

Balancing Act: India's 'Look West' Policy in the Context of Saudi-Iran Rivalry

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Abstract

India's Look West policy was initiated by Manmohan Singh, but Narendra Modi successfully implemented it in 2014. To establish friendly relations with Middle Eastern countries of oil-rich nations. During the Cold War period, India and Arab countries did not have a good relationship because India was part of the non-aligned countries and another problem was the Kashmiri issue and Pakistan Arab countries were diversifying their economy and finding new opportunities and challenges which impacted their foreign policy India and west Asia had cultural roots and trade linkages from ancient times The main objective of India look West policy to improve cultivate a good relationship with GCC countries and Israel and Iran. Saudi Arabia and Iran both are strategic partners to India and advancing it interests in energy security, economic integration, and strategic partnership to avoid conflict between these two countries. by using this opportunity, India wants to leverage the economic interest and maintain their influence in this region .the presence of the Indian diaspora in Gulf countries particularly in Saudi Arabia adds complexity which impacts foreign policy decisions. The US sanctions on Iran and the growing influence of China in Iran and Saudi Arabia became a challenge to India to maintain their sphere of influence in this region, but also to improve diplomatic relationships with Gulf countries.

Keywords: Look West, Saudi Arabia, Iran, India, conflict, geopolitics, energy security.

Introduction

India 'Look West' policy is a strategic initiative launched by Manmohan Singh in 2004 but it was unsuccessful, when the BJP government came to power in 2014, Narendra Modi

successfully implemented the 'Look West' policy. the objective of the policy is to improve and cultivate good relationships with Gulf countries especially Saudi Arabia, Iran, and Israel. it aims to promote economic and cultural ties with Arab nations and enhance the trade and energy security of India India wanted to play a proactive role in the region because of more than 65% of oil and 70% of gas come from the gulf countries .and the presence of large Indian diaspora in the region which contributes significant remittances to the Indian economy ,and play crucial role in maintaining the stable forex reserves. this strategy to pursue its national interest and play a crucial role in maintaining regional stability and conflict resolution. key elements of the policy include strengthening ties with Arab Nations Israel and Iran and simultaneously maintaining strategic autonomy and balancing relationships between the countries,energy security, and protecting the interest of Indian diaspora present in the gulf countries. this approach allows India to make a credible partner while handling and managing the disputes without escalating the conflict further.by fostering relationships with Iran and Saudi Arabia is enhanced to enhance the strategic presence in the region to delicate the balance of power. the presence of China will reduce the opportunities to India.In March 2023 China brokered a peace agreement segment between Iran and Saudi Arabia and make a significant turn on geopolitics in the Middle East.

Balancing India's 'Look West' Policy

India's look West policy emphasizes and prioritizes the strengthening of diplomatic and economic relations with Gulf countries especially Saudi Arabia and iran, both are major powers in the Middle East there is continuous hostilities between these two Nations to compete the sphere of influence India should maintain a delicate balance with both fractions.

The rivalry between these two fractions for mainly been influenced by sectarian divides since ancient times, Iran is a Shia majority country, whereas Saudi is Sunni majority country. the rivalry spread across the Middle East and manifested proxy wars in the Middle East it will led to geopolitical shifts in Saudi Arabia backed by USA and Iran backed by Russia. Iran is facing isolation after the Islamic revolution in 1979 The intensification of conflict had a significant impact on India energy security, threaten the safety of Indian diaspora present in the region

Implications on India for its energy security

secure oil and gas supplies

The Middle East and countries especially the GCC block play a vital role in India's energy security this region accounts for more than 65% of India's crude oil imports and nearly 70% of gas imports. Iran, Iraq, Saudi Arabia are the top exports of the Indian energy needs.

Diversification of energy sources

Due to continuous involvement in the conflicts, India is diversifying its energy imports from the Gulf region due to geopolitical instability and tensions. further escalation of disputes, it will disrupt the oil supplies.

Long-term energy goals

recently Qatar and India signed a long-term contract deal of purchasing 7.5 mm tonnes of LNG annually for 20 years. Qatar Energy and India Petronet LNG had signed a contract agreement from 2028 to 2048.

Investment in energy infrastructure

the investment policy set a new framework and provided security to investors and it attracted high FDI from Gulf nations especially Saudi Arabia and Dubai both are going to invest 100 billion and 75 billion respectively.

Energy affordability

nowadays energy plays a crucial role in our daily lives. the government aims to secure enough affordable energy supply according to the needs of people which is essential for the economic growth of the country. during corona time the impact of Russia Ukraine War, Russia exported oil to India at a discounted price which impacted it relations with traditional oil suppliers.

Strategic petroleum reserves

The West Asian countries are the largest exporters of India's energy needs. it will help India to maintain a strategic petroleum reserves in times of war, to prevent the disruption of oil facilities.

Challenges Faced by India and Iran

The challenges faced by India and Iran over Chabahar port, India has faced so many difficulties while implementing the Chabahar port agreement by Iran. The United States imposed sanctions on Iran with regarding to nuclear program on the agreement signed for 10 years with the US State Department, India also wants to maintain its strategic interests with both the USA and Iran. There are internal ongoing resistance movements in Baloch majority reasons of Iran and Pakistan and raising the concern of safety and security of the project. India promised to pay dollar 85 million of funds to the Shahid Beheshti terminal but the amount was not disbursed. India has not delivered some of its commitment building of Zahedan railway line the technical support provided by Ircon International Limited. China also growing presence in this region and developing the Gwadar port in Pakistan which is 200 km away from the Chabahar port. INSTC corridor passes through Iran and Afghanistan to connect Central Asia. In August 2021 the USA withdrew from Afghanistan, The Taliban takeover altered regional dynamics and created a strategic dilemma of the Chabahar port Iran also faces so many problems in the country regarding social and political upheavals that led to delays in the further development of the project. some experts said that lack of sustained interest from India to develop Chabahar port compared to China involvement in Gwadar port.

Iran and Saudi Arabia conflict

The conflict between Saudi Arabia and Iran is deeply rooted since ancient times Both are superpowers in the Middle East, so many factors are involved in the proxy conflicts. it mainly comes from sectarian divides; Iran is a Shia-dominated country whereas Saudi Arabia is a Sunni-dominated country.

Historical and Religious foundations

The main bone of contention for the conflict is the 1979 Islamic Revolution in Iran, a new regime change in the region . Iran became a theocratic state ,where as Saudi is a constitutional monarchy. the revolution challenged the supremacy across different Muslim countries in the middle east. The new religious fundamentalism give further escalation of tensions between Iran and Saudi Arabia it pose new question to Muslim world who was the supreme leader of arab

nations. Saudi Arabia declared itself protector of Sunni Muslims. Iran is the champion of Shia-dominated Muslims .

Geopolitical Rivalry

soon after the Islamic revolution, Iran-Iraq War of 1980-1988 takes place. Saudi Arabia extend its support to Iraq , after the Gulf War 2 Saddam was captured there was a power vacuum created across these regions. In 2003 USA intervention of Iraq added a new dimension to the conflict iran started supporting the Shia regimes across the Middle east countries. Saudi Arabia in order to counter Iranian influence, they supported Sunni-based non-state actors in the region. the rivalry started many proxy conflicts. Iran supported the Bashar al Assad regime in Syria, Houthi rebels in Yemen, Hamas in Gaza, and Hezbollah in Lebanon whereas the Saudi-led coalition formed alliance against Houthi rebels and provide resistance to the Bashar al Assad regime in Syria .

Economic and political dimensions

oil and gas is the major source of revenue for both the countries .Saudi Arabia maintain good relations with the USA. while usa imposed sanctions on iran in 2018 ,it was internally isolated from the rest of the world Houthis are attacking major Saudi oil fields which are proxies of Iran. Saudi is forming alliances with Western powers and Middle Eastern countries to counter the Iranian dominance in the region.

Diplomatic manoeuvre

After decades of hostility and tensions ,China brokered a peace agreement between Iran and Saudi Arabia in 2023 that reduces the military concentration with Iran it will lead to long last impact on the economy .tensions should not escalate further and short to mitigate and maintain a good relationship Western Nations and established good relations with gulf countries the conflict between these countries driven by sectarian divides, religious differences both are unsolved till today both are trying to exert their influence across the gulf states through their proxies and strategic alliances. if the rivalry continues like this much impact on Indian energy security it will lead to the disruption of oil services across the world.

Consequences for India of Iran Saudi Arabian Conflict

Oil price surges

India imports 65% of oil from west Asian countries Saudi and Iran one of the largest suppliers particularly both countries lie in the energy routes of the world straight of Hormuz and Red Sea. Conflicts in the region block navigation routes of the world which will lead to disruption of oil supply and automatically lead to inflation and unemployment. Higher oil prices will increase the manufacturing cost and transportation that would impact every business industry in India and it will reduce the forex reserves of the country .

Trade disruptions

Middle East countries are the exporters of oil but the importers of large scale essential commodities like textile and machinery. India could face significant trade losses and manufacturing sector in India would face significant trade loss due to conflict driven middle east countries because of disturbing the shipping lanes or export decline it will create long-lasting impact on Indian manufacturing industry.

Impact on remittances

Due to the presence of large diaspora present in the Gulf, it would significantly contribute to remittances. There might be a burden to India displacing millions of people from these countries in times of war and conflict. It will create implications on employment and livelihood opportunities of people, remittance also reduced. The forex reserves of the country will be depleted.

Stock market volatility

Instability in the Gulf would create long long-lasting impact on global financial markets rising tensions will lead to investors take their investment back reduce the equity leading to stock market declines, foreign portfolio investments could decrease because investors think that, India is not good for safe haven.

Strategic and Geopolitical Implications

the conflict in the Middle East will have simply have significant implications on India stable energy supplies become more difficult and it is very hard to see alternative routes for energy imports India should try to delicate the balance of power ,improve diplomatic communication and maintain friendship with both the nations without affecting its National interest

Strategic Balancing

India got independence in 1947 ,at that time the world was divided into two blocks and eastern block and the western block. In 1961 India formed another block that is a non-alignment block without affecting the interest of the two blocks .Indian foreign policy shaped by so many factors like non-alignment, and energy security.the presence of large Indian diaspora and remittances from gulf. India should avoid the conflict and it can be resolved through diplomacy and negotiation

Challenges faced by India and Saudi Arabia

Energy security

India is the third largest importer of oil after the United States and China Both countries were maintain cordial relationship independence. Saudi Arabia is the largest exporter of oil with more than 260 billion barrels, 40 percent of world oil reserves. Both countries signed agreements on cooperation in the energy sector in the field of renewable energy, petroleum, natural gas and strategic petroleum reserves.

geopolitical alliance

India and Saudi Arabia are good partners of the USA. In the 2023 G20 summit India, Saudi Arabia, and six other countries signed an agreement to build an India-Middle East-Europe Economic Corridor (IMEC) to counter the influence of the China Belt and Road initiative,it is rail raod and shipping to rail network, road transportation network passes through the middle East countries

Pakistan factor

Saudi Arabia and Pakistan have maintained a close relationship from since its independence. the relation between these two countries poses a significant challenge India over cross-border terrorism and the Jammu Kashmir issue. Saudi Arabia gave financial aid to Pakistan and supported in an international platform with regard to Kashmiri issue.it became a very bone of contention between the two countries.

Economic dependencies and fluctuation.

both country's economies depending of oil imports if any instability occurs in these region will lead to fluctuation of oil prices it will create it trade imbalance and create economic instability in both the countries.

labor policy and diaspora concerns

2.5 million people of the Indian diaspora reside in Saudi Arabia. The introduction of the 'Nitagat Program, the new policy that gives jobs to Saudi Nationals, will impact the large number of Indians in the kingdom, leading to unemployment and job insecurity among Indian diaspora. The family tax introduced by Saudi Arabia will become a financial burden to Indian families.

Cross-border terrorism

both nations are victims of the cross-border terrorism the Houthi rebels supported by Iran attacked the oil fields of Saudi Arabia and targeted the oil containers. whereas India Pakistan-based terror groups kill Indian soldiers in Jammu and Kashmir.

Conclusion

India's Look West policy is a strategic initiative to build a balancing act and relations with major powers in the Middle East and advance its interests through the delicate balance of power without any conflict of interest to alter the changes in the geopolitics of West Asia. India should play a proactive role in reducing the tension between Iran and Saudi Arabia and maintaining its neutral stance without affecting the national interest and diplomatic relations both the nations.this will play crucial role in maintaining energy security. the neutral stance make India

a credible partner to pursue its economic interests and strategic partnerships with the two Nations and act as a stabilizing force and maintain good relationships with other countries also such as Oman, Dubai, Israel and Qatar. The objective of Look West policy to diversify energy sources and strengthen strategic partnership and reduce the dependency on oil supply, friendship based on mutual trust like energy security, anti-terrorism, counter-terrorism and economic cooperation.

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