

INDIA'S OPPORTUNITY IN THE MIDDLE EAST

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The Middle East or West Asia is witnessing increased diplomatic activity in recent months with regional leaders, who were squabbling among themselves not too long ago, engaging each other at various levels and forums. Saudi Arabia and Qatar have buried their four-year altercation, while Turkey and UAE are engaging in talks, and Iran and Saudi Arabia have admitted to negotiations between their officials. Egypt and Turkey too have indicated the willingness to talks while there is a wider debate on re-admitting Syria into the Arab League fold.

For avid Middle East watchers, these developments are pleasing as well as puzzling because they can bode well for regional security and stability, but there does not seem any apparent push factor for the change in course. It posits the question as to how long this can be sustained, especially when the causal factors, including regional power competition, ideological misgivings and threat perceptions, remain intact. There are no indications, for example, of Iran giving up on its nuclear ambitions or Turkey signalling willingness to reduce regional activism. Similarly, Saudi Arabia, Egypt, UAE, Qatar and Israel continue to face the security threats from rival powers and non-state actors, as in the past. What then explains the change of hearts among the regional leaders? Are these tactical moves or an indication of a change in regional geopolitical scenario?

These are all complex questions with no straight or easy answers. There can be several factors forcing the regional leaders to explore the diplomatic route. First and foremost is the post COVID-19 economic scenario. The world witnessed a sharp decline in economic activities during most of 2020 and 2021, and the Middle East too was seriously affected. According to the World Bank, the region's economies contracted 3.8 per cent in 2020 and are forecast to grow by 2.8 per cent in 2021 and 4.2 per cent in 2022.¹ Nonetheless, the challenges in terms of post COVID-19 economic recovery remain "tenuous and uneven" with the microeconomic forecast for a majority of the countries showing slow and painful recovery trajectory. Seen together with the root cause of the Arab Spring and Arab Spring 2.0 protests, that is economic deprivation and youth aspiration, the task for the regional leaders is cut out—either focus on economic recovery or face latent domestic anger, recurring protests and possible instability.

Second, the change could be linked to the new administration in Washington. The US influence in the Middle East plays an important role in determining the foreign policy priorities of regional states. For example, under the Trump administration, the world saw heightened tensions in the Persian Gulf with occasional fears of a direct confrontation between Iran, the US and its regional allies. On the other hand, the US diplomatic efforts led to the signing of Abraham Accords between Israel and four Arab countries—UAE, Bahrain, Morocco and Sudan—in late 2020. Under Biden administration the US foreign policy, in general, and Middle East policy, in particular, have promised to follow a different trajectory than under Trump administration. Focus on environmental issues, trans-Atlantic cooperation and human rights and an emphasis on diplomacy and stability is forcing the regional partners of the US to adjust accordingly. One of the first examples of the Middle Eastern countries adjusting to the change in the White House was Saudi Arabia moving to resolve its differences with Qatar by signing the Al-Ula Declaration in January 2021.

Third, there is a combination of domestic and geopolitical considerations that are forcing the regional leaders to undertake a diplomatic route and engage each other, not necessarily with the

aim to resolve differences, but certainly to manage them better. For example, Saudi Arabia wants to emerge as a regional economic and business hub to realise, if not all, at least part of the *Vision 2030* goals, the pet project of Crown Prince Mohammed bin Salman, and without a robust regional trade and business activity this might prove a pipedream. Similarly, there is a change of guard in Iran with a more hardliner government keen to address Iran's economic challenges and manage public anger. Turkish leader Recep Tayyip Erdoan faces one of the most difficult challenges in the run up to the 2023 elections, and wishes to use diplomacy to overcome both economic challenges and declining popularity. The UAE, on the other hand, wants to reinforce its position as a regional diplomatic heavyweight. Iraqi, Egyptian, Jordanian and Qatari leaders too have domestic and regional compulsions to invest in diplomatic initiatives.

Notwithstanding the outcomes of these initiatives, does the new momentum in regional diplomacy offer a window of opportunity for India? New Delhi, under Prime Minister Narendra Modi, has significantly reoriented its Middle East policy with vigorous bilateral engagements focusing on increasing trade, business and investment activities and strengthening defence and military partnerships. Among the key countries with which India has developed closer partnership since 2014 are Israel, Saudi Arabia and the UAE. In a way, the three now form the core of India's Middle East policy with countries such as Iran, Qatar, Oman, Kuwait, Bahrain and Iraq, forming the immediate periphery with energy security, safety of Indian community and connectivity considerations. Improved bilateral relations and greater diplomatic engagements have helped India deal with challenges emanating from the region more effectively. For example, evacuation of its nationals from Yemen in 2015, and after the COVID-19 outbreak in 2020 or fulfilment of its energy needs after US sanctions on Iran in 2018–19 were smoother than it would have been otherwise.

Greater engagement has also helped Indian diplomacy become more confident in dealing with the regional issues. Earlier, New Delhi was more comfortable balancing regional engagements when faced with conflicting situations such as between Iran and Saudi Arabia or Israel and Palestine. With greater engagements, New Delhi has been able to deal with the conflicting demands without necessarily shying away from leaning to one side if its interests demand, what has been termed as de-hyphenation in India's Middle East policy.² India has also signalled that it will no longer be apprehensive of engaging in regional or multilateral initiatives if this serves its interests. For example, the External Affairs Minister, Dr S. Jaishankar, held a meeting with his Israeli, Emirati and US counterparts during his five-day visit to Israel in October 2021 with focus on enhancing India's economic engagements with the regional bloc emerging under the umbrella of Abraham Accords.

The new regional developments bode well for India in terms of its interests in regional security and stability, but more importantly offer an opportunity for New Delhi to enhance its diplomatic and economic engagements with the regional countries. Trade, business and investments should form the core of the Indian engagements without necessarily needing to take straightforward position on conflicting issues. There are immense economic opportunities that the region offers, especially in non-conventional sectors such as healthcare, tourism, education, sports and entertainment and greater diplomacy can pave the way for Indian industries, businesses and start-ups to partner with the regional businesses.

Undoubtedly, the key objectives of the new diplomatic initiatives in the Middle East are reducing regional tensions and giving impetus to intra-regional economic activities to overcome the challenges posed by the COVID-19, and this certainly offers a window of newer, more and bigger opportunities for India and its business community.

Views expressed are of the author and do not necessarily reflect the views of the Manohar

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