LOOK WEST POLICY: INDIA GAZES TOWARDS GULF

YASMEEN HASHMI¹ & HIRDAYA NARAYAN CHAUDHARY²

¹Research Scholar of Political Science, NIMS University, Jaipur, India
²Principal, Mohan Lal Verma Educational Institute
Parlri, Barabanki, India

ABSTRACT

India and the relations with the Gulf are very mature, and can be traced back to ancient times in both the cultural and economic domains. Relations prospered with more maritime links with the region, which were carried out by various traders from India as well as from the Gulf.

The initial breakthrough in the new era of India’s foreign policy in the 1990s saw an eastwards shift, a new ‘Look East’ foreign policy to engage South-East Asia. In more recent years, under Manmohan Singh (2004–present) this has been complemented by a westwards shift, a ‘Look West’ policy to engage with Iran and the Arabian/Persian (depending on whose side one was on) ‘Gulf’. This Look West policy is the spotlight of this paper.

KEYWORDS: foreign policy, energy security, west policy.

INTRODUCTION

Whilst a Look West policy was an ‘option’ for India at the initial time after independence, it has now become an ‘imperative’ in its foreign policy. India has vital strategic interest in the Arabian Sea zone that includes the natural extensions like the Gulf and the Red Sea, with their respective choke points of the Strait of Hormuz and the Bab el Mandeb. India’s strategic interests involve fast-growing trade (see Table 1).

They also involve ‘energy security’, caused by the growing importance for India of natural gas and oil resources, which give a boost in the importance of the reserves found in this energy-rich region (see Table 2).

Such trade, and especially energy, considerations give India a strategic imperative (in its own right and as a major regional power), to help secure Sea Lines of Communication (SLOCs) that pass through this zone, and which bring in trade and energy flows[1].

The role of extra-regional powers in the region has been long running. After the Second World War the United Kingdom continued to have interest in the Gulf before leaving it in 1971, with the USA then assuming the responsibility of defending pro-Western governments. During the Cold War the USSR had its geopolitical vision (along with the USA) of access to the warm water ports and oil fields of the Middle East, which failed with the defeat in Afghanistan. The sudden collapse of the USSR (in 1991),
which was a major trading partner of India, combined with the First Gulf War (1990–91), which left a high point in oil prices, caused a balance of payment crisis for India.

<table>
<thead>
<tr>
<th>Countries</th>
<th>India’s exports (US $m.)</th>
<th>India’s imports (US $m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>286.52</td>
<td>1,442.82</td>
</tr>
<tr>
<td>Iran</td>
<td>2,534.01</td>
<td>12,376.77</td>
</tr>
<tr>
<td>Iraq</td>
<td>437.43</td>
<td>7,709.94</td>
</tr>
<tr>
<td>Kuwait</td>
<td>797.50</td>
<td>9,593.74</td>
</tr>
<tr>
<td>Oman</td>
<td>779.04</td>
<td>1,205.46</td>
</tr>
<tr>
<td>Qatar</td>
<td>674.37</td>
<td>3,498.91</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>5,110.38</td>
<td>19,972.74</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>24,477.48</td>
<td>23,791.25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,096.73</strong></td>
<td><strong>79,591.63</strong></td>
</tr>
</tbody>
</table>

In the 1990s India moved forwards with its new foreign policy and economic liberalization. After the Soviet collapse, India saw new markets available in the Gulf (and Iran) to engage with economically. Meanwhile the USA built up its military strength in the region, so as to support its own economic interests in the region. In order to enhance the mobility of US forces and to provide logistical support, additional base facilities were sought and acquired in Oman and Bahrain. Today the USA has a presence in every country of the Gulf apart from Iran, some- thing of a Pax Americana within which Indian interests operate. Apart from defending its own vital economic and strategic interests, the USA had also assumed the responsibility of safeguarding the interests of its allies (Western Europe and Japan) by ensuring them uninterrupted supply of oil from the Persian Gulf region. Accordingly, safe and free passage through the SLOCs in the Gulf remains vital for the USA, as indeed they do for India also[2].

<table>
<thead>
<tr>
<th>Countries</th>
<th>Oil reserves in billion barrels</th>
<th>Gas reserves in trillion cubic feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>262.3</td>
<td>240</td>
</tr>
<tr>
<td>Iran</td>
<td>136.3</td>
<td>974</td>
</tr>
<tr>
<td>Iraq</td>
<td>115.0</td>
<td>112</td>
</tr>
<tr>
<td>Kuwait</td>
<td>101.5</td>
<td>55</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>97.8</td>
<td>214</td>
</tr>
<tr>
<td>Qatar</td>
<td>15.2</td>
<td>911</td>
</tr>
<tr>
<td>Bahrain</td>
<td>0.1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>728.2</strong></td>
<td><strong>2509</strong></td>
</tr>
</tbody>
</table>
Such factors have also shaped the growing Chinese interest in the region: ‘energy security’ considerations driven by China’s growing need (like India) to import oil and gas, and to improve maritime trade with the region. For Harsh Pant, the Chinese arrival shows that ‘China is starting to make its presence felt in Iran in a big way. It is now Iran’s largest trading partner and is undertaking massive investments in Iran, rapidly occupying the space vacated by western firms. India is right to feel restless about its own marginalization in Iran despite its [India’s] civilization ties with the country’. For India, already looking northwards and eastwards and encountering the People’s Republic of China, in looking southwards and eastwards it is also encountering a Chinese-driven arrival in yet another part of India’s extended neighbourhood: in the Gulf and Iran, the two parts of India’s Look West policy to which we can now turn[4].

LOOKING WEST POLICY

India and the relations with the Gulf are very old, and can be traced back to ancient times in both the cultural and economic domains. Relations flourished with more maritime links with the region, which were carried out by various traders from India as well as from the Gulf. They dominated Gulf maritime trade before the Europeans arrived in the early 19th century, and made it their ground of conflicts and opportunities. Meanwhile, India had also fallen under the sway of British control. On the one hand, the volume of trade between the Gulf and India diminished; on other hand, the British presence in the Gulf was to some extent controlled from British India and underpinned by manpower from British India. In political terms, British foreign policy in the Gulf was carried out through the Persian Gulf Residency (PGR). Before 1857 the PGR had been a subdivision of the East India Company, whilst from 1858 onwards it came under the jurisdiction of the British India administration. In economic terms the Indian rupee was also the currency used in Kuwait, Bahrain, Qatar, the Trucial States and Oman, as provided by the Reserve Bank of India up to 1959. In military terms, Indian manpower was mobilized in the Second World War and deployed in Bahrain, and in large numbers (around 700,000) in Kuwait and Mesopotamia[3].

Post-independence, India revitalized its historical links with the Gulf region, with its ‘strategic’ significance increasingly recognized by India. Pranab Mukherjee encapsulated India’s economic and political concerns in the Gulf: ‘beyond the immediate region, India has vital interests in the Gulf the Gulf forms parts of our strategic [extended] neighbourhood’, as an ‘important source of energy, home to over 3.5m. Indians, and a major trading partner. Parts of it are also a source of ideology, funding and recruits to the cause of Islamic radicalism and terrorism’. Such has been India’s push into the Gulf that Harsh Pant argues that ‘the international community and the West in particular has been obsessed with New Delhi’s ties with Tehran and has tended to ignore India’s much more substantive engagement with the Arab Gulf states the significant stakes that India has in the Arab Gulf often go unnoticed’. India’s
interests and presence in the Gulf revolve around various issues, namely the expatriate Indian community, economic-energy links, and maritime security-diplomacy[5].

INDIAN EXPATRIATES IN THE GULF

When it comes to any conflict in the Gulf, India faces a major challenge because of its dependence on energy sources, and the safety and security of Indian migrants in the region. The discovery of oil and manpower shortages in the Gulf precipitated phenomenal labour migration to the region. Given the population pressure and bleak economic prospects at home, Indian labourers flocked to the Gulf in search of employment and higher wages. The presence of Indian labourers dates to 1935 when the Bahrain Petroleum Company (BAPCO), imported labour from India. Indians now comprise the largest expatriate community in the Gulf countries, which counts more than 3m. in the region, distributed accordingly between the United Arab Emirates (UAE, around 1.5m.), Oman (0.6m.), Kuwait (0.6m.), Bahrain (0.3m.), Qatar (0.2m.), with another 1.4m. in Saudi Arabia. About one-third (33.3%), and over 42.5% of the workforce, in the UAE are Indians[7].

Two comparative trends can be seen. First, unlike in the 1970s and 1980s when nearly 90% of Indians in the Gulf were blue-collar workers, today over 35% of the Indian expatriate workforce are white-collar professionals specializing in fast-moving fields such as the services and information industry. India’s economic high-tech rise is reflected in the increasingly high-level economic appearance of Indians in the Gulf, where professionals and technically qualified Indians are engaged in huge numbers in the knowledge-based economic sectors such as Dubai Internet City, Dubai Media City and the Jebel Ali Free Zone (JAFZ). Second, unlike in other regions, Indian expatriates in the Gulf have a higher propensity to remit the money they earn. Gulf expatriates account for almost 30% of total remittances flowing back to India. It thus has become important that India maintains cordial relations with the Gulf countries and fosters general stability, so that there is no hindrance to such Indian economic activities in the Gulf[6].

ECONOMICS AND ENERGY

In the wake of economic reforms in India, and subsequent economic growth in the late 1990s, Gulf countries showed greater interest in strengthening their bilateral and commercial relations with India. Apart from the oil and gas market, Indian companies have established various ventures in different sectors such as management and consultancy services, construction projects, telecommunications, computer software and hardware engineering, manufacturing of detergent and pharmaceuticals. One basic complementarity was apparent: ‘I see India’s requirement for energy security and that of the Gulf countries for food security as opportunities that can be leveraged to mutual advantage’. A framework agreement for economic co-operation was signed between India and the Gulf Cooperation Council (GCC) in August 2004. March 2006 saw the first joint ministerial meeting of the six-state GCC and India. Final negotiations for a Free Trade Agreement were started in January 2006, and set for signature in 2010. Some Indian commentators argue that ‘it is time for India to look beyond trade and business, and engage the GCC in political, security and strategic fields’. The Gulf region has increased in relative
economic importance for India. Bilateral trade between India and the GCC countries exceeded US $100,000m. in 2009 making GCC, as a bloc, India’s largest trading partner. Within that, India-UAE trade of $7,190m. in 2003/04, a 5.6% share of India’s overall trade, increased to $48,270m. in 2008/09, a 9.87% share of India’s trade, though dropping back slightly to $43,470m. in 2009/10, or a 9.31% share of India’s trade[9].

Energy requirements are the main area of exposure for India in the region, where ‘a pattern of interdependence is emerging between India and the GCC due to their strategic position and central role in the current energy security discourse’. Quite simply, ‘the Gulf countries are crucial to the energy requirements of India, particularly oil’. One-third of the world petroleum reserves are in the Gulf. With the growth of the shore oil and gas industry, there has arisen an interest in its military utility and its defense. In the Gulf Wars of the 1980s, 1991 and 2003 there were naval clashes around oil rigs. Availability of oil in the Persian Gulf region has been the main factor responsible for enhancing the strategic importance of this region. Most of the Indian requirement for oil and gas was imported from the Persian Gulf. In this energy setting, India’s ONGC Videsh Limited (OVL) has a 100% exploration share of Qatar’s Najwat Najem field, and a 100% share of Iraq’s Block 8 field[10].

MARITIME SECURITY AND MARITIME DIPLOMACY

India’s economic sea trade route has been laid down in history. All the treasures of the ancient and modern world were borne across the warm waters that stretch from the Arabian Peninsula to the shores of India. In the global strategic environment, India is an up-and-coming country with its fast-growing economy, stable democratic policies and expanding maritime dominion. The world order has started to change from Europe-centric to Asia-centric, with India as a major player in the region, with more responsibility for securing the SLOCs, which are the lifeline of India’s constant economic growth.

The threat of terrorism-related activity in the marine environment has drastically increased since the terrorist attacks on the USA on 11 September 2001. In the past there have been attacks on US ships in the Gulf, and jihadist piracy activities in the Strait of Malacca. In 2010 the Indian Minister of Home Affairs, P. Chidambaram, made the argument that ‘it [jihadist terror-ism] is not just from across the border in Pakistan but extends beyond to the Middle-East also. We have to redefine what cross-border terrorism means’. Terror operatives in the Gulf have had a far more significant role in orchestrating several of the recent terror attacks in India than was known until recently: funding the serial blasts in Bangalore in 2008; assisting in the escape of its mastermind, Tadiyantavide Naseer, to Bangladesh; and probably playing a significant role in the Mumbai terrorist attacks on 26 November 2008. The terrorist attacks on Mumbai in 2008 raised many questions about the security of the sea routes, given that terrorists entered from across the Arabian Sea. As a country with strong maritime forces in the region, India has to maintain a close maritime watch in the region for the safe passage of international maritime trade. The Indian Minister of Defence, A.K. Anthony, commented, whilst inaugurating an International Maritime Search and Rescue Conference (IMASRCON) in 2008, ‘the region already faced a menace from sea pirates and [the] terror threat has [the] dimension of bringing in non states actors as well as
agents of transitional crime’, calling for greater international vigil toward these threats. In short, India has to maintain strategic relations with the Gulf, in part to combat potential terrorist threats in the future[12].

As an emerging maritime power, from New Delhi’s perspective, key security considerations include maintaining the accessibility of the Arabian Sea and flows into and out of the Strait of Hormuz. The large Islamic population on the shores of the sea and in its hinterland, the oil wealth of the Gulf and the key Strait of Hormuz are of importance for India’s maritime security expansion in the region. Like the Government, the Indian Navy has also been Looking West into the Gulf. The maritime forces work as part of foreign policy, with India’s naval diplomacy showing the flag, showing sea power, deterring and attracting. The presence of Indian maritime forces in the Gulf and in its vicinity has been welcomed by international trading companies.

Goodwill visits have brought the Indian Navy into the Gulf on various occasions. The visit of India’s aircraft carrier INS Viraat and two other ships to the UAE in March 1999 set the scene. A substantial three-week deployment by the Indian Navy took place in September–October 2004, involving two destroyers, INS Mumbai and INS Delhi, the advanced missile frigate INS Talwar, as well as INS Kulish, INS Pralaya, INS Sinduraj and the support tanker INS Aditya. Their visit to Oman, Bahrain, Iran and the UAE was rightly interpreted by Chinese sources as Indian ‘efforts to use its navy to project power’ outside its own immediate coastal waters.

Altogether, around 40 Indian naval vessels were dispatched to Oman and the Gulf during 2005/07. August 2007 saw another powerful five-ship Indian flotilla deployed into the Gulf, with port calls at Muscat (Oman), Qatar, Abu Dhabi, Manama (Bahrain), al-Jubail (Saudi Arabia), before going across to Djibouti. December 2007 saw further dispatches of Indian warships to the UAE.

As elsewhere, naval diplomacy forms a prominent part of India’s wider diplomatic projection, with Pranab Mukherjee explaining to an audience in the UAE in May 2008 that ‘the steady expansion of our political and economic ties, the interactions between our security and defense personnel and the visits of our naval ships have added a new dimension to our relationship’.

The India-Oman Thammar Al Tayyib joint exercise has been a regular naval feature since 2003. It was in this vein that when Sureesh Mehta took over as India’s Chief of Naval Staff, his first trip overseas was to Abu Dubai in the UAE in February 2007, accompanied by talk of further Indian naval projection into the region. During Manmohan Singh’s trip to the Gulf in November 2008, his visit to Oman saw agreement on strengthening maritime exercises, whilst his visit to Qatar saw a defense maritime co-operation pact signed alongside discussion of increased liquid gas supplies, an unsurprising blend of energy security considerations with defense considerations, and general presence.

**IRAN**

Iran’s role deserves discussion in its own right: ‘our relations with Iran are a fundamental component of our ‘Look West’ policy’. Links can be traced back to 4000 BC, when the Gulf was ruled by the Median, Achaemenid, Seleucid and Parthian Empires and later by the Sassanid Empire. During
the period of the Sassanid Empire, Persia and north-western India (which was ruled by the Kushans and then Kushano-Sassanians) were deeply engaged in political, economic, cultural and religious intercourse. The coming of Islam brought further Iranian influences into India, including the widespread and long-running presence of Persian as a widely used language at the medieval and Mughal courts in India. In modern, post-colonial times, geographical proximity and economic complementarities have thrown open fresh opportunities for greater interaction between India and Iran.

The geostrategic importance of Iran in the Gulf is vital for India as it connects the Gulf to the Arabian Sea through its narrow Strait of Hormuz. Besides this, Iran is a growing regional player with a drive to acquire nuclear weapons. Iran shares coastlines along the Gulf to the south and the Caspian Sea to the north, with significant energy reserves in both areas. Since Iran is a major regional player, its foreign policy objective in the Gulf and in its immediate region of the Arabian Sea will have crucial implications for the security of the entire region, and for India. Indo-Iranian relations can be explained from their political, economic and strategic aspects[12].

POLITICAL ASPECTS OF INDO-IRANIAN RELATIONS

The relationship between India and Iran is far-reaching and multidimensional. The two states have recognized that they have a lot more to share and offer to one another. Their strategic partnership emerged in the first decade of the 21st century. The visit of Indian Prime Minister Atal Bihari Vajpayee to Tehran in April 2001 resulted in the signing of six agreements regarding co-operation in trade, technology and the energy sector, which marked the new beginning of revitalized relations between the two countries. It also brought the signing of the Tehran Declaration (2001), which was echoed two years later in the Iranian President’s trip to India and the New Delhi Declaration (2003). The talks were of a new ‘axis’ in the making, with a strategic partnership proclaimed by the two states. However, such international political convergence does not detract from the concerns that India continues to have over Iran’s theocratic and potentially unstable domestic political regime.

LOOKING WEST: BEYOND THE GULF

The Middle East and North Africa, generally referred to as West Asia and North Africa (WANA) in official nomenclature, is a critical region for India. Over the centuries India has had strong political, cultural, economic, often religious and energy-related contacts and inter-actions with this region. In the early part of the 20th century Indian nationalists recognized the importance of the region when they made common cause with their Arab counterparts, especially over the Palestinian question. The region’s importance has only increased since then. Within the Middle East, the Gulf sub-region attracted an importance primarily and even exclusively because of its energy resources and the resultant economic opportunities. Hence, much of India’s interest and attention was dominated by the oil-rich Gulf region, marginalizing other sub-regions such as the Fertile Crescent and the Maghreb.

India’s sense of westwards extended neighbourhood has now, though, been extended still further beyond the Gulf into the further reaches of the Middle East/West Asia. This underpinned India’s
Readiness to use its naval capacity to evacuate Indian nationals from Beirut, Lebanon in the summer of 2006, with Manmohan Singh explaining to the Indian parliament that in rescuing Indian nationals, it had been shown that ‘West Asia is our extended neighbourhood and tensions in that region affect our security and our vital interests’. Here, if one is looking for tangible shifts in India’s post-Cold War world view and signs of maturity in its foreign policy, then one has to look beyond the Gulf region. More than any other country or region, Israel has symbolized a fundamental shift in India’s foreign policy outlook. By breaking with the past and abandoning its historic baggage, India ushered in a new approach to its international relations. The zero-sum approach of the Cold War gave way to a nuanced policy that is based less on rhetoric and more on hard political calculations on the part of India.

The sudden disappearance of the Cold War global ideological schism created more problems for India’s Middle East policy than is commonly recognized. Overnight it put an end to the traditional pro-Soviet policy that India had managed to waive towards the Middle East since the early 1950s.

**NORMALIZATION WITH ISRAEL**

Normalization of diplomatic relations with the Jewish state was the most visible manifestation of the post-Cold War foreign policy of India. More than four decades after the formation of Israel, India established full diplomatic relations with the country in January 1992. This move signalled India’s new non-ideological approach to foreign policy.

An initial formal Indian recognition of Israel had come back in September 1950, but a host of developments had prevented immediate normalization, even though an assurance to this effect was given when the Israeli diplomat Walter Eytan visited India in early 1952 and met Prime Minister Jawaharlal Nehru. Initially, financial constraints and lack of personnel prevented India from implementing Nehru’s assurances of full normalization, including a resident mission in Tel-Aviv. Israel’s collaboration with imperialism as manifested during the Suez war and Nehru’s growing friendship with Gamal Abdel Nasser gradually diminished the prospects of full normalization. What began as a pro-Arab policy gradually transformed into a policy of unfriendliness, if not hostility, towards Israel. Beginning with his yielding to Arab political pressures on the eve of the Bandung Conference of April 1955, Nehru played a critical role in Israel’s exclusion from the emerging bloc of Non-Aligned Movement and other Third World forums. Gradually, India intensified anti-Israeli rhetoric in its Middle East policy, as in November 1975 when New Delhi endorsed the infamous UN General Assembly Resolution 3379 that equated Zionism with racism.

The disappearance of the USSR, the end of the Cold War and the emergence of US hegemony all reduced international animosity towards Israel. US domination also meant the erst-while advisories of Israel had to come to terms with the international clout of Israel’s most friendly power. Political miscalculations of the Palestinians during the Kuwait crisis also meant that the regional animosity towards Israel lost some of its rationale.

These seismic changes in the Middle East compelled India to revisit its Middle East policy that
had been anchored on Arab socialism, secularism and Soviet friendship. Driven by traditional reluctance and dithering, India began to slowly transform its policies and priorities in the Middle East. India not only had to co-habit with US domination but also engage rising conservatism in the region. In practical terms this meant devising a policy that was driven more by economic calculation than political rhetoric, which was the thrust of the Manmohan Doctrine anyway.

India’s unfriendliness became untenable in the wake of Yasser Arafat’s willingness to seek a negotiated settlement with Israel. Continuation of the status quo would have earned India the dubious distinction of being more Catholic than the Pope! The rationale of its Israel policy had collapsed, and there was an added danger of it becoming counter-productive to its desire to have closer ties with the West, especially the USA. Reversal of its four-decade policy towards Israel provided an opportunity for the Indian leadership to signal a clean break from the past and herald a new dynamism in its foreign policy.

Normalization of relations contained a US angle. Since the late 1940s Washington had been pressurizing New Delhi to abandon its unfriendliness towards Israel. The absence of Indo-Israeli relations figured prominently in many high-level meetings between Indian and US leaders. It was widely believed that it was only due to US pressure that Prime Minister Indira Gandhi resisted the temptation to close down the Israeli consulate in Bombay (now Mumbai) in 1982, following a controversial interview by the Israeli Consul-General in which Yosef Hassin accused India of competing with Pakistan to curry favour with the Arabs. For a long time ‘block politics’ provided India with sufficient leeway to resist US pressure tactics. Post-Cold War US pre-eminence was different. Having been forced to find ways of improving its relations with Washington, New Delhi began looking for ways to convey the new direction of its foreign policy. Normalization of relations with Israel proved to be the most effective means of conveying this new message. Dithering in a deep economic crisis and acute foreign exchange shortage, its ability to pursue economic reforms also depended heavily upon Washington’s support and backing in various international financial institutions, including the World Bank. Thus, on 29 January 1992, on the eve of Prime Minister Narasimha Rao’s visit to New York to attend the special summit session of the UN Security Council, India announced normalization of relations with Israel. Reflecting on this linkage, one keen observer of the region lamented that although the establishment of ‘full diplomatic relations with Israel was a correct decision to do so under American pressure was unwise’.

Since 1992 relations between India and Israel have flourished in a host of areas, including political contacts, economic interactions, cultural exchanges and, above all, military co-operation. After some initial hesitation, India began adopting an unapologetic attitude towards its newfound friendship with Israel. There was a series of high-level political visits between the two countries, including the visit of Israel’s foreign minister in May 1993, President Ezer Weizman in December 1996, and foreign minister Silvan Shalom in February 2004. The high point of the bilateral ties was the visit of Prime Minister Ariel Sharon in September 2003. At that time not many friends of Israel were willing to host the maverick leader. Despite public protests from left-wing parties and Muslim groups, the visit was a watershed in Indo-Israeli relations. Despite initial misgivings, the Leader of the Opposition and President
of the Congress party, Sonia Gandhi, met the Israeli leader, thereby signalling a broad national consensus regarding bilateral ties with Israel. From the Indian side, however, there were not many high-level visits until 2000, when Minister of Home Affairs L.K. Advani and Minister of External Affairs Jaswant Singh visited Israel. Reciprocal visits of India’s President and Prime Minister are yet to take place.

At the same time, from the Indian side a host of other central ministers have visited Israel. On at least two occasions the visit of the defense minister has been cancelled owing to upheavals in the region. This, however, has been compensated by the active involvement of various state governments in promoting closer ties with Israel. Unlike the central Government, the state governments in India are less concerned about political controversy and calculation, and are driven more by the need to promote economic welfare of their respective states. This, in turn, makes the state governments look up to Israel for assistance in a host of areas such as agriculture, horticulture, irrigation, water management, arid cultivation, de-desertification, health care, etc. Indeed, since 1992 various state governments ruled by right-wing, left-wing and centrist parties have entered into a host of economic co-operation agreements with Israel.

The Communist Party of India (Marxist) (CPI (M)) was not far behind. Its critical political attitude towards Israel has not hampered the party from seeking closer economic co-operation with Israel. Indeed, in the summer of 2000 veteran communist leader and Chief Minister of West Bengal Jyoti Basu visited Israel. This was his last foreign visit as Chief Minister before he relinquished office. At around the same time his party colleague and later Speaker of the Lok Sabha (lower house of parliament) Somnath Chatterjee led a business delegation to Israel to promote investment opportunities in his home state of West Bengal. These two visits marked a diplomatic coup for Israel and indicated a larger Indian consensus on normalization. In short, political differences do not cloud economic interests, even for puritans like the CPI (M).

Ironically, in the wake of the outbreak of the al-Aqsa intifada (uprising) in September 2000, the Indian left had been demanding downgrading of closer ties with Israel. Some had even gone to the extent of demanding the recall of the Indian ambassador from Tel-Aviv. During 2004–08 the left-wing parties were instrumental in the continuation of the United Progressive Government under Prime Minister Manmohan Singh. Capitalizing on this unique situation and vulnerability of the Congress party, the left-wing parties hoped, demanded and clamoured for a ‘course correction’ vis-à-vis Israel. They were hoping that the Congress-led Government would ‘undo’ some of the pro-Israeli measures taken by the Bharatiya Janata Party (BJP)-led Government during 1998–2004. Much to the chagrin and disappointment of the left-wing parties, the Union Government was not prepared for any radical moves but, on the contrary, intensified close ties with Israel.

On the economic front, bilateral trade has grown in the last two decades; standing at less than US $100m. on the eve of normalization, it reached $3,854m. in 2009/10. If one excludes the hydrocarbons trade, this makes Israel one of India’s principal trading partners in the Middle East. The flip side of this is that much of their two-way trade is dominated by diamonds, as Indian companies
import raw diamonds and export them back to Israeli companies as polished, finished products. At the same time, bilateral economic co-operation also encompasses joint ventures and two-way investments in areas such as drip irrigation and medicine. Of late, Israel has been investing in various infrastructure projects in India.

The most important area of Indo-Israeli co-operation, however, revolves around the military arena, something that both countries are extremely reluctant to discuss publicly. In just over a decade after normalization, Israel emerged as a significant player in India’s security calculations.

Furthermore, heads of various branches of the military, as well as the security establishments, have been visiting one another periodically. There is a structured, regular and ongoing consultation between the national security establishments of both countries. There is an institutional consultation mechanism between the two foreign ministries, and both countries have Joint Working Groups dealing with terrorism and defense production. Indian naval vessels have been making periodic port calls to Israel. Reflecting its changed attitude towards Israel and the Middle East peace process, India contributed troops to the UN Interim Force in Lebanon (UNIFIL) in Lebanon in November 1998 and joined the UN Disengagement Observer Force (UNDOF) along the Israeli–Syrian border in March 2006.

Closer military ties between the two countries once again highlight the importance of the USA in shaping Indo-Israeli ties. In the early years it was believed that Israel was critical to the improvements in Indo-US relations. Developments after 1992 indicated a different trend. Rather than Israel helping India to improve its relations with the USA, as was commonly hoped, Washington has been enhancing Indo-Israeli relations. Understanding and support from Washington are critical if India is to avoid the path that Sino-Israeli relations took after both countries normalized relations in 1992. Rather than enhancing closer military ties, US pressure forced the Jewish state to reduce, curtail and eventually abandon its military sales to China. It is in this context that one should view the controversial statement by India’s National Security Advisor, Brajesh Mishra, at a dinner hosted by the American Jewish Committee in May 2003. According to him, these three countries ‘have some fundamental similarities. We are all democracies, sharing a common vision of pluralism, tolerance and equal opportunity. Stronger India-US relations and India-Israel relations have a natural logic’. A US veto, for example, would have scuttled the Indo-Israeli Phalcon deal.

There were other factors that worked in favour of India’s strengthening ties with Israel. The 1993 Oslo Agreement enabled some Arab countries to establish low-level diplomatic ties with Israel, while the powerful Gulf Cooperation Council (GCC) abandoned secondary boycotts against Israel. Moreover, most Middle Eastern countries had no qualms about Indo-Israeli ties. After some displeasure in the immediate aftermath of Rao’s decision, most countries pursued bilateral ties with India as if there were no Israel factor. Indeed, India’s relations with the Middle East improved substantially after, rather than before 1992. India’s economic growth and the resultant political clout resulted in many Middle Eastern countries looking at India favourably, attracted by the economic opportunities that India could provide and unconcerned about burgeoning Indo-Israeli ties. Contrary to fears and apprehensions, Arab
and Islamic countries were not prepared to hold their bilateral ties with India hostage to the Israel factor. Even the Islamic Republic of Iran, known for its anti-Israeli rhetoric under President Mahmoud Ahmadinejad, pursued closer ties with India as if there were no Indo-Israeli partnership. There was one notable exception, though: Egypt. Marginalized regionally following the emergence of oil-rich Arab countries in the Gulf, the most populous Arab country took time to come to terms with Indo-Israeli ties. In other words, while Israel was not responsible for the improvements in Indo-Arab ties, one can safely conclude that normalization of relations has not hampered the ability of Arab and Islamic countries to pursue closer political, economic and energy ties with India.

CONCLUSIONS

India, Iran and the Gulf region are likely to become increasingly interconnected. Both India and Iran may need to readjust or consider their relations in the context of the pulls and pressures experienced in their respective relationships with other players. Energy is going to play a very important role in building new relationships with India and the Gulf. Economic benefits, technological expertise and cultural exchange of thoughts will continue, and deserves strengthening. Iran will continue to operate in India’s foreign policy for the safety and security of oil and gas, new prospects in Central Asia, technological benefits, India’s expertise in the region, and its quest for global power. On the one hand, Iran also needs to make friends, as well as co-operate with other countries to break out of its present isolation, with India potentially able to play an important role in getting Iran to join the mainstream of world polity. India also needs friends in the Islamic world, such as the Gulf countries and Iran, to counter Pakistani hostility in the region.

REFERENCES


