

Russia & India Rewrite Global Trade

M. K. Bhadrakumar was an Indian ambassador and diplomat for decades. Ambassador Bhadrakumar discusses the historic meeting between Russia and India, which aims to rewrite global trade. Follow Prof. Glenn Diesen: Substack: <https://glenndiesen.substack.com/> X/Twitter: https://x.com/Glenn_Diesen Patreon: <https://www.patreon.com/glenndiesen> Support the research by Prof. Glenn Diesen: PayPal: <https://www.paypal.com/paypalme/glenndiesen> Buy me a Coffee: [buymeacoffee.com/gdieseng](https://www.buymeacoffee.com/gdieseng) Go Fund Me: <https://gofund.me/09ea012f> Books by Prof. Glenn Diesen: <https://www.amazon.com/stores/author/B09FPQ4MD>

#Glenn

Welcome back to the program. Today we are joined by Ambassador Bhadrakumar, an Indian diplomat for 30 years and also a geopolitical analyst with a very fascinating blog, *Indian Punchline*, which I'll definitely link in the description. Thank you, as always, for coming back on the program.

#Bhadrakumar

It's my pleasure. As always, Professor Diesen, I enjoy my conversations with you.

#Glenn

So, President Putin has just visited India, and again, this is seen as not just important for bilateral ties but also for the formation of a truly multipolar world—one that's not only U.S.-China-centric but where there's real diversification of partnerships, forming many centers. How significant do you think this meeting is between Putin and Modi?

#Bhadrakumar

Well, first of all, you're absolutely right that this event was perceived internationally as more of a geopolitical one. But sitting here in India, I get a different view — both leaders were very keen to keep the focus on the bilateral aspect. And I think it's not only Mr. Modi; it's also Mr. Putin. Let's look at it this way: the geopolitical dimension is easy to analyze because India was previously seen as a swing state. In many ways, India acts as a balancer, and it's also caught up in the adversarial relationship between the United States and Russia. On top of that, it has a complicated relationship with China.

All this taken into account, you know, there's much in terms of geopolitics that we could discuss here. But Putin made it very clear, actually, even before he set out from Moscow, that his focus

would be on the economic relationship. You know, an interesting, perhaps minor, detail is the departure from the usual Russian practice during this annual summit — Foreign Minister Lavrov didn't accompany him. And the entourage with Mr. Putin was led by the First Deputy Prime Minister, Manturov. The only foreign policy aide there was Mr. Ushakov. So it can be seen as a signal — apart from Mr. Lavrov's own preoccupations in Moscow, conceivably — but even then, this was very much a Putin visit.

This is an annual summit — a summit with India — and he's never missed one of this kind, you know. So I think Mr. Manturov's leadership role in the official team conveyed a message. You know, because Mr. Manturov, let me mention this also, is the co-chair of the India–Russia Joint Economic, Technical, Cultural, and so on, Commission, which met in Delhi. Another prominent member of the delegation was the defense minister. But Mr. Putin had mentioned that economic cooperation would be, more or less — to this effect he said — the locomotive of the relationship going forward.

Of course, when you say "economic relationship," any economic relationship of any country involving Russia becomes, at once, geopolitical. Because then, you know, there's this intrusive attitude on the part of the Western world toward all matters concerning Russia, even its economy. And that has been their narrative — in fact, their agenda — to weaken Russia. So it's bound to happen. That was one aspect of it. The second thing I'd like to highlight at the beginning — and we can discuss any of this in greater detail later — but let me just tabulate them.

The second thing is that Mr. Putin virtually left right after his five-hour negotiations with his high-powered American team, which was in the Kremlin on the night of the 2nd, to board the plane and leave for India. You know? That's what it was. Several assessments have come out about how those talks — Putin's discussions with Mr. Vitkov and Jared Kushner — went. But my own evaluation is that it was a good meeting. In fact, it might even be remembered by historians as a defining moment, because we definitely saw certain trends there: the United States distancing itself from the so-called collective West and showing a willingness to put some pressure on the collective West to fall in line.

The European powers, I mean, are expected to fall in line. And if they don't, he's willing to ignore them — that's quite evident. Then all these scandals, and so on, also lend themselves to interpretation of what's happening, or what happened, in Kyiv, in the echelons of power there. And again, you know, people are entitled to have different interpretations. My interpretation is that there is definitely an American role, and that role has to be seen in the proper context — in light of Ukraine's obdurate stance within the framework of the United States' negotiations with Russia.

And it's teaming up with the European powers to virtually undermine what Trump is doing. So you see, all these things are at work here. And the Russian commentaries have been largely very positive. So what does that imply? It implies, to my mind, that although the adversarial relationship remains in place and not much of a difference has occurred, the alchemy is changing. And there's no

longer any desire or interest on the part of Russia to complicate these processes by indulging in strident rhetoric. Ultimately, that's rhetoric we're talking about. During a visit like this, when a third country is discussed, you can discuss it rhetorically.

United States. But, you know, let me put it like this: I'm approaching it now from another angle — there was no trace of anti-Americanism at all in the proceedings of the summit, as far as I could see. Both sides — that is, Mr. Modi and Mr. Putin — were very circumspect in their remarks. They didn't pay much attention to it, though, of course, the Joint Commission mentions the resilience and the imperatives of the privileged, comprehensive strategic partnership between India and Russia. But it was presented more in terms of its bilateral thrust. Let me put it like that.

It's not in terms of a certain template on the geopolitical plane. Now, that distinction has to be understood very carefully here, because it's logical that India has difficulties with the Trump administration. Russia is having an adversarial relationship with the United States. So, when these time-tested friends talk to each other, this can't help but figure in a big way — as a kind of larger-than-life presence, you know. But I didn't see that at all here. And I think that's only because the Indian side also understood that the Russian-American relationship is poised for a historic transformation.

Now, as it happened, even as Mr. Putin's visit was getting underway in Delhi, they chose that particular day — Friday — to release the new National Security Strategy in D.C. And what does a National Security Strategy say? I think the only two countries that have been favorably referred to, among the major powers, are Russia and India. And they have not been cast as adversaries. The document notes that it's in the core interests of the United States to have an improved relationship with Russia. That's what it says by implication, you know. I can't see, even in the best years of the Soviet era, in the *détente* and so on, that this kind of formulation ever appeared.

And that's also happening at a time when the resistance to it — the resistance to what Mr. Trump is attempting — is very, very intense within the American camp itself. I don't even know whether, within the American administration, there's a consensus on what Trump is trying to do. But nonetheless, this document is very strong. And then again, when it comes to India — despite all the insults, humiliations, and punitive measures that the Trump administration has adopted vis-à-vis India on trade issues, tariffs, and all that — India has been projected as a very, very, what can I say, a very important interlocutor for the United States in the Asia-Pacific. It's been noted that the relationship with India must be improved on a priority basis.

Now, all this ties in, maybe, with the references to China, but the point is, it's there. And, you know, having been in the diplomatic service, I can say that if I had been sitting in the Washington embassy, I would have picked up some of these vibes even before the document was released on Friday. Because nothing is really secret — it's not in the newspapers and so on, but it comes up in informal conversations, on the side, and you'd have picked it up. And I think, therefore, both Moscow and Delhi — that's the point I'm arriving at — both Moscow and Delhi were intensely aware,

in the immediate run-up to the visit, that the ground beneath their feet was shifting. And in geopolitical terms, one can put it like this: the tectonic plates are shifting.

And you know, from the Indian point of view, it must have been a very, very exacting enterprise to choreograph a summit with a new superpower at a moment like this. And they have taken shelter, therefore, in what is a top priority — that is, working on the bilateral relationship. So they paid huge attention to the bilateral relationship, and there have been some substantial issues that have come up, which point toward a promising future for this relationship, with both sides anticipating that some of the blocks in advancing it — in terms of the U.S. sanctions and so on, in particular the lifting of those sanctions — are going to work in its favor. Let me stop at this point.

#Glenn

Yeah. No, well, again, I don't think it's that. Again, Trump is a unique political figure, but I think there are a lot of things that are a symptom, because we've been moving in this direction for some time. The hegemonic position of the U.S. was always temporary — over time, the U.S. would exhaust itself. And it has, by every measure you want: debt levels, economic inequalities, social problems, political polarization. So the U.S. is exhausted by its former position, and it also sees key rivals — or not even rivals, but other centers of power — now collectively balancing it. Not because they're anti-American, but because they're anti-hegemonic. And I think that's also what the Indians and Russians wanted to get across: they don't want to go against America.

The Russians would never be anti-Chinese — it's their most important partner — but they would still be anti-hegemonic. They don't want too much power concentrated only in Beijing. So it's a very important distinction to make. And I thought it was interesting that you mentioned the new National Security Strategy, because the United States blames Europe for a lot — not just predicting or warning against this collapse of European civilization, but also having it... yeah, here we go. In the strategy, they write that the Trump administration finds itself at odds with European officials who hold unrealistic expectations for the world, perched in unstable minority governments, many of which trample on the basic principles of democracy to suppress opposition.

A large European majority wants peace, yet that desire is not translated into policy, largely because of those governments' subversion of democratic processes. Now, this is quite interesting. It's essentially not just blaming European leaders for perpetuating and prolonging the war — and I agree with that assessment, that Europeans are the main spoilers now — but also suggesting that this isn't what the European people want. It's our authoritarian leaders, the ones who no longer care about free speech, the ones who subvert political opposition. So this is, as you said, the fragmentation of the political West.

This document is a testimony to that, though. But I wanted to move on to what you said about the Russia-China—sorry, Russia-India—talks, because they didn't focus that much on world order as a concept or on multipolarity. It was bilateral at heart. So what are their political and economic

projects together, as well as the social ones? We know that energy cooperation and military-industrial cooperation are kind of spearheading the whole thing. Military and energy are definitely the two main industries where there's a lot that can be done, but there's also a desire to diversify beyond that.

#Bhadrakumar

Yes, you know, there are a number of areas. And first of all, trade is of pivotal importance. The Russian side has set a target for bilateral trade at 100 billion dollars, and it's entirely conceivable that this target can be reached. They are moving in that direction. The Reserve Bank of Russia, the big bank, has opened a branch in Mumbai, which is the financial capital of India. So you see, there are real attempts to build the foundations for strengthening trade ties. Linked to this is the question of promoting investments in each of the two countries.

One example I can mention, which is extremely important as far as I can see, is the plan to set up a joint venture in India to produce fertilizers. Now, India is the world's number one consumer and importer of fertilizers. Over 50% of the Indian population—about 1.4 billion people—is involved in the agricultural sector. So you can imagine it probably has the capacity to consume the entire amount of fertilizer that Russia produces. And Russia is a major exporter of fertilizers. So it's really of staggering proportions if this kind of manufacturing tie-up can be arranged, you know, worked out. It figures. Now, this shows that these are not things that were ever talked about seriously until the day before yesterday.

Only when, you know, this pain started—these tariff barriers, the big tariffs and sanctions and so on—that the two countries sat up and began to think about how they could do it, how they could diversify their economic relationships. Because, you see, it's a similar story in Russia as in India, which is that up until this moment, both countries had cast their eyes on the American market, on the Western market, as their top priority. I think this is the first time that India and Russia are looking at each other as potential allies, big partners on the economic side. Similarly, there's talk about setting up Indian manufacturing units in one of the areas where India is strong, even in the American market—that is, pharmaceuticals, you know, pharmaceuticals in that space.

This is the kind of thing that, you know, is in the making now. In terms of energy, again, there's been mention of Indian investments in upstream projects in Russia—in LNG, oil, gas, and so on. You see, it's a time when India has investable surplus, and Indian industry is capable of investing abroad and, you know, buying back the production from those countries if the factors of advantage are there. Then, you know, another thing that has emerged is, for example, Russia promoting the transfer of manpower from India—about 100,000 people—to work in Russia in its industries, projects, agriculture, and so on, as skilled workers from India.

Now, this is a fantastic idea, something that's never been thought of before. An agreement has now been concluded on this, and the modalities will begin—how this recruitment should take place, and

so on. India has abundant manpower, as you know, and Russia has a shortage. Russia was depending on, and I read in other papers, that kind of workforce from Central Asia, but it would rather not continue that because other complications have arisen. There have been increasing instances of workers coming from Central Asia even acting as sleeper cells for Ukrainian intelligence, and so on.

Now, you see, when it comes to the Indian workforce, there is a 100% certainty—Israel has also learned this—100% certainty that they are there with clear objectives. They will never indulge in such activities; they'll work hard, go back to their dormitories, repatriate their earnings to India, and come home on leave at regular intervals. And, you know, these are the modalities that will be worked out. Now, this is a fantastic thing because, you know, it will go down very well in India, and it will be a big plus point for the Modi government too. Israel has already begun this; it already has a program like this, and it's one of the most attractive phases of the India–Israel relationship today.

This presence of the Indian workforce in Israel—this is the kind of thing I'm talking about. And energy now, again, it's not only in terms of oil, the purchase of oil. Here again, I don't get the feeling that, even though Indian private companies have stopped importing oil from Russia because they have big dealings with the United States and have to take care of their own interests—their business interests in the American market—they've stepped back. But the point is, both India and Russia are very experienced in doing this kind of trading through other means. So I think it's a matter of time. And I also don't think the Western world—and I saw American statements to this effect—will really be able to stop that.

In fact, there's one statement where one of the top officials is noted as saying that this is, after all, a project by the Europeans imposing sanctions on the Russian oil industry. Now it's for them to, you know, set up the machinery to implement this sanctions regime. In other words, the Americans are not in the business of implementing it. So what will happen is, sooner or later, India and Russia will find ways to maintain this relationship in some other form. So, you know, all this is happening. And meanwhile, the joint statement that was issued talks about Indian upstream investments in Russia.

See, this is one aspect of it. And then think about it like this: if there's going to be a peace agreement on Ukraine, and as the countdown begins in the early part of next year, for example, certainly the lifting of American sanctions will be an important part of it, isn't it? I think it's logical to expect that. Now, if that were to happen, then the main block in advancing the economic relationship—which is the payment system between the two countries, Russia and India—would be taken care of. If Russia gains access again to SWIFT, for example, and India already has access to SWIFT, then the payment mechanism is worked out.

Now, the point is, there's this accumulation of funds on both sides as a result of purchases, and there's no clear way of repatriating this money. They're trading in local currencies as it stands today. But all this will undergo a sea change if the sanctions on Russia are lifted. And if that happens, I don't think there will be any barrier then for India to—well, Russia has offered, during Putin's visit—Putin

himself said that Russia is willing to supply any amount of oil and gas to India, to the Indian market. That policy remains, and India's interest remains. So if sanctions are lifted, what's the problem? This is it, you know. I think, therefore, the circumstances are rather conducive to the advancement of the India–Russia economic relationship.

And if that happens, then I think some predictions I've seen from big names in the Western world, in America and so on, saying that India is in a predicament—it's no longer in a predicament, I feel. I think the difficult phase of the standoff with the Trump administration, that we are leaving behind. Yesterday, news appeared that an American team is coming again to India, to Delhi, to discuss the trade issues, which are almost in the final stages and all but negotiated already. And Trump himself had said that he was satisfied with it—to that effect, he spoke in October. So, there is reason to believe that after this, the sanctions will come down.

You know, the tariff at 50% will also come down. Meanwhile, the ground reality is that, despite this standoff, it's by and large business as usual between India and the United States. And if this national security strategy means what it says, it means that India is again being prioritized as a relationship with an eye on the Indo-Pacific strategy. In that case, the Quad will be brushed up and will again become a very pivotal platform. India is the host of next year's Quad Summit, which will bring Mr. Trump here to India. So things are changing. And if we do not, therefore, take a holistic view of the trends at work here, and if you are deeply pessimistic that the Russian-American talks on Ukraine are not going anywhere...

I don't think that's the situation. I personally feel that Zelensky—his time is over. And unless he falls in line, unless somebody puts some sense into him and he does fall in line, I think he will not survive. Because the National Security Strategy has said in unambiguous terms—if you read the document, it's there on the White House website—it clearly says that a settlement in Ukraine is crucial for American interests. You know, that's what it is. And therefore, if it's taken to its logical conclusion, we're actually going to face a very different power alignment, a different power dynamic in this triangle of Russia, India, and the United States.

#Glenn

Yeah, well, I was on a few Indian news channels yesterday, and a common question that came to me was whether this meeting with Modi was intended to signal to the West that Russia could do without them. I was wondering if this is a common view in India, because again, the whole premise is that Russia just wants to show it has other partners during this hardship. But I think it's often missed that Russia made a massive shift in its entire economic strategy in 2014. That's when it realized there would not be a common Europe. That whole dream was dead. And especially after 2022, this has been cemented. Russia's economic future is now seen as linking with countries like China, India, even Iran. And this is quite important because these are permanent shifts.

They're not signaling just because there's a disruption in the relationship with the West. It's quite important. But I thought that point had been lost on many people. Anyway, you mentioned a lot of the industrial cooperation between India and Russia—like fertilizers—but of course there's also the tech industry and the medical sciences. Within physical connectivity, I also noticed some interesting points being made about shipping and maritime logistics. More specifically, I think both Modi and Putin referred to the Northern Sea Route, the Arctic route, which connects to the corridor between the port of Chennai in India and Vladivostok on Russia's Pacific coast. So what are your views on this? To what extent will India be involved, and in what way, in this partnership to develop the Arctic?

#Bhadrakumar

You see, India is—now, before I get into this, Professor, let me just make a comment. I've lived in the Soviet space for nine years; I worked there as a diplomat. I don't think we have to look at Russia's look-east approach nowadays in zero-sum terms. If there is mature leadership in the West, in Europe, Russia will resume business with Europe. And if, for example, the doors and windows open for a mutually beneficial relationship with the United States, and if the containment strategy is put aside once and for all, and if Russia is convinced, Russia will be more than keen to engage with the United States. I'm not saying this would mean Russia would immediately pack up and leave the Chinese or Indian markets.

It will have both—that's how I see it. As far as the Russian elite are concerned, they habitually prioritize Western markets. So the relationship between the West and Russia hasn't gone forever; it's been interrupted, badly interrupted. But how many of these people will be able to carry forward this narrative about Russia beyond a certain point if a peace agreement is worked out? We'll have to see. Now, coming to the Arctic, India has great interest in getting involved in that area. One of the things that's been mentioned is icebreakers. Russia has outstripped most Western countries—America has one icebreaker, while Russia has probably four dozen. That's the kind of supremacy Russia has.

Now they're training Indian personnel to operate icebreakers. The use of the northern route—the one connecting Vladivostok to Europe and the world market, the Western market—is of great interest to India. India is also watching that China, though not an Arctic power, is getting deeply engaged in that area. And given the complexity of the Sino-Indian relationship, India will naturally want a certain presence there. It's not a member of the Arctic Council, but Russia's help could enable it to join, which has been India's hope for some time already.

Right now, they're putting in place the infrastructure for the use of the northern route for Indian shipping. Shipping has become a major issue here because one of the things India has realized is that, by controlling shipping, the Western powers—London in particular—are holding tight to it. They've been able to inflict damage on the India-Russia oil trade largely through shipping. Even now, the implementation of these secondary sanctions will come through control of shipping. So India has

gone back to its earlier emphasis on the shipping industry and is building it up again. Russia has promised that, as far as these icebreakers are concerned, they'll provide the expertise and train Indian personnel.

So that's what it actually testifies to—the shift in the quality of the relationship. It's moving towards a much higher level qualitatively, the India-Russia relationship. It's not just about the oil trade. Now, take the nuclear issue, for example. The nuclear question was discussed here again in detail, and we're moving toward building more nuclear power plants in India using Russia's latest technology. On the other hand, the Indian nuclear industry itself is being developed with Russian assistance, so that India can have its own nuclear industry to meet its needs and, one day, maybe even turn it into an export industry. So, you know, these are very big ambitions, and Russia can help India realize some of these dreams.

#Glenn

No, it's a lot of news happening at once, I've noticed. It is a bit perplexing, though, because the United States has pushed so hard against India now to sever itself from Russia. Yeah. Again, some of it, of course, is not just the sanctions put on India for buying Russian oil, but also the more, I guess, absurd claims that the Ukraine war is somehow India's war or Modi's war. I mean, the rhetoric has been quite nasty in the United States. So to see this national security strategy come out and essentially say, well, almost seeking to make peace with Russia and India—it's quite an interesting shift.

I'm tempted to see what the U.S. is doing as going after low-hanging fruit, because when they do this to the Europeans—well, the European leaders—they often tend to bow to pressure. It's the same as what Trump did, for example, with Panama: he threatened to take the Panama Canal, and then suddenly they just gave the United States all these additional rights. Again, it's low-hanging fruit. It's easy to threaten a little and get what you want. But once there's significant pushback, and as you suggested, instead of bowing to pressure and splitting up, Modi and Putin actually meet and form a strategic, at least economic, partnership. And yeah, that's probably the best approach to take. Do you have any final thoughts before we...

#Bhadrakumar

Let me add one more point. You know, there's been no anti-American rhetoric during the visit, and no trace of anti-Americanism explicitly. But even so, India has taken a very tough stance regarding the Trump administration's policy toward India. The joint statement—if you read the initial paragraphs—lays out, without mincing words, that India will not stand for this sort of nonsense.

You know, the various components mentioned there—pressure tactics, geopolitics—everything figures in. And it's been made abundantly clear that the experiences India has gone through have taught it certain lessons. India is not going to be pushed around like that anymore. You can see it

right there at the beginning: the three Western ambassadors in Delhi—from France, Germany, and the UK—wrote a joint article in the Indian newspapers criticizing the India-Russia relationship, casting aspersions on it, criticizing Putin personally, and maligning Russia with all that familiar Western narrative coming to the fore.

And, you know, for the first time, in a very rare gesture, the government of India—the foreign ministry—called them out publicly, rebuked them, and said that this was indecorous behavior on their part. So, you know, this doesn't mean that there are any low-hanging fruits, as you mentioned. India will certainly negotiate, and Trump himself has conceded—why is this trade thing taking so much time? India has not budged at all on the question of, for example, access to agriculture in the trade package. So do not underestimate India's capacity to hunker down. Many times in the past seven decades, this has happened.

You take the NPT, you take the CTBT—you know, all those times when India came under pressure after its nuclear explosion, when it became a nuclear power. And what did Nixon say? That they would bury India. But six months later, they started negotiating with India once it was clear that India couldn't be pushed around. So this is not some small country. India is very conscious of the fact that it can exercise its strategic autonomy if it comes to that. Now, the recent experiences have been very bitter and very humiliating. And will any self-respecting country just lump it and go back to have a dalliance with that guy again? It won't happen. We will insist on a relationship of mutual respect and mutual interests. And simply because it figures in the national security strategy doesn't mean Indians are opening champagne bottles—no.

#Glenn

Oh, well, it does seem as if none of the positions have really been cemented—in the United States, at least. I think it's hard to nail down any very clear policy. There's so much back and forth, especially with Trump. But again, it's not that unreasonable if you see, as you mentioned before, all these tectonic plates shifting—the relationships between the great powers, which we could put in the same category—they have to be redefined. And so I do think the pieces haven't fallen into place yet, but it seems that the pushback is being rewarded, if you want to use that word. So... well, thank you for taking the time. And yeah, I hope we can come back on.

#Bhadrakumar

It's been my privilege. Thank you very much.