

India's Israel relations, the Middle East and China

Dr. Shalom Salomon Wald
Senior Fellow, the Jewish People Policy
Institute, Jerusalem, Member of SIGNAL's
Board of Academic & Expert Advisors

India in the Big Power Game 2017

International politics are in flux. Power relations between the main actors on the international scene are changing. Grasping and exploiting these changes in a timely fashion is an essential prerequisite of successful statesmanship. This paper addresses India's movement into the Middle East, as seen in the broader framework of India's changing position among the world's great powers. The most salient international changes include the new tensions between the United States and both Russia and China, the growing assertiveness of China, the relative decline of Europe and the turmoil in the Middle East and wider Muslim world. Less noticed but perhaps no less important is a perceptible change in India's view of its own future since Prime Minister Modi, the head of the center-right Bharatiya Janata Party (BJP) came to power in 2014. His was called a "landmark victory".

Modi is the first Indian Prime Minister born after independence (1947) and the first in 30 years to enjoy an absolute parliamentary majority that does not depend on smaller Muslim and left-wing parties. In fact, India's tiny Communist and Marxist parties are now irrelevant. New BJP victories in Indian state elections in 2017 leave little doubt that Modi is likely to stay in power for a long time. His rise is not easily reversible because it represents deeper socio-economic forces: it is the growth of a more Western oriented young professional middle class, together with a nationalist, right-wing Hindu resurgence that brought him to power (Hindus and Sikh are estimated to represent approximately 80% of the Indian population). Modi indicated more openly than his predecessors that he wants to turn his country into one of the world's leading great powers. By 2050 India will have the largest and youngest population of any country in the world. India's current GDP is approximately a fourth of China's. India will not reach China's economic power in any foreseeable future, although India's economic growth has outpaced that of China for the past two years. According to an OECD forecast (below) by 2060 India could become the second largest economy of the world. Thus, the encounter between a newly assertive India with an already assertive China was perhaps bound to lead to friction. As China increases its military and economic ties with India's arch-foe Pakistan and acquires assets and influence in all other countries surrounding India, Modi is slowly moving away from India's erstwhile refusal to ally itself with any great power against any other great power.

Since the end of the Soviet Union (1990) with which India was at least partly allied, one of the guiding principles of Indian foreign and defense policy was to not support one great power (meaning the United States) against another (meaning China). Furthermore, Modi himself was free of the anti-Chinese animosities and fears that bedeviled the old leadership of the Congress Party that formerly ruled India. In contrast to the Congress Party, he and his young voters were no longer obsessed with the Indian army's 1962 defeat by China. And yet it is Modi who led India into what seems to be a closer strategic embrace with the United States and its main Asian ally, Japan, rather than Indian leaders who preceded him. Historians will discuss whether this was inevitable. Did China plan from the outset to begin a policy of containment of rising India, or did the present situation result from misunderstandings and mistakes from either side? Should it not be a Chinese policy objective to befriend India, its most important neighbor, so as to keep it out of the American orbit? Foreign observers cannot answer this question. They do not know how China views its long-term interests and opportunities in Asia, nor how the Chinese judge the future stability of their Pakistani ally compared to India's strength, cohesion and staying power.

As to the current incidents at the Sino-Indian borders both China and India assert that the wider world supports their position. But the international community does not take a clear position for one side or the other because nobody seems to understand the complexities of

these ill-defined borders and few if any have read the old treaties and agreements. One is inclined to think of a crisis in mid-19th century Europe when an extremely complicated border conflict between several north European states almost triggered a war. A British diplomatic observer quipped that only three persons really understood these border problem: “The first has died, the second is in a mental asylum and I am the third but I have forgotten all about it”.¹ It is important to not let these incidents obscure the larger, long-term picture. In 2012, the Paris-based OECD, the West’s largest policy think-tank, predicted dramatic changes in the distribution of global economic power by 2060. These are the estimated percentages of the world’s GDP attributed to the US, China and India for the period 2011 to 2060 ²:

USA 2011: 23%	China 2011: 17%	India 2011: 7%
2030: 18%	2030: 28%	2030: 11%
2060: 16%	2060: 28%	2060: 18%

The predicted steep rise of India is particularly impressive. So far, the six years that have passed since 2011 have confirmed the trajectories proposed by the OECD. This is partly due to Modi’s vigorous economic reform and modernization policies that the OECD could not foresee in 2012, two years before Modi came to power. If these forecasts are realistic, China and India together would by 2060 control half of the world’s economy. Economic historians have calculated that in the 18th century China and India dominated about half of the world’s trade before they came under the control of Western powers. Trade is not the same as economic production, but the statistical similarity might confirm the OECD evaluation that the two powers are on the way to reclaim the place they occupied in the world economy of the 18th century. . In any event, even if the two countries together do not reach the 50% mark, their ongoing swift growth means that trade and cooperation between the two largest economies could be essential for prosperity and stability not only in Asia but in the world, and will also increase the individual power of both.

The historic precedents for their cooperation in many sectors are good. According to Henry Kissinger’s well-sourced narrative, China’s leader Mao Zedong spoke to his generals in October 1962, a few days before he ordered his army to attack the Indian army. He said that China and India are not destined to permanent hostility, on the contrary, they enjoyed hundreds of years of fruitful economic and cultural exchanges. In almost two thousand years they had fought only “one and a half” wars (with the “half war” Mao meant the 1398 invasion of India by the Mongol ruler Tamerlane who also ruled China).³ Indian scholars have similar thoughts. The Indian Nobel laureate Amartya Sen has devoted many pages to documenting the close trade, religious, cultural, artistic and scientific links maintained by the two civilizations over the centuries. He quotes the 7th century Yi Jing, a student of Buddhism and medicine, who wrote after returning from India: “Is there anyone in any part of India who does not admire China?”⁴ It is unlikely that Buddhism or medicine alone will again bring these two countries closer to each other. Nonetheless there is no reason why need, common interest and reason could not achieve the same result in the long term.

1 Henry Kissinger, *Diplomacy*, London-New York, Simon and Schuster, 1994, reports this story in his chapter on Napoleon III and Bismarck.

2 OECD Economic Policy Papers 03: Looking to 2060 – Long-term global growth prospects: a going for growth report. OECD, Nov. 2012, 22.

3 Henry Kissinger, *On China*, London-New York, Allen Lane, 2011, 1 f.

4 Amartya Sen, *The Argumentative Indian – Writings on Indian Culture, History and Identity*, London-New York, Penguin Books, 2006, 161-190.

India enters the Middle East⁵

India began to enter the Middle East in major ways in the early 1970s, at the same time as China, and for exactly the same reason: their joint, fast growing need for Middle Eastern energy. Until recently India's Middle East policies were not linked to its relationship with China. Now it is probable that Modi's quest for great power status and concern about China's growing footprint around India and in the Middle East are adding impetus to India's own interest and involvement in what Indians like to call "West Asia".

Historically no foreign country was better placed to have close relations with the Middle East. The two regions are in geographic proximity with easy land and sea connections. Trade and cultural relations between the antique Indus civilization and Mesopotamia existed four thousand years ago and were never interrupted until pre-modern times. The expansion of Islam from North Africa and the Middle East into the Indian sub-continent beginning in the 8th century created the world's largest cultural and economic trading zone almost until the discovery of America. The links between the two regions became more tenuous when the British Empire began to rule both the Middle East and India. However, ironically, the freedom struggle against Britain by both the ME and India created new bonds between them as seen in India's friendship with the Arab world until very recently. Oil and gas imports are the new factor that has drawn India into the Middle East. Approximately two thirds of India's crude oil imports come from there, with the main supplies provided by Saudi Arabia, followed more recently not by Iran, but by Nigeria and Angola, an interesting development. Unless India can further diversify its sources, it is predicted that its fast growing dependence on Middle Eastern oil will reach 90% of its total oil imports by 2030. India's energy needs have led to an enormous increase in the trade, economic, investment and personal links with the Middle East. The mutual trade between the two sides is near to 200 Billion Dollars, approximately three times as much as India's trade with China. The most visible aspect of this economic link is the presence of at least seven million Indian workers in the Middle East, most of them in the oil-rich Arab Gulf countries. The majority are manual workers, but an increasing number also occupy professional positions in the health, electricity, telecom etc. sectors.

The United Arab Emirates alone (UAE) hosts approximately 2.8 million Indian workers, a large proportion of India's work force in the Gulf (there are only an estimated 300 000 Chinese in the UAE). These Indians constitute 40 to 50 percent of the UAE's total work force. There are about 500 weekly flights between the UAE and India. Indian workers have become indispensable to many Arab Gulf states. The latter prefer Indians to other Arabs, Pakistanis or Chinese. One reason are cultural and emotional commonalities – similarities in physical appearance, dress, food, patterns of behavior, language etc. which are not shared by other foreigners. A fear of political troubles might explain the relative absence of Arab workers from oil-poor countries. The perceived need to protect energy supplies has led India to greatly increase its political and military links with all Muslim Gulf countries, particularly Saudi Arabia and the UAE but also Iran. Another, more traditional reason for India's outreach to the Arab world was a wish to contain Middle Eastern solidarity with Muslim Pakistan with which India has fought three wars. Shiite Iran is important to India because it is a gateway to Central Asia and a counterweight to hostile Sunni Pakistan and Afghanistan. Additionally India is home to the world's second largest Shiite population after Iran itself and the Persian language, art and music have deeply influenced Indian culture.

5 See Shalom Salomon Wald and Arielle Kandel, *India, Israel and the Jewish People*, With a Foreword by H.E. President Reuven Rivlin, Jerusalem, The Jewish People Policy Institute, 2017, 49 ff.

Indian Muslims Today

Islam has become an integral part of India's rich and diverse civilization. It cannot be taken out of India whatever bitterness Hindus may feel about centuries of Arab and Muslim invasions of old India. Today the number of Muslims in India is estimated to be 180 million or 15% of the total population; 20 to 30 million of them are Shiites. Other estimates speak of 200 or more million, or 20%. Exact figures are not available because the issue is too sensitive. According to some experts, Muslims have a higher population growth rate than Hindus, but others dispute this. It is clear that the overwhelming majority of Indian Muslims are moderate and want to remain Indian. The specter of the corrupt, economically bankrupt and terror-ridden Muslim countries in West Asia does not attract them. But there is also a Muslim awakening in India and a still relatively small danger of terrorism, often supported by sources inside Pakistan. There is endemic tension between Hindus and Muslims in some parts of India, particularly in the north. From time to time there are reports of deadly incidents. However, since the Hindu-Muslim riots in Ahmedabad, Gujarat where many hundreds were killed in 2002, there has been no major communal violence. Kashmir, where some of the population rejects Indian rule, is a special case. With less than one percent of India's total population living in Kashmir, problems there have little national resonance.

India grants complete religious freedom to all religious communities. Muslims can build as many mosques as they want, pray where and when they want, eat what they want, dress how they want and abstain from work when they want. This is very important to them. Other countries do not grant the same freedoms and try to direct or control their local Muslims. So far this has not guaranteed the peaceful integration or assimilation of most of them. India's diversity ensures a reasonable level of stability and relative peace.

Israel in India's Middle East Policies

India's founding fathers, Gandhi and Nehru, showed great sympathy for the Jewish people but rejected Zionism and the creation of a Jewish state, in contrast to China's first President Sun Yat-Sen who supported Zionism. Their rejection was born in India's own predicaments. They feared that a partition of Palestine and the creation of a Jewish state would become a precedent for a partition of India and the creation of a Muslim state, Pakistan. They wanted to prevent this eventuality at all costs. However, this is exactly what finally happened; India was partitioned. Yet even after this traumatic event, Indian concerns about Muslim sensitivities continued and hostility to Israel remained strong. This changed slowly only after 1992 when India finally established diplomatic relations with Israel – just a few days after China!

From 1947 until recently there were external and internal Muslim constraints on India's potential or actual links with Israel. The external constraints related to India's fear of hostile reactions from the Muslim Middle East. The internal constraints concerned possible local Muslim reactions and competition for the Muslim vote among the political parties before elections.

A great lot has changed since 1992. First, a technical revolution, fracking and other advances in oil and gas production have triggered a geopolitical revolution. The formerly dreaded energy-dependence has been turned on its head. With America moving towards energy independence and Europe importing most of its oil from Russia, the Gulf oil producers

have only the Asia-Pacific region as their main markets. They depend on India, China, Japan and other states even more than they depend on the Middle East. Oil has lost its power as a political weapon and Israel has ceased to be an issue in the energy trade. Second, Indian diplomats began to understand that vocal hostility to Israel, e.g. in the United Nations, did not guarantee Arab neutrality whenever India clashed with Pakistan. Regardless of how loudly India condemned Israel – the Arabs always supported Pakistan. So, what do we receive in return from the Arabs, and why do we continue to shun Israel, Indians asked? Third, India began to grasp that its automatic support for every Arab and Muslim position against Israel in and outside the United Nations had created a perception that India was in the Arab pocket no matter what. The Arabs were not taking India seriously, states India's leading Israel and Middle East expert P.R. Kumaraswamy.⁶ And fourth, India recently had to face the tension between Iran and the Arab world which raised enormous policy dilemmas for Delhi. India needed Arab Gulf oil much more than Iranian oil but it could not drop Iran for the reasons mentioned above.

India then understood that the Middle East's central problem was not the Arab-Israeli conflict as was widely propagandized, and that solving the Palestinian issue would solve none of the other more urgent problems of the Middle East, certainly not the century-old hostility between Shiites and Sunnis. All this indicates why India gradually improved its relations with Israel exactly during the two decades since 1992 – the same time period that saw the most rapid strengthening of its links with Saudi Arabia, Iran and the rest of the Muslim Middle East. It was a brilliant balancing act. At the beginning there was no link between India's Israel and Arab policies, but later India could use Israel as a subtle reminder to the Muslim world that it had options and had to be taken seriously. India succeeded beyond expectations. India's Muslims had barely reacted to the establishment of diplomatic relations with Israel in 1992. They did not demonstrate when the openly pro-Israeli Hindu leader Modi was elected in 2014; the only loud protests then came from left-wing extremists. As to Muslim countries, it became clear that they did not wish to "hold their relations with New Delhi hostage to Indo-Israeli ties", to quote Kumaraswamy. India, their largest neighbor for two thousand years, was simply too important for them and there was no historic baggage between the two sides. Contrary to the West, India never invaded and colonized the Middle East.

Israel's Joint Outreach to India and China

Israel's founding fathers, particularly its first Prime Minister David Ben-Gurion, understood the future importance of Asia and welcomed the freedom struggles of India and China already in the 1930s, long before Israel was born. He repeated such statements in the 1950s and appealed to the Jewish people to seek contact with Asia's great civilizations. He also predicted that India and China would become the great powers of the future. It is significant that Israel's early leaders never gave priority to one of the two countries over the other. They mentioned India and China in the same breath. This would remain the approach of Israeli diplomats throughout the decades when both countries rejected formal relations with Israel.

Israel pursued every door to one country or the other, wherever it could find one. As soon as Israel was established in May 1948 it sent messages to India, directly and by intermediaries, asking Delhi for diplomatic relations and friendship.

6 P.R. Kumaraswamy, *India's Israel Policy*, New York, Columbia University Press, 2010, 242.

As there was no reply, international and American Jewish organizations maintained regular contact with India and lobbied for normalization of relations with Israel. India became independent in 1947, one year before Israel. The People's Republic of China followed one year after Israel, in October 1949. Three months later, in January 1950 the Government of Israel under Prime Minister Ben-Gurion officially recognized the PRC. Israel was the first country in the Middle East and one of the first in the world to recognize China. For Israel this was an act of wisdom but also of courage. Israel then was very poor with its barely one million inhabitants constantly under threat from its neighbors. It depended on American food aid. Yet an examination of Israel's government records preceding the January 1950 decision shows that the Israeli cabinet did not take United States hostility to the PRC into consideration. It decided independently and in Israel's and China's best interest. To this day, the Israeli government seeks the friendship of both countries without taking sides. The Israeli public respects and enjoys both cultures and growing numbers are travelling to both China and India.

Development and Current State of Indo-Israeli Relations

Comparable to China's links with Israel in the 1990s, it is today the Indian military that has the strongest and most appreciated link with Israel. However, whereas current relations with China have expanded significantly since 2011 into the arts, sciences and academia, India's academic community and its artists, writers, film makers and musicians know little of Israel and have few relations with it. Many more Chinese scholars are busy with research and teaching about Israel and Judaism than Indian scholars. There are perhaps three or four in all of India. Indo-Israeli economic relations fall somewhere in-between. They are growing but small in comparison to India's size and global trade. Indo-Israeli civilian trade has barely reached five billion Dollars, less than half Israel's trade with China. In other words the Indo-Israeli relationship is not balanced. These two states claim to represent thousand year old civilizations with an immense religious and literary heritage. One would have expected that they would emphasize their cultural relations more than with other countries, but the turbulent history of the 20th century traced a different trajectory for both.

Indo-Israeli defense ties developed in the 1960s, long before there were any political or economic ties. The Indian military's interest in Israel's defense experience and hardware was an opportunity Israel could not miss. It was at least one door to India that was opening, though it was a secret one. Until 1992 it was clear that the defense link would not mitigate India's official political and diplomatic hostility to Israel. But Israel's own interest in this defense relationship was geopolitical no less than commercial. As Israeli experience and weapons strengthened India against Muslim Pakistan they could also be seen as Israel's pay-back for the support that Pakistan and other Muslim states were giving to Israel's Arab enemies.

During the subsequent twenty five years, this defense relationship has grown into a major strategic asset for both countries, involving Israeli weapons sales of approximately one billion US Dollars annually, joint weapons research and development, intelligence sharing and more. Nevertheless, to speak of a strategic-military alliance between India and Israel would be an exaggeration as India has also military links with Israel's enemies, including Iran.

There are many similarities between the Indian-Israeli and former Chinese-Israeli defense relationships. Military links between China and Israel also preceded political and diplomatic

links by many years. Like in India before 1992 they had little or no effect on China's political hostility towards Israel. And again Israel's important weapons sales to China in the late 1970s and 1980s had a geopolitical and not only commercial background; both countries were seriously threatened by a hostile Soviet Union. There is currently no defense relationship between China and Israel, for well-known reasons. Recently, some Chinese media attacked the Indian-Israeli defense relationship, with calls on Israel to stop its defense supplies to India. Such calls are ill-conceived. In our multi-polar world many countries, not least China and India too, have to cope with conflicting priorities. For example China has strong defense and friendship links with Russia but Russia too is selling weapons to India. Also, China assures Israel of its friendship but has military relations with Israel's enemies, particularly Iran. Israel's defense relations with India have deep roots. They are long standing, starting well before the current heightened tensions between China and India and are comprised of deals taking years to develop and finalize.

The Modi Revolution 2014

Indian diplomacy refuses to call Modi's friendship for Israel and the change in bilateral relations since 2014 a revolution. This caution is justified. It is wise not to antagonize the Arab world unnecessarily. It is true that Indo-Israeli links were growing steadily for twenty years and Modi was merely the culmination of a long process. But a revolution it is, nonetheless. Under Congress Party rule until 2014, interrupted only by BJP rule under Prime Minister Vajpayee from 1998 to 2004, Indian leaders allowed the relationship between India and Israel to grow but refused to meet any Israeli leader in public or even in private. The only exception was an invitation to the Israeli President to visit India in 1997 and Israeli Prime Minister Sharon's visit to India in 2003 while Vajpayee's BJP was still in power. While no Indian leader had ever visited Israel, their trips to all Muslim Middle Eastern countries were common.

Modi put an end to this anomaly in modern diplomatic history immediately after his election. He had a long, cordial telephone conversation with Israel's Prime Minister Netanyahu which was made public. He removed obstacles to Israeli defense sales and promised to boost economic and technological relations. But his most significant and visible changes were political. In May 2014, two months after Modi's victory, Israel went to war against the missile attacks on Israel's population by Gaza's Hamas rulers. This was the third war between Israel and Hamas since they came to power in Gaza. For the first time ever, India refused to condemn Israel's military actions.

On July 15, 2014, there was uproar in the Lok Sabha, the lower house of India's Parliament as the Communist, Muslim and Congress opposition parties walked out in protest. The government's parliamentary affairs minister admonished the Parliament that domestic politics must not control India's foreign policy. This constituted an admission, for the first time ever, that India's automatic support for the Palestinians against Israel was motivated by fear of India's Muslims and not so much by moral considerations, as the Congress Party had postulated. It was clear that Modi's victory had eroded the constraining power of India's Muslims and broken a seventy-year old taboo of Indian politics. This taboo said that a politician who was not hostile or at least cool to Israel could not be India's leader because this would offend India's Muslims. Surely all Indian politicians, not only those of Modi's party, have taken note.

In the following two years India stopped automatically supporting all UN and UNESCO resolutions against Israel. It continues to support some resolutions, particularly when they address the Jerusalem Holy Sites that resonate among India's Muslims. However, India has abstained from others, also for the first time ever. Clearly India was no longer "in the Arab pocket", nor in anybody else's pocket. In the fact of these adjustments in approach, there were no major hostile Muslim reactions, neither inside India nor out. A Saudi Arabian daily carried a commentary which explained that India was now taking a different road than in the past in accordance with its national interest. It also said it was important for the Arab world to maintain good relations with India.

In October 2015 President Pranab Mukherjee paid the first state visit of an Indian President to Israel, and in November 2016 Israel's President Reuven Rivlin paid a reciprocal visit to India; he was received with royal honors. This prepared the ground for the most important and long expected Indian visit, that of Prime Minister Modi himself. In July 2017 Modi arrived on a historic three-day visit to Jerusalem. As the flags of India went up on the roof of the King David Hotel where he stayed, something clicked in the Israeli public. Apart from American President Trump a few weeks before, no more important foreign dignitary had come to Israel for a long time. Two significant events distinguished this visit. One was widely discussed in and out of Israel. The other was barely noticed.

The first was the event that didn't happen. Modi did not go to Ramallah to greet the Palestinian leadership, even perfunctorily. He had invited the President of the Palestinian authority to Delhi a few weeks earlier in order to maintain an appearance of balance and repeated the traditional statements of support for Palestinian rights and the Two-State solution. For nearly all important foreign visitors to Israel a short visit to Ramallah was thought to be compulsory. Not so for Modi. The message he seemed to convey in deeds (but wisely, not in words) was that India knew the Arab Middle East very well, that Palestine was not the main issue of the region and while the Palestinians merited help and sympathy they did not have the right to make anyone's friendship for Israel conditional on fulfillment of their own aspirations.

Again, the Arab reaction was minimal, a murmur of disappointment by the Palestinians. The second, barely noticed event was Modi's official visit to a British Commonwealth War Cemetery in Haifa where Indian soldiers who fought and died in 1917/18 under British flags are buried. They fell in battle to eject the Ottoman Turks from Palestine. Millions of Indians served under British flags in both World Wars. General Allenby, the commander of the British forces in Palestine in World War I had praised their courage and military valor. So now did Modi. He eulogized them as brave Indians, not as British. Gandhi mentioned their sacrifice in the 1920s but no Indian leader before Modi had done so for a long time. There is a general amnesia in India about this aspect of Indian history: there is little honor for an Indian to have fallen in battle for the British Empire. Why did Modi decide to offer his new reading of Indian history? The beginning of this paper mentioned Modi's quest for great power status, and great power in the 21st century requires military pride and strength. Could this be the reason?

This paper represents the views of the author alone and not that of any Israeli government or non-government agency.