

BALANCING DIPLOMACY AND NATIONAL INTEREST: INDIA'S EVOLVING FOREIGN POLICY ENGAGEMENT WITH WEST ASIAN NATIONS

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Abstract

India's Cold War foreign policy towards the West Asian countries has changed significantly, from an ideological to an interest-based multi-vector policy. India's West Asian policy has been shaped by the principles of the Non-Aligned Movement (NAM) and is dominated by three sets of policy priorities, namely, energy security, economic integration, and the welfare of India's large population of expatriates in the Gulf Cooperation Council (GCC) area. The paper examines Indian bilateral ties and strategic shifts in India's relationship with the Arab Gulf states, Israel, Iran, and Egypt in the period from 2000 to 2023, with a particular emphasis on their structural dynamics. Based on primary documents, reports in the Ministry of External Affairs, and bilateral trade statistics, the study reveals that India has been actively engaged in a policy of multi-alignment, as it has developed close ties with both the “problematic” states of Israel and Saudi Arabia, and maintained a delicate relationship with Iran despite the Western sanctions. The paper also probes into the emerging role of ‘diaspora diplomacy’, ‘soft power projection’, and ‘defence diplomacy’ in India's foreign policy toolkit in the region. The findings confirm the Indian approach of ‘strategic autonomy’ in the matter of India's engagement with West Asia in an existential context to India's national interest.

Keywords: *India–West Asia relations, Gulf Cooperation Council, multi-alignment, energy security, diaspora diplomacy, India–Israel partnership, India–Iran relations, strategic autonomy, I2U2, Comprehensive Economic Partnership Agreement*

1. Introduction

Few regions of the world command as much simultaneous importance to India's national interests as West Asia—a geographical, cultural, and geopolitical arc extending from Egypt and Jordan in the west to Iran in the east, encompassing the oil-rich Gulf monarchies, the contested Levant, and the historically significant Arabian Peninsula. Strategically, it is nothing but India's extended neighbourhood, and, from an existential perspective, it is an area where energy security, economic opportunity, diplomatic pride, and Indian well-being converge and compete (Ministry of External Affairs [MEA] 2022; Pant 2019).

In many respects, India's diplomatic relations with West Asia have been a history of change and evolution. The West Asia policy of India has been essentially shaped by the prism of Non-Alignment and its articulation through expressions of solidarity with Arab nationalism, vocal support for the Palestinian cause, and studied distance from Israel, which was viewed as a Western client state (Kumaraswamy, 2010). In general, India's relations with Iran were friendly for most of this period, based on the civilisational ties and their common fight

against colonialism. The Indian establishment, on the other hand, was ambivalent about the Gulf monarchies, and several million Indian workers sent billions of dollars to their native countries (Rajan & Prakash, 2022). In 1991, this was a turning point. The collapse of the Soviet Union, the balance of payments difficulties in India, and the first Gulf War compelled a fundamental reorientation of the country's foreign policy. With the advent of economic liberalisation, India was opened to the world, and pragmatic considerations of energy, remittances, and trade started to recalibrate the old ideological allegiances (Mohan, 2006). Full diplomatic relations with Israel were established in January 1992, which was perhaps the most obvious indication that India was ready to realign its policy in Western Asia based on interest and not ideology.

Over the past 30 years, India's ties with West Asia have grown significantly in almost all aspects. In 2021-22, the trade between India and all the GCC countries was valued at more than US\$155 billion, representing 1/11 of India's total trade with the world, compared to the European Union and the United States, respectively (Ministry of Commerce and Industry, 2022). The crude oil imports are approximately 52% from West Asia, with Iraq, Saudi Arabia, and the UAE being the primary suppliers of crude oil to India (Petroleum Planning and Analysis Cell [PPAC] 2022). Indian nationals in the GCC host approximately 8.87 million people, with remittances to India from the nationals totaling US\$42.8 billion of the total remittances received by the Indian economy in 2021 (US\$87 billion), which is the highest among all the remittance inflows (World Bank, 2022a; Reserve Bank of India [RBI], 2022). But India's policy with respect to West Asia is not only an economic one. It is a theatre of intense geopolitical competition between Saudi Arabia and Iran, between the traditional order of the Arabs and their competitor, Turkey, between Israel and its neighbours, and India has had to maneuver with great diplomatic skill in navigating these competitions. India's foreign policy doctrine values strategic autonomy over all else, and its simultaneous pursuit of a closer strategic alliance with Israel and its efforts to hold on to relations with Arab countries, as well as its efforts to move forward with the Chabahar Port development with Iran despite the American sanctions, is a testament to this.

This paper attempts to conduct a detailed analysis of India's changing foreign policy trajectory with countries in the West Asian region from 2000 to 2023. The study is structured into two parts: the first one (Sections 2 and 3) covers the history of India-West Asian relations and India's strategic interests in the region, while the second part (Sections 4-7) explores the economic, diplomatic, energy and diaspora aspects of India's engagement, the emerging I2U2 multilateral framework (Section 10), and the principal challenges (Section 11) that lie ahead, before the conclusion (Section 12).

2. Background of India-West Asia Relations – Historical Overview

India's civilisational and commercial relationships with West Asia go back many thousands of years before the state came into being. Trade routes of the ancient world, the spread of Islam through Arab traders to the Malabar Coast, and the medieval universities and cultural and scholarly exchanges between the Indian subcontinent and Baghdad, Cairo, and Muscat all paved the way for a relationship that would eventually take on a diplomatic and strategic dimension (Ansari, 2014). At the time of Independence in 1947, the majority-Muslim countries of the Middle East and the ruling elites of the Arab world were very sympathetic to India, and it was actively pursuing Arab interests at the United Nations.

Nehru's India was marked by its strong association with the principles of Afro-Asian solidarity, which were stated at the Bandung Conference of 1955, as well as with the Non-Aligned Movement. It was this ideological bent that manifested itself in the form of strong Indian backing for the Palestine issue, resistance to Israel's

membership in international organizations, and aversion against normalizing relations with Tel Aviv, despite Israeli efforts for normal relations (Kumaraswamy, 2010). At the same time, India developed warm ties with other like-minded NAM members, namely, Gamal Abdel Nasser of Egypt and Iraq under their respective nationalist governments.

After the Arab oil embargo of 1973, the oil price became a new economic factor in Indian calculations. Petroleum imports began to play a major part in India's development requirements, and the Gulf States of Saudi Arabia, Kuwait, Iraq, and the UAE grew in strategic importance. The interdependence (Nayyar, 2011) was exacerbated by the mass immigration of Indian workers to the Gulf since the beginning of the oil price boom in 1973-74. By the 1980s, the remittances from the Gulf constituted a very important positive item in India's balance of payments.

In 1990-91, the Gulf War was a challenging experience for India's policy towards West Asia. In fact, India's hands were forced to part with almost 170,000 Indians from Kuwait, one of the largest air lift operations in history, and the crisis highlighted India's pragmatic interest in the stability of the Gulf. The phase marked by the economic crisis of 1991, which saw India teeter on the edge of sovereign default, hastened the phase of giving up the old policy framework and adopting economic liberalisation. It was in this new geopolitical landscape that India, in January 1992, opened full diplomatic relations with Israel, a move that was not only a foreign policy shift but also a political gesture and a strategic decision with regard to defence procurement.

Deepening of India–West Asian relations took place in a step-by-step manner during the years 2000-2014 under the successive governments. India's rapidly growing economy fuelled the increased demand for energy from the Gulf and investment opportunities, and as the Indian diaspora grew, so did the linkages between people. The region was becoming increasingly relevant when Prime Minister Manmohan Singh visited Saudi Arabia (2010) and the GCC countries. It was the formation of the government led by Narendra Modi in 2014, though, that had institutionalized West Asia as a foreign policy priority, with the foreign policy dialogue and visits of senior officials to each of the major Gulf countries being high on the agenda, as well as the articulation of an explicit 'Look West' policy dimension (Jaishankar, 2020).

3. India's Strategic Interests in West Asia

The relationship between India and the West Asian countries is rooted in a series of well-defined strategic interests that include the economic, security, and diplomatic fields. It is important to grasp these interests to explain the trend, sequencing, and some conflicts observed in Indian foreign policy in the region.

3.1 Energy Security

India's strategic outlook for West Asia is on energy security. India is the third-largest oil importer in the world with an oil consumption of around 5.15 million barrels per day (mb/d) in 2021-22, while the domestic production is around 0.73 mb/d (PPAC, 2022; International Energy Agency [IEA], 2022). This import dependency of about 85% makes India highly vulnerable to any disruptions in oil supply from the world, especially from West Asia, where India gets more than half its crude oil needs. In addition to crude oil, India is also among the world's largest importers of liquefied natural gas (LNG), the biggest suppliers being Qatar and the UAE in long-term supply contracts.

3.2 Trade and Economic Integration

West Asia has become the most significant trading area in terms of volume for India. According to the Ministry of Commerce and Industry (2022), the trade value of India with the countries of the West Asia region increased

to more than US\$192 billion in 2021-22, which represents around 17% share in the trade of India with the rest of the world (2022). The UAE is not only India's biggest trading partner in the South Asian region but also has become its second-largest trading partner in the world, and is also a re-exporting centre and trading hub for South Asian products. The India-UAE Comprehensive Economic Partnership Agreement (CEPA) 2022, which is also India's first-ever CEPA signed in the region, is likely to boost bilateral trade to US\$100 billion by 2030 (MEA, 2022).

3.3 Diaspora Welfare and Remittances

India has a significant presence in the Gulf States with almost 9 million Indian nationals residing in the region, and the welfare of the Indian nationals in the Gulf States is a humanitarian obligation of the country and a strategic asset of India. They span the spectrum from low-skilled construction workers to highly educated finance professionals, and are a bridge between India and the countries of the Gulf, having cultural links, political goodwill, and returning significant economic remittances. Remittances received from the GCC nations to India in 2021 were worth US\$42.8 billion, accounting for a huge source of livelihood for millions of Indians in states such as Kerala, Uttar Pradesh, Andhra Pradesh, and Tamil Nadu, besides serving as an important macro-economic cushion for the Indian current account (RBI, 2022; World Bank, 2022a).

3.4 Counter-Terrorism and Regional Security

India and the Gulf states, and even now with Israel, have a common interest in combating transnational terrorism and radicalisation. There is a basis for intelligence sharing and counter-terrorism cooperation between Pakistan and the Gulf, which has slowly grown since the early 2000s, due to the presence of Pakistan-backed militant groups that have historically targeted India and have also threatened the security of the Gulf (Pant, 2019). India has also been an active participant in ensuring the stability of shipping lanes in the Arabian Sea and Persian Gulf, which handle a significant share of its trade and energy supplies.

3.5 Interest in Diplomacy and Soft Power

India has an opportunity to showcase its civilisational soft power, cultural heritage, and its growing economic power in West Asia. The Indian government has been investing in yoga diplomacy, cultural festivals, Hindi language, Bollywood, and international day events to maintain Indian cultural visibility in the region (Kumar, 2017). West Asian countries at the United Nations or at other multilateral forums play a crucial role in India's quest to gain membership to the permanent council of the United Nations, and the Indian government has spared no pains to build a political consensus in the region.

4. Economic Dimensions: Trade, Energy, and Investment

However, India–West Asian economic architecture has added many layers in the 21st century, with India's increasing import needs, the desire of the Gulf states to import more from Asia, and the extensive integration of Indian human resources in the Gulf labour markets. Table 1 shows the total bilateral trade of India with its top West Asian trade partners over four years, which captures the overall level and trend of economic relations.

Table 1

India's Bilateral Trade with Select West Asian Nations, 2018–19 to 2021–22 (US\$ billion)

Country / Region	2018–19 (US\$ bn)	2019–20 (US\$ bn)	2020–21 (US\$ bn)	2021–22 (US\$ bn)
United Arab Emirates	59.7	59.3	43.3	72.9
Saudi Arabia	34.0	33.9	22.4	42.9
Iraq	20.0	17.3	11.6	24.5
Kuwait	8.8	9.0	5.1	12.3
Qatar	6.5	7.1	5.1	15.0
Oman	7.2	7.3	5.0	9.9
Iran	13.1	3.1	1.1	2.5
Israel	5.6	6.3	4.1	7.8
Jordan	1.9	2.0	1.2	2.1
Bahrain	1.7	1.8	1.1	2.2
TOTAL (West Asia)	158.5	147.1	99.9	192.1

Note. Data compiled from the Ministry of Commerce and Industry, Government of India (2022). Export Import Data Bank. <https://tradestat.commerce.gov.in>. Figures represent total bilateral merchandise trade (exports + imports). Totals may reflect rounding.

As Table 1 demonstrates, total India–West Asia merchandise trade declined sharply in 2020–21 owing to the COVID-19 pandemic and the concurrent collapse in global oil prices, but recovered strongly in 2021–22 to reach a record US\$192.1 billion. The UAE's importance as a trade hub, re-export platform, and host to the largest single population of Indians in the West Asian region accounts for its being India's largest trade partner in the region and second largest globally. A drastic reduction in India-Iran trade from US\$13.1 billion in 2018–19 to merely US\$2.5 billion in 2021–22 directly accounts for Washington's withdrawal from the Joint Comprehensive Plan of Action (JCPOA) on Iran in May 2018, effectively cutting India off from the Iranian market (Panda, 2020).

It is noteworthy that in terms of Indian national security, energy trade with West Asia is of special significance for India. This dependency of India on crude oil imports from West Asian countries is presented in million metric tonnes (MMT) in Table 2.

Table 2

India's Crude Oil Imports from West Asian Nations, Selected Years (Million Metric Tonnes)

Source Country	2018–19	2019–20	2021–22	Share	%
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	(MMT)	(MMT)	(MMT)	(2021–22)
Iraq	46.6	48.8	45.6	22.1%
Saudi Arabia	40.3	38.5	35.8	17.4%
UAE	10.5	11.8	12.1	5.9%
Kuwait	9.2	10.3	9.5	4.6%
Iran (pre-sanctions)	23.9	1.0	0.5	0.2%
Oman	5.0	5.1	4.8	2.3%
West Asia Total	135.5	115.5	108.3	52.5%

Note. Data sourced from the Petroleum Planning and Analysis Cell (PPAC), Ministry of Petroleum and Natural Gas, Government of India (2022). Ready Reckoner on Petroleum Statistics. <https://ppac.gov.in>. MMT = million metric tonnes. Figures for Iran post-2019 reflect the US sanctions impact.

The dependency of India was highlighted in Table 2 with respect to West Asian oil. Iraq has become India's major supplier of crude oil, and Saudi Arabia is second, a development which is attributed to Iraq's production increase since the lifting of its oil sanctions and India's policy of supplier diversification. In fact, the sudden reduction in Indian oil imports from Iran after 2019 is a good example of the coercive nature of the extraterritorial US sanctions and the constraints to India's strategic autonomy in the face of American leverage over its financial markets. (Jaishankar, 2020)

The UAE has become an important source of foreign direct investment (FDI) in India in the investment sector. In 2015, the UAE and India witnessed a historic bilateral summit, wherein the UAE invested more than US\$75 billion in Indian infrastructures and technologies, including renewable energy projects (MEA, 2022). Saudi Aramco's late interest in the upstream oil-to-chemicals project at Reliance Industries exemplifies the Gulf's big gamble in Indian energy downstream (Rahman, 2021).

5. Diaspora Diplomacy and Remittances

The Indian diaspora in the GCC constitutes one of the most significant instruments of Indian foreign policy in West Asia—not through formal diplomatic channels, but through the dense web of economic, cultural, and political linkages that millions of Indian nationals sustain between their host societies and their homeland. Table 3 presents the scale of Indian diaspora presence and associated remittance flows in GCC countries.

Table 3

Indian Diaspora Population and Remittance Flows from GCC Countries, 2021–2022

GCC Country	Indian Diaspora (million, 2022)	Remittances (US\$ bn, 2021)	% of India's Total Remittances	Key Sectors of Employment
UAE	3.5	18.0	17.5%	Finance, IT, Construction, Retail

Saudi Arabia	2.5	11.6	11.3%	Construction, Healthcare, Domestic
Kuwait	1.0	4.6	4.5%	Oil sector, Domestic, Hospitality
Qatar	0.75	4.2	4.1%	Construction, Oil & Gas, Services
Oman	0.77	3.5	3.4%	Construction, Healthcare, Education
Bahrain	0.35	0.9	0.9%	Finance, Domestic, Hospitality
GCC TOTAL	8.87	42.8	41.7%	—

Note. Diaspora figures from the Ministry of External Affairs, Government of India (2022). Annual Report 2021–22. <https://mea.gov.in>. Remittance data from World Bank (2022a). Migration and Remittances Data. <https://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>; Reserve Bank of India (2022). Annual Report 2021–22. <https://rbi.org.in>. Percentages calculated against total inward remittances of US\$102.6 billion for 2021 (World Bank, 2022a).

The aggregate Indian diaspora population in the GCC stands at approximately 8.87 million—the single largest expatriate community in the world concentrated in one sub-region. This demographic reality has important consequences for Indian foreign policy. It gives rise to a strong lobby to sustain peaceful and cordial relations with the GCC governments and also to welfare issues like labour rights, contract substitution, restrictions on the kafala system, visa requirements, and so on, which can sometimes test bilateral diplomacy (Rajan and Prakash, 2022; Zachariah and Rajan, 2020).

Inward remittances from the Gulf Cooperation Council (GCC) account for approximately 41.7% of remittances received by India, which is an unprecedented level of remittance dependency. Kerala, the largest exporter of labour to the Gulf, is believed to be extremely sensitive to changes in the economy of the Gulf countries since it is estimated that over 30% of the state's domestic product is generated through remittances from the Gulf countries (Nayyar, 2011; Zachariah & Rajan, 2020). The COVID-19 pandemic that triggered a mass return of Indians from the Gulf highlighted the fragility of such remittance dependence and the amount of investment that India has made in labour mobility to the Gulf (International Labour Organization [ILO] 2021) (estimated at more than two million returnees during 2020).

The Modi government has been actively engaged in diaspora diplomacy as a foreign policy outreach strategy by holding high-profile community events and rallies, like the 'Howdy Modi' series in Houston and Madison Square Garden in New York, and having community programmes in the Gulf, like the one in Dubai and Riyadh. These activities not only raise the morale of the community but also give a good impression to the hosting government and the international media about India's soft power (Kumar, 2017). The award of the UAE's highest civilian honour, Order of Zayed, to Prime Minister Modi in 2019 also credits the importance of

the Indian community in the UAE economy.

6. Diplomatic Engagements and Bilateral Frameworks

The institutionalisation of India's West Asia relationships through structured diplomatic frameworks has been one of the defining features of Indian foreign policy in the region since 2014. Table 4 presents the key bilateral diplomatic milestones of the modern period.

Table 4

Key India–West Asia Diplomatic Milestones, 1992–2023

Year	Bilateral Event	Significance
1992	India–Israel Diplomatic Relations	Full diplomatic ties were established after decades of cool relations; defence and technology cooperation were opened.
2015	PM Modi's UAE Visit	First Indian PM visit to UAE in 34 years; signed 16 MoUs worth US\$75 billion; Comprehensive Strategic Partnership framework.
2016	India–Saudi Arabia Strategic Partnership	King Salman's visit; Strategic Partnership Council established; 25 MoUs covering energy, security, and infrastructure.
2017	PM Modi visits Israel	First-ever visit of an Indian PM to Israel; elevated ties to Strategic Partnership level.
2018	India–UAE CEPA Negotiations Begin	Preliminary talks on a Comprehensive Economic Partnership Agreement; signalled the depth of economic integration.
2022	India–UAE CEPA Signed	CEPA came into force in May 2022; it targets bilateral trade of US\$100 billion by 2030; it covers goods, services, and investments.
2022	I2U2 Group (India, Israel, UAE, USA)	Inaugural I2U2 summit; novel multilateral platform for food security, clean energy, and economic connectivity.
2023	India–GCC Strategic Dialogue	India proposed a structured India–GCC free trade agreement; reinforced economic and security cooperation architecture.

Note. Compiled from Ministry of External Affairs, Government of India (various years). Joint Statements, MoU Signings and Diplomatic Communiqués. <https://mea.gov.in>; Pant (2019); Hall (2019); Jaishankar (2020).

The increase in India's involvement in West Asian affairs on various bilateral fronts has been captured in Table 4. In February 2022, India signed the first CEPA with a Gulf nation – the UAE – in the shortest timeframe ever in India's negotiations, taking 88 days to approve a CEPA (MEA, 2022). Within five years, the CEPA

will remove tariffs on 90% of products, and is expected to boost bilateral trade to US\$100 billion by 2030 and further integrate in services, investments, and intellectual property.

India's foreign policy stance in the West Asian region has had a number of unique features. First, it has been consistently focused on a bilateral approach as opposed to a regional multilateral approach, which accords with India's traditional approach of bilateral diplomacy, where its economic weight can be maximised. Secondly, it has used summit-level diplomacy on a massive scale, with PM Modi making more visits to the capitals of West Asian countries than any other Indian PM in history. Third, India has endeavoured to set up frameworks for Strategic Partnerships with every major state in the Gulf and provided institutional mechanisms for dialogue, joint commissions, and sectoral working groups at a high level at regular intervals (Jaishankar, 2020).

President El-Sisi of Egypt visited India for the first time in 26 years in January 2023 and joined the Indian Republic Day parade, moving the Comprehensive Strategic Partnership between India and Egypt to a new level that is not always included in the assessment of the Indian Gulf policy. In contrast, this development saw India acknowledge Egypt as a potential market for Indian military equipment, a bastion of stability in the Arab world, and a partner in combating terrorism (MEA, 2023). Whereas, tangible outcomes of this boost in partnership have been the bilateral military exercise 'Cyclone,' as well as India's agreement to supply the Egyptian military the BrahMos supersonic cruise missile system.

7. India – GCC relations: Comprehensive Engagement

The Gulf Cooperation Council (GCC) nations of Saudi Arabia, UAE, Kuwait, Qatar, Bahrain, and Oman are the central focus of India's West Asia interests. The 6-GCC countries have a vast expatriate population from India and make up the bulk of its energy imports, and are now major investors in the Indian economy. India has championed its relations with the GCC at the bilateral level with each GCC state and through a new collective approach through the India-GCC Joint Ministerial Meeting (JMM) mechanism.

Saudi Arabia, the biggest economy in the Gulf Cooperation Council (GCC) and the largest exporter of crude oil in the world, has a special place in the context of India's calculations about West Asia. The process of economic diversification, known as Vision 2030, is in the Saudi government's agenda to attract foreign companies to invest in Saudi Arabia, which will surely provide a good opportunity for Indian businesses to grow, develop, and diversify (Rahman, 2021). Another story of the depth of the strategic energy interdependence and its delay, due to land acquisition challenges, is the proposed US\$44 billion Ratnagiri Mega Refinery project. India and Saudi Arabia are also strengthening their cooperation in combating terrorism, with the Riyadh Declaration of 2010 establishing a joint counter-terrorism mechanism as an example of tangible intelligence benefits that have been applied by both countries (Pant, 2019).

Having the financial muscle, geographical proximity, and a 3.5 million-strong Indian community makes the UAE one of the most important relations that India has in the region. Besides the landmark CEPA, India and the UAE have taken a stride in strengthening ties through the fintech innovation of the Unified Payments Interface (UPI) linkage, which has enabled real-time cross-border transactions via UPI linking India and the UAE, thus improving the communication and settlement of trade transactions across the border (National Payments Corporation of India [NPCI] 2023). Further, the RuPay card will be accepted at all the point-of-sale terminals in the UAE, further strengthening the integration of the financial systems of the two countries.

The geopolitical situation has tested the Qatar-India relations as they became diplomatically challenged in 2017-2021 during the blockade imposed by Saudi Arabia, the UAE, Bahrain, and Egypt, two countries that

have close links with Qatar (Panda, 2020). India, in the broader context of 'strategic autonomy', took all the stakeholders on the fence and did not comment on the blockade. Qatar is one of the world's largest natural gas fields and is an important source of energy security for India, with long-term gas supply agreements with Petronet LNG providing long-term security of gas supply (IEA, 2022).

Oman is the most geographically close country in the GCC region to India, and has a special strategic significance as a gateway for maritime traffic. The military dimension of the India – Oman defence partnership (MEA, 2021) so far has given rise to India's first defence access agreement in the Arabian Sea littoral with the port of Duqm, which enables Indian naval ships to avail of facilities for logistics and replenishment. The friendship association between Oman and India (OIFA) and the old cultural ties of the western coast and the Khaleej further strengthen the cooperation between the two countries.

8. India-Israel Relations: Defence, Technology and Agriculture

In West Asia, India's cooperation with Israel is one of the most promising and fruitful bilateral relations, with complementary strategic interests in the sectors of defence technology, counter-terrorism, and agriculture. The relationship, which began in a guarded, cautious manner in 1992, and was motivated as much by domestic political considerations as by strategic considerations, has developed into what both governments have come to call a 'strategic partnership', supported by a US\$2-3 billion annual value of defence trade (SIPRI, 2022).

Israel has emerged as India's top-2 arms supplier after Russia, with the Indian armed forces having acquired sophisticated weaponry from Israel such as the Barak air defence missiles deployed by the Indian Navy, unmanned aerial vehicles (UAVs) Heron and Searcher, which are widely used by the Indian Army on the Line of Control (LOC) with Pakistan, the SPYDER air defence system acquired by the Indian Air Force and anti-tank guided missile (ATGM) systems Spike (SIPRI, 2022; Pant, 2019). The depth of India–Israel defence cooperation was symbolised by Prime Minister Modi's visit to Israel in July 2017 – the first visit of an Indian head of government to Israel, during which both sides upgraded the relationship to a strategic partnership, and signed MoUs that covered defence R&D, cyber security, space, water management, and agriculture (MEA, 2017).

A special mention should be made of the India–Israel agricultural cooperation, which has a direct developmental impact, as an example of South-South technology transfer. Since the launch of the Israel–India Agricultural Project (IIAP) in 2008, the project has been renewed in each phase, having already opened more than 28 Centres of Excellence (COEs) in precision agriculture, horticulture, and water-efficient cultivation in Indian states such as Haryana, Rajasthan, Maharashtra, and Karnataka. As of 2022, the centres had trained, demonstrated and disseminated to over 900,000 farmers in India (MEA, 2022).

The UAE, Bahrain, Sudan and Morocco have entered a new geopolitical context which was reshaped in September 2020 by the signing of the Abraham Accords with Israel and which has a wide-ranging impact on India. The dealings effectively made India's position of keeping Israel relations separate from Arab relations less uncommon, and made the I2U2 format of Quadrilateral negotiations, formally launched during a meeting in July 2022 (White House 2022), easier to attain. The Abraham Accords format is a new one in multilateralism that enables India to have a multi-faceted relationship with Israel and the Arab Gulf countries, without the diplomatic hassles of the past balancing act.

9. India–Iran Relations: Sanctions and Strategic Interests

The India-Iranian ties can perhaps be described as the most complex, diplomatic, and challenging aspect of India's policy in West Asia. The civilisational and historical ties between the two countries are strong: Farsi helped to influence many Indian languages, Sufi traditions created spiritual links across the subcontinent, and the Iranian cultural revival of the medieval era had a significant impact on Mughal India (Ansari, 2014). During the modern era, Iran's strategic position in India's connectivity equation is being highlighted, since it is the gateway to Afghanistan and Central Asia from the Chabahar Port on the Gulf of Oman, which is India's answer to China's investments in the Gwadar Port in Pakistan.

Investment of US\$500 million in the port infrastructure investment for the Shahid Beheshti terminal at Chabahar Port, coupled with US\$1.6 billion for related rail and road projects, marks India's most significant strategic investment in West Asia and is part of its connectivity plan towards Afghanistan and Central Asia (MEA, 2021; Panda, 2020). The Chabahar route from its Indian ports will cut the distance to Afghanistan by about 40% from the other route through Islamabad and create a trade corridor that does not pass through Islamabad.

The US's maximum pressure campaign against Iran since its withdrawal from the JCPOA in May 2018 has been a difficulty for India's relations with Iran. In 2018-19, Iran exported about 23.9 MMT of crude oil to India, and India had received waivers from the first round of post-2015 JCPOA sanctions, but in May 2019, India was taken off the waiver list and has been importing the least amount of Iranian crude oil in many years (PPAC, 2022). It was a purely economic exchange that India's currency was being swapped in the US dollar financial system, and Indian economic power cannot defend its strategic independence from the US dollar financial system, as the victim of secondary sanctions.

The project for the port of Chabahar has not yet been approved in the U.S., and it has been officially accepted as humanitarian for Afghanistan by the U.S. But the secondary sanctions environment has not encouraged Indian public sector banks and contractors to work on the project, leaving a large implementation lag. The Iranian nuclear negotiations (JCPOA revival talks) that were underway in Vienna until 2021–2022 were closely followed by New Delhi, which would hugely benefit from any sanctions relief, which would enable India to access Iranian cheap oil and remove the financial hurdles associated with Chabahar development (Panda, 2020; Jaishankar, 2020).

10. The I2U2 Framework and Emerging Multilateral Architectures

During the first-ever I2U2 summit held in July 2022, comprising the leaders of India, Israel, the UAE, and the United States of America, the virtual meeting focused on the new multi-lateral arrangement in West Asia, which had a remarkable geopolitical and strategic importance to the region and India's strategic positioning. The foreign ministers' meeting in October 2021 saw the official establishment of the 'West Asian Quad' or 'West Asian Four' group, which has been gaining traction since then based on the Abraham Accords (White House, 2022; MEA, 2022).

Unlike security alliances, I2U2 is defined by economic and development cooperation with each other, and six priority areas are: water, energy, transportation, space, health, and food security. In response, in the wake of the global food shortages occasioned by Russia's invasion of Ukraine, the first summit promised a UAE investment of \$2 billion in a series of integrated food parks in India, to be built with Israeli technology and financed by the UAE (White House, 2022); and a clean energy project, in which the UAE will develop 300

MW of various hybrid renewable energy installations in the Indian states of Rajasthan and Gujarat, to be built with Israeli technology and financed by the UAE (White House, 2022).

As far as India is concerned, I2U2 is an important development because of several strategic reasons. It offers a space for bilateral engagement with West Asian countries (UAE and Israel) and multilateral engagement with other countries in West Asia. It takes India to the same table as the introduction of a new regional security and economic architecture for West Asia, with the U.S., without any binding alliance pledges. It makes a way open for technology transfer and investment from Israel and the UAE that can directly affect India's priorities in agriculture, renewable energy, and water management (Hall, 2019; Mohan, 2022).

The I2U2 should be seen in the broader context of the reshaping of West Asian geopolitics ushered in by the Abraham Accords and the evolving American attitude in the region. America looks to cut down on direct military involvement in the Middle East and preserve its strategic presence, but it hopes that regional alliances – between former enemies – will carry on its interests. Indian inclusion in I2U2 is an example of India appreciating this new configuration and the opportunities it offers for Indian involvement, which were limited in the previous, more rigid regional configuration.

11. Defence Cooperation and Security Architecture

Defence and security cooperation has emerged as an increasingly important pillar of India's West Asia engagement, driven by converging threat assessments, India's growing defence manufacturing capabilities, and the Gulf states' desire to diversify their arms procurement away from total dependence on Western suppliers. Table 5 summarises key parameters of India's defence relationships with selected West Asian partners.

Table 5

India's Defence Cooperation Engagements with Select West Asian Nations, 2022

Country	Defence Exports to India (US\$m)	India's Defence Exports (US\$m)	Joint Defence Exercises	Key Agreements
Israel	~1,000 (avg.)	~100	None (security)	Defence R&D MoU, 2017; Missile tech agreements
UAE	350	~460	Desert Eagle, Veerni	CEPA 2022; Defence Cooperation MoU, 2016
Saudi Arabia	100	~150	Al-Mohriq	Strategic Partnership, 2019; Counter-terrorism MoU
Oman	80	~120	Eastern Bridge VI	Defence Cooperation

				Agreement, 2021
Egypt	60	~200	Cyclone	Strategic Partnership, 2023; Defence MoU

Note. Compiled from Stockholm International Peace Research Institute (SIPRI, 2022). SIPRI Arms Transfers Database. <https://www.sipri.org/databases/armstransfers>; Ministry of Defence, Government of India (various years); MEA (2022). Figures for defence exports and imports are approximate and based on publicly available government and SIPRI data. Exercises listed are bilateral military exercises conducted under respective defence cooperation agreements.

Israel continues to be the leading defence technology provider to West Asia, including India, in terms of its advanced missile systems, UAVs, radar and surveillance systems, and precision munitions, which have contributed significantly to India's defence capabilities (SIPRI, 2022). A significant amount of technology transfer, joint R&D, and indigenous production in India has been agreed with Israel in the context of India's 'Make in India' defence policy, which makes the agreement with Israel unique.

India's export of defence products is relatively low and has been on the rise in recent years in West Asia. India has also provided the Philippines with the BrahMos supersonic cruise missile system in 2022, and discussions have been held with various countries in the Middle East, such as Egypt, Saudi Arabia, and the UAE, on the supply of BrahMos and other Indian defence equipment, including the Akash surface-to-air missile system, radar system, and small arms (Ministry of Defence, 2023). In 2022-23, India's defence exports crossed a record level of US\$1.5 billion, and West Asia is one of the top priority markets in the Government's defence export policy.

Maritime security cooperation is one of the vibrant aspects of India – West Asia defence cooperation. Indian Navy also conducts regular bilateral exercises with the navies of the UAE (Desert Eagle), Oman (Eastern Bridge), and Saudi Arabia (Al-Mohriq), and also participates in the US-led Combined Maritime Forces (CMF) that conduct freedom of navigation and counter-piracy operations in the Arabian Sea and Persian Gulf. India's presence in Duqm Port in Oman and Assumption Island in the Seychelles (outside West Asia) is part of an Indian plan to have logistics posts across the Indian Ocean region to ensure long-term Indian Navy operations (MEA, 2021).

12 Challenges and Future Trajectories

12.1 Managing Rivalries and Maintaining Balance

India's main diplomatic dilemma in West Asia is how it is handling its relations with states at loggerheads with one another. The Saudi Arabia–Iran rivalry is the most significant: Both are involved in a proxy battle throughout the region that has shaken Yemen, Lebanon, Iraq, and Syria to their core and has the potential to surface in direct conflict at any time. The fact that India has long-standing ties with Iran and has actively invested in Chabahar and Saudi Arabia is a permanent tension, managed in India's diplomacy by studied silence on matters of dispute in the region and a persistent refusal to endorse the positions of any single bloc (Pant, 2019; Hall, 2019).

Likewise, the history of Indian support for the rights of Palestine and sensitivities of its Arab partners on the Palestinian issue must always be taken into account in the context of India's close defence ties with Israel.

India has dealt with this dilemma by keeping the two-state solution agenda alive at the United Nations while simultaneously pursuing discussions on bilateral practical cooperation with Israel, a strategy that has so far met both the diplomatic demands of the two relationships (Kumaraswamy, 2010). Major military operations in Gaza, including the 2021 conflict and violence, challenge this balance, and India is under pressure from the governments of the Arab states and its own Muslim minority to be more active.

12.2 Labour Rights and the Kafala System

Protection of Indian migrant workers in the Gulf is a constant problem in Indian foreign policy. Human rights organisations have reported that the kafala (sponsorship) system can include wage theft, passport confiscation, contract substitution, and limiting the movement of workers (ILO, 2021). Then there are cases of the abuse of the migrant workers, which put at least a lot of political strain on the domestic political agenda in India, particularly on the states that have a significant number of their workforce in the Gulf countries, like Kerala and Telangana. India does have bilateral labour pacts with each of the GCC states that guarantee minimum wages and access to grievance and claims mechanisms, but enforcement is not always effective (Zachariah & Rajan, 2020).

12.3 Pakistan Factor

Pakistan's Islamic-based relations with Saudi Arabia and Gulf countries and its military cooperation, financial assistance, and other ties have always posed a hurdle in the line of West Asian foreign policy of the Indian state. Islamabad has utilised its relations with the Gulf countries to foster support for its stance on the Kashmir issue, to counter the influence of India and, critics claim, to funnel money to militant groups (Pant, 2019). Even though Pakistan has put pressure on India to shift its policy, the success of India's diplomatic endeavours to strengthen the partnership with the Gulf over the last couple of years has been a testimony to India's growing economic prowess, and the Gulf's rethinking of the reliability of its strategic partner, particularly after the challenges it faced during the economic crises of 2022-23.

12.4 Energy Transition and Structural Economic Shifts

The structural dimension of India's long-term energy future affects the economics of India's bonds with West Asia. In the longer term (Indian targets for renewable energy generation, in particular, set at 500 GW of non-fossil fuel electricity generation capacity by 2030), quantities and strategic importance of Indian oil imports from the Gulf will be affected (IEA, 2022). The Gulf states are also pushing for economic diversification efforts such as Saudi Vision 2030 and UAE Centennial 2071, which they know they need to establish in an economy that is not oil-based. This process is a transition of both risks and opportunities: while the GDPL region experiences a transition to new economic complementarities in the energy sector, India and the Gulf states are looking to restart new partnerships in the field of renewable energy, green hydrogen, and technology.

13. Conclusion

The first quarter of the 21st century is the era in which India has undertaken the process of foreign policy engagement with West Asia, which was one of the most consequential foreign policy changes in the country's post-Independence history. India has transitioned from an approach of ideological solidarity, learned ambivalence towards Israel and a relative lack of investment in the Gulf monarchies, to a multi-vector engagement where it simultaneously pursues close ties with historically one-time adversaries, develops structured institutional formats throughout the region, and utilises the entire range of modern statecraft – economic diplomacy, diaspora engagement, defence cooperation and soft power – to promote clearly defined

national interests.

The bilateral trade data for the year 2021–22, India's dependence on oil imports from West Asia exceeding 52% of its crude oil needs, the remittances received from West Asian countries by the Indian diaspora (US\$42.8 billion), and the strengthening of the defence technology partnership with Israel, underscore the critical role West Asia plays in India's national security and economic well-being. The recent success in negotiating the India-UAE CEPA, the launching of the I2U2 multilateral platform, and India's active engagement in the diplomatic ecosystem of the Abraham Accords are all evidence of India's strategic aspirations and diplomatic power to be a part of the region's new order rather than a mere reflection of it.

But the analysis has highlighted some potential challenges for India's diplomatic nimbleness in the years ahead: managing the Saudi Arabia–Iran rivalry, the welfare of the millions of Indian migrant workers using the kafala system, the Pakistan factor in Gulf affairs, and the long-term structural implications of the global energy transition on India's Gulf relationships. India will need to continue to build its doctrine of strategic autonomy to deal with these challenges, that is, maintain close vigil on countries that are engaged in a conflict but not 'captured' by any given one.

The trajectory of India's West Asia engagement ultimately reflects a broader maturation of Indian foreign policy from a reactive, principle-driven posture toward a proactive, interest-driven strategy that is comfortable with moral complexity and diplomatic ambiguity. In this sense, India's West Asian policy is not merely a regional strategy; it is a laboratory for the kind of great-power diplomacy that India is increasingly called upon to conduct as it rises toward the front ranks of the international system.

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