

India-Russia Relations Touch New Heights

by Ramtanu Maitra

The June 12 testing of a supersonic, medium-range cruise missile—the outcome of a secret, joint research program—is a prime example of the heightened level of collaboration between India and Russia. Although the erstwhile Soviet Union had contributed significantly to India's heavy industries' development during the Cold War in the 1950s and '60s, particularly since the early 1970s, arms and other barter deals highlighted Indo-Soviet relations.

But what emerged amid the post-Cold War relations is that India is no longer simply a buyer of Russian hardware, and Russia no longer a seller, but both are now engaged jointly in developing new technologies. According to the Washington-based *Defense News*, the accord signed in 1998 by New Delhi and Moscow seeks to develop technologies that Western countries will not sell to either of them. Given Russia's technological capabilities and India's manpower, this development may turn out to be of great strategic significance.

The cruise missile, dubbed the PJ-10, was tested in India's east coast in front of more than 50 Russian scientists. India's Defense and External Affairs Minister Jaswant Singh, who was present at the test-site, described the event as a "landmark in technology partnership."

The PJ-10, with a range of 280 kilometers, has many attractive features. It can be launched from land by a mobile launcher, or from a ship, submarine, or aircraft to target warships at very long distances. The missile offers two main advantages: It is highly accurate, and can be guided to its target with the help of an onboard computer. But unlike several other cruise missiles, it travels at supersonic speed in a sea-skimming profile. Because of its high speed, provided by its two-stage engines, it can defeat most ship-borne anti-missile defenses, greatly adding to its strike-power. The missile will be inducted simultaneously into the Indian and Russian arsenals within the next two years.

Breakthrough in Relations

The development of PJ-10 is one example of the level at which the technology cooperation between India and Russia is progressing. More important, Indo-Russian cooperation has moved quickly to become a strategic partnership. These breakthroughs in relations came about through a series of high-level meetings that took place early this year.

In January, a host of agreements were reached at the sev-

enth meeting of the Indo-Russian inter-governmental commission for trade, economic, scientific, and cultural cooperation to reinforce relations in diverse fields of economic activities. The Indian side was represented by Finance Minister Yashwant Sinha, while Russia was led by Deputy Prime Minister Ilya Klebanov.

Concern was expressed by both sides over the slow growth in trade and commerce between the two countries. Trade has remained at less than \$2 billion annually. It was decided at that meeting that one way to enhance trade is through "nuclear cooperation with India, even if it meant reviewing Russia's commitments under the international export controls." In other words, Russia, a signatory to the Nuclear Non-Proliferation Treaty (NPT), would like to export nuclear reactors for power generation in India, a non-signatory to the NPT. That means that Russia would be withdrawing from the Nuclear Suppliers Group's stipulations, if the Group's restrictions on the cooperation for peaceful use of nuclear energy were not modified. Russia has not gone to that extent, yet. But, it has indicated to New Delhi that it would do so, if and when need arises.

Also, early this year, Russia supplied nuclear fuel to the Tarapur power reactors in India. The move drew the wrath of Washington. The U.S. State Department went on record, saying, "The Russian Federation has shipped nuclear fuel to the Tarapur power reactors in India in violation of Russia's non-proliferation commitments." State Department spokesman Philip Reeker said, "Although Tarapur reactors are under International Atomic Energy Agency [IAEA] safeguards, India does not have such safeguards on all of its facilities and is indeed pursuing a nuclear weapons program." As a member of the 39-nation Nuclear Suppliers Group, Russia is committed not to engage in nuclear cooperation with any country that does not have comprehensive IAEA safeguards on its nuclear facilities, Reeker said. Russia, however, has ignored Washington's complaints.

Fighters and Submarines

The second most important breakthrough in relations took place early in June, when Jaswant Singh attended the first inter-governmental meeting on Military and Technical Cooperation (MTC), in Moscow. During his talks, India endorsed a Russian proposal for joint development and production of a fifth-generation fighter plane to replace the SU-30 MKI. The Russian media also reported that India might buy two Project 09710 nuclear submarines, whose construction had been halted in Russia because of lack of funding. The subs can carry 28 cruise missiles with nuclear or conventional warheads with a range of 3,000 km. If the report turns out to be accurate, these submarines will provide India a decided military-strategic edge.

There exists more than one report which suggests that the submarine deal is real. But, selling nuclear submarines to

India would violate the NPT and the Strategic Arms Limitation (START-II) Treaty. Independent reports indicate that the issue was discussed in the course of recent Moscow negotiations between Adm. Vladimir Kuroyedov, in charge of the Russian Navy, and an Indian military delegation headed by naval chief Adm. Sushil Kumar. Needless to say, nuclear submarines fitted with nuclear warheads would provide India the advantage of enhancing the “uncertainty factor” in the jigsaw puzzle of nuclear warfare.

During then-Russian Prime Minister Yevgeni Primakov’s visit to Delhi in December 1998, seven agreements were signed between India and Russia. The document on long-term military-technical cooperation till the year 2010, however, was the key one. On a visit to New Delhi in March 1999, then-Russian Defense Minister Igor D. Sergeev and his Indian counterpart, George Fernandes, signed a military cooperation agreement to train Indian defense personnel in Russian military academies. The long-term bilateral defense cooperation program will cover such new areas as naval nuclear technologies and antiballistic-missile defense systems. The long-term MTC will enhance the joint R&D capabilities of both countries in the production of new weapon systems.

On Dec. 27, 2000, India and Russia signed the single largest arms deal: The SU-30 MKIs will be manufactured in India with Russian assistance. This means complete transfer of technology to India. This Indo-Russian Sukhoi deal is the single largest deal ever signed by Russia with any foreign country. Under it, 150 SU-30 MKIs will be manufactured in India, including indigenous production of all the components over next two decades. The SU-30 MKI will have onboard avionics and other support systems developed by India, and also, equipment from countries including France, Israel, South Africa, and the United Kingdom.

Asia is now the most important destination of Russian weapons and MTC. Russia has developed extensive MTC with several major Asian countries, along with arms export, licensed production, servicing of old and new arms and equipment, and training personnel. China and India are the two most prominent countries that have this type of cooperation with Russia.

Russia’s India Policy

Two other developments in Indo-Russian relations draw observers’ attention. In June, chief of the international relations department of the Russian Atomic Energy Ministry, Mikhail Ryzhov, told reporters in Moscow that “after the nuclear test by India and Pakistan, a very unnatural situation has emerged, and recognition of nuclear status to New Delhi and Islamabad is inevitable.” When asked whether Moscow would back India’s entry into the official group of nuclear weapons states, Ryzhov said, “The decision has to be taken by the politicians,” and “when it would be taken, I cannot say, but it is inevitable.”

Ryzhov pointed out that though former President Boris Yeltsin had said that Indians “let down” Russia by carrying out the Pokhran II nuclear tests in 1998, the Russian experts were “aware that India was working on its nuclear weapons program and the government of India had made it clear to the world that it was keeping its nuclear option open.” Ryzhov’s statement cleared the fog created by Yeltsin at the time.

It is also important to note that despite joining the other permanent members of the UN Security Council in *pro forma* expressions of concern over India’s 1998 nuclear tests and in calling for India’s adherence to the NPT and the Comprehensive Test Ban Treaty, Russia, unlike Western nations and Japan and China, has ensured that the tests and their sequel do not affect its long-term strategic relationship with India, which has been built up painstakingly over the years.

The other development of note is the detailed discussions between India and Russia on the internal situation in Taliban-controlled Afghanistan at a meeting of the Joint Working Group (JWG) on Afghanistan, in Moscow on June 25-26. Foreign Secretary Chokila Iyer led the Indian side. This is the second meeting of the JWG and is of particular importance, since it was held right after the Shanghai Five had met to discuss the Central Asian security situation and formed the Shanghai Cooperation Organization. It means that Russia is actively interested in bringing India into a role in the Central Asian scene. Cooperation to fight extremism originating in the Taliban-controlled parts of Afghanistan, is, according to Moscow, perhaps the most logical way to get India involved. Reports also indicate that the Russian hosts filled in the Indian team about the outcome of recent talks between Presidents Vladimir Putin and George W. Bush.

Earlier, Jaswant Singh had held talks in Moscow on the struggle against international terrorism. “I have no doubt where Russia stands on the Taliban,” the Indian Minister told reporters, reminding them that Russia, together with India and other countries, had co-sponsored UN Security Council Resolution 1333 censuring the Taliban. “The question of Russia recognizing the Taliban as the legitimate government of Afghanistan simply does not arise. My colleague [Defense Minister] Sergei Ivanov, today very candidly and clearly spoke of the dangers that this kind of fundamentalism and terrorism poses to the entire region,” Jaswant Singh said.

Crossed Wires on Missile Defense

Last Spring, President Bush proposed development of a missile defense shield against “rogue states” and abrogation of the Anti-Ballistic Missile (ABM) Treaty. The proposal met with a swift and unexpected endorsement from New Delhi, but faced strong opposition from Beijing and Moscow. While Russia was more concerned about the unilateral proposal to abrogate the ABM Treaty than the missile defense proposal, China, on the other hand, was more concerned about the shield itself. Russia believes, and rightly so, that the technology to

develop a foolproof missile defense shield does not exist. On the other hand, the surprising Indian response promptly drew a visit to New Delhi by U.S. Deputy Secretary of State Richard Armitage. This worried both Beijing and Moscow.

Within a few days, Russian Defense Minister Ivanov came to Delhi to meet Indian Prime Minister Atal Behari Vajpayee and Jaswant Singh. Within a day following Ivanov's arrival, India began to shift its stated position on Bush's missile defense proposal. At a joint conference in Delhi, Jaswant Singh admitted that a unilateral abrogation of the ABM Treaty is unacceptable, and therefore, Washington must work with Moscow to formulate the abrogation process.

Subsequently, Jaswant Singh went to Moscow to attend the inter-governmental meeting of the MTC. There, too, he agreed to the Russian viewpoint on missile defense, and said, "If this treaty is unilaterally abrogated, abridged, or adjusted, this will lead to greater uncertainty instead of promoting a new and more cooperative security framework." This is exactly the formulation Moscow wanted, and by accepting Moscow's formulation, New Delhi made it clear that Russian strategic interests are deeply intertwined with those of India.

Moscow, in return, has assured India that it will present all relevant facts and figures which will conclusively prove that the missile defense system, as proposed by President Bush, would jeopardize world security greatly. Meanwhile, India has asked Russia to prepare a feasibility study for the air defense system over India.

Germany Heading for Political Turbulence

by Rainer Apel

A year ago, when Germans were preparing for the Summer holiday season, the economic and social situation of their country was portrayed as generally fine, by the government and the mass media. There were unmistakable crisis symptoms that warned of coming troubles on the German financial market, but the government managed to almost silence critics of its *laissez-faire* policy of inaction. Chancellor Gerhard Schröder overdid it, however, when already at the end of July 2000, he published his rosy "mid-term report," although the first half of his term did not end before the end of October. All of that was designed to calm people down, to let them dwell in illusions as they were going into the holidays.

All of that dreamworld ended abruptly, when in early

September, a strike wave erupted—not in Germany, but in France—against speculative petroleum price increases. Within a week or two, all of Europe, including Germany, was swept by this strike wave, and Schröder's government all of a sudden was looking at big trouble.

What helped the government repair some of the political damage, however, was a trick with the labor market statistics: Introducing a new accounting method, the Federal labor office had begun to also count the newly insured part-time jobs, so that total employment "improved" from 34 million to 38 million. Therefore, the 4 million jobless of late Autumn and Winter 2000 looked less dangerous, if measured against the figure of 38 million, instead of only 34 million. However, this trick will not work again this year, because, meanwhile, people are asking why the jobless rate didn't come down even in the late Spring and Summer. And, there are now daily news headlines that pose the question: "Are we going into a recession?"

The scene is different from that of last year: Now, the news dailies are filled with alarming reports about profit warnings of leading companies, and with forecasts and announcements of new job losses. This year, Germans are going into Summer vacation knowing that by the time they return home, the situation will have turned even worse. With no real jobs being created, reports, such as the one in the German media on June 22 and 23, are telling them that, at minimum, another quarter-million jobs will be axed, including 120,000 in the crafts, 60,000 in construction, and 30,000 in trade and commerce. The jobs that will be axed in the auto-making sector and in transport technologies, because of decreasing sales, were mentioned the following week.

Confronted with this reporting of reality by the media, the Chancellor reacted with embarrassment, complaining—assisted by his cabinet ministers of finance and economics—that the economic situation was being "talked down," that there is no need for any emergency action by the government, that a "policy of the calm hand" is, allegedly, the best way to handle the situation. Faced with forecasts that the jobless figures will definitely be higher than 4 million by late Autumn and Winter, Chancellor Schröder hates being reminded these days, that when he took office in late October 1998, he loudly proclaimed that he would reduce unemployment by 50%. It was at 4 million when he took office, and it is still at 4 million, now—and the government is heading for national elections in 15 months.

The worsening labor market situation also translates into a drastic loss of voter confidence in the capability of this government to handle the crisis. According to the latest poll by the Emnid institute, only 26% of voters now think the governing Social Democrats of Chancellor Schröder can deal with the situation, whereas 44% think the opposition Christian Democrats are more competent. The ratio was 38% versus 28%, respectively, last December.