

PREFACE

This study revolves around the following broad objectives:

- (i) Has the disintegration of the Soviet Union affected trade prospects between Russia and India, specially after taking liberalisation programme in this country?
- (ii) Has rupee-rouble controversy any impact on the Indo-Russian trade relation in recent years?
- (iii) What are the real causes of disintegration of the USSR and what was the role of Gorbachev in it?

The Indo-Soviet/Russian economic and trade relations have been appraised of on the basis of data available upto 1995.

An Outline of the Work

There are ten chapters in this study:

Chapter-I : Historical Background of Indo-Soviet Relations upto 1947.

Chapter-II : Indo-Soviet Relations in Post-Independence Period.

Chapter-III : Indo-Soviet Economic Cooperation Upto 1985.

Chapter-IV : Indo-Soviet Trade Upto 1985.

Chapter-V : Indo-Soviet Trade Upto the Disintegration of the USSR.

Chapter-VI : Causes of Disintegration of the Soviet Union.

Chapter-VII : Terms of Trade of Indo-Soviet Trade.

Chapter-VIII : Rupee- Rouble Controversy.

Chapter-IX : Indo-Russian Trade after the Disintegration of the Soviet Union.

Chapter-X : Conclusion.

Chapter-I :

Since ancient period, the Indo-Soviet relations stood on the solid base of trust and belief. The Indian freedom movement was highly influenced by the Great October Revolution. Indeed, the socialist revolution in Russia and the Indian freedom movement, born in different contexts and circumstances and carried out in a different way, formed an integral part of the tide of history against imperialism and for the creation of a better world order. It was natural that they interacted each other. The historical relevance of Indo-Soviet relation has been analysed in this chapter in the context of this theoretical framework.

Chapter-II :

After independence, the Indo-Soviet relations took a new shape. India's attainment of independence in 1947 sounded the death knell of colonialism. The Soviet Union became the leader of the community of socialist countries and the Republic of India became an influential force in the Non-Aligned Movement. The famous Treaty of Friendship between India and the Soviet Union was signed in 1971. This was signed at the height of the Indo-Pakistani conflict triggered by the fact that India fully supported the national liberation movement waged by the people of Bangladesh. The Western reactionary circles opposed the appearance of a new state and thereby attempted to punish India. But, Soviet Union's principled stand played a role in repulsing the action launched against India. On the background of this literature, Indo-Soviet relation has been discussed in this chapter.

Chapter-III:

Immediately after independence, mainly two factors were responsible for deepening of friendship and cooperation between India and the Soviet Union: first, the basic agenda of the ruling class of newly independent India was the material transformation of India. Secondly, the material transformation was linked with the strengthening of national sovereignty. With a view to achieving these two interrelated goals, the Indian ruling classes sought cooperation of the Soviet Union. The Soviet cooperation facilitated India in the development of heavy and basic industries. In this chapter, a detailed analysis of Soviet economic cooperation has been made.

Chapter-IV:

This chapter reviewed the previous studies of Indo-Soviet trade to get ourselves apprised of present analytical trends in the literature. This chapter consists of mainly four sections. First section is devoted to the general discussion of Indo-Soviet trade since ancient times. Second section discusses the commodity composition of Indo-Soviet trade in post-independence period. Third section examined the problems of Indo-Soviet trade. Fourth section clarified the pattern of changes in Indo-Soviet trade upto 1985.

Chapter-V:

Gorbachev's regime started from 1985 and it can be divided into two phases: first phase that was between 1985 and 1988 and second phase was from 1989 and upto the disintegration of the Soviet Union. Perestroika was introduced in the first phase. Democracy and Glasnost are regarded as the most significant result of Perestroika. When Mikhail Gorbachev became the General Secretary of the Communist Party of the Soviet Union in March 1985, the Soviet economy had already stagnated under Brezhnev. In these circumstances, Perestroika and Glasnost were meant to reconstruct the stagnant Soviet economy. During Perestroika, the Soviet Union was inclined towards the west in general and the United States in particular. In this juncture, a separate analysis of Indo-Soviet trade for the period under Perestroika is required. This is done in this chapter.

Chapter-VI:

Indo-Soviet trade relation received a staggering blow due to the disintegration of the Soviet Union. In this chapter, causes of disintegration of the Soviet Union were searched for. In this context, the role of Gorbachev in the process of dismantling of the USSR has been analysed.

Chapter-VII:

This chapter is devoted to the analysis of the Indo-Soviet/Russian terms of trade. In any trade relation, terms of trade occupy an important place, as it reflects a clear picture of trade performance of the country concerned.

Chapter-VIII:

A long debated issue - the Rupee-Rouble controversy has been analysed in this chapter. In post-disintegration period, this controversy took an important role in the determination of the trade links between the two countries. Total trade volume sharply fell down after the disintegration. But how far the solution of this controversy has become successful in increasing the trade turnover between the two countries is a matter of concern. This has been discussed in detail in this chapter.

Chapter-IX:

The qualitative change in Russia as well as in India in the post-cold war phase has affected Indo-Russian economic relation. On the other hand, both the countries are devising new methods of survival in the changed climate. New Russia has become busy in strengthening trade relations with states such as Germany, US, Italy, Japan, China etc, while Indo-Russian trade is becoming almost negligible from Russian side. In this chapter, an attempt has been made to assess the real state of Indo-Russian trade relations by which a future projection of mutual trade can be outlined.

Chapter-X:

Disintegration of the Soviet Union has surely affected the two-way trade prospects of India and Russia. Over and above, westward orientation of Russia in recent years has hampered Indo-Russian trade. In spite of that, the strategic significance of two countries' geopolitical situations are compelling enough to activate Indo-Russian cooperation. Over thirty joint ventures are already on the way of completion in mainly leather goods, computer hardware and engineering items. In this chapter, efforts have been made to draw conclusion based on the total discussion made in this volume.