

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

- India and Saudi Arabia during the Cold War
- India and Saudi Arabia—Delhi and Riyadh Declarations
- Commercial diplomacy
- Oil diplomacy and regional security
- India–Saudi Arabia strategic partnership
- Analysis of the Indian PM’s visit to Saudi Arabia, 2016

INDIA AND SAUDI ARABIA DURING THE COLD WAR

Saudi Arabia and India are two players that have the ability to display power when needed in the region neighbouring them. However, both are constrained by regional impediments. In the modern times, Saudi Arabia has been able to stand for the ideological power of religion. One major reason for its success in the same is that Mecca and Medina, the two holiest sites in Islam, are located in Saudi Arabia. India has a large Muslim population and in this context, Saudi becomes important in India’s strategic calculus.

India and Saudi Arabia established diplomatic relations in 1948. However, the relations with Saudi Arabia have not been very smooth during the Cold War. In the aftermath of independence, India and Pakistan had a war in 1948. Pakistan was able to garner Saudi support owing to its religious foundation and its emergence as an Islamic state. In 1953, Saudi king Al-Saud visited Pakistan and supported Pakistan on the Kashmir issue. However, Saudi–Pakistan relations deteriorated when, in 1955, Pakistan joined the US alliance brokered by the Central Treaty Organisation or the Baghdad pact. Saudi then used this opportunity to cultivate relations with India. In 1955, Saudi Prince Faisal visited India and later, King Saud also visited the state. In 1956, Nehru paid a state visit to Saudi Arabia. Again, this bonhomie was not long lasting as in 1957, Saudi itself announced a pro-west alliance. Saudi Arabia used its alliance with the US to assert hegemony in the region.

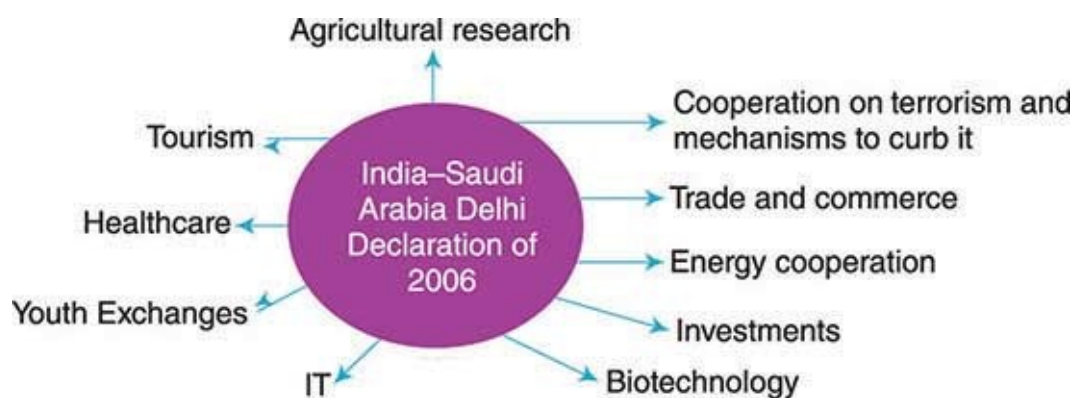
During the early decades of the Cold War, Egypt had propounded an idea of Pan Arabism and Arab unity. However, Saudi began to weaken the influence of Egypt and Syria in the Middle East by using Pan Islamism as a tool. As India was pro-Egypt, a weaker Egypt also meant weaker Indian influence in the middle east. As Saudi succeeded in tilting the balance of power of the Middle East in its favour, it gave Pakistan an increased leverage to side with Saudi Arabia. In 1965, in the Indo–Pak war, Saudi supported Pakistan as Egypt supported India. Even in the 1971 war with Pakistan, the Saudis continued to support Pakistan. Saudi even refused to give diplomatic recognition to

Bangladesh after its creation in 1971. After the 1973 oil embargo, as more money flowed into Saudi Arabia, it gave Saudi the option to undertake aggressive arms race with others. However, three events in late 1970s and 1980s drastically changed the landscape of the Middle East. The Soviet invasion of Afghanistan, the Islamic revolution in Iran and beginning of Iran–Iraq war were defining moments of the time.

As Ayatollah Khomeini rose in Iran, it increased the insecurity of Saudi Arabia. The concern of Saudi got further compounded when Israel invaded Lebanon in 1982. India used the opportunity again to patch up with Saudi. In 1982, Indira Gandhi visited Saudi Arabia. But, as the Cold War ended, India's aggressive counter military response to Pakistani-funded extremism in Kashmir in 1990s and the demolition of the Babri Masjid in 1992 kept the strain in Indo–Saudi relations alive.

INDIA AND SAUDI ARABIA—DELHI AND RIYADH DECLARATIONS

As the Cold War ended, firstly India began to initiate warmer relations with the US. In 1998, after conducting the nuclear test, it emerged as a confident player. The power assertion of India began when, by 2000s, its economy began to grow. Tectonic events in the post-Cold War era brought India and Saudi Arabia closer again. The first event of considerable impact was the 9/11 in the US. After 9/11, when the US invaded Afghanistan and Iraq, it created immense tension in Saudi Arabia. Iraq was under Saddam, who was a Sunni. He had kept the neighbouring Iran (a Shia-dominated state) under check. Saudi now feared that after the deposition of Saddam, there would be no more checks on Iran, which would, in turn fuel Iranian hegemonic ambitions. The subsequent rise of a hardliner Mahmoud Ahmadinejad in Iran strengthened the fears of Saudi Arabia. In order to counter such fears, the then King of Saudi, Abdullah, decided to forge regional partnerships. In 2006, King Abdullah visited India. This visit marked a new chapter in Saudi Arabian foreign policy as Saudi decided to now strengthen its relations beyond the US. In 2006, King Abdullah was made the Chief Guest of the Republic Day parade celebrations. India and Saudi Arabia, in 2006, concluded the Delhi Declaration. This was the first ever comprehensive document bilaterally signed to envisage a deep relationship between the two states. The components are explained below.



As the Delhi Declaration of 2006 opened up the cooperation, Indian PM Dr Manmohan Singh visited Riyadh in 2010. The aim of the visit was to build cooperation on a platform beyond the Delhi Declaration. During PM's visit to Riyadh, not only did he concluded the Riyadh Declaration, but the partnership was now taken to the level of Strategic Partnership. The components are explained below.

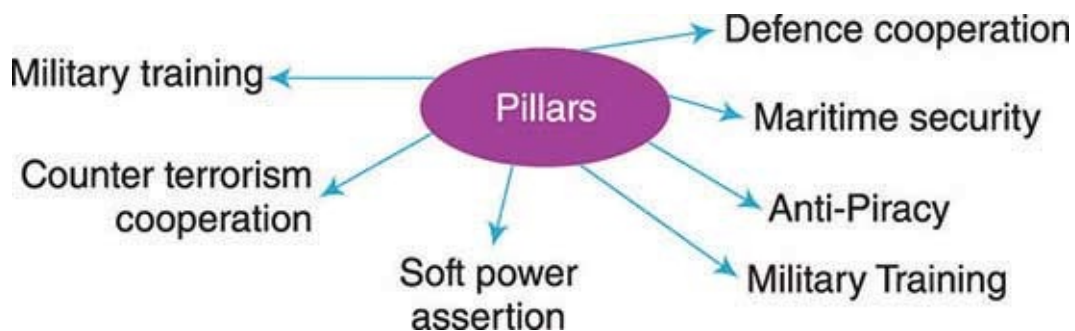


COMMERCIAL DIPLOMACY

Trade between India and Saudi Arabia has picked up after the Delhi Declaration. India exports meat products, fruits, cereals, wax and iron articles while it imports crude oil, fertilisers and inorganic chemicals. Saudi has also invested FDI in India in sectors like paper manufacturing, chemicals and granite processing. India, on other hand, invests FDI in Saudi Arabia in management and consultancy services, telecom, IT and pharmacy. Both countries have also signed Bilateral Investment Protection and Promotion Agreement and a Double Taxation Avoidance Agreement in 2006. More than 500 Indian firms are in Saudi, ranging from IT to pharma sectors.

OIL DIPLOMACY AND REGIONAL SECURITY

The Delhi Declaration has laid down a foundation for energy security. The aim is to increase oil imports to India. Saudi Arabia has explored evergreen long term contracts for oil supply to India. Since Saudi has long been an oil supplier to India, it also understands the vulnerabilities of the region. The Middle East is a very fragile region and any security for oil supply is a serious issue that concerns all players—both oil buyers and suppliers. As far as the region is concerned, unfortunately, due to the sectarian divide in the Middle East, evolving a consensus on regional security has become difficult. Iran prefers the idea of bilateral cooperation with its suppliers for guaranteeing regional security, though it does not have any successful model worth emulating. Within the GCC nations, there is no consensus. The GCC prefers the international community's engagement which is not agreeable to Iran, which wants to evolve regional security interactions in the region keeping its own national interests in mind. With Saudi Arabia, India has evolved security interaction through the security engagement with West Asia having the following pillars:



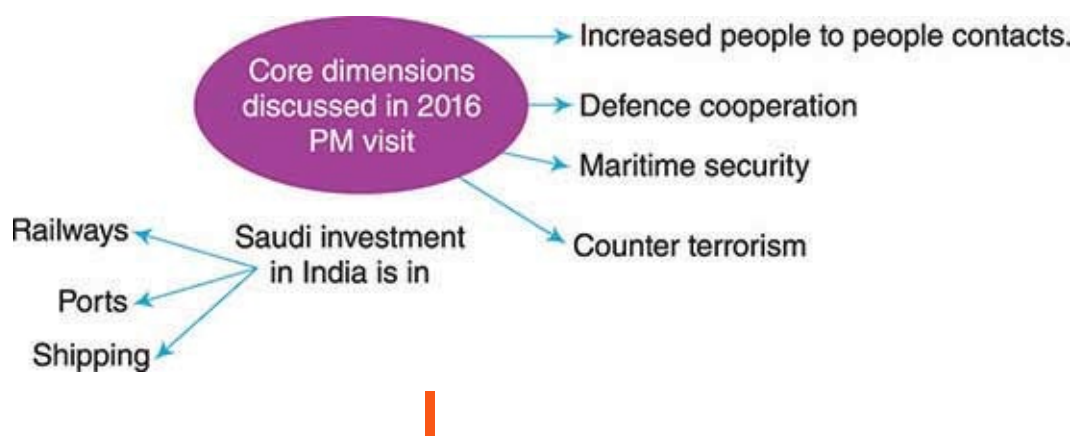
INDIA–SAUDI ARABIA STRATEGIC PARTNERSHIP

After the signatures of Delhi and Riyadh declarations as foundational documents and the Riyadh Declaration declaring Strategic Partnership, India and Saudi Arabia are now

working to ensure long term sustainability of the partnership. The Delhi Declaration has laid a foundation of cooperation on terrorism while the Riyadh Declaration has diversified the relations to include space and energy cooperation. Due to the recent global downturn, the oil prices have fallen and as a result, Saudi deficits are necessitating diversification and movement beyond oil. This has created opportunities for India to strengthen its strategic presence and outreach in Saudi. A new dimension of India–Saudi relation that has emerged is cooperation in science and technology. Saudi has announced the setting of 22 Nuclear reactors by 2020 as a priority goal. India has decided to assist Saudi in manpower training, thorium supply, nuclear research and nuclear waste management. The strategic relation which till date were oil based are set to diversify and are likely to have a nuclear component.

ANALYSIS OF THE INDIAN PM’S VISIT TO SAUDI ARABIA—2016

The Indian PM visited Saudi Arabia in 2016. His visit signifies the importance of the region for oil, remittances and jobs. During his visit, PM was honoured with King Abdul Aziz order—the highest civilian order that can be accorded by the state. He paid a visit to the Larsen & Toubro workers in the workers’ residential complex and heard their thoughts. He gifted King Salman a replica of a gold plated Cheraman Juma Masjid of Kerala as a sign of our ancient relations. The PM also visited a TCS centre where IT training is being given to the women of Saudi Arabia with Indian assistance.

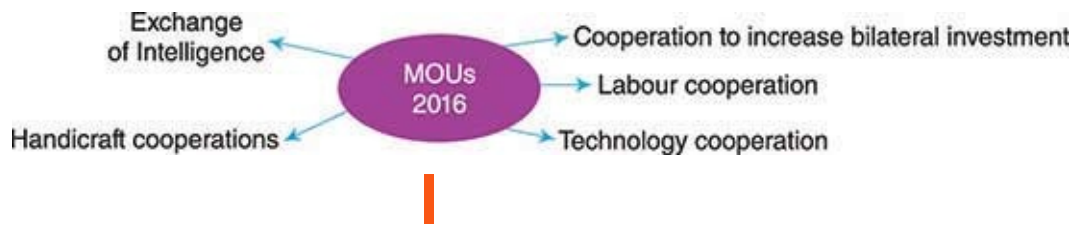


Diaspora Interaction

Wherever the Indian PM has travelled in recent times, he has made sure to address a mega gathering of the Indian diaspora, be it in a stadium in the UAE or massive crowds in the USA and Australia. However, no such thing was visible in Saudi Arabia. The Saudi Arabian law prohibits any assembly of people for political reasons. It is this point of the Saudi law that compelled the PM to visit and address the diaspora at the residential complex. This also gave an opportunity to the diaspora to have a much closer touch with their leader and helped establish a different level of connect.

The scholar Harsh V Pant asserts that the visit did not succeed in dehyphenation (to convince Saudi Arabia to act tough on Pakistan and stop the export of terrorism). He asserts that although the joint statement did assert concerns over rising terrorism and offered condemnation, it felt short to name Pakistan.

During the visit following MOUs were signed.



Labour Issues, reforms between India–Saudi Arabia

Saudi Arabia has announced labour reforms and has committed to establish a unified standard contract for domestic workers. For female domestic workers, under contract, the Saudi employers have to deposit 2500 US Dollars in the Indian embassy, which is refundable to the employer if there is no issue of abuse or non-payment of salary. There is a new minimum wage of 1500 SR to be paid to the workers. In 2016, the Indian PM gave approval to the MOU on labour cooperation signed one during his visit for the necessary changes and the new format of labour categorisation.

End of Part Questions

1. How does India seek to gain from Saudi Arabia's Vision 2030? What are the options for India in energy and strategic defence partnerships?
2. Turkey must cease India-Pakistan hyphenation for win-win partnerships with India? Examine.
3. Delhi is prepared to complement hardball diplomacy with a genuine effort to expand areas of cooperation with Ankara. Discuss.
4. A strong partnership is taking shape between India and UAE. Examine how it can change India's stakes and status in West Asia.
5. The Joint Statement of India and UAE during Prime Ministers Modi visit reflects changed geo-political realities. Examine.
6. By skewing its policy towards Saudi Arabia in pursuit of short term goals, India runs the risk of antagonising Tehran. Do you think India needs a balanced West Asia policy?
7. As Gulf jobs and remittances decline, India must re-orient the Look West Asia policy to attract investments from the region. Examine the statement in the light of instability in West Asia and opportunities for India.