

*After reading the chapter, the reader will be able to develop an analytical understanding on the following:*

- Russia-China-Pakistan axis
- BREXIT and its implications
- Ukraine crisis and great power rivalry

### **ISSUE 1: RUSSIA–PAKISTAN RELATION, RUSSIA/CHINA/PAKISTAN AXIS AND RUSSIA IN AFGHANISTAN POST 2014—IMPACT ANALYSIS**

Putin has brought back Russia on the international stage. Russia has opposed unilateral USA military interventions in Iraq, Libya and Syria. Russians backed the Assad regime and continues to counter the Islamic State (ISIS). Crimea had been gifted to Ukraine in 1954 but Putin annexed the province back. Russia has become a new partner to China at a time when the west is busy demonising Russia. As far as India is concerned, Russia has always supported India on important and defining issues like Kashmir, terrorism, technology, military equipment and so forth. India and Russia, as explained in the chapter of India–Russia relationship, have established a new partnership in the energy sector. As India is rising on the global scene, it is increasingly partnering with the west. The recent Indo–USA LEMOA is a testimony to the rising Indo–west proximity. The post-Cold War era has seen a shift in India’s armament policy, inducting France, Israel and USA, in a field that had always been dominated by Russia. As France, Israel and USA increase their presence in India’s armament supply, it shrinks in space for Russians. On the other hand, Russia wants to explore new markets for its arms and energy. It is the shrink of Indian space for arms supply that has motivated the Russians to look at Pakistan.

The US–Pakistan relations have not been very smooth lately. Due to a number of strains in the US–Pakistan relations, Pakistan does not want to be dependent solely upon the US in future. Pakistan too has demonstrated an openness to explore a relationship with Russia. The world is witnessing not just a multipolar world, but a huge spectrum of multiple alliance building based upon linkages and dependency. As the US tries to contain China, China has gone on to get the Yuan accepted as a world currency at the IMF to build up a new hegemony of US–China where both continue to dominate the international financial architecture. Russia has been quite cautious and it is carefully exploring whether the Chinese belt and road initiative is actually Chinese foray into the Russian backyard of Central Asia. One of the key motivations of Russia is to keep China in check, which has compelled Russia to balance China by improving relations with Pakistan, which is in the backyard of China.

There is potential re-alignment of power structure witnessed where a Russia–China–Pakistan axis could also emerge. Such an axis could use its combined effort to challenge the unipolarity of the US in global affairs. The Trump Administration is undertaking more assertion of US power in the world and it could meet the China–Russia–Pakistan axis as a potential challenger. The Sino–US rivalry in the Indo–Pacific and recent events in 2016–2017 point out to a rising discomfort between the US and China. Russia not only rejected the verdict of the tribunal on South China Sea but also went ahead with a bilateral naval exercise with China in the disputed region, raising further concerns. The Russia–China axis has been a channel to promote strategic co-operation to resist US hegemony but the inclusion of Pakistan in the matrix of Russia–China makes a compelling case for the commencement of a new Cold War. Russia is not only trying to rebalance the region but is positioning itself through a new diplomatic space to project Russia back on to the centre stage in global affairs. The new geo-strategic goal of Russia is to check USA hegemony.



What feeds the Russian matrix is the entry of Pakistan. Pakistan has been a core ally of the US but the sanctuary of Osama bin Laden in Pakistan and its support to terrorist groups has brought the US and Pakistan on two opposing sides of a continuum. As the number of players of west and their support to Pakistan dwindles, the entry of Russian on the scene opens a new strategic front for Pakistan. The gradually solidifying alliance of India with the USA hurts Russia as it can foresee that its role as the sole defence supplier to India will be compromised by aggressive US suppliers in the future. The signing of LEMOA has also exacerbated Russian fears. In 2016, Russia and Pakistan undertook a military exercise known as Druzhba 2016 or Friendship 2016, between Pakistan army and Russian ground forces, at the special force training centre in Cherat in North Pakistan. It lasted as a drill for two weeks where the two sides worked together on combat preparedness at high altitudes. Despite the fact that Russia and Pakistan have been rivals during the Cold War (the USA used Pakistan to breed Mujahideens against the Soviet invasion of Afghanistan), the defence exercise marks a new shift in the ties. In 2014, the arms embargo on Pakistan imposed by Russia was removed and in 2015, Pakistan purchased four MI-35 helicopters from Russia. This should act as a wakeup call for India to not take Russia for granted. The USA–Pakistan relations post-2011, when Osama bin Laden was executed by US forces on Pakistani soil, have been very strained. The US also refused the sale of F-16 jets to Pakistan. This compelled them to purchase military aircrafts from Jordan. Pakistan is also trying to build up a hedge against USA by developing proximity to Russia.

The Russia–Pakistan relationship is also visible in Afghanistan in their support of the Afghan deal with erstwhile terror groups. In Afghanistan, there is a militant group called Hizb–e-Islami (HeI). It is the second largest militant group of Afghanistan. In 2016, there was a 25-page deal that was concluded between the Afghan Government and HeI that granted immunity to Gulbuddin Hekmatyar. Hekmatyar was an erstwhile warlord, who

was the Afghanistani Prime Minister in 1990s and has been a recipient of US support in anti-Soviet campaign. After the withdrawal of the Soviets from Afghanistan post the Geneva Accord, Hezb-e-Islamihad unleashed violence in Afghanistan to capture power in Kabul. The intensity of violence unleashed got Hekmatyar the moniker of the 'Butcher of Kabul'. Hekmatyar later left Afghanistan when the Taliban captured power in 1996. In 2003, the USA designated Hekmatyar as a terrorist. In recent times, as the Hizb-e-Islam toned down the intensity of violence, the Afghanistan government extended an olive branch and initiated negotiations. This led to the conclusion of deals between Hekmatyar and Afghan government in 2016. The deal is significant as it is a first deal by the Afghan government without any UN mediation. There is a possibility that the deal could have a positive spill over on other groups to initiate rapprochement. The deal does prove that peace with rebel groups is possible. The Taliban and its spokesperson, Zabihullah Mujahid, has refrained from commenting upon the deal. Hizb-e-Islami controls the Shamshatu area in Peshawar where it has camps harbouring 10,000-plus refugees, now returned to Afghanistan. The returning families will get help from the international community.

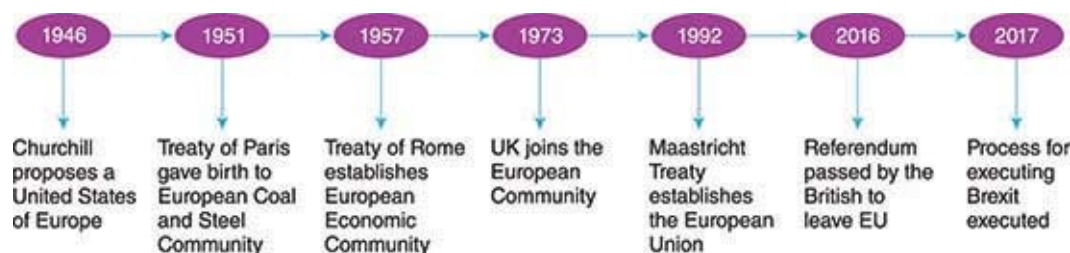
The return of Hekmatyar will also bring various factions of Hizb-e-Islami within a peaceful framework. But there are likely challenges ahead as well. The return of Hekmatyar will reinitiate the rivalry between the Hezb and Jamat group. If the Shamshatu people return to Afghanistan, it will give Hekmatyar a space for mobilisation to pressurise the Afghan government. The deal does not talk about the fate of Hizb-e-Islami militias and their return of weapons. This may complicate issues as nothing on disarmament is mentioned. Whether Hizb-e-Islami will go through disarmament, demobilisation and reintegration (DDR) is not very clear.

An emerging view is that the Hizb-e-Islami could pursue a policy of strategic depth in collaboration with Pakistan to keep India out of Afghanistan. It is believed that this could emerge as a possibility as Russia and China had been in favour of such a deal. Russia and China have also initiated a dialogue with other good Taliban. India, on other hand, refrained from any talks with the good Taliban or bad Taliban as it feels that Taliban, as a terrorist organisation, can't have good or bad elements. India's fears have been enhanced after the deal because it knows that Hekmatyar has his roots in Pakistan, which not only created Hekmatyar but also nurtured him. The ISI and Hamid Gul had at one point had called Hekmatyar as a great Pakistani. Indian concerns have been on an all-time high since the deal.

## **ISSUE 2: BRITAIN'S EXIT (BREXIT) FROM EUROPEAN UNION AND ITS IMPACT ON INDIA AND THE WORLD**

After the World War-II, Germany and France began trade with each other following a mechanism that reduced trade duties. Later Germany, France, Belgium, Luxemburg and Netherlands joined the group and began to deal in coal and steel. In 1957, the trade between the above states saw the rise of a comprehensive framework governing the trade. In the same year, the Treaty of Rome was signed, setting up the European Economic Community (EEC) as a common market. Gradually, the EEC kept on expanding and became a union of 28 states. In 1990, a meeting of the European Council was held in Rome which initiated an inter-governmental conference on establishment of a monetary

union. In 1992, the Maastricht treaty on the European Union was concluded, which established the European Union (EU), aiming to ensure the free movement of people, goods, services, and capital within the internal market, enact legislation in justice and home affairs, and maintain common policies on trade, agriculture, fisheries, and regional development. The British had joined the EEC in 1973 and had been a part of the EU since its inception.

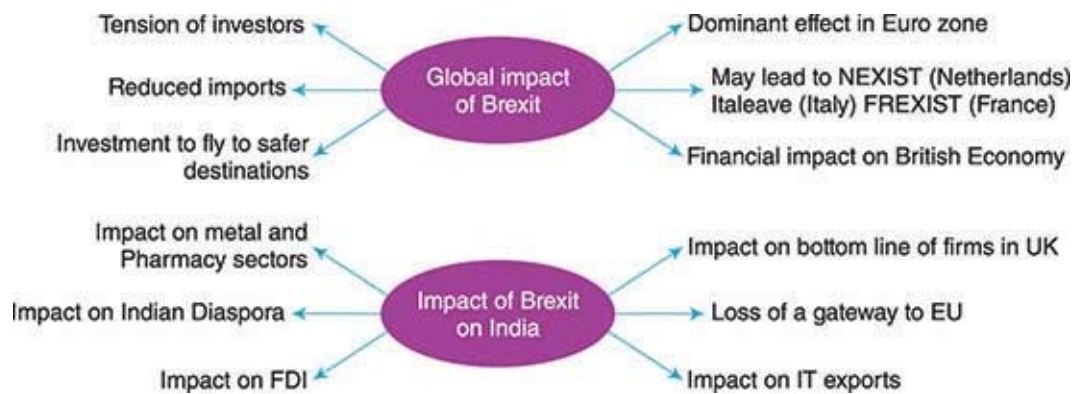


On 23rd June, 2016, there was a Brexit referendum where 51.9% of the voters in UK voted in favour of leaving the EU. The procedure to leave EU began from March, 2017 and is to be completed by March, 2019. We can have a look at the impact of Brexit on Indian economy in the short run and in the long run.

The impact of Brexit on the Indian economy on the immediate level will be comparatively less due to a rise in agricultural production in India. The consumer industry demand in India did slow down due to demonetisation but it is picking up due to the ratification of the 7th Pay Commission. The exports to and from India have fallen in UK due to a weak demand in the Euro zone and Britain, since the Eurozone crises. Post-Brexit the possibility of dip in exports may rise as currencies will fluctuate and the real picture will only emerge upon the basis of appreciation of other currencies with the Pound. The process will also create an impact on outbound FDI from India to the UK, which today stands to be at 8% of the total FDI. As India export automobiles, it will affect our exports to the EU and the UK. The deeper impact is to be on IT exports, which constitutes the core of Indian exports to the UK. Other commodities like metals, pharmacy, garments and financial service will also feel the pinch. As the number of EU applications for education to the UK will fall, it will be favourable for Indian students for outbound education seekers. A depreciation of the Pound will lead to short term gain for Indian students as the cost of education will decrease.

One of the big reasons for a 51.9% UK vote to leave EU was the free movement of labour in the UK. The intention to take back control on immigration was a key factor. It may impact immigration but skill gaps in the UK will also persist. Foreign firms would be impacted as, under the erstwhile passport scheme, a financial service firm could use another member EU state to carry out business without any extra cost that were normally associated with foreign entities. This feature will be lost now and it will create an impact. Many firms used to favour UK and over a period of time, London had become a trade hub.





### ISSUE 3: THE UKRAINE CRISIS AND THE GREAT POWER RIVALRY

Ukraine has never existed independently and its existence has always vacillated between Europe and Russia. In the 13th and 14th centuries, the centre of gravity in the region shifted to Moscow and since then, Russia has been a force on the global scene. In modern times, Ukraine had an independent existence only for a limited period in the 17th and 18th centuries. In the post-World War–II Europe, Ukraine has the second largest area and below Ukraine was the Crimean peninsula. In the period from 1853 to 1856, the region witnessed the Crimean War, in which the Russian Empire lost to an alliance of the Ottoman Empire, France, Britain and Sardinia. The immediate cause involved the rights of Christian minorities in the Holy Land, which was a part of the Ottoman Empire. The French promoted the rights of Roman Catholics, while Russia promoted those of the Eastern Orthodox Church. The long-term causes involved the decline of the Ottoman Empire and the unwillingness of Britain and France to allow Russia to gain territory and power at Ottoman expense.

From 1917 to 1921, Russia witnessed the Russian revolution, during which Ukraine vacillated and drifted under the control of Austria–Hungary Empire and the Polish empire. Post-1921, Ukraine again came under the control of Russia and remained there for some time. Crimea was controlled by Russia but in 1954, there was transfer of power, annexing Crimea to Ukraine. Russia’s Nikita Khrushchev decided to hand over Crimea to be controlled by Ukraine because Crimea was dependent upon Ukraine for all its basic needs. Khrushchev was of the opinion that such a mechanism would be useful for the administration of Crimea and would not create an issue for Russia because Ukraine was under Russian control. This mechanism prevailed till 1991. After the disintegration of Soviet Union, the erstwhile Russian satellite states began to assert independence. Ukraine too asserted independence but was vacillating between having a Pro-Russian or Pro-Euro zone regime. In the period after the disintegration of the Soviet Union, in a referendum in Ukraine, 90% people voted in favour of a separation from Russia. Since then, till 2004, Ukraine has vacillated and remained a state with loose control.

In 2004, Ukraine witnessed elections which Yenukovich won and initiated his rule. The election of Yenukovich was challenged by Yushenko, who launched a protest against Yenukovich called as Orange Revolution. The Orange Revolution led to a re-election in Ukraine which Yushenko won. In 2010, Ukraine had the next election. In the 2010 election, Yushenko lost while Yenukovich won. Yenukovich was a pro-Russian leader.

In 1994, Russia and the NATO entered into an agreement that neither would resort to

expansion in Europe. In 1998, Russia and Crimea entered into an agreement where Crimea agreed to allow Russia to station 25,000 Russian soldiers in Crimea near the Black Sea. This led NATO to initiate expansion and extend NATO memberships to Poland and Hungary. In 2004, NATO expanded by offering memberships to Slovakia, Slovenia, Estonia, Lithuania and Latvia. In 2008, the US initiated the process to bring Ukraine into the fold of NATO. In 2008, Ukraine was led by Yushenko, who was a pro-US leader. As a consequence, the Russians entered into an agreement with Crimea where Crimea offered Russia access to a part of Sevastopol in the Black Sea region. As per the agreement, Russia would maintain a Black Sea fleet in Sevastopol and such Russian presence would remain undisturbed till 2042. As this expansion and counter-expansion by NATO and Russia unfolded, in 2013, the US backed Euro zone offered Ukraine a membership to the European Union (EU).

This offer was made to Yenukovich, a pro-Russia leader, in power since 2010. Russia saw this offer as an indirect attempt by NATO to reach Russia borders. As Yenukovich rejected the deal to allow Ukraine to be a part of European Union, a crisis began to unfold. In the independence square in Kiev, massive protests took place to seek a pro-EU decision for Ukraine. Russia supported the counter-protests and this led to violence in Ukraine leading to the beginning of the Ukraine crisis in November, 2013. As the conflict intensified, in February 2014, Yenukovich fled the country, signalling a victory for the rebels. Witnessing the situation turning in favour of the rebels, Russia, in March 2014, instigated Crimea to undertake a referendum. On 16th March, 2014, Crimea ordered a referendum and 95% people in Crimea voted in favour of Crimea joining Russia. On 19th March, 2014, Russia took over Crimea and used Crimea to assert power in the region.

The 5% people who did not vote in favour of Crimea joining Russia were the Tartars. The Tartars are ethnic Muslims in Crimea who have always been at the receiving end of repression by the Russians. In 1950s, Stalin had crushed the Tartars and even deported them to Bulgaria, Turkey and Romania. Post-Soviet disintegration, the Tartars settled back in Crimea again. Since 19th March, 2014, Crimea is under the Russian control. The US and other western states allege that Russia has illegally annexed Crimea. In October, 2014, when fresh elections happened in Ukraine, Petro Poroshenko won the election. Poroshenko has favoured an equidistance policy and has maintained distance from both Russia and the US. Over a period of time, US too have realised its mistake of stirring up controversy in Russian backyard.

Russia has tried to assert dominance on the entire issue. For Russia, Crimea and Ukraine are very crucial. The Russians get an access to the warm waters of the Black Sea only through Ukraine and Crimea. Russia's northern stream and southern stream pipelines pass through there. These pipelines are lifelines for the European states of Germany, France and others. Russia supplies oil to the European states through these pipelines which pass through the region of Crimea and Ukraine. The violence in Kiev, Luhansk and Minsk, along with other regions, has been under control since a 2015 ceasefire agreed upon between the rebels and others. However, the rebels who were armed by the CIA (which had pumped 5 billion USD in the region) continue to possess arms as there has been no mechanism to take back the arms from the rebels.

The Ukraine issue was a geopolitical conflict for dominance. The west has expanded

through NATO aggressively and is at the doorsteps of Russia. An indirect attempt was made by NATO through the EU to penetrate into Ukraine. Russia lost its patience over NATO expansion and precipitated a crisis. Some scholars have observed that the crisis is only a beginning of a new energy war in Europe since the US is desperately looking for a shale gas market in Europe and wants to end the dominance of Russia in Western Europe. However, an assertive and rising Russia, as visible in Ukraine, Iran and Syria, is a pointer to the fact that the future could see a commencement of a new Cold War. The implications of the Ukrainian crisis on global politics is that Russia has tried to assert multipolarity and has conveyed to the US that it should learn to respect the opinions of others. Though India has not been a direct party to the dispute over the crisis in Ukraine, it has still maintained that it favours Russian assertion of multipolarity. Multipolarity itself is a goal that the Indian foreign policy stands for. India has not condemned the Russian intervention in Crimea like most of the western powers as it believes that there are Russian interests in the region that need to be taken care of by Russia. However, nor has it openly supported the Russian invasion as it stands for conflict resolution through positive dialogue.