West Asia in Transition
Edited by Ambassador Arundhati Ghose
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Ambassador Arundhati Ghose
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## Abbreviations and Acronyms

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<td>AFP</td>
<td>Agence France-Presse</td>
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<td>AHDR</td>
<td>Arab Human Development Report</td>
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<td>AKP</td>
<td>Justice and Development Party (Turkey)</td>
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<td>AQAP</td>
<td>Al Qaeda in the Arabian Peninsula</td>
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<td>AQIM</td>
<td>Al Qaeda in the Islamic Maghreb</td>
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<td>BJP</td>
<td>Bharatiya Janata Party</td>
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<td>BRICS</td>
<td>Brazil, Russia, India, China and South Africa</td>
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<td>BSO</td>
<td>Black September Organization</td>
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<td>CI</td>
<td>Capital Intelligence</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<td>CTF-150</td>
<td>Combined Task Force 150</td>
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<td>ECR</td>
<td>Emigration Check Required</td>
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<td>EIA</td>
<td>Energy Information Administration</td>
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<td>EIU</td>
<td>Economist Intelligence Unit</td>
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<td>EU</td>
<td>European Union</td>
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<td>FTA</td>
<td>Free Trade Agreement</td>
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<td>GCC</td>
<td>Gulf Co-operation Council</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>IAEA</td>
<td>International Atomic Energy Agency</td>
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<td>IKR</td>
<td>Iraqi Kurdistan Region</td>
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<td>INA</td>
<td>Iraqi National Alliance</td>
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<td>INSTC</td>
<td>International North South Transport Corridor</td>
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<td>Abbreviation</td>
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<td>IRA</td>
<td>Irish Republican Army</td>
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<td>IRR</td>
<td>Iranian Rial</td>
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<td>IS</td>
<td>Islamic State</td>
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<td>ISIS</td>
<td>Islamic State of Iraq and the Levant</td>
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<td>KMT</td>
<td>Kuomintang</td>
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<td>KRG</td>
<td>Kurdistan Regional Government</td>
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<td>LNG</td>
<td>Liquefied Natural Gas</td>
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<td>LPG</td>
<td>Liquefied Petroleum Gas</td>
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<td>MOIA</td>
<td>Ministry of Overseas Indian Affairs</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>NAM</td>
<td>Non Aligned Movement</td>
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<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<td>NPT</td>
<td>Nuclear Non-Proliferation Treaty</td>
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<td>OIC</td>
<td>Organisation of Islamic Cooperation</td>
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<tr>
<td>P5 + 1</td>
<td>Permanent Five Security Council Members, plus Germany</td>
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<td>PFI</td>
<td>Popular Front of India</td>
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<td>PJD</td>
<td>Justice and Development Party (Morocco)</td>
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<td>PLA</td>
<td>People’s Liberation Army</td>
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<td>PSC</td>
<td>Production Sharing Contract</td>
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<td>R2P</td>
<td>Responsibility to Protect</td>
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<td>SCAF</td>
<td>Supreme Council of the Armed Forces</td>
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<td>SCO</td>
<td>Shanghai Cooperation Organisation</td>
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<td>SDP</td>
<td>State Domestic Product</td>
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<td>SLOC</td>
<td>Sea Lines of Communication</td>
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<td>SOL</td>
<td>State of Law Coalition</td>
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<td>TRACECA</td>
<td>Transport Corridor Europe-Caucasus-Asia</td>
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<td>UAE</td>
<td>United Arab Emirates</td>
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<td>UIA</td>
<td>United Iraqi Alliance</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<td>UNSC</td>
<td>United Nations Security Council</td>
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<td>UNSCR</td>
<td>United Nations Security Council Resolution</td>
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<td>UP</td>
<td>Uttar Pradesh</td>
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<td>USD</td>
<td>US Dollars</td>
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<td>WANA</td>
<td>West Asia and North Africa</td>
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<td>WMD</td>
<td>Weapons of Mass Destruction</td>
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Meena Singh Roy
Foreword

It is becoming increasingly apparent that the West Asian region is in the throes of fundamental, political, social and economic change. The so-called “Arab Spring” of 2010 has brought in its wake considerable instability characterized by violent civil wars, a widening sectarian schism, the meteoric rise of fundamentalist forces, and deep uncertainty about the future. These changes are likely to have a long term, irreversible impact on the existing political, economic and security order in West Asia. Due to its geographic location and hydrocarbon resources, the region will remain crucial to global stability. Asian nations will continue to depend upon energy supplies from the region for a long time. The recent steep fall in the oil prices will impact the global economic situation and have a bearing on the geopolitics.

Located in India’s close proximity, West Asia’s strategic importance for India is self-evident. The deep historical and cultural contacts between the people of the two regions date back to ancient times and remain intact. India sources nearly two-third of its hydrocarbon imports from the Gulf countries; nearly seven million Indian nationals live and work in the countries of West Asia and send home tens of billions of dollars in remittance; the annual trade between India and the West Asian region exceeds US$200 billion. The vast Muslim population of India has a deep emotional attachment with the region. Therefore, India’s security and well-being will be deeply affected by the ongoing transformation of West Asia.

The Institute for Defence Studies and Analyses (IDSA) and the Delhi Policy Group, both premier think tanks in India, have come out with a timely report “West Asia in Transition”. Focusing on West Asia’s transformation, the papers included in the report
give a comprehensive view of the political, economic and security trends unfolding in the region. Written by noted experts, the report goes on to make seminal policy recommendations for Indian policy makers. One of the key recommendations is that India should formulate and implement a coherent “Look West Asia Policy” which would guide and direct India’s engagement with the turbulent West Asian region. Such a policy should aim to integrate India’s political, economic, social interests with its vital security interests. The recommendations cover a wide range of issues in the spheres of foreign policy, security, economy, defence and migrant labourers. The report notes that India may have to get involved in the regional security management structures in West Asia. India should also step up its interaction with the moderate Islamic elements to counter the extremist narrative of some of the radical groups. The role of India’s soft power and the need for upgradation of existing bilateral relationships have been highlighted. It is hoped that the findings of the report will be found useful by the strategic community and help in rethinking India’s approach to a new West Asia.

Dr. Arvind Gupta
New Delhi
November, 2014
Introduction

Arundhati Ghose

From the end of 2010, the attention of the world has been riveted by the rapid political and social developments in the Arab countries in West Asia and North Africa. Each country of the region has been faced with social uprisings as they transitioned away from long established political formations. These were middle-income countries with literate populations and significant global interactions. The effect of these transitions were bound to be felt beyond the region, particularly as it was never clear what form of political dispensation each country headed towards. The transitions continue with the majority of countries having reached a form of stability, however fragile; from a democracy in Tunisia to the retention or reestablishment of authoritarian Government in Egypt. On the other end there are civil wars and the emergence of a global threat of terrorism from Iraq and Syria with the declaration of a “Caliphate” by the Islamic State, and the chaos and mayhem in Libya. All these developments are taking place in a geopolitical situation of some complexity – the sectarian divide, the re-emergence of Israel-Palestine hostilities, Saudi-Iranian rivalry, a possible Iran-US détente and the re-entry of the US, militarily, in the region.

Developments in the region have been continuously watched and analysed in India as elsewhere, but perhaps with more apprehension, given the importance to India of the region. On the one hand, our dependence on the region, especially the Gulf countries, for the major part of our energy imports, makes us hyper-sensitive to instability in West Asia. On the other hand, India becomes important to these countries as a growing and assured market for exports, especially as the US emerges as the largest producer of hydrocarbons and reduces the global demand for hydrocarbons and with Russia offering competition to the Gulf States so far dominant role as suppliers. At the same time, the
region hosts a large number of Indian nationals, workers and professionals. The safety of Indians and the value of their remittances to India would have to remain a priority for any Indian Government. In addition, ideas have historically flowed between India and West Asia. Migrants from India have become a modern vehicle of this flow of ideas, both positive and negative, with the numbers having a significant impact on the societies in India to which they return. An unwelcome recent illustration of the negative aspect of this phenomenon has been the spill-over of the impact of the Islamic State into South Asia and the alleged movement of some young Indians, not necessarily with a history of migration, to Iraq and Syria in response to the call for “jihad” in these countries by the so-called Islamic State.

Both IDSA and DPG had been tracking the evolving situation in West Asia for some time – IDSA had in fact published a book on Developments in the Gulf Region in 2013 – and decided to set up this Task Force in 2013, drawing expertise from diplomacy, academia, journalism and research scholars to produce essays analysing the developments in the current transition in the region, their likely impact on India and to propose guidelines for policy options for India. After more than a year of exhaustive deliberations and brainstorming sessions, this Task Force Report has been divided into three sections. The first section comprises essays on cross-cutting and thematic issues which would identify trends and forces driving these developments. The second section contains separate essays on specific countries playing significant roles in determining the directions being taken by other countries and forces within the region. There are thus five essays on thematic issues: on balance of power in the Gulf, political Islam in the transitions, the role of militaries in the transitional process, the role of external powers and an essay relating to the impact of Indians in the region on India’s interests. The second section includes essays on Saudi Arabia, Iran, Iraq, Turkey, Israel and one on countries in the Maghreb and Mashreq, including Egypt and Syria. Clearly, since in the Task Force’s view the transitions are ongoing, many of the essays relate to periods before mid-2014, while some have tried to update the narrative – a risky venture in a rapidly evolving situation! In this background, and recognizing the challenges facing policy makers, particularly those in the new dispensation, the last segment of the Task Force’s document has been specifically designed to offer feasible options and recommendations.

My sincere thanks to all the participants in the Task Force, who have shared their knowledge and expertise in these essays; to Dr. Arvind Gupta, former Director General of the IDSA and current Deputy National Security Adviser, for his support and invaluable suggestions, especially for the last chapter and Dr. Radha Kumar, Director General of the DPG for all her help and assistance. I would like to specially thank Dr. Meena Singh Roy, Research Fellow and Coordinator of the West Asia Centre at IDSA for making time in her busy schedule to not only contribute herself to this collection of essays, but in getting all the papers together in the form of this report. A special thanks also to Ms Divya
Malhotra, former research intern and Project Manager for the Task Force from IDSA, for coordinating all the meetings of the Task Force and to Otto Widmark former, Delhi Policy Group Research Intern and Richard Wallace, Delhi Policy Group Research Associate, for piloting the manuscript through publication.

I hope that this document will make interesting reading to those following the developments in the WANA region; a positive contribution to the existing literature on the subject, enhance understanding of this complex region and above all, help our policy makers while formulating their policies towards West Asia.
West Asia in Transition
The stability and security of the Persian Gulf have been maintained with difficulty in the past half-century. The Gulf’s stability has been built on a textbook balance of power structure, maintained by the United States (US). Maintaining it has meant, among other things, three wars and led at least three countries in the region to pursue nuclear weapons programs.

The original US balance of power structure was developed in the 1960s around monarchical Iran. After Ayatollah Ruhollah Khomeini came to power, the US used its power to build a balance of power structure centred on the two Sunni Arab states of Saudi Arabia and Iraq. The expansionary tendencies of the Iranian revolution were eventually blunted by its war with Iraq. The resulting balance of power was upturned again when Iraq, in its own attempt at a regional-defensive posture in the region, invaded Kuwait in 1990.

The 9/11 terrorist attack on the US exposed the geopolitical frailty of the post-1990 Gulf power structure. The attack, only the third time in US history that there has been a large military assault on its soil, resulted in a radical reworking of US Gulf policy. First, it concluded that Al Qaeda was a product of the non-democratic regimes of the Arab world and that this should be redressed. Second, the post-1990 balance of power structure in the Gulf would be normalized by imposing a friendly regime in Iraq. Third, nondemocratic anti-Western regimes with ties to Islamist terror groups should be denied nuclear and biological warfare capacity.

The resulting invasion failed on all three points. It also exacerbated a crumbling US commitment to a Gulf balance of power in the following ways:
• Iran emerged from the war with far greater influence thanks to the end of Sunni political power in Iraq, ensuring that an Iraq-Saudi alliance could never anchor the Gulf again.

• The nature of Al Qaeda and Islamist terror in general led to friction between the US and at least two countries in the wider region, Saudi Arabia and Pakistan, because of their support and use of militant Islam for their own domestic agendas.

• The credibility of US military power in the region was seriously eroded by its withdrawal from Iraq and, subsequently, Afghanistan. Other Western military defeats in the region, most notably Israel’s failure to defeat Hezbollah, added to the sense that Western hegemony in West Asia was in eclipse. Equally damaging was the sense in the region that after such an enormous US military effort, Washington had been unable to create a regional power structure that was more stable than the one it had wrecked.

• Most importantly, the combination of war-weariness, domestic economic crises and the reduction in the threat posed by Al Qaeda led to the two US political parties being held hostage by isolationist political factions who opposed further US military commitment to the Persian Gulf, putting a large question mark over how Washington could sustain the balance of power in the region. The isolationist faction of the Democratic Party was elected to the White House in the form of President Barack Obama.

All of this is happening against the background of an energy revolution in the US which has the following elements:

• The development of a host of unconventional fossil fuel extraction technologies, including shale fracking, have dramatically increased US oil and gas production. This has spread to other parts of the Western Hemisphere, including Brazil and Canada, and has meant that this part of the world could be energy independent of the rest of the world if it so wishes.

• The gasification of the US economy had an immediate impact of massively reducing the US use of coal and, now increasingly, the US consumption of oil. With the power and industrial sectors having stopped using oil, the only US economic sector which uses oil is transport. The combination of mileage standards and gasification could end even this, effectively making the US an oil-free economy.

The US remains connected to the Persian Gulf because of (1) counterterrorism concerns; (2) nuclear non-proliferation worries (which are related to the counterterrorism issue); (3) residual security and diplomatic commitments to countries in the region and, (4) a recognition that the price of oil in the Gulf is intrinsically related to the price of oil elsewhere in the world (so far, this is not the case with gas).
However, the US commitment to maintaining a balance of power in the Gulf has become much more fragile. The US has begun reducing its military commitments to the Gulf, reducing for example its carrier presence from three task forces to one.

More telling is the exposition of a national security strategy in Washington that severely restricts the use of US military force, curbs US commitments to regional and global problems, and argues that it is no longer America’s responsibility to unilaterally provide global public goods, let alone put out geopolitical fires around the world. The US refusal to either overthrow or support the Syrian regime, to countenance a recessed Iranian nuclear weapons capability, and its poor relations with allies like Israel and Saudi Arabia are all being seen in the region as an America increasingly without the will and, in future, possibly even the way to guarantee the stability of the Persian Gulf.

This broad narrative remains true despite the US aerial intervention against the spread of the militant Sunni movement, the Islamic State (IS). The refusal of the Obama administration to countenance a US ground intervention, to argue that the movement will be “managed” rather than defeated, and its insistence that Iraq and its Kurdish provincial government must bear the main responsibility for countering IS are the dominant themes of US policy. The principal external gainer, at the time of writing, seems to be Iran whose ground force commitments to defend Iraq are being backed by US air support and, thus, implicit US sanction.

**Future Scenarios**

**RETURN OF AMERICA.** One school of argument says that the present US isolationism is temporary, a consequence of Obama’s domestic interests, the aftermath of the financial crisis and two wars. A new presidency and an economic recovery would see Washington resurrect its superpower instincts and seek to stabilize the Persian Gulf. However, even if this were so, it would still not be clear how this would be established given the Shia control of the two largest Gulf states, Iran and Iraq, the instability and sectarian strife that has followed in the wake of the Syrian civil war, and the continuing signs of Saudi weakness. The US would have to make a post-1990 military commitment to the Gulf to maintain its Saudi-centric balance of power structure.

**IRANIAN DOMINANCE.** Iran is the Gulf country that is the most confident about the cards it has to play and has always believed that it is the natural leader of the region. If Iran is able to strike a nuclear agreement with the US that secures a recessed nuclear capacity and/or the end of economic sanctions, it will be hard for any local power to find a means to balance Tehran’s influence. If Iran is able to combine this with adept diplomacy, it should be able to pick off Qatar, Oman and possibly the United Arab Emirates from Saudi Arabia’s orbit. This would be the return of the Shah’s Gulf, though possibly with
a more passive US role. Henry Kissinger and other US strategists argue that Iranian hegemony is in Washington’s interest. As mentioned, a major indicator in favour of this scenario is that US airpower is now being used to support Iranian ground troops in fighting IS in Iraq.

**NUCLEARIZATION.** Faced with US unwillingness to act as a balancer and rising Iranian power that includes a latent nuclear capacity, Saudi Arabia would consider invoking its latent nuclear understanding with Pakistan. Riyadh would essentially buy itself a nuclear deterrent from Islamabad. This would almost certainly lead Iran to weaponize its nuclear weapons’ capability. It would also have other consequences: Egypt, Turkey and even potentially Iraq would seek a similar nuclear capability if that were to happen. The balance of power would be supplemented with a nuclear balance, albeit between countries with unstable regimes, Islamist currents and minimal command and control technological ability.

**GULF OF ANARCHY.** It is conceivable that the present uneasy status quo moves on to a path of increasing instability. This could be accomplished by a US withdrawal, the decline of the Saudi royal family, economic or political failure in Iran and so on. Whatever the causes, the net result would be a Gulf in which one country or even a group of countries is not powerful or coherent enough to ensure local stability. Sectarian tensions, terrorism and worse would drive governments to policy extremes. The possibility of the Gulf drifting into anarchy that could see low-level but constant domestic sectarian violence and even occasional disruptions of energy supplies from the Persian Gulf cannot be ruled out.

There are many other scenarios for the region, but these are the ones that marked the four points of a geopolitical compass – with other scenarios fitting in between them.

**India’s Policy Response**

India’s stake in the Gulf, especially its economic dependence on the region for fuel supplies, remittances and trade, means that it would be among the worst affected countries by any breakdown of Gulf stability. The impact of repeated Gulf wars and crises on India’s economy has been remarkable, including spurts of inflation and repeated current account crises.
India’s interest in keeping the flow of oil and gas and the production of the same from the Persian Gulf is shared by all nations, including the main Gulf players themselves. But it has additional concerns including:

- Ensuring the security and safety of its Gulf Diaspora.
- Trying to avoid full nuclearization of the region because of the threat of nuclear terrorism and the rise of a Saudi-Pakistan nuclear axis which would provide a fillip to the worst elements inside Pakistan.
- Keeping Shia-Sunni sectarian friction and extremist ideologies of both Islamic groupings from gaining a footprint in India and its neighbourhood.
- If external power equations do intercede in the region, that these powers, most notably China, do so in a manner that does not undermine India’s interests in the region.

Given the remarkable degree of uncertainty that now exists about the geopolitical future of the Persian Gulf, India should consider the following policies:

- Increase Indian understanding, knowledge and analytical capabilities regarding the Gulf. New Delhi needs to hedge against the possibility of any of the various scenarios coming into reality in the near future and prepare accordingly. But this will require it to have a better sense of the undercurrents in the region and, at present, Indian knowledge can be only described as cursory.
- India should increase its diplomatic contact with the many players in the Gulf, not merely all the governments concerned and major external players like Turkey, Russia, the United States and China, to maintain a sense of what is happening in the region. The purpose of such outreach would also be to try and predict possible fault lines, conflicts and misunderstandings in the region. It would also be important to maintain ties with important domestic players in the larger countries of the region.
- Any increased Indian outreach to players within the region and engagement with players from outside the Gulf should also be accompanied by a heightened transparency about the nature of such discussions. India should avoid triggering any suspicions or conspiracy theories, not uncommon in West Asia, about its own activities.
- If there is clear evidence of a vacuum being created by the ebbing of US interest and power in the region, New Delhi should explore the possibility of reinforcing or even setting up multilateral forums that would seek to increase the degree of exchange in the region. This should work on several levels, not merely government to government contacts. India, for example, could host on its own soil or elsewhere
civil society interactions that would allow various Gulf societies to interact with each other. A slow but steady increased military presence in the Gulf should be encouraged so long as it maintains an equal relationship with all players.

- India is dependent on gas imports almost solely from Qatar. Its oil imports from the Gulf are divided among four or five countries. India should seek to increase its energy relations with the Gulf states but in a manner that i) diversifies its supply sources, ii) builds infrastructure such as pipelines and refineries that provide multiple points by which oil and gas can leave the Persian Gulf (for example, pipelines to Fujairah or a pipeline to Oman). However, commercial considerations should remain uppermost and multilateral consortia should be promoted for many of these projects.
While political Islam extends from Nigeria to the Philippines and exists in some form or another in all Islamic countries, this chapter’s scope is limited to Political Islam and its rise and role in West Asia. For the purpose of this article the term West Asia will include besides West Asia proper, the GCC countries, Egypt, Israel, Turkey and Iran. This is because all of these countries are affected by, concerned with and sometimes involved in what is happening in Iraq, Syria and Gaza. Since West Asia is a region of vital importance to India, we need to understand the current developments in the region and come up with a coherent policy response, both short term and long term, to political Islam. For this purpose answers to certain questions are required:

What is political Islam? What are the motivating causes of the origin of political Islam, particularly in the 21st century? What are the demands and goals of political Islamists?

Before attempting a definition of political Islam, a few broad statements about it will help.

It is not a religious revival but a religio-political movement. Its goals are political not religious. It has much more to do with politics and economics and less to do with religion. There is no crystallized, homogenous, or agreed political Islam. It has many variations being an idea, a movement rather than governance in position. Political Islam has a very wide spectrum.
There are many thinkers over the centuries whose ideas have contributed to the growth of political Islam. Its most important ideational fathers of the 20th century are Maulana Maududi of India/Pakistan, Hassan al Banna, the founder of the Muslim Brotherhood, and Syed Qutb of Egypt.

There is neither definitional consensus about what political Islam is nor functioning models which can provide details and clarity. An umbrella definition on the basis of the common denominator under which there will be many variations would be the most accurate approach. That common denominator is the belief that the political, social, economic and security problems of Muslims can only be solved by the implementation of ideas and values based on “True Islam”.

It may straightaway be mentioned here that as soon as we proceed from this broad definition to specifics like what “true Islam” is, what the specific ideas that have to be implemented for the political regeneration of Muslim societies are, how those ideas are to be implemented, whether through institutions or personalities, sharp differences and disagreements among political Islamists themselves arise. This is of course not peculiar to political Islam; everywhere differences arise as we move from the generalities to specifics.

**Moderate and Extremist Political Islam**

Political Islam exists throughout the world, with scores of organizations, groups, parties, movements, to whom the label of political Islam can be applied. However for our purpose it would help to make two broad categorizations, the moderate political Islamists and the extremist political Islamists, and list some of the representative organizations in each category.

Some political Islamists would like to attain power and implement their ideas through the electoral process. For them democracy is compatible with Islamic governance. They could be described as moderate political Islamists.

Most of the numerically large political Islamic parties would fall under this category; for example, the Islamic Salvation Front in Algeria, the Justice and Development Party in Morocco, the Renaissance Party in Tunisia, the Muslim Brotherhood in Egypt, all Islamist parties in Turkey, the Islamic Constitutional Movement in Kuwait, all Islamist parties in Iran, and the Jamaat-e-Islami in Pakistan. Wherever these Islamist parties have come to power, for example in Morocco, Tunisia and even the Muslim Brotherhood before its ouster by the army in Egypt, they have acted with reasonable moderation.
Some Islamists reject the electoral process on more than one ground, including theological. For them the existing political systems in Arab and Muslim countries must be replaced with a completely new society and political system based on true Islam. Such Islamists are willing to resort to violence and even terrorism in the name of religious Jihad to demolish the existing order and establish in its place Islamic governance. They would also like to establish a universal Islamic state, like the Caliphate of the initial period of Islam. The Taliban, al Qaeda in Afghanistan, al Gamaa Islamia, and Takfir wal Hijra in Egypt, Jabhat al Nusra in Syria, the IS in the Levant and Salafists/Wahabists would fall under this category.

These extremists have no faith in the electoral process nor have they come to power anywhere through elections. They believe in capturing over attaining power.

Hamas in Gaza falls under a special category. It is extremist in its rejection of Israel, but otherwise it accepts the electoral process for governance. It cannot be said to be revivalist or medieval, unlike the Taliban or al Qaeda, in its outlook. Its focus is on liberation of Gaza and the struggle for Palestinian rights not an Islamic Caliphate.

**Causes of the Rise of Political Islam**

The chief cause of the rise of political Islam is governance failure in all Muslim countries, especially in West Asia in the 20th century. People have turned to Islam because of frustration with the prevailing circumstances and no hope of a solution to their problems through the existing political systems.

The internal dimension of governance failure is exemplified by economic stagnation, corruption, poverty and a large unemployed youth population. Even where oil money has flowed in, the distribution of wealth has been arbitrary and lopsided, with excessive resources allocated to the army and security agencies to be wasted in wars instead of creation of assets for long-term sustainable economic growth. Those who want to know the extent of economic malaise in these countries can refer to the Arab Human Development Reports (AHDR). In terms of basic indicators like the standard of living, education, healthcare, status of women and infant mortality these countries have lagged behind despite their favourable resource/ population ratio.

Externally also the regimes of these countries, have failed to protect the legitimate interests and dignity of their people. This is to be expected, if the main focus is on the security and perpetuation of the regime rather than the welfare of the people. In the absence of partnership between the people and their leadership, the leadership feels vulnerable and insecure and that gives external powers the opportunity to co-opt leaders for their mutual benefit at the expense of the interests of the people.
The most glaring failure of Arab regimes has been in their confrontation with Israel. Repeatedly in 1948, 1956, 1967 and 1973, Israel defeated the Arab armies, despite the large amounts of money that Arab regimes have spent on their military. Since 1967, Israel has occupied the West Bank and Gaza and has cracked down with brutal force on Palestinians rising in revolt against the occupation, without any effective response from Arab regimes.

Given these factors it is hardly surprising that the Arab people should feel frustrated with their circumstances and desperately want a way out. There are many, probably a large majority, who believe that modernity based on elected governance is a solution to their problems. On the other hand, there are also a significant number of those who believe that Islam, its principles and values provide the panacea for their problems.

Finally, we must understand why many have turned to political Islam rather than secular democracy, especially when there are successful models of functioning democratic systems in the world that have produced results.

One important reason is that the regimes in West Asia that failed so spectacularly, both externally and internally, claimed to be secular republics. In one stroke they discredited secular republicanism, and persuaded many people to seek an alternative.

With regard to the appeal of religion in such situations, a point may be noted. When people are in a quagmire, simplistic and holistic solutions have a strong appeal for them. Religion promises the desired answer. This is not different to the attraction that secular simplistic ideologies offer by the promise of a total solution. The examples of Fascism after the First World War in Italy and National Socialism in Germany come to mind, besides Communism in Russia, the KMT in China and a host of other countries. In all societies there are people who are predisposed to the black and white approach of fascism and confused by the ambiguities of democracy.

**Wars, Violence and Extremist Political Islam**

A brief survey of the wars and violence in the region will provide the context to extremist political Islam.

Besides the four Arab-Israeli wars, there have been conflicts, clashes and fighting between Israelis and Arabs, during the last 47 years since the occupation of the West Bank, Gaza and the Golan Heights.
Israel has always had decisive military superiority and when the clash has been of a military nature, Israel has been clearly victorious in the vast majority of instances. At the same time it has failed to subdue the Palestinian resistance. Palestinian youth in the occupied West Bank have twice exploded into prolonged resistance (Intifada); in 1987 and again in 2000 and suffered heavily at the hands of Israeli security forces.

Israel attacked Beirut, inflicting with heavy civilian casualties in 1982 and occupied South Lebanon. This occupation created the Hezbollah resistance movement which constantly harassed and killed soldiers of the Israeli occupation forces until Israel withdrew in 2000. Triggered by an incident in 2006 between Hezbollah and the Israeli Defence Forces resulting in the death of three Israeli soldiers and the capture of two, Israel attacked Hezbollah in south Lebanon and bombed Beirut resulting in more than a thousand deaths and many more injured.

Since its withdrawal from Gaza in 2005, Israel has carried out five military operations against Hamas, in response to the latter’s “provocations” as part of their resistance to end the Israeli occupation of Gaza. Each time there have been heavy casualties amongst Palestinians including women and children, with about 2,000 dead and 10,000 wounded in the latest round of fighting.

Besides the Arab-Israeli wars and conflicts, there have been other wars and conflicts in the region. There was a civil war between Royalists and Republicans after the overthrow of Imam Muhammad al Badr in Yemen between 1962 and 1970, with Saudi Arabia (close to US) and President Nasser’s Egypt, (close to the then Soviet Union) ranged on opposite sides. After much shedding of blood and casualties estimated to be between 10-20,000, the Civil War ended when President Nasser had to withdraw Egyptian forces from Yemen after a crushing defeat at the hands of the Israeli army in 1967.

In 1970, King Hussein of Jordan crushed Palestinians with the full force of his military might, resulting in casualties estimated at 10-20,000, including innocent civilians. This Jordanian-Palestinian conflict spawned the purely secular militant Palestinian organization, the Black September Organization (BSO), which carried out assassinations and kidnappings long before the militant Islamic groups appeared on the scene.

In 1982, Hafez al Assad, the authoritarian president of Syria, suppressed a Sunni uprising in Hama, using every weapon in his arsenal, which according to estimates caused 20,000 deaths.

The 1980-88 Iran-Iraq war was one of the three bloodiest wars of the latter half of the 20th century (the other two being the Korean War and the Vietnam War). More than one million soldiers and civilians are estimated to have been killed. The economic losses of
the war have been put at USD one trillion. There is enough evidence to conclude that chemical weapons were used by Saddam Hussein during the war.

From 1979 to 1989 there was a bloody war in Afghanistan. The end of the war against the Soviet Union did not bring any relief to the suffering people of Afghanistan. A ruthless civil war amongst various jihadi factions followed causing indiscriminate casualties of innocent civilians. For 35 years now, Afghans have not known peace and stability. The total number of soldiers, Mujahed in and civilians killed during the entire period has been estimated at more than one million and many more wounded and maimed for life, not to mention the destruction, economic losses, displacement, misery and deprivation for a whole people.

In 1990, even before the wounds of the Iraq-Iran War had healed, the Iraqi President Saddam Hussein invaded and occupied Kuwait, a brotherly Arab country. All the billions spent by the GCC countries on arms purchases through shady deals, were of no avail and they had to hire a superpower, the United States, reportedly for USD 75 billion, to eject Saddam from Kuwait. The irony is that the same GCC countries had funded Saddam Hussein’s war against Iran with tens of billions of petrodollars from their coffers. The 1991 war against Iraq, with massive bombing of Baghdad and other towns, resulted in a large number of Iraqi civilian casualties, including women and children and the decimation and massacre of defeated and retreating Iraqi troops by US air attacks north of Kuwait. Subsequently prolonged economic sanctions, imposed on Iraq by the US and UK sponsored United Nations Security Council Resolutions, resulted in the death of innocent people especially children and the aged due to malnutrition and lack of health care.

To this long litany of wars, death and destruction may be added the Lebanese Civil War of 1975-90, which probably caused 120-150,000 casualties. It also spawned lawless militias, extremists, terrorists and criminals on all sides of the Lebanese Civil War.

The brutal Algerian Civil War of 1991-2002 triggered by the abrogation of the election that the Islamists were winning peacefully, resulted in casualties estimated at between 50-100,000. Earlier in the War of Liberation against the French, 1954-1962, an estimated 350,000 Algerians had died.

In 2003, on trumped up charges of possession of weapons of mass destruction, the US attacked Iraq, with its so-called “shock and awe” strategy which comprised massive bombardment of targets in Baghdad and elsewhere. The war and occupation have resulted in over half a million deaths. According to one estimate Iraq has lost nearly 2.5 million people since the beginning of the Iran-Iraq war in 1980 until today because of wars, sanctions, occupation, and sectarian fighting.
Immediately after 9/11, the US successfully launched military action against Al Qaeda and the Taliban in Afghanistan and installed a pliant regime. Since then there has been a steady stream of casualties including the death of innocent men, women and children from car bombs, terrorist violence, Special Forces operations and drone attacks.

There have been more wars, conflicts and deaths in West Asia since the end of World War II than in any other region of the world. A large number of displaced persons have also been living in various parts of the region as refugees for long periods, in many cases for generations without hope of a future, a sure breeding ground for violence and extremism. It is therefore no wonder that sections of political Islam have mutated into extremist political Islam not averse to violence and even terrorism to achieve their goals. The common denominator in extremism and violence is not found in religion but frustration with the prevailing injustice, real or perceived. Where moderation is ignored or repressed, extremism will arise. There is a lot of extremism and violence around the world which is not religiously inspired but produced by deep political and economic frustrations.

To explain the real causes of extremism and violence is not to justify it but to understand its true nature so that correct strategies can be crafted in dealing with this menace.

**Political Islam: Israel and the West**

Israel does not want the rise of extremist political Islam to be attributed in any manner to its oppressive occupation of the West Bank and Gaza since 1967. That would adversely affect public support for Israel in the West, especially in the US, and create pressures on Israel for the settlement of the Palestinian-Israeli dispute on the basis of a two-state solution.

The West does not want attention to be focused on the role of its policies in contributing to the rise of political Islam, especially extremist groups. Because the region is extremely rich in energy, first the British and later the Americans established a strong presence in the region. They manipulated the politics of these countries and sometimes even interfered through covert operations. The most clear and well-documented example of such interference is the overthrow of the Iranian Prime Minister Dr. Mossaddegh in 1953.

Throughout the Cold War era the West and particularly the US exploited Islam in its confrontation with the Soviet Union, whether it was in North Africa, West Asia, Central Asia, South Asia or South East Asia. During the Cold War, Islam was looked upon as a bulwark against godless communism.
Islamic Jihad against the Soviet Union was promoted without inhibition or restraint. Its long-term consequences were overlooked not only by the US but also Muslim regimes which supported Jihad for their own objectives. Many of today's political Islam extremists are the Jihadis of the 1980s against the Soviet Union, or their progeny.

The West and Israel would not like their role in the rise of political Islam to be focused upon for various reasons including the fact that there would then be calls for a change of strategy to deal with political Islam, for which no Western or Israeli leader has the vision or stomach.

Israel and the West may have their own reasons for attributing political Islam, especially of the violent extremist variety, to its religious theology, promise of heaven and virgin *houri*s for martyrdom, but our interests dictate that we make our own independent study and analysis.

### The Present Turmoil in West Asia

It is obvious that a large number of people spontaneously joined the mass movement of dissatisfaction with existing regimes from the Gulf to the Atlantic. Many of the regimes in the region and powers beyond became apprehensive of the outcome of this upsurge. Instead of helping this mass movement constructively, to achieve good governance, they emasculated it by aggravating internal contradictions and differences. Only in Tunisia, Morocco and perhaps Jordan have some positive gains been made, but in Egypt and West Asia where the clash of vital interests of regional regimes and outside powers is involved, there has been only conflict and bloodshed so far. The regional powers that are intervening in what have become civil wars in West Asia are: Saudi Arabia, Qatar, UAE, Turkey, Egypt and Iran. The outside powers active in the region are the US, UK, France, Russia and China.

The situation in Syria and Iraq is chaotic and confusing. In the summer of 2014, Gaza witnessed a horrendous bout of bloodshed which has left about 2,000 Palestinians and 67 Israelis (64 soldiers) dead. Efforts have been made by Cairo to resolve underlying issues that prevent a stable and durable ceasefire.

The scale of bloodshed in Syria had earlier dropped, and President Bashar al Assad got himself re-elected in defiance of the US Administration. With fast changing developments the focus is currently on the Islamic State. Yesterday’s protégé has become a Frankenstein monster.

Meanwhile the Islamic State has taken control of mainly Sunni Iraqi territory in the western and northern part of Iraq. They have taken control of Mosul and towns which Kurdish Administration considers its territory. The US and its allies want to prevent
the Islamic State from overrunning the Kurdish areas. For this reason the US has been bombing Islamic State positions. This has enabled the Kurds to stiffen their resistance to Islamic State fighters and even push them back in some places and retake positions. The situation on the ground is constantly shifting; if, when and how this seesaw situation between Islamic State and Kurds will stabilize, and where the line of control between the two sides will finally be, cannot be predicted just now. The predominantly Shia government in Baghdad may have its own problems with the Kurdish Administration but it has made it clear that it considers Islamic State its adversary number one. It has offered and given some help to Kurds, though the Kurds themselves would prefer effective US intervention rather than become dependent on Baghdad for assistance.

It is extremely difficult to know the truth of what is going on in the region. Reliable information about which country is doing what, for what purpose, or which group or militia is whose proxy and who is funding it, is extremely hard to come by. Countries have also sharply changed their strategies and sometimes made U-turns. Their declarations are not matched by actions and their policies are extremely short-sighted and in complete disregard of the welfare, security, lives and future of the people of the countries where these proxy wars are being fought.

**Future Scenario**

West Asia is in for a long period of instability. Syria and Iraq are likely to become fractured and possibly fragmented states. Both states will remain significantly weakened and pose no strategic problems for other states in the region – Syria to Israel and Iraq to the smaller countries to its south.

Such fractured states can become failed and unstable states. Violence and instability have a tendency to spread and also breed extremism and violence. Should they disintegrate, it would be impossible to carve out states with clear and stable borders, because sects, tribes and ethnicities are not neatly distributed in defined areas. With many on the wrong side of the border there could be additional ethnic cleansing.

President Assad has survived the crisis and is likely to remain in power for the present; he may however find it difficult to maintain the old borders of Syria. What is the alternative? Carving up countries and drawing borders arbitrarily resembles the 19th and early 20th century imperial diplomacy which is anachronous in the 21st century, though few diplomats and their masters seem to realize it. Who gains what from divisions and fragmentations is not clear. However, in the present situation, fragmentation, conflict and instability in the region will not weaken but strengthen extremist political Islam. After fracturing Syria and Iraq there could be attempts at destabilizing Iran by the West and
some regional powers. That could create chaos on a bigger scale. Israel would certainly want it. Both Russia and China will attempt to resist it.

It is hard to make sense of Qatari and Saudi confrontation in Egypt and Syria, because not only are they both members of the GCC but are also close to the US. They being on opposite sides in Egypt and backing different groups in Syria is inexplicable in rational terms.

Those supporting extremists should know that extremists have their own separate agenda and they will not remain protégés of their present supporters once they have established themselves in any place. This happened in Afghanistan. After the Soviet troops had been withdrawn, the extremists refused to be dictated to by their erstwhile supporters. This can happen in Syria and Iraq also.

Frequent references to the Shia-Sunni divide, too, are more of a red herring than reality. What is happening in West Asia is a confused strategic confrontation for strategic gains involving regional powers as well as others farther away. The Islamic State is a Sunni extremist organization but it is attacking Kurds, who are also Sunnis. The Kurds are being helped by Shia Baghdad. Saudi Arabia is Sunni but it is against the Sunni Muslim Brotherhood in Egypt. Wahhabi Sunni Qatar is supporting the Muslim Brotherhood and is currently ranged against fellow Sunni Wahhabi Saudi Arabia. Iran is Shia but it is supporting Hamas which is Sunni. All this is hard to understand in terms of the Shia-Sunni divide but can be explained on the basis of perceived strategic goals of the parties involved.

The various parties and groups fighting each other are also doing it for political and economic gain rather than religion. Extremist political Islam will not be able to become broad-based and establish itself in West Asia on a long-term basis. The people of West Asia, the Syrians, the Iraqis and the Palestinians will not accept their medieval outlook. They can overrun but not establish stable governance. They lack organizational structure and commitment to institutional governance for this purpose.

The Israeli occupation of Gaza will remain a festering problem. Future rounds of fighting should not be ruled out. Killing some Hamas extremists is not a solution to the conflict; it will only strengthen Hamas and spread extremism.

The fundamental problem of the whole region has been the inability of societies in West Asia and North Africa to evolve consensus-based, inclusive democratic governance. All these societies have tribal, ethnic and sectarian fault-lines that only fully participatory
governance can overcome. Unity has been maintained by authoritarian regimes, not through the willing consent of democratic accommodation. But suffocating authoritarianism is an impediment to the progress of societies in the 20th to 21st century industrial age.

**How to Deal with Political Islam – General Recommendations**

The world can interact with moderate political Islamists as long as they maintain their moderation. The fear that once political Islamists come to power that will be the end of democracy, smacks of paranoia, dishonesty or worse. Many political Islamists are veering to the viewpoint that Islam is compatible with democracy, which is the only form of workable governance in today’s age.

It can be convincingly argued that many countries in the West including Israel are opposed to political Islamists because their interests require authoritarian regimes which can be co-opted. Vibrant democracies on the other hand are hard to tame because they have a mind of their own based on people’s sentiments. Very little has been done by the West to initiate genuine measures to ensure the transition to democracy in these countries.

The best way to eliminate political Islam is to let them tackle the problems of governance if they come to power through democratic processes and indicate their commitment to respect them. Either they will change their approach and become pragmatic to achieve good governance or they will obstinately stick to dogmatism and fail. Their failure will expose them and result in the withering away of public support for them. The Islamic Salvation Front in Algeria would probably have faded away by now, if it had been allowed to come to power through an electoral process and govern. Similarly ostracizing Hamas has not helped matters. They have not been allowed a chance to demonstrate their governance capability. In its absence people’s faith in Hamas remains intact.

It is instructive that where Islamists attained a position of power and decision-making, for example in Iran, they moved to pragmatism rather than dogmatism. More recently, in Morocco where the Islamist Justice and Democratic Party, has come to power through the electoral process, their governance has been pragmatic rather than dogmatic. Even Morsi of the Muslim Brotherhood in Egypt was showing signs of leaning towards pragmatism before he was manoeuvred out of power.
Recommendations specific to India

In formulating our own strategy and deciding our tactical moves to deal with political Islam we must keep the following in mind:

- The main focus of political Islam is not India but their own regimes in their country and the West. Only Pakistan has used militant Islamists for a proxy war against India in an attempt to further its goals, especially in Kashmir.

- We must constantly keep in mind that the basic impulse for political Islam of every type comes from political and economic circumstances, and is then expressed through religion.

- The nature and circumstances of our problems with political Islam are quite different to those of the West. We must therefore have our own independent narrative and strategy based on our circumstances and our interests. We have never politically dominated or economically exploited any of the countries where political Islam has arisen.

- In deciding our strategies, we must keep in mind the distinction between moderate political Islam and extremist violent Islam. Dealing with each will require different approaches to each.

Before crafting strategies for coping with political Islam we must keep in mind certain facts for an understanding of dimension and perspective.

In India the total Muslim population is 180 million, which is more than the population of the sixth or the seventh largest country in the world. In the subcontinent the Muslim population is about 500 million, when the entire Muslim population in the world is about 1.6 billion spread over Southeast Asia, the Middle East, Africa and Central Asia. The entire population of the 22 Arab League countries is only about 350 million.

As far as moderate political Islam is concerned, its coming to power and governance through the democratic process in West Asia and North Africa should not pose any adverse challenge for us. Once they deal with the problems of governance and international relations they will move in the direction of moderation not extremism.

As for political Islam extremists, their violence will have to be dealt with by force. Extremists who pursue their goals with violence have so antagonized established governments in many countries that it would be possible to get international cooperation to track and neutralize them. It may be recalled here that initially Iran had extended significant cooperation to the US in dealing with the Taliban and Al Qaeda elements after 9/11 in Afghanistan, until President Bush bracketed Iran with Iraq and North Korea in the Axis of Evil.
Special attention will have to be given to Afghanistan, and bordering areas in Pakistan, because of the presence there of Al Qaeda, Taliban and a host of other militant organizations. Many of the elements in Pakistan are not political Islamists but terrorists.

Even in Afghanistan one must distinguish between those who can be dealt with politically and those that will not give up violence. One cannot afford confrontation with the entire spectrum of political Islam there. Even with the Taliban there can be exploratory dialogue to make it clear to them that attempts to export militant Islam to India will be dealt with firmly. There is no reason to believe that the Taliban are completely bereft of saner elements.

As far as the cross-border flow of militants from our neighbourhood is concerned, the problem and all its dimensions are well known and so are the strategies to deal with them. It is a question of implementing them effectively for which corruption-free administration is indispensable. Dealing with individual militants is not so difficult; what is a real challenge is to create an environment in which the population will actively cooperate with local administration and various agencies.

As far as the Gulf is concerned, we have to pay special attention to it because of the presence there of 6.5 million Indian citizens who frequently travel back and forth between India and those countries. We really should not worry too much on account of some Muslims who adopt rituals and practices prevailing in Gulf societies, like Hijab for women and beards for men. What we should watch out for are militants who can enter our country from this region. To deal with this aspect of the problem, we should strengthen cooperation and coordination with the Gulf countries, since militants pose a problem to their regimes also.

The truly challenging task is to ensure that militancy does not take root and spread internally. It should be remembered that in India there is militancy in various regions, in the name of various ideologies and under various slogans, but the underlying causes are the same; frustration and resentment with political and economic circumstances caused by bad governance that has failed to deliver. So the strategy for dealing with all militancy, including that in the name of religion, has to be the same, namely: good governance and a level playing field, due sharing of political power, democratic opportunity for diverse voices to be heard and a fair share in economic progress and growth.

While economic progress and growth are solutions to militancy there is a catch 22 relationship between the two. Economic progress can eliminate militancy but equally, absence of militancy and violence is essential for growth and progress. This vicious circle can only be broken by honest, corruption-free administration. How to achieve that given the logjam of vested interests does not require a theoretical answer but action.
The one catalyst that offers the best chance for setting in motion the process for better governance is transparency.

Finally, there is the issue of the “madrasas” and militancy. That is much confused thinking about madrasas and militant Islam. Madrasas are not the cause of Islamist militancy; they become incubators for militancy, impelled by political and economic factors. An often overlooked fact while focusing on madrasas and militant Islam is that young Muslims have not gone to these institutions by choice; or that good schools providing modern education are available and they choose madrasas instead. The fact is that most young Muslims boys go to madrasas because there is no real alternative. Very often the choice is between the madrasa and complete illiteracy. Any sudden closure of madrasas will therefore probably exacerbate the problem. Establishing good schools requires resources flowing from growth and progress which in turn calls for corruption free governance. The transition from madrasas to modern schools will require resources, time, effort and patience.

**Conclusion**

To sum up, political Islam in West Asia is a consequence of the failure of authoritarian regimes, whether claiming to be secular or religious, to provide good governance to people in Muslim countries. This has led to humiliating failures externally and economic stagnation and lack of individual dignity internally. Since political Islam has been impelled by political and economic factors, the challenge of political Islam essentially requires a political and economic response.
Introduction

The protests across the Arab world popularly called the “Arab Spring” broke out in late 2010 as people’s revolutions against the oppressive dictatorial regimes in the region, seeking greater political freedom, economic prosperity and people’s participation. Commencing from Tunisia in December 2010, it spread to Egypt, Libya and across the Red Sea towards the Arabian Peninsula and also the Levant. It soon led to the toppling of Tunisia’s autocratic President Zine al–Abidine Ben Ali and Hosni Mubarak in Egypt. In Libya, Muammar Qaddafi, who had ruled Libya since 1967, was first removed from power by a Western alliance backed transitional authority and then killed after a six month long civil war. Elsewhere in countries like Bahrain and Syria, the protests were crushed and in the latter a state of civil war ensued while in Yemen, a GCC brokered peace led to its autocratic president ceding power. There were muted protests in Gulf monarchies like Saudi Arabia, Kuwait, UAE and even in Jordan and Morocco, but these were soon brought under control either by internal suppressive measures or huge economic appeasement of the populace. While the last of the Arab Spring is yet to be seen, there is one common thread across all the protests and their effects across the region – the role of the armed forces.

All regimes in the region facing the Arab Spring protests called upon their armed forces to confront the uprisings. The response of the armed forces towards the SOS call by
their dictators however, was quite varied in scope and tenor, which greatly influenced the final outcome of the revolutions in the respective countries. The response of the armed forces ranged from open support for protest movements (Tunisia and Egypt) to proactively siding with the regimes in quelling the protests (Bahrain and Syria), internal contradictions and fracturing within the armed forces (Libya and Yemen), and a silent but firm support to the regimes (Saudi Arabia, Jordan, Morocco and UAE). While the military in Tunisia openly sided with the protestors and even warned the regime backed police forces against taking oppressive actions against the people, in Egypt the military initially took a more muted stance on supporting the protests. It however did not heed Mubarak’s call to crush the protests and finally issued a “communiqué” on February 10, 2011 asking Mubarak to resign. On the other hand, the militaries in Syria and Bahrain sided with the regimes, brutally crushing the protests. Libya and Yemen formed a case where the armed forces failed to present a united front, fracturing under pressure into pro and anti-regime groups, leading to brutal clashes and thereafter the downfall of the regimes.

The armed forces in the region have thus been leading protagonists in the unfolding drama in the West Asia-North Africa region. This phenomenon is however not a recent development. A closer look at the evolution of modern Arab states clearly indicates how deeply the armed forces have been intertwined in the state structures and processes of each of these nations. As we look forward to the region moving beyond the “Arab Spring”, it is important to examine the role and influence that armed forces exert on the region. It is all the more important to us as India has large stakes and interests in the region. The region not only supplies a major portion of our energy needs (oil and natural gas), but is also home to millions of expatriates who are earning their living in these countries and sending back critical remittances. Growing trade and commerce along with cultural ties is another close bond that India shares with the region. Also, geographical proximity dictates that any instability and lack of peace (terrorism and extremism) could have adverse effects on us.

This chapter argues that irrespective of the final outcomes of the Arab Spring, the armed forces will continue to exert important influence in the region. Some of the critical issues which this chapter seeks to address are:

(a) Why have the armed forces in the region enjoyed a pre-eminent role in the region?
(b) What have been the various strands of civil-military relationships in the region?
(c) How did the armed forces influence the outcome of protests during the Arab Spring? What are the likely trends in future?
(d) What are India’s options for military to military engagement in the evolving security paradigm in the region?
Militaries and their Pre-eminent Role in the Region

The pre-eminent role of militaries in the West Asian region has been one of the characteristics of not only of its regimes but also its societies. While most of the regimes have used their militaries to ensure regime security (mostly against internal threats), West Asian societies too have seen them as the ultimate guarantors of security as also one of the few functioning, trustworthy and efficient state institutions. This however is a the cumulative result of a number of contributing factors such as the nature of societies in the Arab world, the birth of modern Arab states, the effect of the Cold War on the region, and also the highly polarized nature of religion and the sects in the region.

Modern Arab states owe their birth to the Ottoman Empire. The Ottoman Empire invested in well-structured, disciplined and officered armed forces. It maintained control through a combination of military and bureaucratic structures in which the military enjoyed great privileges and power. After World War I and the consequential collapse of the Ottoman Empire, the League of Nations drew up “mandates” for the Arab world. Each mandate was supposed to be ruled by the British or French “until such time as they are able to stand alone”. The borders that we see on modern political maps of the region were truly arbitrary and were drawn without regard to any ethnic, geographic, or religious concerns. Excluded from political control over their own lands for centuries, the Arabs found it difficult to set up well-functioning, institutionalized political systems with clear political identity. The only political identity that they inherited was a loose symbiosis between Islam as a belief system and the tribe as a basic unit of social organization. Lack of expertise and experience in governance too hindered the progress in these nations towards self-realization and self-determination of the people, giving rise to opportunity for dictators and monarchs to rule them. In such a situation, the military emerged as a pre-eminent instrument to ensure regime security. It also paved the way for the military to interact and often interfere in political affairs, thus politicizing the nature of armed forces in the region and setting the stage for subsequent military prominence in politics.

The trend of military participation and dominance in political affairs in the region was further strengthened post-World War II due to new nations gaining independence, the waning power of allied powers (Britain and France), and a rush for oil in the region which suddenly made these nations important but also vulnerable to external pressures. In the absence of well-established political structures, the rulers (erstwhile tribal leaders and warlords) relied heavily on the military to administer the state. The Cold War and the ensuing race for control over oil and territory opened the door for the two superpowers to court the militaries openly, often bypassing the regime structures. The petrodollars from the oil trade further strengthened the bond between the ruling monarchs and dictators and the military while shutting out all social and political movements in the region.
There was another important reason for the pre-eminence of the military in the region; The Arab-Israeli conflict. The birth of Israel and its immediate victory over the Arab armies was a shock for the region. Western support for the state of Israel and apprehensions of Israel’s expansionist ideas brought the Arab nations and their armies together. Subsequent wars in 1956, 1967, 1973, and 1982 not only increased the militarization of the region, but also helped the military retain and even expand its influence. This however led to two clear developments in the region; frequent coups by the militaries and almost total lack of growth of any political movements. Militarization constituted an ever-increasing arms race, foreign military bases and a rush to influence and control regimes through military alliances or threats. While the regimes were happy with alliances guaranteeing regime security, they led to unrest in the population and provided fodder to groups advocating eviction of foreign troops from the homeland (especially in the context of Muslim countries in the region calling upon the teachings of Quran forbidding foreign military presence). In the following decades, it was one of the contributing factors for the rise of terrorism and religious extremism in the region. Once again, rising trends of terrorism brought with them even more powers to the military in the region, not only to quell internal unrest but also in coordinating international efforts to fight global terrorism.

The militaries in the region have thus enjoyed a pre-eminent role throughout its modern history. Circumstances after World War II may have given the militaries the opportunity to carve out a prominent role but decades later they still enjoy great privileges and status, a significant strand in understanding the politico-security dynamics of the region.

**Civil Military Relations and its Impact**

The pre-eminent power of the military has led the military to take on the role of “state building” as well as “state security”. One of the most important impacts of the pre-eminent position occupied by the military in the region is witnessed in civil-military relations. The scope of the relationship is often defined by the type of ruling regime and thus civil-military relations across the region do not follow a uniform trend. Broadly, the region’s regimes can be classified into four categories; military general turned politician, tribe-based monarchies, democracies, and regimes with multiple militaries. The first category comprises nations where military generals have taken over regimes through coups and have thereafter shed the uniform and become civilian rulers. Countries like Egypt, Syria and Yemen fall into this category. In such cases, while the military is not directly involved in the state apparatus, it has deeply embedded interests in the regime and exercises power in the background. The ruler normally launches his own political party which wins elections as no other political party is allowed to take roots. Social movements, political parties and civilian state structures remain subservient and the
military dictator forms the ultimate power centre. The military enjoys privileged status courtesy of the ruler but when the ruler attempts to undermine the military’s interests, a further coup takes place.

In the case of tribe-based monarchies as seen in Saudi Arabia, UAE, Morocco, Jordan and Kuwait, the civil-military relationship is different wherein the military is given public pre-eminence unlike the previous case. The regimes seek their security through the militaries. As a result, the majority of the forces and especially the senior leadership are drawn from the tribes loyal to the regime. In the cases like Saudi Arabia, members of the monarchies are appointed to top posts in military, especially internal security and intelligence. Once again, the civilian state structures are subservient to both the monarchy as well as proxy power wielded by the military.

In the case of democracies, the militaries are well institutionalized and structured. While acknowledging their importance to national security, their role in political decision-making is kept to the minimum. Israel and Turkey would fall in this category. Although Turkish armed forces enjoyed pre-eminence and absolute power for many decades, their role has gradually been confined to national security issues in recent years.

The last category of regimes consists of states which have strong armies and enjoy relative pre-eminence in society, but are perceived as a possible threat to the regimes. In such cases, the regimes form alternate security structures, considered more loyal to the regime either ideologically or based on tribal affinities and are seen as the ultimate protector of regimes. Iran with its Revolutionary Guards and Saudi Arabia with its National Guard would fall under this category. Interestingly, Libya under Gaddafi and Iraq under Saddam Hussein too promoted such militias. In such regimes, the military is kept well out of politics and is consigned to national security duties only, leaving the state structures to run the show. Saudi Arabia would perhaps be the only case where, despite the armed forces being drawn on tribal loyalties, the regime felt the requirement of an additional cover against any insubordinate actions of the armed forces.

The balance of the civil-military relationship in the region is thus heavily tilted in favour of the armed forces. Turkey and Israel and to some extent Iran could be the only examples where the armed forces have been confined to their traditional roles. The dominance of the armed forces in the political discourses of their respective countries makes them a powerful force in domestic issues, national security, regime security and also the regional balance of power. The threat of terrorism, WMD (especially in the context of Iran’s nuclear program) and the sectarian divide in the region further exaggerate the role of the armed forces. In any discussion on the region, the militaries therefore assume great importance along with the regimes. One of the clearest manifestations of the role played by the militaries in the region was witnessed during the “Arab Spring”
when the nature of the response from the militaries virtually dictated the outcome of the revolutions in each of the countries.

**Militaries in the Arab Spring and Future Trends**

When the Arab Spring protests broke out, the role played by each country’s military proved to be one of the most crucial factors deciding the outcome of the protests. While Tunisia and Egypt saw the military siding with the protestors, leading to the swift ouster of the dictators, Syria and Bahrain proved how military power, once unleashed on its population under a dictator’s decree, can lead to a bloody civil war. Elsewhere in Libya and Yemen, the military formed along tribal loyalties, soon fragmented leading to an initial phase of civil war, only to subside under internal contradictions and external pressures/interventions. A brief look at each of these cases could provide deeper insight into how the military could shape the future trends in each of these countries, which would have definite implications on India’s engagement in the region.

**Tunisia**

Tunisia was the first country in the region facing protests. When protests broke out in December 2010, police and other internal security forces were deployed to quell the protests. When President Ben Ali finally ordered the army to deploy in the capital city Tunis and fire on the protestors on January 12, 2011, the Army Chief of Staff, General Rachid Ammar, refused to fire on the protestors. In fact, various accounts suggest that the army at many places stood between the police and the protestors as a shield. Ben Ali reportedly even put General Rachid Ammar under house arrest leading to the army withdrawing from the streets of Tunis on January 13, only to return to the streets on January 14 once Ben Ali departed. The army’s refusal to suppress the protests saved Tunisia from a bloodier conflict and led to the early ouster of Ben Ali.

Here it is important to highlight two important facets of the Tunisian military. The first is the fact that the Tunisian army is well-structured and institutionalized unlike some other tribe based armies in the region. Such armies develop a deep institutional ethos over time and because they represent the fabric of the nation, they cultivate a certain sense of belonging and responsibility to the public. These virtues prevent such armies from suppressing public protests in a brutal manner. Secondly, the Tunisian military was kept out of politics right from the time Habib Bourguiba became the first president in independent Tunisia in 1956. It did not have any major role in installing Bourguiba as the president and was run by a civilian defence minister. Even after Ben Ali came to power in 1987, the military’s role was kept restricted. Ben Ali instead sought to expand
the police and other security forces, keeping the military small and marginalized. With a 27,000 strong army in 2011, the Tunisian army is one of the smallest in the region. Even after the ouster of Ben Ali, the military has kept itself away from the forefront of the transition.

With Tunisia well and truly on the path to peaceful transition, the military has provided strong support in the background. Its strong institutional ethos has prevented it from coming out in the forefront, but its strong character has also prevented any chances of fragmentation. Going into the process of transition, the Tunisian military is likely to remain small but institutionally strong with a strong likelihood that future democratic regimes will help the Tunisian military realize its full organizational potential through modernization and moderate expansion, a process long overdue.

**Egypt**

Egypt too provided a similar case to Tunisia, albeit with some differences. Unlike Tunisia, the Egyptian military has enjoyed huge patronage under successive regimes. Right from the 1952 Officers revolution, Egypt has been ruled by military generals who have granted great privileges to the military and also a significant share in controlling and running the country’s economy. In fact, the military was seen as an important instrument of President Mubarak’s power base, which is why, when army troops and tanks were initially deployed in Cairo in January 2011, some were targeted by protestors and even set on fire. It was only when the military declared the protestors’ demands “legitimate” and vowed to “not use force against the Egyptian people” that people saw the military as one of them. Again, unlike Tunisia, where the military stayed in the background, in Egypt the Supreme Council of the Armed Forces (SCAF) issued a communiqué on February 10 asking Mubarak to leave and thereafter administered Egypt for 16 months till the Presidential elections in June 2012. However, the stand taken to support protests has been the common thread among the military responses in Egypt and Tunisia, leading to the early exit of the rulers.

In the case of Egypt, the transition has been troublesome with repeated elections, multiple constitutions and the ousting of democratically-elected President Morsi by the SCAF in July 2013. The election of the former Chief of Armed Forces, General Abdel Fatah Al Sisi as President in 2014 and the prominent role bestowed upon the armed forces in the new constitution points towards the important role that the armed forces could enjoy in coming years. Going by the latest trends, it is likely that the military will remain in the forefront in Egypt. The fact that Egyptians trust the military as an efficient and nationalist institution after a failed experiment with the Muslim Brotherhood adds to the chances of the military retaining prominence in Egypt.
Libya

The Libyan military, unlike its Egyptian and Tunisian counterparts, was drawn from tribes close to Muammar Qaddafi and were highly patrimonial in nature. In the “stateless society” concept propagated by Qaddafi, like other institutions, the military too was dominated by leaders close to the Qaddafi tribe and family. Even within this military, elite units were commanded by his close relatives, for example the notorious Khamis Brigade was commanded by his son Khamis. In addition, Qaddafi had further insulated his regime through other multiple security agencies like the Revolutionary Guards, People’s Guards, Peoples Militias and the Islamic Legion (comprising mainly of foreign mercenaries). When protests broke out, part of the Libyan army defected to the opposition, especially in the East in Benghazi. Qaddafi’s interior Minister General Abdul Fatah Younis too defected in the East and helped the opposition oust Qaddafi’s forces from Benghazi. Elite units like the Khamis Brigade hung on and launched brutal assaults on the opposition. Air strikes by the Western Alliance, however, succeeded in overpowering the Qaddafi forces, leading to his eventual killing in October 2011.

By siding with Qaddafi the Libyan military prolonged the conflict. This resulted in a de-facto division of the country into two parts - east and west. The lack of institutionalism implied that the military was not able to lend critical support to the transition. As a result, Libya is nowhere close to transition, the military is fragmented, the country is awash with tribal militias and foreign fighters, and there is very little hope for peace in Libya in the near or medium term.

Yemen

In Yemen, like Libya, the military was formed along tribal lines. The officer corps was made up primarily of tribal elites with key senior positions occupied by members of President Saleh’s family or his Sanhan tribe. Key positions came with huge economic benefits and thus corruption was one big manifestation. As in Libya, when protests broke out the military sided with the ruler and attempted to suppress protests. However, when the army stormed the Sanaa University campus in March 2011 and followed up with another brutal crackdown later in the same month killing almost 50 protestors, there were major defections from the Army. General Ali Mohsen al-Ahmar, head of the Yemeni Army in the South West, joined the revolution and deployed his First Armoured Division in Sanaa to protect protestors. Along with other defecting generals, he formed the “Armed Forces Supporting Peaceful Revolution” and rallied support against Presi-
dent Saleh. Most of the defections took place due to the sidelining of senior generals by the family and clan of President Saleh. Anti-regime protests were soon joined by two of the most powerful tribal confederations, the Hashid and Bakil.

The fragmentation of the Yemeni military, along with external influence in the form of a GCC brokered transition deal and the US led anti-terrorism campaign against AQAP in Yemen ultimately facilitated the downfall of President Saleh.

The election of Abd Rabbo Mansur al-Hadi as interim President in February 2012 brought in a formal regime change. Hadi, also formerly a general, thereafter has been consolidating his position by removing Saleh loyalists from the highest echelons in the military. The structure of the military and embedded loyalties along tribal lines, however, makes this a very difficult task. Once again, the military with its flawed structure has failed to provide critical support in nation building. Furthermore, given the power exerted by tribal chiefs, the fragmented structure of the military and President Hadi’s military background, it is likely that the military will continue to enjoy considerable power in Yemen. The transition to peace will dictate how quickly President Hadi is able to reorganize the military professionally and institutionally.

**Bahrain**

The last set of military responses to the Arab Spring have taken place in Bahrain and Syria. Bahrain is ruled by the Khalifa family, which has ensured near total domination of the military through its family. Coming from the minority Sunni sect, the ruling monarchy has ensured exclusion of the majority Shia sect from the military. Also, the presence of foreigners, mainly from Oman, in the regular armed forces gives it a unique flavour. The total dominance of the Sunni sect, leadership from the ruling family and the exclusion of the majority Shia made the military a unifying factor which, in contrast to the fragmentation of the military in Libya and Yemen, helped in maintaining unity of command in Bahrain. This, coupled with the intervention of external forces from the Saudi Arabia led Peninsular Shield Force in support of the regime, ensured the successful suppression of the protest movement and security for the existing regime.

Looking into the future, the Bahrain military remains closely linked to the regime and is an important factor in ensuring regime security. It is unlikely that the regime would face any major threats in the present circumstances and the military-regime alliance will remain the most powerful actor in Bahrain in the near and medium term.
Syria

As in Bahrain, the Syrian military is dominated by the sect to whom the ruling regime belongs. The majority of the leadership of the military are Alawites, a minority population (12%) that dominates the military with over 70 per cent of high-ranking appointments. Right from the time when Hafez Al-Assad, President Bashar Al-Assad’s father and former president, used the military to suppress an Islamist uprising in the city of Hama in 1982 killing over 20,000 Syrians, the military has been a dominant institution in Syria. Although there were no major or high-level military defections, as in Libya or Yemen when the protests broke out in March 2011, soldiers from the majority Sunni sect defected. Despite these defections, the formation of the Free Syrian Army and external support to the rebels, the Syrian military and regime have fended off threats as the core of military leadership has been steadfast in their support to the regime. Direct support from Iran too is a major factor but the unity of the military has definitely been the greatest internal factor in ensuring regime continuity.

The civil war has been raging for over three years now, killing over 180,000 people. Despite this, and the fact that the Syrian chemical weapons arsenal is largely destroyed, it is likely that the regime-military alliance will continue to call the shots in near future. Reports of the Syrian army regaining control over major cities in January-April 2014 are indicators of the strength of the armed forces in Syria. Although the ongoing onslaught by the Islamic (IS) across the borders of Syria and Iraq since June 2014 has exposed the fragility of porous borders and security arrangements. The armed forces in Syria continue to fight the rebels and the IS without any signs of weakening or fragmenting and remain strong and resilient.

The Arab Spring has thus provided a contrasting picture of how militaries have responded to the revolutions. Their response has been one of the most vital factors in ascertaining the outcome of the revolutions. In cases where the militaries are well structured and institutionalized, they are helping in the state rebuilding. Elsewhere, as in Libya and Yemen, a fragmented military is incapable of lending critical support to nation rebuilding. Irrespective of the outcome, the pre-eminence of the military has been underscored in each of the cases, a confirmation of how militaries have enjoyed privileged and important status in the region.

India and the Militaries of the Region

India enjoys good relations with all the countries of the West Asia and North Africa region. Its historical linkages and the traditional trade ties have proved useful in maintaining people to people contact. Its multi-vector foreign policy in engaging all countries
without interfering in their intra-regional disputes has been a great success. Also, the fact that the region considers India a benign power that does not harbour any extra-territorial ambition is a big plus. Although India did not enjoy strong military linkages with the region due to Cold War dynamics, this has changed over the past two decades. The end of the Cold War, the threat of terrorism and the rise of India in the region have stimulated stronger military ties. Military cooperation with countries in the region is at various stages. India has signed a defence MoU with Oman while defence ties with Saudi Arabia, Qatar, UAE, Kuwait and Bahrain are at different stages of development. Defence ties with Iran could open up once sanctions are lifted while defence ties with Iraq are already being revitalized. Israel is one of India’s top defence collaborators in West Asia and a defence cooperation agreement with Turkey is likely to be finalized soon. Although India does not have any significant ties with the Syrian military, developments there are being watched closely. Egypt too is important to India’s military engagement in the region.

The security situation in the region has a direct impact on India’s core concerns and security interests. The Iran-Iraq war in the 1980s had led to concerns over oil supplies, whereas Iraq’s invasion of Kuwait in 1990 forced India to evacuate its citizens to safety. The Arab Spring too has exposed the fragility of regional security. The civil war in Syria has polarized the region. The internal situation in Yemen remains volatile, GCC monarchies remain susceptible to internal disturbances, Bahrain continues to remain a ticking time bomb and the Iran nuclear issue remains a big security concern for the region. The proliferation of Al Qaeda in Iraq, Yemen and Syria also threatens to spill over into neighbouring countries, posing a future security threat for India. The threat of sea piracy has added a new dimension to insecurity in the region, which has led India to commit its naval resources to ensuring the safety of its SLOCs.

The fear of continued instability in the region not only threatens regional peace but is also a direct threat to Indian interests. Any conflict in the region could force India to secure its core national and security interests, including deploying military resources for the evacuation of its citizens and securing the sea lanes for its energy supplies.

**Engagement Options**

India’s engagement options need to be evaluated in terms of the criticalities of our core interests in the region, our capacity to engage actively with the militaries in the region, external pressures and most importantly our strategic reach and vision. Most countries in the region are looking for reliable partners and security guarantees and look to India as a safe and reliable option. India in its quest to enhance its security engagement with the region would need to move ahead on a bilateral as well as multilateral/regional basis.
While bilateral engagements would provide the initial footprint and enhance mutual confidence, multilateral engagement could give India the increased visibility of a “Net Security Provider” in the region. India, could therefore exercise the following options in its engagement with the region:

**Defence Wings** – Commencing with bilateral ties, India has to first beef up its embassies in the region with dedicated Defence Wings. In countries with scope for enhanced engagement, such wings could have a larger scope.

**Maritime Agreements** – The India-Qatar maritime security initiative provides India and Qatar with an opportunity to join hands in combating a variety of asymmetric maritime threats such as terrorism, piracy and to secure offshore oil installations. India would need to sign similar maritime security agreements with other countries in the region too. Also, the Indian navy would need to increase its frequency of port calls, naval basing, joint exercises and missions to see proactive implementation of such agreements and thus acceptance of an Indian footprint in the region.

**Counter-Piracy Cooperation** – A large percentage of India’s trade, including oil and fertilizers, passes through the Gulf of Aden. As a part of the counter-piracy mission, India has an autonomous role in maritime security in the region where the Combined Task Force 150 (CTF-150) operates. India needs to commit more aggressively towards this cause and also seek this opportunity to obtain basing rights for its ships in the region. India could further consolidate its present access to the Arabian Sea and Gulf of Aden for forward basing of some critical air assets too.

**Counter-Terrorism Engagement** – Terrorism is a common enemy and concern which India shares with the region. Cooperation in countering terrorism already forms part of existing security protocols with some countries of the region. India needs to further deepen this engagement by completing similar protocols with all countries of the region. Intelligence sharing and extradition treaties could be important elements of such cooperation. Additionally, India could offer to train troops from the regional countries in counter-terrorism operations or even set up a regional Counter-Terrorism School.

**Regional Military Engagement** – If India is to finally emerge as a “Net Security Provider” for the region (especially the Gulf region), it has to display its military capability in the region. This can be best done by engaging the regional armies in training exercises conducted on their soil in operational scenarios visualized by their defence planners.

**Provision of Military Equipment** – Most Gulf countries have US and Western equipment. They do however seek additional military equipment which India could provide. This will not only generate additional revenue but further cement defence ties with the region.
Role in Regional Security – Perhaps the most important role which India can play in the region is that of a regional interlocutor. Building on goodwill and trust, it can help settle many intra-regional issues. It can also help overcome the present atmosphere of hostility and mistrust between various camps, something extremely vital to regional security.

Conclusion

While India’s military ties with the nations in the region fructify and West Asian states themselves transition beyond the Arab Spring, India will have to remain vigilant to some important issues. Firstly, as already discussed, militaries in the region are likely to continue playing an important role in the region. Also, given the nature of the regimes, military to military engagement could entail dealing with a military ruler (Egypt, Yemen) or through monarchies (GCC countries). Secondly, given the nature of military structures in some countries along tribal or clan lines, India’s military engagement may not always be with well-institutionalized militaries. Balancing conflicting and often contradictory positions on regional security (Saudi Arabia versus Iran or Israel versus Iran) would be another challenge. As India rises beyond its immediate neighbourhood, the West Asian region provides a perfect platform to test its capabilities and capacities as a regional player and a possible role as a “net security provider”. Military cooperation could prove to be one such important mode of engagement.
Indians moved to the West Asia in large numbers following the oil boom of the 1970s, especially to the oil-rich states of the Persian Gulf. They were beneficiaries of these states’ policy of bringing in foreign manpower in order to offset the mismatch between the availability of the local workforce and the requirement to sustain the rapid modernization of their economies. The arrangement has worked quite well and, a few hiccups notwithstanding, the numbers of Indians moving to the region has grown from around 40,000 in the 1970s to more than six million1 at present. The situation, however, has a peculiar characteristic: Indians in West Asia do not hold citizenships of countries they are living and working in; and often, they do not enjoy basic rights guaranteed to migrant populations in other parts of the world.

Of the 25 million strong Indian diaspora currently spread over the globe, over 6 million live and work in West Asia. The majority of these are in the six states comprising the Gulf Cooperation Council—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE). Not only are they the second largest overseas Indian community situated in a single geographical region, they also outnumber expatriates from other

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1 Information available on the website of the Ministry of Overseas Indian Affairs lists the number as being approximately 6 million (as of May 2012). More recent figures, though not yet updated on the Ministry website, cite the number of Indians in the region as being over 7 million. See ‘Population of Non-Resident Indians (NRIs): Country Wise’, available at http://moia.gov.in/writereaddata/pdf/NRISPIOS-Data(15-06-12)new.pdf, last accessed on 27 October 2014. This task force paper uses the data provided by the Ministry through the link above.
individual countries in the region, and remit more than one-third of the annual $70 billion remittances (for 2013) by Indian expatriates to India.

A majority of the Indian migrants go to the region against short-term work contracts that require periodic renewal. In most states, citizenship is not granted to migrants, irrespective of the source country. Therefore, while they may live and work in the region, and raise families, neither they nor their children born there are citizens of those countries. There is also considerable social polarization amongst the migrant populations in the host countries; nationals sit at the top of the population pyramid, followed by proportionately vast numbers of non-national migrants (mostly in the Gulf states). The latter are further divided on the basis of both ethnic origin and economic status, with Westerners occupying the higher strata. There are adjustment issues with respect to nationality, gender, religion and language and culture. In most cases, Indians, as do other nationalities, tend to live in clustered communities. The blue-collar workers, especially those working in the construction business, are housed in labour camps, often under miserable conditions. Yet, they move to the Gulf in significant numbers each year because of lack of employment opportunities back home and better remuneration for the same job. The skilled and professional white collar segment, though a much smaller proportion of the total number of Indians in the region, has similar views; a better quality of life, greater earning opportunities, and an aspiration to work and live “abroad”, something that contributes much to their social standing back home.

The first major crisis that saw vast numbers of Indians temporarily moving out of the region was the 1990-91 Gulf War, the highlight of which was a massive air evacuation of around 176,000 Indian nationals from Kuwait. Indians also had to be evacuated from Lebanon in 2006 and more recently Libya in 2011, although the numbers were far lesser than the Kuwait case. Problems and issues did crop up in recent times, for example, the 2008 global financial crisis and the Arab Spring of 2011, which proved to jolt the hitherto secure regimes; some collapsed while others have had to wake up to addressing socio-economic realities which were otherwise kept on the backburner. The Arab Spring, especially, galvanized these regimes into addressing the socio-economic realities of Arab societies so as to ensure regime stability. “Indigenization” or “Arabization” policies, especially pertaining to the labour market, thus began to be applied with renewed vigour.

The changing political and security dynamics in the region – be it the Iran nuclear issue shadowing the Gulf, the continuing civil war in Syria, or the political uncertainty in Egypt – haven’t impacted these migrants too much as of now. However, the situation in Iraq (and increasingly Syria) is a matter of concern. The sectarian conflict in Syria has spilled over into Iraq and the Islamic State (IS) overran large parts of the country

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in barely a month in June 2014. The presence of Indians in Iraq, albeit a minuscule number compared to the rest of the Gulf, is a matter of concern. Forty-six nurses who had been abducted by IS militants in Tikrit were fortunately released soon after IS overran parts of Iraq.\(^3\) The fate of 39 Indian labourers is less certain. A news report in \textit{The Hindu} in July 2014 stated that they are being used by IS as forced labour in Mosul.\(^4\) In November 2014, the Government of India stated that the hostages were alive and that it was continuing its search for them.\(^5\) The exit of a further 121 Indians in Karbala, originally from Punjab, was also in doubt as their visas expired some time back.\(^6\)

At the same time, it must be kept in mind that this is not a one-way movement of Indians to the region and a reverse one-way flow of remittances back to India. There is also the gradual assimilation of certain socio-cultural traits specific to West Asia in the originating communities back in India. It is inevitable that the four decade long Indian sojourn has transported ideas originating in West Asia, a lot of which have found acceptance – be it for religious, social, or economic reasons – amongst communities here. A major occurrence has been the slow and steady growth of conservatism and radical ideas and thought that are manifested in the social, political and cultural spheres.

This chapter highlights the numbers and profile of Indian migrants in West Asia, remittances and the effect of indigenization policies, going on to examine the socio-economic and cultural impact of this migration on India. Finally, it offers an assessment of the situation and provides some recommendations.

**Numbers and Profile of Indians in West Asia**

India and West Asia have long-standing historical ties dating back to the ancient Indus Valley Civilization which was connected via trade to its counterpart in Mesopotamia and

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5 See “Search for Abducted Indians in Iraq Still On: Foreign Minister Sushma Swaraj”, \textit{The Indian Express}, 29th November 2014, available at http://indianexpress.com/article/india/india-others/govt-sources-say-indians-kidnapped-by-isis-in-iraq-still-alive-efforts-on-to-trace-them-sushma-swaraj/#sthash.nrrQhu4m.dpuf, accessed on 18th January 2015. The article quotes Swaraj’s statement to Parliament, that the “government had received information from six sources, including the Red Crescent, that the Indians abducted in Mosul in June were alive.” This was in the wake of reports from Iraq stating that the 39 hostages had been killed.

further west to Egypt and the Levant. India, in turn, has been greatly influenced by the region, in religious and cultural terms. While Indians have always been present in West Asia, the last 40 years have seen large-scale migration of Indian nationals to the region seeking job opportunities, especially to the Gulf states. Initially comprising primarily of unskilled and semi-skilled labour, this expatriate community is steadily encompassing small but growing numbers of skilled and professional migrants. According to the Ministry of Overseas Indian Affairs (MOIA), approximately six million Indians live and work in West Asia, mostly in the GCC countries. The largest Indian community in West Asia is that in Saudi Arabia, numbering approximately two million Indians, followed by the UAE at around 1.8 million. Indians constitute a large percentage of the population in many GCC states; in Bahrain, Qatar and the UAE, Indians comprise nearly 36 per cent, 35 per cent and 34 per cent of these countries’ total population, respectively. 

The past four decades has seen significant growth in the numbers of Indian migrants to the region, especially the Gulf, from approximately 40,000 in the 1970s to approximately 3.5 million at the turn of the 21st century, which doubled to six million just a decade later. Some recent, unconfirmed estimates put the numbers close to seven million. This growth is a reflection of the host countries’ preferences for Indians for their skills and for the fact that they are largely apolitical. It is here that civilizational, historical and cultural connections between India and the region and a sort of “first mover advantage” have worked in our favour above other migrant communities.

A majority of the Indian population is from the southern Indian states of Andhra Pradesh, Tamil Nadu and Kerala while the rest belong to Gujarat, Maharashtra, Goa, Punjab, Uttar Pradesh, Bihar and Rajasthan. Economists and migration experts, however, now contend that an increasing number of migrants to the Gulf come from Bihar and Punjab, and not Kerala which has traditionally supplied much of the migrant numbers. Indian migrants to the region primarily comprise:

1. unskilled workers, employed in construction companies, municipalities, agricultural farms and as domestic workers;
2. skilled and semi-skilled workers;

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3. professionals, such as doctors, engineers, accountants, nurses and paramedics, employed in government and private sectors; and
4. businessmen/entrepreneurs.\(^5\)

In the decade of the 1990s, blue-collar workers (unskilled) tended to be the overwhelming majority of Indians, at approximately 90 per cent, with white-collar non-professionals accounting for the rest. In 2000, their numbers were estimated to be 70 per cent with white-collar professionals accounting for around 20 per cent, and the final ten per cent being white-collar non-professionals. By 2012, however, estimates put the percentage of white collar workers at around 35 per cent of the total population.\(^6\) While professional Indians are increasingly gaining employment at senior and middle levels in business organizations in the region as well as occupying important positions in socio-economic institutions, blue-collar workers will, in the near future, remain the largest segment of the migrant population.

**Remittances**

Of the USD 70 billion remittances received by India in 2013, over one-third came from West Asia, particularly the Gulf. These contribute a significant 3-4 per cent of the national gross domestic product (GDP)\(^7\) as well as larger percentages of the state domestic products (SDP): in Kerala, for example, remittance contributions to the SDP were 22 per cent of net SDP in 2003–04\(^8\); this grew to 31.23 per cent in 2011.\(^9\)

Despite the recent Nitaqat (see next section) scare and a somewhat sluggish global economy, overall remittance inflows have remained positive. According to the World Bank, remittance flows to developing countries are “projected to grow by 5.0 per cent to reach USD 435 billion in 2014 (accelerating from the 3.4 percent expansion of 2013),

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and rise further by 4.4 per cent to US$454 billion in 2015.”  

Worldwide, remittance flows are estimated to rise from USD 582 billion in 2014 to USD 608 billion in 2015, and may be over USD 700 billion by 2016.

India has consistently been the top recipient of remittances for 16 of the past 24 years, including successively for the last six years. India’s remittances grew from approximately USD 49.6 billion in 2009 to USD 70 billion in 2013, and past trends indicate this is unlikely to change in the near future. For 2014, the World Bank estimates that India will remain the largest recipient of remittances of around USD 71 billion.

The increased remittances could indicate larger numbers of blue-collar workers remitting money back home, indigenization notwithstanding; and growth in high-value remittances being sent by a relatively smaller but increasing number of professionals in the region. It is therefore contended that migration to the region would probably remain relatively high in the near future and remittance flows from the region to India will continue to increase.

### Indigenization/Arabization Policies

Political upheaval in the region in the aftermath of the Arab Spring notwithstanding, a more immediate and visible impact on migrants was that of the adoption of “Arabization” or “indigenization” policies. This was most apparent in the monarchical Gulf countries which also account for the highest numbers of Indians in West Asia. Oman embarked on the indigenization path in the late 1980s with its neighbours to the north taking it up from around the year 2000 onwards. In the aftermath of the Arab Spring, however, a greater push was given to this by Saudi Arabia through its Nitaqat policy.

Unlike its smaller neighbours, Saudi Arabia has a large population of around 29 million, of which around 7-9 million is comprised of expatriates. This is estimated to grow to around 35 million by 2025. All in all, the numbers reflect a major demographic and security challenge: a large youth bulge of educated, unemployed Saudis that need jobs.
coupled with a desire to avoid the restiveness witnessed in West Asia during the Arab Spring, further compounded by increasing challenges to the legitimacy of the Al-Saud.

Nitaqat makes it mandatory for the private sector to employ a certain percentage of Saudi nationals in their businesses. With this, the Saudi government aimed to employ Saudi nationals in 92 per cent of all new jobs created. Similar policies have been put into effect in Oman (as mentioned earlier), Bahrain, Kuwait and the UAE, with the GCC also considering a uniform law to regulate the presence of foreign workers in the region, returning “marginal”, non-contracted and unskilled foreign labour to their home states.

The Gulf States have long been aware of their dependence on foreign expatriate labour. It is thus felt that indigenization will aid these countries to lessen that dependence and incorporate their nationals into the economy. However, countries such as Bahrain and Qatar, where expatriates constitute around 80–85 per cent of the total population, cannot but enforce limited indigenization. Saudi Arabia, on the other hand, has the largest population in the GCC, with significant numbers of youth set to enter the job market in the coming decades. Furthermore, indigenization targets the private sector, which has hitherto depended almost entirely on the expatriate workforce. It thus remains to be seen how the imperatives of indigenization and the requirements of the private sector come together in future.

With indigenization gaining momentum, what does it mean for the migrants in the region? While the large numbers of Indians queuing up at the Indian Embassy in Riyadh last year did make news, as did the justifiable concerns of the respective state governments in India, past trends indicate that it may be a short-term blip on the horizon. Consistently high (and growing) remittances from the region and rising numbers of migrants over the past decade and more show that the Indian migrant is capable of adapt-

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ing to various contingencies to survive and even thrive. Moreover, the Saudi government extended its Nitaqat deadline twice in 2013, thus allowing workers without valid work permits the opportunity to legalize their stay in the kingdom, and others to return.24 A look at migration statistics since the late 1980s clearly points to the fact that despite instances of conflict in the West Asian region, labour outflows from India actually jumped in the aftermath of these conflicts.25 Therefore, in all probability, significant numbers would still move to the region in search of employment, including those temporarily repatriated as a result of indigenization policies or a conflict in the region.

**Impact of Migration on India**

There are large socio-cultural and economic ramifications of migration to West Asia for the states in India that contribute sizeable numbers. Since all migrants to the region go on temporary work contracts and not many can afford to take their families along with them, they retain strong links with India and their home states. A portion of the money they remit back home is injected into the local economy, thus leading to localized prosperity.

Kerala is witness to the far-reaching change brought about by the 40-odd years of migration, especially in Malappuram, Kasargod and Thrissur districts, which contribute the bulk of the numbers moving abroad. Not just that, migrants also have a peculiar religious profile: in 2011, 44.3 per cent of emigrants from the state were Muslim26, according to data provided by the Kerala Migration Survey of 2011. In that year, Malappuram district (and indeed in the state as a whole) received Rs 9,040 crore in remittances which works out to Rs 114,313 per household.27 The large amount of money being remitted back to the state has helped address unemployment and poverty; for example the money injected into the local economy has fuelled the state’s construction sector. At the same time, it has led to increasing consumerism and “commoditization of public services such as education and health.”28 Not only do the remittances provide indirect employment to many more at home, the “remittance economy also changed patterns of land ownership and

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27 Ibid.

agriculture, besides impacting the environment and ecology due to an unprecedented boom in the construction sector and the pressure on land and paddy fields for new constructions."29 On the positive side, emigration has brought about a “broader distribution of income and wealth [...] as also ensuing social mobility.”30 The mushrooming of multi-storied houses and ownership of vehicles are some features of this social mobility.

Not just in the economic domain, the impact of migration and the ensuing social mobility mentioned above can also be felt in the socio-cultural and political spheres. Consumption and investment patterns, lifestyle, religion and even education in certain districts of the state now simulate the Gulf economically and culturally. A flipside of the increased prosperity, wealth and social mobility is that the aspiration to migrate becomes stronger with each generation. Given Kerala's established connection with the Gulf region – both a contribution to and a consequence of migration – various needs-based institutes have opened up, including those providing construction work-related courses, computer education, motor and machine operations, catering, and paramedical courses.31 Professional education is geared towards enabling migration. In effect, the state is so plugged into the cycle of migration that its dependence on migration impacts other forms of development; it is here that the long term impact of indigenization or an economic downturn, in turn impacting remittances to the state, would be felt the most.

The most visible manifestation of Kerala’s migrant supplier profile is that of the “Gulf Wives”, women whose husbands have gone to work in the Gulf and who hold the fort back home. According to the Kerala Migration Survey of 2011, these women number approximately 1.2 million.32 There is a view that international labour migration leads to a plethora of social problems, but it often works as a blessing in disguise. The non-migrant spouse of the migrant man acquires an “independent outlook by having to manage the household including financial transactions.”33 Moreover, given that the aspiration to migrate to the Gulf is predominant in the state and with relatively high literacy levels, migrants more often than not seek educated spouses. A “Gulf impact” of sorts has been seen in terms of dipping birth rates amongst Muslims in Kerala, a consequence perhaps of the fact that more and more migrants prefer educated spouses and so women are increasingly receiving higher education.

29 Ibid.
At the same time, a noticeable impact of the strong Gulf connection is the increasing conservatism especially of the way women (and men) are dressing, the adoption of the hijab by Muslim women for example and/or the rejection of contemporary forms of clothing for a more “Islamic” dressing style amongst both genders. This is not limited to Kerala alone. In neighbouring Tamil Nadu also “[m]ore Muslim youths […] don’t wear contemporary clothes; more women are wearing burkhas in colleges.”34 By embracing an overtly Islamic and a “Gulf-oriented modernity and way of life, Muslim migrants re-nourish themselves at an imagined and sentimentalized heartland of Islam […] intensifying processes of communalization and community closure”,35 both in the host country and in the home country. This proclivity has further been reinforced by world and Indian political events; as a reaction to popular Hindu and Christian (in the case of Kerala) communal and caste organizations, the rise of Hindutva, and perceptions of comparable inequality as well as the widely prevalent Islamophobia due to current global events creating a sense of being a “community under siege”.36 The rise of parallel political entities like the Popular Front of India (PFI) in Kerala as a counterpoint to the Muslim League, which forcefully articulates a radical and deeply conservative Islamic identity is an indication of this.37 Displaying considerable political astuteness, the outfit, while asserting a strong Islamic identity, does not undertake activities that break the law. Yet, it has a propensity to violence as was seen in the incident when PFI members chopped off the hand of a professor who, it deemed, had insulted the Prophet Mohammad. Simultaneously, the rise of reformist Islamic discourses has enhanced the religious orthodoxy. Reformist literature and orthodox believers advise Muslims against participating in what are considered un-Islamic practices.

The increasing conservatism of dress, habit and discourse has been attributed to attempts to spread the Wahhabi brand of Islam through funding from Saudi Arabia, for example. It is also reflective of what Muslim migrants to West Asia, and the Gulf in particular, imbibe and bring back to the home community. Once in the host country, many migrants “undergo a spiritual reawakening in countries that espouse a far stricter version of Islam”38, which they bring back with them to the home country. Muslim migrants also get caught up in terror networks, for example, with help provided in case the migrant has overstayed the visa or done a criminal act, in which case he is “helped or aided” in the matter, leading to his entrapment.39

36 Ibid.
38 Ibid.
Assessment and Recommendations

A multitude of the problems affecting Indian migrants in West Asia are related to labour issues. Both bilateral\(^{40}\) and multilateral\(^{41}\) initiatives undertaken by the Government of India and the respective host countries need to be strengthened in order to address the issue. A step in this direction has been taken via the Abu Dhabi Dialogue, established in 2008, wherein India, the Philippines and the UAE have collaborated to launch a pilot project relating to the contractual employment cycle.\(^{42}\)

The region’s heavy dependence on expatriate labour – ranging from the blue-collar low/semi-skilled worker to the white-collar professional – is likely to remain in the coming decades, attempts at indigenization notwithstanding. While the enforcement of Nitaqat by Saudi Arabia did see many Indian workers make their way home, it also provided the opportunity for legalizing and regularizing worker permits and visas, which will be beneficial in the long run. As these countries’ economies grow further, the place for the Indian migrant in West Asia will remain. A steady professionalization of the Indian migrant also occurs in the long run as a migrant keeps going back to the region. Having picked up the skills learnt in a previous job, he becomes more and more entrenched in the local workforce. The emigration game is upping the stakes. Indians are increasingly competing with their counterparts in South Asian and South-East Asian countries and it is imperative that the Indian migrants adapt to the call of the times. The thrust towards skill building and professionalization therefore is absolutely necessary.

Indian migrants in West Asia are often seen either as a consular burden or little beyond the source of the USD 70 billion annual remittances they generate. There is a need to

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\(^{40}\) India has signed a series of bilateral Memorandums of Understanding (MoUs) and labour agreements with the recipient countries, the oldest being the agreement with Qatar signed in 1985 (an additional protocol to the existing agreement was signed in 2007). Similar agreements have been signed with the UAE in 2006, Kuwait in 2007, Oman in 2008 and Bahrain in 2009. The MOIA is negotiating similar MoUs with Saudi Arabia and Yemen.

\(^{41}\) At the multilateral level, India is part of Ministerial Consultation on Overseas Employment and Contractual Labour for Countries of Origin in Asia, or the Colombo Process, a regional consultative process (RCP) under the aegis of the International Organisation for Migration (IOM), launched by the labour-sourcing countries of Asia in 2003.

\(^{42}\) India is part of the Ministerial Consultations on Overseas and Contractual Labour for Countries of Origin and Destination in Asia—also known as the Abu Dhabi Dialogue—which includes the six GCC countries. The Dialogue resulted in the Abu Dhabi Declaration, which defined “a new collaborative approach, forward-looking and action-oriented, to better address issues of temporary contractual labour mobility and to optimise its benefits for the development of both countries of origin and destination as well as the workers themselves.” Under this mechanism, the Government of India, along with the Governments of Philippines and the UAE, “launched a pilot project to test and identify best practices in managing the temporary contractual employment cycle”, covering 1,500 temporary contractual workers each from India and the Philippines who work in the construction, health care and hospitality sectors in the UAE. The project will focus on fairer recruitment processes and better planned re-integration of workers in source countries (India and Philippines), and development of accessible and transparent mechanisms to deal with unsatisfactory living and working conditions in the recipient country (the UAE).
consider them as an asset that can aid India’s soft power projection. Their widespread acceptability gives India the edge to ensure that its dealings with the region goes beyond a simple give and take, measured only in terms of trade figures and quantities of energy required. The presence of Indian migrants in the GCC states enables India to engage these countries for certain benefits for its citizens. At the same time, it ensures that India has a stake in promoting both security and stability in the region and deepens the relationship at both the bilateral and multilateral levels. The presence of the large Indian workforce sustains the economies of the Gulf states and is therefore beneficial to them also. India should leverage this six million-strong asset for its benefit by developing stronger political, security and economic ties with the region and further strengthen the foundation of this mutually beneficial relationship.

Some recommendations are listed below:43

1. While there are three decades worth of data and studies conducted on Kerala migrants to the Gulf, there is little to no information on migrants from other parts of the country. Whatever little one obtains is from sporadic, issue-based media coverage, for example, during the Nitaqat issue that was making the news in 2013. It is recommended to have similar studies conducted on migrants from UP, Bihar, Andhra Pradesh, and other states over time so as to paint a clearer picture of Indian migrants to the Gulf region.

2. Most existing studies on Gulf migrants tend to focus on the economic aspect – that is, the migrant is seen as little beyond the source of remittances and studies tend to focus more on the economic impact of the money they remit home. What is also required is to study the socio-cultural impact of migration in terms of time and space on the communities back home. There is great potential for sociological/anthropological studies on this issue which, together with studies focusing on the economic dimension, would give a wholesome picture of the impact of Gulf migration on the originating communities.

3. Undertake more collaborative projects vis-à-vis labour/migration management, such as the one undertaken under the aegis of the Abu Dhabi Declaration, in all states with large Indian populations. This would go a long way in strengthening both the bilateral as well as collaborative multilateral processes to better manage labour migration to the region.

4. Technology can be used effectively and smart cards instituted for all migrants, especially for those holding ECR passports. This digitized smart card would be akin to a unique identification storing information of relevance to the migrant in the destination country, such as passport details, recruitment, validity of the contract, terms

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of employment, insurance, medical details, whether return fare has been paid or not among other things. A digitized copy of that information should be shared with all Indian embassies in the region, which can further share relevant information with the concerned host government. Rights of the migrants and the authorities to be contacted in case of a need should also be included in the information provided.

5. While registration of recruitment agencies is mandatory with the MOIA, a similar databank of information regarding recruitment agents, including registered/approved or deregistered agents/agencies, should also be provided to all relevant parties in digital format. It is also recommended that there should be a public announcement in local media catering to the Indian migrant community—be it through the written or the audio-visual medium—regarding deregistered agents on a regular basis.

6. Passport renewals could be made more frequent, for example, annually or every two years, which would ensure that all migrants appear at the Indian embassies and consulates in the region at regular intervals. This would enable the missions to keep track of exploitative practices and mitigate such instances.

7. A formal initiative to identify the skills that would be required in future in the Gulf states and the creation of training facilities at home to provide relevant skills to prospective migrants should be considered at the earliest. This will have two advantages. On the one hand, the training will build much-needed skills; and on the other, in the long run, it will ensure a more or less permanent/recurring demand for Indian migrants. Basic knowledge of nutrition, hygiene, language, etc., would go a long way in ensuring the suitability of the Indian migrant for the demanding labour market in West Asia. This will increase the proportion of skilled workers as against unskilled workers migrating to the region and will also enhance their social profile.

8. State governments should also have a stake in the welfare of migrants from their states, especially since a large chunk of the remittances are transmitted directly into the local economies, formally and informally. A starting point would be to appoint councillors to help migrants adjust not just to emigration but also to those returning back to their home states.
Role of External Powers in West Asia and North Africa

Otto Widmark

The turmoil and geopolitical developments set in motion by the Arab Spring have transformed West Asia into a theatre for new convergences and areas of competition among regional and global powers. This section outlines the interests, stakes and contingent power trajectories of Russia, China and the US respectively.

China

The Chinese policy in West Asia and North Africa (WANA) is mainly driven by interests in energy imports, serving Chinese economic growth and in turn domestic social and political stability. The economic focus is paralleled by a traditional stance of political non-interference which has made possible the maintenance of warm relationships with various states that are competitive or hostile to each other. While WANA has traditionally been a low priority for China, the region is of increasing geostrategic importance. However, Beijing’s reaction to the Arab Spring has to a large extent been characterized by a continued dependency on the manoeuvres and policies of other great external powers: US, European states and Russia.44

The sinkhole that the WANA region tends to be for external actors may incrementally undermine the conditions for Chinese non-interference in the dynamics of the region. While the Arab Spring has not significantly affected the Chinese economy, it has brought the issue of regime change and the sustainability of the principle of non-interference to the fore.

44 Chaziza, M. The Arab Spring: Implications for Chinese Policy, Middle East Review of International Affairs, Vol 17, No. 2 (Summer 2013), p. 73-83.
China is predominantly dependent on coal for its energy demands. However, the US Energy Information Administration (EIA) predicts that China is also becoming the world’s largest net importer of oil, driven by increasing domestic demand and growing US oil production.\(^45\) The Persian Gulf represents over fifty per cent of Chinese crude oil imports.\(^46\) China and the GCC began negotiations on a Free Trade Agreement (FTA) in 2004 that are still ongoing. The FTA is an expression of an extended Chinese long-term vision of a modern day Silk Road, seeking cooperation in infrastructure, energy and transportation westwards.\(^47\) Besides the energy sector, Chinese exports and investments in the region have been increasing, albeit from a low level. Exports of light industrial products, textiles, clothing, machinery and automobiles, grew from from a value of USD 6.47 billion in 1999 to USD 121 billion in 2012. Chinese products and culture are increasingly a part of everyday life in the WANA region, and China allegedly enjoys a greater popularity as a superpower than the US.\(^48\)

The increased Chinese economic presence has not been accompanied by Chinese security arrangements, which is why Chinese companies often have had to rely on private security sector companies.\(^49\) Furthermore, China has been able to free ride the US military’s arrangements for securing energy transportation routes. Concerning the threat of the Islamic State, Beijing has expressed openness to US military operations in Iraq that would “help maintain security and stability”.\(^50\) This, in turn, is part of a grander symbiotic Sino-US relationship where the US military has guaranteed protection of the energy infrastructure and transportation while China upholds the US dept.\(^51\) Increasing US energy independence from WANA will be elaborated below, but this trend has arguably allowed for reduced US involvement in the region – albeit increasing US leverage. In light of this, the future security architecture of the region may be up for grabs. While the US will continue to be the dominant external power, this would provide China with an opportunity to expand its interests without directly confronting US power. It would also beg the question of how


\(^{46}\) Brown, K., Mixed signals: China in the Middle East, FRIDE Paper; Nº 190 - December 2014


long China can withhold its “vague” West Asia policy.\textsuperscript{52, 53} The GCC states further present a strategic asset to Beijing in terms of “preventing and cracking down on the three evil forces of separatism, extremism and terrorism in the western part of the Country”.\textsuperscript{54}

The Chinese and Russian abstentions on the UN Security Council Resolution (UNSCR) 1973, authorizing the protection of civilians in Libya with all means necessary, enabled the externally instigated regime change. China and Russia perceived Western powers to have exceeded the scope of the resolution in their intervention in order to forward their own interests. It has fed into China’s strong scepticism towards regime change in general, hence affecting its position on the Syrian crisis. However, due to the polarization of the international community and the Security Council on the Syrian issue, China has been associated with position-taking rather than non-interference. Chaziza points out that the two Chinese vetoes on the Syrian issue represent “a departure” from a traditionally “pragmatic foreign policy approach” as China has previously avoided vetoing popular resolutions. This suggests a Chinese prioritization of its relationship with Russia.\textsuperscript{55}

A FRIDE report points out that China has not shown any “geopolitical imagination” for solving the regions problems, suggesting that China does not intend to nor will be able to fully replace the US as a security “provider” in the region.\textsuperscript{56}

However, there is a slight trend towards deepening strategic involvement. In the last years, the world has seen the Chinese military taking up new areas for operations. A PLA Air Force and Navy footprint was seen for the first time in Africa (excluding Chinese troops partaking in UN peacekeeping operations) as well as the Mediterranean during the evacuation of Chinese citizens from Libya in 2011.\textsuperscript{57} Furthermore, China is deepening its military cooperation with Iran and a joint military exercise with the Iranian navy in late September 2014 marked the introduction of Chinese warships in the Persian Gulf. Iran may function as a strategic door to West Asia for Beijing and the upgraded defence cooperation is part of a Chinese ambition to find new military partners and guard maritime transportation routes. The Western isolation of Iran has pushed Teheran into the arms of China, while the P5+1 talks, warmly embraced by Beijing, have provided the Iran-China relationship with some international legitimacy.\textsuperscript{58} However, it remains to be seen if the relationship with Iran will challenge the historical Sino-Pakistan relationship as well as China’s relation to the GCC states.

\begin{itemize}
  \item Polk, A., China: A Major Power in the Middle East?, \textit{The Diplomat}, 1st April 2014.
  \item Evyatar, I., China’s Power Plays in the Middle East, \textit{Jerusalem Post}, 15th February 2013
  \item Chaziza, M. The Arab Spring: Implications for Chinese Policy, \textit{Middle East Review of International Affairs}, Vol 17, No. 2 (Summer 2013), p. 73-83.
  \item Brown, K., Mixed signals: China in the Middle East, FRIDE Paper; Nº 190 - December 2014
  \item Chaziza, M. The Arab Spring: Implications for Chinese Policy, \textit{Middle East Review of International Affairs}, Vol 17, No. 2 (Summer 2013), p. 73-83.
\end{itemize}
The developments in Egypt serve as an example of Chinese difficulty in understanding the region. While President Morsi’s first trip abroad was made to China, President al-Sisi has been closer to the US. The Arab Spring has not radically changed Beijing’s policy and it remains to a large extent reactive to events and the positions of other states. The longer-term trends of the region present opportunities as well as challenges for Chinese WANA policy.

**Russia**

The Arab Spring has brought to the surface the diverging interests between Russia and the West. While cooperation and common approaches on the Iran nuclear talks, counter-terrorism and the Israel-Palestine peace process exist, the events in Libya and Syria have, along with Ukraine, ultimately shaped the Russian policy as oppositional to that of Western states. This endangers the existing fields of cooperation.59

Where convergence of Russia and Western interests exist, Russia has sought to differentiate its positions, providing its own approaches.60 In the P5+1 talks, Russia is supportive of the principle of non-proliferation but has sought negotiations over use of force and criticized the sanctions. Further, while supporting a two-state solution in the Israel-Palestine conflict, Russia diverges from the West by favouring the inclusion of Hamas in the process. Moscow has still been able to maintain a good relationship with Tel Aviv and Israel is an important trading partner to Russia. The Israeli population of former Russian and Soviet Jews play an important role for the Israeli-Russia relations and Russia received Israeli support during its Chechen campaigns.61

In contrast to other influential external actors in WANA, Russia is not dependent on the region for energy supplies. Rather, the region is a competitor to Russian oil and gas exports. The Russian economic footprint in the region is relatively modest, excepting the defence industry trade. Four years of high oil prices have come to an end since the summer of 2014 and the natural resources dominated Russian economy, facing sanctions due to the Ukraine crisis, will be increasingly strained. Putin’s popularity and the internal stability of Russia have depended on high-energy prices and Moscow has failed to diversify the Russian economy, making Russia “amazingly unprepared”62 for the current

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drop in oil prices. This has given rise to an argument that a cartel-like Saudi-US strategy is seeking to decrease the oil price in order to weaken Russia. Rather, Saudi Arabia prioritizes their market share over the global oil prices, in conflict with US domestic oil production as the latter depends on higher prices to be profitable. Russia lacks an oil exporters partnership that is strong enough to counter the Saudi determination and alter the global oil price in favour of Russian interests.

Russian domestic politics is a driver for its policy towards the Middle East. In addition to the issue of falling oil prices, the spread of Islamist extremism accompanying the Arab Spring has been seen as a major concern for Russian domestic stability as Moscow fears the radicalization of its Muslim population in North Caucasus, Chechnya and deeper in Russia.

Russia's view of the West using UNSCR 1973 for toppling Gaddafi has been used by Russia as a motif for vetoing Security Council resolutions on Syria. The Libya campaign resulted in Russia losing one of its few allies, even though Russian oil contracts with Libya have been honoured. The current instability in Libya serves as a worrying example to Russia of the chaos that Western intervention can bring.

Moscow regards the Assad regime as a bulwark against extremist Islamism and fears that a collapse of the Syrian state would leave the field open for terrorist organizations. Further, Assad is one of few Russian allies in the region. Russia has attempted to ideologically frame itself as standing up to “Christianophobia” emphasizing the Islamist extremists threatening the Syrian Christian minority. The strategy to try to re-legitimize the Syrian regime has had some success with the radicalization of the Syrian opposition. Assad’s departure as a precondition for peace talks seem to be less of a priority for the West as the Civil War is witnessing its fourth winter, and with the moderate opposition being overwhelmed by the Al-Nusra Front and the Islamic State. With the failure of Geneva I and II, Russia is seeking to engage with various “moderate” Syrian parties for a settlement and has achieved some success in this endeavour.

Dmitri Trenin, director of Carnegie’s Moscow Center, argues that Syria serves as an arena for Russia to challenge US power, seeking to prevent Western interventionism and the alleged Western strategy of supporting subversive elements that could ultimately affect Rus-

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Russian domestic stability.\(^{66}\) Russia has a history of defence material exports to Syria, interests in the oil and gas fields in the East Mediterranean and a small naval base in the port of Tartus that could be of bigger strategic importance in the future but more importantly, Moscow regards Syria as a critical battleground for shaping the power balance globally.\(^{67}\)

While receiving extensive international criticism for its vetoes in the Security Council, Russia has also profited, at least momentarily, from the Syrian government’s relinquishment of its chemical weapons in 2013. If Russia can achieve peace talks in accordance with its own interests, it will be a significant victory for Moscow. However, the best-case scenario for Russia in the Syrian Civil War is securing a loyal regime in Damascus. Even if it is successful in this ambition, a loyal Syrian regime will be a weak ally ruling a devastated country.\(^{68}\)

While seeing a convergence of interests with the West, China and others in counter-terrorism, Russia has expressed criticism towards US bombings of IS without the consent of the Syrian regime or support of a UNSC resolution.\(^{69}\) Further, with a potentially less isolated Iran, Tehran may gain the space to be able to distance itself from Russia, further impeding Russian leverage in the region.\(^{70}\)

**USA**

Without comparison the most powerful actor in West Asia – internal or external – has for decades been the United States. In the face of the interventions in Afghanistan, Iraq and Libya and the turmoil of the Arab Spring, there is an ongoing discussion on a declining US power trajectory. Furthermore, there is a recurring argument stating that US interests and ambitions in WANA are ebbing out due to ascending US energy independence.

Indeed, the complex dynamics of the region pose challenges to US interests in the region as well as its ambition to prioritize East Asia. The presence of external powers over the decades, even centuries, has created the foundations for the turmoil that WANA is currently going through, and the US has played a major part in the suppression of development, democracy and justice that people in the region rose up to demand during the Arab Spring. The consequences of the failure of state-building in Iraq are evident,

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\(^{67}\) Ibid.


including sharpening sectarianism and turmoil. The Western-led intervention in Libya threw the country and North Africa into chaos and this example has shamed the concept of R2P in the eyes of many actors and commentators. Arguably, the invasion of Iraq and the Libyan campaign have given states further incentives to obtain Weapons of Mass Destruction and critique the humanitarian posturing of the West.71

While having lowered its strategic ambitions in West Asia, made possible by securing energy independence, the US will remain the main external power in the region. As such, it will continue to face challenges to its interests. The oft-repeated saying that ‘the US are damned if they act and damned if they don’t’ will probably reappear with every crisis facing the region in the foreseeable future.

The Syrian civil war is an arena of a power struggle between various regional and global actors and interests as well as a generator of Islamist extremism threatening US interests in the region and, to a lesser extent, US domestic security. Hence, it presents a line of dilemmas for the US.

The agreement on Syrian chemical weapons in September 2013 has been seen as a Russian diplomatic triumph over the US after President Obama’s vague declaration of a red line in 2012 was not followed by military action when it was crossed despite Washington announcing that the Syrian regime had been using chemical weapons against its own population. However, it can be argued that the very threat of a military intervention from Western states increased the incentives for the Syrian regime, as well as Russia, to find a political solution. Thus, the Syrian regime agreement to destroy its chemical weapons arsenal could be seen as an expression of US power in the region, although temporarily “hijacked” by Moscow.

The rise of the Islamic State has changed the dynamics and created new convergences and divergences of interests between various actors, reshaping the geopolitics of the region. The US-led airstrikes starting in the summer of 2014 have been decisive for countering the rampage of the Islamic State. But the dialectic nature of warfare becomes evident as the weakening of the IS has also allowed the Assad regime to dispatch more resources to fight the elements in the opposition that the US or its various partners have been supportive of.

The US has received criticism from Saudi Arabia for lack of action against Damascus. The stakes are significant if Dennis Ross, former special assistant to Obama, is correct in his argument that the Saudis are critical for finally defeating the IS.72 With sectarianism on the rise in the region, the Sunni regional powers rejection of the Islamic State


may serve to bolster its credentials as a legitimate actor and protector of the Sunnis. This also relates to the possible détente between US and Iran, potentially being perceived as a US abandonment of the Sunnis. A further complicating matter is that intervening militarily against Assad could jeopardise the P5+1 talks, thereby limiting US space to manoeuvre.\(^{73}\) Turkey, a NATO member state, has been very critical of US operations against IS which have included dropping weapons to Kurdish militias, as Ankara has benefited from fighting between IS and the (Turkish) Kurds. Taking into account that the US partners in West Asia support an array of different groups, and different goals and measures to reach them, Washington has a delicate game to play.\(^{74}\)

Successfully obtaining and maintaining a regional power balance is necessary to enable Washington to minimize the costs for furthering its interests.\(^{75}\) A power balance where the United States would not have to directly resort to major military interventions – “only using sufficient force on each side to paralyze the other”\(^{76}\) – will allow it to free resources to prioritize “the Asian Pivot”, engaging China in the Chinese neighbourhood. Establishing such a balance is thus important for the US in the global power struggle.

A steady flow of energy from the region is a core US strategic priority in WANA.\(^{77}\) The recurring argument that US energy independence, driven by increasing energy efficiency and domestic energy production, will cause it to abandon the region is not taking into account the US (indirect) dependency on steady flows of oil for the global energy market in general.\(^{78}\) The interdependency of the Chinese and US economies (as for the global economy in general) not only implies that the increasing Chinese energy demand depends on US guaranteeing the security of for example Saudi Arabia. This interdependency also implies that US economic growth will be conditional on the US guaranteeing oil flows and maritime routes as long as no other actor has the capacity to fully replace the US in this endeavour.\(^{79,\,80}\)

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\(^{75}\) Friedman, G., Israelis, Saudis and the Iranian Agreement, Stratfor Global Intelligence, Geopolitical Weekly, 26th November 2013, available at http://www.stratfor.com/weekly/israelis-saudis- and-iranian-agreement#axzz3LD1biWIT.

\(^{76}\) Ibid.


\(^{78}\) Bronson, R., The United States in the Middle East: Bound by Growing Energy Demand, Middle East Policy, Vol. XXI, No. 2, Summer 2014.


\(^{80}\) Bronson, R., The United States in the Middle East: Bound by Growing Energy Demand, Middle East Policy, Vol. XXI, No. 2, Summer 2014.
Turning to the Iranian issue, the détente, as mentioned above, is perceived as a threat by Iran’s main regional rival, Saudi Arabia. While the P5+1 negotiations have yet to reach an agreement, the postponement of the deadline after 25th November 2014, has not been received as something especially dramatic.\textsuperscript{81} This suggests a geostrategic shift and Riyadh fears the potential Iranian power that might be released as international sanctions are heaved and even that it will lose the US as a guarantor of Saudi security. Even though the latter is unlikely, the US support for Riyadh will presumably be less unconditional.

Recognizing the various serious challenges in West Asia, the United States will remain the major external power in the region. As per realist theory, the very fact that the United States is able to act as the most influential external power is an expression of its privileged position as a secure state in its own neighbourhood and region.\textsuperscript{82} It can “roam around concerning itself with other countries’ business (and interfering in various ways) […] because it doesn’t have to worry about defending itself against foreign invasions, blockades, and the like.”\textsuperscript{83}

The US will, through its various power assets, continue to have major leverage on its partners in the region and its rivalries will not be strong enough to substantially challenge this in the longer term.\textsuperscript{84} While the world can hope that Washington has learned from its mistakes in Afghanistan, Iraq and Libya, it will likely continue to witness the United States as the major external actor in the region.

**Conclusion**

West Asia is an arena for the competition and cooperation between global powers. The Arab Spring is rewriting the geopolitics of the region, having accentuated, polarized and reshaped interests, alliances and tensions. This is related to several challenges for Beijing, Moscow and Washington and the level of success of any policy remains uncertain. However, despite ascendant Chinese power and a Russian ambition to be recognized as a global power, the United States will continue to be at the head of any West Asian security architecture.


\textsuperscript{83} Ibid.

Section 2
For a number of reasons, Saudi Arabia remains an important player in the West Asian region. Saudi Arabia exercises great influence in the region because of its huge wealth accrued from oil revenues. The two holy places of Islam are located in its territory, which justifies its claim of being the leader of the Muslim world. This combination of economic strength and the religious influence has earned Saudi Arabia enormous standing in the region. Besides its large territory, population and growing military power also contribute to its stature in the region. On the foreign policy front, it has substantial influence over other Gulf sheikhdoms, plays an active role in the Israel–Palestine peace process and has steadily cultivated ties with big powers like the USA, Russia, China and the EU. Saudi Arabia's “special relationship” with the US gives it a further dominating position in the region. Saudi Arabia is an influential and founding member of the regional bodies like the Gulf Cooperation Council (GCC), Arab League and the Organisation of Islamic Cooperation (OIC). Through these organizations it exercises influence over other countries of the region and pursues its foreign policy interests.

**Saudi Arabia and the Arab Spring**

Saudi Arabia is one of the few countries of the region that has successfully dealt with the protesters and has played a major role in shaping the course of protests and subsequent developments in other countries. The Arab Spring has brought major challenges for Saudi foreign policy and the decisions and actions of Riyadh have uncovered some of its underlying intentions and priorities.
In the beginning when protests broke out in Tunisia and Egypt, Saudi Arabia was in favour of maintaining the status quo and, thus, chose to align more closely with dictatorial rulers. Both Ben Ali of Tunisia and Hosni Mubarak of Egypt were friendly regimes towards Saudi Arabia. Thus it was easier for Saudi Arabia to support the regimes and call for peace, stability and public order yet, much to the discomfort of Saudi Arabia, the protests spread to other parts of the region. There were fringe protests in the Eastern Province of Saudi Arabia as well. These developments prompted Saudi nervousness and a search for an answer to the emerging problems. It slowly became evident that the protests and the regime changes will have a deep impact on the regional politics in West Asia and North Africa.

The developments in Syria and Libya, the kingdom’s antagonists, spurred Saudi Arabia into changing its previous position of maintaining the status quo, with Saudi Arabia supporting the protesters against the their rulers Bashar Al Assad and Muammar Gaddafi respectively. Opposition to these regimes was based on regional power calculations rather than a particular adopted position or principle. Saudi Arabia strongly supported the protesters and has worked closely with the international community, forging ahead with political and diplomatic efforts to overthrow these two regimes.

But the developments in its neighbourhood in Bahrain and Yemen exposed Saudi double standards on the Arab Spring. Bahrain and Yemen witnessed much greater Saudi involvement in their internal affairs once protests flared up. Saudi Arabia sent military forces to Bahrain under the umbrella of the GCC Peninsula Shield Force to help the Bahrain rulers to maintain law and order in the kingdom. Saudi Arabia has also played an important role in Yemen, where a deal was brokered between President Ali Abdullah Saleh and the opposition, resulting in the establishment of an interim transitional government.

Thus, Saudi Arabia supported the regimes and the people as and when it suited its national interests. The initial support for the regimes vis-à-vis the people faded away with protests beginning and intensifying in unfriendly states such as Libya and Syria. Saudi Arabia has been selective in its approach while reacting to the developments in the neighbourhood. The discriminatory reaction towards different countries has also drawn Riyadh into much deeper involvement in regional politics.

**Saudi Military Intervention in Bahrain**

Bahrain is important to Saudi Arabia for several reasons. Demographically, Bahrain is a Shia majority country ruled by a Sunni royal family. Saudi Arabia believes that the some sections of Bahraini Shias have close links with Iran and that Iran is instigating the Bahraini people to protest against the regime and subsequently to overthrow the
king. Saudi Arabia is also aware of its own restive Shia population, concentrated in the Eastern Province where a large number of Saudi oil fields are located, who have long complained of economic, political and religious marginalization and discrimination. Any disturbances in the Eastern Province will negatively impact the production and supply of oil which is the lifeline of Saudi economy. Saudi rulers were concerned that an escalation of protests in Bahrain would have a domino effect on its own Shia population and that any threat to the Al Khalifa family could be a threat for the Saudi royal family as well. Thus it became imperative for Saudi Arabia to help the Al Khalifa regime to quell the protests. In March 2011, Saudi Arabia along with the UAE and Qatar sent forces to Bahrain under the banner of the Gulf Peninsula Shield Force. Saudi Arabia claims that its forces were deployed only in protecting the government facilities and were not involved in dealing with the protesters on the streets. Nevertheless, it certainly helped the Al Khalifa to put down the protests and the Bahraini ruler openly expresses his gratitude to the Saudi royal family.

**Syria**

Syria is a Sunni majority country ruled by the Assad family, who belong to the Alawite sect, an offshoot of Shia Islam. Saudi Arabia has an acrimonious past relationship with Syria. In the regional geopolitical context Syria has been an ally of Iran and a supporter of Hezbollah – the three being important elements of the “Shia axis”. The Iran-Syria-Hezbollah alliance is a major strategic challenge for Saudi Arabia in West Asia. The fall of Assad will weaken Iranian influence in the Levant as well as disrupt the supply lines to Hezbollah. Thus as the popular protests against Assad continue to aggravate, Saudi Arabia does not want to miss the opportunity to mobilise international public opinion and support the internal opposition coalition. Saudi Arabia would like to see Assad removed from power and a friendly Sunni regime installed in Damascus. Saudi Arabia is actively supporting the Salafists in the Syrian opposition by providing both ideological and financial support. From the beginning, Saudi Arabia has accused the Assad regime of being a “killing machine” and Saudi Foreign Minister Prince Saud Al Faisal has stated that it is a “duty” to support the Syrian opposition.85 Saudi Arabia was at the forefront of appealing to the US to deploy military force against the Assad regime. Saudi Arabia also turned down the temporary seat on the UN Security Council accusing the UNSC of failing to perform its duties to end the war in Syria.

Egypt

The overthrow of Hosni Mubarak was a loss for the Saudi regime as they enjoyed a very cordial relationship with the former regime. When protests started in Cairo against Mubarak, Saudi Arabia openly supported him fearing that the protests may spread to the kingdom and to other parts of the region as well. Saudi fears of the protests were further aggravated as the Muslim Brotherhood came out in support of the protesters against Mubarak. Once Mubarak quit, Saudi Arabia found itself in a strategic dilemma and unsure of the unfolding situation in Egypt. It soon realised that it would have to deal with an Egypt without Mubarak and soon after the parliamentary elections it became clear that it would have to deal with the Muslim Brotherhood in power in Cairo. The Salafists, who are ideologically closer to Saudi Arabia, had limited influence under Morsi’s rule.

Due to their historically hostile relationship with the Muslim Brotherhood, Saudi Arabia could not build up a strong relationship with Morsi though it managed to maintain a degree of stability in the relationship. Saudi Arabia expected a subservient Muslim Brotherhood with a compromising disposition. For Saudi Arabia, as long as Muslim Brotherhood was ideologically non-challenging and financially dependent, the situation remained in its favour. The Saudi expectation was to make the Muslim Brotherhood work as a subordinate ally who would be politically compliant in bilateral and regional affairs. But much to the Saudi disappointment, this did not happen and Saudi Arabia continued to feel that its objectives in Egypt would not be served with Muslim Brotherhood at the helm in Cairo. It therefore supported the military takeover which brought the military back to power. Saudi Arabia has been accused of covertly playing a key role in removing Mohamed Morsi from power and is actively working behind the scenes in post-Morsi Egypt to bring the balance of power in its favour in West Asia’s most populous state.

Yemen

Neighbouring Yemen has remained both a foreign policy and security challenge for Saudi Arabia. The kingdom shares a long border with Yemen and faces the challenge of preventing radical terrorist elements from entering into Saudi territory. Yemen has been a hotbed of radicalism, with Al Qaeda in the Arabian Peninsula (AQAP), which uses Yemen as a safe heaven having targeted the kingdom in the past. There were concerns in Saudi Arabia that the regime change in Yemen would lead to instability in the country and that Al Qaeda could capitalise upon the deteriorating situation and the security vacuum. Apart from Al Qaeda, the Houthis are also a serious challenge for Saudi Arabia. The Houthis belong to the Zaidi Shia sect and are fighting against the Yemeni government accusing it of widespread corruption, socioeconomic marginalisation of the Shia community, the growing influence of Sunni Wahhabism in the country and an alliance...
with the US. Iran has been accused of supporting the Houthis by providing them with money, arms and training which is a major concern for Saudi Arabia in Yemen.

Former Yemeni president Ali Abdullah Saleh was a close friend of Saudi Arabia and the kingdom wanted to check both Al Qaeda and the Houthis by providing him with both financial and military support. For that reason, Saudi Arabia initially wanted Saleh to continue in office, but with protests spreading across the country and gaining momentum Saudi Arabia intervened through the GCC to engineer an honourable exit for Saleh and pave the way for a smooth transition. Riyadh remains an important regional player in Yemen today, has played a vital role in dealing with the opposition groups and has supported the national dialogue process. Saudi policy towards Yemen aims to maintain its influence over all the major political actors and groups, contain Iranian influence and stop Al Qaeda from entering into the kingdom. Thus, Saudi Arabia has huge stakes in the security and stability of Yemen and this will continue to shape its policy towards it.

**GCC Diplomatic Row**

In March 2014, Saudi Arabia, UAE and Bahrain recalled their envoys from Qatar alleging that it did not implement an agreement which calls upon the countries not to interfere in each other’s internal affairs. An agreement signed in November 2013 calls for the states not to support “anyone threatening the security and stability of the GCC whether as groups or individuals - via direct security work or through political influence, and not to support hostile media”. These three countries felt that Qatar has failed to abide by the agreement and it was necessary on their part to withdraw their ambassadors in order to “protect their security and stability”. Qatar promptly reacted to such unprecedented steps taken by its neighbours. While expressing “regret and surprise” over such moves, Qatar’s cabinet stated that they have “nothing to do with the interests, security and stability of GCC peoples but rather with a difference in positions on issues outside of the GCC”. The diplomacy points to the existence of fundamental differences over some key issues between the countries. In recent times, a main cause of disagreement between Qatar and the other GCC countries has been the ideological and sectarian underpinnings of their foreign policy. Qatar has been backing the Muslim Brotherhood while Saudi Arabia promotes the Salafists in the region. This has been a bone of contention between the two neighbours. Qatar has found the Muslim Brotherhood to be an effective tool to spread its influence in the region and has been backing the efforts...

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87 Ibid.

of the Muslim Brotherhood in countries like Egypt and Syria by supplying them huge amounts of money as well as political and ideological support. Saudi Arabia has on the other hand been supporting the Salafist elements in both these countries. The difference has also played out in Egypt. During Morsi’s rule, Qatar developed close ties to Egypt providing high levels of financial aid. With Morsi now removed and the military back in power, Saudi influence has been reduced and Qatar’s growing ties with Egypt have been cut down. In Syria, both Qatar and Saudi Arabia are supporting the Muslim Brotherhood and the Salafists respectively, though both are in the opposition coalition. The Saudi contempt for the Muslim Brotherhood is expressed by the fact that Riyadh recently declared it as a terrorist organization. For the UAE and Bahrain, the Muslim Brotherhood poses a threat for ideological reasons and they have much in common with the Saudi stance on the organization.

**Saudi-Iran Relations**

The relationship between two major regional players – Saudi Arabia and Iran – remains a determining factor for peace and stability in the region. Saudi Arabia’s relations with Iran have been strained for a number of reasons. Ideological rivalry, Saudi allegations of Iranian incitement of protests amongst the Shia population in Saudi Arabia’s Eastern Province, Iranian accusations that Saudi Arabia is inciting political unrest amongst Iran’s Sunni population, the broader regional power struggle between the two, the Iranian nuclear programme and close Saudi-US relations are some of the reasons.89

The period following the protests in the Arab world further eroded the relationship which has been marked by political, ideological and strategic rivalry.90 Iran supported the protesters, by attempting to internationalise the issue and proclaimed that the current uprisings were inspired by the Islamic revolution of 1979 in Iran. Iran’s support for the protesters was intended to overthrow the authoritarian Arab rulers thus changing the Arab world order. This very idea was in direct opposition to Saudi interests in the region. Saudi Arabia perceives itself as the custodian of Arab leadership and wants Iran to keep out of the internal affairs of Arab countries. This Saudi thinking is geared towards continuing its influence over the Arab politics. Saudi Arabia has warned Iran to keep away from Bahrain91 and Iran has accused the former of having mounted an “invasion”92 on Bahrain. Saudi Arabia and Iran are involved in a number of proxy wars in countries like

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Yemen, Iraq and Syria where both countries have been supporting different factions and groups. Throughout the region both Saudi Arabia and Iran have influence over various groups in different countries through which they exercise their clout. Both have huge stakes in the politics and security of the countries of the region and the relationship between these two countries will impact the future of the region as a whole.

**Relationship with the United States**

US-Saudi relations have been termed as a “special relationship” which has survived many shocks in the past. The Arab Spring has put the special relationship to the test as differences emerged between the two over several issues. Saudi Arabia, as has been mentioned previously, has come under severe pressure and has faced a number of security and foreign policy challenges during the Arab Spring. The kingdom expected the US to adopt a more proactive stand over the regional security threats in West Asia. In the initial phase of the protests, the muted response of the US towards the removal of Hosni Mubarak in Egypt surprised the Saudis. It raised suspicion in Saudi minds about the reliability of the US over regional security. Similarly, Saudi Arabia wanted the US to militarily intervene in Syria to remove the Assad regime. The American hesitation to do so even after the evidence of use of chemical weapons by the Assad regime has made Riyadh feel that the US is not doing enough to protect Saudi interests in the region. Even more important for Saudi Arabia is the US rapprochement towards Iran over the nuclear issue. The Saudi’s are apprehensive that any deal between US and Iran would lead to increasing Iranian authority in the region and that Iran would buy time to secretly develop nuclear weapons.

The US has been the main security provider for the Gulf region. The recent American policy shift, labelled a “Pivot to Asia”, has made the Gulf countries, particularly Saudi Arabia, feel that the US is shifting its focus away from West Asia towards South and East Asia leaving the future security of the region in jeopardy. The Saudis are concerned that the lack of an American proactive policy during the Arab Spring indicates the beginning of the shift of focus to East Asia. The US has assured Saudi Arabia of its continued support but the Saudis still seem to be unconvinced. To iron out the differences, President Barack Obama visited Riyadh in March 2014 and held discussions with King Abdullah over several bilateral and regional issues. Though the long-term impact of the visit remains to be seen, there are certainly attempts to keep the special relationship undamaged. The relationship between these two countries will to a large extent determine the future of the geo-strategic environment in the region.
Saudi Arabia and the Islamic State

The rise of the Islamic State (IS) in Iraq has been a challenge for Saudi Arabia and the kingdom has condemned the movement and its activities. Initially, Saudi Arabia was accused by former Iraqi Prime Minister Nouri Al Maliki of supporting IS. Saudi Foreign Minister Prince Saud Al Faisal has dismissed Maliki’s allegation and has condemned IS stating that the group “does not represent the will of the Iraqi people”. In March 2014, the kingdom designated the group as a terrorist organization along with other groups such as Muslim Brotherhood and Al Nusra. To further clarify the Saudi position on IS, Saudi Arabia’s Grand Mufti Sheikh Abdulaziz Al al-Sheikh has also condemned the group, declaring it the “enemy” of Islam. The objective of the organization to establish an Islamic caliphate runs contrary to the Saudi policy of maintaining influence in the Islamic world. Saudi Arabia also reportedly deployed around 30,000 troops near the Iraq border in July 2014, to counter the possible advance of IS. King Abdullah has warned that the terrorists are not only a threat to the region, they can also reach Europe and the US, and has called for an international coalition against terrorism. Saudi Arabia has joined the coalition to fight against IS and has even sent its air force to strike against it in Syria and Iraq.

India-Saudi Relations

Saudi Arabia is an important country for India for several reasons. In the past, the political and diplomatic relationship between the two has not been smooth for several reasons. It has been inhibited by a number of factors including the legacy of the Cold War, regional political dynamics and divergent interests. Thus, with major political hurdles to establishing strong political and diplomatic ties in the way for decades, the relationship was confined to trade and business—mainly the export and import of oil. Saudi Arabia is now the fourth largest trade partner of India and the total trade volume has increased from USD 23.18 billion in 2007-08 to USD 43.78 billion in 2012-13 with imports accounting for USD 33.99 billion and exports for USD 9.78 billion.

97 Export-Import Data Bank, Department of Commerce, Ministry of Commerce and Industry, Government of India.
Saudi Arabia is important for India’s energy security, as it is the largest supplier of oil for India. Import of crude oil by India forms a major chunk of the trade volume. In the year 2012–13, Saudi Arabia supplied 34.96 million metric tonnes (MMT) of oil to India valued at USD 28.38 billion. Supplies from Saudi Arabia constitute around 19 percent of India’s total crude oil requirements. As India is heavily dependent on importing oil to sustain its economy, Saudi Arabia as the top energy supplier will remain an important trade partner in the future.

King Abdullah’s visit to India in 2006 and Prime Minister Manmohan Singh’s visit to Saudi Arabia in 2010 has laid the foundations for a stronger India-Saudi Arabia relationship. The Delhi Declaration that was signed during the visit of King Abdullah calls for deepening cooperation in energy, trade, science and technology, education and health, and political cooperation to promote regional and international peace. In the Riyadh Declaration signed during Manmohan Singh’s visit to Riyadh, the two leaders condemned terrorism and extremism, agreed to enhance cooperation in the exchange of information relating to terrorist activities, money laundering, narcotics, arms and human trafficking, and to develop joint strategies for combating these threats. The Riyadh Declaration has been termed “a new era of strategic partnership” by both countries.

Saudi Arabia’s regional profile is getting stronger day by day and it has emerged as a major player in West Asia. Thus, it is important for India to cultivate ties with Saudi Arabia and to cultivate deeper ties beyond trade and commerce. The emerging security threats in the West Asia and South Asian regions demand greater cooperation between the two. Issues such as terrorism, piracy, money laundering and other criminal activities are matters of paramount importance and mutual concern for both. India’s high stake in Gulf security also requires engagement with Saudi Arabia. Understanding the importance of cooperation in the defence and security matters, both countries signed a MoU on defence cooperation in 2014 during the visit of Crown Prince Salman to India in February 2014. The exchange of bilateral visits in recent years and signing of several agreements show growing trust between the two countries to cooperate on issues of mutual concern. It is now significant for both the countries to look forward and accelerate the momentum.

98 Export-Import Data Bank, Department of Commerce, Ministry of Commerce and Industry, Government of India.
Recommendations

• Though India and Saudi Arabia enjoy robust trade and commerce ties, this needs to be translated into the political and strategic fields. The rising profiles of both countries in their respective regions demands engagement beyond economic ties.

• Improving security ties between India and Saudi Arabia is an area that needs greater and immediate attention. Keeping in view the fact that both countries face security threats, some of which are of similar nature such as terrorism and piracy, India and Saudi Arabia should lay more emphasis on the issue.

• Besides economic, political and security issues, India should also use the “soft power” at its disposal. Given the historical relationship, India is uniquely positioned in the region to engage through cultural and academic exchanges, literature, as well as enhanced interaction among students, the media and Indians living in the region.

• Both countries should look for points of convergence on issues of mutual concern in regional and global forums. Both should acknowledge each other’s role, power and responsibility in their respective regions and join hands to address bilateral and regional political, security and economic issues that affect them.
Changing Internal Dynamics in Iraq and its Implications for India

M. Mahtab Alam Rizvi & Divya Malhotra

Iraq, with a population of 32 million,\textsuperscript{99} may seem to be a small country in terms of population size, but its geopolitical significance cannot be underestimated. Once known for its civilizational richness and cultural charisma, modern day Iraq is a war torn country. Iraq’s economy is based on oil, which provides more than 90 per cent of government revenue and 80 per cent of foreign exchange earnings.\textsuperscript{100} In 2012, Iraq exported 2.6 million barrels of oil per day; the highest figure in thirty years and a substantial increase from Iraq’s normal level of 2.2 million barrels per day in 2011.\textsuperscript{101} However, the dispute between the federal government and the autonomous Kurdistan Regional Government (KRG) hampered the smooth export of oil. The KRG passed its own oil law in 2007, and has directly signed around fifty contracts to develop the energy reserves of the Iraqi Kurdistan Region (IKR) The Iraqi Central government has raised objections to the KRG about the legality of these contracts. Iraq is also striving to attract foreign direct investment, but it faces a number of difficulties due to a shaky political system, divisions among different factions and concerns about security and stability.

Internal Dynamics

The Iraqi nation today is evidently trapped in a mess, defined by an opaque political climate and multiple ethno-sectarian fault lines. Survival in Iraq has become precari-


\textsuperscript{101} Ibid.
ous where everyday lives are marred with violence. In only two months between January and March 2014, more than 3,000 civilians lost their lives. The UN Assistance Mission for Iraq declared that 2013 has been the deadlier year so far, with 7,818 civilian casualties since 2008. Many debates on the ensuing violence in Iraq are coloured in various shades of sectarianism. Targeted bombing of Shiite areas in Baghdad and Southeast Iraq have seen a consistent surge since 2003. Although there is no official data to distinguish between Sunni and Shia violence, most of the killings are reportedly seen as the work of al Qaeda and supporting Sunni extremist factions. Between 2003 and 2010, the United States’ experiments with peace in Iraq did bring about some periodic stability, but with the US exit starting in mid-2009, all the progress was undone and Iraq found itself lost and deserted. In fact, the bloodshed on the streets of Iraq is symbolic of the political disequilibrium and resultant discontentment among average Iraqis which former Prime Minister Nouri al-Maliki failed to adequately address. In the absence of strong institutions and a conducive political culture, many Iraqis fear the country is being pulled back into the maelstrom of civil war that it just barely escaped in 2008-09.

Parliamentary Elections 2014 and Political Division within Iraq

On 30th April 2014, Iraq held its first parliamentary election since the US withdrawal from Iraq in 2011. Nouri Kamal al-Maliki, the Shiite former Prime Minister, faced growing opposition at home, including from among his powerful Shia allies. In January 2013, a draft law restricting the term of the Prime Minister to a maximum of two terms was passed, however, the same law was overturned in August by the Federal Supreme Court, legitimizing Maliki’s prolonged involvement in Iraqi politics. Conversely, the political climate in Iraq was further heated by schisms within the Shiite camp that endangered Maliki’s survival. The major Shia camp; United Iraqi Alliance (UIA) split into two Shia blocs in 2009; the State of Law (SOL) Coalition, headed by Nouri al-Maliki, and the Iraqi National Alliance (INA) led by Ammar Hakim. In the elections of 2010, the parties contested as opposing coalitions, formally marking the political split. In addition to the existing crevices, Sadrists divorced Maliki’s coalition in the summer of 2012 and furthermore, the powerful Shiite cleric Muqtada al-Sadr suddenly announced his retirement from politics in February 2014. However, analysts like Kenneth Pollack had suggested that Muqtada al-Sadr’s bizarre and unexpected withdrawal from politics would rather benefit Maliki in the elections since former Sadrists are expected to sign on to Maliki’s SoL Coalition. Likewise, the opposing Sunni bloc too was divided. In April

2014 elections, Shiite Ayad Allawi’s Iraqiya Bloc (Secular bloc dominated by Sunnis) competed with two more Sunni blocs; the United Bloc headed by Osama al-Nujaifi, the current speaker of the House, and the Iraqi Front for National Dialogue headed by current Deputy Prime Minister Saleh al-Mutlaq.

Even though both the Shia and Sunni political mosaics of Iraq were fractured, the intra-Shia political cleavages significantly dictated the political verdict of the 2014 parliamentary elections in Iraq; where after eight years as Prime Minister, Maliki found his strongest rivals for the top job come from within his own Shia group. As per the initial results of Iraq’s Council of Representatives election, announced on 19th May 2014, Maliki’s State of Law (SOL) coalition won 92 seats in the 328-seat parliament, while Maliki himself won more than 721,000 personal votes\(^{104}\). Eight seats were secured by smaller parties headed by State of Law members under separate electoral lists, thereby allowing Maliki to claim that he seized at least 100 seats\(^{105}\) and between 19 and 29 seats were secured by SOL’s rival parties, according to an AFP news agency tally of election commission results.

**IS and Instability in Iraq**

Current dynamics in Iraq are centred on advances by the Islamic State (IS) in North and West of Iraq in June 2014, which have worsened the internal security situation and invoked fears of disintegration. IS is headed by Abu Bakr al-Baghdadi and backed by thousands of Islamist fighters in Syria and Iraq. It is relatively new on the scene, but has rapidly risen in the West Asia region, to the extent that initial intelligence on the movement during its rise was limited. The Islamic State is a sectarian Sunni group, that grew adept at taking advantage of Iraqi Sunni anger against Maliki’s former government. Sunnis in Iraq (about 35-40 per cent of the population) feel discriminated against and alienated from the political process by the predominantly Shia government. The undercurrents of Sunni dissatisfaction have been present since Saddam’s ouster, but the rise of Maliki for the third time in the post-2014 elections marked the beginning of an implosion. Iraqi Sunnis believe that IS would provide them with a better alternative to manage their own affairs. According to regional and western media analysts, the military accomplishments of IS are a result of popular Sunni support in the provinces of Nineveh and Anbar. The failure of the Iraqi army became evident in Mosul when a mere 800-man IS force drove away an Iraqi contingent of 30,000. While the government in Baghdad is struggling to survive, Kurds in Iraq seemed to have gained from the IS operations by taking over the control of the oil facilities in Kirkuk.


On the political front, Iraqi politicians scrambled to form a power-sharing government in an effort to save Iraq from splintering into separate Shiite, Sunni and Kurdish states. As a first step towards an attempted reconciliation, Iraqi politicians named the moderate Sunni Islamist Salim al-Jabouri as Iraq’s new Speaker of Parliament, recognizing that without an inclusive government at the centre, it would be unlikely that stability will return to Iraq.

The rise of IS has presented the US with strategic dilemmas. The US needs cooperation from foreign stakeholders, including Russia and Iran. The acute danger IS poses to US interests has dawned on America, therefore Obama’s administration has reconsidered providing active military support to the Iraqi Government. On 24th July 2014, US Army General Martin Dempsey stated during a security conference that the American military does believe that IS is a threat to the region in present times and to “our close allies” in future. The US military already bombed hundreds of targets attributed to IS, including vehicle convoys, mobile artillery and fixed positions, since 8th August 2014. US President Barack Obama declared a “major step forward” in Iraq on 18th August 2014 after American fighter jets, bombers and drones helped Kurdish and Iraqi forces in pushing IS back from Iraq’s strategically vital Mosul Dam. Obama hailed the cooperation of the Iraqi and Kurdish forces on the ground, supporting the role of local ground forces as a bulwark against an expanding, unclear US mission. Justifying US air strikes against the terrorist group, Obama said “we are not reintroducing thousands of troops to engage in combat […] We’re not the Iraqi military, we’re not even the Iraqi air force.”

Obama’s administration advised the recently formed Iraqi government, headed by US-backed Prime Minister Haider al-Abadi, to quickly unite and nurture an inclusive political climate as a “long-term” strategy against ISIS. The US Administration had also previously advised Prime Minister Maliki to ensure that the other groups have a greater say in government and firmly believes that the Iraqi government should give meaningful concessions to the Sunnis and include them in the central government’s decision-making process in order to make them feel they are integral to a new Iraq. The brutal beheading of western journalists (American and British) and IS proliferation into oil-rich Kurdish regions of Iraq have created a platform for the western powers, particularly US, to intervene.

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Iraq and the Region

Regional players are further complicating the situation in Iraq. On the one hand Iran, which backs the Shia, warned of military intervention. On the other, Saudi Arabia is against foreign intervention inside Iraq and has warned of grave consequences. Iraq and especially Al-Maliki seem to have realized Iran’s importance as a regional power and have appeared willing to tolerate Iranian influence in Iraq. Resistance and the increasing unpopularity of Maliki does not necessarily exhibit the weakening of the Shia camp in Iraq. Iran supported Maliki’s government in the previous elections; it was a choice driven by lack of alternatives. Their interests converged at the point of ensuring a Shia led regime in Iraq and pursuing political vindication against Sunni domination. Modern day Iraq is a manifestation of diverse influences from east and west, including from the US, which wrote the script of Iraq’s modern history post-Saddam, and from Iran which attempted to fill the political void after the fall of Saddam’s regime and the spill-over to the other regional countries in the region.

Iran wields considerable influence in Iraq, more than any other foreign country. Iran’s sway on Iraq has been strong and notable since the ouster of Saddam in 2003. Iraqi Shias, who witnessed social suffocation and an identity crisis under Saddam’s regime between 1979 and 2003, found relief in the rise of Shia politics under burgeoning Iranian influence. Given Iran’s influence over the social, political and cultural canvas of Iraq, it appears to be the only regional power capable of manoeuvring around the Iraqi political landscape. Two events in the recent past clearly prove that Iran has had a significant impact over Iraq. In 2010, when Iran orchestrated Nouri al-Maliki’s re-election as Prime Minister by convincing Sadrists to back him and in 2012, when Iranians preserved Maliki’s rule by convincing President Jalal Talabani to refuse demands for a vote of no-confidence — a vote that Maliki seemed likely to lose. \(^{107}\)

The already dismal internal situation in Iraq has been further complicated by the spill over of violence from Syria towards the northwest of Iraq. According to Fawaz Gerges, a Middle East expert at the London School of Economics, “[b]oth the Syrian and the Iraqi conflict are feeding upon one another”. Besides fighting their war in Syria, Sunni rebel factions in Syria; including al-Qaeda’s Syrian affiliate; Jabhat al-Nusra, other Islamist brigades and moderate rebel groups known as the Free Syrian Army have been exploiting the simmering resentment among minority Sunnis against the Shia-dominated Iraqi government in Baghdad. \(^{108}\) The spill over became evident when IS fighters took effective


control of Anbar’s two main cities\textsuperscript{109} in January 2014. The civil war in Syria has palpably escalated the Shia-Sunni tensions in Iraq respectively.

The Syrian civil war is also putting pressure on Iraq’s fragile society as a result of a huge influx of Syrian refugees. Although Iraq is not a signatory to the 1951 Refugee Convention and its 1967 Protocol, the country has long been a host to refugees. According to a UNHCR (United Nations High Commissioner for Refugees) Report\textsuperscript{110}, Iraq provided shelters to more than 219,579 registered Syrian refugees. These mostly include ethnic Kurds from Syria who found shelter in northern Iraq. Some Sunni Syrians who dominate the revolt against President Bashar al-Assad are believed to have taken refuge in Iraq’s restive western province of Anbar. Interestingly, Iraq is also witnessing the return of many Iraqi refugees back from Syria. Such an uncontrolled inflow of people is leading to gradual demographic alterations in Iraq, and is implicitly imposing a burden on finances and the already-crumbling infrastructure of Iraq.

On the other hand, Iran is disillusioned with its protégés operating in Iraq. Iran is also not sure whether a Shi’ite-dominated government in Iraq will fulfil its interests. First, Iraqi Shi’ites are nationalists to the core. They defended their home country resolutely against Iran during the Iran-Iraq war (1980–1988). Second, the leading Iraqi clerics, including Grand Ayatollah Ali-al-Sistani, have strongly rejected Khomeini’s state model of Velayat-e-Faqih (Rule of the Jurist). Iran certainly does not want to see another Shi’ite Islamic Republic in the neighbourhood with a political system different from its own. The United States and Saudi Arabia are also keenly interested in containing Iran’s influence in the region, including in Iraq. The United States has sought to strengthen Saudi power in the region as a means to curtail Iranian influence. However, it must be understood that Iran is the key player in maintaining peace and stability in Iraq and at this point in time Iraq cannot ignore Iran.

\section*{India-Iraq Bilateral Relations}

The visit by the former Iraqi Prime Minister, Nouri-al-Maliki to India in August 2013, indicates the rapid acceleration of bilateral ties between the two countries. The emergence of Iraq as an energy hub will not only provide India with greater energy security but will also widen the basis of India’s engagement with the unstable Persian Gulf region. Until the ouster of the Saddam regime in 2003, Iraq used to be India’s closest partner in the West Asia region. Iraq was also a major source of oil imports of India. The Indian armed forces had close links with their Iraqi counterparts. During Saddam’s reign, Iraq was also considered one amongst a few countries in the Organisation of Islamic Co-operation (OIC) that supported India when Pakistan sought to introduce hostile

\textsuperscript{109} “Insight: Fuelled by Syria war, al Qaeda bursts back to life in Iraq”, Reuters, 6\textsuperscript{th} January 2014.

resolutions on Jammu & Kashmir. India has arguably enjoyed extraordinary goodwill amongst the Iraqi people during Saddam’s reign. In the post Saddam period as the new democratically-elected government under al-Maliki took power in 2005, economic relations between India and Iraq strengthened. Particularly in the past five years, trade and investment flows between the two countries have increased substantially and both countries have enhanced energy cooperation due to international sanctions on Iran. Since the imposition of these sanctions, India has struggled to find alternative suppliers of crude oil. For a long time Iran was India’s second-biggest crude oil supplier after Saudi Arabia, meeting about 12 per cent of the country’s needs, but the position was taken over by Iraq in 2012.

The effect of instability in Iraq impacted trade volumes between India and Iraq, which fell by 5.3 per cent, from USD 2,0525 million in 2012 to USD 19,439 million in 2013-14. However, the ten-year period between 2003 and 2013 marked a positive phase in trade ties. During this timeframe, India’s imports from Iraq increased substantially from USD 0.14 million in 2003–04 to USD 1927 million in 2012–13\(^\text{111}\) and India’s exports to Iraq rose from USD 75.17 million in 2003–04 to USD 1,278.13 million in 2012–13\(^\text{112}\) (See Table 1). However the year 2013-14 witnessed a reversal in the trend, with a decrease in both imports and exports. While Indian imports from Iraq fell by 3.7 per cent, exports to Iraq plunged by 28 per cent. Thus the statistics clearly display a dismal picture on the trade front.

**Table 1**: India-Iraq Bilateral Trade (in Million USD)

<table>
<thead>
<tr>
<th>Year / Trade</th>
<th>India’s imports</th>
<th>India’s exports</th>
<th>Total Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>0.14</td>
<td>75.17</td>
<td>75.31</td>
</tr>
<tr>
<td>2004-05</td>
<td>1.12</td>
<td>131.19</td>
<td>132.31</td>
</tr>
<tr>
<td>2005-06</td>
<td>2.05</td>
<td>155.94</td>
<td>157.99</td>
</tr>
<tr>
<td>2006-07</td>
<td>5514.41</td>
<td>203.99</td>
<td>5718.4</td>
</tr>
<tr>
<td>2007-08</td>
<td>6837.41</td>
<td>272.99</td>
<td>7109.9</td>
</tr>
<tr>
<td>2008-09</td>
<td>7709.94</td>
<td>437.43</td>
<td>8147.37</td>
</tr>
<tr>
<td>2009-10</td>
<td>7026.93</td>
<td>477.13</td>
<td>7504.06</td>
</tr>
<tr>
<td>2010-11</td>
<td>9008.3</td>
<td>678.14</td>
<td>9686.44</td>
</tr>
<tr>
<td>2011-12</td>
<td>18918.47</td>
<td>763.97</td>
<td>19682.44</td>
</tr>
<tr>
<td>2012-13</td>
<td>19247.31</td>
<td>1278.13</td>
<td>20525.44</td>
</tr>
<tr>
<td>2013-14</td>
<td>18,520.86</td>
<td>918.03</td>
<td>19,438.89</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Ministry of Commerce and Industry, Government of India, 2014


\(^\text{112}\) Ibid.
Figure 1 || India-Iraq Bilateral Trade (Imports in Million USD)

Source: Department of Commerce, Ministry of Commerce and Industry, Government of India, 2014

Figure 2 || India-Iraq Bilateral Trade (Exports in Million USD)

Source: Department of Commerce, Ministry of Commerce and Industry, Government of India, 2014
Recommendations

Recent developments in Iraq have compelled us to rethink our engagement with the region. Generally speaking, geographical proximity, economic and cultural relationships and economic complementarities with Iraq necessitate enhancement in Indian political, trade and economic ties with Iraq. This relationship is equally important for both sides. However, India needs to safeguard this relationship from the vagaries of the regional geopolitical struggle, internal political dynamics in Iraq and the volatility of oil prices. Closer India-Iraq ties have been useful in bypassing and mitigating the energy challenges that India has faced due to US sanctions on Iran in recent months. With improvements in the political and security ties between the two sides in the past few years, the conditions seemed ideal to take the India–Iraq trade relationship especially in oil sector to a higher orbit. But with the rise of the Islamic State and changing internal dynamics, many immediate concerns have now risen on the horizon.

- Immediate concerns:

Bilateral trade between India and Iraq saw huge growth in the post-2003 period and Indo-Iraq relations in the past have been very strong; nurtured and nourished by active engagement in the oil sector. However, the positive trend in bilateral trade has evidently been affected by a spell of instability and chaos in the region. In the face of this disequilibrium, the short term focus of Indian policy makers should be on safeguarding the energy trade equation with Iraq. So far, oil trade has not been affected significantly by the internal chaos and it will be in India’s interests to
ensure sustained oil flows from the country. The calls for enhancing trade, capital and human investment in Iraq could be put on hold unless signs of stability appear.

- **Long-term concerns:**

  Balance of trade concerns remain and need to be dealt with in the long run. The trade balance between India and Iraq has been heavily skewed in favour of Baghdad, primarily due to India’s heavy dependence on petroleum imports and the very small component of non-oil trade. Heavy dependence on unstable countries like Iraq for commodities like oil which have inelastic demand necessitates serious attention towards exploring alternatives and diversification in the energy basket.

- India has to be careful in deciding its trade composition with Iraq, in terms of investment areas and capital to be invested. Venturing into engineering and the textiles goods’ markets of Iraq, which are marred by overall industrial weakness and violence, can be a good move to check trade imbalances and diversify trade composition. However contracts with long gestation periods should be signed with utmost caution, given the uncertainty that permeates the region.

- In the long run, there is also a need to classify specific areas for cooperation in the light of new economic realities:
  
  * Medical tourism and investment in medicare: While the demand for medical cooperation remains high, the recent successful evacuation experience in Iraq clearly suggests that India must be careful in committing its support to Iraq. In the war-torn nation, there will be an ever-increasing scope for medical tourism and the training of medical and nursing personnel. The ideal policy could be a greater emphasis on subsidized training of Iraqi medical staff in India.
  
  * The overall strategy requires India to assess country-specific needs and opportunities and then focus on areas where it has a competitive advantage and a niche capability, whilst deliberately targeting sectors like the housing and construction sectors, engineering and textile markets, medicare and energy exploration. In order to address the current account deficit and ensure trade diversification, India needs to encourage investments from and joint ventures with Iraqi companies, in both countries or even in other countries.
Iran occupies a significant place in the West Asian region. Its geo-strategic location, its huge hydrocarbon reserves and its potential levers in the regional context enhance its importance in the region and beyond. Today, West Asia is undergoing the second phase of political transition, including the Iran-US detente, the rise of a new wave of violence in Iraq and Syria, and the emergence of the Islamic State (IS) and its implications for the region. These new developments offer both opportunities and challenges to Iran. Domestically, it is preparing itself to manage its economy and neutralize the impact of the sanctions. Externally, it is trying to overcome its current isolation by engaging with the US and Europe to cut the deal on its long-standing standoff on its suspected nuclear weapons program. In addition it is working towards building new equations with the regional and extra-regional actors. So far, Iran has managed to deal with these challenges but in limited way.

The present paper examines current political, strategic and economic trends in Iran and its implications for India-Iran relations. In this new geopolitical environment in the region, Iran and India look towards consolidating their bilateral relations. Both the countries are significant actors, whose role can’t be overlooked in terms of their political and economic involvement in the region. In the current context, the regional complexities demand new ways and means of cooperation between India and Iran.
Political and Economic Dynamics

After eight years of rule lead by hardliner Ahmadinejad, the election of Hassan Rouhani as Iran’s 11th President on 14th June 2013 raised many hopes for change in Iran’s internal and external policy. President Rohani is perceived to be a moderate, pragmatist and reformist cleric. Since his election in June 2013, he has been able to achieve some positive gains which include the interim nuclear deal in Geneva, gains in economic incentives worth around USD seven billion by signing the November interim deal over its nuclear program, becoming the first Iranian leader in more than two decades to speak with a US president and succeeding in providing some relief to Iran’s strained economy. At the same time the threat of further tightening of sanctions in the near term has receded. Under the agreement, no new nuclear-related sanctions will be imposed and Iran will be able to get USD 4.2 billion of oil revenue back home currently held abroad, and maintain oil sales at around one million barrels per day. The economy of Iran has also shown some improvement. In the domestic arena, macroeconomic management is beginning to improve under the new government. The Iranian Rial (IRR) has now stabilized after having depreciated substantially over the last two years. In addition, inflation, which had exceeded 30 per cent (at around 39 per cent) in the fiscal year ending in March 2013, is on a downward trajectory and is projected to decline to 20 per cent in the fiscal year ending in 2016. According to the international credit rating agency, Capital Intelligence (CI), Iran’s currency ratings have now moved from “negative” to “stable”. The pace of contraction in the real economy has slowed and the economy is projected to return to growth in the fiscal year ending in 2015, although at a modest rate. According to the Economist Intelligence Unit (EIU) forecast, Iran’s GDP growth will return in the fiscal year 2014-15 (March 21-March 20), although weakly, at 1.5 per cent. Countries oil exports are expected to edge up in 2014 but are likely to remain far below pre-sanctions levels. However, sanctions will continue to limit Iran’s oil exports.

To overcome the impact of sanctions imposed by the EU and the US, Iran is now using the barter system to reinforce its trade with regional countries. Turkmenistan and Kuwait are countries with which Iran is ready to implement these plans. Iran’s oil Minister Bijan Namadar Zanganeh said in his meeting with the visiting Turkmen Vice President Khoja

113 Under this Joint Plan of Action signed in Geneva on 24th November 2013, Iran and the P-5+1 are suppose to negotiate a comprehensive resolution in six months time to nuclear standoff. In four and a half months since the plan came to effect Iran has suspended its enrichment of 20% uranium and converted some of its existing enrichment uranium to a state that is less easily usable in return for some relaxations in sanctions.


Muhammadov in May 2014 that “Iran intends to prepare the grounds for exporting goods to Turkmenistan in return for gas purchases from Turkmenistan”.\footnote{Iran exports machinery, construction materials, sedans, buses, food stuff, agricultural and petro-chemical products, electrical products and home appliances to Turkmenistan, and imports natural gas, electricity, textiles and agricultural products from its northern neighbor. “Iran, Turkmenistan eye gas-for-goods deal”, available at http://www.presstv.com/detail/2014/05/04/361262/tehran-ashgabat-plan-gasforgoods-deal/ accessed on 24th May 2014.} A similar offer has been made to Kuwait, Iran’s Deputy Minister of Industry, Mines and Trade Valiollah Afkhami-Rad said in May 2014 that Iran is ready to export natural gas and Liquefied Petroleum Gas (LPG) to Kuwait as well as supply Sulphur. In addition he invited Kuwaiti financiers to invest in Iran’s hydrocarbon projects stating that “[there] are many grounds for investment in Iran and a package of oil and gas investment projects has been submitted to Kuwaiti investors”.\footnote{“ Iran ready to supply gas, LPG to Kuwait: Official”, at http://www.presstv.in/detail/2014/05/04/361265/iran-ready-to-supply-gas-to-kuwait/, accessed on 28th January 2015.} Furthermore, negotiations with Russia are already at an advanced stage and both countries are working on a twenty billion dollar oil-for-goods deal whereby Iran will export oil to Russia in exchange for Russian goods.\footnote{“Iran, Turkmenistan negotiate gas-for-goods deal”, available at http://www.tehrantimes.com/economy-and-business/115540-iran-turkmenistan-negotiate-gas-for-goods-deal, accessed on 24th May 2014.} Despite these positive developments, a substantial improvement in fiscal outturns appears unlikely while sanctions are in place and the domestic economy remains weak.

On the long-standing nuclear stand off between Iran and the West, the nuclear talks between Iran and the P-5+1 countries in mid-May 2014 have not resulted in a finalized agreement. There are still many unresolved issues that may take six to seven more months to resolve. After the mid-May talks US officials were of the view that Iran needs to be more realistic in the talks. From the Iranian viewpoint its deputy foreign minister, Abbas Araghchi said that “there was no tangible progress in this round of the talks” as the differences between the two sides were too large to draft an accord.\footnote{Armin Rosen, “The Iran Nuclear Talks are Pretty much totally stalled”, available at http://www.businessinsider.com/iran-nuclear-talk-arent-going-much., accessed on 2nd June 2014.} However he confirmed that the talks would continue. While some believed that the “payoff of Geneva remains obscure” others felt that the negotiation process was moving forward. Given the differences between Iran and the P-5+1, it was very clear that the negotiations would go beyond 20th July 2014.

It is important to highlight that the head of the International Atomic Energy Agency (IAEA) Yukiya Amano described the Iranian nuclear issue as a “jigsaw puzzle”.\footnote{Fredrik Dahl, “U.N. nuclear chief upbeat on Iran but says bomb probe will take time”, at http://uk.reuters.com/article/2014/06/02/uk-iran-nuclear-iaea-idUKKBN0EDoRK20140602 accessed on 2nd June 2014.} Further he said that Iran’s cooperation with the UN agency under a step-by-step “Framework for Cooperation” agreed in November 2013 – which includes greater access and more information – had helped the IAEA to “gain a better understanding” of the pro-
gram. During the October 2013 high-level nuclear talks in Vienna some progress was made but much work remains to be done to finalize the deal. The Iranian Foreign Minister Zarif informed the Iranian media that despite talks being very difficult, serious and intense, progress was made in all fields. These talks are now considered to be in a “critical phase”. Despite some progress, three key areas—uranium enrichment, the future of Iran’s research reactor, and the process of how to lift sanctions have not yet been resolved between West and Iran. Given these differences one is not very hopeful that Iran and the West will be able to come to final agreement soon. However, President Rouhani remains positive about the nuclear settlement with the West. He said that “[…] what’s important is that the nuclear issue is irreversible. […] We will not return to situation a year ago. The world is tired and wants it to end, resolved through negotiations”.

Given the complexities of the problems and significant differences on major sticking points, Iran and the six world powers have so far not been unable to cut the final deal. Iran has now agreed to dilute additional stocks of nuclear material in exchange for access to its frozen assets amounting to nearly USD 2.8 billion in the US. In November 2014, P-5+1 and Iran agreed that another seven months are needed. The West is hoping of securing a political agreement by 1st March 2015, with all-important technical details to be sealed by 1st July.

Notwithstanding these positive movements on the nuclear negotiations, what it is equally important to highlight is that sanctions would remain in place on Iran during the extended period of talks and the US would continue to vigorously enforce them. However, these talks have given Iran additional time to address its economic difficulties and solidify its economic recovery. Moreover, the current tumultuous state of regional and world affairs potentially play to Iran’s advantage. It has succeeded not only to buy time in its nuclear negotiations but also to ease out the impact of sanctions on its economy. In such a scenario Iran’s economic ties with its Asian partners seem to have seen some improvement. The tilt has shifted in the trade balance in Iran’s favour after the signing of a Memorandum of Understanding (MoU) in economic fields with Russia, its trade has increased with Afghanistan and business ties with Persian Gulf Arab States have seen impressive growth in the past few years. Already some of Iran’s old trade partners like Turkey, Pakistan and the UAE are mulling over enhancing their trade with Iran. In

addition, those who have not been Iran’s trade partners now are seeking to establish economic ties with the Islamic Republic.123

While President Rouhani has been able to pave the way for continued engagement on its nuclear program with the West, he has yet to overcome expectations from within the country, from hardliners, and externally, in assuring the international community about Iran’s peaceful nuclear program. It is important to note that President Rouhani will try to avoid any confrontation with the international community while maintaining a constructive relationship with the Supreme Leader. Under the current circumstances, Rouhani’s government will have to balance the demands of conservatives and reformists. In his recent statement the President stated that “we will only accept the legal control of the IAEA within the framework of the Non-Proliferation Treaty“.124 Equally important is to highlight the views of the Supreme Leader on Iran’s foreign policy. In his recent meeting with Foreign Minister Javad Zarif and Iranian ambassadors abroad during first week of August, he said that “Relations with the U.S. and negotiations with this country, except in certain cases, not only have no value for the Islamic Republic, but are harmful.”125 Despite his apprehensions about US intentions to improve the bilateral relations he confirmed that the nuclear talks which the foreign minister and his negotiation team have started will continue while simultaneously stating that there will not be any direct interaction with the US as long as the US government and congress continue making hostile remarks about Iran.126

New developments in the region have not only made Iran much more relevant to the West but it has at the same time helped the Rouhani government to focus on its weak economy, which had suffered badly as result of sanctions. The rise of IS and Iran’s relevance for the US and the West to fight this extremist threat in the region has helped Iran to break its international isolation. Under the current situation, the United States wants to ease tensions and avoid any full scale conflict in the already troubled West Asian region.

Prospects for Re-energizing India - Iran Relations

India and Iran have had a long history of friendly relations. In the past few years India and Iran have been struggling to manage their energy and economic ties under the shadow of the US and EU sanctions. The new regional situation is more amenable for constructive engagement between Iran and India. Iran’s improving ties with the US, its

126 Ibid.
growing regional profile and India’s deep desire to cement its ties with Iran, offer greater potential for enhanced cooperation between India and Iran. Some Iranian officials are of the view that “the “golden age” of bilateral ties (between India and Iran) would come back”. However there are others who believe that India’s ties with Iran are actually largely underdeveloped as compared to its much more substantive engagement with the Arab States in the Persian Gulf and Israel. At the same time some experts have argued that during the pre-World War II period, culture and identity played a dominant role in their relations and thereafter regional considerations and the structure of the international system became a significant factor in India–Iran relations. Regional security considerations play a neutral role while the structure of the international system plays a negative role in the current situation; hence India-Iran relations can be best described as developing relations. The thaw between the West and Iran offers new opportunity to enhance economic relations and explore various projects that were placed on the back burner for a long time. From the Iranian perspective it is argued that “India-Iran relations need a Strategic Paradigm, India can no longer afford to ignore Iran by bandwagoning with the US’ ill-designed policies, if it wants functional relations with Iran. A new strategically balanced approach toward Iran is needed.”

The current uncertainties in Afghanistan-Pakistan, increasing violence and an upsurge of extremist forces like IS in West Asia are not in the interests of India and Iran. These emerging new security challenges in the region demand India and Iran to jointly fight against common challenges. Both countries are important regional actors and can play a significant role in maintaining regional security.

**Political and Security Engagement**

Iran controls the entry and exit to the Straits of Hormuz through which vast amounts of oil pass. Uninterrupted oil supplies from the Persian Gulf remain important for India and the global economy. More importantly, uncertainties in Syria and Iraq, the threat of IS and the security situation in Afghanistan despite the formation of a new government, remain major concerns. In the West Asian context, Iran is working against IS and has a critical role to play in Iraq and Syria. It has common interests with the US and the West in the fight against IS. Given Iran’s role in the region, it can be argued that without Iran’s inclusion, a durable regional security architecture will not be sustainable.

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127 Views Expressed by Mr. Hadi Soleimanpour, Head, Centre for International Research and Education (CIRE), Affiliated to the Ministry of Foreign Affairs, 19th May 2014 during interaction with the IDSA delegation.


129 Mostafa Dolatyar, “Perspectives on the Middle East and Beyond: Iran-India Complicated Relations”, Paper presented during 10th IDSA-IPIS Bilateral Dialogue in Tehran on 18th-20th May 2014.
Political and security cooperation has been an important pillar in India-Iran relations. In the past five years, ties between the two countries have been enhanced by high level visits from both sides. Despite UN and EU sanctions, India and Iran have been able to manage cooperation in the economic and energy sector. The visit of former External Affairs Minister, Salman Khurshid in 2013 was one such diplomatic push towards strengthening the existing partnership between the two regional actors. Earlier, the visit of the former Indian Prime Minister Manmohan Singh to Iran on 28th August 2012 to participate in the NAM summit was a clear indication of New Delhi’s desire to give a new impetus to bilateral relations and enhance economic cooperation. He stated that “there is lot of interest in doing business with India and getting Indian investment in infrastructure. There are of course difficulties imposed by western sanctions, but subject to that I think we will explore ways and means of developing our relations with Iran”.130 After the Prime Minister’s visit, a new momentum for bilateral relations was created. Subsequently, several high-level visits have taken place from both sides. The visit of Iranian Foreign Minister Mohammad Jawad Zarif in the end of February 2014 was yet another crucial development in cementing ties between the two countries. Under the Modi government, Iran-India relations continue to be significant in its foreign policy priority. The External Affairs Minister Sushma Swaraj noted, during her meeting with the Iranian President Hassan Rouhani on the side lines of the SCO Summit meeting in Dushanbe in September 2014, that India welcomes an expansion of all-out ties with Iran and noted the implementation of the North-South corridor project as key for the development of regional states. The Indian Prime Minister is expected to pay a visit to Iran during 2015.131

The new security developments pose a common challenge for both India and Iran. In the past, Iran had played a constrictive role after 9/11 by offering full support to the US in ending the Taliban rule. India, Iran and Russia have jointly cooperated in Afghanistan. India-Iran relations have been dominated by their cooperation in security arena. The focus has been on stability and efforts to deal with increasing violence and the challenges that a possible return of Taliban would bring for both India and Iran. Although India and Iran are countries with different security environments in South and West Asia, there are no conflicting areas of interest between them. Both want stability, both view IS and the Taliban as major security challenges. However, India and Iran have a point of divergence with regards to India’s close ties with Israel and the US. Also, India’s relations with the Gulf Cooperation Council (GCC) countries are equally important. In fact, the stakes are high in the Gulf, where more than seven million Indians work. The GCC countries are India’s largest trade partner with trade in 2012-13 standing at about USD 200 billion, far outstripping the financial volumes of such ties with any other region of the world.

For Iran, stakes are high in Iraq and Syria as compared to that of India. India’s position on the Iranian nuclear issue has been very clear; Iran has a right to peaceful use of nuclear energy while fulfilling its obligations owing to its membership of Nuclear Non-Proliferation Treaty (NPT). India has urged all sides to resolve the issue diplomatically through discussions and negotiations.

**Prospects for Cooperation in Enhancing Regional Connectivity**

Iran can be India’s gateway to Central Asia and Afghanistan. On regional connectivity, both sides have been working closely for many years.\(^{132}\) There is ongoing cooperation between the two countries to increase the connectivity through the International North South Transport Corridor (INSTC) and the Chabahar port project. It is important to note that the Iranian port of Chabahar (previously Bandar Beheshti), located on the Makran coast of the Sistan and Baluchistan province of Iran criss-crosses some of the most important international corridors – East-West, North corridors, South corridor and TRACECA\(^{133}\) – and can be considered one of the most strategic transit locations. It is often referred to as the “Golden Gate” to the landlocked Commonwealth of Independent States (CIS) countries and Afghanistan. Chabahar has immense potential to connect the business centres in South Asia (Mumbai, Jamnagar, etc.), the Middle East (Dubai), Central Asia (Turkmenistan) and Afghanistan (Milak). It is close to the mainline shipping routes connecting Asia and Europe and is 700 km away from the capital of the province of Zahedan and 2,200 km away from Tehran. The distance from Chabahar to Milak on the Afghan border is 950 km; it is 1,595 km to Dogharoon on the Afghan border; 1,827 km to Sarakhs on the Turkmen border; and 120 km from the Pakistan border. Iran plans to use this port for the transshipment of a variety of goods – tea, eatables, electronics, building materials and heavy equipment – to Afghanistan and Central Asia and equally maintain the Bandar Abbas port as a major hub for trade with Russia and Europe.


\(^{133}\) The East–West corridor, which is the old Silk Road, connects Asia with Europe starting from Shanghai, through the Central Asian cities of Kashgar, Samarkand and Bukhara before reaching Tehran. It then continues from Iran to the north tip of the Syrian Desert and on to Italy. The TRACECA programme, launched in May 1993 for development of a transport corridor between Europe and Asia across the Black Sea, is an important corridor in the Eurasian region. Iran is a member of this project. The ALTID project was set up in 1992 and focuses on the North corridor (running parallel to the Siberian railway, via Kazakhstan to Russia and Europe) and the Central corridor (which passes through Turkmenistan and the Caspian Sea before it enters Turkey; branches of this corridor in Iran go south to the Persian Gulf and the Oman Sea via Chabahar). The South Asia corridor starts from South East Asia, passes through the Indian subcontinent and enters Iran in Mirjaveh on the border of Pakistan. Thereafter it continues to Europe via Turkey. The Iran–Iraq railway is likely to become operational in the near future. The transportation network in East–West and South Asia is also expected to connect with the Mediterranean in the future. These corridors, both existing and in progress, would increase the significance of Iran’s transit potential.
From India’s point of view, the strategic importance of Chabahar is immense. It not only gives access to the oil and gas resources in Iran but also provides access to the Central Asian Republics. India and Iran have already taken initiatives to enhance connectivity through bilateral agreements. In April 2008, an important initiative was taken by both countries when India and Iran signed an agreement to establish a new rail link between Iran and Russia. India offered assistance for technical training of personnel, railroad signalling projects as well as the supply of locomotives and spare parts. The trilateral agreement between the governments of India, Iran and Afghanistan to develop the Chabahar route through Melak, Zaranj and Delaram will also facilitate regional trade and transit and thus contribute to regional economic prosperity. India is interested in investing in the Chabahar container terminal project as well as the Chabahar-Faraj-Bam railway project. From Bam, which is on the Afghan border, goods can be taken through the Zarang-Delaram road, which is linked with the Garland highway connecting all major Afghan cities. There is also the possibility of extending this road to Tajikistan and Uzbekistan, which would give further impetus to regional trade and transit.\footnote{For details see Meena Singh Roy, “India-Iran Relations: Sustaining the Momentum”, IDSA Issue Brief, 20th May 2013, available at http://idsa.in/issuebrief/India-IranRelations_msr_200513, (accessed June 26, 2013); and “Iran: India’s Gateway to Central Asia”, Strategic Analysis, Vol. 36, No. 6, November–December 2012, pp. 957–975.}

The second important project is that of the INSTC linking India, Iran and Russia to Europe. There are continued efforts by India, Russia and Iran along with other member countries to work towards completing the missing links in this corridor. The potential of these corridors is immense. While new initiatives by India, Iran and other regional countries offer many opportunities, the challenges, however, limit the full realization of these corridors. These challenges mainly concern the security situation in the region, lack of economic resources, the Iran-US standoff and finally the impact of current sanctions.

**Opportunities for Bilateral Trade and Economic Co-operation**

The need to increase trade and economic cooperation between India and Iran is a strong imperative though the current level of economic engagement does not reflect the close relations between the two. India and Iran bilateral trade has been increasing (as can be seen in Table-I and figure 1 and 2). Figure 3 highlights the fact that India’s imports have increased while its exports have not increased. This is the major challenge for India and this needs to be balanced. The lion’s share of this trade constitutes imports of petroleum products by India from Iran. Therefore, in order to sustain the level of trade interaction, it is important that Iran imports more from India. While prospects for enhancing economic cooperation are immense, the need is on the part of both India and Iran to provide fresh impetus on economic diplomacy.
### Table – I  India-Iran-Trade (2009-2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009-2010</th>
<th>2010-2011</th>
<th>2011-2012</th>
<th>2012-2013</th>
<th>2013-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPORT</strong></td>
<td>1,853.17</td>
<td>2,492.90</td>
<td>2,411.33</td>
<td>3,351.07</td>
<td>4,971.35</td>
</tr>
<tr>
<td>%Growth</td>
<td>34.52</td>
<td>-3.27</td>
<td>38.97</td>
<td>48.35</td>
<td></td>
</tr>
<tr>
<td>India's Total Export</td>
<td>178,751.43</td>
<td>251,136.19</td>
<td>305,963.92</td>
<td>300,400.68</td>
<td>314,405.30</td>
</tr>
<tr>
<td>%Growth</td>
<td>40.49</td>
<td>21.83</td>
<td>-1.82</td>
<td>4.66</td>
<td></td>
</tr>
<tr>
<td>%Share</td>
<td>1.04</td>
<td>0.99</td>
<td>0.79</td>
<td>1.12</td>
<td>1.58</td>
</tr>
<tr>
<td><strong>IMPORT</strong></td>
<td>11,540.85</td>
<td>10,928.21</td>
<td>13,790.16</td>
<td>11,594.46</td>
<td>10,307.16</td>
</tr>
<tr>
<td>%Growth</td>
<td>-5.31</td>
<td>26.19</td>
<td>-15.92</td>
<td>-11.10</td>
<td></td>
</tr>
<tr>
<td>India's Total Import</td>
<td>288,372.88</td>
<td>369,769.13</td>
<td>489,319.49</td>
<td>490,736.65</td>
<td>450,199.79</td>
</tr>
<tr>
<td>%Growth</td>
<td>28.23</td>
<td>32.33</td>
<td>0.29</td>
<td>-8.26</td>
<td></td>
</tr>
<tr>
<td>%Share</td>
<td>4.00</td>
<td>2.96</td>
<td>2.82</td>
<td>2.36</td>
<td>2.29</td>
</tr>
<tr>
<td><strong>TOTAL TRADE</strong></td>
<td>13,394.01</td>
<td>13,421.12</td>
<td>16,201.48</td>
<td>14,945.53</td>
<td>15,278.51</td>
</tr>
<tr>
<td>%Growth</td>
<td>0.20</td>
<td>20.72</td>
<td>-7.75</td>
<td>2.23</td>
<td></td>
</tr>
<tr>
<td>India's Total Trade</td>
<td>467,124.31</td>
<td>620,905.32</td>
<td>795,283.41</td>
<td>791,137.33</td>
<td>764,605.09</td>
</tr>
<tr>
<td>%Growth</td>
<td>32.92</td>
<td>28.08</td>
<td>-0.52</td>
<td>-3.35</td>
<td></td>
</tr>
<tr>
<td>%Share</td>
<td>2.87</td>
<td>2.16</td>
<td>2.04</td>
<td>1.89</td>
<td>2.00</td>
</tr>
</tbody>
</table>

**TRADE BALANCE**

| India’s Trade Balance | -109,621.45 | -118,632.94 | -183,355.57 | -90,335.97 | -35,794.49 |

**Note:** Since 2006-07, Petroleum figures are being computed from Import Daily trade Returns (DTRs) to generate country-wise/port-wise tables. Up to 2005-06, consolidated petroleum import figures were being received from the Petroleum Ministry.

**Source:** [http://commerce.nic.in/eidb/iecnt.asp#](http://commerce.nic.in/eidb/iecnt.asp#)

Geo-Political Trends in Iran: Prospects for Re-energising India-Iran Relations
**Figure 1**  India-Iran Bilateral Trade (in Million US $)

India's Imports (in Million USD)

- 2012-13: 11594.46
- 2011-12: 13790.16
- 2010-11: 10928.21
- 2009-10: 11540.85
- 2008-09: 12376.77
- 2007-08: 10943.61
- 2006-07: 7618.55
- 2005-06: 702.46
- 2004-05: 410.21
- 2003-04: 266.82

**Source:** Department of Commerce, Ministry of Commerce and Industry, Government of India, 2014

**Figure 2**  India-Iran Bilateral Trade (in Million USD)

India's Exports

- 2012-13: 3351.07
- 2011-12: 2411.33
- 2010-11: 2492.90
- 2009-10: 1853.17
- 2008-09: 2534.01
- 2007-08: 1943.92
- 2006-07: 1446.48
- 2005-06: 1188.35
- 2004-05: 1231.39
- 2003-04: 918.11

**Source:** Department of Commerce, Ministry of Commerce and Industry, Government of India, 2014
Policy Recommendations

In the light of new security developments in West Asia, Afghanistan and Pakistan, India and Iran will need to re-strategize their policy of bilateral engagement with the aim of maximizing the gains from the opportunities offered by the new geo-strategic environment in the region. At the same time, they need to re-energize their existing cooperation in security arena to address new threats and challenges in the region. Four important areas demand focused attention:

- Regional connectivity – Chabahar and INSTC
- Bilateral trade
- Energy cooperation
- Enhanced engagement on regional security issues

1. A major flaw in India’s current policy towards Iran has been the lack of implementation of agreements. Therefore, greater focus needs to be paid under the new government on the implementation of various MoU’s and agreements signed in past.

2. India’s participation in the Chabahar port project has been under discussion for the last few years and India had also agreed to invest USD 100 million in the Chabahar port development. An Indian Joint Venture Company\textsuperscript{135} will develop the Chabahar

\textsuperscript{135} The Jawaharlal Nehru Port Trust (JNPT) and the Kandla Port Trust (KPT) can have an Iranian partner or Indian private partner to form the group to implement the project.
port with an investment of USD 85.21 million and operate the port for ten years through a leasing agreement in a phase-I project which could be renewed by mutual agreement. India would consider the participation of Iranian firms if needed. The Cabinet has already approved an annual revenue expenditure of USD 22.95 million to support this joint venture. However, such positive developments need to be put on fast track.  

3. While a Public-Private-Partnership model is good to ensure greater Indian participation in business development in Chabahar, Indian private companies should be encouraged to set up direct shipping lines to Iranian ports including Chabahar.

4. India should also invest in the North-South Corridor to establish connectivity with CIS countries and explore the possibility of getting involved with the Chabahar-Zahidan railway project either as an equity partner or as a contractor/supplier. By doing so, India’s presence will not only strengthen the India-Iran strategic relationship but also have significant importance on providing stability in Afghanistan.

5. The current level of economic engagement does not reflect the close relations between the two countries. Therefore, in order to sustain the level of trade interaction, it is important that Iran imports more from India. Agriculture, pharmaceuticals, medical equipment and aeronautics are some of the identified areas where cooperation in the future could be enhanced. It is ironic that Iran imports wheat from the US while it can do the same from India.

6. Another significant area where cooperation can be expanded is banking. In addition, India and Iran have agreed to explore the prospects of joint investment. These can happen in both oil and non-oil sectors like electronics, automobile, IT and infrastructure.

7. Iran is offering Production Sharing Contracts (PSCs) on exploration of oil blocks in Iran to Indian companies. This offer of PSCs was repeated by the Iranian foreign minister during the last Joint Commission meeting in Tehran. India needs to move fast on these offers.

8. Since Iran has a strong petro-chemical base, it would provide investment opportunities to Indian companies and they can export finished products to India.

9. India also needs to clearly articulate its view. If Iran expects India to be its true partner in energy cooperation it must give due attention to revisit the India-Iran LNG agreement signed in January 2005, according to which Iran was to export 7.5 million tons of LNG per annum over 25 years, starting in 2009.

10. There is potential for trilateral cooperation between Iran, Oman and India, not limited only to an under-sea gas pipeline but also in trilateral meeting with think-tanks of the three countries to discuss the potential of trilateral cooperation.

11. Given Iran’s centrality in the regional context, India can take the lead to involve Iran in the regional security dialogue. New Delhi could initiate an annual regional security dialogue involving regional stakeholders.

12. In the light of the US withdrawal in 2014, India and Iran need to evolve new strategies to help Afghanistan in rebuilding the country. These efforts could include developing infrastructure connecting Afghanistan with Central Asia via Iran, by working together in sharing information to ensure that extremist forces do not return to Afghanistan.

13. In terms of regional cooperation, Iran, Russia and Tajikistan have worked together in the past but in present situation, China needs to be weaved into playing a far more active role in Afghanistan’s economic development.

14. At the same time no durable solution can be found without Pakistan’s constructive role in Afghanistan. This continues to be a major challenge for any successful regional cooperation effort in Afghanistan. In this context China, Iran, Russia, Turkey and Saudi Arabia could pressure Pakistan to play a constructive role in Afghanistan under the regional framework.

15. There is a fresh potential of India, Russia, China and Iran playing a greater role in Asia including Afghanistan.

16. An eminent persons group, consisting of experts and officials from India and Iran, can be formulated to foster greater understanding between the two countries.

17. In order to give a fillip to India-Iran strategic relations, political visits at the highest levels should be considered in the immediate future.

Today, India and Iran have entered a new phase of cooperation where Tehran and New Delhi are in a process of re-energizing their political, economic and security ties, which are based on the consideration of mutual gains. Both countries are looking for sincere and deep-rooted relations. However, the future of India-Iran relations will depend on a number of variables. First, how India will balance its relations with Israel, US and the GCC countries on the one hand, and Iran on the other; second, the character of the final outcome of Iran’s improving relations with the US and West, and if the sanctions regime on Iran will end soon; and third, in a situation of improved ties with US, whether Iran’s foreign policy will be more west-focused or east-centred. Similarly, under the new Modi government where the re-building of closer ties with its immediate neighbours is prioritized, what then will be the driving force for India to give new direction to its engagement with Iran? The intensions and desire to cement the ties between the two countries are there but there is a need to make quick decisions and fast-track their implementation. The momentum of current engagement requires an additional push and sustained cooperation.
India and Turkey have had a distant, often hostile relationship in the past largely but not only because of the latter military’s closeness to its Pakistani counterpart.

But both countries are different today. A new polity exists in Turkey that does not share the military’s worldview. Also, both countries have undergone major economic reforms and been labelled “emerging economies” because of their rapid GDP growth, development of new corporations, and greater foreign economic engagement.

Why Turkey Matters

A. Geographical location - Turkey is a crossroads nation. It lies between Europe and West Asia, between Central Asia and the Levant, controls the Bosphorus and is surrounded by key water bodies on three sides. The fact the country is crisscrossed with oil and gas pipelines and rail and road links is a testimony to the fact it is a gateway between different regions of the world. Its overall political stability in comparison to other alternative states in the region amplifies Turkey’s importance. A good relationship with Ankara is thus crucial to building connectivity to Central Asia or the Caucasus.

B. Emerging economy - Turkey was one of the fastest growing economies in the world during the period before the global financial crisis. The triple challenge of the financial crisis, the Eurozone recession and the Arab Spring resulted in an enormous current account problem as its main trade and investment markets suddenly dried
up. However, Turkish firms have developed some notable skills; their overseas construction firms are surpassed only by the Chinese in the amount of infrastructure they build. They represent a serious alternative to Chinese construction firms in the developed world.

C. A Muslim example - Turkey has much imperial baggage with its neighbouring Arab states and even the Balkan states. But it has served as an example to the larger Muslim world in two distinct avatars, both of them positive. Under its earlier Kemalist model, Turkey was probably the most secular and most Westernized Muslim majority country in the world. Unfortunately, this lacked a democratic foundation but the original success of Kemalism had considerable influence on the Levant in particular.

The rise of the Islamist party, the AKP, under Reccip Erdogan was the antithesis of Kemalism’s strict secularism. But the AKP’s version of political Islam is also not without a positive message. What differentiates it from most other Islamist parties is its acceptance of a secular constitution and a civil code. Erdogan made Islamism acceptable by rejecting the imposition of Sharia in the public space. He has sought to sell this model as well, unsuccessfully urging Egypt’s Muslim Brotherhood to embrace a modern civil code.

Early Problems

There were several geopolitical sources of difference that kept India and Turkey in the past.

A. The original Kemalist position was that Turkey’s ultimate political goal was to become a European nation, exemplified by Ankara’s repeated attempts to join the European Union. In this scenario, Turkey was disinterested in engaging with West Asia let alone South Asia.

B. This was aggravated by Turkey’s staunch anti-Soviet position – a continuation of the differences between the Ottomans and the Czars – during the Cold War. India’s strong relations with the Soviet Union further fed a sense of indifference if not hostility to India among the Turkish military.

C. The main source of contention, however, was Turkey’s longstanding support for Pakistan on issues like Kashmir. This relationship has several layers including a widespread belief that Indian Muslims, who were to later migrate to Pakistan, provided assistance to Turkey during World War I, its military’s view that the Pakistani army – pro-American and avowedly secular – was a natural match, and a general dislike for India’s nonaligned, socialist narrative.
**Basis of Today’s Relations**

A. The end of the Cold War and the growing bonhomie between the United States and India have meant that there is less sense of India being on the other side of the geopolitical fence.

B. Erdogan and the AKP, as mentioned, have turned the Kemalist worldview on its head. They do not have the baggage of the Kemalists when it comes to India and Asia in general.

C. With its traditional markets at war or in recession, Turkey is trying to up its economic engagement with wider Asia. While the match is not perfect, Turkey’s infrastructure building experience complements India’s lack of the same. Turkish corporations have to move into the technology fields that Indian firms presently occupy as Turkish wages and costs rise. Finding Indian partners in technology areas like pharmaceuticals and software makes sense for Turkish firms.

**Concerns that Remain**

There remain many concerns regarding Turkey, though they are more diffuse and less of a source of irritation for India than in the past. Below are some policy recommendations about handling these:

A. Residual Pakistan ties. – Though knee-jerk support for Pakistan and its positions on Kashmir or India generally are now much reduced, there is still the odd vote or statement by the Turkish system that hark back to its earlier relationship with Islamabad. New Delhi needs to take a strong diplomatic view of these, underlying how difficult it will be to move relations forward if these complications keep arising. A broader dialogue with the Turkish intelligentsia, media, military and officialdom on India’s general policy towards Pakistan and Kashmir should be considered.

B. Turkey’s position in its neighbourhood is uncertain. Ankara decided that it would support the popular protests of the Arab spring, presumably in expectation of getting a special relationship with the new regimes that would arise. However, this strategy ran aground in Syria where the regime did not fall and the bloody, protracted civil war ensued. This civil war has proven to be debilitating for Turkey financially, politically and in security terms. It might not be too much to say Ankara’s ambitions to frame and promote its political system as an exemplar model for the Arab world have floundered in Syria and as a result of growing general disillusionment with the Arab Spring. New Delhi has little role to play in this, but regular engagement with Turkey to assess its perception of West and Central Asia would be useful if only to bolster India’s understanding of the region.
C. There remains far too little economic ballast in the relationship. Turkish firms have only just begun making inroads into India's difficult-to-access markets and Indian corporate engagement also remains limited. In particular, India's high-tech sectors should become more active given the lack of Turkish capacity in these areas. This is in part due to general ignorance and is something that should be addressed by the government, possibly working through the chambers of commerce of both countries.
Since the normalization of relations in 1992, Israel has emerged as one of India’s most important defence and security partners. It also punches above its weight in its economic and developmental relationship with India because of its prowess in software, pharmaceuticals, water management and agriculture.

However, India has always had reservations about Israel’s treatment of the Palestinian population and Israel’s confrontational relations with its Arab neighbours. Though the original ethical concerns New Delhi had about Israel’s policies have faded, there remains in India two key sources of concern about Israel’s policies towards its neighbours: a liberal-left intellectual opposition as well as a limited Muslim minority sensitivity.

Arguably, in no other country in the world are the public foreign policy postures of the Congress Party and the Bharatiya Janata Party so different. State visits between India and Israel occur exclusively when the BJP is in power. However, there is a consensus in both national parties that the substance of the relationship, especially in defence and security matters, should remain untouched.

**History**

There have been broadly three stages in the Indo-Israeli relationship.

1947 to 1992- During this period, India moved from outright opposition to the creation of the Jewish state to the maintenance of reduced diplomatic ties. New Delhi remained
severely critical of Israel’s occupation of the West Bank and Gaza and hewed strongly to the positions taken by the Arab countries who were members of the Nonaligned Movement.

1992 to 2000- The normalization of relations with Israel allowed the two countries to upgrade ties in many areas. In effect, India and Israel allowed a natural growth in many areas like tourism, trade and investment that had been stunted by the earlier aloofness. The only area which saw active government-to-government promotion of relations was the nascent defence relationship.

2000 to the present- From about this period, marked by Deputy Prime Minister L.K. Advani’s visit to Israel and Israel’s contribution to the Kargil war, India and Israel began deepening their security relationship to the point that it could be argued to be genuinely strategic. The most striking development was a secretive nuclear weapons technology understanding. More open has been Israel’s contribution to India’s air and missile defence system. But this period also included a remarkable expansion of defence and intelligence ties that saw Israel become one of the two or three most important security partners of India.

**Past Problems**

Reasons why India and Israel did not have normal relations:

1. Jawaharlal Nehru and the leaders of India’s independence movement saw the artificial creation of Israel, backed by Western powers, as little more than a latter-day form of colonialism. Anti-colonialism was at the heart of Indian foreign policy in the post-independence period.

2. As the Kashmir dispute became one of its overriding diplomatic concerns, India sought to please Arab opinion and, to some degree, larger pan-Islamic opinion by limiting relations with Israel, rhetorically and diplomatically criticizing Israel over the Occupied Territories and similar concerns. India had hoped that in return for this support, it would receive at least Arab Muslim neutrality over the Kashmir dispute, something that did not take place.

3. India and Israel did not share much in the way of a larger worldview. India moved in the 1960s into the Soviet orbit while Israel, especially from the 1970s, became a treaty ally of the United States. That India restored full diplomatic ties with Israel only after the Soviet Union collapsed was not coincidental.

4. A fallout of all of the above and a basic lack of economic compatibility given India’s economic isolationism and Israel’s early focus on agricultural exports meant there was little in the way of trade and investment.
Why the Shift

Reasons for the normalization of ties are partly found in private conversations with Indian decision makers at the time:

1. The primary motivation for Prime Minister P.V. Narasimha Rao to authorize the normalization of relations with Israel in 1992 was based on India’s defence interests. The Soviet collapse meant India was on the hunt for sources of weapons at a time when sanctions meant it could not access Western arms supplies.

2. Rao and his national security advisor J.N. Dixit accepted that India needed to develop a new relationship with the United States. They believed that normal ties with Israel would be a necessary first step towards this goal and that Israel could be a useful door by which to gain greater access to Washington.

3. Domestic opposition to the idea was muted because of a number of factors. The BJP had come into its own politically and many Muslim voters had shifted to the Janata Party at that time, making a Congress move towards Israel easy. The Soviet collapse, the end of the Cold War and a new wave of economic reforms muted domestic opposition to the idea of normalizing relations with India. New Delhi had ensured that Yasser Arafat had endorsed its diplomatic action beforehand.

Today’s Foundations

The Indo-Israeli relationship has gone from strength to strength. Among the reasons for its present resilience are the following:

1. The security relationship has become the cornerstone of bilateral relations. Israel has emerged as among the largest, and arguably most trusted, overseas security partners. A key reason for this is the support Israel provided India during the Kargil war, an act that earned Israel an unusual degree of trust. Israel’s prickly independence on security issues also helps it establish credibility in India. Finally, Israel has shown a remarkable ability to procure technologies from Russia or the United States that India needs.

2. While it began as a provider of value-added systems like avionics, missiles and the like to Russian aircraft and ships, Israel has moved to become a co-developer of numerous weapons systems. Israel has provided key elements of India’s early warning air defence systems including airborne radar and access to its reconnaissance satellites.
3. Israel has also become a key, and arguably, the most trusted foreign partner in many areas of unconventional warfare including cybersecurity, counterterrorism and, most recently, homeland security.

4. As mentioned, the two countries also have a nuclear weapons agreement. This reflects both the similarity in the two countries’ nuclear doctrines but also the size and nature of their arsenals. Israel, for example, has provided India advice on the stockpile stewardship problems faced by a country with an arsenal of only a hundred or so warheads.

5. There is now a substantial Indian and Israel trade, investment and technology relationship in the commercial sphere. Today, the two countries have many compatibilities including software, pharmaceutical and so on.

6. India has found there is no fallout in the Arab world by moving closer to Israel. If anything countries such as Saudi Arabia and Iran have taken India more seriously. A similar story can be said about domestic opposition in India: the supposed deep wells of Muslim hostility to Israel have yet to be found. The split of the Palestinian nationalist movement, with the Islamist Hamas party controlling the Gaza Strip and Fatah in charge in the West Bank, has made New Delhi less enthused about their cause. Israel in return has ignored India’s close relationship with Iran, a country against which Israeli daggers are drawn.

7. Israel has been very active in wooing state and local political leaders in India, using its capabilities in drip agriculture, desalination technology and renewable energy to win over local populations and state level politicians. This has meant that Israel has developed strong ties with regional parties and state level politicians that have further helped mute public criticism.

Policy Recommendations

1. There is no serious public opposition to closer ties with Israel inside India. New Delhi should therefore move towards a more public acceptance of the relationship. India should not dilute its support for a Palestinian state, but it should also accept that this does not preclude India from having a full-fledged open relationship with Israel. The goal should be a relationship that is no different, outwardly, whether the Congress or the BJP are in power.

2. Israel’s military industrial complex is dependent on Indian sales for its survival. New Delhi needs to be more strategic about using this leverage to improve technol-
ogy transfers and the development of an indigenous defence industry. It should also be looking into having Israel help it develop an indigenous drone capacity – Israel is the inventor of the drone.

3. Israel’s capacities in agriculture, irrigation, software and pharmaceuticals need better dissemination in India. The last two areas are being handled by the private sector. However, active government participation in the latter two should be considered. Israel has developed robust technology startup cultures despite limited capital and it would make sense for India’s corporations to seek to learn and utilize this capacity.

4. India should explore the possibility of partnering with other countries in building the so-called Red-Med oil and gas pipeline cum corridor that would connect the Mediterranean to the Red Sea. While this could be driven by commercial interest in the new gas field finds off the coast of Israel and Cyprus, this corridor would have a greater geopolitical advantage in providing a link to the Indian Ocean for Central Asian oil and gas that might have utility later.
The serial popular uprisings of 2011 began and linger on in the Maghreb and Mashreq countries. The impact continues to be felt from the Gulf to North Africa and even beyond. India’s commercial and economic interactions with these countries are relatively modest, and the legitimate focus on the Gulf States and Iran seem to have blinded us to the close political, economic, social and cultural bonds between the latter and the former. Many, including many Arabs themselves, sneer and snigger at the relevance and even existence of Arab nationalism and Arab unity, yet cultural and religious affinities, the Arabic language itself, deeply intertwine the Muslim states of the region, up to and including Turkey. Modern media, social and electronic, has grown to strengthen these bonds further. Ideas and instabilities are seamlessly transferred; as are ideologies and political and extremist thought and movements. If stability in the Gulf is of importance to us, it should logically follow that India would seek and support stability in the rest of the region. In this context, a brief outline of the revolutions and the transitions in the Maghreb and Mashreq countries are reviewed below.

While the popular uprisings of 2011 took the regimes of the affected countries, and indeed, the world by surprise, their ensuing and varied evolutions were perhaps predictable. There has been, however, even when degrees of stability have been achieved in most of the countries, a paradigm shift in ideologies and governance styles in the region, as the general populace has become more aware of the power of street protests and of the destabilizing influences of political Islam. At the present time of writing (mid-July 2014) two of the countries (Egypt and Algeria) remain authoritarian militarily-backed

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137 These are geographical terms, referring to the Arab countries on the southern and eastern Mediterranean coast. There are 22 Members of the Arab League, including Mauritania and undivided Sudan. The area corresponds to the WANA region. Maghreb (West of Egypt) includes Algeria, Morocco, Libya and Tunisia. Mashreq (East of Egypt) includes Jordan, Syria and Lebanon. Egypt is a ‘hinge state’.

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Transition in the Maghreb and Mashreq

Arundhati Ghose
governments, two remain Kingdoms (Morocco and Jordan), two in civil war situations of extreme chaos (Libya and Syria), with the effects spilling over to parts of western Africa and into the Arab heartland in Iraq and to unhappy Lebanon which had not experienced the “Spring”. Tunisia is the only state where, in spite of continuing sporadic extremist attacks, democracy has been more or less established and a constitution adopted by near consensus. To more clearly understand the present situation, it is important to trace the course of these movements in each country in an effort to identify any pattern that might emerge to indicate possible future trends.

Some general trends have emerged. Firstly, one has to note that where the existing regimes, in 2011, did not use military force against the protesters and where some mainly economic, concessions were made a degree of stability appears to have been established. Secondly, in the two states which continue in a situation of civil war, there was extensive external intervention, military, financial and sectarian, from regional and extra-regional powers, while in those where no overt external intervention took place seem to have managed the crisis more or less. Third, from the two countries now in the throes of civil war, extreme and violent jihadi militancy has spread to neighbours or at least radical movements are threatening a widening of their influence.

Fourth, while initially the Syrian conflict seemed to spawn a sectarian divide in the region, spurred by the geo-political rivalry between Iran and Saudi Arabia, recent developments in Gaza such as the support to Hamas’ position from Iran and Hezbollah, could be seen as an attempt to overcome intra-Muslim divisions to face the recrudescence of the Israeli-Palestine problem. Finally, the varying degree of presence of the Muslim Brotherhood, in countries such as Egypt, Libya, Syria, and Jordan, and in Tunisia, as represented by Ennahda, and with the support of Turkey under the AKP Government and Qatar, in the processes is remarkable.

**The Maghreb**

**Algeria**

Governments in both Algeria and Morocco appear to have weathered the storm, though the causes and solutions were as different as their forms of government. Algeria had been facing periodic street protests before 2010, mainly on economic and social issues such as lack of housing and food prices, which were put down by the security forces with the country being ruled under emergency laws. Having experienced almost a decade of civil strife between Islamist groups and the state in the 90s, these groups had been banned. In January 2011, however, a sudden rise in food prices led to larger countrywide demonstrations, reportedly influenced by events in Tunisia, and included
self-immolations in front of government buildings. By February, the Government had lowered the food prices and lifted the state of emergency. The protests then petered out. The concessions by the government only partly affected the dampening of the protests. The protesters had been supported by trade unions and left wing parties, which apparently had no desire to overthrow the existing system or the government; people retained memories of the disruptions and violence of the 90s and the news of the turmoil and chaos in neighbouring countries, together with forceful dissuasion from state authorities had their impact. Most important, Algeria, which had supported Gaddafi and his regime, strongly repulsed foreign intervention, making common cause with Iran on Syria, and warning that foreign intervention in Libya would create instability in the Maghreb and the Sahel and would give a boost to jihadi militants. In the event, the al-Qaeda in the Islamic Maghreb (AQIM) drew sustenance from the chaos in Libya, extended their activities to Mali and established a degree of presence in the Maghreb. This became evident in the attack on the In Amenas gas facility in Algeria and the spread of jihadism to Mali. Nonetheless, given Algeria’s importance to Europe as a source of hydrocarbons, its size and relative prosperity, its strong military which has the ability to project its power and its effective commitment to counter-terrorism, the countries of the West supported the government’s efforts in containing the fall-out of the revolution.

**Morocco**

Morocco is the only kingdom in the Maghreb, with a majority of Moroccans apparently approving of the monarchy. It is not surprising then that it was the monarch who played a decisive role in coping with the protests that started in 2011. Though they were widespread, the protests were peaceful; the demand was for a new constitution, a change in government and an end to corruption. No police or military force was used to deal with the protests. Instead, the king promised constitutional reform, set up a commission to draft a new constitution which was approved by a majority through a referendum and elections were held in November of 2012. A moderate Islamist party, the Justice and Development Party (PJD), which seems to have drawn inspiration from Turkey’s AKP, won the election and accepted the step-by-step reform process proposed by the King. The reforms, while giving the Prime Minister and the Parliament more executive authority, keeps real power in the hands of the King; he remains the Commander-in-Chief, Chairman of the Council of Ministers and the Supreme Security Council. He also remains the highest religious authority.

The US and Europe have been supportive of the outcome of the Moroccan revolution which has been termed a “gentle” revolution. Yet, there have been jihadi incidents and the AQIM threat remains. The moderation of the PJD has kept the extremists at bay so far, in a mirror image of the situation in Tunisia.
Tunisia

The “trigger” for the spread of the uprisings in the region was Tunisia, though, as has been noted, all these countries were facing street protests of greater or less intensity against food inflation, high unemployment and general economic grievances for some time. In Tunisia, the initial use of force by the state, in the background of widespread corruption and misgovernance, introduced the political element and led to the flight of President Ben Ali to Saudi Arabia. Mohammed Ghannouchi, the Prime Minister, imposed a state of emergency which was followed by elections to a Constituent Assembly. These elections were won by the Islamist Ennahda Party, led by Rashid Ghannouchi, a close associate of the Muslim Brotherhood. A constitution was adopted after Rashid Ghannouchi, who had stepped aside in December 2013 to permit a technocrat-led Government to govern in the interim, made several crucial concessions to the secularists. The constitution recognizes Islam as the State religion but includes all the freedoms of a pluralist State. It incorporates the freedom of worship and gender equality, and was adopted with an overwhelming majority. The three-year old emergency was lifted and a caretaker government was installed to oversee both parliamentary and presidential elections. Ennahda’s approach, tactical though it may be, distinguishes it from its counterpart, the Muslim Brotherhood in Egypt. Tunisia still faces formidable challenges; economic as well as in law and order impacted by the Salafists within the country and Islamist militants from across the border from Libya. However, with Ennahda participating in the democratic process, Tunisia’s ability to cope with them is considerably strengthened.

Egypt

At the “hinge” between the Maghreb and Mashreq, is a heavyweight of the region, Egypt, whose significance lies not only in her size, geostrategic location, strong and professional army, a sense of nationhood, but also in being a cultural hub, home of Al Azhar and the source of ideas and ideologies – both the concept of Arab nationalism and of political Islam – which have influenced all Arab speaking states. Even today, as a much weakened country, she seeks to regain some of her lost stature; instability in Egypt carries repercussions across the region.

On 8th June 2014, Abdel Fattah el Sisi was sworn in as the new President of Egypt. During the previous three years there have been almost continuous street protests in the cities of Egypt. It took 18 days to oust Hosni Mubarak, ending his 30 year military-backed rule, slightly longer to oust the one year old successive Military Government of the Supreme Council of the Armed Forces (SCAF) and about a year to oust President Morsi. While the people appear to have rejected dictatorship, theocracy and military
rule, they have accepted a democratic constitution and voted in a military-backed President. It is too early to identify whether the new dispensation will be able to establish the fine balance that will inevitably be required now, given the challenges, economic and social, that face the country.

There might be several reasons for the current support that President el Sisi enjoys, and many of them lie in the continuous instability of the last three years and the growing security threats in the region. The elections of 2012 brought the Islamist parties, including the Muslim Brotherhood, to power in Parliament and to the Presidency. Morsi had, in fact, the support of the military in the initial months in office; his initial speeches were categorical that he would be the President of all Egyptians, a commitment belied by his later actions. Street protests against the President’s actions and the Muslim Brotherhood continued through 2012 and 2013, as the “original” protesters (against Mubarak) found their demands sidelined by the Brotherhood’s own agenda for political power and moves towards the reshaping of Egypt into a majoritarian theocracy, including through an overtly Islamist Constitution which was boycotted by representatives of the Copts and secularists, but approved, hurriedly, by Morsi. The military too were increasingly alarmed by the Brotherhood’s ties with Hamas in Gaza, the ambivalence of the government to the growing incidence of terrorist attacks in the Sinai, and, perhaps as a last straw, Morsi’s own commitment to “jihad” in Syria, after breaking diplomatic ties with the Assad regime.

While there have been uncorroborated charges that Tamarod, the protest group that took over the protest movement being a creation of the military, there is no doubt that there was massive public support to the demonstrations against Morsi. Giving some credibility to this charge, the Army stepped in, took Morsi who was still legally the President of the country into custody and kept him in virtual isolation. The reaction of the supporters of the Brotherhood and of Morsi immediately commenced to fill the streets with their protests. Interestingly, SCAF did not take over, having burnt its fingers once; El Sisi, as the Army Chief set up a group of eminent persons who drew up a “road map to democracy”, including the redrafting of the Constitution and the holding of presidential and parliamentary elections after the Constitution was approved through a referendum. The Constitution, while secular in nature and pluralistic in its affirmations of freedom of worship and gender equality, preserved and protected the role of the military in the state power structure.

In the meanwhile, the confrontation between the pro-Morsi protesters and the security forces grew more violent, the majority of the leadership of the Brotherhood was imprisoned on charges ranging from inciting violence to treason and the Brotherhood itself was labelled a terrorist organization. Egyptian society and its polity became and remains deeply polarized, going against the grain of the Egyptian sense of nationhood.
Added to this, terrorist groups who had felt empowered under Morsi’s regime, have continued to attack the security forces, not only in Sinai but in the cities in the heartland. This would go some way to explaining the public endorsement of el Sisi at the recent elections.

The West did not directly intervene, valuing the need for the Egyptian military’s continuing support for maintaining diplomatic relations with Israel. Generous Qatari aid to the government under Morsi, has been replaced with Saudi Arabian and UAE political and financial support to el Sisi. Egypt is today certainly weakened, but has been making strenuous efforts to regain some of its lost influence and is seeking international legitimization of its quasi-military rule by reviving ties with the African Union and offering its good offices towards a resolution of the current hostilities in Gaza and extending humanitarian assistance to the Palestinians from that unhappy state.

**Libya**

Libya did not really experience an “Arab Spring”. According to reports at that time the “trigger” was a protest by migrant workers in Benghazi in the north east of the country, protesting against lack of housing facilities by occupying some government buildings. The security forces reacted and a popular blogger, apparently inspired by the effectiveness of Tunisian and Egyptian uprisings, called for similar protests and was arrested. The area around Benghazi, publicly available documents show, was the stronghold of Islamic militants, probably Al Qaeda. These groups formed the core of the protests against the Gaddhafi Government.

Muammar Gaddhafi was an eccentric despot with a dubious human rights record and a dangerous penchant for funding anti-State groups including the IRA; he also was not only a major source of development assistance to countries of sub-Saharan Africa, but was able to turn Libya into an “upper middle-income country” with an 88% literacy and with an extensive welfare system. Libyans had free education and health care and subsidized housing. Like in other oil-rich states, native unemployment was high and large numbers of migrants supplied the work force. The UN Security Council acted on the situation in Benghazi within two weeks of the uprising. Before the African Union delegation could visit Tripoli, NATO forces, led by the UK and France and supported by the US started, on the basis of a disputed interpretation of the UNSC resolution, what became an aerial bombardment of Libyan forces, purportedly to “protect” the civilians of Benghazi. Gaddhafi was killed in October the same year.

Today Libya is in chaos, with a four-sided civil war on-going. Arms and armed terrorists have erupted into the region and into north-western Africa. The National Transitional
Council, which had tried to create a focus to the rebels, has become the General National Conference with two distinct groupings – nationalists and the Muslim Brotherhood, which had also participated in the rebellion against Gaddhafi. At the recent elections, the nationalists defeated the Brotherhood; both are using militias to gain control of Tripoli and the country; radical Islamist groups still control the northeast and Benghazi and a Libyan General, who had defected from the Libyan Army is fighting the Islamists in that region.

Many Libyans have joined the groups opposing the Assad Government in Syria, and Libya remains a focus of terrorism in the region and beyond.

**The Mashreq**

The Arab countries along the eastern coast of the Mediterranean were and remain the most vulnerable and unstable (and that is not including the current bombing of Gaza by Israel and the reconfiguration of intra-Arab policies towards Israel) with Syria being the epicentre of the spreading crisis.

**Syria**

Like most other Arab countries, the protests initially were against the rising food prices, but quickly turned political as the Government forces used violence to control the crowds, the Tunisian, Egyptian and Libyan revolutions provided inspiration and the Muslim Brotherhood provided support. The Brotherhood has had a presence in Syria before and was even in Hafiz Assad’s Government. After a series of violent attacks, they were exiled and took refuge in Turkey. Attempts were made by Turkey’s AKP Government to mediate between the Brotherhood and Bashir Assad, but failed when the latter refused to allow the Brotherhood to re-establish itself in Syria. This led to the disruption of Syria-Turkey relations and to Turkish involvement in the by now anti-Assad protests. With Qatar’s support of the Brotherhood in Egypt and Syria, the doors were opened for the involvement of other external players, Saudi Arabia for the rebels but against the Brotherhood, and the UK, France and US. No doubt the discovery of natural gas in the eastern Mediterranean was an added incentive for such interest. Russia, and it is reported even Algeria, have supported the Assad Government as have Iran and Hezbollah. This brought Israel into the fray. The ensuing humanitarian crisis has not only affected Lebanon, Jordan and Turkey economically, but as the rebel movement was taken over by Islamic jihadis such as Jabhat al Nusra, an off-shoot of al Qaeda and more recently, the Islamic State. The Kurds of the north of the country have been given a free hand by the Government, effectively distancing that area from the civil war.
Lebanon and Jordan

Lebanon is today suffering from the aftermath of the Arab Spring, as its delicate sectarian balance has been thrown out of gear. Jordan, which had survived the initial uprisings with the King making some economic and political concessions, abjuring the use of state force and managing to isolate the Muslim Brotherhood from the rest of the protesters, is today also affected by the aftermath. It has been reported that the origins of the ISIS cadres received their training in the refugee camps from US trainers, fought alongside the al Qaeda backed troops in Syria and then moved into Iraq to tie up with Sunni tribes and disaffected Baathist military leaders.

Regionally and globally, twin threats of sectarianism and violent extremism/terrorism have emerged from the ongoing conflict in Syria, which has serious implications for India and the sub-continent.

India’s Options

As already noted the Maghreb-Mashreq region has been the source of ideas and ideologies, including political Islam, which have impacted the rest of the Middle East and North Africa. The present crises in Libya have been variously used by both regional and extra-regional powers with their separate agendas. It may be possible for us to build issue specific partnerships: Algeria and Egypt are already cooperating on terrorism in their region; participation on information-sharing may be fruitful; strengthening our relations with Oman in the political arena on the sectarian divide which has emerged.

We have little political interaction with the major countries of the region. This would need to be strengthened by entering into a sustained dialogue on the evolutions taking place in that region without allowing our preferences for forms of government to influence our relations.

Finally, our economic and commercial relations with the major (and stable) countries need to be bolstered, especially as countries such as Algeria, Tunisia and Morocco have special access to the European and West African countries. Egypt is a large market by itself, and remains, even after taking into account its present weakened economy, a middle-income country.

The WANA and Gulf regions need to be viewed as a whole; stability, influence and economic potential should be the criteria for emphasis in our relations.
Tectonic shifts in the geo-political landscape of the West Asian region have brought forth new set of challenges as well as opportunities for Indian policy makers. Three years on from the onset of “Arab Spring”, the West Asian region continues its struggle to establish a stable political order. As the popular protests removed many longstanding authoritarian regimes throughout West Asia and North Africa in 2011, the contemporary geo-political situation seems to be getting more complex day by day. The hoped-for transition from authoritarianism to democratization has been rather painful and convulsive, and has a long way to go. Besides, the deteriorating situation in Syria and Iraq provide a geo-political challenge for peace and stability throughout the region.

Particularly disturbing, not only for the region but for India as well, are the rapidly expanding spaces for extremist and terrorist elements in the region. Their destructive and disruptive activities are evident on a daily basis in Iraq, Libya, Somalia, Syria and Yemen. Sectarian fault lines in the region too have contributed to the growth of such radical ideologies among the people. The growing Shia-Sunni dimension of the conflict has severe implications for regional security throughout West Asia.

India has important political, economic and security stakes in the peace and stability of West Asia and thus needs to follow West Asian developments very closely. In light of the emerging political situation, the major challenge facing India is to balance its political equations and economic interests with major regional and external players in the region. India is heavily dependent on the Gulf region; energy imports from the region constituted around 63 percent of India’s total oil imports in 2012-13. The region is the leading trading partner for India with a total trade of around USD 200 billion in the
same year. Around seven million Indian passport holders live in the region and they form another important symbiotic link between India and the region.

The importance of stability is therefore of paramount importance for India. The absence of a robust security architecture and deep-rooted intra-regional conflicts raises concerns about the viability of regional security in West Asia, and there is a realization in some quarters that India should start increasing its security co-operation in this theatre. As India maintains warm ties with all the major countries in the region and is non-interfering in the internal affairs of these countries, it can be an important player in talking to various countries to discuss regional security.

The preceding chapters have sought to analyse the transition taking place – political and ideological, impacting socio-economics – not only on the region as a whole, but also highlighting the evolution in individual countries. The Task Force believes that, given the importance to India’s economic, political and social interests, it would be necessary for India to formulate a concrete “West Asia Policy”, which could focus India’s various interests in the region, even while the situation remains fluid and time horizons remain unpredictable. This section proposes certain policy recommendations to the Government of India under two subsets; Region Wide and Country/Sub-region specific.

Region Wide

- **Declare a clearly articulated “Look West Policy”** – As the India-West Asia relationship takes an upward trajectory, and India’s stakes and interests grow with time, it is time for India to adopt a formally articulated “Look West Policy” in line with the successful “Look East Policy”. The sheer volume of India’s engagement with the region, especially the Gulf region, and its critical importance to India’s security means that standing aloof is no longer an option. A “Look West Policy” should focus on strengthening bilateral political, economic and security ties with the countries of the Gulf region. As the countries of the region have adopted a Look East Policy targeting the Asian powers, it is an opportune time for India to adopt and pursue a policy solely focusing on the region.

- **Appoint a special envoy for West Asia** – It may be useful for India to resume the practice of appointing a special envoy for West Asia who keeps in regular touch with the leaders of the region on a regular basis. It would help in understanding the changing political dynamics in the region and help shape India’s policy towards them.

- **Upgrade bilateral relationships** – India has excellent bilateral relations with most countries in the region such as Iran, Iraq and the GCC countries. Egypt is reaching out to India to which India must respond favourably. With Palestine, India has had historically friendly relations and India supports the Palestinian cause. India’s rela-
relationship with Israel has strengthened since the establishment of diplomatic ties in 1992. Israel has emerged as a major source of defence technology and equipment and also as a supplier of agricultural technologies to India. It is also keen to expand its ties with India at political level. These relationships are valuable and need to be solidified and India must strengthen the bilateral relationship by engaging them in multiple fronts.

- **Adopt a fine-balancing position in regional foreign policy** – India will have to do some fine balancing acts; between Iran and the GCC, between Israel and the Arabs, and between Israel and the Palestinians. The situation can be handled by taking principled positions, by expanding the basis of bilateral relations, by focusing on the economic and people to people content of the ties. India should also strengthen ties on human security issues, particularly counter-terrorism. Given the complex nature of the politics in the region, it would be wise for India to continue with the policy of balancing its relationship with major players in the region. As India has stakes transcending the GCC, Iran and Iraq, taking sides will be detrimental to India's interests. Rather, India should try to engage with the countries and work together on the mutual areas of interest.

- **Including WANA within bilateral and multilateral discussion agendas** – West Asia and North Africa (WANA) must be included within the discussion agendas bilaterally with US, Russia and China, as well as within the framework of the RIC and BRICS groupings.

### Security and Defence Engagements

- **Defence Wings** – Commencing with bilateral ties, India should beef up its embassies in the region with dedicated Defence Wings in selected countries, especially in context of the role militaries enjoy in decision making process in West Asia.

- **Maritime Agreements** – India should opt into maritime security agreements with countries in the region opportunity to join hands in combating variety of maritime asymmetric threats of terrorism, piracy and securing the offshore oil installations. The Indian navy would need to increase its frequency of port calls, joint exercises and missions to see proactive implementation of such agreements and thus acceptance of an Indian footprint in the region.

- **Counter Piracy Cooperation** – India needs to commit proactively towards this cause in the region.

- **Counter Terrorism Engagement** – India needs to deepen its counter terrorism engagement in the region by signing information sharing and extradition treaties.
• **Role in Regional Security** – With its wide ranging acceptance across the region as a benign power harbouring no extra territorial ambitions, India could leverage its ties with countries in the region and consider playing the role of a regional interlocutor, to settle intra-regional issues.

**Migrant Issues**

• **Labour management projects** – Undertake more collaborative projects vis-à-vis labour/migration management in all states with large Indian populations to better manage labour migration to the region.

• **Maintaining digitized records** – Digitized smart cards should be introduced for Indian migrants to ensure transparency in maintaining migrant records including passport details, recruitment, validity of the contract, terms of employment, insurance, and medical details.

• **Information databank** – A databank of information regarding recruitment agents, including registered or deregistered agents/agencies should be provided to all relevant parties and also regularly advertised through a public announcement in local media catering to the Indian migrant community.

• **State provision of counsellors** – State governments should appoint counsellors to help migrants in adjusting to new surroundings and re-adjust when they return back home.

• **Migrants for soft power projection** – To take the India-Gulf ties beyond the current oil-centric economic relationship, Indian migrants in West Asia should be considered as an asset to aid India’s soft power projection in West Asia and highlight India’s stake in both security and stability in the region.

• **State-wise Studies on Migrants** – While there is three decades worth of data and studies conducted on Kerala migrants to the Gulf, there is little information on migrants from other parts of the country. Whatever little one obtains is from sporadic, issue-based media coverage, for example, during the Nitaqat issue. It is recommended to have similar studies conducted on migrants from UP, Bihar, Andhra Pradesh, and other states over time so as to paint a clearer picture of Indian migration to the Gulf region.

• **Socio-Cultural Impact of Migration** – Most existing studies on Gulf migrants tend to focus on the economic aspect; that is, the migrant is seen as little beyond the source of remittances and studies tend to focus more on the economic impact of the money they remit home. What is also required is to study the socio-cultural impact of migration in terms of time and space on the communities back home. There is great potential for sociological/anthropological studies on this issue, which,
together with studies focusing on the economic dimension, would give a wholesome picture of the impact of Gulf migration on originating communities.

**Soft Power**

- **Establishing India Chairs** in the West Asian countries would further promote their understanding of India. It is important for us to create awareness about India’s foreign policy and the role that India can play in the establishment of peace and stability absent in large areas of West Asia. India’s capability and enthusiasm to play the role of a responsible world power should be emphasized and spread in the intellectual discourse and among the policy makers in the region. In this regard, establishing India chairs would be an important step in the right direction. Indian educational, technical and vocational institutions should be encouraged to open their branches in West Asia, much the way the Western institutions are doing.

- **Strengthening cultural connections** To give a further boost to the diplomatic presence in the region and spread Indian culture among the West Asian countries, India should consider establishing **India Culture Centres** throughout the region. Culture Centres would facilitate a better understanding and exchange of each other’s culture and promote informative dialogue between peoples. India needs to use its soft power, capitalizing on its expertise in operating cultural exchanges, holding inter-faith dialogues and developing language skills.

- **Annual India-West Asia Dialogue** During various formal and informal interactions with eminent people from West Asia, there has been a near unanimous demand for New Delhi to establish a platform for countries in the region to meet regularly to try and resolve their intra-regional issues and also suggest measures to improve India’s engagement with the region. Towards this end, an annual India-West Asia Dialogue should be established to discuss the developments in the region and to promote mutual bilateral relations between the two. Such a dialogue at Track II level would provide an avenue for discussion on policy related issues. Scholars and representatives from both India and the West Asian countries can gather to freely discuss and deliberate on the issues of mutual concern and interest. Premier Indian security think tanks could anchor such dialogues.

**Sub-Region/Country Specific Issues:**

**Saudi-Arabia**

- **Strategic and political engagement** – Though India and Saudi Arabia enjoy robust trade and commerce, **New Delhi and Riyadh need to expand this relations to politi-
cal and strategic fields. The rising profiles of both the countries in their respective regions demand engagement beyond the extant economic ties. Potential areas of enhanced cooperation involve anti-terrorism and anti-piracy, and joint mechanisms to combat money laundering, narcotics, arms and human trafficking.

**Iraq**

- **Counter-terrorism cooperation** – India and Iraq need to enhance cooperation to combat terrorism. This can be done in two ways; direct cooperation by ensuring transparency in exchange of information, experience-sharing and capacity building/investments in Iraq to enhance anti-terrorism infrastructure, and indirect cooperation by echoing the concerns at international platforms and multilateral forums.

- **Scheduling diplomatic visits** – During Nouri Al-Maliki’s first State visit to India from 22nd to 25th August 2013, it was clearly articulated that Indian companies were likely to get a number of contracts under the $1 trillion Iraq Reconstruction Investment program spread over a ten year period. India’s former Foreign Minister, Salman Khurshid visited Iraq in June 2013 pitching for Indian investments in Iraq especially in the energy sector. However the diplomatic meetings have been sporadic. Indian counterparts should actively pursue talks with the Iraqi government by pre-determining a framework and annual schedule for diplomatic visits.

- **Diversifying trade** – The bilateral trade between India and Iraq has recorded huge growth in recent years and it is expected that it will continue to increase in the near future. Indo-Iraq relations in the current arena are very strong; nurtured and nourished by active engagement in oil sector. The scope for enhanced cooperation in hydrocarbon sector has also been iterated in bilateral forums. However, the balance of trade between India and Iraq has been heavily skewed in favour of Baghdad mainly on account of India’s heavy dependence on petroleum imports and a very small component of non-oil trade.

**Israel**

- **Public acceptance of the relationship** – The high degree of economic and defence cooperation between India and Israel necessitates New Delhi to move towards a more public acceptance of the relationship, without diluting its support for a Palestinian state.

- **Developing indigenous defence industry** – Given Israel’s military sector’s dependence on Indian sales for its survival, New Delhi should use this leverage for development of an indigenous defence industry including drone production capacity.
Turkey

- **Exploring avenues for economic engagement** – The untapped economic opportunities should be explored by the New Delhi jointly with Ankara, possibly working through the chambers of commerce of both countries. In particular, India’s high-tech software and pharmaceutical sectors should become more active in their overseas commercial engagement given the lack of Turkish capacity in these areas.

Iran

- **Finalizing India’s participation in Chabahar port** – India’s participation in the Chabahar port project has been under discussion for the last few years and India has agreed to invest US$100 million in the Chabahar port development. Now the Indian Joint Venture Company will develop the Chabahar port with an investment of US$85.21 million and operate the port for 10 years through a leasing agreement. India would consider the participation of Iranian firms if needed. Such positive developments need to be put on a fast track. While the public-private-partnership model is good to ensure greater Indian participation in business development in Chabahar, Indian private companies should be encouraged to set up direct shipping lines to Iranian ports including Chabahar.

- **Exploring potential investment projects to strengthen the Indian footprint in the region** – India should also invest in the North-South Corridor to establish connectivity with CIS countries and explore the possibility of getting involved with the Chabahar-Zahidan railway project either as an equity partner or as a contractor/supplier. By doing so India’s presence will not only strengthen India-Iran strategic relationship but also have a significant importance in providing stability in Afghanistan. In the field of oil exploration, Iran is offering production-sharing contracts (PSCs) on exploration of oil blocks in Iran to Indian companies. This offer was repeated by the Iranian foreign minister during the last Joint Commission meeting in Tehran. India needs to move fast on these offers.

- **Promoting Indian imports to Iran** – Current levels of economic engagement do not reflect the close relations between the two countries. Therefore, in order to sustain the level of trade interaction, it is important that Iran imports more from India. Agriculture, pharmaceuticals, medical equipment and aeronautics are some of the identified areas where cooperation in future could be enhanced. It is ironic that Iran imports wheat from the US while it can do the same from India.

- **Reviving the 2005 India-Iran LNG agreement** – India needs to clearly articulate the view; if Iran expects India to be its true partner in energy cooperation it must give due attention to revisit the India-Iran LNG agreement signed in January 2005,
according to which Iran was to export 7.5 million tons of LNG per annum over 25 years starting in 2009.

- **India-Iran cooperation in regional security dialogue** – The region is passing through the turbulent phase. There are huge political uncertainties particularly in Afghanistan, Syria and Iraq. Without the inclusion of Iran, a durable regional security architecture will not be sustainable. India should take the lead to involve Iran in the regional security dialogue. India could initiate an annual regional security dialogue involving regional stakeholders.

- **India-Iran-Oman trilateral cooperation** – There is a potential in trilateral cooperation between Iran, Oman and India. The potential is not limited only to an under-sea gas pipeline; trilateral meetings bringing together think-tanks of the three countries to discuss the potential of trilateral cooperation should be held.

- **An eminent persons group**, consisting of experts and officials from India and Iran, can be formulated to increase understanding between the two countries.

- **Implementation of policy** – A major flaw of India’s current policy towards Iran has been non-implementation of the agreements. Therefore, greater focus must be laid on the timely implementation of various MoU’s and agreements.

**Maghreb-Mashreq**

- **Cultivation of networks of alliances within the region** – India’s engagement plan may entail the cultivation of networks of alliances within the region, with Algeria, Egypt and Oman, for example, perhaps to promote ideas which already have been voiced by many, to bridge the sectarian schism, and to support counter terrorism measures in the region.
The Delhi Policy Group

The Delhi Policy Group (DPG) is an independent think tank based in New Delhi, India. It seeks to build a non-partisan consensus on issues of critical national interest.

DPG focuses on three research areas: National Security, Peace and Conflict, and Governance. Within this framework, the DPG holds conferences, Round Tables, Working Groups and Task Forces.

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