

Modi defies Trump to edge closer to Putin

New Delhi tries to balance ties with US and Russia as it faces up to China

Sreeram Chaulia, October 09, 2018



Indian Prime Minister Narendra Modi, right, greets Russian President Vladimir Putin in New Delhi on Oct. 5.

India's \$5.4 billion deal to buy Russia's S-400 Triumf antimissile system is a game-changer not only from a military perspective but also in terms of defining the rules of engagement of its relations with Moscow, Washington and Beijing.

Indian Prime Minister Narendra Modi's high-profile hosting of Russian President Vladimir Putin in New Delhi on Oct. 5 and their joint announcement of the missile agreement, along with other defense and energy accords, have dispelled doubts that India might succumb to pressure from the U.S. to distance itself from its decades-old military partnership with Russia.

By doubling down on Moscow at a time when Putin has been demonized by the West, Modi has unambiguously conveyed that he places India's self-interests above all other considerations and is willing to take risks to strengthen India's rise. His nationalistic "India First" foreign policy could not have found a better illustration.

The S-400 has been praised by the Chief of India's Air Force as a "booster dose" to national security capabilities. It is top-ranked in range and precision, and rated by defense industry insiders as technically far superior to the American Terminal High Altitude Area Defense system or the Israeli Arrow antimissile shield.

India, which had until now relied on outdated anti-aircraft and missile strike capacities, feels that the induction of the S-400 will bolster its deterrence in possible future wars with Pakistan or China, its strategic rivals in South Asia and the Indian Ocean.

Militarily the S-400 is a no-brainer for India. But this big defense transaction got entangled in the crossfire between Russia and the U.S., which has threatened to impose economic sanctions on any country that fills Russia's arms sales coffers.

The Countering America's Adversaries Through Sanctions Act (CAATSA), passed in 2017 amid worsening U.S.-Russia ties over election meddling and geopolitical tensions in Eastern Europe and the Middle East, has turned into a thorn in the flesh for buyers of Russian arms, including India.

This American law imposes unwelcome constraints on India's freedom to choose its own defense and energy pathways. To make life even harder, Iran, another major

partner of India, is also targeted by CAATSA, thereby complicating New Delhi's "Look West" outreach strategy toward the Middle East and Central Asia.

Despite the looming American threat, Modi has decided not to abandon either Russia or Iran. It is notable that the joint statement issued by Modi and Putin during their latest summit meeting boldly calls for trilateral cooperation among India, Russia and Iran for trade and transport corridor connectivity.

Modi is defying the U.S. for both commercial and geostrategic reasons. Firstly, India is the world's largest importer of weapons, accounting for 12% of total global arms purchases. While depending on outside suppliers is not an enviable position, it gives India a bargaining advantage in what is considered to be a "buyer's market."

India offers immense moneymaking opportunity to manufacturers, Russian or American. U.S. companies, which used to account for only 2% of India's weapons imports until 2012, have sold their way to 15% today. Israel (11%) and France (4.65) have also recorded serious gains.

Russia, on the other hand, has seen its share drop from a high of 79% in 2012 to 62% now. The S-400 sale and other items like Krivak stealth battleships and AK-103 assault guns could stem Russia's relative decline, but perhaps only temporarily as New Delhi is consciously diversifying its suppliers. Russia's monopoly over India's defense market -- dating back to Soviet times -- has ended.

With the U.S. gaining ground while Russia has been sliding, India reckons that Washington would be irrational to impose sanctions on New Delhi over the S-400 pact, and so punish a leading customer.

American defense contractors would lose access to their Indian business if sanctions were slapped by the Donald Trump administration. India is not alone in seeking a presidential waiver from CAATSA. U.S. exporters, for whom Trump always has an ear, will weigh in on New Delhi's side.

The second reason why Modi is braving possible U.S. sanctions and cosyng up to Russia is geopolitical. India has noted that U.S. Defense Secretary Jim Mattis purposefully won approval from the U.S. Congress for the executive branch to waive CAATSA sanctions on India, Vietnam and Indonesia. These three are vital for fulfilling the Trump administration's National Security Strategy vision of a "free and open Indo-Pacific" order.

They are the key partners to help the U.S. roll back Chinese hegemony in Asia. Imposing sanctions on them for buying Russian weapons would defeat the larger goal of containing China's expansionism.

India does not compete with Russia in any sphere and prefers less friction between Washington and Moscow so that New Delhi has room for collaboration with both. India needs the U.S. and Russia on its side as it eyes the overwhelming shadow of China.

But given Trump's disdain for multilateral coalition-building, doubts linger in India as to whether he sees the logic of not antagonizing allies willing to push back against China.

There are also questions about how far Putin would go in combining forces to take aim at China. The Russia-China alliance is strong and has a shared anti-Western basis. Nonetheless, India is well aware of Russian strategic anxieties about being economically displaced by China in Central Asia and the Russian Far East.

Russia is providing the S-400 to India after having sold the same system to China, meaning that whatever military advantage Russia bestowed on China is going to be offset -- in the South Asian arena -- by the ramping up of Russia's "all-weather" friendship with India.

To balance inflows of Chinese nationals into Russia's Siberian region, Moscow is also opening up travel and investment opportunities to Indian citizens and



companies in its Far East. In multilateral forums like BRICS and the Shanghai Cooperation Organization, Russia wants India to be a central player so that China does not commandeer them.

International attention on the reinvigoration of the Russia-India "special privileged strategic partnership" has focused on how the U.S. might react. But India is at least as interested in sending a message to Beijing.

Modi wants Trump to view the Russia-India unspoken alliance as beneficial to U.S. interests. All bets are off as to whether Trump has the acumen to grasp this strategic reality. But India has opened channels to the second rung of U.S. decision-makers in what is likely to be a long behind-the-scenes dialogue. Assurances that India "will never compromise the operational secrecy" of U.S.-supplied weapons detectable by S-400 are part of the persuasion.

The immediate response from the U.S. to India signing the S-400 deal has been that "CAATSA is not intended to impose damage to the military capabilities of our allies or partners." It is an indicator that Modi's game plan of having the Russian cake and eating the American pie might just work out.

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