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## Economic Dependencies And Strategic Autonomy: India's Balancing Act Between The USA And Russia

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### Abstract

In the evolving contours of international relations, strategic autonomy is increasingly shaped by economic dependencies. India's foreign policy provides a compelling case study of how a rising power navigates the geopolitical tightrope between two global heavyweights—the United States and Russia. This article explores the historical foundations, economic imperatives, and strategic compulsions underlying India's relationships with both nations. It argues that India's multi-alignment strategy is not a sign of indecision, but rather a calculated approach to maintain sovereignty, enhance global leverage, and secure long-term interests in a multipolar world.

### Introduction: Economic Dependency and Strategic Autonomy in the 21st Century

The post-Cold War era has witnessed the emergence of new power configurations and a growing acknowledgment of economic interdependence as a central force in foreign policymaking. For countries like India—aspiring to consolidate their regional clout while asserting global aspirations—the challenge lies in navigating economic dependencies without compromising strategic autonomy.

Strategic autonomy, in the Indian context, is not synonymous with non-alignment in its Cold War form. Instead, it refers to the freedom to pursue national interests without being tethered to the agendas of major powers. This autonomy is increasingly being tested in an international system where economic interdependencies—whether in the form of trade, technology transfer, defense procurement, or energy security—are inescapable.

India's contemporary foreign policy, particularly in relation to the United States and Russia, reflects this dilemma. On one hand, the United States is India's fastest-growing strategic partner in defense, trade, and technology. On the other, Russia continues to be a legacy partner, vital for energy security and defense supplies. The balancing act between these powers reveals how India is leveraging economic dependencies to enhance, rather than erode, its strategic agency.

## India–USA Relations: Strategic Convergence Amid Structural Constraints

Since the early 2000s, India–USA relations have undergone a transformation driven by shared concerns over China’s assertiveness, economic liberalization in India, and the rise of multipolarity. The India–US Civil Nuclear Agreement (2005) was a watershed moment, signaling Washington’s recognition of India as a responsible nuclear power and paving the way for broader cooperation.

Economic relations between India and the US have grown steadily. Bilateral trade reached over \$191 billion in 2022, making the US India's largest trading partner (Office of the United States Trade Representative, 2023). Major American companies—including Google, Amazon, and Microsoft—have substantial investments in India’s digital economy.

Technology cooperation has also deepened, particularly under the US-India Initiative on Critical and Emerging Technologies (iCET) launched in 2023. It emphasizes cooperation in quantum computing, AI, space technology, and semiconductors—sectors central to India’s development goals and global competitiveness.

India's elevation to Major Defense Partner status in 2016 and subsequent defense agreements—LEMOA (2016), COMCASA (2018), and BECA (2020)—demonstrate growing trust and interoperability between the two militaries. Joint exercises like Malabar, and shared visions for a Free and Open Indo-Pacific, further underscore their strategic alignment.

Yet, structural constraints remain. India remains wary of becoming entangled in US-led alliances like NATO or assuming anti-China postures that could compromise its own neighborhood diplomacy. Moreover, India’s continued purchase of Russian S-400 missile systems has drawn US criticism and the threat of sanctions under CAATSA (Countering America's Adversaries Through Sanctions Act), highlighting the complex interplay between strategic needs and foreign pressure.

## India–Russia Relations: Legacy Ties and Emerging Realities

India’s relationship with Russia is rooted in Cold War solidarity, with the 1971 Indo-Soviet Treaty of Peace, Friendship, and Cooperation symbolizing their strategic alignment. Even after the dissolution of the Soviet Union, India maintained strong ties with Russia, particularly in defense, energy, and nuclear cooperation.

Russia has historically been India’s largest defense supplier, accounting for over 45% of India’s arms imports between 2017 and 2022 (SIPRI, 2023). Joint ventures like BrahMos Aerospace and licensed production of T-90 tanks and Sukhoi aircraft underscore a defense partnership that goes beyond buyer-seller dynamics.

However, India’s diversification of arms procurement—towards France, Israel, and the US—reflects an effort to reduce over-dependence. Still, critical systems like S-400s and nuclear submarines remain tied to Russian expertise and supply chains.

Russia is central to India’s energy security, supplying crude oil, LNG, and nuclear fuel. In the wake of Western sanctions following the Ukraine war, India emerged as a major buyer of discounted Russian oil—an economic necessity that also tested its diplomatic balancing act.

Projects like the Kudankulam Nuclear Power Plant and the North-South Transport Corridor (via Iran) reflect strategic infrastructural cooperation that fits into India’s broader connectivity goals with Central Asia and Eurasia.

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