

INDIA'S OVERTURES IN THE MIDDLE EAST: HEDGING OR BALANCING AMID PARTNERSHIPS

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Abstract

This paper examines India's evolving foreign policy goals in the Middle East, focusing on its economic, political, and strategic dimensions. Historically shaped by the principles of non-alignment, India's contemporary engagements reflect a pragmatic pursuit of strategic autonomy through issue-based partnerships with diverse actors, including Saudi Arabia, Israel, and Iran. While economics remains the key driver, India's outreach reflects broader strategic considerations. This paper argues that India is positioning itself as a middle power, leveraging strategic hedging to advance its global standing without becoming entrenched in the region's complex conflicts. By examining economic interdependence, humanitarian actions, and diplomatic maneuverability, the paper illustrates how India's role in the Middle East not only furthers its national interests but also preserves its strategic autonomy. The paper examines what factors are expanding India's engagement with the Middle East, how New Delhi manages competing regional actors while upholding strategic autonomy, and its role as a middle power.

Keywords: *Strategic Autonomy, Middle East Geopolitics, Power Transition Theory, Economic Interdependence, Strategic Hedging, Energy Security*

Introduction

Since its independence in 1947, Indian foreign policy makers have tried to project an exclusively "Indian" shade to their worldview, thus, not buying the ready-made templates for how a state must act in the international arena. This was manifest in India's insistence on "non-alignment" during the intense pulling of superpowers during the Cold War. The pioneers of Indian foreign policy managed to leverage their position as a non-aligned state to exact benefits from both the United States and the Soviet Union. Although the shifting currents of international politics have

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upended the notions about international relations since the end of Cold War, India has maintained that its major foreign policy objective is to act as an independent state, dubbing this objective as its “strategic autonomy.” Although India liberalized and opened up to the world in the 90s, leaving the mantra of a “socialist model” behind, and enjoying an unprecedented proximity of relationships with the United States, it nevertheless tried to maintain a semblance of non-alignment.

India’s relationship with the Middle Eastern states is of significance as both sides mutually benefit from trade and workforce exchange, and have become highly dependent on each other over the years. Leaving aside the troubled neighborhood, India has been primarily focused on its relationship with the Middle Eastern states.¹ The relationship has a historical as well as cultural significance. India and the Middle East are in close geographical proximity and have been engaged in trade and cultural exchanges historically.² Keeping aside the “saffronization” drive of the incumbent Indian regime, New Delhi has much in common with the Middle East religiously and culturally than any other region. The cultural influences of the Gulf are visible all across India and the presence of such a large number of Muslims is a testament to the historical relationship between the two. India has managed to engage with the Middle East at all times in history. India’s relationship with the Middle East, particularly Saudi Arabia, Qatar, UAE, and even Iran (before the sanctions became too strict) has been based on two factors traditionally. The first one is the oil trade and the second is Indian workforce. India’s foreign policy for the Middle East is underlined by its energy and economic interests, along with the smooth flow of remittances from its large diaspora. India heavily relies on Middle Eastern oil for its booming economy and has been obtaining smooth supplies of crude oil from the region.³ The Indian workers in the Middle East, specifically in Saudi Arabia and UAE, are a very important pillar of Indian economy, as their consistent remittances provide India with essential foreign exchange reserves.⁴ India

¹ Prithvi Ram Mudiam, *Indian Power Projection in the Greater Middle East: Tools and Objectives*, January 1, 2007, <https://doi.org/10.1163/156914907X207810>.

² *India in the Middle East* | The National Bureau of Asian Research (NBR), n.d., accessed August 21, 2024, <https://www.nbr.org/publication/india-in-the-middle-east/>.

³ Tiziano Marino and Giuseppe Dentice, “Looks West While the MENA Region Turns Eastwards Implications of India’s Relations with Israel and the UAE,” in *India-Middle East Relations: Opportunities and Challenges* (Middle East Institute, National University of Singapore, 2024).

⁴ Marino and Dentice, “Looks West While the MENA Region Turns Eastwards Implications of India’s Relations with Israel and the UAE.”

has a historically significant relationship with Egypt also, as both states were members of the non-aligned movement during the Cold War.⁵

The uniqueness of India's engagement with the Middle East is that Indian relationship is not only limited to the Arab states and Iran, but their arch-rival Israel as well. Under the influence of stalwarts like Gandhi and Nehru, India opposed Israel's existence and the subsequent events.⁶ Although India recognized Israel in 1950,⁷ the relationship did not usher into an active engagement till 1990s. However, secret exchanges of important nature continued even before as Israel provided military assistance to India during the Sino-Indian War (1962) as well as Indo-Pakistan wars of 1965 and 1971, and India assisted Israel with spare parts for its aircraft during the Arab-Israel War (1967).⁸ The BJP-led Hindu nationalist government has found unprecedented warmth and affinity with Israel, most importantly as both have a common ground against the Muslims.⁹

Middle East is a region subject to internecine conflicts and contradictions running along the lines of state, religion, civilization, sect, and race. The Zionist Israeli state, ostensibly opposed by the majority of Arab population still has not been accepted and recognized by the majority of Muslim states. The civilizational and sect-based strife between Saudi Arabia and Iran is also a dominant strain that colors the dynamics of the Middle East. India has carefully tread the path between all these rifts and has ensured that it does not take sides. However, it is not the historical continuity of India's relationship with the Middle East today. India has begun to assert itself as an important global player. Therefore, its relationship with the Middle East has also seen an upward trajectory, as its economic interdependence with the region has increased as a consequence of its booming economy. Today Indian nationals are the largest foreign owners of real estate in UAE, both in terms of worth and quantity.¹⁰ Indian investments in Saudi Arabia have also multiplied recently, reaching a whopping US\$ 3 billion as of August 2023.¹¹

⁵ India in the Middle East | The National Bureau of Asian Research (NBR).

⁶ Efraim Inbar and Alvite Singh Ningthoujam, *Indo-Israeli Defense Cooperation in the Twenty-First Century*, n.d.

⁷ "Welcome to Embassy of India, Tel Aviv, Israel," accessed August 21, 2024, <https://www.indembassyisrael.gov.in/pages?id=mbk5e&subid=lejRe>.

⁸ Mudiam, *Indian Power Projection in the Greater Middle East*.

⁹ Inbar and Ningthoujam, *Indo-Israeli Defense Cooperation in the Twenty-First Century*.

¹⁰ "12 Reasons Why Indians Should Buy Property in Dubai," DAMAC Properties, accessed August 21, 2024, <https://www.damacproperties.com/en/>.

¹¹ "Beyond Dubai: Indian Investments Are Finding A New Home In Saudi Arabia," The Secretariat, accessed August 21, 2024, <https://thesecretariat.in/article/>.

India's overtures in the Middle East are not an isolated phenomenon, but a case in point of the larger projection of its status as an important player in the world. This behavior is better understood through India's pursuit of strategic autonomy and strategic hedging. India acts as a classical middle power in the context of its take on the issues globally, and treads delicately in-between the gaps left by the major powers competing with each other. Most importantly, as the United States has shown intent and action to support India as a counterweight to China, Indian maneuvers have been focused on benefitting from its relationship with the United States while keeping its much celebrated "strategic autonomy."

This paper analyses India's foreign policy in the Middle East aligned with the above mentioned general strategic goals of the state. It analyzes the economic and political dynamics of Indian relationship with the Middle Eastern states and the extent to which India continues to hedge behind competing regional and extra-regional actors. The paper argues that India's increasing role in the Middle East, evident from its foreign policy trajectory, elucidates its aspirations for expanding regional and global influence, while retaining strategic autonomy.

The paper focuses on the following questions: a) what factors shape India's increasing engagement in the Middle East; and, b) how does New Delhi manage its relations with competing regional actors while maintaining strategic autonomy? A related inquiry concerns how this evolving pattern of engagement reflects India's emerging role as a middle power within the broader context of global power transition. These questions frame India's foreign policy behavior in the region to wider debates on strategic hedging, power politics, and shifting geopolitical alignments.

Theoretical Framework

This paper examines India's foreign policy conduct in the Middle East through the lenses of strategic autonomy and hedging. Within broader debates on global power hierarchies, Power Transition Theory differentiates between hegemon, rising power, and middle powers by focusing on their respective roles. The hegemon, as outlined by Gilpin, dominates the international system by shaping global norms and maintaining stability, often seeking to preserve the status quo.¹² Rising powers challenge this dominance as their economic, military, or technological capacities grow, striving to reshape the global order in ways that better reflect their interests. For example, China is often cited as a rising power using global innovation to position itself for greater global

¹² Takashi Inoguchi and Lien Thi Quynh Le, "Theory of Power Transition," in *The Development of Global Legislative Politics: Rousseau and Locke Writ Global* (Springer Singapore, 2020), https://doi.org/10.1007/978-981-32-9389-2_11.

influence.¹³ In contrast, middle powers like India or Australia do not aim to overturn the hegemonic order but act as stabilizers. These states, often with strong diplomatic ties and multilateral engagements, use soft power to mediate between great powers and contribute to regional stability. Middle powers navigate the international system by leveraging alliances and diplomatic engagements, playing a more flexible role than either hegemon or rising power.¹⁴

The role of middle powers in power transition is particularly crucial. Middle powers are states that leverage their relative wealth, administrative expertise, and global standing to uphold international order and promote peace. Middle powers refrain from challenging the existing order in the international system; they are not states that seek to revise or transform the established status quo. While the term "middle power" may have some conceptual ambiguity, it is often defined by their diplomatic behavior, known as 'middle power diplomacy.'¹⁵ Middle powers typically seek to maximise their net advantages through selective cooperation and calibrated engagement rather than fixed alignment. This approach helps explain India's strategy in the Middle East, where it hedges between competing regional and extra-regional actors to maximise economic, political, and strategic benefits while preserving autonomy.

India's foreign policy, rooted in a historical preference for non-alignment and strategic autonomy, diverges from rigid alliance structures and reflects a hedging strategy based on issue-specific partnerships, including selective convergence with the United States.

India has demonstrated its influence in the region in the economic realm mostly, but its rescue operations in the regional conflict zone were a testament of India's type of deeper engagement in the region. Such actions illustrate India's preference for autonomous, non-military instruments of engagement, consistent with a hedging strategy that avoids entanglement while maintaining regional presence. In 2015, Air India flights evacuated 1,000 nationals of 41 countries from warring Yemen.¹⁶ Comparable efforts had been undertaken during earlier crises, including the Iraq–Kuwait conflict, and reflect a longstanding priority within India's external policy

¹³ Ida Bastiaens and Nita Rudra, *Democracies in Peril: Taxation and Redistribution in Globalizing Economies* (Cambridge University Press, 2018), Cambridge Core, <https://doi.org/10.1017/9781108556668>.

¹⁴ Tanguy Struye de Swielande, "Middle Powers in the Indo-Pacific: Potential Pacifiers Guaranteeing Stability in the Indo-Pacific?," *Asian Politics & Policy* 11, no. 2 (2019): 190–207, <https://doi.org/10.1111/aspp.12457>.

¹⁵ Linda S. Bishai, "From Recognition to Intervention: The Shift from Traditional to Liberal International Law," paper presented at International Studies Association, Los Angeles, CA, *41st Annual Convention*, March 14, 2000.

¹⁶ "India Ends Yemen Evacuation, Rescues People from 41 Countries," *World, Reuters*, April 10, 2015, <https://www.reuters.com/article/world/india-ends-yemen-evacuation-rescues-people-from-41-countries-idUSKBN0N10PU/>.

framework: the protection of its overseas population during periods of regional volatility. While such actions are humanitarian and consular in nature rather than indicative of strategic influence, they nonetheless highlight the scale and relevance of India's diaspora in shaping aspects of its engagement with the Middle East.

India's Expanding Engagement with the Middle East

Economic Engagement and Energy Interdependence

India's economic cooperation is inextricably linked with the Middle East as a relationship of mutual economic interdependence, primarily, in the spheres of energy and labor migration. Among the important features of this relationship is the fact that India's major oil import destination has been the Middle East, which has been key to her economic growth trajectory. In 2022-23, bilateral trade between India and Saudi Arabia stood at US\$ 52.76 billion while bilateral trade with UAE amounted US\$ 84.84 billion.¹⁷ Being one of the fastest-growing economies worldwide, the energy demand in India is high, and a significant proportion of the crude oil consumed by the country are imported from the Middle East, including Saudi Arabia, Iraq, and UAE. India is the world's third largest importer of crude oil and 51% of the crude oil is imported by India from the Middle East.¹⁸ This level of dependence has made energy security a central constraint shaping India's policy choices toward the region. From Jan-Sep 2024, India imported 615.2 thousands of barrels per day of crude oil from Saudi Arabia and 400.1 thousands of barrels per day from UAE.¹⁹ Middle Eastern countries ensure the provision of energy that is the core of Industrial and domestic energy imports by India. This guarantees that the manufacturing sectors in India, power generation, as well as the transport sector keep on functioning to foster the growth of the economy. The importance of the Middle East's oil exports to India to support the country's economic development cannot be overemphasized, even though it is a two-way business. For India, the region is a source of its energy requirement while the GCC countries especially Saudi Arabia, UAE, and Qatar, rely on skilled and semi-skilled manpower from India. There are millions of Indians residing in the GCC countries and they have made

¹⁷ "Exploring India UAE Trade and Economic Relations | IBEF," India Brand Equity Foundation, accessed October 17, 2024, <https://www.ibef.org/indian-exports/india-uae-trade>.

¹⁸ "India, UAE Relations Move from Crude Oil Imports to Nuclear Cooperation - Al-Monitor: The Middle East's Leading Independent News Source since 2012," accessed October 17, 2024, <https://www.al-monitor.com/originals/2024/09/india-uae-relations-move-crude-oil-imports-nuclear-cooperation>.

¹⁹ Eva Levesque, "UAE Oil Exports to India Rise, Squeezing out GCC Neighbours," AGBI, October 16, 2024, <https://www.agbi.com/oil-and-gas/2024/10/uae-oil-exports-india-rise-gcc-neighbours-squeezed-out/>.

significant input in the growth of these countries especially in the fields of construction, health, and service sectors. These countries have also used Indian manpower to lay the foundations of towering skyscrapers to implement transport systems.

Another form of foreign exchange earnings is the remittances that Indian employees send back home to India. Cash inflow from the Gulf region can considerably support the foreign exchange earnings, balance their current account, and strengthen the foreign reserves of India. This exchange of labor and capital shows how India and the Middle Eastern countries have started depending on each other in terms of economic growth, thus leading to a symbiotic relationship in the economic realm. In addition to energy and manpower, India has taken a more diversified strategic economic cooperation with the Middle East into infrastructure, technology, and investment. A key policy shift that facilitated this widening engagement has been India's Look West Policy in 2005 under Prime Minister Manmohan Singh. The policy marked a conscious move from a predominantly economic relationship, centered on energy dependence and diaspora links, toward a broader strategic vision encompassing defence cooperation, technology partnerships, and long-term institutional engagement with the Gulf states. Over time, this framework has evolved into a central pillar of India's Middle East outreach, shaping contemporary diplomatic, commercial, and security alignments in the region.²⁰

There is a growing trend, especially in Middle Eastern countries, of investing on new infrastructural developments and in India's burgeoning technology markets. For instance, sovereign wealth funds from the UAE and KSA have invested massively in infrastructure, logistics, and Indian renewable energy. These investments have created better economic cooperation, where Middle Eastern nations got opportunities to diversify their economies and India got the capital it needed for its rapid development. Such diversification of economic partnerships enables India to expand engagement without becoming economically dependent on any single regional actor.

India and Middle Eastern countries therefore are engaged in a relationship of mutual dependence, where they need each other. India ensures its energy requirements and foreign exchange while the Middle Eastern nations get cheap human resources and the scope of trade/investment with the rapidly emerging Indian market. With the growing economic interaction, this partnership appears set to grow as both sides stand to gain more strategic and economic advantages.

This interest has been reflected in rising capital flows from the Gulf into India. By the end of 2022, the United Arab Emirates' cumulative FDI

²⁰ "English Releases," accessed November 26, 2025, <https://www.pib.gov.in/newsite/erelcontent.aspx?relid=10534>.

stock in India stood at around AED 56.5 billion, while Saudi investors, including the Public Investment Fund and Saudi-backed funds, had invested roughly USD 10 billion in sectors such as telecommunications, retail, agri-business, and energy infrastructure.²¹ In addition, a dedicated High-Level Task Force on Investment has been established to fast-track a proposed Saudi investment pipeline of up to USD 100 billion in Indian energy, technology, and infrastructure projects.²²

Political Diplomacy and Managing Regional Dynamics

As much as India's engagement with the Middle East is determined by economic interests, it is equally colored by the politics of powers in the region. The region remains saddled with sectarian, ideological, and geopolitical tension. Saudi Arabia and Iran – both of which are oil-rich nations – are Sunni and Shia respectively. Moreover, the current wars in such countries as Yemen, Syria, and Iraq make this rivalry even more persistent. Nevertheless, India has been able to maintain working relationship with multiple sides and it does not allow itself to be involved in the internal conflicts of the region²³. India's approach is the same in its relations with Israel and the Arab states. In the past, India was against the creation of Israel and upheld its support towards Palestinians while avoiding direct involvement in regional disputes. On the other hand, India had low-level diplomatic relations with Israel until the 1992 but presented a strategic partnership in defense and technology.

As a strategic move, it also holds strong diplomatic and economic ties with most major Arab countries especially in the Persian Gulf region²⁴. This approach reflects India's effort to preserve diplomatic flexibility in a region shaped by overlapping great-power interests. It could be said that India is in a state of rather delicate political and economic interdependence with the Middle East. Thus, both by making friendly relations with Arab states and recognizing Israel and by interacting with the main Middle Eastern industries, including energy and labor, India has established itself as a valuable Middle Eastern partner.

²¹ "UAE and India Explore Investment Opportunities in New Economy and Tourism Sectors," Ministry of Economy and Tourism UAE, accessed November 26, 2025, <https://www.moet.gov.ae/>.

²² VisionIAS, "India-Saudi Arabia Relations," Current Affairs | Vision IAS, May 17, 2025, <https://visionias.in/current-affairs/>.

²³ Laraib Farhat, "India's Inroads into the Middle East: Implications for Pakistan," *Institute Of Regional Studies Islamabad* 39, no. 4 (2021): 83-100.

²⁴ Prithvi Raj Mudiam, "Indian Power Projection in the Greater Middle East: Tools and Objectives," *Perspectives on Global Development and Technology* 6, no. 4 (2007): 417-39.

Middle East as a Workforce Destination

India's workforce in the Middle East has grown considerably in recent years, becoming a vital component of both India's economic strategy and its diplomatic engagement with the region. This surge in labor migration is rooted in the Middle East's demand for skilled and semi-skilled workers, driven by infrastructural developments, economic diversification efforts, and the needs of booming sectors like construction, healthcare, and services. The Indian workforce in the Middle East has steadily expanded over the past decade, making the Gulf Cooperation Council (GCC) countries home to one of the largest Indian expatriate populations globally. As of 2023, nearly 9 million Indians were estimated to be working in the Gulf, particularly in countries like Saudi Arabia, the UAE, Kuwait, Qatar, and Oman.²⁵ Data from the Ministry of Overseas Indian Affairs indicate that on an average 6-7 lakh Indians migrate every year under the Emigration Clearance Required (ECR) category, with as many as 7.47 lakh migrating during 2012.²⁶ According to the United Nations Migration Agency, India received \$111 billion in remittances in 2022, out of which the top destination from which these remittances were sent were UAE, US, and Saudi Arabia respectively.

Remittances from Indian expatriates contribute significantly to India's foreign exchange reserves. Moreover, the influx of Indian laborers facilitates trade ties, as Indian businesses expand to meet the needs of the diaspora community in the Middle East. This economic interdependence has led to deeper bilateral cooperation between India and Middle Eastern countries, enhancing sectors such as energy, trade, and infrastructure development. The scale and geographic concentration of the Indian workforce in the Middle East also provide New Delhi with a degree of policy flexibility, as diaspora presence enhances consular leverage and crisis-response capacity without necessitating deeper political or security commitments.

Strategic Hedging in India's Relations with Israel and Arab States

Strategic Partnership with Israel

One of the notable features of India's foreign policy in the Middle East is its relationship with the State of Israel, which underwent a significant shift in the early 1990s as New Delhi adopted a more pragmatic and strategically oriented outlook toward the external environment.

²⁵ "With 9m in Gulf Countries, GCC Makes Top Destination for Indian Expats | Arab News," accessed October 17, 2024, <https://www.arabnews.com/node/2346486/world>.

²⁶ T L S Bhaskar, *Background Paper On Remittances From The Gcc To India: Trends, Challenges And Way Forward*, n.d., 8/26.

Stimuli for this paradigm transition include restructuring of the global economy, dissolution of the Soviet Union and the end of the Cold War. India, being in a state of economic liberalisation and need for global integration, planned for economic reforms. India also desired to expand the categories of its friends and allies in order to tackle its emergent security threats including tensions with Pakistan and newly assertive China. Israel was considered useful as a strategic partner for India, particularly in defense and security as well as cooperation in hi-tech.²⁷ India, as a strategic partner, started extending recognition to Israel by opening an embassy in 1992, beginning the course of cooperation for two nations that realized the benefits they both could gain from each other.²⁸ Defense cooperation emerged as the very starting point of the partnership since it was only apparent that both sides will surely gain much from cooperation within the sector. This was because Israel being a high tech nation specializing in defence technologies, counter-terrorism, Intelligence and cyber security came to act as a supplier of defence equipment to India.²⁹ This partnership fulfilled several gaps that India required to modernize its force and improve its defense capabilities especially in the light of threats coming from neighboring states . India and Israel have a very strong defense relationship where both countries have been working together in several broad sectors such as defense electronics, missile systems, security and surveillance systems. For instance, Israel has sold radar systems, drones, and air defense systems to India which have helped improve Indian defense capabilities.³⁰ Efforts in defense research and development cooperation are also raised to a higher level because through research and development India can come up with its own technology with the help of Israel.

Whereas defense cooperation has attracted much attention, diplomatic and commercial relations between India and Israel have mobilized cooperation in other fields like farming, water resources, and information technology.³¹ Israel follows excellent knowledge in the cultivation of agricultural production from arid areas, drip irrigation systems, and water management that have played significant roles in the enhancement of Indian agriculture production and water resource utilization. Projects like the IIAP has helped the Israeli agricultural

²⁷ Saddam Sultaana, "India-Israel Defence Cooperation: Security Implications for Pakistan," *Journal of Security & Strategic Analyses* VII, no. 1 (n.d.): 134–60.

²⁸ R.K. Srivastava, "India-Israel Relations," *The Indian Journal of Political Science* 31, no. 3 (n.d.): 238–64, <https://www.jstor.org/stable/41854384>.

²⁹ Farah Naz, "Indo-Israel Military Cooperation," *Strategic Analysis*, August 2000, https://ciaotest.cc.columbia.edu/olj/sa/sa_aug00naf01.html.

³⁰ Seth J. Frantzman, "Israel Records \$12.5 Billion in Defense Exports, Led by Drones, Air Defense," *Breaking Defense*, June 14, 2023, <https://breakingdefense.com/2023/06/>.

³¹ Naz, "Indo-Israel Military Cooperation."

techniques to be applied in some of the Indian states to assist the local growers and improve food production.³² Other sector that Israel has a strong technology base is IT and cyber security, where the two countries increased cooperation. Since both countries undergo similar experiences in terms of cyber threats, efforts in cooperation in the sector of the current levels of capacity building have occurred along with sharing knowledge. Nevertheless, in the recent past, New Delhi has made efforts not to offend Arab nations as it has expanded its relationship with Israel.³³ While enhancing cooperation with Israel, India continues insisting on the preservation of peace in the Middle East and a peaceful resolution of the Palestinian-Israeli conflict in the form of two states. Although India-Israel partnership has deepened since the 1990s, India still exercises cautious diplomacy in its relations with Israel. This calibrated diplomatic approach is typical of India's, generally more broadly oriented foreign policy aimed at maintaining friendly and mutually beneficial relations with a number of often politically sensitive countries.

Hedging Between Iran and the Arab States

India has emerged as a significant strategic partner of Israel although Indian focus of interest has been the GCC states in the region. Security of energy supplies defines the main framework of the relations between India and the GCC since Saudi Arabia, UAE, and Qatar supply a third of Indian oil imports³⁴ India has ensured that it has excellent diplomatic and economic relations with the regional states while it seeks to compartmentalize its expanding ties with Israel. India's diplomacy is again under pressure in the way it deals with Iran, which is a neighbor of significance. Iran has been an important partner for India. Iran's geopolitical and strategic location along with energy resources endow the country the ability to access the Central Asian markets and regulate exports through the Chabahar port³⁵. However, following the US sanctions on Iran and the US' withdrawal from the Joint Comprehensive Plan of Action (JCPOA), India stopped buying Iranian oil while seeking to preserve strategic space in non-sanctioned areas of cooperation. . This was reflected in India's effort to ring-fence connectivity and infrastructure projects,

³² "Indo-Israel Agriculture Project (IIAP) | Ministry of Foreign Affairs," accessed November 26, 2025, <https://embassies.gov.il/india/en/mashav/iiap>.

³³ Gopi Krishna Bhamidipati, "India's Balancing Act in the Middle East," AGSI, accessed November 26, 2025, <https://agsi.org/analysis/indias-balancing-act-in-the-middle-east/>.

³⁴ Prithvi Raj Mudiam, "Indian Power Projection in the Greater Middle East: Tools and Objectives." *Perspectives on Global Development and Technology* 6, no. 4 (2007): 417–39.

³⁵ C. Christine Fair, "India and Iran: New Delhi's Balancing Act," *The Washington Quarterly* 30, no. 3 (2007): 145–59. <https://doi.org/10.1162/wash.2007.30.3.145>.

particularly the Chabahar port, from the sanctions regime, allowing cooperation with Iran to continue in areas not subject to direct restrictions. India has, however, managed to continue its cooperation with Iran on Chabahar port project to bypass Pakistan for its trade with Afghanistan and Central Asia.³⁶ In conclusion, India's success in developing a strategic partnership with Israel along with keeping good relations with Iran and Arab nations demonstrate that India's foreign policy approach in the Middle East is strategic and diversified reflecting a deliberate effort to maintain flexibility across competing regional alignments.

Strategic Hedging in the Middle East

Strategic hedging refers to a foreign policy approach in which a state simultaneously engages multiple competing actors while avoiding formal alignment with any single power.³⁷ In the case of India, this strategy is observable in its relations with both regional and international players in the Middle East as demonstrated by its concurrent engagement with Israel, the Gulf states, and Iran. The GCC nations are vital to India's economic stability, as most of the latter's energy needs are met by the oil-exporting nations of the GCC. On the same note, New Delhi continues to foster relations with Iran regardless of the latter's various interferences and political tensions with the GCC. Thus, by maintaining relationships with GCC and Iran, India can guarantee its supply chains with provisions of necessary resources, via seaports and routes, bypassing local conflicts.

This hedging strategy is also evident in Indian relationship with dominant world partners such as the United States. Despite having strengthened Indian strategic cooperation with the United States in defense and nuclear cooperation, India has refused to abide by the U.S' directions at times even in Iranian and many sensitive regional affairs³⁸. This pattern illustrates how India combines cooperation with restraint, preserving decision-making autonomy while sustaining functional ties across rival power centres. For instance, while the U.S. has been uncompromising on the resolution for tighter sanctions on Iran, India has remained diplomatically active with Iran to realize its broader end of strategic opportunism dubbed as its strategic autonomy. In this way, India has tried to maintain its relations with the Arab countries one hand, and Iran on the other.

³⁶ "US Threatens India with Sanctions over Trade Ties with Iran," IRNA English, May 14, 2024, <https://en.irna.ir/news/85476169>.

³⁷ Kuik Cheng-Chwee, "The Essence of Hedging: Malaysia and Singapore's Response to a Rising China," *Contemporary Southeast Asia* 30, no. 2 (2008): 159–85, <https://www.jstor.org/stable/41220503>.

³⁸ Ronald L Tammen, Jacek Kugler, and Ronald L Douglas Lemke, *Power Transition Theory*, Transresearch Consortium, Work Paper No. 1, December 2011.

Indian Strategy in the Middle East

India's approach to the Middle East reflects a deliberate and increasingly structured strategic orientation rather than a series of ad hoc bilateral engagements. Instead of anchoring itself to any single regional bloc or external power, New Delhi has pursued a pattern of selective and compartmentalised engagement that allows it to operate across competing political, ideological, and strategic alignments. This approach is shaped by the region's centrality to India's energy security, trade routes, diaspora interests, and access to critical connectivity corridors, all of which impose constraints on rigid alignment choices.

The preceding analysis demonstrates that India's engagement with Israel, the Gulf states, and Iran does not follow a traditional balance-of-power logic, nor does it suggest ideological neutrality. Rather, India has consistently sought to preserve room for manoeuvre by deepening cooperation in specific sectors while avoiding binding political or security commitments that could restrict its autonomy. Defence and technological cooperation with Israel, sustained energy and investment ties with the Gulf monarchies, and continued engagement with Iran through the Chabahar port project illustrate how India manages overlapping partnerships without allowing one relationship to undermine another.

This pattern of behaviour underscores India's preference for strategic autonomy as an organising principle of its Middle East policy. Autonomy, in this context, does not imply disengagement or equidistance but the capacity to adjust policy choices in response to shifting regional and global conditions. India's willingness to comply selectively with international constraints, such as sanctions regimes, while simultaneously safeguarding long-term strategic interests reflects an effort to minimise vulnerability and maximise flexibility in a volatile regional environment.

Viewed through this lens, India's Middle East policy is best understood as a form of strategic hedging undertaken by a middle power operating under conditions of uncertainty. By engaging multiple actors simultaneously and compartmentalising its partnerships, India seeks to secure economic and strategic gains while insulating itself from the risks associated with regional rivalries and great-power competition. This approach allows New Delhi to remain an active and credible regional partner without assuming the costs or obligations associated with formal alliances.

Navigating Regional Conflicts through Diplomatic Flexibility

Sectarian and Geopolitical Rivalries in the Middle East

With ongoing sectarian conflict and geopolitical tensions, the Middle East remains in steep political instability and conflict with actors

such as Saudi Arabia, a dominant Sunni power, and Iran, a Shia power. This sectarian division combined with rivalry due to their leadership's aspirations for regional dominance poses daunting diplomatic dilemmas for a third party like India. Unlike the United States, other important actors have avoided putting their weight behind one actor and antagonizing the other. China mediated the rapprochement between Saudi Arabia and Iran in March 2023.³⁹ Since then the two countries have avoided indulging in diatribe working against each other.

Nevertheless, against these odds, India has adeptly pulled off not getting directly embroiled in the internal quarrels of the region. India has avoided formal alignment in the sectarian power struggle between Saudi Arabia and Iran. India has instead prioritized sustained economic engagement and diplomatic flexibility while remaining outside regional rivalries.

Flexibility and Issue-Based Diplomatic Engagement

Unlike other international actors, India does not factor itself into regional and sectarian conflicts, rather, it prefers to maintain a policy of issue-based engagement and strategic autonomy in its dealings with the Middle Eastern states. This policy has effectively allowed New Delhi the flexibility of engaging the Middle East without getting entangled in the internal issues that always characterize the region. India's policy of selective engagement proved to count for a lot. Even with such rival powers as Israel or Iran, India has had friendly relations thus ensuring that it gains strategic and economic advantages over them without compromising the two powers. This policy of delicate pragmatism has helped India acquire energy resources from the Middle Eastern nations, increase commerce, and extend its sphere of influence but without getting dragged into the Sunni-Shia conflict or other sovereignty issues. India's joining of I2U2 (also known as Middle Eastern QUAD), which is meant to be the part of a pro-Israel alliance, while simultaneously trying to please Iran will be a litmus test for Indian diplomacy.

India has strived to manage its relations through calibrated diplomatic engagement by emphasizing neutrality and cooperation despite contradictions. For example, India has developed its partnership with Saudi Arabia, United Arab Emirates and Israel on one side while, at the same time, has maintained its relationship with Iran. This skill in diplomacy consolidates the image of the country and turns it into a positively perceived partner by all the participants of the new world order, thereby strengthening India's roles on the regional and international levels. This hedging approach has not only saved India's long-term interest

³⁹ "China-Brokered Saudi-Iran Deal Driving 'Wave of Reconciliation', Says Wang | Politics News | Al Jazeera," accessed October 17, 2024, <https://www.aljazeera.com/news/2023/8/>.

in energy security and trade relationship but has also made India a more important player in Middle Eastern geopolitical dynamics. So, unlike those powers that extend direct support to warring factions, India has not provoked the same kind of reactions. Thus, New Delhi has strengthened its position of a flexible and pragmatic regional partner, which possesses the capacity to contribute to stabilization of the Middle East as well as protect its own economic and strategic interests. This might prove to be less viable in practice as India gets pulled from its Western partners due to its participation in QUAD and I2U2, but it has managed to present an image of an independent actor, following in its own concept of strategic autonomy.

Conclusion

The Middle East remains a critical arena in which India's role as a middle power is most visible. India has carefully managed relationships with key actors, including Saudi Arabia, Iran, and Israel, primarily through economic, technological, and defence cooperation. This hedging strategy reflects India's attempt to secure its national interests without being drawn into regional rivalries, aligning with its longstanding pursuit of strategic autonomy. As India expands its ambitions globally, its presence in the region is likely to grow, particularly in infrastructure, power, and security cooperation, reinforcing its position as a responsible and pragmatic actor.

The analysis demonstrates that India's expanding engagement with the Middle East is driven primarily by energy security, diaspora interests, and access to investment and connectivity corridors. It further shows that New Delhi manages relations with competing regional actors through a strategy of hedging that preserves strategic autonomy rather than through formal alignment or traditional balancing.

However, India's strategy faces increasing constraints. Its efforts to maintain autonomy are complicated by growing strategic convergence with the United States, evident in its cessation of Iranian oil imports after Washington's withdrawal from the JCPOA and its reluctance to openly criticize Israeli actions in Gaza. These shifts illustrate the pressures shaping India's foreign policy as it seeks to balance regional antagonisms while consolidating its role as a middle power. Although India has demonstrated the capacity to sustain flexible engagement among competing regional actors, the volatile dynamics of the Middle East will continue to test the resilience of this approach. Taken together, India's Middle East policy illustrates how a middle power can employ strategic hedging to navigate regional instability while safeguarding autonomy in an increasingly fragmented international order.

