

India and BRICS: An Analysis of Challenges Faced by India Amid Russia-Ukraine War

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Abstract: One of the founding members of BRICS, the acronym coined to denote Brazil, Russia, India, China and South Africa, India finds itself in a quandary of sorts not only because it also is a member of QUAD (Quadrilateral Security Dialogue) along with Australia, USA and Japan, formed primarily to contain China or because it also attends meetings of US and western economic associations but owing to the Russia's invasion, which Russia calls special military operation, of Ukraine as a result of which the US and the European nations have slapped sweeping sanctions on Russia. India's external affairs minister S. Jaishankar said that India did not have to join either US axis or China axis. India may find it difficult if not impossible to wean itself away from Russia fearing that it may result in losing its leverage with China. At the same time too much proximity with Russia may not be liked by the western powers. This research paper will try to analyse the challenges faced by India in its balancing act and its sustainability.

1 INTRODUCTION

India is among the founding members of BRICS, an acronym for Brazil, Russia, India, China and South Africa. BRICS is essentially an economic organisation created mainly to encourage and foster trade among the member nations. Investment banking company Goldman Sachs has predicted that the BRICS economies would dominate the global economy by 2050. Incidentally the members of the BRICS were ranked at one time or the other the fastest growing and emerging market economies for the years to come. The experts are unanimous in their opinion that BRICS was primarily a powerful economic block and that it was not likely to be a political block. BRICS nations have 41 percent of world's population, 24 percent of the world GDP and 16 percent share in the global trade. In a report entitled "Dreaming with BRIC (South Africa was not a member then, it joined the group in 2010): The Path to 2050", the Goldman Sachs said that by 2050 the

BRIC would become more powerful than the G7 (2003).

Russia, which had initiated the formation of BRIC, had hosted the first BRIC summit in 2009 in Russia. In this summit the goals of the BRIC were declared. These goals included resolution of conflicts, using and developing technologies in information and communication and creating favourable conditions for barrier free trade among the member nations. The BRICS also agreed upon a set of principles that included solidarity, openness, pragmatism, neutrality (regarding third parties) and non-block nature.

India's position vis-à-vis BRICS is a unique one as India is also member of Quad (Quadrilateral Security Dialogue) along with Australia, Japan and the USA, which China considers as a security risk. The Russian invasion of Ukraine, which Russia calls "Special Military Operation" to 'de-nazify' Ukraine, has put India in a very difficult situation especially after the USA and the European Union slapped unprecedented economic and other sanctions on Russia.

The USA and the EU seek to choke the Russian economy to force it to withdraw troops from Ukraine and imposed a ban on import of coal, fossil fuel from it. They also seek to reduce and later completely stop buying Russian natural gas, which is the biggest source of revenue for it. India, which has very close ties with Russia dating back to the cold war era, finds it impossible to support the sanctions. A good relationship with Russia provides India the kind of leverage it wants while dealing China.

India has come under pressure from the western countries and the USA to curtail its relations with Russia but it has so far resisted the pressure and made it clear that it wanted to stick to its policy of neutrality. India has been engaging with the Quaid nations, European countries as well as Russia (Upadhyay 2022). Many political experts have opined that India may not be able to sustain its neutrality policy for long and that it will have to decide whether it wants to work with the democratic world led by the USA. India's foreign policy certainly faces a litmus test as it has been swinging between diverse bunch of power blocks (Banerjee 2022).

1.1 Objective

1. To analyse the challenges before India amid the Russia-Ukraine war
2. To analyse position of India in BRICS
3. To analyse India's position in Quad
4. To understand if India can keep both the Russia and USA, EU in good humour.

1.2 Research Methodology

The Research Methodology consists of Descriptive Research in qualitative analysis of the news and other articles related to India's position vis-à-vis Russia published in various national and international news sites, including the Russia Today, News 18, The Hindu, Economic Times, Business Standard, CNN, DW etc.

2 LITERATURE REVIEW

Cable News Network (CNN) wondered in a report as how India could buy Russian Oil and still be friends with the USA. "What a difference a few weeks make. Just last month India was taking flak from the West for its relationship with Russia. Not only was the South Asian country refusing to condemn Moscow's brutal assault on Ukraine, but its purchases of

discounted Russian oil -- said critics -- were flying in the face of sanctions aimed at crippling the Kremlin's finances. And the White House was making its displeasure clear, calling New Delhi "somewhat shaky" and speaking of its disappointment." (CNN, 2022). The Economic Times, in an article explained why India had ramped up oil imports from Russia. The article stated that Russia was a better friend in energy cooperation. It also attributed economic factors behind India's position vis-à-vis Russia in the wake of its invasion of Ukraine. Russia also offered huge discounts to Indian refiners. (ET, 2022). India's foreign minister Subrahmanyam Jaishankar even went on to suggest that India was smart enough to keep both the western world and the Russia in good humour. He also criticised the USA for not allowing the Iranian and Venezuelan crude to come into the market and suggested that India's purchase of Russian oil had in fact helped keep the oil prices in check in the world market. The ET article also stated that Russia has also helped India in the setting up nuclear reactors. Furthermore, India has pursued an assertive foreign policy since the BJP was swept to power after the 2014 Parliamentary elections in the country and Narendra Modi became the prime minister. Traditionally also India has pursued a policy of non-alignment. Besides, Russia has also been a trusted defence partner with India. Similarly, India's coal import rose 10% on-month to 2.03 million tonnes (mint) in July from Russia, which toppled United States and others to become the third-largest coal supplier to India, as per vessel line-up data compiled by CoalMint. India was the top importer of Chinese met coke in the first half of 2022, fetching China an average income of \$553 per tonne. No matter some sanctions by the West on Russia following its invasion of Ukraine and India's strained relationship with China, Asia's third largest economy is growing increasingly dependent on these foreign countries for supply of coal and met coke.

The Reserve Bank of India's nod to allow invoicing and payments for international trade in the Indian rupees also facilitated greater bilateral business with Russia, which is also virtually cut off from standard cross-border payment platforms.

Besides there are also reports indicating that India-Russia could allow rupee-ruble trade in the very near future. The arrangement will allow India and Russia to carry out financial operations bypassing the US dollar as Russia is effectively blocked from using US dollar due to sanctions. (CNBC, 2022).

A report said that the Indian government is working on a proposal to allow up to five nationalized Indian banks to be engaged in the rupee-ruble trade mechanism, and discussions between the central bank governor, the finance minister, and the banks on the matter have already been held. (RT, 2022). The arrangement would let Indian exporters continue doing business with Russia despite sanctions banning, among other things, international payment mechanisms in the country, such as SWIFT.

It would also let India continue buying Russian energy exports and other goods. Merchandise trade between India and Russia stood at \$10.75 billion in the first 10 months of FY22, with India exporting goods worth about \$2.8 billion and importing goods worth \$7.9 billion.

It is worth mentioning that India had also abstained five times in the UN Security Council on voting on resolutions denouncing Russian invasion of Ukraine as well as on the issue of humanitarian crisis in Ukraine. Despite strong objections from the US and the threat of sanctions from the Biden administration, India had also refused to make any changes in its decision to purchase of the missile defence system S-400 from Russia. India pursues an independent foreign policy and its defence acquisitions are guided by its national security interests, the Ministry of External Affairs (MEA) said in November last year.

Despite boosting trade ties with Russia and refusal to condemn the invasion of Ukraine, India has extended humanitarian help to the war torn nation. India sent the first tranche of humanitarian assistance to Ukraine on March 1. As per MEA sources, the consignment comprised two tonnes of humanitarian aid including tents, blankets, surgical gloves, protective eye gear, water storage tanks, sleeping mats, tarpaulin and medicines and other relief material. Later, on March 9, India's second tranche of humanitarian aid to Ukraine was sent to Romania by an IAF flight. It was handed over to Romanian authorities or onward transmission to Ukraine.

3 CONTENT ANALYSIS

It is quite clear from the above that Indian has been walking a diplomatic tightrope over the Russian invasion of Ukraine. On the one hand India has been trying to balance its decades old ties with Russia, which has stood by it in times of crisis, and on the other it also making efforts to ensure that its relations with the USA and the European Union does not come under strain. While many political experts have

termed India's stance vis-à-vis Russia-Ukraine conflict as indicative of maturity some others have expressed apprehensions that it may hurt the country's ties with the West. Interestingly India, which has not so far condemned the Russian invasion, has called for resolving the crisis through diplomatic means and dialogue.

It has also expressed regrets that not enough efforts were made to resolve the crisis diplomatically and through negotiations. Incidentally both Russia and Ukraine had appealed to India to take a clear stand on the matter. Some political pundits sought to point out, on the basis of India's statement at the UN, that India had, albeit in a veiled manner, criticized Russian invasion when it asked Russia to respect the UN Charter, international law and sovereignty and territorial integrity of the nations. India's third abstention at the UN over Ukraine was followed by calls from senior officials in Washington to India to "take a clear position". India's strategy has raised questions, particularly in the West, over whether the world's largest democracy should have taken a clearer stand.

Former Indian diplomat JN Misra says India "has bad and worse options to pick from". "One can't tilt both ways at the same time. India has not named any country, which shows it won't go against Moscow. India had to be subtle in picking a side and it has done that," he said. There are several reasons for India's quest to find a diplomatic balance over Ukraine. The most important are India's time-tested defence and diplomatic ties with Moscow. Washington had not promised any waiver even before Russia invaded Ukraine, and experts believe that the issue could become a bargaining chip between India and the US. Meanwhile, Moscow could use its own pressure points which include strengthening ties with India's arch-rival Pakistan if it sees a change in Delhi's strategy. Russia has accepted India's growing ties with the US in the past two decades but Ukraine is a red line that it wouldn't want Delhi to cross. A senior US diplomat said that such tipping points will only come if the conflict in Ukraine becomes prolonged and ends up creating a bipolar world. "Let's just hope it doesn't happen.

But if it does, India's foreign policy will be severely tested," he says. An expert in international politics and deputy director of Asia program at Wilson Center Michael Kugelman says that "One of the goals was to get India on board in condemning Russia. As I've been saying in recent days, the Quad is not about Russia, but it's going to become increasingly difficult to avoid the Russia issue within the Quad.

Political analyst Sumit Ganguly wonders if there will be a shift in India's stance if Russia's attack on Ukraine results in mass civilian casualties and also if its stand on the situation will isolate the country diplomatically. It is however clear that India's stand on the Russia-Ukraine war has evoked mixed responses in the international community. The Western world and the USA have expressed disappointment, but India is not alone in maintaining neutrality on this issue. There are many other countries as well.

That India continued to be friendly with Russia was also reflected when Narendra Modi called Putin to congratulate him on his re-election even the USA and the EU termed the Russian presidential elections as farce.

It's likely that New Delhi will for now stick to a path of strategic ambivalence on the Ukraine crisis. "I think India's position has been spelt out clearly in our explanation of vote after the first UNSC resolution where we abstained," former diplomat Deepa Wadhwa told DW. (dw.com 2022).

New Delhi's position is shaped by its concerns over territorial integrity and sovereignty, its unresolved borders and the difficult relationship with its two northern neighbors. "There are understandable reasons for India's subtle pro-Russia position. An aggressive Russia is a problem for the US and the West, not for India. NATO's expansion is Russia's problem, not India's. India's problem is China," foreign policy and international relations expert Happymon Jacob told DW.

Jacob maintained that the weakening of the US-led global order and the rise of China as a counter-pole throws up a unique and unprecedented challenge for India. Against this backdrop, having Russia on New Delhi's side is crucial, the expert said. (dw.com). Ever since the start of the Russia-Ukraine war, India has adopted a neutral policy and abstained during voting at the UN.

It is not that India's stand vis-à-vis Russia following the Ukraine was not criticized only by the West and the USA. Inside the country also, the opposition Congress party criticized the Narendra Modi government with a senior leader of the party and former minister P.Chidambaram demanding clear cut condemnation of Russia.

There were attempts by the EU to persuade India to vote against Russia in the UN General Assembly. French President Emmanuel Macron also spoke to Modi in this regard but India abstained at the voting at the UN.

India is also cautious over the issue of expansion of the BRICS and include some new members. India

apprehends that it may result in increased Chinese influence in the group.

4 CONCLUSIONS

That India is in a difficult position owing to the Russian invasion of Ukraine is a foregone conclusion. Although the EU and the USA have criticized India over its position, albeit in a veiled manner, it can also be safely concluded that they will refrain from taking any tough action against the country as it will leave India with no option but to openly come out in support of Russia. It appears that the West has understood India's dilemma and does not want to alienate it. Any secondary sanction against India by the West is also highly unlikely as it will only hurt the EU economy, which has already been battling skyrocketing gas and fuel prices with short supply of energy.

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