



Russian International  
Affairs Council



Indian Council  
of World Affairs

EVENT REPORT

International Conference  
“Strategic Visions of Russia–India Relations  
and Changes in World Order”  
70th Anniversary of Russia – India diplomatic relations

Moscow, 12–13 October 2017



**RUSSIAN INTERNATIONAL AFFAIRS COUNCIL  
INDIAN COUNCIL OF WORLD AFFAIRS**

**Moscow – Delhi, 2017–2018**

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The mission of RIAC is to promote Russia's prosperity by integrating it into the global world. RIAC operates as a link between the state, scholarly community, business and civil society in an effort to find solutions to foreign policy issues.

*The views expressed herein do not necessarily reflect the views of RIAC or the official positions of the institutions and states the speakers represent.*

*The texts of speeches are given with minor changes.*

## INDIAN COUNCIL OF WORLD AFFAIRS

The Indian Council of World Affairs (ICWA) was established in 1943 by a group of Indian intellectuals as a think tank. It was registered as a non-official, non-political and non-profit organisation. By an Act of Parliament in 2001, Council has been declared an institution of national importance. The Vice President of India is the ex-officio President of ICWA.

Historic international conferences like 'Asian Relations Conference' in 1947 under the leadership of freedom fighter Sarojini Naidu and 'United Nations and the New World Order' in 1994 have been held by this think tank in which world renowned dignitaries addressed huge gatherings of intellectuals. The Council is devoted exclusively for the study of international relations and foreign affairs. The 2001 Act lays down the objectives, including developing informed opinion on international matters and promote India's relations with other countries through study, research, discussions, lectures, exchange of ideas and information with other organisations within and outside India.

Scores of conferences, meetings and panel discussions have been organised by the Council in its elegant building called "Sapru House", named after the eminent Indian Jurist and intellectual, Sir Tej Bahadur Sapru, the founder President of the Council. The present building was inaugurated by Pandit Jawaharlal Nehru in May 1955. A number of renowned and prestigious Indian think tanks and organisations like the Institute for Defence Studies and Analyses (IDSA), School of International Studies (which was later merged with the famous Jawaharlal Nehru University), Children's Film Society of India and the Press Institute of India were established in this building.

The Council has a rich library and it also publishes the famous "India Quarterly" journal.

### **Copy Editors:**

Dr. **Athar Zafar**, Research Fellow, ICWA;

Dr. **Stuti Banerjee**, Research Fellow, ICWA

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## About the conference

On October 12–13, 2017, in Moscow the Russian International Affairs Council (RIAC, Moscow) and the Indian Council of World Affairs (ICWA, New Delhi) held a two-day International Conference titled **“Strategic Visions of Russia–India Relations and Changes in World Order”** commemorating the 70<sup>th</sup> anniversary of the establishment of diplomatic relations between the Russian Federation and the Republic of India.

This report is based on the presentations and deliberations, including observations, comments and the Q&A sessions of the conference. The conference consisted of an opening session, five working sessions, and a concluding session spread over two days.

## Opening High Level Session



Igor IVANOV

President of the  
Russian International  
Affairs Council  
(RIAC), Minister of  
Foreign Affairs of  
Russia (1998–2004),  
Corresponding  
Member of the  
Russian Academy  
of Sciences

On behalf of the Russian International Affairs Council, let me welcome the participants to the Conference “Strategic Visions of Russia–India Relations and Changes in the World Order.”

First of all, I would like to thank our Indian partners – the Indian Council of World Affairs – for your cooperation and great constructive contributions to the organization of the event.

We appreciate the assistance provided by the Ministry of Foreign Affairs of Russia along with the Embassy of India in Russia and the Embassy of Russia in India.

The Conference is held to commemorate the 70<sup>th</sup> anniversary of the establishment of the Russia–India diplomatic relations. Over the past decades, relations between our countries have been constantly developing on the basis of friendship between the Russian and Indian peoples and today they have reached the level of a Special and Privileged Strategic Partnership.

Russia and India have a common view on the future world order. We share the vision of a more just, polycentric world and the United Nations’ (UN’s) leading role in conflict resolution based on international law. Russia has always supported and will continue to support India in assuming a greater voice in global affairs.

In the context of growing instability in the world, Russia and India are facing a more challenging task of greater coordination on the main issues of global governance.

Our joint agenda includes discussions on enhanced counter-terrorism and counter-extremism cooperation, and the coordination of efforts to settle conflicts in those regions which are of strategic importance for our countries.

As the major powers in Eurasia, Russia and India contribute greatly to regional and global stability, collaborating closely in the framework of the UN, BRICS and the Shanghai Cooperation Organisation (SCO), to which India acceded as a full member in 2017.

We are pleased to note the continued progress in the Russia–India bilateral ties. Along with military and technological cooperation, there are a number of major joint projects being carried out in the energy sector, primarily in the area of peaceful use of nuclear energy. Nevertheless, much work is to be done in substantiating our relations in economic and other areas.

To bring our trade and investment ties to an essentially new level is a priority task that requires new approaches to cooperation. This aim was articulated at the 2017 St. Petersburg International Economic Forum. We expect that the commitment of the expert society and business to the conference will contribute to shaping these new approaches.

We are pleased to note the development of joint scientific programmes and people-to-people exchanges between our countries, and the growth of tourist flows. At the same time it must be admitted that we still lack knowledge about each other. Moreover, our views are often based on the assessments of external observers, frequently Western ones. We need to stop looking at each other through the eyes of others. It is necessary to promote direct contacts between Russians

and Indians, and encourage joint projects in education, science, culture, and sports, since it is impossible to create a solid basis for intergovernmental cooperation without understanding between our peoples.

In conclusion, I would like to note that studying the dynamics of Russia–India relations has been one of RIAC’s priorities since its foundation. We have managed to build a close partnership with several leading Indian think-tanks including the Vivekananda International Foundation (VIF) and Gateway House: Indian Council on Global Relations. In 2017, together with colleagues from the VIF, we prepared a joint report of Russian and Indian experts, covering many areas of our collaboration and suggesting specific recommendations regarding its enhancement. The report raised much interest and received positive feedback from both countries. We plan to further promote the expansion of ties between our countries through civil society.

I hope that our conference will assist in charting the path towards implementation of the goals for Russia and India and provide expert support to interstate contacts.



**Igor MORGULOV**

Deputy Minister  
of Foreign Affairs  
of Russia,  
RIAC Member

The special privileged partnership between Russia and India is based on a high degree of mutual trust, the coincidence of key geopolitical interests, shared approaches toward topical issues and the similarity of our economic and social development goals. And, of course, the mutual sympathy and draw of our nations, which have a centuries-old history, to each other.

At present, international relations are going through a difficult and conflicting period of transformation. We see India, which is committed to democratic ideals, as a reliable ally in building a polycentric and fair world order based on the rule of law. New Delhi's independent and responsible foreign policy is making a substantial contribution to building a more secure world and to adapting global multilateral structures to new realities. Through joint efforts, we are promoting a positive, unifying agenda in international affairs and working to meet the challenges and threats of the XXI century.

Our countries cooperate productively within the framework of the UN, G20, BRICS and RIC, as well as other formats. We welcome India's status as a full member of the SCO and its active involvement in the organisation's activity in its new capacity.

Russia and India coordinate their positions on challenging issues, such as the settlement process in Afghanistan, the Middle East and North Africa, including Syria, and building inclusive and open security architecture in the Asia Pacific Region.

Political dialogue between our countries is characterised by both intensity and substance. Annual summits allow us to synchronise our positions on key issues on the bilateral and international agenda. The most recent summit took place in June [2017] in St. Petersburg in the wake of the St. Petersburg International Economic Forum. In-depth top-level talks took place on the sidelines of the BRICS summit in Xiamen (September 4, [2017]).

For Russia, India is not only a long-standing friend but also an attractive business partner, being one of the world's largest economies with impressive growth rates and tremendous potential.

The current level of Russian-Indian trade and economic cooperation certainly does not measure up to the high level of our political contacts (in 2016, trade was US\$ 7.7 billion). Our main tasks include increasing the volume and improving the structure of bilateral trade (the target: US\$ 30 billion by 2025), primarily with supplies of high-tech goods and by stimulating reciprocal investment.

A special working group on priority investment projects was created within the framework of the Intergovernmental Commission on Trade, Economic, Scientific, Technical and Cultural Cooperation with a view to increasing the mutual inflow of capital. These include the construction of a butyl rubber production plant by the Sibur company in the state of Gujarat and setting up lighting equipment production in the state of Karnataka by the Russian company Svetovye Tekhnologii. AFK Sistema is developing a smart city model in India.

Cooperation in the peaceful use of nuclear power is a key component of our bilateral partnership. In 2013, the first power unit at the Kudankulam nuclear pow-

er plant was put into operation. It has now attained its maximum capacity. In October 2016, the second unit was handed over to India and construction began on the third and fourth units. Work on the third stage of the Kudankulam NPP (Units 5 and 6) got under way. There are plans to build at least 12 more reactors in various parts of India, which will help to a very large extent, meet the [energy] needs of India's steadily growing economy.

We are increasing our hydrocarbon exports to India. The total volume of oil deliveries in the first half of the year (1.1 million tonnes) increased almost eight-fold year on year. Incidentally, Rosneft's acquisition of the Indian company Essar Oil Ltd has become the largest foreign capital investment in India's economy on record – almost US\$ 13 billion.

There are large-scale projects in machine manufacturing, chemical and mining industry, pharmaceutical industry, health care, and nano and bio-technology. Such well-known Russian economic operators as Silovye Mashiny, Gazprom, StroyTransGaz, UralmashZavod, Sibur, Mechel and others, have a presence on the Indian market.

We welcome the December 2016 decision to open talks on signing an agreement on creating a free trade area between the Eurasian Economic Union (EAEU) and India. Prospects for building effective infrastructure for the North-South international transit corridor are under consideration. All of this opens up additional opportunities for fostering cooperation on both the bilateral and regional tracks.

The "Make in India" national programme launched by Narendra Modi Government provides an extra incentive to establishing joint ventures on Indian territory in spheres that are traditional to us in both the civilian and military-industrial sectors.

Despite the serious competition on India's arms market, Russia has retained its unique position in terms of direct supplies and co-production, with India, of arms and military equipment. Russia is sharing the most advanced military technology [with India], thus helping strengthen India's defence industry.

Military cooperation is also growing stronger. Russian-Indian exercises with all branches and services of the armed forces are conducted every year. In October and November 2017, the first joint inter-branch exercise, INDRA 2017, will take place.<sup>1</sup>

Our countries' cultural traditions invariably generate mutual interest. The ongoing Indian culture festival, "Namaste Russia", is a great success. Such festivals are held annually, by turns in Russia and in India.

Tourism exchanges are expanding. In 2016, 35% more Russians visited India than in 2015. The number of Indian tourists to Russia was up by approximately 20 per cent in the same period.

In short, we have approached the 70<sup>th</sup> anniversary of the establishment of diplomatic relations with something to show for ourselves. We are proud of what we have been able to achieve and have every reason to confidently look to a prosperous future.

In conclusion, I would like to say that contacts between our countries' experts make a significant contribution to further strengthening the Russian-Indian strategic partnership, deepen mutual understanding and allow us to clarify our long-term goals.

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<sup>1</sup> The INDRA Exercise took place from 19 to 29 October 2017.  
Exercise INDRA-2017: Indo-Russia Joint Exercise. Press Information Bureau of the Government of India. October 16, 2017. URL: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=171756>



**Pankaj SARAN**

**Ambassador  
Extraordinary  
and Plenipotentiary  
of India to Russia  
(2016–2018)**

I would describe 2017 as the year of “firsts”. To prove this, I would like to put before you certain facts that represent the developments that have occurred during this year in our relations on the bilateral level. And then I will talk a little bit about the regional and global levels.

When we look at the year which is almost coming to an end, 2017, we see that there have been several developments which, in my opinion, represent the “first” in our relations. Obviously, the 70<sup>th</sup> anniversary of our diplomatic relations is the first such anniversary. During this anniversary we had a very ambitious roadmap of celebrations and it was the first time in history of our relations that the leaders of both countries brought articles which were printed in the newspapers of both countries.

On the political side, 2017 was marked by an intensity of contacts that is quite unprecedented in our relations. It was the first time that the annual summit, which is normally held within a gap of 12 months, was held within the gap of only 8 months. The last summit was held in October [2016] in Goa and in 2017, the summit was held in June,<sup>2</sup> so the leaders actually met within 7 or 8 months of each other. This is also the first time that we have, together with Russian partners, elaborated on a roadmap for the future of the relations for the XXI century, which is encapsulated in the St. Petersburg Declaration. It is also the first time that the Russia–India bilateral summit was held outside Moscow in St. Petersburg. This was also the first time that India was a guest of honour at the St. Petersburg Economic Forum. And again, it was the first time in our history that the Prime Minister of India met regional governors of the Russian Federation in a collective format. This represents a new dimension of our relations which we are now taking to another, much higher level, which is interaction between regions of Russia and the states of India. It is also the first time in 14 years that the speakers of our Parliament paid a visit to Russia on a bilateral level. And apart from that, in 2017 we have had visits to Russia not only by the Prime Minister, but by our Foreign Minister, our Defence Minister, our Finance Minister and, hopefully, by our Home Minister in November.<sup>3</sup> This is a rather extraordinary record.

On the economic side, this was the first time in the history of our relations that India was accorded the honour of being a Partner Country at the St. Petersburg Forum. This is also the first time that India has participated in every single major Economic Forum that was held in Russia, across this vast country. Again for the

<sup>2</sup> 18th India-Russia Annual Summit. The Ministry of External Affairs of India. July 31, 2017.  
URL: <http://www.mea.gov.in/in-focus-article.htm?28759/18th+IndiaRussia+Annual+Summit>

<sup>3</sup> Visit of External Affairs Minister to Russia (September 5-7, 2017). Ministry of External Affairs. Government of India. URL: <http://mea.gov.in/press-releases.htm?dtl/28903>  
India’s Defence Minister to Visit Russia. The Embassy of India to Russia. June 19, 2017.  
URL: <http://www.indianembassy.ru/index.php/en/media-news/press-releases/1909-ndia-s-defence-minister-to-visit-russia>  
Finance Minister Arun Jaitley to visit US, Russia this week. Times of India. April 17, 2017.  
URL: [http://timesofindia.indiatimes.com/articleshow/58223383.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/58223383.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)  
Home Minister of India Shri Rajnath Singh visited Russia on November 26-29, 2017.  
Home Minister Shri Rajnath Singh to Visit Russia. The Embassy of India to Russia. November 24, 2017.  
URL: <http://www.indianembassy.ru/index.php/media-news/press-releases/2089-home-minister-shri-rajnath-singh-to-visit-russia>

first time India participated at such a high level at the Eastern Economic Forum in Vladivostok. Our External Affairs Minister Sushma Swaraj led the Indian delegation. This represents a new focus by India on the development of the Russian Far East and, again, a new dimension opening up between India and Russia. Also for the first time India has announced the opening of an exclusive Russia Desk in an agency in India which is called "Invest India". We have only three Desks in "Invest India", one is for Japan, the other is for Korea, and the third is for Russia, which was announced by our Prime Minister in St. Petersburg. And this Desk was launched in Vladivostok in September 2017.<sup>4</sup> Besides, for the first time the largest ever foreign direct investment deal in the history of our relations was clinched between Rosneft and Essar,<sup>5</sup> a US\$ 13 billion deal which is in India's history the highest FDI ever to be recorded. Slightly digressing on the regional front, for the first time in St. Petersburg, India and the Eurasian Economic Union agreed to launch negotiations on a Free Trade Agreement.<sup>6</sup> And finally, we saw the commissioning of the second unit of the Kudankulam.

On the military and technical side, for the first time in our history we elevated the process of transiting from a buyer-seller relation to production relations with the holding of two conferences between our military-industrial complexes. One was in March [2017] in New Delhi and the second was in August [2017] in Moscow. This marks a very important step in the evolution of our military-technical cooperation. We saw two visits by our Defence Minister to Russia in quick succession this year [2017]. The first meeting of the High Level Science and Technology Committee was held in June [2017] in Novosibirsk, co-chaired by Deputy Prime Minister Dmitry Rogozin and Defence Minister Arun Jaitley.<sup>7</sup> For the first time we agreed on a serious and significant restructuring of our governmental commission on military and technical cooperation to give it a greater focus also on military cooperation. For the first time in our history we are going to be, in a few days from now, witnessing the biggest ever India–Russia military exercise close to Vladivostok.<sup>8</sup> This will be a Tri-services exercise, it has never been done in the past. Finally, for the first time the joint venture for the manufacture of the Kamov 226 platform was incorporated in India.<sup>9</sup>

On the culture, media, science, and education front, for the first time this year [2017] we held the first media round table between India and Russia in New Delhi. For the first time we are in the process, we are still unfolding the largest ever "Namaste Russia" cultural campaign across the length and breadth of Russia through the best of Indian culture, cutting across regions. More than a hundred events have been held both in Russia and in India to commemorate the 70<sup>th</sup> anniversary. The first meeting of the Russia–India network of

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<sup>4</sup> Prime Minister Modi announced setting up of an exclusive Russia Desk in Invest India in his meeting with Indian and Russian CEOs on June 2, 2017 to facilitate Russian investment in India. The Embassy of India to Russia.  
URL: <http://indianembassy.ru/index.php/en/media-news/press-releases/146-embassy/1904-prime-minister-modi-announced-setting-up-of-an-exclusive-russia-desk-in-invest-india-in-his-meeting-with-indian-and-russian-ceos-on-june-2-2017-to-facilitate-russian-investment-in-india>

<sup>5</sup> In a biggest FDI deal, Essar and Rosneft announce completion of \$12.9-billion transaction. ET Now Rise with India. August 21, 2017.  
URL: <http://www.timesnownews.com/business-economy/companies/article/in-a-biggest-fdi-deal-essar-and-rosneft-announce-completion-of-129-billion-transaction/75586>

<sup>6</sup> India Starts Free Trade Negotiations with the Eurasian Economic Union. India Briefing. August 25, 2017.  
URL: <https://www.india-briefing.com/news/india-starts-free-trade-negotiations-eurasian-economic-union-15084.html>

<sup>7</sup> Mr. Arun Jaitley served as Defence Minister of India from March 13, 2017 till September 3, 2017.

<sup>8</sup> The military exercise was successfully conducted from October 19 to 29. The Diplomat. November 2, 2017.  
URL: <https://thediplomat.com/2017/11/india-russia-conclude-major-military-exercise/>

<sup>9</sup> India-Russia KA 226 T Joint Venture Incorporated. The Embassy of India to Russia. May 2, 2017.  
URL: <http://indianembassy.ru/index.php/media-news/press-releases/1886-india-russia-ka-226-t-joint-venture-incorporated>

universities was held in Moscow, where seven of our premier institutes of technology were present. And, obviously, it's a first time ever that we have this kind of summit of think tanks and this, of course, is entirely due to the patronage and the leadership of Minister Igor Ivanov, for which I am very grateful.

On the people-to-people side, we have also made some good breakthroughs in 2017. For the first time we have seen the growth in tourist traffic on both sides, from India to Russia and from Russia to India. We have introduced the system of electronic visas for Russian travellers to India. We agreed on an important document, which has not caught the headlines, but is a part of infrastructure of travel, the Agreement on a general declaration, which will enable flight crews of commercial flights, special flights and charter flights to fly into each other's countries without visa.<sup>10</sup> This is going to have a very significant impact on the ease of travel between both countries. Finally, we have seen the decision of the Russian government to include India in the list of 18 countries which will be eligible for a simplified visa regime for entering the Far East.

These are just few of the illustrations which I wanted to put before you. This would suggest to you that, as far as the two governments are concerned, we are certainly being or we are trying to be as innovative and as creative as we can in enriching these relations which without any doubt constitute a fundamental pillar of Indian foreign policy. In addition, I would look forward to the Conference's insights into how India and Russia could work together in Afghanistan, in other regional hotspots, on other burning global issues. There is a lot that the two countries can do. A lot of this was contained in the Declaration that the leaders issued in St. Petersburg. We need to discuss these issues in a more in-depth manner. And I certainly look forward to how you perceive this critical partnership at a time when, particularly in 2017, we do certainly face an uncertain global environment of pulls and pressures, uncertainties, and there are opportunities available for both India and Russia, to maximize our advantages and to contribute to global order, which would benefit our national goals.

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<sup>10</sup>India-Russia Sign Pact for Visa-Free Entry of Flight Crew. BUSINESSWORLD. November 21, 2017.  
URL: <http://businessworld.in/article/India-Russia-Sign-Pact-For-Visa-Free-Entry-Of-Flight-Crew/21-11-2017-132305/>

I am delighted to be back in Moscow as the head of this high level Indian delegation of eight think tanks to participate in this important conference on "Strategic Visions of India–Russia Relations and Changes in the World Order." This conference is a part of the agreed activities to commemorate the 70<sup>th</sup> Anniversary of India–Russia diplomatic relations. We are particularly pleased that our partner on this occasion is the Russian International Affairs Council. The Indian Council of World Affairs is quite akin to the RIAC and hence when we brainstormed on how to take this conference forward, it was an easy and friendly exercise among likeminded partners.

The task is both easy and difficult. How does one convert a special and privileged strategic partnership into something even more; something which will ensure that the core concerns of our two countries in today's fast changing, and even dangerous, world can be sustained while at the same time ensuring regional and international peace, security and sustainable development.

We have, as has been recognized at the highest level between the leaders of our two countries, similar priorities in economic and social development, and in foreign policy. Our relationship has, in spite of several twists and turns, been consistently on an upward trend. Yet, there is a growing feeling that there is something missing and that the DNA of the partnership needs to be transformed, and a new paradigm established that builds on the political and strategic trust that underpins our relationship.

To my way of thinking, there are several key parameters that define our partnership and it is worth recalling some of these as we look at ways and means of enhancing our partnership in a comprehensive and across-the-board-manner based on each other's needs and mutual interests.

The bilateral relationship is critical for both our countries. This does not, however, mean that this prevents us from developing equally comprehensive relations with any third country. But we also need to be clear that this process should not impinge on the core interests of the other.

Our partnership continues to develop in a steady manner in areas of nuclear energy, military technical collaboration, conventional energy, space and cyber issues. But this is not enough. It must expand to areas of cooperation well beyond these five principal areas to encompass much larger segments of the economy on both sides. This would include infrastructure development, agriculture, ICT, innovation, scientific development and Industry 4.0. Importantly, while doing this even in our current principal areas of cooperation, we need to collaborate in the most modern and frontier areas of technology that would provide an extra edge against what is available from other partners. Commitments once entered into must be fulfilled. This would also strengthen the strategic core of the partnership.

I referred earlier to the very difficult international situation that confronts us and the international community at large. Our approaches to ensuring peace and security and shaping a global architecture that reflects cultural and civilizational diversity are quite similar. Yet, it would appear that our existing dialogue mechanisms on issues pertaining to international relations, including current global hotspots, need to be reinforced, made more frequent, and the issues covered con-



**Nalin SURIE**

**Director General  
of the Indian  
Council of World  
Affairs (2015–2018)**

siderably broadened. In this, I would include the situation in West Asia (especially Syria), Yemen, Iraq, DPRK, Afghanistan, the Indo-Pacific, an Asian security architecture, migration issues, freedom of navigation amongst others.

Our dialogue on counter-terrorism, extremism and fundamentalism also needs to be made more result-oriented.

A dialogue on the United States and Europe is another area that requires focus. Far reaching changes are taking place in the USA and in Europe and both our countries have concrete interests in what happens in these critical parts of the globe. Russian and Indian perspectives can not only be fruitfully exchanged on these developments but could also lead to common positions that could have a positive impact on fulfilling our respective core interests with the USA and Europe.

Our two countries are important partners in the G20, in BRICS and now in the SCO. A common and coordinated approach in these organizations would not only be to mutual benefit but also in the interest of bringing about changes in regional and global architectures.

In a similar vein, our collaboration at the UN has over the years been steady but greater coordination and cooperation would be to mutual benefit.

In effect, our special and privileged partnership requires us to dialogue much more frequently and on a much wider set of issues than we do at present. Meetings such as ours today, can be catalysts in our effort to undertake regular consultations on an equal footing, and would allow us both to be much more nimble footed in walking over the hot coals of the complex and complicated international situation that prevails today.

The issue of connectivity has bedevilled our partnership for long now. Can we hope for early light at the end of the tunnel in so far as the International North-South Transport Corridor (INSTC) is concerned? We certainly hope so. Coupled with our intended FTA with the Eurasian Economic Union and our partnership in the SCO, we believe that not only will our bilateral economic ties improve but our collaboration in Central Asia would become much more substantive and strategic.

We agree that the economic leg of our partnership remains weak and major efforts must be made to make this a critical pillar of our relationship. Going back to old methodologies is not a solution. Since the beginning of this century in particular, the Indian economy continues to grow meaningfully and is also on an assured high growth path. In spite of sanctions, the Russian economy remains strong and its potential on account of its scientific and technological achievements remains huge. In spite of sanctions, Russia remains an exporter of capital and we understand that technology sanctions have actually been a blessing in disguise. It is ironic that in spite of these trends, there is inadequate knowledge in Russia about India's achievements and requirements and vice versa. In our bilateral economic relations, business as usual is no longer adequate and a self-maintaining, self-reproducing system needs to be created. In this context, India's participation at the recently concluded Eastern Economic Forum in Vladivostok was a clear indication of our serious intent. Our delegation was led by the Minister of External Affairs of India Sushma Swaraj herself. The Forum offered a valuable platform for businesses from both sides to meet and the India–Russia Business dialogue meetings exposed Indian businesses to the very substantial opportunities available in the Russian Far East.

I would also like to take the liberty of reiterating on this occasion the suggestions that we have already made on how we can take the economic partnership forward. This would contribute to making economic cooperation a more critical segment of our strategic partnership. The six suggestions that were made are the following:

- i) Participation in global value addition chains including identification of products and entities
- ii) Collaboration to increase productivity in agriculture to jointly contribute to international food security
- iii) Collaboration in the dairy and food processing sectors
- iv) Utilise Indian expertise, financial and management skills to convert scientific potential and scientific technological advances in Russia into commercially viable and marketable products and services
- v) Enhance connectivity especially through the INSTC and investment in infrastructure by Russian companies in India

Most of the presumptions that had been made when the Cold War ended have had a very short shelf life. Indeed, it can justifiably be argued that the hopes generated by the end of the Cold War have been vitiated and indeed the world today is in some way more dangerous and complicated than it was before. Advances in technology are contributing to the benefit of mankind. But ironically, they are also creating greater divisions within societies and among countries. They are providing means to terrorists, extremists and fundamentalists to spread their gospel of hatred and adding to the plethora of non-traditional security threats that transcend boundaries. These latter forces launch unexpected attacks, create havoc and then hide in the anonymity of the ether space.

Today, there are countries which are militarily and economically very powerful but there is no more a sole super power. The belief that one can act unilaterally is in most cases likely to lead to frustration. The multipolar world is happening. More and more great powers are emerging. The need is for more intense and more frequent cooperation between these emerging great powers and the established ones.

We see today forces at work that threaten the world order based on sovereign equality, independence, territorial integrity, non-use of force, non-interference in the internal affairs of states and respect for the principles of justice and international law. The simple point that I am trying to make is that countries such as Russia and India have much in common. Our partnership is vital not only for our own futures, but is also in the interest of regional and international peace, security and development. We, thus, need to be much more mindful of each other's interests, aspirations, concerns and also to our obligations to the international community.



## Session I. Russia and India on Changing Geopolitical Landscape: Common Interests, Threats, and Long-Term Trends

The discussion focused on the role of India and Russia in the changing regional and global landscape. Participants felt the need to define the multipolar world and formulate its concept, as it remains vague as of now.

The view was expressed that despite not being widely recognized as such, India is one of the world’s great powers, meeting all the formal criteria. It is the third largest economy in the world,<sup>11</sup> represented in the major international forums and claiming permanent membership in the UN Security Council. India enjoys the fifth largest military budget,<sup>12</sup> and has an alluring culture. As some experts believe, what India still lacks is a clear position on the most pressing global issues, which seems the main factor preventing the country from emerging as a widely recognised global power.

During the Cold War, India co-founded the Non-Aligned Movement (NAM) and despite close relations with the USSR, it remained steadfast in its commitment to the NAM. Today, there is a growing tendency towards global competition between the US and China. If we face the emergence of a bipolar world, Russia and India need to find their place in it. Do the two states take any sides? Is it justifiable to suspect Russia in clearly building an alliance with China and suspect India in tilting in favour of the US? It is advisable for India and Russia to stay away from such rivalry for leadership. Being definite centres of power themselves, the two countries could create a “non-aligned” world that will be the most powerful one.

Russia’s and India’s top geopolitical interests coincide; the two countries have never had a conflict. They share agreement on fundamental bases of their relations: sovereignty, territorial integrity, non-interference in international affairs, as well as unacceptability of imposition of foreign models in domestic governance or regime change. Common effort to promote a multipolar world order is reflected in the cooperation within the Russia–India–China consultations format and in BRICS, both of which articulate a non-Western perspective of global political trends and seek reforms of global economic governance.

Russia–India relationship is also based on mutual sensitivity to core political and security concerns on both sides. India was very careful not to criticize Russia’s actions in Crimea and Eastern Ukraine and firmly rejected impositions of sanctions against Russia. Simultaneously, Russia shares India’s perspectives and approaches on the UNSC reform and fully supports India’s stand on international terrorism.

Russia should not underestimate India’s political and economic upsurge in the last decade, which has created equities in countries around the world and therefore, makes it an important collaboration partner. Equally, Indians should not fall into the Western trap of exaggerating Russia’s domestic and international difficulties. They should recognize the significance of the recent resurgence in Russia’s global profile, and the opportunities that this provides to India to expand its global footprint. It was also stated that the West is waging an information war against Russia, in which third countries are forced to pick sides.

<sup>11</sup> Gross Domestic Product 2016, PPP. World Development Indicators database. World Bank.  
URL: [http://databank.worldbank.org/data/download/GDP\\_PPP.pdf](http://databank.worldbank.org/data/download/GDP_PPP.pdf)

<sup>12</sup> Top 15 defence budgets 2017. IIS The Military Balance. URL: <https://www.iiss.org/-/media//documents/publications/the%20military%20balance/mb18/top-15-defence-budgets-2017.jpg?la=en>

Russian policies, views, and measures are misinterpreted by the Western mass media. They broadcast one-sided views, and Russian actions are often viewed from this misinformed perspective, including in India.

India has strong strategic relations with the US but they should not impact on the strength of India–Russia relations. Similarly, no matter how Russia’s relations with third countries develop, be it Asian or other states, they would never prejudice relations with India or be alternatives to them.

Russia and India have an opportunity to change the landscape of international relations, with the US under Trump bringing in some uncertainty. Meanwhile, altering global security order poses a challenge to the partnership between Russia and India in the upcoming years. Shifting the US’s policy under Trump administration and the global trend towards prioritizing domestic policy will transform the international security architecture. The main implication for Russia and India will be the changing format of international alliances. According to some assessments, they will become more informal and flexible, and international players will be reluctant to undertake binding security obligations. The world is likely to become more turbulent and unpredictable, therefore, both Russia and India are likely to face difficulties in pursuing their foreign policy goals. Due to the changing power dynamics in Asian region, Moscow and Delhi could also build their own strategic narrative and tactical agreement. The idea was brought forward that the two nations should work together to face challenges in the Asia Pacific, especially in the Indo-Pacific, and balance the Asian security architecture.

India and Russia have long-term complementary perspectives on the Asia Pacific security architecture: both are interested in de-escalating present and potential tensions in the region, preserving freedom of navigation in international waters and protecting maritime commercial traffic. This requires settlement of bilateral territorial and other disputes in the region through dialogue. The lack of mechanisms for ensuring security in Asia, apart from the US bilateral alliance system, is a challenge, and according to some experts, neither Russia nor India (as well as China), will be comfortable with this situation in the medium and long term. In this context the US is still viewed by Indian experts as the most important player in the security architecture of the Asia Pacific. India, with its active engagement in East Asia, is well poised to play an active role towards creating a multilateral security system that includes not only the US, Japan and South Korea, but also Russia, China and ASEAN.

China’s growing global and regional clout is of concern to India. India’s active participation in East Asian regional economic groupings and Free Trade Agreements is seen as a positive development and as a suitable deterrence to any possible Chinese misadventures in the region. It was argued that Russia’s ambitions to become a major player in East Asia depend not only on its increasing partnership with China, but also on its ability and intent to balance China’s power. In fact, Russia is actively diversifying its ties with the Asia Pacific states developing cooperation not only with India but also with Japan, Vietnam and other nations.

Concerns were also expressed about Russia sharing military technologies with China that India views as potentially threatening to its national security. The Indian side also voiced concerns that Russia’s growing partnership with China might reinforce Moscow’s cooperation with Pakistan and influence its policy towards Afghanistan.

However, the idea was expressed by Russian participants that despite significant differences between India and China at bilateral and regional levels, they often share similar positions on global issues. In that context, developing close relations within the Russia–India–China triangle, particularly, in the area of information, are of utmost importance.

It was stated that India and Russia need to cooperate more in Afghanistan. China is now laying the basis for active economic and political penetration into the country, in addition involving it in the SCO, where Beijing is playing one of the leading roles. This might undermine the weight of India and Russia in the region, and in some experts' views the two countries need to be careful of China's investments that provide profit only to Beijing.

Concerning the Russian military exercises with Pakistan, it was acknowledged by the Russian side that a lack of communication led to misunderstanding in Russia–India relations. The cooperation was limited to undertaking manoeuvres with the Pakistani forces, and Russia did not enter so-called "Azad Kashmir" (in India's official view, Pakistan-occupied Kashmir). Russia stresses that it is not developing relations with Pakistan at the expense of its ties with India, but it cannot ignore the role of Pakistan in peace-building in Afghanistan.

Regarding the Chinese Belt and Road Initiative (BRI), it was assessed by the Russian side that India “missed an opportunity” for cooperation in transport by not attending the BRI meeting in China in May 2017. Though the China–Pakistan Economic Corridor (CPEC) has a geopolitical dimension, India should not turn its back on the initiative. Indian participants stressed that for India, as the only country whose sovereignty is infringed upon as a result of the BRI, it is not possible to accept the initiative or become a part of it. In India's view, while China improves its economic footprint, India and Russia need to think beyond simple FTAs.

It was pointed out that the two nations need to undertake more joint projects in third countries, such as peaceful nuclear cooperation with Bangladesh. Russia could also invest in Nepal's hydropower sector along with India, and they could similarly cooperate in Sri Lanka.

One of the most important cooperation avenues is the INSTC, which would open up a new major trade route, not only between Russia and India, but between all of South and Southeast Asia countries and Russia and Northern Europe, in addition to opening up transport spurs to Afghanistan and Central Asia. In some participants' view, the INSTC's success depends on the operationalization of the Chabahar port.

The two countries also need to work together in West Asia using India's political, economic and historical linkages with the region. Delhi enjoys strong defence ties with West Asia. India is one of the major region's oil and gas consumers, and has a considerable diaspora in the area. India and Russia could cooperate to seek a solution to the conflicts in the Persian Gulf region; expand trade with Iran and northern European nations; consider expanding rail linkages and port facilities in the region. India's equity in West Asia could be better used by Russia whereas Russia could also co-invest in Chabahar. Russian military hardware present throughout the region, from Egypt to Indonesia, is also seen as an opportunity for collaboration, notably in providing service for the equipment.

It was held that Russia and India should shift away from the outdated constructs of the past and find ways to move forward in the relations based on core security interests of the nations. It was also suggested that India and Russia should move beyond the official to non-official dialogues to evolve practical suggestions, make media aware of each other's

strategic needs, share information, cooperate on multilateral fora etc. It is necessary for Russia and India to emerge as stakeholders in the respective countries and engage their elites and decision-makers in the dialogue to take the relationship forward. To this end, India and Russia need to build their capacity to project their power on the international arena. It was concluded that there was a need for India and Russia to be more open in order to build a better understanding of Russia–China relations and India–US relations. Moreover, an idea was put forward that India, Russia and China could come together to articulate non-Western ideas and work towards an Asian perspective.

## Session II. Russian and Indian Policies in the East: Strategic Interests and Common Challenges

India is Russia’s main strategic partner in South Asia and one of the main strategic partners in Asia. Russia and India have common strategic interests in Asia, West Asia and in the world as a whole. It is regularly mentioned in the joint statements at the highest level and proved by the positions of both sides stated at the international platforms such as the UN, G20, BRICS, SCO, East Asia Summit (EAS) and RIC. The two countries could coordinate their approaches to the settlement of the Syrian crisis and the Korean nuclear issue, take part in providing stability in West Asia and North Africa and contribute significantly to the process of national reconciliation in Afghanistan. However, it is time to modernize the strategic paradigm of bilateral relations. The two nations should take practical steps for the relationship to move forward by understanding the requirements of each other and allowing the partner in the region to take the initiative to strengthen cooperation. With this view both nations need to enlarge the scope of their direct communication, understand the needs of each other and find solutions to meet them.

A recommendation was set forth for Russia and India to build a common security approach which would contribute to developing inclusive security architecture in the neighbouring regions. In this system the SCO, that India recently joined, could become a global actor and help India and Russia highlight common security and strategic concerns and address global and regional challenges, especially in Central Asia and Afghanistan. Both sides expressed hope that the recent simultaneous acceptance of India and Pakistan to the SCO will give a great impetus to the further development of the organisation. With India becoming its member, the SCO now accounts for about 50 per cent of the world population and 25 per cent of the global GDP.<sup>13</sup>

The SCO has emerged as an important geopolitical pole in Eurasia, a region of critical strategic importance for India. India’s membership in the Organisation provides an opportunity for Delhi to display its independent foreign policy and diversify its partnerships in a multipolar world. However, according to some experts, India’s joining the SCO has symbolic meaning and there is a lack of clarity about what the membership would entail – an opportunity or a risk.

India will undoubtedly adhere to the SCO’s basic charter of building political and military trust among member states. It would remain committed to strengthening regional economic and practical security cooperation in Eurasia. India enjoys goodwill in the region, especially in Central Asia, it carries no historical legacy, and is seen as a “natural partner”. India is also a big emerging economy that has the potential to invest in the region. However, lack of direct surface connectivity and isolated small markets in the region impede greater involvement of Indian businesses.

In terms of economic cooperation within the Organisation, it is vital to build transport infrastructure in the SCO region and create a broader partnership, possibly building on the concept of Great Eurasian Partnership proposed by the Russian President Vladimir Putin. From the economic standpoint, it was also suggested that the SCO energy club could

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<sup>13</sup>Yasir Masood. The SCO and CPEC. The Express Tribune. June 23, 2017.  
URL: <https://tribune.com.pk/story/1442328/the-sco-and-cpec>

form the SCO energy exchange for trade between producing and buying countries. The two nations could also work towards a system of technology transfer from BRICS to the SCO to help with the development of projects.

The Russian side suggested that the positive experience of trilateral dialogue between Russia, India and China should be taken into account to facilitate the cooperation within the enlarged Organisation. Moreover, hope was expressed that the SCO could help to find a compromise between India and China on the regional policy issues such as the Belt and Road Initiative, which Delhi does not support. The need for maximum involvement of Russia, India and China in addressing regional issues was also stressed by some participants.

However, India is concerned with China's growing strategic and economic influence in the neighbouring regions and suspects it attempts to carve out a Sino-centric Asian order. Russia's close partnership with China is viewed as creating potential for shifting the regional balance towards Beijing and Moscow. In this context the SCO is seen as a new opportunity for India and Russia to evolve a common vision for Eurasia and promote their common approach to economic integration in the region. Importance of connectivity initiatives, first and foremost the INSTC, and a prospective FTA between India and Eurasian Economic Union is stressed.

The Indian side expressed concerns that Russia–China partnership influences Russia's growing ties with Pakistan. In Indian view, Russia's relations with China and Pakistan could also affect Moscow's strategy on Afghanistan, while Islamabad and Beijing assert their own interests in the region to Delhi's disadvantage. Concerns were also expressed that Pakistan factor could put a spanner in India's goals in the SCO.

It was emphasized by the Russian participants that Russia–Pakistan relations are not likely to be upgraded to the level of the Russia–India strategic partnership. However, Russia cannot ignore the role Pakistan can play in building peace in Afghanistan. Indian participants also warned against deterioration of Moscow–Delhi ties because of Russia's engagement with Pakistan and the struggle for influence in Central Asia and Afghanistan, calling for common strategy on Af–Pak. Stability in Afghanistan remains an important aspect of the development in the region, and India and Russia need to work together in this direction. The SCO has a legitimate interest in Afghanistan, and a revived SCO Contact Group on Afghanistan could play a constructive role in the Afghan peace process.

Russian and Indian views on terrorism as a main threat to humanity converge. Still, in India's view, Russia's limited contacts with Taliban in Afghanistan are unacceptable. India is strongly opposed to the presence of terrorist groups, including Taliban and ISIS, in Afghanistan as they could become a destabilizing factor in Central and South Asian regions. From both Russia's and India's perspectives, the SCO could be used as a neutral forum to discuss terrorism in a broader global and regional contexts.

The Organisation could provide impetus for closer contacts and confidence-building measures among militaries of the member states. Indian Armed Forces are expected to benefit from the SCO's Annual anti-terrorist "Peace Mission" drills and the achievements of the Regional Anti-Terrorist Structure in gathering information and sharing intelligence. Multilateral cooperation within the SCO could also contribute to bilateral Russia–India defence cooperation and broaden its scope beyond common Eurasian space to the Commonwealth of Independent States (CIS) and Collective Security Treaty Organisation (CSTO) regions.

Defence sector is seen as one of the key pillars of Russia–India cooperation in the region; however, it needs to be better utilized to strengthen the relationship. It was mentioned that there is a consensus on building a security partnership. Russia’s willingness to deal with India on sensitive technology was also reiterated. In security issues, the two countries could share real-time data and intelligence in order to promote joint efforts in stopping financial flow for radical elements and preventing illegal migration and drug trafficking. Developing ties with third countries could also serve as an opportunity for furthering Russia–India partnership in security sector; notably, building military industrial complexes in Central Asia could be of interest.

Significant prospects for cooperation are seen in the trilateral dialogue of Russia, India and Iran. Developing ties with Iran is of utmost importance for bridging the connectivity gap between Russia and India by developing the INSTC.

It was suggested that in the framework of the INSTC there should be formed an institution to popularize the route. To make the project viable, local communities need to be engaged in building a communication channel. It was pointed out that the route through Iran is disconnected in some parts and the opportunities of the INSTC need to be promoted to the business circles. To make the corridor feasible, more attention should also be paid to providing insurance to cargo and reducing the turnaround shipment time.

The North Korean nuclear crisis and the overall situation on the Korean peninsula are also regional issues to which Russia and India should pay considerable attention. Moscow as a member of the Non-Proliferation Treaty (NPT) strongly opposes North Korea’s nuclear programme and supports the UN sanctions against the state. At the same time, Russia does not welcome isolating any country from the international system and remains strongly committed to the peaceful resolution of all disputes in the region. Although India is not a signatory of the NPT, Delhi is also worried about nuclear proliferation with respect to North Korea. Indian concerns are partly related to the fact that Pakistan along with DPRK is part of a proliferation network. Moreover, there are fears that with North Korea developing its nuclear weapons, Japan and South Korea will also move in that direction thus leading to a nuclear arms race in the region.

## Session III. Russian and Indian Policies in the West

Today's international system is very complex in terms of the role of actors, groups of actors and world economic centres. The structure of the world economy is swiftly changing and is becoming incomparable with that in the Cold War era, with new centres of power emerging. Growing and changing competition is balanced with the simultaneous trend of interconnection and interdependence between actors. These trends become the driver for the advent of a new architecture of international system. Together, India and Russia could play a major role in creating a more just world order in the emerging international system. The dynamics of globalisation are also changing; there are attempts of using globalisation as a tool of political influence.

Renewed focus by Russia and China to challenge the US leadership in the international system was mentioned. Russia is reasserting its interests in the global arena. It was pointed out that Russian foreign policy has transformed into a multi-directional, multi-purpose one, oriented towards the East.

India does not view China's rise as benign. On the other hand, India is not worried about the re-emergence of Russia as a power on the global arena but its estrangement from the West is a cause of concern. At the same time, it was advised that Russia should not look at South Asia from the Russia-US rivalry perspective.

Today the agenda of Russia-US relations has changed completely; it was replaced by sanctions and counter sanctions. Positive changes in Moscow-Washington ties are not expected in the coming years. It was stated that the sanctions imposed by the US on Russia have greater impact on its allies in Europe rather than on the Russia-US economic relations. As the Russia-EU trade rate is higher, the sanctions have already affected the EU markets' competitiveness. The idea was expressed that both Russia and the US are using economic policies as tools of political competition. The critical question is to what extent the US will continue to influence the EU and its Asian allies in their policies towards Russia. The other question raised is how the US will balance its traditional relations with Pakistan, counter the growing influence of China in the region and build on its relations with India.

Though Delhi continues to develop strong ties with the US, since the Soviet times, Russia has remained an important strategic partner for India in both military and economic spheres. Rich Indian experience of the non-alignment is viewed as indispensable, as well as its understanding of the need for a balanced policy. Russia and India cooperate in mining, oil, gas and metallurgy. In military area, technology exchanges need to be buttressed by other forms of cooperation. Russia is likely to continue to be India's crucial partner in military-technical area for the next two to three decades. Cooperation needs to be expanded on the economic front along with technical cooperation and people-to-people ties as they cannot be insulated from the larger political relations that Russia and India want to strengthen. It was also proposed that India should study the sanctions programs closely to find ways and means that would allow its companies to do business with Russia without violating them. It was also suggested that Russia and India need to build their relations in such a way so that they help sustain and establish a just world order in which different voices are heard and which will not be bipolar as during the Cold War.



Russia–NATO tensions are seen as a reflection of Russia–US contradictions. According to Russian participants, NATO is a structure of the past, belonging to the Cold war and confrontation era. It was held that without Russia, NATO would cease to exist, thus, it needs to confront Russia to substantiate its existence. It was pointed out that NATO does not have a system necessary to fight terrorism, which is now the main threat to Euro-Atlantic nations. The Russian side views NATO as an organization whose activities do not go beyond the Euro-Atlantic region. The Alliance has no structures beyond Europe, and its attempts to promote democratisation and stabilise the situation in countries outside the region have largely failed. NATO’s contribution to the settlement of the Syrian crisis is small, with only several member states taking part in its resolution.

For now, Russia–NATO relations have almost reduced to zero, the work of the Russia–NATO Council is frozen. However, it was suggested that Russia and NATO should develop exchange of information and cooperate on counter-terrorism, counter-drugs and counter-piracy operations as these are the areas of mutual interest where Moscow and the Alliance have successful history of dialogue. The diversification of collaboration areas where the two view the threats in a similar manner would mean a better use of resources and lead to more trust between them. In fact, Russia has been continuously suggesting that NATO should separate the relationships into several baskets, with one containing everything related to the Ukrainian issue, the second including the issue of conventional weapons, the third – nuclear and missile issue, the fourth – terrorism, the fifth – regional cooperation, etc. This suggestion is seen by NATO, as well as the US and the EU, as unacceptable.

India is an important partner in the NATO’s policy within Asia and the Indian Ocean region. While for India the UN remains the paramount organisation for international peace-keeping, Delhi is willing to work with NATO in such areas as cyber security, nuclear non-proliferation, universal nuclear disarmament, building community initiatives against violent extremism, intelligence sharing, addressing issues of illegal trafficking of substances and humans, ensuring safety of energy resources, anti-piracy operations etc. From the regional security standpoint, NATO is seen as a contributor in Afghanistan. The India–NATO engagement has a broad canvass. Still, India has traditionally not been part of any bloc and it has continued to maintain that it will not adhere to any alliance.

The Arctic is seen as a prospective area for Russia–India cooperation. The region is important for India from a strategic and economic perspective, but its policy there is still evolving. The challenge before India and Russia is to find the balance between commercial activities in the region while preserving its fragile environment. It was suggested that Russia could assist in financing India’s Arctic research through collaboration with building and maintaining the equipment and training of personnel. It was also argued that the two nations should work towards building an understanding of the Arctic region far beyond its borders and create conditions for the formation of new inter-governmental and inter-regional cooperative ties. India looks towards Russia to expand its bilateral cooperation to develop a comprehensive Arctic strategy by establishing together a think-tank for Arctic research in India. The two nations, along with China, are part of BRICS and the Arctic Council. This provides them with an opportunity to build an international consensus on preserving the Arctic region. India and Russia could feature the Arctic prominently in bilateral talks and statements which will allow them to explore a new dimension of their relationship.

It was felt that there is a need for India and Russia to increase cooperation at the people-to-people level, especially at encouraging student exchanges. Towards this end, it

was suggested that Russian universities and funding agencies should look beyond Delhi to other cities to tap into the student strength of India and increase the ties between regional universities and cities of each other by hosting cultural programmes and education fairs. It was also suggested that the two countries should focus on the role of language by building more language-teaching centres. There is a need to encourage cultural events and increase the tourist flows. One way of doing this is to increase the number of flights while also improving air connectivity between cities of India and Russia.

## Session IV. Meeting Global Economic Challenges and Russia–India Bilateral Agenda

Russia and India could tap into vast cooperation potential in trade and investment, having complimentary economies and converging national priorities in several areas. Currently, economic ties between Russia and India are mainly developed in several areas: energy sector, military-technical cooperation and space exploration. While Russia and India are important partners, volume of bilateral trade and investment remain low. Still, it is not the volume of the bilateral trade turnover that is of concern to both sides but the structure, that should be diversified. It is vital to broaden the scope of bilateral trade to encompass hi-tech, engineering, agriculture, services and other sectors.

Instead of the buyer-seller model, economic ties should be based on mutual investment and joint ventures, with production in India in line with “Make in India” programme or in Russia in line with Russia’s interests in job creation, particularly in Siberia and Far East. Strong ties in the governmental sector are to be supplemented with vibrant business-to-business and people-to-people investments and engagements, public-private partnerships should also be explored.

There is a need to recreate bilateral potential, particularly in the field of military partnership where the buyer-seller model cannot be used anymore. India understands that becoming a global power implies becoming independent from foreign suppliers, especially in such areas as defence. Hence, India is diversifying supply sources of its arms and manufacturing and is developing cooperation with other countries. However, it was pointed out that both states need to streamline their bureaucratic processes to ease cooperation.

Moreover, Russia and India share the common challenge of creating their own specific development model fitting the changing world. They have an opportunity to reshape global economic system. Russia’s economy growth rate, which affects its economy and political clout in the world, is expected to reach approximately three per cent. It was argued that the quality of Russia–India relationship should change as the countries cannot develop economically within internal markets exclusively.

In this context, additional boost to Russia–India cooperation may be given through multilateral frameworks, for example, a Free Trade Agreement between India and the Eurasian Economic Union is being discussed. BRICS and the SCO can create new economic approaches. Moreover, the SCO could become a unique economic partnership and formulate an agreement for promoting the Greater Eurasia concept, which is beyond FTAs.

Interconnected space in the region is needed. The two countries should develop new connectivity projects involving a range of states that should not be limited to the Belt and Road Initiative. These must be not just transit corridors but transport networks with high-quality infrastructure. Proposals were mentioned to connect Russia and India with a railway through Mongolia or establish a corridor through Russia along the Volga River, then through Iran to India by sea route.

Regarding India’s connectivity projects, both inside the country and in neighbouring regions, it was said that together with Russia, India could create a digital corridor for movement of information and data, telecommunication, build on agricultural cooperation models and artisan guilds, invest in social enterprises along the economic corridors such as the INSTC. Instead of incentivising the large Indian players to come on board with investments in the INSTC, incentivising medium and small enterprises may prove more fruitful.

It was proposed to create an INSTC India–Russia Fund to service the connectivity projects, which could be used at times when national companies are unable to provide funding. For example, Indian private sector did not invest in Iran due to the sanctions imposed on the country. The importance of the Chabahar port for the INSTC was stressed.

In order to take bilateral relations forward, India and Russia could also create joint ventures in and with third countries, where the combination of Russian science and technology and Indian entrepreneurship and labour arbitrage could be successful.

New opportunities in such sectors as agriculture and food processing should also be explored.

Energy cooperation is one of the main areas of the Moscow–Delhi economic ties. In order to enhance the energy relations between the two countries, it was proposed to supply gas through pipelines and create joint ventures in LNG sphere, as well as cooperate in city transportation based on natural gas as India has emerged as the world leader in terms of number of vehicles running on compressed natural gas. It was also argued that to sustain trade, access of Indian labour force to Russia should be facilitated. It was further proposed that the two nations should focus on joint ventures and investments in each other's energy sectors. In this area, the BRICS Bank could help in funding energy projects, and the SCO energy club could provide additional impetus to cooperation.

Russia–India military technical cooperation is also among the pillars of the strategic partnership. Russia is ready to give production licenses to India; that will lead to new jobs in the country and stimulate the development of new technologies. Russia supports the programmes announced by the Indian government, such as “Make in India,” “Skill India” etc. The Ka–226T helicopters manufacturing will be localized in India, which is an example of joint venture between the two nations in addition to the BrahMos missiles.<sup>14</sup> However, it was noted that there had been no joint ventures between private sectors in this area. For the Russian side to increase private sector economic engagement in joint ventures, a list of Indian companies approved at the governmental level is needed.

It was advised that Russia could invest in India, and to this end Russian companies should host road shows in the country. Similarly, Indian companies could explore investment opportunities in Russia as the country provides them with a market that is now partly closed to the West due to sanctions. Though there is vast potential for cooperation, for now, both Russian and Indian businesses are dissatisfied with respective investment climates. Russia and India need to proceed on the creation of beneficial environment for mutual business ventures. Dialogue of business cultures should be also given additional attention, as business elites of the two states remain mostly West-oriented.

Despite sanctions, finance and the banking sector should be explored as new areas of cooperation. Banks in Russia are ready to facilitate trade and undertake financial settlements between the two countries. It is underlined that sanctions on Russia have made it clear who are its steadfast partners. One of the ideas set forth at the Conference was that India and Russia could create an Asian financial structure that would operate without dollar, as well as a new non-SWIFT banking transfer system.

The two countries could intensify cooperation in outer space exploration and cyber security. IT is another sector that provides opportunities for transformation. It was men-

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<sup>14</sup> Joint Venture for the production of Ka-226T helicopters is registered in India. Russian Helicopters. June 19, 2017.  
URL: [http://www.russianhelicopters.aero/en/press/news/joint\\_venture\\_4\\_production\\_ka226t/](http://www.russianhelicopters.aero/en/press/news/joint_venture_4_production_ka226t/)

tioned that Russian exports of high-tech products to India amount to approximately US\$2 billion. Though there is a scope of further growth in such areas as space geo-location and navigation, cyber security, big data, software systems, despite talks, the figures have not yet changed. The National Technological Initiative<sup>15</sup> could serve to foster the creation of a partnership system with Indian companies. However, concerns were expressed that IT is regarded mostly as area of competition, not partnership of Russian and Indian companies.

It was also suggested that BRICS should devise a strategy for technological cooperation allowing it to increase its scientific potential and to take ownership of high technologies such as nanotechnology, information processing, computer technology etc. The two nations, along with BRICS, can also focus on these technologies to ensure that they are used ethically and control their use while building on their future needs. They should also focus on strategic areas, such as sustainable development and the use of technology while giving priority to waste reduction and recycling, especially e-waste.

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<sup>15</sup> Agency for Strategic Initiatives. URL: <https://asi.ru/eng/nti>

## Session V. Role of Education, Culture, and Media Collaboration in Russia–India Partnership

Russia and India developed strong educational and cultural linkages in the Soviet times, but over the last 30 years the cooperation has sharply declined. Recently, exchanges in some areas, notably tourism, have started to grow, but they still remain low.<sup>16</sup> Nevertheless, both states still enjoy goodwill in their respective societies. In order to revive traditional cultural and educational partnerships and promote mutual understanding between the two nations, Moscow and Delhi should provide financial support to relevant initiatives and reinforce institutional commitments. Official support for people-to-people ties should be supplemented by private initiatives and public-private partnerships. Special attention should be given to the advocacy tools such as mutual awareness programmes involving private stakeholders, especially media, tourism, hospitality and entertainment sectors.

The younger generation in both countries is looking towards the West, as are the elites. In Russia, China also draws attention of the younger generation and decision-makers. Minor role of diaspora in establishing and promoting people-to-people contacts between Russia and India was also lamented. It was said that Russian studies in India and Indian studies in Russia had declined.

In terms of improving people-to-people contacts the focus should be on the youth of the two countries. It was argued that India will have the world's largest student population; however, the number of Indian students in Russia is incomparable to their numbers in Western countries.<sup>17</sup> Moreover, the two sides need to increase cooperation in educational sector as the emerging middle class is spending substantial sums on tertiary education.<sup>18</sup>

Educational exchanges building on both public and private support should be promoted at different levels. It is important to set up exchanges between Russian and Indian schools; top universities of both states should be incentivised to create a system of both short and long-term exchange of students and faculty, and to conduct joint research; admission fairs for promoting courses must be set up. It is advisable to grant scholarships to Indian youngsters to study in Russia, and Russian students should be encouraged to learn about India and study in India. It was stated that in this process it is vital to take into account the needs and interests of the target audiences. These systems must be complimented by ensuring better living conditions and simplifying visa procedures as well as mutual recognition of diplomas and degrees.

It was argued that Russia has rich cultural and artistic history but it has not used its soft power in India to the degree that the West has. For now, Russia's cultural image remains

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<sup>16</sup> Statistics of Russian Citizens Going Abroad and Other Countries' Citizens Coming to Russia. The Federal Agency for Tourism of Russia (Rosturizm).  
URL: <https://www.russiaturism.ru/contents/statistika/statisticheskie-pokazateli-vzaimnykh-poezdok-grazhdan-rossiyskoy-federatsii-i-grazhdan-inostrannykh-gosudarstv/vyborochnaya-statisticheskaya-informatsiya-rasschitannaya-v-sootvetstvi-s-ofitsialnoy-statisticheskoy-metodologiyey-otsenki-chisla-vezdnykh-i-vyezdnykh-turistskikh-poezdok> (In Russian)

<sup>17</sup> Lok Sabha Starred Question No. 337 to Be Answered on 09.08.2017. Government of India. Ministry Of External Affairs.  
URL: <http://164.100.47.190/loksabhaquestions/annex/12/AS337.pdf>

<sup>18</sup> Sujatha, Rise of the Indian Middle Class. Maps of India. August 19, 2015.  
URL: <https://www.mapsofindia.com/my-india/india/rise-of-the-indian-middle-class>

associated with the symbols from the Soviet past. It was said that Western discourse dominates in India, and the West denigrates Russia through its cultural instruments and soft power channels, first and foremost, media and social networks.

Russia–India media cooperation must be reinforced. Russian and Indian media houses should develop closer contacts that might include content sharing agreements, opening offices and appointing correspondents in partner countries. Though Russian television channel *RT* is present in India, it is largely focused on the US and not on South Asia. Therefore, *RT South Asia* or *RT Asia* should be launched. There should be digital sharing of contents between the news websites of India and Russia. Provision of scholarship to journalists, promotion of journalists’ exchanges and establishment of regular dialogue between Russian and Indian media practitioners would also help in improving media ties between the two countries. It was also argued that in Russia there is a growing interest in ancient Indian text and culture, and the diaspora and mass media could play an important role in increasing awareness.

There is deep cultural connectivity between the two countries, and Indian festivals in Russia have been rather popular and successful. Some suggestions were made, including organising bands, artist camps, establishing India–Russia Writers’ Forum for younger people and literary festivals on the lines of the Jaipur Literary Festival. A bilateral youth forum could also be established. It was also suggested that like other countries, Russia should seek land in Bodh Gaya to increase cultural links through Buddhism. Moreover, there is a big cinema market in India and joint projects in this area should be explored: both for Russian films to be broadcast in India, and for Indian films to be more widely marketed in Russia. However, the two sides should bear in mind that short events cannot substitute long-term cooperation.

Tourism is another important area of Russia–India cooperation that needs boosting. Globally, it generates approximately 10 per cent of the GDP.<sup>19</sup> However, though steadily growing, the volume of bilateral tourist flows is still negligible. Russia and India should make better use of their mutual advantages of rich culture, hospitality and goodwill to encourage Russian and Indian tourists to visit Delhi, Moscow and the regions. To this end, such measures as expanding flight connections, simplifying visa requirements, promoting new destinations and package tours, enhancing tourist infrastructure and information and organizing tourism fairs are advisable.

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<sup>19</sup>Stats: Travel Generates Over 10 Percent of World’s GDP. Travel Agent Central. September 27, 2017.  
URL: <https://www.travelagentcentral.com/running-your-business/stats-travel-generates-over-10-percent-world-s-gdp>

## Concluding Session

The two-day seminar ended with concluding remarks by Ambassador Nalin Surie, the then Director General of ICWA, and Dr. Andrey Kortunov, Director General of RIAC. Ambassador Surie suggested that the two countries should refocus their energy with greater clarity of vision. Dr. Kortunov assessed the dialogue as frank and suggested that a network of Russia–India think tanks should be established to motivate each other.



RUSSIAN INTERNATIONAL AFFAIRS COUNCIL  
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*Event Report*

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