

Regional Dynamics and Strategic Concerns in South Asia

Russia's Role

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Regional Dynamics and Strategic Concerns in South Asia: Russia's Role

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This background paper was prepared as part of a study of U.S. strategic concerns in South Asia and the regional dynamics and priorities that are likely to influence U.S. policy there between 2014 and 2026. It is one of 10 such papers covering the relevant internal dynamics, trends, relationships, and scenarios in China, Iran, the Gulf States, Central Asia, Russia, Turkey, Europe, India, Pakistan, and Afghanistan. The final report, South Asia Regional Dynamics and Strategic Concerns: A Framework for U.S. Policy and Strategy in South Asia, 2014–2026, by Robert D. Lamb, Sadika Hameed, and Kathryn Mixon, is available at <http://c3.csis.org> and includes a framework on which the United States may base the development of policies and strategy in South Asia over the next 12 years.

Russia's Relations with the United States

U.S.-Russia relations are currently worse than at any time in the post-Cold War period with the exception of the aftermath of the 2008 Georgia-Russia War. In 2009–2010, the Obama administration was successful in improving ties with Russia in a policy named the “Reset,” but in the last two-plus years the relationship has steadily declined over issues including missile defense, Syria, human rights, and repression of domestic opposition figures in Russia. The decline in the bilateral relationship sharply accelerated in the fall of 2011 after the announcement of the return of Vladimir Putin to the Presidency.

Afghanistan, and more broadly stability in South Asia, has been an area of considerable common interest between Russia and the United States since 9/11, and since 2009 Russia has played an important role in the NDN to help supply our troops in Afghanistan. Russia has serious concerns about potential instability in Afghanistan when U.S. troops withdraw. There remain possibilities for further cooperation between Russia and the United States in counter-terrorism, counter-narcotics, and possibly regional economic development, but historically Russia's inclination toward regional cooperation with the United States conflicts with its desire to maintain hegemony in Central Asia.

Historically, Russia and the Soviet Union have maintained strongest ties with India and have often found themselves directly opposed to Pakistani policies in the region. In the past two years, Russia has sought to improve ties with Pakistan. Meanwhile, Russia has developed its relationship with India to increase its leverage in the region and in Afghanistan in particular. Looking out to 2026, the two factors that could most alter Russian regional interests vis-à-vis Washington are, first, the perception of Wahhabi-Salafi-inspired terrorist threats finding safe haven in Afghanistan and Pakistan and crossing borders to Central Asia and the North Caucasus, and second, the state of relations with China.

Internal Trends and Dynamics

For the past 20 years, Russia's greatest concern in the region has been Islamic terrorist groups in Afghanistan and Pakistan crossing borders to destabilize Central Asian States and even more so, opposition fighters and terrorist groups in the Northern Caucasus. The

Russian government has fought two wars in Chechnya and faces a growing, loosely organized insurgency more widely in the Northern Caucasus today. This explains much of its policy from the Middle East to South Asia, or more specifically today in Syria, Iran, and Afghanistan. Moscow makes a direct connection between Salafi fighters in Syria, the North Caucasus, and Af-Pak, and in many cases can identify the same groups and individuals in all three places at different periods of time. Greater instability emanating from Af-Pak will likely result in a stronger Russian military and security role in Central Asia to decrease chances of infiltration and destabilization in Russia itself; depending, of course, on Russia's capacity to provide security forces and support. The reaction of Central Asian states to increased Russian presence at times has been mixed.

Increasingly Russia is making efforts to strengthen its economic ties with the region after years of neglect. This is most notable in Afghanistan and Pakistan in the past three years. These moves are probably explained as part of its efforts increase regional influence and leverage as the United States prepares to lighten its footprint and possibly as a response to growing concern about China's rapidly growing economic influence in Central Asia, the Greater Middle East, and South Asia. Particularly if the possibility of a North-South economic corridor is enhanced by greater regional stability, Russia will definitely want to be the Northern partner of choice for Central Asian states.

Key Influencers

Since Russia's first concern about South Asia is security, the so-called *Siloviki* (Force Structures), or principally the military, intelligence agencies, and military-industrial complex, are the most powerful domestic influencers and implementers of Russian policy in the region. Arms sales to India have long been the backbone of the bilateral Russian-Indian economic relationship. In principle, there is a good deal of counter-terrorism cooperation between India and Russia. However, the nature of this cooperation is unclear. Often the much-touted Russia-India "Strategic Partnership" appears longer on rhetoric than reality, and Moscow's firm foothold in the Indian arms market is threatened by growing U.S.-Indian ties.

Newly emerging ties with Pakistan are principally driven by the strategic imperative to manage Afghanistan in after the 2014 U.S. withdrawal. From the Russian perspective, the two most important avenues for this cooperation are counterterrorism and antinarcotics/smuggling efforts. There is little public information on these efforts beyond routine attestations by Russian and Pakistani diplomats of their "deep collaboration" in these areas. There have been nonspecific reports of intelligence sharing, training and capacity building, and even joint operations against poppy crops and drug-processing labs.

The principal beneficiaries of Russian engagement with Afghanistan have been Russian Railroads and heavy-lift air carriers like Volga-Dnieper that have played crucial roles in NATO/ISAF capacity to support their forces in theater. With the reality of this business virtually drying up in two years, Russian officials increasingly evince interest in working to rebuild Afghanistan's economic infrastructure, especially those "150 major projects" built by the Soviets during the Cold War. Although Afghan-Russian trade has grown dramatically in the last few years to nearly \$1 billion annually, with Russia enjoying a large surplus, Russian statements about their economic engagement with Afghanistan are typically couched in the post-2014 environment: read when the United States withdraws. Russia has been engaged in training of Afghan security forces (on Russian territory) and has expressed considerable interest in supplying the Afghan

forces with military equipment—as long as they get paid. Despite rhetorical proclamations to the contrary, since 2001 Russia has provided almost no economic assistance to Afghanistan; not only in comparison with the United States and Europe, but also in comparison with other regional powers such as Iran and India.

Gazprom's interest in South Asia is principally framed by its desire to ensure that Turkmen and potentially Iranian natural gas are not exported to their traditionally most important market, Europe. Hence you will see some interest expressed on the part of Moscow for the TAPI pipeline to South Asia as well as the proposed pipeline from Iran to Pakistan and then India.

Regional Relations

Russian Relations with Afghanistan

Russia's growing ties with Afghanistan in the past two to three years are driven principally by their concerns about the country's destabilization in the wake of the U.S. withdrawal in 2014. Russian intelligence sharing with the United States combined with logistical support to the Northern Alliance, was key in the U.S. defeat of Taliban forces in the fall of 2001. After the rapid defeat of the Taliban, U.S.-Russian cooperation diminished partly because of the growing U.S. focus on attacking Iraq and possibly also because the broader U.S.-Russia relationship deteriorated significantly from 2003 on until the Obama Administration came to power. The Russian political elite remains badly scarred from their difficult war in Afghanistan in the 1990s and have repeated many times that Russian "boots on the ground" is not an option. Russian economic assistance for the Karzai government has been almost non-existent. Regarding the possibility of political reconciliation in Afghanistan, Russians have generally opposed efforts to engage the Taliban.

Although it was mainly Soviet engineers and geologists who conducted the preliminary explorations of Afghan mineral and hydrocarbon wealth beginning in the 1960s, Russian companies have not expressed great interest in the initial tenders to develop these resources as the Chinese have with the Aynak copper reserves and the Indians with the Hajikak iron ore wealth; nor have Russian energy companies expressed much interest in Afghan hydrocarbon reserves. This disinterest is probably explained by Russian's deeper skepticism about the prospects for political stabilization of the country. Looking at multilateral institutions, Russia has been supportive of Afghanistan's integration into the Shanghai Cooperation Organization (SCO) but far less supportive of efforts by the OSCE to become more active and establish an office in Afghanistan.

For the foreseeable future, the Russian approach to Afghanistan will be cautious and dominated by efforts to inoculate Russian and Central Asian territories from cross-border pathologies, first and foremost radical Islamist groups and individuals, and secondly drug trafficking.

Russian Relations with Pakistan

Pakistan and Russia have both pushed for greater engagement between the two countries across the board in recent years. A common rhetorical refrain from both Pakistani and Russian diplomats is that the relationship has not yet lived up to its potential, possibly due to a troubled history of bilateral ties. Pakistan was staunchly positioned in the Western camp during the Cold War and was a major beneficiary of American military support (in terms of arms purchases) while the Soviet Union

supported India in a similar fashion (the Russian Federation continues this history of arms supply to India). Furthermore, as a member of CENTO and SEATO, Pakistan was focused in multilateral formats on curtailing Soviet influence. Moreover, following the Soviet invasion of Afghanistan, Pakistan proved instrumental in sponsoring and arming the Mujahideen, in part at the United States' behest.

Despite this tumultuous history, Russia has placed a new diplomatic and strategic focus on South Asia, and thus on Pakistan in recent years. It should be noted that Russia has similarly prioritized relations with India over this same period. In a recent research paper, two Pakistani scholars outlined the factors driving Russia's pursuit of better relations with Pakistan (they are condensed below):

- Russia is pursuing a multi-vectored policy in South Asia in response to shifting geopolitical realities, including the post-2014 security situation;
- Russia is seeking new markets for defense exports and Pakistan is a prospective buyer;
- Russia is seeking Pakistan's assistance in controlling domestic Muslim insurgents in Russia;
- Russia is asserting a leadership role in both its immediate sphere of influence and beyond, including in South Asia;
- Russia is seeking to check U.S. influence in that sphere of influence and beyond.¹

As the first factor indicates, an important aspect of Russia's push for improved relations with Islamabad is the drawdown of ISAF forces in Afghanistan. Additionally, Russia desires to both foster regional stability and inoculate its near abroad, most notably the Central Asian states, from potential instability after U.S. withdrawal. Pakistan's influence in and proximity to Afghanistan makes it a critical player in the post-2014 regional environment. Diplomatic summits between Russia and Pakistan often focus significant attention on Afghanistan and bilateral (or trilateral, involving Afghanistan) engagement on these issues, and they often attest to a convergence of views on Afghanistan, regional security, terrorism, and counter-narcotics. Tied to its interest in Pakistan's potential as a partner in regional security post-2014, Russia has consistently supported granting Pakistan permanent membership in the SCO.² Pakistan has evinced interest (as early as 2009) in membership in large part because of the SCO's regional security aspirations and focus on terrorism and other drivers of instability. Russia cites a similar rationale for favoring Pakistani membership: in May 2012, Sergei Lavrov stated, in reference to Pakistan (and India), "[w]e should take an active part in all international discussions on Afghanistan, coordinating our positions and stressing the SCO's readiness

¹ Muhammad Nawaz Khan and Beenish Altaf, "Pakistan-Russia Rapprochement and Current Geo-politics." *Islamabad Policy Research Institute Journal* 13, no. 1 (2013): 125-134, <http://www.ipripak.org/journal/winterpercent202013/std4.pdf>.

² Robert Bridge, "Russia calls to speed up India and Pakistan joining SCO," *RT*, May 12, 2012, <http://rt.com/politics/russia-sco-pakistan-india-lavrov-076/>.

to contribute to efforts by the international community aimed at the political and economic revival of Afghanistan.”³

Russian Relations with India

From December 2011 to June 2013, Russia has continued to expand ties with India as it has during President Putin’s four terms as president or prime minister. In April 2012, Russia and India celebrated 65 years of diplomatic relations, and August 2012 saw the 41st anniversary of the landmark Indo-Soviet Friendship Treaty. Notably, in January 2012, a study on India’s strategic partnerships by an Indian think tank ranked Russia as India’s top strategic partner, a distinction that falls well in line with Russian and Indian rhetoric surrounding the bilateral relationship. Russia appears to view India as a natural strategic partner with converging views on many of the most critical regional and global issues of the day and as a rising power that will be integral to the multipolar global order—and whose rise Russia should seek to support. The relationship has been described by both sides as something akin to “an anchor of peace and stability” during “a profound transformation and a shift in the global balance of power” (Indian Ambassador to Russia Ajai Malhotra) or as “an example of responsible leadership and collective actions in the international arena” with the common goal of “[making] the world we live in more just, democratic, and secure and to facilitate resolving global and regional problems” (President Vladimir Putin).⁴ Suffice to say that this kind of flowery rhetoric belies a relationship that is longer on rhetoric than reality.

India is Russia’s primary partner in military-technical cooperation and the number one importer of Russian arms and military equipment. According to the SIPRI Arms Transfer Database, Russian arms exports to India amounted to \$6.415 billion (in constant 1990 U.S. dollars) in 2011 and 2012 alone, constituting nearly 40 percent of Russia’s total arms exports for those two years. During the 2002–2012 period, Russian arms exports to India amounted to over \$21 billion (31 percent of total arms exports), closely followed by China with \$19.8 billion (though exports to India have risen just as exports to China have fallen precipitously).⁵ In either case, India ranked as the number one recipient of Russian arms, testifying to the centrality of defense to the Russia-India bilateral relationship.

From Russia’s perspective, the defense relationship with India stands as the cornerstone of a growing strategic partnership. Putin views India as a preeminent strategic partner, often referencing (if not overstating) the consensus views on world affairs shared by the two countries. According to some analysts, Russia views India as a critical piece of the multipolar geopolitical order and an important state of the growing global balance of power. Russia has backed India’s aspirations to a permanent seat on the UNSC and membership in organizations such as the SCO, although it is still in defense, rather than international diplomacy, that Russian support is most easily discernible.

³ Robert Bridge, “Russia calls to speed up India and Pakistan joining SCO,” *RT*, May 12, 2012, <http://rt.com/politics/russia-sco-pakistan-india-lavrov-076/>; “Russia wants India, Pakistan in SCO,” *The Nation*, May 12, 2012, <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/international/12-May-2012/russia-wants-india-pakistan-in-sco>.

⁴ ITAR-TASS, “Putin sets task to double trade with India by 2015,” *Russia & India Report*, December 24, 2012, http://indrus.in/articles/2012/12/24/putin_sets_task_to_double_trade_with_india_by_2015_21229.html.

⁵ Stockholm International Peace Research Institute (SIPRI), “Arm Transfers: TIV Data,” <http://portal.sipri.org/publications/pages/transfer/tiv-data>.

While the India-Russia relationship in defense can be said to be flourishing, there are some signs of discord on the horizon. For its part, India has become increasingly concerned about Russia's attempt to foster more amicable ties with Islamabad. It should be noted, however, that Russia has—in stark, black-and-white language—disavowed the prospects of arms sales to Pakistan, with Deputy Prime Minister Dmitry Rogozin stating, when questioned by local reporters, that, “[y]ou must understand that we do not deal with your enemies. We don't deliver any arms to them.... If you see otherwise, you may spit on my face.” While Mr. Rogozin's colorful statement is amusing, a more serious concern for Russia is that U.S. military companies will now be competing for this market. The Indians have long had concerns about both the quality of Russian arms as well as the capacity of the Russians to supply spare parts. The fire this month on a Russian-supplied Kilo-class submarine, the second fire on this sub in recent years, points directly at these long-standing Indian concerns.

Nuclear power has been an area of significant engagement for Russia and India. Russia has offered considerable assistance to India in furthering the development of its nuclear power industry and a roadmap for long-term cooperation in the nuclear field was signed in 2010. The flagship project for this partnership is the Kudankulam nuclear power plant (KNPP), the initial agreement for which was signed during the Soviet period. Russia has delivered the first 1000MW reactor for the KNPP, which was commissioned in mid-2012 following delays due to domestic safety concerns and disputes over liability, and is currently constructing the second. Current estimates for “commercial operation” slate the first unit to be operational by May 2013 and the second by March 2014. Russo-Indian nuclear cooperation on the project has expanded considerably over the past year with agreements on the third and fourth KNPP reactors (of the six reactors planned in the initial agreement). In July 2012, Russia and India reached agreement on the financing for these reactors, whereby Russia will furnish export loans of over \$4 billion to partially finance construction and the purchase of nuclear fuel. It should be noted, however, that negotiations over units 3 and 4 are by no means complete and some analysts believe that India could sour on cooperation with Russia. As with their position in the Indian arms market, the Russians are concerned about the United States and other competitors eroding their dominant market share of the Indian civilian nuclear power market.

Other Relationships

Russia-Iran

In the near term, it is possible that Iran could upset stability in Afghanistan if it felt the United States was putting too much pressure on it for its nuclear weapons program. But from the standpoint of Russia, Iran's interests in combatting the influence of radical Sunni Islamists, terrorists, and drug trafficking are fairly congruent, and together with India and the United States had been a supporter of the Northern Alliance pre- and post-9/11.

Russia-China

China is a state that Russia needs to consider in its calculations in the region; traditionally Russia has had a stronger relationship with India and China with Pakistan; but now China is India's largest trade partner and Russia has been cultivating improved ties with Pakistan as described above.

Russia–Saudi Arabia

Saudi Arabia's role in financing the Mujahideen against the Soviet Union in the 1980s and subsequently more radical Sunni Islamist groups in Pakistan has been a point of contention between Russia and Saudi Arabia for more than 30 years.

Conflict Scenarios

Scenario: Afghanistan Stability

In principle, Afghan stability is the optimal scenario for Russia since it probably decreases the danger of cross-border incursions into Central Asia. Whether this scenario decreases the threat of foreign Islamist fighters moving to the Northern Caucasus is probably not as clear-cut a question. The fighters that Moscow is most concerned will go wherever there is a fight to be had to advance their jihadist cause and ideology. Many have migrated now, for example, to Syria. Radical Islamic ideology and groups are increasing their influence both in the Northern Caucasus and throughout some regions and large cities of Russia. Foreign fighters, financing, and organization played a significant role in the second Chechen War, and if stability in the Northern Caucasus further deteriorates, we would likely see an influx of jihadis to this region.

More stability in Afghanistan, however, would probably decrease the demand for Russian security presence from Central Asia to protect from foreign jihadis. However, Central Asian radical Islamic groups that have found safe haven in Pakistan in recent years may increasingly look to return to their home countries, particularly if succession struggles there lead to greater instability and/or if ethnic conflict re-ignites in the Ferghana Valley. Some Central Asians, particularly Uzbeks, claim that Russia manipulates and even exacerbates regional instability to justify a more dominant role for Russian military and security forces.

Finally, a more stable Afghanistan will lead Russia to more aggressively push for the United States to further reduce its military presence in Central Asia. This scenario leaves a potentially larger role for Russian security forces to operate either bilaterally, or through the Collective Security Treaty Organization (CSTO).

Scenario: Afghanistan Instability

Greater instability in Afghanistan during or after U.S. withdrawal will lead to greater demand from the Central Asian states for Russia's increased security presence in the region, most notably Tajikistan. This scenario could also lead to greater direct cooperation between NATO and/or the United States and Russia to contain the overflow of violence and instability from Afghanistan into Central Asia. This outcome may be a more likely than increased military security cooperation between China and Russia and/or the SCO since the United States has far more proven capability and assets.

China has been reluctant to get more involved in Central Asia and Afghanistan with military and security means, but this posture could change if China perceived that political stability in Xinjiang Province was increasingly threatened by a collapse of security in Afghanistan and/or the Af-Pak border region. To the extent that stability is reduced in Afghanistan because of negative influences from Pakistan, we could imagine a coalition of forces including India, China, Russia, the United States, and possibly others like Iran working together to diminish the threat.

Scenario: India-Pakistan Instability

This is the granddaddy of all regional threat scenarios that should mobilize the highest level of regional great power cooperation between China, Russia, and the United States to contain regional instability. The possibility of a nuclear exchange between India and Pakistan could be destabilizing beyond anyone's capabilities to predict or anticipate. This potential development is the most dangerous of all reasonably plausible global military threat scenarios that could significantly damage the existing global order. The fact that it is reasonably imaginable should focus our minds on how we can collectively prevent this from ever happening through the year 2026 and beyond.

Conclusions

Looking out to the year 2026, perhaps the most significant variable for Russia in this exercise is not what happens outside its borders, but rather what happens within them. Russia's security contributions to South Asia will be most dependent upon the Russian economy's organization and performance. Currently a great deal depends on oil prices. A sustained drop in the price of oil below \$60 per barrel will have a profoundly debilitating impact on the Russian economy, drastically curtailing its aspirations of military modernization. It also would hinder efforts to subsidize security in Central Asia, including Russia's efforts to re-integrate the post-Soviet space through such institutions as the CSTO and the planned Eurasian Union. Even in the relatively high current oil price environment, the Russian economy is experiencing stagnant growth of less than 2 percent. A prolonged considerably lower oil price environment will threaten the foundation of the existing Russian political economy and state with potentially grave consequences for all.

About the Author

Andrew C. Kuchins is a senior fellow and director of the CSIS Russia and Eurasia Program. He is an internationally known expert on Russian foreign and domestic policies who publishes widely and is frequently called on by business, government, media, and academic leaders for comment and consulting on Russian and Eurasian affairs. His more recent scholarship has been devoted to issues including U.S.-Russia relations and the "reset," Russia's Asia strategy, and the role of energy in the Russian Far East. His recent publications include "Perspective: What's to Follow the Demise of the US-Russian 'Reset'" (Current History, October 2012); "The End of the 'Reset'" (Foreign Affairs, March 2012); "Russian Foreign Policy: Continuity in Change," coauthored with Igor Zevelev (Washington Quarterly, Winter 2012). From 2000 to 2006, Kuchins was a senior associate at the Carnegie Endowment for International Peace, where he previously served as director of its Russian and Eurasian Program in Washington, D.C., from 2000 to 2003 and again in 2006. He was director of the Carnegie Moscow Center in Russia from 2003 to 2005. He has also held senior management and research positions at the John D. and Catherine T. MacArthur Foundation, Stanford University, and the University of California at Berkeley. Kuchins currently teaches at Johns Hopkins School of Advanced International Studies (SAIS) and has also taught at Georgetown and Stanford Universities. He holds a B.A. from Amherst College and an M.A. and Ph.D. from Johns Hopkins SAIS.