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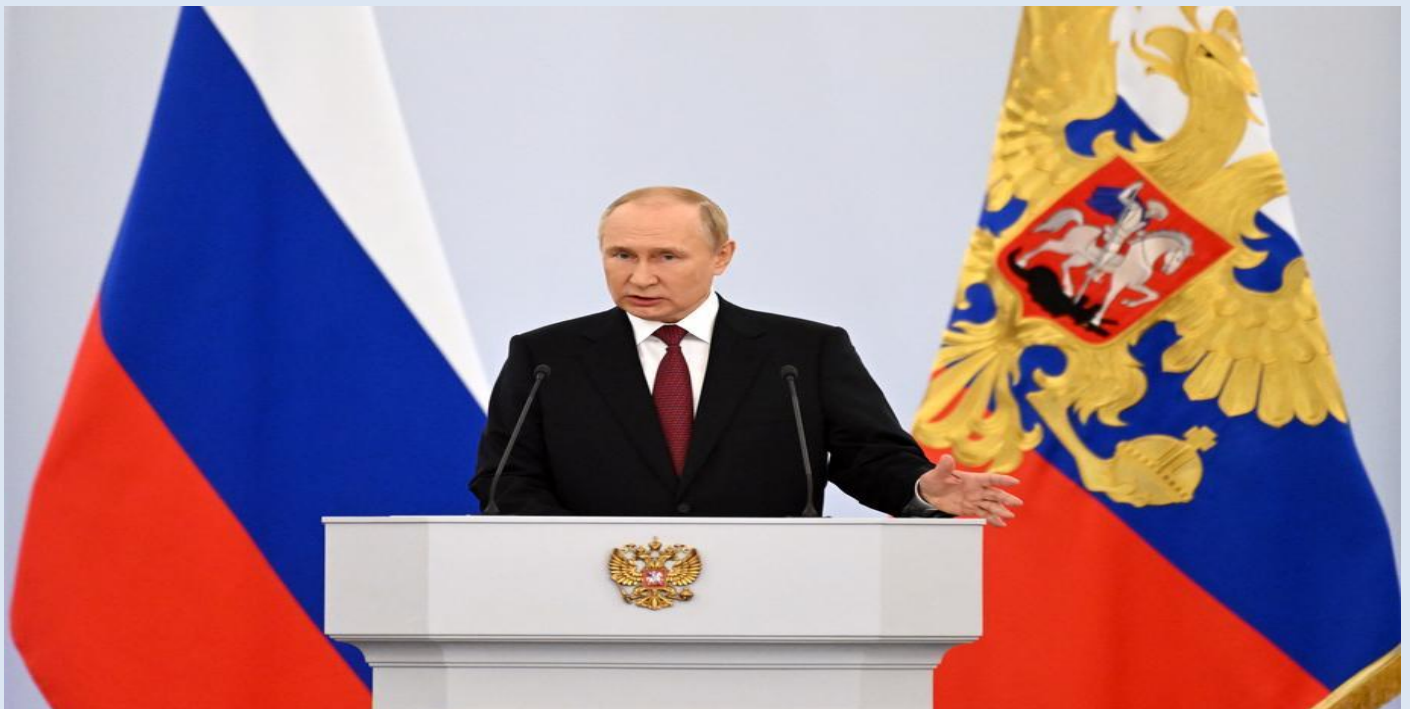
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Caspian Region in Russia's Foreign Policy Concept of 2023: How Should India Proceed?

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On March 31, 2023, Russian President Putin approved the Concept of the Foreign Policy of Russia (hereinafter the Concept). This new Concept highlights the priorities and objectives of Russian foreign policy. Unlike its previous versions, the significance of the new Concept lies in the timing of its release. Amidst the ongoing Ukrainian conflict, the Concept provides a framework for understanding Russia's priorities in the Caspian region. The Caspian Sea region is fundamental to Russia's 'near abroad.' The new Concept emphasises the region's importance in the context of energy partnerships, as well as its transit potential in the wake of Russia's pivot to the East.¹ Moreover, in light of current West-led international sanctions against Russia, the region is critical to Moscow's security and energy interests.

At the present, the Caspian Sea region is more essential than ever for security reasons. The Russian Navy's Doctrine of 2022 prioritised Russia's economic and geopolitical stand in the Caspian including stronger military ties with littoral countries. In addition, it aimed to improve the region's transportation (road and railroad) links, thereby increasing its logistical significance.² In recent times, the Caspian Sea has witnessed an increase in Russian naval activities, such as the naval drill on February 17, 2022, and a naval exercise named 'Caucasus-2020.' Furthermore, amidst ongoing conflict, the sea has been used to launch cruise missiles against Ukraine.³ Clearly, Russia's foreign policy will continue to prioritise the Caspian region.

Another widely discussed and vital factor is the Caspian's energy reserves and Russia's role as a transit zone for Central Asian oil and gas. Russia's geo-energy interests lie in transporting Caspian oil to the international market through its territory. As Europe searches for new energy import partners amidst the conflict, for example, the 2022 MoU on 'Strategic Partnership in the Field of Energy' between the European Union (EU) and Azerbaijan to double the capacity of the Southern Gas Corridor,⁴ Russia's objective in the future would be to prevent Europe from further accessing the region's resources and stop construction of any alternative routes. Earlier, experts viewed the shutting down of the Caspian Pipeline Consortium (CPC) in July 2022 as politically motivated action against Kazakhstan's support for the EU.⁵ In sum, Moscow aims to prevent Europe from further gaining access to Caspian energy sources and to deny the US and its allies any success in their efforts to isolate Moscow in the region.

How Should India Proceed in the Caspian Region?

The Concept praised India and referred to Russia-India relations as a "privileged strategic partnership." It further states, "... enhance and expand cooperation in all areas on a mutually beneficial basis and place special emphasis on increasing the volume of bilateral trade,

strengthening investment and technological ties, and ensuring their resistance to destructive actions of unfriendly states and their alliances.”⁶ Both Russia and India are partners in the Shanghai Cooperation Organisation, Russia-India-China (RIC) grouping, and Brazil, Russia, India, China, and South Africa (BRICS); and are presently working towards free trade agreement (FTA) with the Eurasian Economic Union. For Moscow, the presence of the world’s largest democracy – India- in non-Western institutions provides impetus to its notion of a multipolar international system. Along similar lines, India has always shunned bloc politics to partner with countries that are important to its security and economic interests.

Strengthening Engagement with Iran: Tehran, like Moscow, has been subject to harsh Western sanctions, which are expected to remain in place. However, in recent times, Moscow and Tehran have intensified cooperation in the energy sector. For instance, last year an agreement on oil and gas cooperation was reached between Russia’s Gazprom and Iran’s National Iranian Oil Company. Given Moscow’s tilt toward New Delhi, the latter should think about initiating similar endeavours. On its part, India can propose an agreement with Iran and Russia. This agreement will bring together not only the largest producers but also one of the largest consumers in the world. As Moscow backed Iran’s admission to the SCO as a full member; as well as its application to join BRICS, proposing a regional energy agreement would not be a difficult assignment.

Balancing China: The Concept highlighted the significance of China on the Eurasian continent alongside India. Both Asian titans have refrained from criticising Russia and adopted different approaches to engage with Russia. China increased its export to Russia by 136.4 percent in March, 2023.⁷ While, China’s cumulative FDI in Russia, in the first half of 2022, surged by 75 per cent.⁸ On the other hand, India boosted its imports of Russian commodities, ranging from fertiliser to steel. Specifically, India elevated from being a minor importer of Russian oil in 2021 to being the largest in 2022.⁹ Both countries have sought ties with Russia in ways that benefit their larger national interests. The longer the Ukrainian conflict continues, Russia is likely to turn to China for assistance in the Caspian region. Both China and Russia share a common adversary, the United States, and their opposition to US-led security organisations such as NATO is widely known.

To balance China, India needs to take twofold approaches in the region: first, speed up the FTA process with the Eurasian Economic Union; and second, push for a regional energy (oil and gas) ring that would connect the established domestic energy network of every Caspian littoral country to smoothen energy flow to international markets.

Notes:

¹ “The Concept of the Foreign Policy of the Russian Federation,” *Ministry of Foreign Affairs of the Russian Federation*, March 31, 2023, https://mid.ru/en/foreign_policy/fundamental_documents/1860586/. Accessed on May 01, 2023.

² Prokhor Tebin, “The New Naval Doctrine of Russia,” *Valdai Club*, August 04, 2022, <https://valdaiclub.com/a/highlights/the-new-naval-doctrine-of-russia/>. Accessed on May 01, 2023.

³ John Leicester, “Kyiv rocked by blasts from Russian cruise missiles, Ukraine says,” *The Economic Times*, June 05, 2022, <https://economictimes.indiatimes.com/news/defence/russian-missiles-strike-kyiv-shattering-sense-of-calm/articleshow/92016745.cms>. Accessed on May 01, 2023.

⁴ “EU and Azerbaijan enhance bilateral relations, including energy cooperation,” *European Commission*, July 18, 2022 https://ec.europa.eu/commission/presscorner/detail/en/IP_22_4550. Accessed on May 01, 2023.

⁵ Ibid.

⁶ Ministry of Foreign Affairs of the Russian Federation, n.1.

⁷ “China’s March trade with Russia was robust despite weak global outlook,” *Reuters*, April 13, 2023, <https://www.reuters.com/world/china/chinas-march-trade-with-russia-was-robust-despite-weak-global-outlook-2023-04-13/#:~:text=China's%20exports%20to%20Russia%20soared,%25%20increase%20in%20January%2DFebruary>. Accessed on May 01, 2023.

⁸ Ji Siqi, “What is the trade, investment relationship between China and Russia?” *South China Morning Post*, March 22, 2023, https://www.scmp.com/economy/global-economy/article/3214285/what-trade-investment-relationship-between-china-and-russia?module=perpetual_scroll_0&pgtype=article&campaign=3214285. Accessed on May 01, 2023.

⁹ “India’s Apr-Feb fertiliser imports from Russia highest in 3 years at 34.19 lakh tonnes,” *The Economic Times*, March 17, 2023, <https://economictimes.indiatimes.com/industry/indl-goods/svs/chem/-fertilisers/indias-apr-feb-fertiliser-imports-from-russia-highest-in-3-years-at-34-19-lakh-tonnes/articleshow/98729816.cms>. Accessed on May 01, 2023.