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THE INDIAN ATTRACTION TO THE RUSSIAN FAR EAST

***Abstract:** India and Russia share a special strategic partnership, that has evolved and grown from the seeds sown by the India Soviet Union relationship. India had modeled its state led development plans based on the Soviet model of five-year plans. The relationship had a strong defense component. Since 2014, with a complete shift in India's political landscape and the emergence of Narendra Modi as the country's undisputed leader, the relationship is being shaped by 21st century considerations. India aims to play a more dynamic role in geopolitics, being home to 1/6th of humanity. India sees trade and commerce as the means to develop relationships, based on trust and goodwill. India's interest in the Russian Far east stems from the desire to establish stronger economic partnerships. This paper looks briefly at India Russia relations and the potential of trade ties in the Russian Far East in the context of 2019 visits by Indian delegations to Vladivostok.*

Key words: Russian Far East, India, Indo-Russian cooperation, Indian attraction, Indian interest.

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India is a land of many dimensions. It has a population of 1.3 billion people who share a cultural history that is about 4 thousand years old. It is rich and diverse with 122 major languages and 1599 dialects [1, p. 2]. It would normally be very difficult for a country of such diversity to stick together, but there is an Indian nationalism that binds this vast and diverse population together. It is expressed in democracy. India is the largest democracy in the world by far with over 900 million voters, and the framers of

the Indian constitution had seen India as a Sovereign Democratic Republic [2, p. 1]. They saw this as the binding force of nationhood, and indeed it was so during the freedom movement. But the Sovereign Democratic Republic was created after the partition of the Indian subcontinent into India and Pakistan. The latter being an Islamic Republic and the former choosing to be a secular state, which recognized the freedom of religion, with no state religion. However, over time this idea of India began to be tested, with secularism becoming the rallying point around which Indian politics developed its core characteristics. What is secularism? Who defined secularism? Is secularism part of the basic structure of the Indian state? Mrs. Indira Gandhi, India's 3rd and to date only female Prime Minister had introduced the 42nd amendment to the Indian constitution. It was aimed to transform the constitution of India, which had guaranteed separation of powers of legislature, executive, and judiciary as an equilibrium of power centers, into one in which the legislature had supremacy and sweeping executive powers were vested in the Prime Minister's office. It was passed under a period termed as the Emergency, and many of its provisions were subsequently repealed to restore the balance of powers. While Mrs. Gandhi has been chastised vehemently for the imposition of the emergency, the 42nd Amendment did change the preamble of the Indian constitution from Sovereign Democratic Republic to Sovereign Socialist Secular Democratic Republic [3, p. 1].

Apart from the word secular, the word socialist was also included. This was a result of India's close relationship with the Soviet Union.

India Russian Relations under the USSR (rear view)

During the years of the Cold war, India had a stated position of remaining non aligned to either the USSR or the USA. However, India had to deal with its own economic development and had chosen the Soviet model of five-year plans, which continued right up to the election of Narendra Modi as Prime Minister in 2014. Modi dismantled the Planning Commission of India and renamed it as NITI Aayog or the National Institute for Transforming India. It has a broad objective of cooperative and

competitive federalism, a scheme to keep states competing to be the best in the country and hence encouraging development. But during the years of the Planning Commission India relied on the Soviet Socialist model of state led development, though the country had a mixed economy... with both public and private sectors.

The Indian Public Sector developed core sectors of the economy, finance, mining, infrastructure, crude oil, electricity, heavy industries. This was built on the Soviet model of economic development... so much so that with the breakup of the Soviet Union, the Indian economy too underwent a phase of economic reforms, to transform into a capitalist led system of economic growth. It was around this time that India opened its consulate in Vladivostok in 1992, looking to establish business and trade links with the Russian Far east.

India and the Soviet Union signed the Treaty of Peace, Friendship and Co-operation on August 09, 1971. It has been seen as the turning point in the relationship between the two countries. India was seen by the US, as having aligned with the Soviet Union [4, p. 7]. Russia will hence always have geopolitical relevance for India. The legacy of a strong Defense security relationship is the basis for this.

But since the end of the cold war, both India and Russia have been adjusting to the changed global world order. It is here that the relationships are developing according to their own national interests and spheres of influence in the world. Russia is keen on developing a greater Eurasian Partnership, [5, p. 5] while India is playing a greater role in the Indo Pacific region, as well as desiring to transform the mandate that Prime Minister Narendra Modi received in a new energized foreign policy with greater clarity... As India's External Affairs Minister Jaishankar put it “If you look at the last five years there has been a very active, energetic engagement with every major power center. There has been a very vigorous effort made to cultivate constituencies, sometimes region constituencies, sometimes larger developmental constituencies but clearly a shift to a very activist diplomatic posture. It’s also shown up in activities like HADR where if you were to contrast what happened in the 2004 tsunami where much of

the HADR relief efforts came from outside the region increasingly actually India has become a HADR provider within the Indian Ocean region and sometimes beyond as well.” [6]

India Russian Relations since 2014

2014 was a transformative year for India. The General Elections had reduced the Congress party which had dominated the Indian political landscape for several decades, including from 2004 to 2014, to a shadow of itself. The party managed to win just 44 seats in the 543 member Indian Lok Sabha (House of the people) lower than the 10 percent of seats required for the post of leader of opposition. Despite this complete decimation the Congress Party and other opposition parties still had a majority in the Rajya Sabha (House of States), which is a continuous house, with a third of its members completing their six-year terms every two years. This reduced the legislative power of the Modi Govt in its first term even though it had come to power winning 336 seats of the House of the people [7]. There was a rebalancing of relations with the rest of the world. India and Russia continued to have a ‘Special Strategic Partnership’ with annual summit level meetings. However, trade between India and Russia fell during the first 5 years of the Modi Government. It had fallen from a high of 11.04 billion USD in 2012 to just 7.7 billion in 2016 [8]. However, since then it has seen a rise, along with India’s renewed interest in Russian Military hardware. In the last two years India has orders worth about 12 billion USD with Russian Defense manufacturers including for the S-400 missile defense system \$5.2 billion, Project 11356 class frigates \$950 million, Akula class nuclear-powered submarine \$3 billion, T-90 tanks, \$2 billion, Igla-S Very Short-Range Air Defense Systems \$1.47 billion, and a JV to manufacture of AK-203/103 rifles about \$ 1 billion. [9] It is clear that defense cooperation is the linchpin on which Indo Russian ties depend. But trade is well below potential, especially since India is aspiring to become the world’s third largest economy by 2025. Prime Minister Modi has set a target of making the Indian economy a 5 trillion-dollar economy by 2025. The Indian economy in purchasing power parity (PPP) is already over 10 trillion dollars and

is by far the third largest economy. The reference to PPP also indicates the potential upside for access to Indian markets from across the world. Hence trade potential between India and Russia is huge and clearly much more than the 8.3 billion dollars that it was in 2018-19 [10].

India and the Russian Far East

Prime Minister Modi in his second term, has visited the Russian Far east as the guest of honor at the Eastern Economic Forum in September 2019. It was the first visit by an Indian Prime Minister to the Russian Far East. This came after he was re-elected with a more emphatic mandate in the 2019 elections. The Bharatiya Janata Party won 303 seats on its own and with its alliance partners they account for 335 seats in the House of the People [11]. What's more is that the ruling alliance has a majority in the house of states as well. This has given the Indian Prime Minister greater power and with it more influence on the world stage. In Vladivostok, India's Prime Minister announced a credit line of \$1 billion for the development of the region, and both countries agreed to set-up a sea link between Vladivostok, and Chennai, a port in Southern India. It would reduce the sea transit time to Russia significantly and will connect India and Russia through the Malacca Strait and South China Sea. This brings Russia into India's frame of 'Indo-Pacific' and 'Act East' [12].

Prior to the visit of Modi to Vladivostok, an Indian delegation of State Chief Ministers visited Vladivostok. Russia's Deputy PM Yuri Trutnev and Union Minister Piyush Goyal during a session from Vladivostok said India and Russia would boost ties to achieve 30 billion USD in bilateral trade by 2025 [10]. This was stated in a region that is beginning to contribute to Russia-India bilateral trade. According to Ross Congress The volume of trade between the Russian Far East and India amounted to 790 million US dollars. Much of it was in precious stones. Russia sees India as a contributor to integration of Russian Far East with the region. In the area of mining and natural resources, Russia sees the Far East as the most important region for enhancing cooperation with traditional neighbors and India. Indian Industry leaders believe that

India needs to grab the opportunity to take advantage of the changed circumstances in the Russian Far East. The then President of the Federation of Indian chamber of commerce, Sandeep Somany is quoted by Rosscongress as saying ‘Ports are being modernized, passenger and cargo terminals are under construction, new regulations and legislative framework have been introduced. Indian industry must seize this opportunity’ [13].

Indian companies are already working in the Russian far east, in the fields of diamond processing, ceramics and abrasive materials for industrial purposes and mining. There are new collaborations in defence and aerospace and coking coal mining. Russian companies too have increased their presence in the Indian market. Among them are Sistema (telecommunication), Kolmar Group (coking coal), SIBUR (petrochemicals).

There is a large potential in the development of human capital. India, which has a large young population, has the potential to develop this human capital. Opportunities exist in the Russian Far East for skill development, and with greater integration with ASEAN and East Asia, the Russian Far East can benefit from greater people to people flow between the countries of the region.

The joint statement issued after the 20th India Russia bilateral Summit in Vladivostok did mention that India-Russia ties have successfully coped with turbulent realities of the contemporary world. It is now time to explore the true potential of the relationship with the Russian Far east. It would be more business to business cooperation, rather than government to government and more cultural cooperation through a respect for India’s ancient spiritual traditions, and the Eurasian cultural diversity of the Russian Far East. India's investments into the Russian Far East would also be a welcome counter the vast Chinese investments, which are now being seen by many analysts as China's expanding footprint [15]. The Russian far East has remained under-developed because it lacks manpower, though it is rich in resources. India is comparatively deficient in resources for its own growth aspirations, but has a surplus

labor force. India's potential investments in the Russian Far East could help in taking the India Russia relationship to the next level... with an East and West focus.

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