



**A tenuous trilateral?
Russia-India-China relations
in a changing world order**

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Summary

- Trilateral interactions between Russia, India and China can be traced back to the early years of the Cold War. It was not until after the end of the Cold War, however, that all three countries began to cooperate more closely together, driven by an ambition to create a multipolar world order.
- Today, the three meet regularly within a triangular mechanism known as the RIC trilateral, with the aim of increasing cooperation in regional and global multilateral institutions, most notably among the BRICS and in the Shanghai Cooperation Organisation (SCO). The current geopolitical flux, linked to the unpredictable US foreign policy of US President Donald J. Trump, has further intensified cooperation.
- Nonetheless, bilateral relations between the three states have developed unevenly. Closer China-Russia strategic cooperation is in stark contrast to the stagnation in the India-Russia relationship. India-China relations are perhaps the most problematic. New Delhi's concern over China's growing power and influence in Asia has led to enhanced strategic ties between India and the United States. Trilateral relations are gradually moving into a "2+1 constellation", and China-Russia relations are stronger than anything India enjoys with either of the other two.
- The challenge for India is to find its own position between a growing China-Russia "authoritarian entente" and US attempts to create a broad Indo-Pacific coalition to counter China's growing power and influence. India will remain engaged with both China and Russia, not least economically with China, while at the same time developing political and security links with the USA. In the final analysis, India will keep all options open and try to extract the best possible outcome to further its prime strategic aims of modernising the economy and building up its national strength.
- Russia, India and China constitute the three most important "non-Western" powers and their impact on regional and global affairs is significant. Policymakers in Europe should therefore pay close attention to developments among Russia, India and China, and especially regarding bilateral developments between them, as these will have consequences for Europe's relations with all three states, separate but also collectively.



Geopolitical flux and Indian hedging

On the sidelines of the G20 meeting in Buenos Aires in December 2018, the President of Russia, Vladimir Putin, invited India's Prime Minister, Narendra Modi, and the President of China, Xi Jinping, for a formal sit-down meeting. The aim was to share views on current regional and global affairs, and to discuss the potential for wider cooperation. While encounters between the three world leaders have become a regular occurrence, for instance through the BRICS mechanism, the meeting was significant since it was the first trilateral summit in more than 12 years. According to the Russian Foreign Minister, Sergey Lavrov, it was decided that such summit meetings would be regularised, indicating a new level of cooperation between Russia, India and China.¹

The summit was grounded in growing concern over the current geopolitical flux in the world brought about by the unpredictable and inconsistent foreign policy behaviour of US President Donald J. Trump.² Particularly worrying at that moment was Trump's strong protectionist approach to international trade, which has led to an escalating trade war between China and the USA that is also affecting India and Russia. More generally, the summit discussed a long-standing shared aspiration of the three states to reform the post-1945 international order, which is perceived as reflecting the interests of the West, and especially the USA and Europe, over those in the "non-Western" world. By teaming up, Russia, India and China hope to

create a unified force that can shape the making of a "multipolar order" that better reflects their interests and positions.

Interestingly, India also held a formal leaders' summit with the USA and Japan, the first ever of its kind, at the same G20 meeting. Commenting on that meeting, Modi remarked, "Japan, America and India is JAI: In Hindi, 'JAI' means success".³ Moreover, just a few months before, India and the USA had held their much anticipated "2+2 meeting" between their foreign and defence ministers, which marked the highest ever level of institutionalised security engagement between them. The two countries also signed the landmark Communications Compatibility and Security Cooperation Agreement (COMCASA), which allows for sensitive communication and intelligence sharing between the two militaries. This is just two recent examples of the moves made by India and the USA for closer strategic cooperation, largely linked to shared concerns over China's growing power and influence in the Asia-Pacific region. India's growing ties with the USA therefore clearly cut through the apparent closeness between Russia, India and China.

These seemingly contradictory trends of closer Russia-India-China relations, on the one hand, and India's warming relations with the USA and other Asia-Pacific nations, on the other, therefore require closer scrutiny. The three Eurasian giants constitute the three most important "non-western" great powers. How they interact

¹ Ministry of Foreign Affairs of the Russian Federation, "Foreign Minister Sergey Lavrov's interview and answers to questions for the programme "Moscow: Kremlin: Putin" on the sidelines of the G20 summit in Buenos Aires, December 2, 2018, http://www.mid.ru/en/foreign_policy/news/-/asset_publisher/ckNonkJE02Bw/content/id/3425025

² TASS, "Putin suggests Chinese, Indian leaders should hold regular meetings in RIC format", December 1, 2018, <http://tass.com/politics/1033762>

³ NDTV India, "In First Japan-America-India Meet, PM Modi Calls Partnership 'JAI'", December 1, 2018, <https://www.ndtv.com/india-news/pm-modi-terms-japan-us-india-partnership-as-jai-says-it-means-success-1956147>



with each other and with the international community at large has a significant effect on regional and global affairs. What can we expect from Russia-India-China trilateral cooperation? Does India's apparent hedging behaviour cause problems for deepening ties between the three? To answer these questions, it is important to look at the historical development and dynamics of trilateral relations: the main drivers and characteristics, commonalities and fault lines; and, crucially, how bilateral relations among the three dyads are shaped and the role India plays for China and Russia. Finally, the interaction between Russia, India and China has interesting implications for Europe too.

Old and new triangles

In one sense, current Russia-India-China cooperation has its origins in the Cold War period, when balance of power and strategic considerations largely dictated developments. At that time, and especially throughout the 1950s, the three countries were joined by their common interest in countering Western hegemony and influence, although their motivations differed. For the Soviet Union, cooperation with China and India served Moscow's purpose in its global competition with the USA. For China, close alignment with the Soviet Union was motivated by shared communist ideology and the promise of economic and technical support to rebuild China, but also a desire to fend off the threat from the USA, made acute by the Korean War. India for its part aimed to remain neutral in the global geopolitical competition between the USA and the Soviet Union. New Delhi offered an alternative path to the Western and Communist blocs, one which brought together the newly established Asian and African post-colonial states.

However, these common interests never led to a formalised trilateral engagement but

instead became bilateral, most notably in the Sino-Soviet alliance of the 1950s, India's active efforts to promote a large role for China in the Bandung conference in 1955 or India's support for the Soviet Union despite its proclaimed neutrality. Crucially, even these bilateral attempts eventually broke down as the Cold War unfolded: first, with the emergence of the Sino-Soviet split at the end of the 1950s; and then following the China-India border war in 1962. One major consequence was that China established ties with the USA in order to fend off the Soviet Union, marked by the famous visit of US President Richard Nixon to China in 1972, while India and the Soviet Union increasingly identified a common purpose in counterbalancing China. With this, the notion of any truly meaningful trilateral cooperation all but vanished.

The idea of constructing trilateral cooperation was "revitalised" following the end of the Cold War. Efforts to institutionalise such cooperation began to take form in the mid-1990s, largely due to Russian efforts. In 1998, the then Russian Foreign Minister, Yevgeny Primakov, proposed during a trip to India that the three countries join together to establish a strategic triangle in order to counter-balance US hegemonic power and unilateral politics, not least in the military field. Russia and China had already formed a strategic partnership in 1996, but Primakov believed it important to include India, in part due to India's growing global importance but also because including India, as a democracy supportive of a rules-based liberal order, would increase the international legitimacy of the endeavour.

China and India, however, broadly rejected the idea of a formal cooperation mechanism. First, they worried that such a formation would send the wrong message to other states in the region, notably the USA. Both strongly valued their economic



and trade links with the West, so any perception of balancing efforts would have to be kept to a minimum. Second, while bilateral relations among the three countries had undoubtedly improved since the end of the Cold War, relations remained undeveloped and far from as strategic as Russian rhetoric suggested. For instance, China and India wrestled with several tricky bilateral issues, not least the border issue which kept relations strained. Third, both China and India doubted Russia's sincerity and saw Primakov's idea as driven more by Russia's own geopolitical game against the West than efforts to construct cooperation among them or to work for multipolarity and improved global governance.

Despite the lukewarm response from China and India, the idea of more institutionalised cooperation mechanisms lived on. The three countries began holding informal foreign ministers' meetings in 2001, and in 2006 these became an annual formal forum, the so called RIC Foreign Ministerial Meetings. The states began to release joint communiques, in which they offered their views on current affairs and proposals on how to expand trilateral cooperation. These foreign ministers' meetings have taken place regularly ever since and a 16th meeting took place in Wuzhen, China, in February 2019. Russia, India and China held their first leaders' meeting in St Petersburg in 2006.

The significance of the trilateral mechanism has been questioned. Critics often lament that meetings merely produce lofty declarations that lead to few concrete

outcomes. The trilateral format is far less institutionalised than the BRICS mechanism, which has seen more robust development. Moreover, meetings have been rescheduled more than once due to intra-triangular issues, mostly between China and India. In 2017, for instance, the meeting was postponed from April to December, probably due to China's displeasure at a visit by the Dalai Lama to Arunachal Pradesh, a region where China and India are embroiled in a territorial dispute. The more than two-month long border stand-off in 2017 between Chinese and Indian troops in Bhutan's Doklam region also badly affected relations.

That said, some steps have been made to achieve more tangible cooperation. For instance, the three countries now cooperate on disaster management and in a trilateral business forum, and have established a trilateral academic scholars' dialogue which makes policy recommendations.⁴ More importantly, however, the three countries have tried to step up efforts to improve policy consultation and coordination. The fight against terrorism and other non-traditional security challenges such as drugs and organised crime often tops the list of policy concerns. For instance, the 2017 joint communique issued by the 15th Foreign Ministers' Meeting in New Delhi put strong emphasis on combating terrorism, by intensifying cooperation on measures to combat terrorist propaganda, cutting off the sources of terrorist financing and disrupting recruitment flows, among other things.⁵ The trilateral meetings now also hold regular working group consultations on

⁴ See e.g. the "Summary Report" of the 15th Russia-India-China (RIC) Trilateral Academic Conference, 24–25 January 2017, <https://www.icsin.org/uploads/2017/03/09/e30b99b7af0612ad71fac0be8bedc18c.pdf>

⁵ Government of India, Ministry of External Affairs, "Joint Communiqué of the 15th Meeting of the Foreign Ministers of the Russian

Federation, the Republic of India and the People's Republic of China", December 11, 2017, <https://mea.gov.in/bilateral-documents.htm?dtl/29171/Joint+Communique+of+the+15th+Meeting+of+the+Foreign+Ministers+of+the+Russian+Federation+the+Republic+of+India+and+the+Peoples+Republic+of+China>



Asia-Pacific affairs and organise meetings for young diplomats.⁶

More broadly, the global financial crisis in 2008 had an important impact on incentives for closer cooperation. The crisis showed, at least in the eyes of the non-Western world, that the West was in relative decline. The US-led global liberal order was questioned and new modes of global governance sought, providing a greater say for non-Western countries. Especially India and China as the most promising emerging economic powers, naturally saw that the time for greater cooperation had arrived. It was no accident that the BRICS format was seen for the first time at a summit in the aftermath of the global financial crisis. Moreover, since the beginning of the 21st century, China and Russia have grown increasingly concerned about US policy, particularly as it pertains to them, and this has pushed the two states closer together. India, while not the target of similar US pressure, nonetheless remains committed to upholding its policy of strategic autonomy while also finding its own way to great power status. Under Modi, who has been India's Prime Minister since 2014, the country is now seeking a more active foreign policy role. The government talks about India moving from being a mere balancer to becoming a "leading power" in world affairs. This means that India now has an aspiration not just to be reactive or to respond to events, but to shape or even drive them.⁷ The result has been energetic diplomatic engagement in the Asia region and beyond, perhaps most clearly through Modi's "Act East Policy", aimed at

improving relations with the Association of Southeast Asian Nations (ASEAN) and other East Asian states. Modi has also developed a policy orientation, "Neighbourhood First", which puts a premium on building close relations with states in India's immediate vicinity in South Asia. In addition, it is clear that great power diplomacy has assumed an important role in Modi's activism, by building closer strategic ties with the USA, reinvigorating relations with Russia and most importantly managing the increasingly complex relationship with China.

Engagement in multilateral forums

Trilateral cooperation must be considered in a broader context and not confined to a strictly formalised "trio mechanism". The three states interact and cooperate in a variety of regional and global multilateral institutions. The most important of these are arguably the BRICS format and the Shanghai Cooperation Organisation (SCO), two clear illustrations of a common aspiration to create an alternative to Western dominance of regional and global institutions.

The BRICS grouping, which comprises Brazil, Russia, India, China and South Africa, was launched as a full-scale diplomatic entity in 2009. It has since developed into one of the most important non-Western international institutions. Cooperation is made more complicated by the different political, economic and cultural conditions that exist in each of the countries. China, for instance, is the world's second largest economy and most populous country while

⁶ Ivan Tselichtchev, "China and India to Iran and Korea: Why Russia is the Asian player to watch", *South China Morning Post*, September 22, 2018, <https://www.scmp.com/week-asia/long-reads/article/2164723/china-and-india-iran-and-korea-why-russia-asian-player-watch>

⁷ Government of India, Ministry of External Affairs, "Remarks by Foreign Secretary at the

release of Dr C. Raja Mohan's book 'Modi's World-Expanding India's Sphere of Influence', July 18, 2015, https://mea.gov.in/Speeches-Statements.htm?dtl/25491/Remarks_by_Foreign_Secretary_at_the_release_of_DrC_Raja_Mohan_s_book_Modis_WorldExpanding_Indias_Sphere_of_InfluencequotJuly_17_2015



South Africa ranks far behind. There are also very different policy preferences. Russia views the BRICS as a geopolitical tool against the USA, while China and India see economic cooperation as the prime motive. Finally, while economic links are arguably the strongest tie between the BRICS, economic relations are far stronger between BRICS and non-BRICS, mostly with Western states.

Nonetheless, the BRICS should not be dismissed too easily. Cooperation is more than just annual summitry. A growing number of intra-BRICS meetings and working group consultations are also taking place. While concrete results from many of these meetings are yet to materialise, the mere fact that the BRICS countries are continuing to expand and deepen their exchange at a minimum shows that member states wish to use the platform to achieve real objectives. The BRICS now run the New Development Bank (NDB) and the Contingency Reserve Arrangement, which funds various infrastructure and development projects. The NDB is arguably the BRICS' most concrete achievement yet, although it has smaller stock capital than the Asia Infrastructure Investment Bank (AIIB) and far fewer members.

At the 2018 BRICS summit in Johannesburg, South Africa, leaders vowed to continue working for closer intra-BRICS cooperation while also standing up for multilateralism and against protectionism, as a direct response to the trade and tariff policies of US President Donald J. Trump. The BRICS also expressed support for the Joint Comprehensive Plan of Action (JCPOA) on Iran's nuclear issues, effectively backing Iran against the USA. Finally, and perhaps most importantly, the BRICS format allows Russia, India and China to manage and mitigate differences and even conflicting

positions. For instance, before the BRICS summit in Qingdao in 2017, China and India decided to pull back their troops from the Doklam stand-off, probably in an attempt to avoid bringing tensions to the BRICS summit. During the meeting, Xi and Modi met on the sidelines to hold bilateral talks to further defuse tensions and put bilateral relations back on track.⁸

The other main body for cooperation is the SCO. Since India and Pakistan became full members in 2017, there has been potential for increased multilateral cooperation between Russia, India and China, especially on Eurasian affairs. The SCO can trace its origins to the 1990s, when China and the newly established Central Asian states tried to settle their new borders, and Russia also participated in the border talks. The SCO was formally founded in 2001 and has since developed into one of the most influential regional institutions in Central Asia. The SCO aims to enhance political trust among its members and promote regional stability and peace, mostly through cooperation on combating terrorism and extremism. This has resulted in growing security cooperation among the SCO states, most notably in regular joint military exercises referred to as SCO "peace missions".

China has developed closer economic cooperation with the Central Asian states and has become their biggest trading partner, which threatens to marginalise Russia's traditional position in the region. However, Russia retains a dominant military position through the Collective Security Treaty Organisation (CSTO), of which Kazakhstan, Tajikistan and Kirgizstan are members. India, which is also wary of China's growing economic presence in Eurasia, most notably through its Belt and Road Initiative (BRI), might look to Russia to counter Chinese initiatives. Nonetheless,

⁸ BBC, "Xi and Modi mend ties after border standoff", September 5, 2017,

<https://www.bbc.com/news/world-asia-india-41158603>



China and Russia have managed their competing agendas in Central Asia over the years. Talk of a clash of interests in the region seems overblown and a Russian-Indian coordination against China in the SCO appears unlikely.

The inclusion of India and Pakistan will change the dynamics of the SCO, and perhaps make it more difficult to manage, in particular on issues of regional security and terrorism where India and Pakistan have strong disputes in the region. India's membership was long backed by Russia as a counterweight to China's growing power. Pakistan's membership was seen as a compromise with China, which has supported Pakistan in its conflict with India. Officially at least, China and Russia appear optimistic that with India and Pakistan as full members, the bilateral conflict between the two can be mitigated. The terrorist attack in Indian Kashmir in February 2019 might provide a test case.

However, it is still too early to say how Russian-India-Chinese cooperation will develop within the SCO. India is trying to reap economic and political benefits from closer engagement with Central Asia, which is still underdeveloped. At the same time, however, India is the only SCO country not to have officially endorsed China's BRI. Beyond such cooperation in the BRICS and the SCO, there is a wider web of global institutions such as the G20, the UN and the International Monetary Fund (IMF), in which the three meet and interact, often brought together by an ambition to reform these institutions. For instance, the three states have worked in tandem, often through the BRICS, to increase voting shares in the IMF as their combined voice has given the

countries greater weight in negotiations. Since the last voting share reform in 2016, China is now the third biggest shareholder after the USA and Japan, while India and Russia are among the top ten. Following the Trump administration's imposition of taxes and tariffs on steel and aluminium, mainly targeting China but also affecting Russia and India, the three countries now also find themselves on the same side on upholding the openness and inclusiveness of the global trading system as embodied in the World Trade Organisation (WTO).

Moreover, all three countries officially view the UN as the core international body for global governance and the key multilateral platform for guaranteeing international peace and security. They often make joint calls for reform of the UN system, including Security Council reform, and support India playing a larger role.⁹ In reality, however, Russia and especially China are resistant of any Security Council reform that would allow for an expanded Security Council although Russia officially supports India. Finally, there might be potential to find common ground on the evolution of Asian regional and multilateral initiatives underpinned by ambitions to construct alternative governance structures to the current liberal world order. Notable examples are China's BRI and the China-led AIIB, Russia's Eurasian Greater Partnership or stepped-up efforts by India to provide regional leadership in South Asia. However, even if there is a common aspiration among the three for coordination and cooperation, these projects are also manifestations of the three countries' own efforts to gain influence in Eurasia and strategic competition among the three remains. Russia has increasingly come to accept

⁹ Government of India, Ministry of Foreign Affairs, "Joint Communiqué of the 14th Meeting of the Foreign Ministers of the Russian Federation, the Republic of India and the People's Republic of China", April 18, 2016,

https://mea.gov.in/bilateral-documents.htm?dtl/26628/Joint_Communicu_o_f_the_14th_Meeting_of_the_Foreign_Ministers_of_the_Russian_Federation_the_Republic_of_India_and_the_Peoples_Republic_of_China



China's leading role in Eurasia but is nonetheless still wary. India is more openly concerned, as evidenced by its reluctance to formally endorse China's BRI. For instance, India, together with Russia and Iran have initiated a joint project, the so-called International North-South Transport Corridor (or INSTC), which aims to connect Russia and Northern Europe to India and Southeast Asia in what has been touted as a response to China's BRI (even though the INSTC predates BRI).

Uneven bilateral relations among the three: towards a 2+1 constellation?

While trilateral cooperation has witnessed gradual expansion in recent years, bilateral relations among the three have become increasingly uneven. This poses a serious challenge to future developments. In essence, closer Sino-Russian cooperation contrasts with India's stagnating relationship with Russia. Importantly, India-China relations have also witnessed growing strategic competition. What had previously been a comparatively equal trilateral relationship has slowly developed into a situation in which China and Russia are much closer than India is with either of the two, thereby rendering the trilateral mechanism more of a "2+1 constellation". This becomes more obvious when the three separate bilateral relationships are examined.

China-Russia: growing strategic closeness

The Sino-Russian relationship has gradually improved since the end of the Cold War but particularly following the crisis in Ukraine in

2014, as Russia turned to China to ease pressure from the West. Improved ties between China and Russia are one of the biggest foreign policy achievements of both countries, not least given the historical animosity, and the ideological competition and strategic mistrust that had long characterised bilateral relations. The Sino-Russian relationship is officially described as a "comprehensive strategic partnership of coordination". According to China's ambassador to Russia, Li Hui, it constitutes the most comprehensive and far-reaching of all of China's more than 100 different partnerships with various countries and organisations.¹⁰ Bilateral trade in 2018 exceeded USD 100 billion. China is Russia's biggest trading partner and energy cooperation is still developing. Construction of the "Power of Siberia" natural gas pipeline, which began in 2014, at an estimated cost of USD 400 billion, is set to become operational in 2019. Russia was China's largest provider of crude oil for the third year running in 2018. China and Russia also cooperate in the Arctic on energy and shipping.¹¹

Significantly, China and Russia have stepped up regional and global security coordination, and bilateral military cooperation, including new advanced arms deals and military joint exercises. The noted Russian military analyst, Vasily Kashin, has claimed that the 2018 Vostok-18 drill, a Russian military exercise in which China participated for the first time, is a sign that a formal military alliance between China and Russia is more realistic today than ever.¹²

¹⁰ Li Hui, Keynote Speech at Russian International Affairs Council (RIAC) Club Meeting, "Russia-China Relations in the Context of the Results of the 19th National Congress of the Communist Party of China", November 16, 2017, <http://russiancouncil.ru/en/analytcs-and-comments/analytcs/new-era-of-china-s-development-and-prospects-for-china-russia-relations/>

¹¹ Christopher Weidacher Hsiung and Tom Røseth, "The Arctic Dimension in Sino-Russian relations", in Jo Inge Bekkevold and Bobo Lo (eds), *Sino-Russian Relations in the 21st century* (London: Palgrave MacMillan, 2019).

¹² Vasily Kashin, "Vostok 2018: a new phase of cooperation", *Moscow Defense Brief*, vol. 67, no. 5 (2018), <http://www.mdb.cast.ru/mdb/5-2018/item4/article1/>



There are of course lingering problems in the Sino-Russian relationship, in particular China's growing footprint in Central Asia which challenges Russia's traditional position in the region, but overall relations exhibit remarkably positive development and progress.

India-Russia: stable but stagnating

India-Russia relations are marked by a high degree of political trust and enduring stability. They were particularly strong in the 1960s and 1970s. For much of the post-Cold War period, however, relations have stagnated, even though both sides recognise the need to revitalise and broaden them.¹³ Bilateral cooperation is by and large built on cooperation in the military-technological area, and to a certain extent in energy, including civilian nuclear power. Space exploration is also an area of cooperation.

India's arms trade relationship with Russia had long been better developed than the China-Russia arms trade relationship. Russia has been India's main supplier of arms and Russia provided India with more advanced weaponry than it provided China. This has changed in recent years, however, as evidenced by the simultaneous export of the S-400 missile defence system to China and India. Russia-India defence collaboration also contains a higher level of sophistication in terms of joint design and production projects, such as plans to develop a fifth generation of stealth fighters. India and Russia have also held annual joint military exercises, the so-called Indra drills, since 2003. In 2017, the two sides held their first exercise involving all three military branches: air, land and sea. In the area of energy cooperation, Russia has allowed Indian investment in upstream projects, such as the purchase of a 49.9 per

cent stake in the Russian Vankorneft oilfield by a consortium of state-owned Indian oil companies in 2015. This is something that Russia remains reluctant to allow China to do, despite the more developed state of Sino-Russian energy links. Nonetheless, the overall level of economic cooperation is limited and bilateral trade modest, at less than USD 10 billion annually in recent years, despite repeated pledges on boosting bilateral trade. The main challenge for the two states is to move beyond their heavy reliance on the military-technological domain as the basis for economic cooperation.

Neither Moscow nor New Delhi view the other side as top of their foreign policy priorities. While Russia's "turn to the East" has put a new premium on engagement with Asia as a whole, China is the main focus of these attempts. This has also made India increasingly wary of the Sino-Russian relationship, especially as it assumes a much stronger anti-Western stance. Given that India is deeply concerned about China's growing influence in South Asia, a China-dominated Asia with Russia as its main supporter does not bode well for India's own strategic interests, or for the India-Russia relationship more generally. Moreover, there are signs that Russia is also changing its policy on Pakistan, for instance by offering new weapon sales, through the first Russia-Pakistan military exercise in 2016 and its contacts with the Taliban in Afghanistan. These overtures could present new challenges for Russia's relationship with India.

China-India: growing strategic rivalry

China-India relations are by far the most complicated of the three bilateral relationships. On the one hand, bilateral relations have made some progress, as

¹³ A.V. Kortunov et al., *70th Anniversary of Russia-India Relations: New Horizons of Privileged Partnership*, Report no. 34/2017

(Moscow: Russian International Affairs Council, 2017)



exemplified by growing bilateral trade, which in 2017 hit a record high of close to USD 85 billion. Chinese foreign direct investment in India, for instance, in start-ups among other things, has grown rapidly in recent years, albeit from a very low base. India is also a founding signatory to the AIIB and has emerged as the largest beneficial member. As of early 2018 it had received a quarter of the bank's total loans.¹⁴ Moreover, China and India have many similar concerns regarding global issues such as trade and climate change. For instance, with regard to climate change, China and India signed a Memorandum of Agreement on Cooperation on Addressing Climate Change in 2009, which included setting up an intergovernmental working group to exchange views and establish official cooperation in this area. Both China and India see the United Nations Framework Convention on Climate Change (UNFCCC) as the most appropriate framework for dealing with global climate change.¹⁵ This means that China and India have increasingly coordinated their positions in the UN in various ways, such as through the G77/China group, the BASIC group or the Like-Minded Developing Countries (LMDC) informal grouping. The informal Wuhan summit in May 2018 between Modi and Xi Jinping also seemed to have done much to reset the tense relations following the Doklam stand-off in 2017. In fact, Modi and Xi Jinping met bilaterally on four separate occasions in 2018, signalling how far the two powers prioritise stable relations.

Nonetheless, deep-rooted mistrust, a hard-to-resolve border conflict, China's "all-weather-relationship" with Pakistan and

India's concerns over China's growing naval presence in the Indian Ocean hamper steps towards deeper cooperation. India is also deeply concerned about the trade imbalance: its trade deficit with China was approximately USD 51 billion in 2017. Finally, China's BRI also challenges India's wider regional role in South Asia where China is investing in a number of ports in countries close to India, such as Gwadar in Pakistan, Chittagong in Bangladesh, Kyaukpyu in Myanmar and the port of Hambantotari in Sri Lanka. Of particular concern is China's heavy support of the China-Pakistan Economic Corridor (CPEC), which runs through Pakistan-controlled occupied Kashmir, which is claimed by India.

Crucially, the many challenges in the Sino-Indian relationship, which have only been exacerbated by China's rise and its growing foreign policy assertiveness, have led to a visible willingness in New Delhi to developing stronger security links with the USA and US allies in the region, such as Japan and Australia. This in part can also be explained by more active US efforts to draw India closer. For instance, the Trump administration now uses the term Indo-Pacific instead of Asia-Pacific and has called for a "free and open Indo-Pacific" (FOIP), a broad vision that brings together like-minded democracies in the region to defend and uphold the international rules-based order, universal liberal norms and access to maritime global commons. While it has not been stated officially, this is clearly a response to what the USA sees as a China that is hostile to US interests in the region. Moreover, it is clear that the USA intends to

¹⁴ Kiran Stacey and Simon Mundy in Mumbai, and Emily Feng, "India benefits from AIIB loans despite China tensions", *Financial Times*, March 18, 2018, <https://www.ft.com/content/da2258f6-2752-11e8-b27e-cc62a39d57a0>

¹⁵ Government of India, Ministry of External Affairs, "Joint Statement on Climate Change between India and China during Prime Minister's visit to China", May, 15, 2015, <https://mea.gov.in/bilateral-documents.htm?dtl/25238/>



make India a major partner in this broader Asia policy.

As a further illustration, the USA, Japan and Australia are trying to draw India into a wider coalition to contain China through a relaunch of the Quadrilateral Security Dialogue, or Quad, which began on the side-lines of the ASEAN summit in 2017. The Quad is an effort to coordinate military exchange, and share intelligence, training and mutual understanding. The parties involved – with India on the relative outskirts – already enjoy considerable bilateral or trilateral cooperation. The USA, India and Japan also hold a regular military exercise, the Malabar Exercise, and Australia is seeking to participate. The Quad was first proposed by the Prime Minister of Japan, Shinzo Abe, in 2007 but failed largely due to the reluctance of Australia's then Prime Minister, Kevin Rudd, to formally endorse the idea, which he feared would alienate China and heighten tensions in the region.

India is still reluctant to fully embrace any overly strong engagement with the USA that could be interpreted in Beijing as US containment efforts. For instance, at the Shangri-La Dialogue in June 2018, Modi refrained from criticising China's foreign policy and instead highlighted the importance of Sino-Indian trust and cooperation. Modi also remarked that the Indo-Pacific must be "free, open and inclusive".¹⁶ The addition of inclusive is clearly aimed at not antagonising Beijing and signalling a wariness of the more "China-hostile" free and open Indo-Pacific and Quad strategies. Moreover, India has also rejected Australia's bid to participate in the Malabar Exercise.

¹⁶ Narendra Modi, "Prime Minister's Keynote Address at Shangri La Dialogue", June 1, 2018, [https://www.mea.gov.in/Speeches-](https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018)

Nonetheless, India is gradually strengthening its ties with the USA, most notably its security and defence links. This upward trend began with the landmark 2005 US-India Civil Nuclear Agreement. Another important agreement is the Logistics Exchange Memorandum of Agreement (LEMOA) signed in 2016, which facilitates port calls, joint military exercises, training, disaster relief operations and bilateral access to logistical facilities. As noted above, India and the USA also signed the COMCASA agreement at the 2+2 meeting in 2018. Beyond this, the USA has promoted arms sales to India, for instance, by elevating India's defence trade status to Strategic Trade Authorization-1 (STA-1). This in effect puts India on the same level as NATO member states and gives India access to the most advanced and sophisticated US arms. India also received a sanctions waiver which spared it from punitive action following its purchase of Russia's S-400 missile defence system. No such sanction waiver was granted to China, for instance, when it purchased the exact same weapon system, although the Indian procurement did strain US-Indian ties as New Delhi resisted bowing to US demands. The different US policy towards China clearly shows the nature of its security concerns, and the role that India is expected to play.

India's policy challenge and the future of trilateral relations

While India remains wary of China's rise, Russia seems to have accepted that China is now the stronger power in its bilateral relationship – but more importantly that Moscow has nothing, at least in the short term, to fear from China. Many of the concerns that Russia had in relation to China – such as Chinese immigration to the Russian Far East, China's growing military

[Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018](https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018)



strength, China's growing presence in Central Asia or the unbalanced trade structure akin to being just a raw material provider, where Russia only exports oil and natural gas to China – have been shown to be overblown or at least manageable. The result is that Russia is now more comfortable accepting China's power. Crucially, China and Russia see eye to eye on the role that the USA is playing in containing China's global rise and the resurgence of Russia as a great power. While India and Russia remain stable partners, their views of and approaches to China differ, which also affects the future prospects for trilateral cooperation.

The underlying logic of the Russia-India-China trilateral cooperation is therefore changing. When the trilateral mechanism took shape at the end of the 1990s and was developing in 2000s, the underlying logic was a relatively "equal" construct of balancing acts, first and foremost against the USA, albeit mostly rhetorically, but also among the three powers themselves. India hoped that together with Russia it could balance the growing power of China. Russia expressed similar hopes, as evidenced by its long support for India's inclusion in the SCO and for India's full membership of the Nuclear Suppliers Group.

The question for India is therefore where to situate itself in the new context. While it seems probable that India will remain engaged with China and Russia on issues of common interest, India will at the same time forge closer political and security links with the USA. India will not tie itself too closely to either party, however, but instead abide by its policy of strategic autonomy. The USA is likely to push for closer strategic ties, but India will carefully calculate the cost and benefits of this US outreach, not least with regard to how it might be perceived in Beijing and Moscow. Furthermore, while India has grievances

about China's rise, this does not automatically translate into being a natural partner of the USA. The fact that India went ahead with the purchase of the S-400 system despite US threats of sanctions demonstrates that India will not accept diktats from Washington. Furthermore, while Beijing remains a prominent challenger to India, the costs of taking too confrontational a stand are high. The potential for growing trade relations is seen as promising and India does not want to risk these. In fact, China is already India's largest trading partner. The fact that India rejected the participation of Australia in the Malabar Exercise shows that India is not prepared to fully embrace the notion of the Quad at the risk of antagonising China.

Finally, India's overarching policy goal is to modernise and build its own national strength. Despite the growing power of India, there are a number of domestic constraints that prevent a more activist foreign policy, in particular one which entails becoming entangled in great power politics. Despite the grandiose foreign policy ambitions of Prime Minister Modi, the reality is that India's political system is burdened by corruption and inefficient bureaucracy. In addition, India still struggles with regional and ethnic cleavages. Environmental issues such as pollution and water shortages are important long-term problems for any future Indian government. The Modi government, which often has lofty global ambitions for India, is keenly aware of all this.

Relevance for Europe

While Europe is mainly preoccupied with its immediate neighbourhood, relations between Russia, India and China still have implications for European policymakers. Most broadly, their cooperation on global governance affects Europe. In the realm of international trade and economics, interactions in "Western" institutions such



as the WTO and the IMF and non-western institutions such as BRICS could threaten Europe's privileged position. While comprehensive trilateral cooperation is yet to materialise, the potential for greater cooperation remains and therefore requires careful monitoring in Europe. India's full SCO membership provides an institutional platform for increased interaction among the three powers. Cooperation on fighting terrorism, potentially even more so within the framework of the SCO, has implications for Europe. The issue of stabilising Afghanistan is falling increasingly on regional powers, as NATO continues to scale down its military engagement there. Arctic issues are also an area to follow. China and India now both have permanent observer status on the Arctic Council. They are interested in Arctic natural resources and both are trying to develop cooperation with Russia in this area.

However, as highlighted above, trilateral relations have developed unevenly and the role and importance of India in particular is being tested. The trilateral relationship is evolving into a 2+1 constellation, with stronger ties between China and Russia than India enjoys with either. It is important to understand the bilateral pairing of the three powers. In particular, Europe should note the fact that Sino-Russian relations will continue to grow stronger, spurred on by continuing tensions in US-Chinese and US-Russian relations. China and Russia will not form a formal alliance, but the conditions are developing for a much closer strategic alignment than Western observers tend to assume. In Europe this means keeping a close eye on developments in Sino-Russian relations and a clear realisation that strong ties between Beijing and Moscow have become a permanent feature of global politics.

India, on the other hand, is the weakest link in the relationship, mostly due to the nature

and future trajectory of its bilateral relationship with China and Russia. Despite the more public animosity towards Pakistan, India sees China as its most challenging long-term security threat. India's relationship with Russia, while robust and friendly, has stagnated. Russia's growing ties with Pakistan are also of concern to India. As noted above, this has meant that India is increasingly moving in the direction of forging closer strategic ties with the USA and several US allies in the Asia-Pacific. This is of concern to both China and Russia.

Europe should therefore recognise the geopolitical change that is under way in Asia. The question arises whether Europe could or should assume a role there. Europe and India do seem to have found new common interests and concerns amid the current geopolitical uncertainties. Europe-Russia relations remain highly strained due to events in Crimea and Ukraine in 2014 and there is growing concern in Europe about China's global power, and Chinese investments in strategic sectors in particular. Europe seems to have taken a growing interest in supporting India's emergence as a great power, made easier under the umbrella of cooperation between democracies. This could allow New Delhi more leverage vis-à-vis China and Russia, something that could also benefit European interests.

In particular, China's BRI seems to have brought the EU and India closer together. Modi's trip to Europe in April 2018 saw new efforts to deepen the strategic partnership formed in 2005. This had lost momentum soon afterwards and been confined mostly to trade and cultural exchanges. Today, however, broader strategic and geopolitical worries are beginning to make an impact on the relationship. The EU launched a new India strategy document in 2018, which



identified India as an important partner.¹⁷ The EU has also launched its own strategy on connectivity between Europe and Asia, in response to China's BRI. Reading this strategy document, it is clear that India and Europe share similar concerns.¹⁸ India is also the largest democracy in the world and shares similar values with Europe. Both seek to promote global agendas on democracy and human rights. That said, Europe should have a realistic view of its role in Asia, and of its security role in particular, which remains limited. India's greater role in Asia and the world will ultimately depend on its strength at home, and how New Delhi chooses to interact with China, Russia and the USA.

¹⁷ European Commission, "Elements for an EU strategy on India", November 20, 2018, https://cdn5-eeas.fpfis.tech.ec.europa.eu/cdn/farfuture/MJxuGXlElnF8rvfq4cRLxzC1mUacEWgvfout13dMi4o/mtime:1542708985/sites/eeas/files/jc_elements_for_an_eu_strategy_on_india_-_final_adopted.pdf

¹⁸ European Commission, "Connecting Europe and Asia: Building blocks for an EU Strategy", September 19, 2018, https://eeas.europa.eu/sites/eeas/files/joint_communication_-_connecting_europe_and_asia_-_building_blocks_for_an_eu_strategy_2018-09-19.pdf





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