

INDO-IRAN RELATIONS

Reassessing India's Iran Policy

Tabasum Firdous

Abstract

Neo-liberalism as an international perspective has focused on the concept of complex interdependence among the nation-states to enhance cooperation and ensure peace. Accepting the nation-state centrality, the neo-liberals have concentrated on the international regimes, agreements and norms to enhance cooperation among the actors of international system. With liberalization and privatization as the basic trends of globalization, foreign investments are dominating the global discourse. Thus, investments in foreign nations for building network and communication infrastructure have been accepted as a shifting trend from the tradition of power politics. Thus, any bilateral relation in contemporary world is mainly influenced by the neo-liberal doctrine that has build complex structures to exaggerate interdependence among the nation-state actors. The focus of this paper, thus, is to examine the Indo-Iran relations in different eras and to indentify the possibilities for further strengthening ties and scope for improved regional cooperation.

Keywords

Strategic Ties, India, Iran, Neo-liberalism, Nation State, Strategic Cooperation, Regional Cooperation, International System, Globalization, Asian Actors, Post-cold War, Diplomacy, Indo-Iran Summits.

Ancient to Medieval Era

India and Iran have had long and close cultural links, and their ancient and modern histories have been intertwined. Indeed, although little known, the history shared between India and Iran is extremely dense, in such a way that India has been described as the 'closest Asian country to Iran'. This history, which dates back to the beginning of the Indo-Aryan civilization in the seventh century B.C., displays cultural, linguistics, religious, commercial and diplomatic characteristics. The two Asian counties are among the old civilizations of the world. Both have contributed immensely to the enrichment of human civilization in many of its aspects. As such, they have their special place in the comity of nations.

Indo-Iran relations date back to thousands of years in terms of cultural and economic ties. Most of the experts often refer to historical

and civilization links between the two nations as an important factor for cooperation. As such, language and culture are important areas that led to the strengthening of relations between the two. Both the countries focus on a wide spectrum of bilateral issues including energy security, closer cultural and strategic ties and the fight against terrorism. Cultural relations between the two countries were cordial during the Mughal rule in India which coincided with the reign of Safavi rulers in Iran. The eighteenth century was marked by the decline of the Safavid and Mughal dynasties in parallel with the expansion of the British presence in India, which led to the end of diplomatic relations between the two countries.

Post-Colonial Period

However, when India passed under British rule, the colonialists did not allowed the country to continue her foreign relations. Thus, from mid-18th century, India's relations with Iran remained cut off and no exchange of emissaries took place. This condition continued till India attained freedom in 1947. After independence, Iran was the first among foreign countries to send her ambassador and establish Iranian embassy in India. India reciprocated. Thereafter began regular exchange visits of VIPs, ministers and businessmen, and a 'Treaty of Friendship' was signed in 1950, by two governments which called for "perpetual peace and friendship".¹ However, during the Cold War, India-Iran relations were largely shaped by different ideological directions. Mohammad Reza Shah Pahlavi of Iran was effectively under the American led bloc. Iran as a member of the Baghdad Pact also maintained close ties with Pakistan. Pandit Nehru, on the other side, was a champion of Non-Aligned Movement (NAM). Iran also provided diplomatic and material support to Pakistan during the Indo-Pak wars of 1965 and 1971.² However, Iran never halts supplying oil to India that reflects her willingness to sustain ties with India.

To counter the differences during the course of Cold War, India's then Prime Minister Indira Gandhi and Iran's Shah paid corresponding visits in 1974 to the respective states. The intention was to change the equations for the betterment as the former was engaged to dissipate the misconceptions created by the India-Soviet Friendship Treaty of 1971 and the latter intended to play a significant role in West Asia. Again, the establishment of the Islamic regime in Iran did not halt the relations but

created some hindrances to improve or increase the pace. The situation became more complex with the Iran-Iraq war. This war put India in a difficult situation, as the country did not want to annoy any of the two, as both were important exporters of oil.

Post-Cold War Scenario

The early phase of post-cold war witnessed the world facing new situation. The changing circumstances at international level forced India to evolve suitable responses while breaking the old tradition of dealings with the world. The changing regional situation, threats to India's security, nuclearization of China and Pakistan, and the state sponsored terrorism from across the borders compelled India to act in according to these realities. India's realization of economic development as a new and effective tool to influence world affairs also paved the way for her changes in foreign policy orientations since the beginning of post-cold war era. India's foreign policy priorities were to prevent any threat to her unity and territorial integrity, ensure geopolitical security by creating a durable environment of stability and peace in the region and create a framework conducive to the economic well-being of the people. The then Prime Minister of India, P.V. Narasimha Rao's visit to Central Asia, Iran, Oman and other places were the steps to assure the same policy initiatives.³

Iran on the other hand experienced strategic loss in terms of her economic weakness and poor relations with the United States. The two wars and the increased military presence of the United States in Persian Gulf reduced Iran's regional influence. The country saw the US efforts to encircle her militarily as admitted by the US Secretary of State James Baker on his first visit to Central Asia in February 1992 that the US policy design is to counter Iran. Subsequently, in May 1993, the US articulated a "dual containment" policy to equate Iran with Iraq and to impede Iran's economic development.⁴ Moreover, the states to the north of Iran were politically unstable, and Iran was also concerned about ethnic conflicts which could spill over into her territory. Iran also got the realization that her relations with Russia and the Persian Gulf states were also central to her interests. Thus, Iran's foreign policy accommodated the changing dynamics in the region while promoting regional ties and consolidating her relations with rest of the countries.⁵ It was because of these domestic, regional and international compulsions that India and Iran came close in post-cold war era.

Ushering in New Era of Relations

With the end of cold war, India and Iran became closer due to their security threat perceptions as well as the emergence of Pan-Americana in the West Asian region. The 1990s phase witnessed improved relations between the two nations due to many factors. Firstly, both the nations focused long-term partnership in energy sector. Secondly, both of them were in favour of a peaceful settlement in Afghanistan through the establishment of a broad-based government representing all ethnic groups. Thirdly, both were concerned for security reasons and economic dealings in Central Asia. The dominance of Taliban in Afghanistan during 1990s concerned both India and Iran and the common challenge of Islamic fundamentalism in Afghanistan and Pakistan brought them together. Thus, in post-cold war era both nations realized the significance of enhancing their wider relations instead of representing divergent views on certain issues such as Kashmir. This convinced them on improving mutual relations and led to a series of formal high-level state visits between the two. So a new era of relationship began since early phase of post-cold war when India's then Prime Minister Narsimha Rao visited Iran after the Islamic revolution followed by the reciprocal visit by Iran's then President Ali Akbar Hashemi Rafsanjani to India. With the establishment of "Indo-Iran Joint Commission" in 1993 began the institutional mechanism with the purpose to guide the bilateral relations on economic issues at the foreign ministerial level.

India's then Prime Minister Atal Behari Vajpayee paid a four-day visit to Iran in April 2001 that was described by Iranian then President Muhammad Khatami, as "a new chapter in the field of human and international relations".⁶ During this visit Tehran Declaration was signed that included bilateral cooperation in the areas of energy, transit and transport, industry, agriculture and service sector as well as to promote scientific and technological cooperation including joint research projects, short and long-term training courses and exchange of related information on regular bases. Thus, the Tehran Declaration accelerated India-Iran cooperation on a wide array of strategic issues, including defense cooperation. The two countries also signed four accords in areas of information technology, training in professional and technical areas, trade and economic cooperation and an accord for cooperation in customs.⁷ The first meeting of Indo-Iran Strategic Dialogue was held in October 2001 that focused three areas of mutual concern viz. regional

and international security perspectives, security and defense policies of India and Iran, and issues related to the international disarmament agenda.⁸

Strategic Cooperation

The relations got a boost when the Iranian President Mohammad Khatami was invited as the Chief Guest during India's Republic day celebrations in 2003. The visit led to the signing of the famous "New Delhi Declaration", the "Road Map to Strategic Cooperation" and seven other agreements regarding economic exchanges, science and technology, information technology, educational training, reconstruction of Afghanistan and anti-terrorism.⁹ The most substantial framework guiding Indo-Iranian relations is the 'New Delhi Declaration' alongwith seven additional Memoranda of Understanding.¹⁰ The declaration assured the deepening of engagements extended to military cooperation. The agreement also focused upon international terrorism, the role of United Nations in Iraq, shared interests in the reconstruction of Afghanistan, enhancement of cooperation in the areas of science and technology, hydrocarbon and water issues and mutual interests in exploring education and training opportunities.¹¹

Another key instrument signed during Khatami's 2003 visit was the "Road Map to Strategic Cooperation" with the focus on diversifying areas of engagements beyond hydrocarbon trade and increasing the level of interactions in national security issues. Regarding the cooperation in energy sector, the Delhi Declaration described that: India and Iran have complementarities of interests in the energy sector, which should develop as a strategic area of their future relationship. Iran with its abundant energy resources and India with its growing energy needs as a rapidly developing economy, are natural partners. The areas of cooperation in this sector include investment in upstream and downstream activities in the oil sector, LNG / Natural Gas tie-ups and secure modes of transport. In June 2005, the two nations signed a deal, under which Iran will supply India with 7.5 million tons of liquefied natural gas annually for 25 years beginning 2009 and India will participate in the development of the Yadavaran and Jufeyr oilfields in Iran. The trade between the two countries also witnessed remarkable increase after the Delhi Declaration. India, under the current regime of Modi-led BJP, has focused on establishing and strengthening ties with

neighbours and other world nations on realist and functional principles. The visit of India's Prime Minister, Narendra Modi to Iran in May 2016 has been interpreted by the foreign policy pundits as an opportunity to establish ties with a liberal Iran, as the country has opened her economy after her successful peace deal with world powers. This visit attested India's committed policy to engage Iran for her future foreign policy objectives including the essential topics of oil, gas trade and Chabahar Port.¹²

India is one of the fastest growing economies and intends to maintain the growth rate. The country looks for stable and economically viable hydrocarbon suppliers. Thus, Iran is significant for India to sustain her fast growing economy. Iran has the strategic and economic significance for India. With a huge population and an increasing growth rate, India desires reliable suppliers of energy and Iran has the potential to address these ambitions of India. Iran also holds her importance to regional and world politics even under the shadow of her much controversial nuclear programme. India calculates it as a diplomatic and strategic blunder not to try to sustain ties with Iran if the country has to extend her influence beyond the South Asian region to Middle East and Central Asia. The industrial sector, transportation, the steel industry and the oil sector provide a lot of room for India to cooperate with Iran.¹³ For India, Iran is an important regional player in West Asia and has the geo-strategic significance. Significantly, Iran has the intention as well as resource potential to be a regional power in West Asia. India, on the other hand, with her expanding population and growing energy consumption presents an enterprising market for Iran. Iran, increasingly being subjected to international scrutiny would not want to lose the friendship with an emerging power center like India.

However, there are many challenges faced by India in pursuing her policy towards Iran. Iran has been insensitive to many issues, which are of great concern to India. The country has never supported India's case in the Organization of Islamic Conference (OIC) but has rather supported Pakistan consistently.¹⁴ For instance, the OIC appointed a special envoy on Jammu and Kashmir in October 2009 that New Delhi viewed as part of Pakistan's efforts to internationalize the Kashmir issue.¹⁵ Iran's response to the Mumbai terrorist attacks on November 26, 2008 also matters for India. When the United States, Britain and India more or less held Pakistan responsible for the attacks because of the inability

to control terrorist groups operating out of her soil, Iran expressed a different opinion in this regard. Moreover, the Arab countries are important for India taking into account her energy interests and the presence of migrant labour therein. Thus, the country cannot ignore the significance of Arab countries while formulating her Iran policy.¹⁶

One of the progressive yet controversial ventures between India and Iran is the proposed 2,775 kilometer Iran-Pakistan-India (IPI) gas pipeline. The internal situation in Pakistan is making it difficult to materialize this project. The government and military in Pakistan are largely busy in dealing with the terrorism existing therein. Even the Iranian officials have hinted at the possibility to include China into the proposed trilateral project. The relations between these two nations have come under serious strain since India's increasing engagements with the United States. The Indo-US nuclear deal came at a time when suspicions were rising against the Iranian nuclear programme. Under the Presidency of ultra-Conservative Mahmoud Ahmadinejad, Iran's relations with the United States "touched the abyss and the nuclear impasse worsened".¹⁷ This has affected the India-Iran relations. India's economic and military engagement with Israel is another hindrance that gives a setback to Indo-Iranian relations. However, despite all these hindrances, both the nations sustained their comprehensive relations and high-level visits. As stated by C. U. Bhaskar, former head of the Indian Institute for Defense Studies and Research, "Although it is true that over the years India has got itself closer to the United States; India never desires to see the improvement of its US ties destabilize New Delhi's relations with Tehran".¹⁸

Scope of Regional Cooperation

India and Iran could extend cooperation in Afghanistan as both of them have common economic, strategic and commercial interests in this war torn nation.¹⁹ Both of them oppose the Taliban and previously they had backed the Northern Alliance in the run-up to ouster the Taliban regime.²⁰ The cultural and religious ties between Iran and Afghanistan are strong, and can provide Tehran with a substantial amount of political advantage,²¹ even after US withdrawal. This can help India to sustain her presence in Afghanistan. There are prospects of trilateral dialogue between India, Iran and Afghanistan on transit routes to Central Asia. The trilateral agreement between these three nations to develop the

Chabahar route through Melak, Zaranj and Delaram can facilitate regional trade with Afghanistan and Central Asia, thus contributing towards enhanced regional economic prosperity. The significance of Chabahar Port was highlighted by India's then foreign secretary Nirupama Rao by stating that this project is "at the heart of the common vision that India and Iran have for Afghanistan and the region as a whole, of increased and easier flow of goods, and creation of a network of transport routes and energy pipelines that will bring our people together in an arc of stability, prosperity and peace".²² India has already completed 200 km of road in Afghanistan, linking Zaranj and Delaram that connects the Iranian border and there is the possibility to extend this road to Tajikistan and Uzbekistan that, if happened, will improve regional trade and transit.²³ There is also a need for cooperation between the two nations in dealing the economic reconstruction of Afghanistan, assuring the representation of all ethnic groups in Afghan polity as well as dealing the fundamentalism and terrorism in Af-Pak region. Both the countries, as a joint venture, can help stabilizing Afghan crisis and assuring an inclusive democracy capable of representing all ethnic groups therein. In relation to Chabahar Port, India is keen to complete the project for turning its outcomes as an immediate support for her foreign policy ambitions. With India set to invest \$500m for the trade transport corridor that would entirely bypass Pakistan, the deal, apart from helping India build closer ties with Iran and Central Asia, would also help it to directly compete with China's growing influence in the region.²⁴ However, there are certain issue areas that can hamper or at least delay the progress in building the port. For instance, Tehran's open invitation for Pakistan and China to participate in building the port²⁵ is alarming for India.

Moreover, the current bilateral trade between the two countries is about \$14bn, while Indian exports to Iran were around \$4.2bn in 2014.²⁶ The two nations have also signed an agreement in April 2008 to establish a new rail link between Iran and Russia. Iran is looking for a market to export her resources. India's large and financially growing market is a good destination for Iranian resources. India can help in preventing the spread of terrorism in the region as well as minimizing the drug trafficking. Nonetheless, with the lifting of western sanctions, Iran is once again considered as a very resourceful country with greater political stability than many of its neighbours. It is also now recognised

to have the largest combined oil and gas reserves in the world, with 9.3 per cent of global oil reserves and 18.2 per cent of gas reserves.²⁷ That is to say, the following time period is likely of greater significance for both the Western oil and gas companies and non-Western countries like India to invest in Iran. Whatever India has gained in relation with Iran is the outcome of her goodwill and diplomatic tactics, instead of the use of force or threat of use of force. This is a significant and a welcome approach in contemporary international politics. Both the countries are with their perspectives and processes of foreign policy decision-making and are bound to have differences. However, in an interdependent world as portrayed by the neo-liberal perspective of International relations, they have to remain selective in their engagements.

India has to engage private sector in Iran for infrastructure and industrial development. Iran has to assure her foreign investment policy for Indian companies. There is a requirement to bridge the communication gap between the think tanks, universities and other agencies of both the countries. They have to enhance the high-level visits. Enhancing people-to-people contact must remain at the center of their foreign policies. The bilateral relations must be based on the reciprocity and mutuality of the interests. Thus, both the countries have to enhance the cooperation in energy sector as well as the security issues. Besides being experienced and influential member of Non-Aligned Movement (NAM), India's high influence at the international organizations and institutions will open a new front for supporting Iran in confronting or reengaging with the West.

References & Notes

- 1 Monish Tourangbam (2009): "India-Iran Relations: Sustaining Ties Amidst Challenges", *World Focus*, 359-360, p. 545.
- 2 Ibid.
- 3 V. P. Dutt (1999): *India's Foreign Policy in a Changing World*, New Delhi: Vikas Publishing House, pp. 22-23.
- 4 Shahram Chubin (1994): *Iran's National Security Policy*, Washington: The Carnegie Endowment for International Peace, pp. 3-5.
- 5 Ibid., pp. 3-11.
- 6 Afzal Mahmood, "Iran's Strategic Handshake", *Dawn*, 2001 (April 23).
- 7 Op.cit. 1, p. 546.
- 8 Government of India, Ministry of External Affairs, "*India Iran Strategic Dialogue*," October 16, 2001.
- 9 Maghsudul Hasan Nuri(2003). "India and Iran: Emerging Strategic Cooperation?"

Indo-Iran Relations: Reassessing India's Iran Policy

IPRI JOURNAL, Vol. III, No. 2, p. 49.

- 10 Government of India, Ministry of External Affairs, India, "Documents Signed Between Iran and India, New Delhi, India", January 25, 2003, <http://meaIndia.nic.in>.
- 11 Op.cit. 1, p. 546.
- 12 Taneja, Kabir (2016). "The Reality of India-Iran Ties". *The Diplomat*, July 11, 2016.
- 13 Views expressed by Iran's Foreign Minister M. Mottaki during a seminar on Indo-Iranian relations at the *Institute of Political and International Studies*, Tehran, November 2, 2008.
- 14 Views expressed during Round Table on 'Engaging Iran: Opportunities and Challenges for India', *Institute of Defence Studies and Analyses*, August 6, 2009, at <http://www.idsa.in/event/EngagingIran>.
- 15 'OIC Appoints Special Envoy on Kashmir', *The Hindu*, October 3, 2009, p. 1.
- 16 P.R. Kumaraswamy, 'India's Iran Policy: Dispelling the Misconceptions', at <http://opinionasia.com/article/print/679>.
- 17 Op.cit. 1, p. 547.
- 18 "Iran-India Ties", *IRNA Agency*, Tehran, 2008 (23 April).
- 19 Nair, Kirit K. (2015). "India's Role in Afghanistan Post 2014: Strategy, Policy and Implementation", *Centre for Land Warfare Studies*, New Delhi, No. 55, p.7.
- 20 Monish Tourangbam (2009):Op.cit. 1, p. 548.
- 21 Nader, Alireza& Others, (2014): "Iran's Influence in Afghanistan: Implications for the US Drawdown", *National Security Research Division*, RAND Cooperation, p.5.
- 22 Speech by Foreign Secretary at *IDSIA-IPIS Strategic Dialogue on India and Iran: An Enduring Relationship*, July 5, 2010.
- 23 ErtanEfeğil and Leonard A. Stone (2001): "Iran's Interests in Central Asia: A Contemporary Assessment," *Central Asian Survey* 20, 3, p. 353.
- 24 Jahanbegloo, Ramin (2016). "Renewing the India-Iran Relationship". *Indian Express*, June 02, 2016.
- 25 Op.cit. 12.
- 26 Op.cit. 24.
- 27 Op.cit. 24.