

Three Eurasian Superpowers Forge New Deals for Security

by Ramtanu Maitra

Oct 28—The five-day trip of Indian Prime Minister Manmohan Singh to Moscow, and the simultaneous visit to Beijing by Russian Prime Minister Dmitri Medvedev, indicate a realization among the three Eurasian powers of the urgency to set aside, if not overcome, the niggling issues that have prevented these three large nations from more closely coordinating their activities to become strategically more effective. The trip led to many agreements, while leaving many bilateral issues unresolved.

What is nonetheless clear, is that the heads of state of these three great nations have come to realize that a weakened United States led by President Obama, and a bankrupt European Union, have made the world increasingly dangerous, threatening thus, not only their own growth potential, but the stability of the entire Eurasian region, where nearly 50% percent of the world's population lives.

Russian President Vladimir Putin and Foreign Minister Sergei Lavrov have repeatedly pointed out that the unipolar world no longer exists, if indeed it ever did, but it is now beyond doubt a multipolar world. In this context, stronger and more effective cooperation among China, India, and Russia is crucial.

On paper, the outcome of the Singh and Medvedev visits was impressive. The future benefits that can be accrued from these agreements need forceful and early implementation. Although cooperation to stabilize the region and pave the way for long-term economic and political stability was discussed during Singh's trip, the

bilateral issues that continue to prevent India, in particular, from acting in concert with Russia and China in many vital areas took center stage.

While the leaders in Moscow and Beijing will remain at the helm for years to come, a change in Indian leadership in the near future is almost a certainty. Most certainly, Manmohan Singh will not be leading the Indian government following general elections, scheduled to be held in the Spring of 2014. Lack of effort on New Delhi's part, and weak participation by Moscow and Beijing in settling the bilateral issues at an early stage, will decidedly make the region more unstable, making it a happy hunting ground for troublemakers, and all who oppose China-India-Russia trilateral cooperation, for geopolitical reasons.

In assessing the situation under which the Indian premier undertook a trip Oct. 21-24, that took him from Moscow to Beijing, one must note the devastation of the world economy caused largely by the trans-Atlantic international bankers, who seized upon the globalization and liberalization policies to enrich a few, and pauperize the mass. Added to their policy are machinations by the Obama Administration, along with the European colonial powers, to unleash an unstoppable wave of militancy and hostility that stretches from North Africa to Afghanistan—a vast area that holds huge reserves of energy resources needed by nations around the world, including China and India. Russia, with its abundant reserves of oil and gas, and its highly developed nuclear power generation capability, has begun to aid India,



Prime Minister of India

The leaders of China, India, and Russia now realize that a weakened U.S. and a bankrupt Europe have made the world increasingly dangerous, and are moving to stabilize the Eurasian region. Shown: Indian Premier Manmohan Singh (left) meets with Chinese President Xi Jinping.

China, and other nations. For its own development, Russia does not need natural reserves. It can get whatever technology it needs from China, Europe, and Japan. What it needs is security.

China is developing a transport network along various old Silk Road routes to link itself with nations situated in the Eurasian region and Southeast Asia. Thus far, India, blocked by a hostile Pakistan and a troubled Afghanistan in the west, has done little to interconnect the region, except in Iran, where it played a stellar role in linking the Strait of Hormuz to Afghanistan by building roads and railroads.

Regional Issues: The Kunming-Kolkata Economic Corridor

During his Oct. 22-24 visit to Beijing, where the Chinese authorities rolled out the red carpet for the Indian premier, Manmohan Singh and the Chinese premier, Li Keqiang agreed to study the possibility of setting up an economic corridor spanning the two nations and covering Bangladesh and Myanmar. “Further discussions on concepts and alignment of the economic corridor are envisaged. Both India and China would continue to discuss with the other parties to this initiative, and hold the first BCIM [Bangladesh-China-

India-Myanmar] Joint Study Group meeting this coming December to study the specific programs on building the BCIM Economic Corridor,” said a joint statement. Singh told the press in Beijing that “we are also exploring the feasibility of the Bangladesh-China-India-Myanmar Economic Corridor connecting the two countries via the southern Silk Road.”

The BCIM Economic Corridor was first proposed by the Yunnan provincial government of China about a decade ago. It did not see the light of day due to a lack of interest by the participating countries. The proposed BCIM Economic Corridor might run from Kunming in China to Kolkata in India via Chuxiong-Dali-Baoshan-Dehong-Namhkan in Myanmar, Lashio-Mandalay-Imphal in India’s Manipur state, Silchar in India’s Assam state, and Karimganj-

Dhaka in Bangladesh. Different versions of a free-trade area connecting Kunming and Kolkata have been floated for more than 15 years. Discussions have often been stalled or abandoned due to unresolved Sino-Indian conflicts.

In December delegates from all four participating countries will meet in Kunming. According to government officials, during the talks, China pressed India on the proposed BCIM Economic Corridor as a way to increase trade (GoKunming.com, Oct. 24, 2013).

The 1,250-mile-long BCIM Corridor is an integral part of China’s plan to make Kunming a regional hub connecting China to the economies of South and Southeast Asia. Attempting to accelerate talks with India regarding BCIM may also be an effort by the Chinese leadership to counter the United States’ now-fizzling “Asia Pivot” strategic policy. China has already discussed the BCIM Corridor with Bangladesh, and found Dhaka’s response very positive, according to a Bangladeshi finance ministry official. “If the route is established, it will provide Bangladesh with an opportunity to enhance economic cooperation with the Southeast Asian and East Asian countries,” a Bangladeshi commerce ministry official told the Indian news daily *Financial Express* Oct. 12.

FIGURE 1

The Kunming-Kolkata Economic Corridor



Central Asian Security

In Moscow, Singh's discussions centered mostly on how Russia could help India meet its growing energy demand, spanning from cooperation in electricity production to joint oil and gas exploration in the Arctic Ocean. Their joint statement on Oct. 21 also said that Russia and India would review "the possibility of organizing direct overland transportation of energy supplies from Russia to India." At this point, there is no direct land-link between Russia and India; left unsaid, is what measures New Delhi and Moscow would undertake with the countries through which such an overland transportation of energy supplies could be made possible.

Broader issues under discussion in Moscow included the necessity for cooperation between Russia and India to ensure stability in Central Asia, in light of the withdrawal of U.S. and NATO troops from Afghanistan in 2014. In a speech to the Moscow State Institute of International Relations on Oct. 22, Singh named Central Asia as the first region in which the two giant countries should cooperate.

He focused on security, saying: "As India revitalizes its historic links with Central Asia, we look forward to working more closely with Russia in the region. Our cooperation can play an important role in advancing peace, stability, and economic development in Af-

ghanistan. It can be equally effective in combating the shared challenges of extremism, terrorism, and narco-trafficking. Coordination of our policies in this shared neighborhood has served us both well and we should continue to pursue it more closely in the future" (EurasiaNet, Oct. 24).

In a joint statement issued following the meeting between President Putin and Prime Minister Singh, Moscow and New Delhi called for joint efforts by countries of the region to combat the terrorist menace in all its forms, including elimination of terrorist safe havens and cutting off finan-

cial support.

"India and Russia recognized terrorism as the major threat to Afghanistan's security and stability that jeopardizes peace in the region and in the whole world. They stressed the regional aspects of terrorism and extremism, emphasizing the necessity of joint and coordinated efforts and cooperation between the states of the region, especially taking into account the expected drawdown of international forces in 2014, in order to combat terrorism in all its forms and manifestations, including elimination of terrorist safe havens and cutting off financial support to terrorism," the statement said.

Unresolved Bilateral Issues: Russia

Although the India-Russia strategic ties go back almost four decades, the bilateral relationship has remained centered mostly on military and energy issues. Despite Russia's exceptional strength in scientific areas, and India's prowess in developing an army of tech-savvy professionals, bilateral economic and technological relations have not advanced. During the pre-summit consultations in Moscow, on modernization and industrial cooperation, both Russia and India acknowledged their desire to further strengthen bilateral cooperation in areas of civil aviation, the chemical and fertilizer industry, mining, and automobile production, but the bilateral trade between the two has remained at

an abysmally low US\$11 billion, dominated by military hardware sales.

In the coming years, it is expected that India will be looking for dozens of large nuclear power plants from Russia to meet its electrical power requirements. Moscow is willing to supply those plants. In fact, President Putin said that construction of as many as four more units at Kudankulam was under consideration. This is in addition to the one that has gone on-line there, and the other expected to go online next year.

However, Russia's willingness to supply India with more nuclear power plants has run into problems, at the center of which is India's Civil Liability for Nuclear Damages Act, 2010 (the Act). The Act introduced a novel concept of supplier liability in Section 17(b), by which the operator would have the ability to reclaim any compensation it may pay from a supplier, if the product supplied has patent or latent defects, or the service provided is substandard. This clause has been vehemently resisted by major supplier-countries, including the United States, Russia, and France, on the grounds that it is not consistent with international norms.

Prime Minister Singh, during his visit to Moscow, made a futile effort to work out a resolution of this sticking point.

Unresolved Bilateral Issues: China

Singh's visit to Beijing was clearly promising, as there was a definite signal given by Premier Li and others that China wants to develop stronger overall relations with India. During his address to the Chinese Communist Party's Central School at Beijing, where Singh also spoke, China's Foreign Minister Wang Yi said the Indian Prime Minister's visit was a "great success," as "the two sides sent a positive and powerful message that the two countries are committed to working together."

In addition, both sides addressed the vexing trade imbalance issue. India has a large and growing negative trade balance with China. If measures are not taken immediately, this issue will get in the way of expanding their bilateral trade, which is supposed to reach US\$100 billion in 2015.

Singh and Li discussed ways to get around this problem. Under India's 11th Five-Year Plan (2007-12), 18 GW of thermal power projects were commissioned, using Chinese-manufactured equipment. In addition, 40 GW of power projects are now being built using equipment from China—more than from any other

country. They agreed on setting up permanent offices for China's biggest power companies in India. "This is a landmark move, as it will pave the way for Chinese power companies to eventually even consider setting up manufacturing bases in India," senior Indian officials told the Indian news daily *The Hindu*.

Chinese power companies had, so far, limited their business to selling equipment, despite the growing import demand from India. "This is a major issue because we have 60,000 MW-plus of Chinese equipment, most imported by the private sector," said Montek Singh Ahluwalia, deputy chairman of the Planning Commission. "From our point of view, this is creating a new institutional mechanism that will deepen economic cooperation between the two countries in a very important area," Indian officials told the media.

However, the most important issue—settlement of un-demarcated 3,380-km border—has remained unresolved. On Oct. 23, by signing the Border Defense Cooperation Agreement, Singh and Li made apparent progress in managing any future conflicts that may arise from border incursion by either side. However, the settlement of the border, which is a highly politicized issue in India, remains to be resolved.

Notwithstanding those shortcomings, what emerged from this trip is the recognition by all sides that the cooperation among the three great Eurasian powers has to move forward. Speaking at the Chinese Communist Party's Central School, Prime Minister Singh outlined a new vision for the future of India's ties with China, detailing "seven practical principles of engagement" that called for greater sensitivity to core issues, such as the boundary question and trans-border rivers. "We were not destined to be rivals, and we should show determination to become partners," he said.

Peace and tranquility in the China-India border areas was "a cornerstone" of the relationship, Singh said, adding that "We should do nothing to disturb that," and "at the same time should move quickly to resolve our boundary issue," and he called for increased consultation "on complex issues such as trans-border rivers and trade imbalance."

The five other "principles of engagement" outlined by the Indian Prime Minister were: greater sensitivity to each other's core concerns; "a spirit of transparency" to eliminate misunderstandings; greater policy coordination on global matters to increase strategic trust; taking forward economic ties; and widening people-to-people contact.