
INDO-RUSSIAN MILITARY COOPERATION: A RUSSIAN PERSPECTIVE

By

**ALEXANDER A. SERGOUNIN
AND SERGEY V. SUBBOTIN***

The breakup of the Soviet Union and emergence of the newly born Russian state, as well as radical domestic reforms in the latter, have brought dramatic changes in the relationship between Moscow and New Delhi. Because the Soviet Union has been India's largest arms supplier, providing some 70 percent of its military imports, India was, for a time, gravely concerned about Russia's future reliability as a partner and a source of weapons, spares, military technologies and services.

India's apprehensions were fueled in large part by two factors. One was Moscow's declared "de-ideologization" of its foreign policy and adherence to pragmatism,¹ which for India meant Russia's rapprochement with China and Pakistan, two countries with whom it has long-standing conflicts. The other was Moscow's promise to the West to reduce its arms exports and convert its defense industry in exchange for economic and technical assistance.

India's fears were confirmed in July 1993, when Russia bowed to American pressure not to sell cryogenic rocket engines.² Although the Russians eventually agreed to sell seven engines, they refused to transfer their technology³. Doubtful about the future of Indo-Russian military cooperation, India reaffirmed its commitment to drive towards defense self-sufficiency, through a 10-year plan to overcome its dependence on foreign suppliers for spares. At the same time, it stepped up the purchase of arms abroad, in order not to be caught short due to the unreliability of Russia.

*Alexander A. Sergounin is Professor of Political Science and head of the Department of Political Science at the University of Nizhny Novgorod, Russia.

*Sergey V. Subbotin is Assistant Professor of Political Science at the University of Nizhny Novgorod, Russia.

In a few years, however, the situation has changed. Moscow has abandoned its policy of self-restriction in arms and trade and has resumed its full-scale military cooperation with New Delhi.

This paper shall examine Russia's motivations for resuming its arms and technology transfers to India, the major programs of defense cooperation being undertaken by both countries, and their implications for the regional security system.

ECONOMIC AND STRATEGIC MOTIVES

Supporting Russian Defense Industry. The Russian leadership has long underscored the need to keep production facilities moving, and technicians and scientists employed lest massive unemployment and falling investment ruin this sector and undermine readiness and technological competitiveness. In 1992 alone, military procurement was cut by 70 percent⁴. As President Boris Yeltsin noted, "the weapons trade is essential for us to obtain the foreign currency which we urgently need, and to keep the defense industry afloat."⁵

In 1994, the aircraft plant Sokol (Falcon) heavily lobbied the Russian government to proceed with the modernization of the Indian MiG 21bis (built under license), an upgraded version of MiG-21. According to Viktor Andryunin, deputy director of Sokol, the upgrading of 125 MiG-21bis, each costing some \$1.5 - 3 million, will enable Russia to keep production lines moving and develop more sophisticated models.⁶

However, Russian defense industrialists are unhappy with the method of payments being offered by India and other Third World countries. Accordingly, arms manufacturers get a maximum 8-10 percent of payments in cash.⁷ At least two-thirds of deals are usually on a barter basis, i.e. recipient countries pay for their arms procurements in terms of consumer goods, food, etc. Industry leaders point out that this form of international business does not help the Russian defense industry. They claim that exchanging arms for consumer goods neither stimulates the restructuring and development of production, nor provides hard currency.

Critical of the "banana approach"⁸ to arms export, defense industry leaders are putting pressure on the Russian government and arms trading companies to change this system of payment.⁹ Hence, this kind of export activity could serve only as a temporary tactic for survival in a transition period.

Providing Resources for Russian Economic Reforms.

Russian politicians and industrialists point out that annual Russian arms exports bring in some \$1.5 - 3.5 billion a year, an amount comparable to Western economic assistance.¹⁰ They say that arms sales can thus finance the conversion of the defense industry, the necessity for which they now claim to recognize. Yeltsin's conversion advisor, Mikhail Maley, believes that Russia must sell \$5-10 billion worth of arms per year for 15 to 30 years to meet the \$150 billion estimated cost of conversion.¹¹ President Yeltsin, for his part, proposes that a portion of the income from the arms industry be used to finance social programs for armed forces personnel.

But an active arms export policy as an instrument to reform the defense industry has its opponents in Russia. For example, Vsevolod Avduevsky describes the export of weapons as a 'dirty business' which often "adds kerosene to local conflicts." In his view, the maintenance of an arms export policy will simply "drag out the agony of the militarized economy." Moreover, according to Avduevsky, there is no guarantee that the proceeds of arms exports will not simply disappear into the "black hole" of military production, further boosting the weapons industry.¹²

Russian Foreign Minister Andrey Kozyrev has also expressed reservations about the compatibility of an active arms export policy with the new principles of Russian international policy.¹³ Other Russian politicians and scholars feel that arms promote local conflicts, and that revenues from arms sales cannot be substituted for Western aid because it is often used ineffectively and channelled only to a narrow sector of the Russian economy.

Thus, the arms export issue is at the center of a fundamental debate as to where the resources for Russian economic reforms should come from. One school of thought favors external support; the other appeals to national resources.

Supplying Russian People with Consumer Goods. Since arms export deals with India cannot be paid for on a purely cash basis, many Russian politicians and industrialists believe that this kind of military cooperation can help resolve Russia's shortages in consumer goods. India, however, can offer a limited number of specific goods - tea, coffee, spices, textile, jewelry, etc. Thus, imports from India can address only a part of the said problem.

Enhancing Overall Indo-Russian Economic Cooperation. Moscow hopes that the arms trade will facilitate Indo-Russian trade in general, and in the process, help ease India's debt burden.

During President Yeltsin's visit to New Delhi in January 1993, the two countries concluded an agreement on the schedule of India's debt payments alongside discussions on military issues.¹⁴

Developing Indo-Russian Relations. According to official foreign policy doctrine, India is not a very high priority for Russia; it is ranked seventh in a list of ten priorities, following the Commonwealth of Independent States (CIS), arms control and international security, economic reform, the United States, Europe, and the Asia-Pacific region.¹⁵ However, this list of official priorities can be misleading with regard to India's real significance for Russia.

India's place in Russia's new worldview must be seen in light of the latter's search for a new identity and international role. According to its leadership, Russia should become a focal point of a new Eurasian security complex. In New Delhi, President Yeltsin emphasized Russia's Eurasian identity by pointing out that most of Russia's territory - 10 million out of 17 million square kilometers - lay in Asia, and that most Russian citizens live in the Asian part of Russia.¹⁶

Moscow looks at India, along with China, as the most important pillar for the said security system. Hence, Russia is pulling all diplomatic, economic and military leverages to fit India into a new strategic framework for the continent.

Preserving Regional Military Balance. As in the past, Moscow is using arms transfers to influence the regional balance of power and to prevent the emergence of new powerful players which may disturb this fragile balance.

Moscow continues to back New Delhi in the latter's conflict with Islamabad. It supports India's position on Kashmir and rejects calls for a plebiscite on the future of this war-torn region. It also offers weapons to India every time Pakistan receives arms from the West. According to some accounts, however, Russian support for India more probably reflects the former's determination to preserve its own territorial integrity, rather than a genuine recognition of the correctness of New Delhi's policy.¹⁷ Given its economic difficulties, it is possible that Russia will uphold commercial considerations over strategic ones if a potential recipient of arms is ready to pay for them in cash. In November 1994, Russia was said to have offered the Su-27 fighter to Pakistan for the first time, at a price of \$35 million per aircraft. Pakistan was also considering the Mirage 2000-5. Pakistani defense sources said 2 squadrons of Mirages (32 planes) would cost \$2.6 billion, while the same number of Su-27s would cost \$1.1 billion.¹⁸ Under India's pressure, Moscow cancelled the potential deal.

Fear of Islamic Fundamentalism. Both Russia and India fear a resurgent Islamism or nationalism among Muslims in Central Asia that could spread to their own borders. Thus, according to former Russian State Secretary Gernady Burbulis, there is a good reason to cooperate politically to stabilize the entire region.¹⁹ Indeed, analysts of the Indian subcontinent argue that strategic and economic alignments emerging in Central Asia will shape the balance of power in Asia for years to come.²⁰ Hence, a careful monitoring of Islamic peoples' activity, rather than shared overt anti-Chinese interests, will likely serve as the main political glue in future Indo-Russian ties, and a lasting feature of their policies.

Countering Western Powers' Influence in the Region. With Russia's decline as superpower, Western countries have tried to fill a vacuum in the region. India itself has broadened its economic, diplomatic and military ties with the United States, Britain, France, Germany and other countries. Since Russia cannot offer financial aid or promote itself as a promising economic partner, it tends to use arms transfers as a tool to restore Russia's strategic position and prevent the West from increasing its presence in the region.

MAJOR PROGRAMS OF MILITARY COOPERATION

Indian Air Force (IAF)

Following the disintegration of the Soviet Union, India's immediate concern was to safeguard the supply of spare parts for its MiG aircraft. An Indian delegation, headed by then Defense Minister Sharad Pawar, visited Moscow in September 1991, but since the new Russian government was preoccupied with consolidating itself amid an unprecedented welter of domestic problems, Pawar returned home empty-handed. India then approached other arms sellers including the United States, Israel and Britain.

Aware that India was potentially one of its best customers, Russia was anxious to retain its Indian arms market. The problem, however, was that of payments. New Delhi declared it could not pay in hard currency; Moscow replied that it could not sell weapons on a purely barter basis.²¹

In March 1992 Moscow offered nuclear-powered submarines, MiG-31 aircraft and SU-27 fighter bombers to India, to counter the sale of French Mirages and US F-16s to Pakistan.

In May of the same year, then Russian State Secretary Gennady Burbulis visited India and affirmed that Russia would continue defense supplies, but would demand one-tenth of the payments in advance.²²

Under an agreement signed in September 1992 during Indian Defense Minister Pawar's visit to Moscow, India received a credit to buy \$830 million worth of special equipment. Though the amount of credit was fixed in US dollars, India would pay in rupies. In turn, most of this money would be used to buy Indian consumer goods and food.²³ Thus both sides resolved the payment issue, the main obstacle to the development of Indo-Russian military cooperation.

Defense agreements signed during Indian Prime Minister Rao's June 1994 visit to Moscow augured well for the stabilization of Indo-Russian military relations. Under a tripartite agreement involving Russia's Mikoyan Industries, Hindustan Aeronautics Ltd. (HAL) and French arms traders, Russia will help India upgrade its 125-170 Mig-21bis aircraft to keep them combat-worthy well into the next century.²⁴ The upgraded MiG-21, which is expected to remain in active service until the year 2015, will be up-engined and equipped with a new lightweight multifunction radar and modern missile system. While the first two aircraft will be fully upgraded in Russia (in Nizhny Novgorod Sokol) by early 1997, the rest will be done in India. In December 1994 Sokol and HAL also signed an agreement to upgrade seven Indian MiG-25s.²⁵

Upgrading MiG-21s and MiG-25s became imperative for the IAF after recurring technical snags and financial constraints delayed the production of India's own Light Combat Aircraft (LCA), which was supposed to replace the Russian-made aircraft by 1996. Optimistic IAF estimates do not expect the LCA to enter squadron service before the year 2008.²⁶

In June 1994 New Delhi and Moscow also agreed to set up a joint venture company - the Indo-Russian Aviation Private Ltd. - in India. The company, which will have an equity base of \$400 million, will manufacture spare parts for Russian military aircraft being used around the world, and oversee the upgrade of MiG-21s.²⁷ India will thus become the first foreign country to offer maintenance facilities for Russian aircraft. Such ventures will be based on commercial rather than political considerations. For many years, India had manufactured and maintained Soviet-designed aircraft through licensing arrangements, but the creation of an Indo-Russian company with equal equity participation will offer profits to both countries.

Also, 73 Malaysian pilots and ground crew are currently training in India to fly the MiG-29 supplied to the Malaysian air force under an agreement signed between Russia and Malaysia in June 1994.²⁸ Moscow and New Delhi plan to establish a MiG-29 assembly plant to help India fulfill its agreement with Malaysia to operate and maintain the 18 MiG-29s which the latter recently acquired.²⁹

According to some reports, Russia has also offered its new trainer S-54 to meet the IAF's need for such type of plane; the S-54 could be a real competitor to the British "Hawk" and French "Alfa".³⁰

Interestingly, India has become the battleground for the marketing war between Mikoyan, well entrenched in the IAF with its MiG range, and Sukhol, which is putting pressure on New Delhi to buy around 20 SU-30MKs, with in-flight refuelling capability and armed with 10 air-to-air missiles, at "reasonable" terms. Senior IAF officers believe that India should acquire the SU-30 because it does not have a long-range, multi-role aircraft. Critical of the decision to stockpile MiG-29s which they feel came at the cost of extended range and operational capability, these officers are convinced that India should build an active and not reactive force composed of the Sukhol range of aircraft.

Navy

One of the India's main military interests is to enhance the nuclear capabilities of its navy, as was already envisioned in Indo-Soviet cooperation talks in 1990-91. Navy plans, in particular, call for the inclusion of SSBNs in the fleet by the year 2000, as India had acquired SSNs from Moscow before August 1991. Another potential field of Indo-Russian cooperation is the acquisition of an unspecified number of the newer Type 636 "Kilo" class submarines. These are expected to replace five of the eight Soviet "Foxtrots" which were recently decommissioned.

India is also negotiating with Russia and Ukraine to acquire the former Soviet carrier Varyag and the naval air fighter, the YAK-141. According to some accounts, Russia has offered India the 40,500 ton carrier Admiral Gorshkov to replace the Vikrant carrier to be decommissioned by the year 2000. In the more distant future, India plans to order Tarantul III class corvettes equipped with SS-N-22 "Sunburn" missiles.³¹

In March 1994, the first joint naval exercises between Russia and India were held in the Arabian Sea.³²

Land Forces

Russia has offered India the latest T-72S Shilden and T-80U major battle tanks (MBTs). The Indian Army is very impressed with the T-80U which is equipped with a gas turbine engine, gun stabilization system and a 125mm gun that can fire both shells and a laser-guided anti-tank missile up to a range of 5,000 meters.³³ The army is also keen on acquiring T-72S upgrade kits and M-25/M-35 attack helicopters.³⁴

A conflict of opinion exists between the Ministry of Defense (MoD) and the army on whether to lease around 120 152mm 2S19 self-propelled guns from Russia. Senior army officers are said to be keen on leasing these guns as an "intermediate" weapons system until selection of the final weapon is concluded, but the MoD is opposed to such a proposal.³⁵

REGIONAL IMPLICATIONS

The resumption of Indo-Russian military cooperation has a number of short- and long-term consequences.

Increase in India's Military Power. For several years now, India has been engaged in a large-scale military buildup that has brought it to the nuclear threshold and to the position of a regional hegemon. According to SIPRI database, for the period of 1989-1993, India was the largest importer of major conventional weapons.³⁶ In its 1994 report, the US Defense Department called India the world's third largest military power and the largest multi-party democracy.³⁷ Obviously, Russia has contributed significantly to this state of affairs.

Enhancing India's Arms and Technology Export Potential. Because Russia not only sold off-shelf weaponry but also generously shared its military technology, India now possesses significant military industry and arms export potential. Indian political, industrial and military elites regard the arms trade as a source of hard currency to cover production costs and to develop an industrial base.

According to former Defense Minister Pawar, India plans, in the near future, to export weapons worth 10 billion rupies

annually.³⁸ New Delhi export priorities are upgraded MiG-21s and spares, T-72s produced under Soviet license and self-propelled artillery. Moreover, like Malaysia, India hopes to export services, training and logistical support.

Thus, New Delhi is bound to become an important challenger to other regional arms exporters such as China. Although it is doubtful that India can compete with major suppliers like the United States, Russia and France, it could follow other second-rank arms traders whose tactic is to find a specific niche which, for various reasons, cannot be filled by the major powers.

Balance of Power or Impetus for Regional Arms Race?

Since Russian arms transfers to India usually follow each Pakistani military buildup, both Moscow and New Delhi claim that their defense cooperation aims to preserve military balance in the region. Islamabad, however, considers India's efforts as excessive. In Pakistan's view, India's military potential is offensive rather than defensive in character, and thus poses considerable threat to its neighbors. This in turn contributes to an atmosphere of uncertainty that could lead to a new arms race in the region.

Another historical rival, China, is now much more tolerant of India's military buildup than in the recent past.³⁹ Chinese leaders understand that Indo-Russian military cooperation is directed against Islamabad rather than Beijing. China itself maintains fairly intensive military ties with Russia⁴⁰ even as it exports arms to Islamabad. In this case, arms transfer tactics fit precisely in traditional power balance politics.

Other Major Powers' Reaction. The resumption of Indo-Russian military cooperation has evoked an ambivalent reaction from the West.

On the one hand, Western countries do not perceive Indo-Russian defense rapprochement as a threat to their national security as in the past. The West understands that Moscow's active arms trade policy is determined by economic rather than expansionist considerations. It also recognizes Moscow's security concerns regarding Russia's Islamist environment. In view of Islamabad's nuclear ambitions, Washington has cancelled a US-Pakistani F-16 deal. The latter became feasible only as a result of increasing Russo-American cooperation.

Yet, on the other hand, the West fears that unrestrained Russian arms export can lead to a proliferation of destructive weaponry and stimulate a regional arms race. Western leaders

also believe that the Russian government has lost control over Russian military scientists, who, they fear, can export nuclear and other dangerous technologies to Third World countries including India.⁴¹ In addition, the resumption of Indo-Russian military cooperation undermines some Western arms exporters' hopes of increasing their presence in the Indian weapons market. Interestingly, when Washington succeeded in stopping the sale of Russian-made cryogenic rocket engines to India, some US firms offered to supply the same to New Delhi.⁴² Obviously, commercial considerations have prevailed over US adherence to a ballistic missile non-proliferation regime.

The West continues to develop its own military ties with India. Despite the current boost in Indo-Russian arms trade, New Delhi feels it can no longer rely solely on Moscow for military equipment. India is therefore seeking arms from other countries, including Britain, France, Germany, Israel, Slovenia and Slovakia.⁴³ Also, despite sharp differences on Kashmir, it is moving closer to the United States militarily; in fact the Indian and American navies conducted joint exercises in 1992 and 1993. In August 1994, India's Air Force chief S. K. Kaul discussed cooperation in training and maintenance between the Indian and US air forces.⁴⁴

To conclude, it appears that the resumption of Indo-Russian military ties is not a temporary or accidental phenomenon. It is a stable and possibly long-term development arising from previous defense cooperation and new economic and strategic imperatives. Despite a number of obstacles, mostly financial ones, Indo-Russian military cooperation is becoming more mature and intensive, anchored as it is on principles which are different from the past. While both countries are growing more pragmatic and concerned with the economic aspects of their military programs, they nonetheless share a common interest in continuing and developing their military relationship. For now, the implications of Indo-Russian military cooperation to regional security are still uncertain. Hopefully, however, it will improve relations between the two countries, promote their national security and preserve regional military balance.

NOTES

1. *Izvestia*, 2 January, p. 3 (in Russian).
2. *Izvestia*, 12 and 14 May 1992 (in Russian); Banerjee J., "Indo-Russian Rocket Deal," *Asian Survey*, Vol. 34, No. 6, 1994, pp. 544-549.
3. *Far Eastern Economic Review*, 4 August 1994, p. 13.
4. Chancen und probleme der rustuges-konversion in der GUS (Bonn International Center for Conversion: Bonn, 1995), p. 4.
5. *Izvestia*, 22 February 1992 (in Russian).
6. *Birzha*, No. 49 (December 1994), p. 3 (in Russian).
7. *Delo*, 24-30 March 1995 (in Russian).
8. The term "banana approach" has been widely used in Russian mass media and research literature since the Philippines offered bananas in exchange for Russian weaponry.
9. *Moscow News*, 19 March 1993.
10. *Jane's Defence Weekly*, 9 July 1994, p. 28; *SIPRI Yearbook 1994* (Oxford University Press: New York, 1994), p. 484.
11. *Asian Defence Journal*, No. 3, 1994, p. 74.
12. Cited in Cooper J., *The Soviet Defence Industry: Conversion and Economic Reforms* (The Royal Institute of International Affairs/Council on Foreign Relations Press: New York, 1991), pp. 65-66; See also *Izvestia*, 7 February 1990 (in Russian); Avduevsky V., "Conversion and Economic Reforms: Experience of Russia," *Peace and the Sciences*, March 1992, pp. 7-10.
13. *Izvestia*, 20 February 1990 (in Russian).
14. *Far Eastern Economic Review*, 11 February 1993, p. 18.
15. "Konzeptsiya Vneshney Politiki Rossiyskoi Federatsii," *Diplomaticheskyy Vestnik*, January 1993, pp. 3-23 (in Russian).

-
16. Singh A. I., "India's Relations with Russia and Central Asia," p. 71.
 17. *Ibid.*, p. 73.
 18. *Military and Arms Transfers News*, 2 December 1994, p. 7.
 19. Blank S. J., *Challenging the New World Order: The Arms Transfer Policies of the Russian Republic* (Strategic Studies Institute, US Army War College: Carlisle Barracks, 1993), p. 46.
 20. Malik M. J., "India Copes with the Kremlin's Fall," *Orbis*, vol. XXXVII, no. 1 (Winter 1993), p. 80.
 21. *Izvestia*, 30 March 1992 (in Russian).
 22. *Far Eastern Economic Review*, 14 May 1992, p. 63, and 15 October 1992, p. 16.
 23. *Izvestia*, 9 September 1992 (in Russian).
 24. *Birzha*, No. 49, (December 1994), p. 3 (in Russian); *Jane's Defence Weekly*, 17 December 1994, p. 20; *Asian Defence Journal*, No. 10, 1994, p. 87.
 25. *Birzha*, No. 49 (December 1994), p. 3 (in Russian).
 26. *Jane's Defence Weekly*, 17 December 1994, p. 20; *Rossiyskaya Gazeta*, 15 October 1994 (in Russian).
 27. *Jane's Defence Weekly*, 9 July 1994, p. 3, and 5 November 1994, p. 1; *Asian Defence Journal*, No. 10, 1994, p. 88; *Asian Recorder*, 23-29 July 1994, p. 24114; 10-16 September 1994, p. 24225.
 28. *Asian Military Review*, August-September 1993, p. 15.
 29. *Jane's Defence Weekly*, 5 November 1994, p. 1.
 30. *Izvestia*, 18 March 1993 (in Russian).
 31. Blank S. J., *Challenging the New World Order: The Arms Transfer Policies of the Russian Republic*, p. 46; Jacobs G., "Hugging the Bear - Indo-Soviet Military Ties in the 1990s," *Jane's Intelligence Review*, July 1991,

-
- pp. 298-301; "Russia Sharpens its Export Skills," *Jane's Defence Weekly*, 9 July 1994, p. 28; Bedl R., "India Returns to Russia to Buy New Equipment," *Jane's Defence Weekly*, 5 November 1994, p. 1; *Far Eastern Economic Review*, 1 December 1994, p. 12.
32. *Jane's Defence Weekly*, 19 March 1994, p. 1.
 33. *Asia-Pacific Defence Reporter* 1994 Annual Reference Edition, p. 16.
 34. *Jane's Defence Weekly*, 5 November 1994, p. 1.
 35. *Jane's Defence Weekly*, 27 August 1997, p. 28.
 36. *SIPRI Yearbook 1994*, p. 485.
 37. *Asian Recorder*, 27 August-2 September 1994, p. 24193.
 38. *Izvestia*, 9 November 1991 (in Russian).
 39. Bain W., "Sino-Indian Military Modernization: the Potential for Destabilization," *Asian Affairs: An American Review*, Vol. 21, (Fall 1994), p. 133.
 40. Hickey D. V. and Harmel C. C., "United States and China's Military Ties with the Russian Republics," *Asian Affairs*, Vol. 20, No. 4 (Winter 1994), p. 241; Yu B., "Sino-Russian Military Relations," *Asian Survey*, Vol. 33, No. 3 (1993), p. 305.
 41. Hickey and Harmel, p. 251.
 42. *Izvestia*, 31 August 1993 (in Russian).
 43. *Jane's Defence Weekly*, 22 January 1994, p. 8; 5 March 1994, p. 29; 9 April 1994, p. 3.
 44. *Janes's Defence Weekly*, 27 August 1994, p. 8.