



PROJECT ON INDIA AND THE SUBCONTINENT
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India-Iran Relations: Key Security Implications

While India and the United States have embarked on a campaign to strengthen their bilateral relations, as symbolized by the proposed U.S.-India civilian nuclear deal, it appears as though New Delhi has similarly begun to pursue a more robust relationship with another major power: Iran. The two states have recently expanded cooperation in a number of key areas, including counterterrorism, regional stability, and energy security. What are the implications of this “New Delhi-Tehran Axis” for the United States, and how should Washington respond to growing ties between India and Iran?

BACKGROUND

India and Iran speak often about the “civilization ties” that have bound the two countries for more than a millennium. The two states enjoyed strong bilateral relations following India’s independence, overcoming such obstacles as Cold War superpower politics and Iran’s relationship with India’s arch-rival, Pakistan. The 9/11 attacks on the United States, however, changed the context in which Indo-Iran ties had previously operated. South Asia was suddenly brought to the forefront of prominence within the broader context of the global war on terrorism, causing considerable concern in both India and Iran. India watched Washington resuscitate its relationship with Islamabad, while Iran witnessed the United States dramatically expand its military footprint in the region by invading Iraq and Afghanistan.

Already unsettled by the United States’ military strength as the world’s sole superpower, India and Iran have anxiously watched as Washington’s influence in the region has increased further. At the same time, New Delhi and Tehran have sought to strengthen their bilateral relationship: in 2003, the two signed the “New Delhi Declaration,” which set forth a vision of a bilateral “strategic partnership.”

CURRENT SITUATION

Relations between India and Iran are far-reaching and multi-dimensional. The two states have recognized that they have a lot to offer one another and have acted to expand cooperation in a number of key areas.

Energy Security: Given its exhaustive energy needs coupled with the lack of its own reserves, India is one of the world’s largest energy importers. New Delhi and Tehran have explored various methods to get Iran’s abundant hydrocarbon reserves to India. In 2005, the two nations unveiled ambitious plans for an Iran-Pakistan-India (IPI) Gas Pipeline that would run directly

from Tehran to New Delhi through Pakistan. Proponents of the pipeline contend that it would not only help meet India's growing energy demands, but would also give the countries involved — especially India and Pakistan — a stake in regional peace, possibly reducing the threat of conflict between the two states. Plans to move forward with the project, however, have stalled. Iran's insistence that the price of gas being sold to India be renegotiated every five years, coupled with a dispute with Pakistan over transit fees, has prompted India to opt out of the current round of trilateral talks on the pipeline. New Delhi has said it is still interested in pursuing the deal but is likely to wait and see how the precarious political situation in Pakistan unfolds before resuming negotiations.

Political & Strategic Considerations: Political considerations have also motivated stronger Indo-Iran ties. Communal tension and violence between Hindus and Muslims have risen in some areas of India over the past decade. India's growing relationships with Israel and the United States and the domestic criticism it has engendered have prompted India to reinforce its ties with the Muslim world. Because it lies on Pakistan's western border, Iran also presents a potential strategic advantage for India.

A close political relationship with New Delhi is similarly attractive, if not necessary, for Tehran. Following Iran's designation as a member of the "axis-of-evil" in 2002, the United States has aggressively sought Iran's international isolation. Close ties with a key regional, and increasingly global, power such as India could help Iran resist its "rogue" status and overcome Washington's efforts in this regard. India has repeatedly urged a peaceful, diplomatic solution to Iran's nuclear program and has largely resisted American pressure to reduce its ties with Tehran.

Counterterrorism and Regional Stability: The New Delhi Declaration called for the two states to "broaden their strategic collaboration in third countries," a clear reference to Afghanistan. The Taliban's ascension to power in Kabul caused deep concern in both India and Iran. Both countries face a serious challenge from the threat of Wahhabist extremism, especially from Afghanistan. Thus, the two states welcomed the Taliban's demise in October 2001 and made Afghanistan's reconstruction and stability a common, critical goal. India and Iran have since established working groups on terrorism and counter-narcotics; both these initiatives focus on al-Qaeda. Additionally, the two countries have continued to work to counter Sunni militant threats in the region and have expressed a mutual preference for a comprehensive convention against international terrorism at the United Nations.

Defense Cooperation: One of the most significant provisions of the New Delhi Declaration sought to upgrade defense cooperation significantly between the two countries. Sea-lane control and security, as well as discomfort with the emerging presence of the United States in the Persian Gulf, were partially responsible for Indo-Iranian naval exercises in March 2003 and again in 2006. Defense cooperation beyond this, however, has been sporadic and low-level. Expectations that India would assist Iran in upgrading its Russian-made defense system have not yet come to fruition. Cooperation in this area seems to represent generally strong Indo-Iranian relations rather than a broader defense alliance.

POLICY IMPLICATIONS FOR THE UNITED STATES

Strengthening Indo-Iranian ties has far-reaching implications for India's bilateral relations with the United States:

- Growing Indo-Iranian ties may potentially complicate New Delhi's new "strategic partnership" with Washington. Although the Bush Administration and Congress ultimately moved forward with the historic civilian nuclear deal, India's ties with Iran have influenced how some American policymakers evaluate U.S.-India relations.
- As Washington's most important strategic ally in the Middle East, Israel's safety and security remains a top U.S. priority. The cornerstone of the Indo-Israeli strategic partnership is military and defense cooperation. India's decision to launch the Israeli Tescar spy satellite in January 2008 indicates New Delhi's potential willingness to enhance Israel's security vis-à-vis Iran, especially with regard to Iran's nuclear program.
- If the United States reaches a point at which it will engage Iran in some capacity, India could provide a helpful role. New Delhi's close relationship with Iran, the United States, and Israel puts it in a unique position as a potential intermediary, similar to China's role in the Six Party Talks with North Korea.

RECOMMENDATIONS

Because of Iran's strategic importance and its own goal of ensuring a stable energy, it is difficult for New Delhi to abandon its relationship with Tehran. India should therefore pursue the following policy objective:

- Distinguish sharply between Iran's nuclear position and other areas of cooperation. While India will continue cooperation with Iran in pursuit of its own national interests, New Delhi should make it clear that it will continue to strongly support American efforts to bring Iran into legal compliance over its nuclear program. Voting against Iran in the IAEA for failing to satisfy its international obligations over its nuclear program, while simultaneously resisting American pressure to abandon the IPI gas pipeline project, is an effective illustration of New Delhi pursuing such a nuanced foreign policy.

Given that New Delhi is unlikely to totally sacrifice its energy and strategic interests with Tehran for its relationship with Washington, the United States should also adopt a more nuanced foreign policy towards India. The United States should therefore pursue the following policy priorities:

- Refrain from publicly expressing disapproval of Indo-Iranian ties except in areas that directly impact U.S. security, such as Iran's nuclear and military expertise and concrete defense enhancements. Such prioritizing takes into account India's national interests and independence but at the same time fulfills principal U.S. objectives.
- Explore the possibility of using India as a mediator between Washington and Tehran in relation to the nuclear question. Doing so would convey to New Delhi that Washington genuinely considers India a rising power with a role to play in international affairs, a recognition New Delhi has sought to secure.

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