

Looking west 2: Beyond the Gulf

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Introduction

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.¹ Over the centuries India has had strong political, cultural, economic, often religious and energy-related contacts and interactions 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'.² 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 erstwhile 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.³

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'.⁴

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 defence 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.⁵ In recent years India has overtaken other potential markets such as Turkey and emerged as the largest market for Israeli arms exports. For its part, Israel is seen as the second largest defence supplier after Russia. Principal defence co-operation covers areas such as arms upgrading, small arms, border management, naval patrol, intelligence co-operation and counter-terrorism. India's search for advanced technology and Israel's demand for larger markets to economize its defence research are complementary. Both countries are seeking technological independence and qualitative superiority over their adversaries. Some of the major defence deals involving both countries since 1992 include: the Barak anti-missile system; the upgrade of ageing MiG fighter planes; fast patrol attack craft; radars and other surveillance equipment; night-vision hardware; and border fencing. Of all military-related deals with Israel, the purchase of three Phalcon advance airborne early warning systems at an estimated cost of \$1,100m. was a major development. In the past, the USA vehemently opposed Phalcon sales to the People's Republic of China, and forced Israel to cancel the economically lucrative and politically important deal. However, as the left-wing parties were demanding that the Government abandon closer military ties with Israel, in July 2007 the Indian Government approved a \$2,500m. programme to jointly develop defence systems against air missiles. Above all, amidst the controversy over Iran's nuclear ambitions, in March 2007 India launched an Israeli spy satellite into orbit. While actual quantum of Israeli exports remains controversial, in May 2007 defence minister A.K. Antony informed the Indian parliament that defence purchases from Israel during 2002–07 had been over \$5,000m.

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 defence 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'.⁶ 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.⁷ 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.

The Palestinian issue

Since the early 1920s the Indian nationalists and, later, the leaders of independent India consistently adopted a pro-Arab position in their attitude towards Jewish nationalism and Israel. Strong currents of anti-imperialism, opposition to religion-based nationalism propounded by the Muslim League in India, and the Congress party's concerns to win-over the domestic Muslim population all resulted in Indian nationalists adopting an overly pro-Arab position vis-à-vis the Zionist demand for a Jewish 'national home'.⁸ Elected to the UN Special Committee on Palestine (UNSCOP) in 1947, India recommended federalism as the solution for the Palestinian-Jewish divide. Not only did India oppose the partition plan for Palestine endorsed by the majority of members of the UN in November 1947, but a few months later it even opposed Israel's membership into the world body.

By the late 1950s opposition to Israel and commitments to the Palestinians became the main plank upon which India sought to promote its interests in the Arab world. Its policy was based on the twin principles of supporting the Arabs and Palestinians in their conflict with Israel, and of endorsing the pro-Soviet socialist states in the region. The former was an integral part of the

Congress party's foreign policy since the early 1920s, while the latter enabled India to identify itself with the secular Arab leaders who were also opposed to the US-led military alliance politics that involved Pakistan. A tacit convergence began to emerge between the two streams. The friendship between India's first Prime Minister, Nehru, and Egyptian leader Nasser symbolized this trend. The Arab secularism, anti-imperialism and socialism of Nasser was enamoured by Nehru, and paved the way for closer political ties which manifested at the Bandung Conference of 1955 and during the Suez crisis the following year. This bonhomie with Egypt continued at least until the Arab defeat in the June war of 1967 and the consequent emergence of religious conservatism in the Middle East.

India further strengthened its political ties with the Palestinian leadership. In 1975 it recognized the Palestine Liberation Organization (PLO) as the sole and legitimate representative of the Palestinian people. This paved the way for an official Palestinian presence in India, and in March 1980 India granted full diplomatic recognition to the PLO by upgrading its office to that of an embassy endowed with all diplomatic immunities and privileges. In November 1988 India became one of the first countries to recognize the newly proclaimed State of Palestine. While the Israeli consulate was languishing in Mumbai since 1953, the PLO had full diplomatic presence in the national capital. The Palestinian leader, Arafat, not only became a frequent visitor to India but was received as a head of state. While India refused to endorse the extremist positions in the region that called for the destruction of the state of Israel, its support of the Palestinian cause manifested in its endorsement of the need for Palestinian self-determination and independent statehood.

The status quo was shattered by the end of the Cold War and a host of other developments that took place in 1990. Arafat's mishandling of the Kuwait crisis considerably weakened the Palestinian leadership and his support for Saddam Hussain during the crisis alienated the PLO from the principal players in the region such as Saudi Arabia, Kuwait and Egypt. This led to the marginalization of the Palestinian issue in Middle Eastern politics. The pro-Saddam Hussain stance taken by the Palestinian leadership during the Kuwait crisis meant that the PLO, and especially Arafat, became a *persona non grata* in influential Arab capitals. Many saw Arafat's stand during the crisis as a collaboration with the Iraqi occupiers—an act they were unwilling to forgive. In practical terms, this meant that India could no longer promote its interests in the Middle East, especially among the Gulf states, by playing up its support for the Palestinians.

The disappearance of the USSR, traditionally known for its pro-PLO policy, a few months later weakened the diplomatic leverage of the Palestinians. As a precondition for co-hosting the Madrid conference in October 1991, Moscow restored full diplomatic ties with Israel. These developments compelled the PLO to abandon its armed struggle and seek a negotiated political settlement with Israel. Its political vulnerability was exposed when the PLO agreed to go to Madrid as part of the joint Jordanian-Palestinian delegation, rather than as an independent delegation representing the Palestinians. The rising diplomatic fortunes of Israel became clear when China discovered the virtues of the Jewish state and began moving towards normalization.

Normalization with Israel did not imply that India had abandoned its traditional support for the Palestinians. As such, India walks a 'tightrope' between these two actors.⁹ India has not modified any of its core principles regarding the Palestinian question and it continues to support the political rights of the Palestinians and their inalienable right to self-determination and statehood. The formation of an independent Palestinian state co-existing with Israel, New Delhi feels, is a pre-condition for lasting peace in the Middle East. Its recognition of the PLO as the sole legitimate representative of the Palestinians was not modified by its decision to normalize relations with Israel. Since 1992 it has received the Palestinian President Yasser Arafat, and later

his successor Mahmud Abbas, as heads of state. Following the 1993 signing of the Declaration of Principles (DoP) in Washington between Israel and the PLO, India opened a mission in the Gaza Strip, later relocated to Ramallah in the West Bank. Underscoring its independent status, the Indian Mission to the Palestinian Authority reports directly to the foreign office in New Delhi and not to the Indian embassy in Israel, located in Tel-Aviv. On all major issues concerning the peace process, India remains at odds with the Jewish state. Much to Israel's consternation and displeasure, on key issues such as Jerusalem, settlements, borders and refugees, normalization has not brought about any significant changes in India's position.

At the same time, there have been subtle shifts in India's posture. Normalization clearly indicated India's willingness to move away from its traditional zero-sum game paradigm. Prior to normalization, support for the Palestinians and Arabs meant India adopting an unfriendly posture towards Israel. Even maintaining normal diplomatic ties with the Jewish state was perceived to be an unfriendly act towards the Palestinians or a dilution of India's commitment towards the Arabs. The end of the Cold War and regional shifts in the Middle East forced India to abandon the past and recognize a new reality: it was possible and necessary to maintain normal and even friendly ties with both rival parties if India was to be taken seriously. Even if it is not in position to play the role of mediator, India's interests will be better served only if it maintains normal ties with *all* parties to the Middle East conflict.

Pakistan's role

The substantial shift in India's policy towards Israel and significant improvements in its relations with the Arab and Islamic countries were possible because of one other development: India delinking Pakistan from its Middle East policy. Since the early 1920s India's attitude towards the region has been dominated and shaped by this factor. Even before Partition, pre-1947, the domestic rivalry between the Congress party and Muslim League dominated the concerns of the Indian nationalists towards the Middle East. Both were competing for the support and loyalty of the Indian Muslims and hence Middle Eastern issues such as the Khilafat and Palestinian questions dominated the foreign policy agenda. This compelled the Indian nationalists to view the Palestinian question through an Islamic prism.

Following Partition and independence in 1947, the Middle East became the battleground for Indo-Pakistani rivalry. During much of the Cold War years, India's Middle East policy was Pakistan-centric and was devoted to countering, balancing, minimizing and, if possible, nullifying Pakistan's diplomatic influence in the region. If Pakistan played up its Islamic credentials, India harped on secularism and consistent support for the Palestinians. Indeed, as highlighted by the controversy surrounding the first Islamic summit conference in Rabat in September 1969, the Middle East witnessed an intense Indo-Pakistani Cold War. For a while India had the upper hand, largely due to the preponderance of secular Arab nationalism led by Nasser. This, however, did not last long. The Arab debacle in the June 1967 war meant not only the marginalization of secular nationalism but also the resurgence of conservatism. Formation of the Organization of the Islamic Conference (OIC) significantly enhanced Pakistan's diplomatic gains in the Middle East, and the principal players in the region supported Pakistan during its wars with India in 1965 and 1971.

Indo-Pakistani rivalry manifested more acutely in the prolonged Indian refusal to normalize relations with Israel. It feared that Pakistan would make political capital out of ties with Israel. This, too, prevented India from establishing full diplomatic ties soon after its recognition in 1952. Moreover, India bowed to Pakistan's pressures and agreed to exclude Israel from the Afro-Asian Conference in 1955, at Bandung.¹⁰

However, the post-Madrid rise in Israel's diplomatic fortunes greatly nullified Pakistan's ability to score 'brownie points'. Arab endorsement of a political settlement through direct negotiations with Israel weakened any arguments against India talking to Israel, especially when there were no bilateral disputes to settle. India recognized that excessive focus on Pakistan or demanding its interlocutors to choose between the two South Asian neighbours was not always effective. Demanding third parties to minimize their commitments to Islamabad might even impede these countries from taking India seriously. One of the significant outcomes of the post-Cold War economic progress of India has been its aspiration for Great Power status. Confidence in its economic growth has emboldened its leaders to seek a place for India under the sun. In practical terms, this means that India is beginning to see itself more as an Asian power rather than an actor confined to impoverished South Asia. If its claims of Great Power status are to be taken seriously by others, then it will have to minimize its perennial competition and rivalry with its neighbour. India cannot be seen as an Asian power when its radar of political imagination fails to cross South Asia.

In the Middle East it has also meant India learning another lesson. The countries of the region view Pakistan primarily through an Islamic prism. As highlighted by King Abdullah of Saudi Arabia during his state visit to India in January 2006, they see India as a 'friend' and Pakistan as a 'brother'. This would continue to be the dominant attitude of the major countries of the region. It thus became prudent for India to shift the focus to bilateral issues rather than pursue a Pakistan-dominated policy towards the countries of the Middle East. While it is too early to call this a paradigm shift, there are indications that Pakistan figures less prominently in India's relations with the countries of the Middle East than during the Cold War.

Energy concerns (Saudi Arabia and elsewhere)

India's post-Cold War policy towards the Middle East has also been dominated by its search for energy security. Steady economic growth since the early 1990s has rapidly increased India's energy consumption and imports. While domestic oil production remains stagnant, its imports have increased rapidly. From about one-third during the 1970s and 1980s, crude oil imports have gone over two-thirds. There is a general consensus that India's hydrocarbon import dependency will soon reach alarming levels. According to the Paris-based International Energy Agency, by 2030 as much as 87% of India's oil requirement will have to be met by imports.¹¹ According to India's Planning Commission, current import dependency of about 72% 'is growing rapidly'.¹²

This growing gulf between consumption and domestic production had forced India to adopt a sustainable energy security policy. This, in practical terms, means assured supply of hydrocarbons at affordable prices. It is in this context that one must view growing ties between India and Saudi Arabia.

At the ideological level, there is little in common between the Saudi brand of *Wahhabi* Islam and the secularism pursued by India. Nevertheless, energy security concerns have led both countries to take a new look at one another. This explains the high-profile visits between the leadership of the two countries. Since the visit of foreign minister Jaswant Singh to Riyadh in January 2001, there have been a number of political contacts between the two. These have generated the India-Saudi Arabia New Delhi Declaration (2006) and the Riyadh Declaration: A New Era of Strategic Partnership (2010).¹³ It was no surprise that Manmohan Singh prefaced his 2010 trip with the simple comment that 'the Kingdom is India's largest and most reliable supplier of our energy needs from the region': true enough, since Saudi Arabia is India's largest crude oil supplier and contributes to nearly one-third of India's total oil imports.¹⁴ Largely

driven by growing oil imports, India's total trade with Saudi Arabia surged to just over \$25,000m. in 2008/09, though dropping back a little to just over \$21,000m. in 2009/10. As highlighted by foreign minister Pranab Mukherjee during his own visit to that country in 2008, India sees Saudi Arabia as a potential partner in its massive infrastructure development projects, which require about \$500,000m.–600,000m.¹⁵

At the same time, India's energy-driven calculations are not confined to Saudi Arabia and the Gulf region alone. Energy interests have brought India closer to Sudan, a country ravaged by prolonged civil war and sectarian violence. The departure of Western oil companies owing to internal instability has provided an opportunity for India's Oil and Natural Gas Corporation (ONGC). This state-owned company has invested over \$2,000m. in Sudan, and is involved in the production and distribution of hydrocarbon resources in Sudan, shipped down the Red Sea to India. Indo-Sudanese ties mark a significant departure from the past patterns of India's foreign policy. Under normal circumstances it would be unthinkable for India to be involved so closely with a country that is amidst serious internal turmoil and at the receiving end of international criticism, condemnation and even isolation over the human rights situation in the Darfur region. However, growing demands for hydrocarbons have compelled India to sidestep other concerns and quietly capitalize on the lucrative Sudanese energy market.¹⁶ Its energy interests in that country also resulted in the muted Indian reaction to the Darfur crisis and reminded the world that when it comes to energy security, India would not shy away from pursuing a path that might not be popular and may even be at odds with Washington.¹⁷ Sudan is also a classic example for greater co-operation between India and China. The Greater Nile Petroleum Operating Company (GNPOC), for example, is a joint venture comprising the ONGC, which holds a 25% share, the China National Petroleum Corporation (CNPC), which holds a 40% share, and the Malaysian PETRONAS, which holds the remaining 30% share.

Further up the Nile, India's bilateral ties with Cairo got a boost when Indian oil companies made inroads into the Egyptian energy market. OVL has a 70% share in Egypt's North Ramadan field in the Gulf of Suez. At the top end of the Red Sea, the Suez Canal was specifically included in government definitions of India's *extended neighbourhood*: 'an extended neighbourhood for India which stretches from the Suez Canal to the South China Sea and includes within it West Asia'.¹⁸ Coming out through the Suez Canal into the eastern Mediterranean, India not only has its defence links with Israel, it also has an economic presence in Syria, where the state-owned ONGC and CNPC jointly made a successful bid for stakes in the Petro-Canada operations, securing a 38% stake at \$573m. This venture came under some criticism from the USA owing to the George W. Bush Administration's policy of isolating Syria.¹⁹

Conclusions

India is yet to evolve a coherent regional policy towards the Middle East. Deep internal divisions and prolonged lethargy have prevented New Delhi from adopting a holistic policy towards this region. This larger problem was compounded by the region's special complications. The prolonged Arab–Israeli conflict meant that normalization of relations with Israel could not be divorced from the periodic surges in violence. This has forced New Delhi to differentiate bilateral relations from the peace process and to pursue one relation independent of the other. This has enabled India to pursue closer ties with Israel, including in the military–security arena, without being unduly worried over the reaction of the Arab and Islamic countries. In a way, it has successfully sought and secured closer ties with Israel as well as its principal adversaries in the region. This was partly due to the demise of the ideological divide, but mostly due to India's emerging economic clout and importance. Seen in this wider context, at least with regard to

the Middle East, political rhetoric is less relevant than economic and strategic calculations. Driven by the rising expectations of its growing middle class, India has embarked upon a policy that is governed more by economic rationale and less by political slogans. Indeed, if its policy towards Saudi Arabia is dominated by the energy calculations, its policy towards Israel is governed more by military-security calculations. A successful pursuance of both these tracks will be a continuing challenge for India's Middle East policy beyond the Gulf.

Notes

- 1 Though 'West Asia' has been the official Indian nomenclature, 'Middle East' is the expression used by the countries of the region and is increasingly becoming popular even within India. Hence this chapter uses 'Middle East' rather than 'West Asia'.
- 2 M. Singh, 'PM's Suo-Motu Statement in Parliament Regarding the Situation in Lebanon', 27 July 2006, pmindia.nic.in.
- 3 M. Singh, 'Speech by Prime Minister Dr. Manmohan Singh at India Today Conclave, New Delhi', 25 February 2005, meaindia.nic.in.
- 4 M. Agwani, 'Inaugural remarks', in K.R. Singh (ed.), *Post-War Gulf Implications for India*, New Delhi, 1993, p.3.
- 5 For ongoing discussions, see P.R. Kumaraswamy, *India and Israel: Evolving Security Partnership*, Ramat Gan: BESA Center for Strategic Studies, 1998; F. Naaz, 'Indo-Israel Military Cooperation', *Strategic Analysis*, Vol. 25, No. 4, 2000; P.R. Kumaraswamy, 'India and Israel: Emerging Partnership', in S. Ganguly (ed.), *India as an Emerging Power*, Portland: Frank Cass, 2003; H. Pant, 'India, Israel Partnership: Convergence and Constraints', *Middle East Review of International Affairs*, Vol. 8, No. 4, 2004; R. Nair, *Dynamics of a Diplomacy Delayed: India and Israel*, Delhi: Kalpaz, 2004; 'India-Israel to Ramp up Military Ties, Times of India, 10 December 2009.
- 6 B. Mishra, 'Address by Shri Brajesh Mishra, National Security Advisor of India at the American Jewish Committee Annual Dinner', 8 May 2003, meaindia.nic.in.
- 7 The tension was manifested in the manner in which India conferred the Jawaharlal Nehru Award of International Peace upon President Hosni Mubarak in 1997, but it was only in November 2008 that Mubarak chose to come to India to receive the award in person: P.R. Kumaraswamy, 'Mubarak's Chutzpah – Cairo Treating India With Contempt', *New Indian Express*, 14 April 2008.
- 8 L. Gordon, 'Indian Nationalist Ideas about Palestine and Israel', *Jewish Social Studies*, Vol. 37, Nos. 3–4, 1975.
- 9 H. Mishra, 'India Walks Israeli-Palestinian Tightrope', *Asia Times*, 10 February 2008.
- 10 M. Brecher, *India and World Politics: Krishna Menon's View of the World*, London: Oxford University Press, 1968, p.79.
- 11 IEA *World Energy Outlook 2005: Middle East and North Africa Insights*, Paris: International Energy Agency, 2004, p.254.
- 12 Government of India, *Draft Report of the Expert Committee on Integrated Energy Policy*, New Delhi: Planning Commission, 2005, p.10.
- 13 India-Saudi Arabia, *New Delhi Declaration*, 7 January 2006, meaindia.nic.in; India-Saudi Arabia, *Riyadh Declaration: A New Era of Strategic Partnership*, 28 February 2010, www.pib.nic.in.
- 14 M. Singh, 'Prime Minister's Statement Prior to his Departure to the Kingdom of Saudi Arabia', 27 February 2010, meaindia.nic.in. For coverage of this visit, see S. Roy, 'Prime Minister Manmohan Singh in Saudi Arabia, 27 February–1 March 2010', *India Speaks-Special*, New Delhi: Middle East Institute, No. 4-S, 8 March 2010.
- 15 MEA, 'Briefing Points by Official Spokesperson on External Affairs Minister's Visit to Saudi Arabia', 19 April 2008, meaindia.nic.in.
- 16 S. Dutta, 'India's Oil Investments Safe in Sudan', *Times of India*, 5 August 2004; 'India, Sudan Ink Deal on Expanding Energy Ties', *Indo-Asian News Service*, 8 December 2009.
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