

# Arab Spring

Reflections on Political Changes in the  
Arab World and its Future

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## Persian Gulf and the Arab Spring: Implications for India

Monish Tourangbam

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Long time dictators have been falling like dominoes in the Arab World, starting from Tunisia to Egypt, to Libya where erstwhile strongman Gaddafi fell to rebel forces, the latter supported by heavy NATO firepower, and to Yemen where Ali Abdullah Saleh resigned lately. The Arab Spring has outlived succeeding seasons and continues to rattle the regional balance with international repercussions, with the spotlight now on Syria, where Assad's regime hangs on amidst widespread condemnation. Winds of change is sweeping through the Arab streets, challenging the long-held status quo, and the advent of new technologies and the speed with which information are shared through social networking sites have been a potent tool for the protestors.

West Asian and North African countries hold approximately 61 percent of oil reserves and 45 percent of natural gas reserves. The region's exports account for roughly 40 percent of oil and 20 percent of natural gas traded internationally. [1] As such, unrest in these countries and potential conflicts in the horizon are major issues of concern to energy importers around the world, of which India is one. Though, Arab states in the Persian Gulf have not faced the magnitude of upheaval, till now, seen in other more volatile states of West Asia and North Africa, the burning tensions there assume equal or even more importance practically for Indian foreign policy. Arab states in the Persian Gulf hosts a large number of Indian expatriates working there, and who

have become a major source of the huge influx of remittances to India every year.

In the event of any major upheaval, India has to brace itself for one of the biggest evacuation programmes for Indians there (a glimpse of which was seen in the case of Libya as well and during the Gulf Crisis in the early 1990s). Moreover, this oil-rich region is the main energy exporter to India and hence any major disturbance to the fragile situation there will have unsettling repercussions for India. The Persian Gulf presents more geopolitical challenges as the perennial Shia-Sunni divide threatens to intensify. Allegations of Iran's interferences in Bahrain, a Shia majority country ruled by a Sunni minority (where Saudi Arabia sent troops to quell protests) is testament to this tension that might become hot anytime and will then change the whole dynamics of the region, with major international implications.

This paper is an attempt to understand the trajectory of the Arab Spring in the Persian Gulf, in the context of the existing regional balance of power and identity-based tensions in the region; and to assess India's vital interests in the region. The turmoil in other countries of the West Asian and North African region have been a major eye opener to the kind of geopolitical challenges that India will face in the Persian Gulf, if and when the events turn out of hand.

### Persian Gulf and the Arab Spring

In December 2003, Al Jazeera talk show host Faisal al-Qassem opened a programme, asking, "Why does every nation on Earth move to change their conditions except for us? Why do we always submit to the batons of the rulers and their repression? How long will Arabs wait for foreign saviours?" [2] Well, it seems his question has been partly answered with the Arab movements, although it is too early to predict the sustainability of the monumental changes that the region has seen in this past one year.

The common language of Arabic has accentuated the

emotional chords across the Arab states of the region, and has played a big factor in the protests spreading in the region. The paper essentially looks at developments in the politics of revolution in the Arab States of the Persian Gulf, which are also incidentally members of the Gulf Cooperation Council (GCC), which again are monarchies, viz. Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates (UAE) and Oman. So, the narrative has been that of popular participation vs. dynastic rule. The movement in large part seems targeted against any form of guardianship, whether male as seen by women or whether by a strong ruler or monarch as seen by the people, and that rights are not privileges but basic and fundamental to human lives.

The preservation of human dignity has been seen as a prominent argument for the protestors, starting with the self-immolation of the Tunisian street vendor Mohamed Bouazizi against the confiscation of his wares and the reported harassment and humiliation meted to him by officials. There is no denying that people took the streets generally for the same reasons, namely rampant corruption, cronyism, high unemployment, lack of justice and transparency and a sense of relative deprivation, accentuated through greater exposure. A young population fed with web-based instant information and opinion has been a potent tool for the current uprising in many parts of the Arab world.

The monarchies of the Arab States of the Persian Gulf have largely been able to stem unrest in their countries, except that of Bahrain where the Al Khalifa rulers, belonging to the Sunni sect have been grappling with means to tackle the uprising. Given the Shia majority in this country, the protests and the standoff with the government have largely taken a sectarian face, which has complicated matters further. Moreover, the Sunni-Shia tension in the region, represented at the strategic level by the Saudi-Iranian rivalry, is most clearly reflected in tensions enveloping the island kingdom of Bahrain.

Protests against the ruling governments have not gone passed other kingdoms in the region, but the tensions in these places have not yet gone over the brim, although given the volatility of politics in the region post the Arab spring, no one will dare predict the future course of events. The events in the past year have been redrawing the political map of the region, also impacting the sectarian tensions in the region, most clearly amplified by the tussle of regional supremacy between a Sunni-Saudi Arabia and a Shia-Iran. The deficit of oil can only be replaced only by oil, at least in the foreseeable future, thus increasing global implications of the crisis in this oil-rich region and also giving a premium to the Iranian threats to close the Strait of Hormuz, as a result of the continuing sanctions from the West.

#### Arab Spring versus Gulf Monarchies

Excepting Bahrain, protestors in other Gulf monarchies have not rattled rulers to the extent to which they become fearful of losing their hereditary powers. The awakening that has already overthrown four long time dictators and threatens to dethrone another one in Syria, definitely has had its impact on all the rulers of these states, forcing them to listen to the public rant, or whispers of discontentment if for no other reason, to offer ad-hoc concessions and monetary hand-outs to calm down any simmering signs of tension. Even Qatar, which has not seen protests or petitions as in some other neighbouring states, sought to pre-empt rather than wait for a bottom-up demand, by announcing it would hold elections for its legislative authority—the Shura Council—in 2013. Qatar has been largely successful in putting itself ahead in the regional scheme of things, seeking to adopt an independent and pragmatic foreign policy, engaging countries like the United States and Iran simultaneously, and taking the initiative to support pro-democracy movements in the region. *Al Jazeera*—the Doha-based voice of the Arab revolutions—has risen in stature, so too have its Qatari sponsors. Qatar's GDP

per capita, which is the highest in the world, has also helped to a large extent in putting off the anti-monarchy movements there. [3]

Protests also broke out in Oman, but the protestors in that country have not risen to the point of threatening to dethrone the monarch. In fact, it is reported that most of the protests while calling for changes, pointed out that they did not want their monarch to go. The protests in Sohar, 200 km northwest of Muscat, prompted Oman's leader, Sultan Qaboos bin Said, to introduce swift appeasing measures—giving orders for the provision of 50,000 jobs and unemployment benefits worth nearly US\$ 400 a month; to establish a committee to examine bestowing some legislative powers on the 84-member Shura council, an elected body which currently acts in a purely advisory capacity, to boost social benefits for students and to create a consumer protection bureau, and look into opening cooperatives. A protestor taking part in a sit-in in Muscat, said: "Omanis are calling for [the government to] combat corruption and fight the rising cost of living, in addition to many other issues, [such as] raising salaries and [greater] media freedoms". Sultan Qaboos, who has ruled Oman for the past 40 years, had tried to ease tensions by reshuffling his cabinet after a small protest in the capital Muscat. Oman also reportedly raised minimum wages for an estimated 150,000 private sector employees to US\$ 520 from US\$ 364 a month. [4]

Kuwait also announced parliamentary elections to be held in early February 2012, the fourth poll in under six years for the Gulf state seeking political stability. The move came only days after Emir Sheikh Sabah al-Ahmad Al-Sabah swore in a new cabinet with only minor changes to the government that resigned in November 2011 over allegations of corruption. The government has reportedly agreed to allow Kuwait Transparency Society to monitor the elections and also decided to establish hotlines in various areas for people to report violations. It is the first time that Kuwait, which introduced parliamentary elections in 1962, will allow anybody to monitor

the elections which are supervised and managed entirely by the ministries of interior and justice. [5] Wealth in the Gulf monarchies, and many of them being major business designations, have largely been instrumental in keeping off the Arab Spring from sweeping with all its force in these countries, and United Arab Emirates has been no exception.

Quite early, reports predicted that large scale protests were quite unlikely in UAE, a small state with huge oil reserves. It has one of the highest per capita incomes in the world and a huge trade surplus. Notwithstanding their overseas investments, the domestic spending of some of these states, including UAE might be instrumental in keeping off large scale protests. Sheik Mohammed bin Zayed al-Nahyan, crown prince of Abu Dhabi, toured the country early 2011 and held talks with residents in various places to determine its needs; and ordered a US\$ 1.5 billion investment in electricity and water projects in the northern emirates. The government also decided to cut food prices, according to experts, to pre-empt any dissent that may develop in the northern regions of the UAE, such as Ras Al Khaimah and Sharjah, which are home to about 40 percent of the country's population.

The high standard of living among the workers compared to Tunisia, Yemen and Egypt might also be a factor in the calm. Nationals enjoy many advantages and profit from social security and housing benefits. Unemployment is high, but it is a matter of choice, according to an expert who said, "Quite a few Emiratis are unwilling to perform certain jobs in the private sector. They generally come from families that can provide them with a safety net, so they choose to turn to entrepreneurship in the form of business sponsoring". [6]

Saudi Arabia, which at present, is being dubbed the leader of the "counter-revolution" has seen its own share of protests, with fears and concerns, mainly being raised by movements and clashes with security personnel at the eastern region of the country, home to a large Shia-minority, and also home to its oil industry. The Shia community accounts for somewhere

between 10 to 15 percent of the total population. They complain of marginalization in the Sunni-dominated kingdom. Demonstrations have been held in the eastern region to call for the "release of political detainees, reform and an end to sectarian discrimination".

Saudi Arabia accused those detained of serving the agenda of a foreign power, usually a reference to Iran, thus underlining the larger strategic tussle playing out in the country based on Sunni-Shia divide and Arab-Persian tensions. [7] Taking inspiration from the movements in Tunisia and Egypt, women activism has raised its head in Saudi Arabia, demanding equal treatment and greater say in electoral politics through the "Baladi" or "My Country" campaign. Activists among Saudi Arabia's women, who can't drive or vote and need male approval to work and travel, started turning to online organizing. [8] Saudi royal adopted a ban on public demonstrations and acts of civil disobedience. On March 11, 2011—the so-called Day of Rage on a Facebook page—the Saudi rulers deployed massive numbers of security forces in the streets. They also played the Shia card, arguing that public protests throughout the region were being orchestrated by Shia Iran, and were anti-Sunni and sectarian. [9]

As Saudi authorities feared the unrest, Saudi Arabia's King Abdullah announced unprecedented economic benefits worth tens of billions of dollars, on housing facilities and medical facilities, employee benefits and student benefits. The unemployed were to be given monthly payments of around US\$ 260. But, at the same breadth, King Abdullah also warned that security forces will "hit" whoever undermines the kingdom's security and stability, in a speech aired on state-run television. He thanked residents and security forces for being "the hands" of the country's stability. [10] According to Tim Niblock, professor of Gulf Studies at the University of Exeter, Britain, the regimes in the Gulf countries face no immediate threat though they will continue to feel the effect of the Arab Spring. [11]

But, conditions in the island kingdom of Bahrain, although not growing to the level of uncertainty seen in other more volatile states, mirror all things that is feared from a strategically more potent force of the Sunni-Shia divide, with Saudi Arabia and Iran standing on opposite sides as custodians of Islamic power, impacting upon regional dynamics, almost forcing countries that have stakes in the region to take sides. This is of particular importance to a country like India that has maintained pragmatic working relationships with both Iran and Saudi Arabia. The tiny island kingdom produces little oil but is of vital strategic importance in the Persian Gulf, a seaaway that carries 18 percent of the world's oil. [12] The threats that Iran has faced over the years and continues to face from the United States and others regarding its suspicious nuclear programme and Iranian threats of reprisal make things all the more complicated.

There are disturbing accounts from major human rights organizations about abuses in Bahrain and the systematic state violence that has been unleashed on the opposition movement against the monarchy of the Al Khalifa family. While Cairo's Tahrir Square has become a symbol of the Arab Spring, Bahrain's Pearl Roundabout, by contrast, has ceased to even exist. The government brought in bulldozers to demolish it. There have been reports of large scale arrests and torture to clamp down on the protesters in the country. The Sunni-led government and private employers reportedly fired thousands of workers, nearly all of them Shiite Muslims. In Bahrain, the government and its media allies have been accused of stoking sectarian conflict, stirring fears among the country's Sunni elite of an Iranian-controlled Shiite takeover.

The demographic realities of the country, where a Sunni minority rules over about 70 percent Shias has become all the more stark with the current round of protests and repressions by the monarchy, with assistance from its other Gulf neighbouring monarchies. There were reports of medics being tortured in custody, with military courts sentencing some to 15

years in prison. An investigation by an international panel of jurists verified the accounts of torture and indiscriminate arrests. Organizers of the uprising said that they may be Shiite but that they are committed to pluralism, secular rule and even the ruling family—if it grants the people a bigger voice. [13]

But, the strategic plot involving Bahrain has the potential to escalate tensions within the region that might have deep-felt repercussions for actors beyond the region. For one, the United States has been accused of resorting to acute selectivity as it provided only a guarded rebuke on the Bahrain's monarchy decision to call in Saudi troops to quell protests. Washington urged Bahrain (home to the US Navy's Fifth Fleet) to use restraint and repeated the call to other Gulf nations but said it did not consider the entry into Bahrain of Saudi security forces an invasion. And, the United States' ties with its ally in the region and a strategic bulwark against Shiite Iran, Saudi Arabia need no further elaboration. Towards the end of 2011, Obama administration announced an arms deal with Saudi Arabia valued at nearly US\$ 30 billion, an agreement that will send 84 F-15 fighter jets and assorted weaponry to the kingdom. [14]

#### **Sunni-Shia Divide: Race for Regional Dominance**

The involvement of Saudi Arabia has taken the events in Bahrain (connected by a 16-mile causeway to Saudi Arabia's oil-rich eastern province) to a different level with deep ramifications for the strategic contest in the region between a Sunni-Saudi Arabia and Shiite-Iran. Saudi Arabia sees the uprisings as an unprecedented threat to regional security and sought unity among the GCC monarchies. The GCC put together a \$20 billion (Dh73.4billion) aid package for Oman and Bahrain. In March 2011, the GCC's Peninsula Shield Force, with troops from Saudi Arabia and police from the UAE, entered Bahrain to help quell the protests there. Saudi Arabia and the UAE have repeatedly accused Iran of fomenting instability in the region, particularly in Bahrain,

which has a majority Shiite population. A statement issued by GCC foreign ministers had charged Iran with meddling and "violating the sovereignty" of member states. [15]

The fear of a possible Iranian encroachment taking advantage of the Arab awakening drove the Gulf States, towards adopting the Saudi King's recommendation to move the GCC toward "unity". Expressing their fears of "attempts by foreign entities trying to export their internal crises through the effects of discord and division, and inciting sectarianism", they outlined a strategy "to fortify the home front" to counter these attempts through their "determination to achieve the highest degree of economic integration and development of defence cooperation and security". [16] The Al-Saud monarchy in Saudi Arabia, for pragmatic reasons, is highly concerned of the situation in Bahrain. Besides the perceived Iranian shadow hanging over the Shia population in the country, the Saudis fear that the Al Khalifa family losing their grip on the power, might trigger a domino effect in the region, thus impacting the fate of the Gulf monarchies.

Demonstrations in Bahrain as well as in parts of Saudi Arabia have made it amply clear that people desire political power to be shared, and that normal people should have proper say in the management of the resources of the country, rather than the fate of the country being decided by a single family. Although, Iran, due to strategic reasons, has been blamed for the unrests in Bahrain and parts of Saudi Arabia, commentators argued that Iran did not have a direct role in the protests, despite Iran having a vested interest in what is happening in Bahrain, and having a degree of cultural and political influence throughout the wider Persian Gulf area. The contention is that the protests are "primarily about government accountability, social justice and human rights" and that the demands cut across "religious, ethnic, tribal and class lines".

The Al Khalifa ruling family in Bahrain has been blamed for playing the sectarian card "in order to divert attention away from the demands of the people by blaming Iran for the

uprising". [17] Reflecting on the Saudi's approach to the Arab Spring in the neighbourhood and their major concerns, former CIA official and a prominent analyst Bruce Riedel observed: "One of the last absolute monarchies, the Saudi family seems to represent all that the Arab Spring is fighting against: closed societies with unequal distribution; repressed minorities living within manufactured boundaries; strong Islamist sympathies across its lands; a latent Sunni-Shia power struggle embedded in the country's fabric-not to mention a string of surrounding states struggling to stave off revolutions that could easily have a contagion effect". [18]

Riedel contended that "Riyadh has become the de facto leader of the counterrevolution" in West Asia, which is "shoring up its borders and tampering down neighbouring unrest". Riyadh has created an alliance to "quell any revolutionary movement" in six monarchies belonging to the GCC. [19] Frederick Wehrey of the *Rand Corporation*, giving a slightly different opinion on the same issue, argued that, "The Saudi and Iranian approaches to the Arab uprisings cannot broadly be labeled revolutionary or counter-revolutionary; instead realpolitik considerations carry the day. Thus, both states buttress friendly regimes that face protest movements but they also find themselves in uncomfortable position of fanning opposition when it threatens their adversaries". [20]

To prove his point, Wherrey added, "In Bahrain, Iran is on the side of political change as a path to Shiite empowerment and a blow to its Saudi rival, while in Syria, Tehran stands firmly against change. In Riyadh's case, the reverse is true. Saudi Arabia sent troops to Bahrain to quash the revolt there, but in Syria it has called for the fall of Bashar al-Assad's regime". [21] Adding fuel to fire, the US government recently charged Mansoor Arbabstiar, a dual U.S.-Iranian citizen, and Gholam Shakuri, an alleged member of the Iranian Quds Force (a division of the Revolutionary Guards), with conspiracy to assassinate the Saudi Arabian ambassador to the United States,



Adel Al-Jubeir, and to attack both the Saudi and Israeli embassies in Washington, D.C.

The nature of Iranian government involvement remained to be seen, but the indictment added another chapter to the long-held cold confrontation between Saudi Arabia and Iran. Iran and Saudi Arabia have long been at loggerheads with each other, competing as major exporters of energy and as leaders of their competing versions of the Islamic faith, more specifically since the Islamic Revolution of 1979. While Saudi Arabia remained an ally of the United States; Iran became a relentless foe. The 2003 US intervention in Iraq that empowered the Shiites there, at the cost of the Saddam-led Sunni regime has only intensified the rivalry between Saudi Arabia and Iran. [22] And, in the wake of US withdrawal from Iraq, and increasing sectarian tensions in the country, a potential return to a civil-war like situation, looms large over Iraq.

Moreover, the continuing escalation of tensions between the United States and Iran over the latter's nuclear programme, might negatively impact the downward spiral seen in Saudi-Iranian rivalry in the region, in the wake of the Arab Spring. As a response, to western sanctions against Iranian financial activities, Iran announced a nuclear fuel breakthrough, carried out naval exercises and test-fired a new radar-evading medium-range missile in the Persian Gulf. Iran threatened to close the Strait of Hormuz, a narrow gulf shipping lane through which 40 percent of world oil flows, if sanctions hit its oil exports. The United States and Israel say they have not ruled out military action against Iran if diplomacy fails to resolve the dispute over its nuclear program. Western analysts say that Iran sometimes exaggerates its nuclear advances to try to gain leverage in its standoff with the West. [23]

#### Persian Gulf and India's Interests

The statistics of India's engagement with the Gulf countries speak much louder than thousand words of rhetoric. India's

economic liberalization and its sustained growth provides a major energy market for the oil and gas rich countries of the Gulf and the economic investments in the GCC countries provide a fertile ground for a huge number of Indian expatriate workers to earn for themselves and their family back home. According to defence studies expert Harsh V. Pant, "India wants to secure energy supplies and consolidate economic and trade relations" with members of the GCC while these states have adopted a "Look East" policy allowing them "to carve out a much more substantive relationship with India than in the past". [24]

India's energy demand continues to rise despite a slowing global economy. According to the International Energy Agency (IEA), hydrocarbons account for the majority of India's energy use. The country consumed 3.2 million barrels per day (bbl/d) in 2010. The combination of rising oil consumption and relatively flat production has left India increasingly dependent on imports to meet its petroleum demand.

In 2010, India was the world's fifth largest net importer of oil, importing more than 2.2 million bbl/d, or about 70 percent of consumption. A majority of India's crude oil imports come from West Asia, with Saudi Arabia and Iran supplying the largest shares. Iranian oil's share of Indian imports has decreased in recent years, largely due to issues with processing payments. As of 2010, Saudi Arabia accounted for about 18 percent, Iran for about 11 percent, with other West Asian countries together accounting for another 34 percent of India's oil imports. In 2010, India consumed roughly 2.3 trillion cubic feet (Tcf) of natural gas. Natural gas demand is expected to grow considerably, largely driven by demand in the power sector. Despite the steady increase in India's natural gas production, demand has outstripped supply and the country has been a net importer of natural gas since 2004. India's net imports reached an estimated 429 billion cubic feet (Bcf) in 2010. [25]

#### Economic Linkages

Saudi Arabia is the 4th largest trading partner for India.

The value of the two-way trade between the two countries in 2010-11 exceeded US\$ 25 billion. Saudi Arabia is the largest supplier of crude oil to India. It provides around a quarter of India's crude imports. 2.0 million Indians are at present working in Saudi Arabia; over 70 percent in the blue-collar category. According to Saudi Arabian General Investment Authority (SAGIA), as of 31.12.2009 it has issued 357 licenses to Indian companies for joint ventures/100 percent owned entities, which are expected to bring total investment of US\$ 1619.66 million in Saudi Arabia, covering diverse sectors including management and consultancy services, construction projects, telecommunications, information technology, pharmaceuticals, etc.

Moreover, several Indian companies have established collaborations with Saudi companies and are working in the Kingdom in the areas of designing, consultancy, financial services and software development. [26]

United Arab Emirates (UAE) is home to more than 1.75 million Indian expatriate community, making it the largest expatriate community in the UAE. 15-20 percent of the community is made up of professionally qualified personnel, 20 percent belong to the white collar non-professionals (clerical staff, shop assistants, sales men, accountants, etc.) and rest (about 65 percent) belongs to the blue-collar workers. There is also a significant business community from India. India-UAE trade was valued at US\$ 43.4 billion in 2009-2010 and was projected to exceed US\$ 50 billion during 2010-2011. UAE was the fifth largest import source of crude oil for India in 2009-10 with an import of 11.60 mmt crude oil. Total FDI from UAE to India is estimated to be US\$ 1.8 billion making it the tenth biggest investor in India in terms of FDI. Several prominent private and public sector Indian companies and banks are also operating in the UAE. [27]

India's bilateral trade with Qatar increased from US\$ 1.2 billion in 2005 to US\$ 3.7 billion in 2009. India is the fourth largest export market for Qatar after Japan, South Korea and

Singapore. India has signed an agreement to purchase 7.5 million tonnes of LNG every year from Qatar for a period of 25 years. Negotiations have continued for about a year now for additional quantities (India's demand now stands revised to 15 million tonnes). A large number of Indian companies such as L&T, Dodsai, Punj Lloyd, Voltas, Simplex, Wipro, Apteck, Satyam Mahendra, NIT etc. have set up offices in Qatar and have secured major contracts/business. The Indian community is estimated to be in the range of 500,000. Indian professionals constitute an important component. Major Indian IT firms have been engaged in high profile projects in Qatar. Qatar is proposing to set up a smart city and is looking at Indian companies for possible collaboration. [28]

According to April 2009-March 2010 estimates, India-Bahrain non-oil bilateral trade stands at US\$ 753.07 millions. The number of Indian expatriates in Bahrain is now estimated at under 400,000 out of a total of 1.3 million residents in Bahrain, constituting more than one third of Bahrain's population. Bahrain has expressed interest in the Indian manpower expertise in the oil and gas sector and India is keen in on substantially increasing its US\$ 518 million (BD196m) crude and other oil products' imports from Bahrain and discussions have been held regarding cooperation between Bahrain's National Oil and Gas Authority and India's Oil Ministry. [29]

India-Kuwait trade was US\$ 9.03 billion in 2009-2010, of which non-oil trade accounted for approximately US\$ 1.1 billion while petroleum exports from Kuwait to India were approximately US\$ 7.9 billion. Kuwait is the largest supplier of crude oil to India from the Gulf region after Saudi Arabia. [30] According to the Kuwaiti Ministry of Interior, there are approximately 640,000 Indians, who constitute the largest expatriate community in Kuwait. A large proportion of the Indian expatriates are unskilled and semi-skilled workers. Professionals like engineers, doctors, chartered accountants, scientists, software experts, management consultants, architects, skilled workers like

technicians and nurses; semi-skilled workers; retail traders and businessmen are also present in the Indian community. [31]

In year 2010, India ranked 2nd as the destination of Omani non-oil exports after UAE and 3rd as the top destination of Omani crude oil exports. There are around 140 Indian companies in Oman, not yet listed on Muscat Securities Market (MSM). Regarding foreign direct investment in Oman from India, as of July 2010, there were around 1527 Indian-Omani Joint Ventures, covering almost 13 socio-economic sectors with a total investment of US\$ 7.53 billion in which Indian participation was estimated around US\$ 4.52 billion. In 2009-2010, bilateral trade jumped to US\$ 4.5 billion from almost US\$ 2 billion in 2008-09. There are 573,000 legally registered Indian workers in Oman. It is estimated that some 2,000 Indian doctors work in Oman in Government hospitals and in clinics in the private sector and some 30 Indian academics work in the Sultan Qaboos University. There is prominent Indian presence in various sectors like oil and gas, mining, manufacturing, IT and telecom, power and water, construction, real estate and consultancy, healthcare, warehousing and logistics, railway sector and steel etc. [32]

India is seeking additional volumes of oil and natural gas from the Gulf suppliers, Saudi Arabia is planning to increase its supply of crude oil to major Indian refineries and these demand for supplies may increase all the more if the sanctions against Iran become more stringent, curbing the ability of other countries' commercial activities with Iran. [33] Moreover, Gulf hydrocarbon producers will likely remain heavily reliant on expatriate labour given the relatively high growth in their economies and the shortage of skilled manpower in their native population, according to experts. [34] And despite the political turmoil in the Arab world, the talks for a free trade agreement (FTA) between India and the GCC seemed to be still on track. India and GCC signed a Framework Agreement for enhancing and developing economic cooperation between the two sides in August 2004. Two rounds of talks for

finalizing aspects like tariff rules, rules of origin etc. have been held and further rounds are awaiting finalization of GCC stance on the issue. [35]

#### Major Source of Remittance

Migrant remittances have come to occupy a prominent place of importance in a nation's balance of payments, especially for developing countries like India, more so with the liberalization of the Indian economy. Overseas Indians have come to put a lot of faith in the Indian economy, given the phenomenal growth that India has experienced and the fact that India has stood its ground during the global financial crisis has sustained this faith. Add to this increasing incentives and tax exemptions coupled with liberalized foreign exchange controls. [36] India is the largest recipient country in terms of both global and GCC remittances, accounting for roughly 50 per cent of money transferred from the Gulf according to sources. According to Sudhir Kumar Shetty, the Chief Operating Officer of the UAE Exchange Centre, the sum remitted during 2010 was estimated to be between \$25 billion to US\$ 30 billion. According to the World Bank's Migration and Remittances Factbook 2011, India continued to be the largest recipient of remittances in 2010, with remittances rising from US\$ 49.6 billion in 2009 to US\$ 55 billion in 2010. [37] Moreover, the World Bank Factbook 2011 says that remittances flow has remained more resilient compared with private debt and equity flows and foreign direct investment during the global financial crisis. [38]

Reflecting Indian concerns regarding the safety and security of Indian expatriates in the Gulf States, Prime Minister Manmohan Singh addressing the 10th Pravasi Bharatiya Divas at Jaipur early 2012, said, "We are acutely conscious of the safety and security of Indians living abroad, particularly in regions characterized by instability. There are over six million Indians living in the Gulf and West Asia. We need to be alert to the unfolding developments in this part of

the world. We have conveyed to the countries of the region that we have a stake in the peace and stability of this region, and that we expect that they would appropriately look after the interests of Indian communities in their countries". [39]

According to the Indian PM, following the upheaval in Libya, evacuations plans were carried out under the Operation Safe Homecoming to evacuate more than 16,000 people from the strife torn areas through special flights, passenger and naval vessels. Similar evacuations were carried out in Egypt and Yemen on a lower scale. Moreover, the government, according to him, has constituted an Inter-Ministerial Committee under the Cabinet Secretary to make recommendations on issues relating to repatriation, relief and rehabilitation of Indian nationals affected by recent developments in West Asia, with the Ministry of Overseas Indian Affairs having prepared an Action Plan to implement its recommendations. [40] The Operation Safe Homecoming reportedly cost ` 115 crore (US\$ 25 million), as per government data. [41] India has seen this scenario before. The Indian economy was adversely affected during 1990-91 as a result of the Gulf Crisis. The direct impact that year was much more than ` 4,000 crore (over US\$ 2.2 billion) and the direct and indirect costs combined to add to the worsening balance of payment crisis. India had to single-handedly launch the biggest airlift since the Berlin Airlift to evacuate from Iraq/Kuwait (through Jordan) 117,000 Indian citizens who had suddenly become hostage to the Iraq-Kuwait War. [42]

Indian foreign policy analyst C. Rajamohan asserted that, "...any sensible Indian policy towards the Middle East must be rooted in an unflinching defence of its expansive interests on the Arab side of the Persian Gulf. India's trade with the GCC countries is touching US\$ 100 billion and the near six million Indian workers there send home US\$ 30 billion dollars every year. Above all, the GCC supplies more than 40 percent of India's rapidly expanding crude oil imports. None of the other Indian interests in the Middle East are comparable to these high stakes in the GCC". [43]

### Conclusion

The Saudi Arabia-Iran rivalry is a major subplot, that has the potential to become the leading plot of the whole scenario there, and an Iran increasingly threatened by western sanctions, will, all the more, look for greater leverage in the region, prompting Saudi Arabia to up its own ante. India has good diplomatic and economic ties with both these energy-rich countries, and in the event of an open jostling for power in the region, India will have to walk a tightrope. Many have criticized India for failing to take hard decisions towards the Arab Spring. True, India cannot be a benchmark given its great power aspirations and being an important player at the UN Security Council. But, India needs to preserve its own manifold interests in the region, and for that it has to monitor events closely before acting or making statements. The fall of dictators is a welcome development anywhere, but the harder part is what comes after. The lack of proper institutionalization often hinders the process of democratization and one sees the uncertainties that prevail. India needs to find its own feet in the new changing Arab world, and use its democratic credentials and offer its assistance towards the reconstruction of conflict-torn countries, and in institution and capacity building, in agreement with concerned countries.

India's links with the Arab states have been largely on secular, pragmatic grounds of policymaking where the countries have come together at a very practical globalized business-interconnections regarding selling and consumption of energy or the migration of Indian working population, to these Arab monarchies, resulting in high amount of remittances flowing back into India. It has become almost a cliché to say that India needs a pro-active foreign policy, but unfortunately in many issues, regional and international, India has often found to be reactive. The Arab monarchies of the Persian Gulf have not seen the level of upheaval seen in other countries of North Africa and West Asia. The wealth in these countries and the measures adopted by the ruling families to

calm the restive parts of the population and buy consent at many times, with huge domestic spending have put things under control, but hardly anyone would dare predict the course of events in this region.

As such, India needs to be prepared, but concerning the vital interests that India needs to preserve in these countries, foreign policymakers in this country needs to wait and watch and be silent at times, rather than make diplomatic steps that would jeopardize the safety and security of Indian workers there and the economic interests that India needs to sustain in its relationship with the Gulf countries. India's influence in this region is largely restricted at the commercial and trade levels and do not have the resources to effectively influence internal dynamics in these countries. At the most, India needs to develop its own narrative, of the regional developments, commensurate with its foreign policy objectives and our vital interests in the region. The expatriate's issue which is a secondary plot for policymakers there and other extra-regional powers is a main plot for Indian policymakers. In one to-one discussions, India can, with diplomatic caution, raise the issue of the future of West Asia in the face of changing political landscape, but not at the expense of being accused as an external power seeking to interfere in their internal affairs.

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