during the Eighties has made no difference to the continuance of Indo-Russian cooperation in all areas including the crucial defence sector. The present agreement is for the sale of frigates by Russia being built under a $1 billion contract to be completed by 2003. It imparts continuity to Indo-Russian naval cooperation, which began in the Sixties. An earlier proposal for the purchase of two 877 EKM submarines from Russia was based on a modality of payments in stages. They were intended to replace the Foxtrot submarines, which became due for decommissioning, and maintain the levels of submarine presence in the Indian Navy.

Air Force Requirements

India has already signed a contract worth $170 million for 40 Mi-17-IB helicopters. Fernandes, during his visit to Moscow in June 2000 said that the contract for the helicopters was the second most important one signed by the government after the Sukhoi deal of 1996.

The Indian government was interested in buying the A-50/ A-50U airborne early warning and control (AEW&C) aircraft built by Russia. India is trying to get the AEW&C capability because of the crash of its Airborne
Surveillance Warning and Control (ASWAC) prototype aircraft in January 1999. Russia has offered to deliver one A-50 version of the plane immediately and two upgraded versions within two years. There has been a test flight of the plane in Chandigarh. The A-50-U can take up to 100 targets simultaneously and it is said to have a detection range of around 230km against the MiG-21 type aircraft and a range of around 800km against missiles. India also plans to buy the S-300 air defence missile system from Russia.\(^6\)

**Moscow Adjusting to Change**

The competition for a share of the Indian arms market is growing among major suppliers. The post-Pokhran sanctions on India by the US were removed in November 2001. Israel has emerged as the second biggest arms exporter to India after Russia. Diversification ensures that a country can not be held to ransom by a sole supplier. It can also lead to lower prices as well as access to various technologies. However, diverse suppliers cause the problem of interoperability of different types of equipment, while a single source of supply leads to standardisation of equipment. On their part, the Indian armed forces have the experience of using and integrating different types of equipment.

Moscow had previously balked at India’s attempts to diversify arms supply, especially when India opted for the British Hawk AJT (Advanced Jet Trainer) instead of MiG-AT. But, Russia appears to have finally reconciled to the inevitable change. A PTI dispatch from Moscow on January 18, 2004, quoted the Russian Defence Minister Sergei Ivanov as saying: “We had never planned to monopolise the Indian (arms) market. Depending only on one source is bad for any armed forces, it leads to their degradation.”\(^5\) Ivanov said that Russia understands India’s desire to get the best available technology and welcomes it, and has to compete by offering the best technology. Referring to the Israeli Phalcon radar deal that would be fitted into IL-76 tanker aircraft, he added that Moscow was not averse to ties with third parties while working on
Indian defence orders. He also referred to the French and Israeli systems having been incorporated in Su30 MKI multi-role fighter aircraft designed and developed for India. The Russian defence industry itself is changing, for instance, Russian NPO Saturn and French Snecma have set up a joint venture called Power Jet that produces SaM 146 aircraft engines. The engine is believed to “represent all the latest know-how.”\(^\text{58}\) The European Aerospace and Defence System (EADS) has purchased a 10 per cent stake in Russia’s Irkut aviation company.

Owing to past legacy and long-term dependence, Russia is likely to remain a major defence partner. In a keynote address to the General Staff Academy of the Russian Armed Forces, the Indian Defence Minister said that Russia “has been, and remains the largest source of our arms, weapon systems and technology imports.” He emphasised that the recent strengthening of defence ties with many countries “is not at the expense of our traditional friendly relations with Russia which remain unique, time-tested and steadfast.”\(^\text{59}\) Even if no new weapons are purchased, India will continue to need spare parts for the weaponry of Soviet/Russian origin and also depend on Russia for their upgrades and modernisation. The license production of 140 Su-30 MKI under a $3.5 billion deal, itself will go on till 2017-2018.

While diversifying arms acquisitions, India would not like to risk the derailment of the current system that may pose potential security hazards in the near term. India would like to maintain its strategic autonomy and decide each issue on the basis of merit and from the standpoint of India’s national interests. Steps have been taken of late to streamline defence acquisition procedure and make it more transparent, speedy and accountable.\(^\text{60}\)

Co-operation with Russia has made a vitally important contribution to the development of Indian defence potential. It has given India access to
sophisticated weapons and advanced technologies at a time when others were not willing. The defence cooperation reflected the convergence of their larger geopolitical interests. In the post-Soviet difficult transition period, arms purchases by India and China have helped the Russian MIC to tide over the crisis and survive. As a major arms supplier to both India and China, Russia has been persistently pressing for ‘triangular’ cooperation among Russia, China and India. However, despite the recent improvement in India’s relations with China, in view of the disputed status of the Sino-Indian border and other security concerns, India cannot afford to lower its guard. Russian arms supply to China and the possibility of further transfer of Russian arms and technology to Pakistan through China, do add to New Delhi’s worries. At the same time, if India distances itself, it may make Russia even more dependent on China.61

No country can be fully self-reliant in all areas of defence-related technology. Moreover, the today trend is towards joint development and production of defence equipment. According to the emerging opinion in the Indian strategic community the country must be self-reliant in areas where technology denial regimes are imposed, like nuclear and missile technologies. India may concentrate on developing and further expanding the areas of her core competence. In other areas, the country may opt for overseas partners, including Russia. Joint development and production of new weapon systems may emerge as a very promising area of continued Indo-Russian cooperation. It may provide continuity and stability to existing ties. Advanced avionics and electronic systems developed by Western countries and Israel may also be incorporated as is already being done. Competition among the suppliers may indeed be good and has already produced beneficial results. There is a need to handle the emerging situation with dexterity and savoir by giving attention to details and nuances. In the pursuit of its enlightened national interests, it is to be expected that India would seek to leverage its position as a major defence buyer, and so would Russia as a supplier.
In the 21st century geopolitical scenario, all the major actors are engaging each other. Nonetheless, India’s ties with Russia will continue to be driven by not only common strategic and geopolitical interests but also shared interest in the defence sector. They would, however, need to adjust policies wherever necessary for enhancing mutual gains in this vital sector if they want to sustain a robust relationship in the new global environment.
References:


3. The National Herald, New Delhi, 10 October, 1996.


6. Supra no. 2, p 68.

7. Ibid, p.68


11. Ibid, p. 129.


14. Ibid,

15. The Hindu, New Delhi, 18 February, 2002.

16. Supra no. 12, p. 130.


20. Supra no. 20, P 157.


22. Supra no. 20, p. 90.


34. Supra no. 33, p. 57.
35. Supra no. 35 p.10.
38. Supra no. 32, p. 18.
43. Ibid, pp. 478-81.
44. The Hindu, 16 November, 2005; Strategic Digest, December, 2005, p. 1677.

50. Supra no. 1 p. 459.

51. Ibid., p. 459.


55. The Hindu, 7 December 2005.

56. Supra no. 1, p. 461.


61. Supra no. 1, pp. 462-63.