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ASIA PROGRAM

Woodrow Wilson  
International Center  
for Scholars

## The "Strategic Partnership" Between India and Iran

**ABSTRACT:** India and Iran—one the object of much wooing from Washington, the other a member of President Bush's "axis of evil"—announced the creation of a "strategic partnership" in 2003. This Special Report explores the new cordiality in relations between New Delhi and Tehran, as well as the ways this partnership may impact upon the interests of other regional players. Christine Fair explains the calculations that make Iran an attractive partner for New Delhi, and concludes that the bilateral relationship is here to stay. Jalil Roshandel offers an Iranian perspective on the relationship. Pakistan, geographically situated between the two, views closer links between its neighbors with considerable alarm, a subject examined by Sunil Dasgupta. P.R. Kumaraswamy asks how this new Indian-Iranian collaboration may influence New Delhi's economic and strategic ties with Israel. In addition, all four essays address the implications for the United States of the new warmth in Indian-Iranian ties.

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### Introduction

*Robert M. Hathaway*

In January 2003, Mohammed Khatami, the president of Iran, visited India as that country's chief guest for India's Republic Day celebration. This is an honor customarily accorded only India's closest friends. During the course of Khatami's visit, he and the Indian prime minister, Atal Bihari Vajpayee, signed the New Delhi Declaration, which boldly set forth the vision of a "strategic partnership" between the two countries. The two leaders also pledged to collaborate on energy, trade, and other economic issues, to strengthen their cooperation on counter-terrorism, and to broaden their "strategic collaboration in third countries," which most analysts took to mean Afghanistan. The Khatami visit, one prominent Indian analyst subsequently declared, was notable not only for its symbolism, but for its substance.<sup>1</sup>

Two months later, Iranian and Indian warships conducted joint naval exercises. Indian arms sales to Tehran are said to be in the works, and India has agreed to help train

Iranian military personnel. Bilateral exchanges of defense and intelligence officials have become routine. Indian aeronautical engineers will help Iran maintain and upgrade its Russian-made MiG-29 fighter aircraft. According to some press accounts, New Delhi will have the right to use Iranian military bases for combat operations against Pakistan should another Indo-Pakistani war break out. India has also agreed to assist in the development of Iranian port facilities and with the construction of road and rail links in Iran. The two countries, along with Russia, have talked of creating a Russo-Iranian-Indian transport corridor. Such a trade route, if fully developed, could have a major impact on political and strategic as well as economic realities in the region.

Clearly, something potentially significant is transpiring in relations between New Delhi and Tehran.

Inasmuch as Iran is one of the charter members of President George W. Bush's "axis of evil," and in light of the widespread talk in Washington of a new "strategic partnership" between the United States and India, the Asia

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Program and the Middle East Program, constituent components of the Woodrow Wilson International Center for Scholars, decided last autumn to take a second look at the newly invigorated relationship between India and Iran. This Special Report grows out of that October 16, 2003, conference.

In this report's first essay, **C. Christine Fair** of the United States Institute of Peace explores India's conception of its strategic environment and notes that American officials and analysts seldom define India's strategic environment in terms as expansive as is common in India. Fair then surveys the history of the Indian-Iranian relationship since India's creation in 1947, with the end of the Cold War and the collapse of the Soviet Union serving as important milestones in this story. By the 1990s, Tehran and New Delhi shared interests in a stable Central Asia, in opposing Sunni extremism as it gained strength in South and Central Asia, and in containing the influence of the Taliban once that group seized power in Afghanistan. India's desire for a friend in the Islamic world and its greatly expanded need for secure supplies of energy also dictated a closer partnership with Tehran.

Iran for its part looked to India for help in escaping from the U.S. policy of containment and as a source of high-tech goods and assistance. And each country came to see the other as an increasingly important security partner. The terrorist attacks on New York and Washington on September 11, 2001, Fair judges, also served to bring India and Iran clos-

er together. "While these two states have been talking about 'strategic relations' for some time with few concrete results," Fair notes, "the last year has seen substantive advances in relatively little time."

The concluding section of Fair's essay broadens her focus by bringing in other regional actors, including China, Pakistan, Israel, and the Gulf States, and looking at how each may be affected by the emerging partnership between Tehran and New Delhi. The new vitality in Indo-Iranian relations, for instance, may encourage Pakistan to repair its tattered ties with Tehran, and even to reach out to Israel. This section also examines the mixed implications of this partnership for the United States. While acknowledging that many Americans, for perhaps understandable reasons, will be unsettled by the new warmth in ties between India and Iran, Fair also argues that this relationship could help advance long-standing U.S. objectives, including regional security, democracy promotion, the fight against HIV/AIDS, and the containment of Wahabbi extremism.

The India-Iran relationship, Fair concludes, is likely to become increasingly important to both states in the years ahead. Nonetheless, India's desire to build a close partnership with the United States and its pursuit of robust defense ties with Israel will place limits on the degree to which Tehran and New Delhi will be able to forge an across-the-board partnership.

Iranian-born **Jalil Roshandel** looks at some of these same issues from the perspective of Iran. He

### THE ASIA PROGRAM

The Wilson Center's Asia Program is dedicated to the proposition that only those with a sound scholarly grounding can begin to understand contemporary events. One of the Center's oldest regional programs, the Asia Program seeks to bring historical and cultural sensitivity to the discussion of Asia in the nation's capital. In seminars, workshops, briefings, and conferences, prominent scholars of Asia interact with one another and with policy practitioners to further understanding of the peoples, traditions, and behaviors of the world's most populous continent.

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### THE MIDDLE EAST PROGRAM

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opens his essay by exploring the strategic calculations in Tehran that would, in 2003, lead to the declaration of an Indian-Iranian strategic partnership. As Roshandel ably demonstrates, Iran turned toward India in the early 1990s as a way to escape international isolation and a variety of regional challenges. But the choice of New Delhi as a partner was not preordained; the originators of Tehran's "looking East" policy—former Prime Minister Mir Hussein Mousavi is singled out for special mention in this regard—do not appear to have displayed any particular preference among India, Pakistan, China, Japan, or the countries of Southeast Asia. Beijing, Roshandel writes, met Iranian overtures with a surprising lack of enthusiasm, perhaps not wishing to jeopardize its links to the United States. India appealed to Tehran because unlike Islamabad, New Delhi's historical ties to the despised United States had been strained. Over time, creating an enhanced partnership with New Delhi assumed increasing importance for Iran's decision makers, especially as Tehran came to see itself as the logical, even inevitable, transit route for a new Indian-Iranian-Central Asian nexus.

What do the two countries hope to get out of the enhanced relationship announced last year? Roshandel underscores three benefits for the new partners.

- First, each seeks more developed economic links, especially in the energy sector. India is a major importer of oil and natural gas, and Tehran, with ample supplies of both, is eager to fulfill that need. Roshandel notes, however, that India also faces political and strategic considerations, such as the importance it places on military purchases from Israel, that may impede the development of a thriving economic partnership with Iran.
- Second, both Tehran and New Delhi value augmented political cooperation in areas of common interest, starting with Afghanistan.
- Third, the two hope for enhanced cooperation in the military sphere. Although officials from both insist that such cooperation is not aimed at any third country, Pakistan and the United States, for starters, are likely to be uneasy over this expanded military partnership. Roshandel, introducing a theme explored more closely in the essay by Sunil Dasgupta, suggests that Pakistani defense planners cannot completely rule out the possibil-

ity that in a future war between India and Pakistan, New Delhi may have access to Iranian military bases. Such an occurrence, Roshandel notes, would present Islamabad with the specter of a two-front war and must of necessity alter Pakistan's strategic calculations in a fundamental manner. But Iran also fears growing ties between India and Israel, the subject of this report's final essay and a factor that may impede the creation of close military links between New Delhi and Tehran.

Other regional players have observed this emerging partnership between Tehran and New Delhi with considerable interest and, on occasion, alarm. As **Sunil Dasgupta** makes clear in his essay, Pakistan, geographically situated between India and Iran, has followed the evolution of ties between India and Iran with special care, particularly in light of the intimate military links Islamabad once enjoyed with Tehran. As Dasgupta puts it, a close political, economic, and possibly military relationship between India and Iran "poses a serious challenge" to important Pakistani interests.

Pakistan and Iran at one point enjoyed close ties, and indeed, Iran lent Pakistan valuable financial and even military support in the latter's 1965 war with India. But beginning with the 1979 revolution in Iran and the re-establishment of the U.S.-Pakistani alliance in the 1980s, the Iranian-Pakistani relationship gradually soured. Nonetheless, Islamabad and Tehran maintained a working relationship throughout the 1980s and, we now know, entered into a secret nuclear partnership in 1986-87. In the 1990s, the two found themselves on opposite sides in the Afghan civil war. Rising anti-Shia violence in Pakistan has also led many Iranians to question the possibility of productive ties with majority Sunni Pakistan. This deteriorating Pakistani-Iranian relationship provides the immediate backdrop as Pakistan contemplates Tehran's new ties to Islamabad's traditional enemy in New Delhi.

In response to growing Indian-Iranian linkages, Pakistan has stepped up its efforts to neutralize India's position in Iran and to maintain its own influence there. The proposed Iran-Pakistan-India gas pipeline is one manifestation of this strategy. Rather than finding itself surrounded by potential adversaries, Pakistan, were this project to come to fruition, would be an essential partner to both India and Iran. But

since New Delhi has vetoed any pipeline running through Pakistan, the idea appears dead, at least until such time as India and Pakistan find a way of overcoming their historical animosities.

More interesting, Dasgupta tells us, is the diagnosis of a relatively small but influential group of Pakistani business leaders and professionals who argue that the geopolitical realities of the region will inevitably drive India and Iran together unless Pakistan reorients its policies toward Afghanistan and, intriguingly, Kashmir. Absent fundamental changes in Pakistani policies, this regional peace camp maintains, the government's hope of preventing Indian-Iranian entente is groundless.

Islamabad is especially worried about defense collaboration between India and Iran and in extremis, the danger of a two-front war against both India and Iran. This possibility, Dasgupta judges, even if remote, may encourage Pakistan to develop a more robust nuclear arsenal. But Islamabad must not overreact to the new warmth in Indian-Iranian ties, since to do so may create the very threat of encirclement Pakistanis most fear.

For Pakistan, the logical choice is to continue its recent rapprochement with New Delhi, while simultaneously improving ties with Tehran. Pakistani strategic planners can also take comfort from the realization that should India move too far in the direction of Iran, this will undoubtedly slow progress in Washington's courtship with Islamabad's old rival in New Delhi.

The final essay in this collection, by Indian scholar **P.R. Kumaraswamy** of Jawaharlal Nehru University, looks at how the new Indian-Iranian partnership impacts on New Delhi's close relationship with Israel. India's bilateral ties with these two bitter enemies, Kumaraswamy judges, operate independently of one another. This is not to say that either Tehran or Tel Aviv is oblivious to India's links with the other. Israel in particular is apprehensive of growing New Delhi-Tehran proximity. Iran, on the other hand, is largely indifferent, at least publicly, toward India's growing cordiality with Israel.

India was late in extending formal diplomatic relations to Israel, finally doing so only in 1992. Indeed, New Delhi, arguing that religion should not be the basis for nationhood, voted at the United Nations in 1948 against the creation of Israel. In recent years, however, as if to make up for their tardy start, Indo-

Israeli ties have flourished, with counter-terrorism and weapons sales emerging as key elements in this partnership. A seminal moment in the evolving friendship between the two, Kumaraswamy writes, occurred during the 2001 Durban World Conference against Racism, when India refused to go along with efforts by Arab and Islamic countries to condemn Israel and Zionism. The cordiality of these ties was highlighted by the visit to New Delhi last September of Israeli Prime Minister Ariel Sharon.

The absence of an adverse reaction from the Muslim world to India's burgeoning ties with Israel has surprised some analysts. Indeed, according to Kumaraswamy, Iran has been "extremely accommodative and understanding" of India's new links with Israel. While Pakistan and occasionally Egypt have grumbled about the warmth in Indo-Israeli relations, Tehran "has consciously avoided making its ties with New Delhi a hostage to the Israeli angle." Tel Aviv and New Delhi, for their part, have been careful not to present their cooperation as driven by an anti-Islamic agenda. As an Israeli official explained to journalists during the Sharon visit last fall, the two countries "are not fighting Islam, we are fighting agents of terrorism."

Kumaraswamy and Roshandel disagree on whether Indian ties with Israel give Tehran pause; the latter believes they do. But there can be little debate on the opposite question of whether Israel is complacent about the Indian-Iranian relationship. To the contrary, Tel Aviv worries about the growing political and economic ties between the two, and about the potential diversion of Israeli military technology through India to Iran. Indeed, these fears sparked considerable discussion during Sharon's visit to New Delhi last fall, a visit that coincided with new terror bombings in Israel. For Sharon, Kumaraswamy writes, Iran is the "epicenter of terrorism." In Indian eyes, Pakistan occupies that position, and New Delhi is unlikely to bow to the preferences of many Israelis that it carefully circumscribe its relations with Iran or other hardline Arab states. Indeed, within weeks of the Sharon visit to India last September, Vajpayee made a state visit to Syria, a country deemed just short of pariah status by both Israel and the United States.

Quite clearly, its close ties with Iran place New Delhi somewhat at odds with the United States as well as with its friends in Israel. As Dasgupta



observes, India will have to work hard to persuade its friends in Washington and Tel Aviv that growing ties between India and Iran will not jeopardize important U.S. or Israeli interests. But so long as the cordiality between India and Iran exists, Dasgupta warns, "the door of doubt remains open."

Nonetheless, Iran offers India too many political and economic advantages for New Delhi to walk away from its friends in Tehran. And neither Israel nor the United States would be wise to push India too vigorously on its partnership with Iran. As Kumaraswamy rightly declares, Israel "will have to recognize, accept and accommodate India's interests in cultivating friendly ties with Iran." The same might equally be said of American policy makers.

Indeed, it would be naïve for Washington to expect New Delhi to automatically accept a U.S. definition of which countries constitute acceptable partners. And it would surely be foolish were Washington to demand that India, as the price for a better relationship with the United States, forsake its ties with Iran. To the contrary, many would argue that an India with friendly relations with Tehran might be well positioned to assist the United States in its own tortured dealings with Iran.

Nonetheless, many in Washington who talk with great enthusiasm about a new Indo-American partnership give the impression that the two countries—perhaps drawn together by shared values or a

common devotion to democracy—will inevitably see eye-to-eye on most major foreign policy questions. Of course this is nonsense; the war in Iraq should surely have dispelled this delusion. So, if the authors whose essays grace this report are correct, will Iran.

In a city known for its bickering and partisan divisions, it is a great pleasure to acknowledge the wonderful collaboration that resulted in last October's Wilson Center conference on the new Indian-Iranian partnership, and in this report. Haleh Esfandiari, who heads the Center's Middle East Program, is both a knowledgeable regional expert and a splendid colleague. Thanks to Jillian Frumkin on the Middle East Program's staff and Amy McCreedy, program associate with the Asia Program, for their able assistance in organizing the conference and editing this publication. Special thanks to the Asia Program's Timothy Hildebrandt, whose wizardry in the realm of desktop publishing has carried this project to fruition. Finally, our deep appreciation to the Ford Foundation, without whose financial support neither our conference nor this report would have been possible.

#### ENDNOTES

1. K.K. Katyal, "New warmth in Indo-Iran ties," *The Hindu*, January 29, 2003.



## Indo-Iranian Relations: Prospects for Bilateral Cooperation Post-9-11

C. CHRISTINE FAIR

**O**n January 26, 2003, Iran's president Mohammed Khatami was the chief guest of India's Republic Day parade. This is an honor bestowed only upon India's closest friends. President Khatami was accompanied by a high-level delegation, which included Foreign Minister Kamal Kharrazi, Defense Minister Ali Shamkhani, Minister for Science and Technology Mostafa Moeen, and Petroleum Minister Bijan Zangneh. During Khatami's visit, the two nations penned the "Delhi Declaration" and the "Road Map to Strategic Cooperation," which promulgated a plan for the evolving partnership between the two countries.

The Indo-Iranian tête-à-tête was significant for a number of reasons. First, the timing was provocative because the visit took place while the United States was amassing a large show of force in the Persian Gulf to mount military action against Iraq. India, the newfound U.S. strategic partner, vociferously objected to the U.S.-planned military action in Iraq while rolling out the red carpet to one of the founding member states of the Axis of Evil. Second, this display of amiability between Iran and India discomfited Islamabad, which still anticipates that it can count on Iran for strategic depth in the event of a conflict with India. This meeting between Pakistan's two massive neighbors, occurring at a time of heightened Indo-Pakistani tension, suggested that Islamabad's hopes may be ill-founded. Finally, the agreements signed by the two states addressed several issues, including the expansion of defense ties, cooperation in the areas of science and technology, and a broad set of engagements that both sides call "strategic" levels of cooperation.

While the timing of President Khatami's New Delhi visit and some of the resultant agreements cast an air of significance to the meeting, in many ways there is nothing particularly new about the direction and contours of the Indo-Iranian relationship. India and Iran have managed to maintain some level of détente even through the toughest moments of their histories. What then are the unique or substantially

important aspects of this latest turn of the Indo-Iranian relationship? This paper argues that while the current trajectory of the Indo-Iranian relationship is in many ways a continuation of past policies, it is likely to become increasingly important to both states in the near future.

Many of the issues that undergird the Indo-Iranian relationship have been remarkably durable: e.g., security of sea lanes, integrity of energy supplies through the Persian Gulf, the relevance of India as a source of technology and low-cost development initiatives, India's desire to use Iran as a commercial corridor to markets in Central Asia, and security and stability of Afghanistan and of Pakistan. Since the terrorist attacks on the United States of September 11, 2001, and the subsequent U.S. military actions in Afghanistan and Iraq, the neighborhood in which Iran and India are situated has been fundamentally altered. As a result of the transfigured security environment, many of these issues of common interest have gained newfound salience.

The Indo-Iranian relationship can be analyzed by imposing a framework that examines their engagements in three distinct phases. The first ostensible phase begins in 1947 with India's independence and extends to 1989 with the collapse of the Soviet Union and the conclusion of the Cold War. The second posited phase is 1990-2001. This phase is bound by the beginnings of a new world order born in the detritus of the Cold War and by the terrorist attacks on the United States of September 2001. The third phase is the contemporary post-9-11 period. Notably, because this author is a scholar of South Asian security issues and has come to study Iran as an extension of those analytical efforts, this paper will necessarily reflect the perspective of New Delhi specifically and the vantage point of South Asia generally.

This paper will explore the significance and impetus of the Indo-Iranian relationship throughout these phases. Before turning to an analysis of these three periods, it is useful to first understand India's

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conception of its strategic environment, within which India has actively launched diplomatic efforts to look east, west, north and south. Therefore, the first section exposits the features of India's extended neighborhood and the equities that New Delhi claims in this region. The next section turns to an analysis of the Indo-Iranian relationship in the three chronological periods noted above, drawing out the key drivers and sources of limitations. The final section will suggest ways in which other regional actors (e.g. China, Pakistan, Israel, and the Gulf States) may respond to emergent trends in the Indo-Iranian relationship. This section concludes with a discussion of the implications of this relationship for the United States and its relationship with India.

Indian analysts often describe their strategic environment in terms of the entire Indian Ocean basin. According to this view, India's strategic neighborhood stretches to the Strait of Hormoz and the Persian Gulf in the west; some analysts will even claim the eastern coast of Africa as the western most border of this strategic space. To the east, India's strategic neighborhood includes the Strait of Malacca and extends up to the South China Sea. To the north it contains Central Asia, and to the south, it reaches out to Antarctica.

### INDIA'S STRATEGIC ENVIRONMENT<sup>1</sup>

Indian analysts often describe their strategic environment in terms of the entire Indian Ocean basin. Such persons explain that India's strategic neighborhood stretches to the Strait of Hormoz and the Persian Gulf in the west; some will even claim the eastern coast of Africa as the western-most border of this strategic space. To the east, India's strategic neighborhood includes the Strait of Malacca and extends up to the South China Sea. To the north it is comprised of Central Asia, and to the south, it reaches out to Antarctica.

In contrast, American analysts do not articulate a similar view of India's extended neighborhood, in part because the entire Indian Ocean basin does not exist as a discrete entity within the U.S. military and policymaking bureaucracies. Different U.S. organizations divide up this region into the areas of Southwest Asia, Central Asia, South Asia, and Southeast Asia. The U.S. military divides India's extended neighborhood within two Unified

Commands: Pacific Command (PACOM), which includes India, and Central Command (CENTCOM), which includes Pakistan. The U.S. Central Intelligence Agency (CIA) includes India within its Near East South Asia office. The CIA therefore does not situate India within Southeast Asia and beyond. The United States Department of State includes India within its Bureau of South Asian Affairs, which also includes Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka. This means that State Department cartography of India's neighborhood does not include Southwest, Central or Southeast Asia. As Juli MacDonald notes, these varied U.S. government offices "apply multiple and overlapping analytical policy filters that include India in different contexts."<sup>2</sup> American analysts are more likely to describe India as sitting at a "strategic crossroads" where Southwest, Central and Southeast Asia converge.<sup>3</sup> One of the consequences of the ways in which the various apparatus of the U.S. government examine India is that there are few means to examine India's foreign policy holistically.

Within this extended strategic neighborhood, India has a number of strategic interests. First and foremost, it seeks to be the preeminent power within the Indian Ocean basin. Second, New Delhi believes that it has a natural role in shaping regional security arrangements to foster stability. Third, India is willing to be proactive to prevent developments that are fundamentally inimical to its interests. Indian interviewees explained that here "proactive" does not mean pre-emption in the sense promulgated by U.S. President George W. Bush. Rather, when asked how India seeks to achieve these objectives and project power throughout this expansive neighborhood, interlocutors identified two instruments of soft power: economic and political influences. These individuals expanded upon the utilization of these instruments by explaining that India seeks to promote itself as role model for economic and political development.

Consonant with this expansive set of interests within the entire Indian Ocean basin, India has pursued actively a "Look East" policy in which Prime Minister Vajpayee has made a number of openings to the states of Southeast and Northeast Asia. India also has a very sophisticated greater Middle East policy that includes Israel, Iran, and several Arab states. In addition, India is continuing its efforts to

consolidate its strategic footing in Central Asia and in Afghanistan, for which Iran and Russia have had tremendous import.

### PHASES OF INDO-IRANIAN RELATIONS: KEY DRIVERS AND LIMITATIONS

#### *1947-1989: Relations tethered to Cold War alignments*

In March of 1947, the Iranian delegate to the “Asian Relations Conference” in New Delhi extended Iran’s friendship and amity to the newly independent India. At the time, cooperation was logical as both states were stepping out of various entanglements with imperialism and occupation. But the friendship soon grew complicated. Iran and India found themselves enmeshed in the complex web of international relations of the Cold War. Iranian monarch Mohammad Reza Shah saw communism as a threat to both the integrity of the Iranian state and the Shah’s regime. The Shah’s concerns were exacerbated by the activities of Iran’s influential communist Tudeh party. In response, the Shah pursued a policy of brutal oppression against the Tudeh party, brought Iran into alignment with the West and, in 1955, entered into the Baghdad Pact with Iraq, Turkey, the United Kingdom and Pakistan. Prime Minister Nehru denounced the Baghdad Pact (CENTO) as a dangerous approach to international relations and led India into the Non-Aligned Movement. While India claimed that it was unaligned to either power bloc, it in fact developed very close ties with the Soviet Union, which became a major military supplier.

The India-Iran relationship was further complicated by improved relationships between Iran and Pakistan when the two countries joined the Baghdad Pact, albeit for different reasons. Iran joined the Baghdad Pact because of genuine commitment to the pact’s security principles, while Pakistan chose participation in the Baghdad Pact principally to obtain military support and resources to fortify it against its fast emerging nemesis: India. Although the Baghdad Pact brought Iran and Pakistan closer, Iran was very amicable towards the fledging state of Pakistan even early on. Iran was the first nation to recognize Pakistan and established formal diplomatic relations in May 1948. One year later, the Shah

visited Pakistan, at which time he and Prime Minister Liaquat Ali Khan penned a Treaty of Friendship.

In contrast to the alacrity with which Tehran acknowledged Pakistan, formal diplomatic relations between Iran and India were formalized only in March of 1950. However, within one year, Iranian Prime Minister Mohammed Mossadeq nationalized the Anglo-Iranian Oil Company (AIOC). Oil nationalization had become a serious issue: Iranians were increasingly vexed at the indifference of the British towards this growing Iranian concern and the yawning disparity in oil revenues shared by the Iranian and British governments from the exploitation of Iranian oil. India was ambivalent about the issue and perhaps leaned towards the side of the British. Nehru remarked that “The Iranian government has taken up a very strong and unbending attitude and perhaps it may be criticized to some extent.”<sup>4</sup>

Throughout much of the 1960s, India and Iran drew closer. This was in part due to the détente between the superpowers and the different regional priorities of the United States, which de-emphasized the significance of Iran. Iran, disenchanted with the contingent nature of such external support, began looking for alternatives to the United States. In its quest, Tehran sought to normalize its relations with the Soviet Union.

The 1970s was also a period of growth in the Indo-Iranian relationship, despite a bumpy start when Iran sided with Pakistan in the 1971 Indo-Pakistani war. While Iran formally supported Pakistan, Tehran declined to take a hard line against New Delhi and rebuffed Islamabad’s efforts to activate reciprocal defense obligations under CENTO.

In the aftermath of the 1973 Arab-Israeli war and the surge in oil revenues, Iran’s coffers had expanded and Iran felt well positioned to pursue joint development projects with other countries. India, having emerged as the decisive winner in the 1971 Indo-Pakistani war, was perceived by Iran to be a major regional power. It was in the mutual interest of both to pursue strong political links with each other. Both states were careful to avoid any entanglement in each other’s defense commitments and priorities and were steadfast in their efforts to keep differences of opinion over such matters from derailing their mutual economic and development objectives.





During the 1970s, there were also numerous high-level visits between India and Iran. Both Prime Ministers Indira Gandhi and Morarji Desai visited Iran in 1974 and 1977 respectively. In February 1978, the Shah of Iran visited India. Both sides held very similar views on a number of major international issues, such as disarmament, the ongoing security problems in the Middle East, and keeping the Indian Ocean free of aggression and outside interference.

The 1979 Islamic Revolution in Iran was initially seen in India as an assertion of national identity and independence from superpower rivalry. However, this favorable view was not sustained as once again bilateral relations waned in importance. The new regime in Tehran quickly became embroiled in a long, bloody war with Iraq. Iran also became keen to export its Islamic revolutionary zeal and pursued positions towards Kashmir that discomfited New Delhi. Despite India's displeasure with Iran's Kashmir stance, India did not vociferously rebuff Tehran. India believed that realists within the Islamic Republic sought to maintain robust economic ties with India despite differences of opinion.<sup>5</sup> The 1979 Soviet invasion of Afghanistan was yet another sticking point. Iran vehemently opposed the conflict on its northern frontier and found Indira Gandhi's "behind the scenes" opposition to Moscow to be too subtle. Despite these numerous challenges and significant sources of political difference, both Iran and India continued to cooperate economically throughout the 1980s.

### ***1990-2001: The Soviet Union's demise opens new opportunities***

The collapse of the Soviet Union and the conclusion of the Cold War presented India and Iran with a number of challenges as well as opportunities. Both countries faced uncertainty as to what would be the fate of its robust and long-standing arms supply relationship with the former Soviet Union. Moreover, in the wake of the Cold War, India and Iran grew unsettled when the United States emerged as the global hegemon.

As the Soviet Union crumbled, chaos ensued in Central Asia, disconcerting both Iran and India for a number of reasons. First, the new states that emerged from the detritus of the Soviet Union were

politically unstable and ill at ease with their neighbors. Iran was leery of becoming entangled in their disagreements and the ever-present possibility that any emerging ethnic conflict in Central Asia could spill into Iran and embolden any fissiparous tendencies among Iran's diverse ethnic minorities. India shared Iran's interest in a stable Central Asia: Central Asia had long been a captive market for Indian goods exported to the Soviet Union. Iran became the only viable corridor through which India could access the natural resources and economic opportunities of Central Asia and Afghanistan.

Iran and India's vexation with the emergent problems in Central Asia were further exacerbated with the upsurge in Sunni Islamic extremist movements that fanned throughout South Asia and Central Asia in the early and mid-1990s. The consolidation of power by the Taliban (backed and nurtured by Pakistan) was a major source of mutual anxiety both for New Delhi and Tehran. In this regard, both Tehran and New Delhi converged in their interests in checking cross-border terrorism as well as the spread of narcotics from Afghanistan.

Thus, the Cold War's conclusion brought to both states a number of challenges. However, it also presented both states newfound opportunities. Central Asia became an open field where both states could project their equities and jockey for influence in the area. Russia, India and Iran engaged in a number of joint ventures to build infrastructure in support of moving goods between India and Russia, via Iran and/or Afghanistan. India sought to establish robust relationships with Iran and the states of Central Asia at least in part to strategically outmaneuver Pakistan. The convergence of interests with Iran presented New Delhi with an attractive option of cultivating robust relations with a key Muslim state, at least in part to deflect Pakistan's rhetoric in international forums and to mollify the increasingly disenchanting Muslim population within India. Iran, for its part, saw in India a potential means to break out of its isolation caused in part by the containment policies of the United States. India's value in this regard has only expanded in recent years as India has forged key relations with the United States, Israel, the European Union and the states of Southeast and Northeast Asia. Tehran also looks to India as a cost-effective source of high-technology inputs and assistance in the development of information technolo-

gy. Finally, both states see tremendous value in military cooperation—a point to which I return in the subsequent section of this paper.

In the early 1990s, a policy of economic reform brought about a period of sustained economic growth in India, which expanded the country's demand for hydrocarbon energy sources. Iran, for its part, was both endowed with one of the world's largest supplies of natural gas as well as oil, and desperate to find new markets for these products. Energy interests, with Iran as a supplier and India as a consumer, cemented Indo-Iranian relations and motivated both states to explore ways of getting Iran's hydrocarbons to India's market.

This general rapprochement of the 1990s was also facilitated by Tehran's subtle shifts towards the recalcitrant Kashmir issue. 1991 witnessed a series of high-level exchanges. During a visit of the Indian external affairs minister, Tehran first acknowledged Kashmir to be an integral part of India. This was subsequently reiterated during 1993 visits to Tehran of the Indian foreign minister and Prime Minister Narasimha Rao.

By the late 1990s both Iran and India converged on several key issues: (1) stability in Central Asia, Afghanistan and Pakistan, (2) security of energy supplies, (3) checking the deleterious consequences of Wahabbist/Deobandi extremism emanating from the Taliban-controlled Afghanistan, Pakistan and elsewhere, and (4) the mutual benefit from economic cooperation in a broad swathe of areas.

This cluster of shared concerns brought about a number of key milestones. For example, in 2000 Iran and India agreed to build a North-South Corridor, which would permit facile movement of goods across Central Asia and Russia.<sup>6</sup> As a part of this accord, India agreed to help expand the Iranian port of Chahbahar and lay railway tracks that would connect Chahbahar to the Afghan city of Zaranj.

Cooperation between the two states increased in the area of defense as well. In March 2001, Indian Defense Secretary Yogendra Narain met with his Iranian counterpart, Ali Shamkhani, and agreed to initiate a security dialogue to examine key issues of mutual concern.<sup>7</sup> This meeting was followed by Prime Minister Vajpayee's historic visit to Tehran in April 2001, which resulted in the Tehran Declaration. This document aimed to enhance bilateral cooperation, to articulate their mutual

interests in establishing a broad-based government in Afghanistan, and to express their apprehension over international terrorism and their mutual preference for a comprehensive convention against international terrorism at the United Nations.<sup>8</sup>

Despite positive developments in Indo-Iranian ties in this decade, there were persistent limits to the depth and breadth that the relationship could take. Many of these limits continue to frustrate and circumscribe the relationship. First, throughout the 1990s, India sought a rapprochement with the United States. India's desire to cultivate robust security ties with the United States has been and will remain a serious constraint on the Indo-Iranian relationship. Second, India has simultaneously pursued robust defense ties with Israel. In fact, Israel has become the second largest supplier of military equipment to India. Third, India is also seeking more robust ties with a number of Arab states, which have been less than thrilled by the upswing in Indo-Iranian relations.<sup>9</sup>

### ***September 11, 2001–Present: Changing security environments***

The terrorist attacks of September 11, 2001, brought to the region a number of far-reaching changes. First, the attacks brought to the fore the significance of South Asia within the larger context of the global war on terrorism. This gave a greater impetus to the fast-developing Indo-U.S. strategic relationship. Second, the global focus on terrorism and the trends in political Islam have also encouraged India and Israel to deepen their already extent robust relationship. Third, stakeholders within India, Israel and the United States have also pushed for an Indo-U.S.-Israel triangular relationship to "fight terrorism."<sup>10</sup> It should be noted that Pakistani observers view this as little more than a patina for an axis to fight Islam and to counter legitimate political claims of Muslims such as Palestinian and Kashmiri liberation, to name but two.<sup>11</sup> Fourth, the military action in Afghanistan (Operation Enduring Freedom) brought the official rule of the Taliban to an end. This was a welcome change in both Tehran and New Delhi. Fifth, the recent military engagement in Iraq (Operation Iraqi Freedom) has also resulted in the ousting of Saddam Hussein. While his exit from Iraqi politics and capture was welcomed in Tehran and elsewhere, U.S. efforts to do so without



global consensus or UN cover was discomfiting both to Tehran and New Delhi.

While aspects of the war on terrorism and the involvement of the United States in the subcontinent have clearly been positive for New Delhi, other aspects have been less so. The war on terrorism again motivated the United States to resuscitate its ever-tentative relationship with India's vexing western neighbor. India, while seeking enhanced military supply relations with Washington, has argued that Washington should strictly limit its military assistance to Islamabad.<sup>12</sup> India has also watched with dismay as the United States made President Pervez Musharraf, who is viewed dubiously in New Delhi as the author of the Kargil conflict, a critical partner in the war on terror. From New Delhi's perspective, Washington has largely turned a blind eye on Pakistan support for militancy in Kashmir, and has acted with relative public insouciance towards Pakistan's demonstrable nuclear proliferation.

While Iran no longer has to contend with the odious Taliban and Saddam Hussein regimes, it too has had much to fret about in this new environment. While the United States has been a close neighbor due to its military presence in the Gulf since 1990/1991, the U.S. footprint in the region has expanded dramatically since 9-11. The United States has a robust military presence in Afghanistan, Pakistan, Uzbekistan, and obviously Iraq. Iran is clearly concerned that the United States will cultivate regimes in these countries that are pro-American and hostile to Iran's equities in the region.

This changed environment has also opened up opportunities for both India and Iran. Afghanistan is now more open and both states are considerably more free to use whatever means at their disposal to influence the eventual outcomes in Kabul and elsewhere. Both states are hoping that the demise of the Taliban, the U.S. presence in Pakistan, and the enhanced international concern surrounding extreme Sunni Islamic movements (e.g., strands of Wahhabi and Deobandi belief) will check the spread of Sunni militarism. The convergence of shared threats and perceived opportunities have encouraged Iran and India to move more swiftly on key areas that undergird their developing strategic relations such as: threats of terrorism (particularly from militant Sunni groups), security of the sea lanes of

control (e.g., Strait of Hormuz), and integrity of energy supplies. Moreover, the possibility of Afghanistan eventually being stabilized has opened up new commercial and development possibilities that compel both India and Iran to work together with other key collaborators such as Russia.

It should also be noted that both states need each other politically now more than ever. India, with the political consolidation of the Hindu nationalist party (the BJP) and its associated "saffron alliance," faces ongoing challenges arising from the fears and political alienation of its burgeoning Muslim population. The 2002 gruesome massacre of Muslims in the state of Gujarat persists as a political thorn in India's side. There have been a number of recent revelations that the state of Gujarat has failed to prosecute those responsible for the violence. Reports suggest that intimidation and threats of bodily harm have been used to coerce witnesses and to compel victims to retract their charges. Media coverage also alleges the direct intervention of corrupt judges who are sympathetic with the Hindu nationalist project.<sup>13</sup> While India's relations with its Muslims in the plains have been deteriorating, in recent years, the Kashmir dispute has increasingly become connected with Hindu-Muslim politics in the Indian hinterland. (For most of the dispute's history, it was isolated to the northern parts of India.) These developments, coupled with India's increased relations with Israel and its concomitant diminishing of support for the Palestinian cause, have compelled India to fortify its relations with countries of the Muslim world.<sup>14</sup>

Iran, for its part, also needs India now more than ever. Iran has been branded a member of the axis of evil, and Iran will have to redouble its efforts to overcome the U.S. efforts to contain it. Yet Iran understands the importance of détente with the United States as a country actively shaping most of the key states in Iran's neighborhood, particularly Afghanistan, Iraq and possibly Pakistan. Under President Khatami, Iran has done much to break out of its isolation. India may provide Iran with some enhanced means to do so. For example, India has long supported the admission of Iran into the World Trade Organization, which the United States has consistently resisted.

Much of this convergence in interests became overly manifest during one of the key milestones of

the Indo-Iranian relationship in this post-9-11 era: the January 2003 visit of President Khatami to New Delhi. The state visit included the signing of the New Delhi Declaration and seven additional Memoranda of Understandings and agreements. The key areas of focus included international terrorism and the shared position of both states that the Iraq situation should be resolved through the United Nations. Both states expressed an interest in pursuing enhanced cooperation in the areas of science and technology, including information technology, pharmaceutical development and manufacture, food technology and space (e.g., satellite launch).<sup>15</sup> The enduring mainstays of the engagement, hydrocarbon and water issues, also figured prominently, as did mutual interests in exploring education and training opportunities. (India has a robust post-secondary education infrastructure from which Iran could benefit tremendously.) Naturally, both concurred that there should be close cooperation on efforts to reconstruct and rehabilitate Afghanistan.<sup>16</sup>

One of the key instruments signed was the “Road Map to Strategic Cooperation.” This document follows the New Delhi Declaration closely and establishes a targeted framework to fulfill the objectives set forth by the Declaration. The key areas mapped out include concrete steps on oil and gas issues (e.g., the ever-challenging pipeline project), the commitment to expand non-hydrocarbon bilateral trade and other forms of significant economic cooperation, the joint effort to further develop the Chahbahar port complex, the Chahbahar-Fahranj-Bam railway link, and the Marine Oil Tanking Terminal. Perhaps the most controversial commitment spelled out more robust defence cooperation between the two.<sup>17</sup>

While these two states have been talking about “strategic relations” for some time with few concrete results, the last year has seen substantive advances in relatively little time. For example, both are moving to forge institutional defense linkages. They have established working groups on terrorism and counter-narcotics. Both of these initiatives are al-Qaeda focused. As noted, the salience of issues surrounding sea-lanes of control and political discomfort with the emerging hegemonic presence of the United States in the Persian Gulf motivated the first Indo-Iranian naval exercise in March 2003. This naval exercise was perhaps notable because its

timing was simultaneous with the mounting U.S. presence in the Persian Gulf and Arabian Sea. It was also striking because among the burgeoning U.S.-Indian defense ties, the U.S.-Indian naval relationship has been the most dramatic in its depth and breadth.

Iran is also hoping that India can be a key partner in its efforts to fortify and modernize its defenses, as noted in the previous section. Iran hopes that India can provide expertise in electronics and telecommunications. According to the Indian press, India has trained Iranian naval engineers in Mumbai and at Viskhapatnam. Iran is also seeking combat training for missile boat crews and hopes to purchase from India simulators for ships and subs. Iran also anticipates that India can provide mid-life service and upgrades for its MiG-29 fighters, and retrofit its warships and subs in Indian dockyards.<sup>18</sup> There were also reports that Iran hopes that Indian technicians will refit and maintain Iran’s T-27 tanks as well as its BMP infantry fighting vehicles and the towed 105 mm and 130mm artillery guns.<sup>19</sup>

While the interest between India and Iran in closer and more robust ties may have intensified, the same obstacles and limitations that bound them in the past will continue to do so. India will have to find ways of balancing its relations with Iran, while simultaneously managing its deepened relations with the United States, Israel and other states within its Greater Middle East policy. Right now, it does not appear as if the benefits to New Delhi in wooing Tehran outweigh the costs to its other key relationships. Moreover, while the changed strategic environment of both have pushed Iran and India together in many ways, it remains unclear at this juncture how enduring this convergence will be. For example, other states such as Pakistan, Saudi Arabia and even Israel may also shift their policies to exploit the changed regional environment.

### CONCLUSIONS: IMPLICATIONS FOR THE UNITED STATES AND KEY REGIONAL ACTORS

Pakistan is one state that has surely felt the impact of the ever-strengthening ties between India and Iran. In early 2003, bogus reporting circulated of an Indo-Iranian military agreement that permitted India access to Iranian airbases in the event of a war



with Pakistan.<sup>20</sup> While that report was putatively spurious, the Pakistani press responded with surprise and outrage that Islamabad had managed so poorly Pakistan's relations with its neighbor to the west. However, astute observers have remarked that even though there was no such defense pact, the new defense relationship between India and Iran affords New Delhi a number of advantages. As one Pakistani security analyst wrote:

*Any Indian presence on Iranian military bases, even if it is solely for the purpose of training the Iranians, would allow India a more subtle "operational" use of early warning, intelligence gathering, etc facilities against Pakistan. An Indian military presence in Iran with or without strike capability would enable India in the event of war with Pakistan to create a "holding threat" along its western borders. Indeed, Indian leverage with Iran has steadily grown with the souring of ties between Pakistan and Iran.*<sup>21</sup>

From Islamabad's vantage point, changes in its immediate backyard are less than salutary for Pakistan's perception of itself as an inherently insecure state. Tension with Iran emerged in the mid-1990s over the Taliban. (One may recall that in 1998, Iran nearly went to war with Afghanistan and made a number of threats towards Pakistan when eight diplomats and an Iranian reporter were slain in Mazar-e-Sharif, Afghanistan. Iran held Pakistan responsible for those deaths because of its close association with the Taliban.) Afghanistan has proven to be a persistent concern to Islamabad. Not only did the Taliban fail to provide Pakistan with much sought, but ultimately chimerical, strategic depth, but the future of Pakistani-Afghan relations is indeterminate at this juncture. All signs are that Islamabad is nonplussed over the form of government shaping up in Kabul and the paucity of Pashtun representation. Even China, Pakistan's ostensibly robust military partner, has shied from taking hard diplomatic and political stands in Pakistan's favor. During Pakistan's foray into Kargil, China supported the position of the international community that Pakistan needs to respect the sanctity of the de facto border, the Line of Control.<sup>22</sup> The current warming trends between China and India are also putting Islamabad on notice.

From Pakistan's perspective, it may well appear that India is successfully prosecuting a policy to

strategically strangle and isolate Pakistan.<sup>23</sup> Pakistan likely has a number of options, some of which may not have a palliative effect on regional security. Certainly one option that Islamabad may consider is the continued reliance upon proxy forces to project its equities in Afghanistan, Kashmir and elsewhere. Pakistan may pursue relatively unexplored asymmetric strategies using proxies based in Bangladesh, Sri Lanka, Nepal and elsewhere. This is surely undesirable and will have an immediate impact on U.S. objectives for the region, including stabilizing Afghanistan and minimizing the possibility of conflict between India and Pakistan. Pakistan may also seek to renew efforts to fortify its relations with Iran. While there is evidence that this is proceeding, Pakistani-Iranian relations are still largely tactical in nature. Pakistan has also been intimating that it would like some sort of rapprochement with Israel. This has been most evident in President Musharraf's various statements in 2003 that Pakistan would consider recognizing Israel. This would hopefully dampen the threat that Islamabad perceives from Israel and its partnership with India and the United States. Pakistan may also turn to other key states such as Saudi Arabia and other "Muslim" states in its ongoing quest for political support.<sup>24</sup> Given the historical involvement of Saudi Arabia and other Arab states in fomenting sectarian conflict in Pakistan and in supporting militant Sunni organizations, this could be deleterious for Pakistan's internal security and for the region.

As noted, other states in Southwest Asia are likely watching the Indo-Iranian relationship with some caution. Israel will certainly use whatever leverage it has to limit the extent of Indo-Iranian rapprochement.<sup>25</sup> Arab states, fearing an alliance between New Delhi and Tehran to project interests in Afghanistan and Central Asia, may step up efforts to proliferate Wahabbist influence in the region. Arab States and Pakistan may find again that they share many common interests in the region.

Finally, how might warming in Indo-Iranian ties affect U.S. equities in the region? There certainly are a number of concerns. First, opening up the North-South corridor and the concomitant opportunities to move goods also suggests the possibility of transferring illicit goods. Without proper monitoring, the North-South corridor could easily become a facile transit route for narcotics, small



arms, and even for weapons of mass destruction and/or their key components and related technical information. Second, the United States is looking to India as an important strategic partner. India may be hesitant to engage in policies to contain Iran. Indo-Iranian space cooperation may unsettle those in the United States who understand satellite launch capabilities to be an existential intercontinental ballistic missile capability. (This could certainly retard eventual Indo-U.S. cooperation in this area.) Third, such persons would further be unsettled by the summer 2003 reports that the former chairman and managing director of the Nuclear Power Corporation (Dr. Y.S.R. Prasad) took a job in Iran after his retirement in July 2000.<sup>26</sup> This, coupled with the episodic but vocal statements of mutual interest in civilian nuclear cooperation, likely unnerves those Americans who continue to be leery of India for resuming nuclear tests in 1998.

On the other hand, India's bilateral ties with Iran may make India more, rather than less, valuable to the United States. This relationship may be an important element in bringing stability to South and Central Asia, which would benefit all parties concerned. Should such projects as the gas pipeline come to fruition and pass through Pakistan, this will create much-needed economic opportunities for the three states. Such a pipeline could also be an important area of cooperation between India and Pakistan. Second, both Iran and India—like the United States—are anxious about the spread of Saudi-sponsored Wahabbist ideology. Their efforts to circumscribe the expansion of these sentiments may be welcomed by the other regional and extra-regional actors engaged in the same struggle. Third, enhanced exchanges of Iranian students within Indian educational institutions may also expose Iranians to yet another model of democracy. Fourth, Iran faces a number of social challenges such as HIV transmission (mostly through intravenous drug use) and drug addiction. India too is wrestling with these challenges and has promulgated policy approaches that are suitable for a society that considers itself to be culturally conservative. India may offer Iran some guidance on how to do the same.

## ENDNOTES

1. This work draws from several rounds of fieldwork in India under various RAND-sponsored projects. These trips were made in June, 2003, October 2002 and September 2002.

2. Juli A. MacDonald, *Indo-U.S. Military Relationship: Expectations and Perceptions* (Falls Church: Booz Allen Hamilton, 2002.), xx.

3. Ibid. The author's own experience dealing with U.S. personnel in CENTCOM, PACOM and elsewhere conform generally to MacDonald's findings.

4. Jawaharlal Nehru, "Letter to the Chief Minister," July 7, 1951, in G. Parthasarthy, ed., *Jawaharlal Nehru, Letters to the Chief Minister 1947-1964*, 2, 1950-52 (London: Oxford University Press, 1986), 438.

5. A.K. Pasha, "India, Iran and the GCC States: Common Political and Strategic Concerns," *India, Iran and the GCC States: Political Strategy and Foreign Policy*, (New Delhi: Manas Publication, 2000), 227-228.

6. Stephen Blank, "The Indian-Iranian Connection and Its Importance for Central Asia," *Eurasianet.org* March 12, 2003. Last accessed November 11, 2003.

7. Dinesh Kumar, "The Limits of the India-Iran Rapprochement," *Jerusalem Institute for Western Defence*, June 1, 2001. Available at <http://www.westerndefense.org/bulletins/June1-01.htm>. Last accessed February 11, 2004.

8. Mohammed Nasseem Khan, "Vajpayee's Visit to Iran: Indo-Iranian Relations and Prospects of Bilateral Cooperation," September 2001. Available at <http://www.idsa-india.org/an-sept-4.01.htm>. Last accessed October 6, 2003.

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10. Sheela Bhatt, "Indo-US-Israel dialogue pushes for anti-terror partnership," *Rediff.com*, February 9, 2003. Available at <http://www.rediff.com/news/2003/feb/08secu.htm>. Last accessed February 15, 2004.; "Unwritten Indo-US-Israel axis created: Lapid," *IndianInfo.com*. September 10, 2003. Available at <http://news.indiainfo.com/2003/09/10/10axis.html>. Last accessed February 15, 2004.

11. Ghani Jafar, "The Brahmanic-Talmudist Alliance," *Regional Studies*, Spring 2002, 4-89. Available at <http://irs.org.pk/regional%20studies%20editions/Spring%202002.pdf>. Last accessed February 15, 2004.



12. Author interviews in India with officials from the Ministry of External Affairs, Army Headquarters, and Integrated Defence Staff in June 2003 and September and October 2002.

13. The case of Zahira Sheikh is illuminating. She was a key witness in the mass murder at Vadodara's "Best Bakery." Several of her relatives were among the 14 slain in that attack. Upon retracting her testimony, she claimed that she was intimidated by Bharatiya Janata Party (BJP) and Vishwa Hindu Parishad (VHP) leaders to retract her testimony.

14. Notably, India also has an enormous population of Shia Muslims. Some observers put its Shia population as the third or fourth largest, perhaps equivalent to that of Iraq. Of course, statistics on the numbers of Shia Muslims is problematic—particularly in states that are dominated by Sunni and which marginalize Shia Muslims. According to one estimate (using data from 1999), the largest population of Shia is in Iran (nearly 46 million). Pakistan's Shia population is the second largest with some 19 million. (It should be noted that the Pakistan figures are deeply suspect as Pakistan does not include the Shia dominant Northern Areas in its census). Iraq and India are nearly tied with 14 million and 13 million respectively.

15. "India, Iran have co-operation in space research," *IndiaInfo.com*, February 1, 2003. Available at <http://finance.indiainfo.com/news/2003/02/01/01indiiran.html>. Last accessed February 15, 2004.; "India, Iran Cooperating on Space Research," *Times of India*, February 1, 2003. Available at <http://timesofindia.indiatimes.com/articleshow/36162048.cms>. Last accessed February 15, 2004.; Sengupta, Ramananda. "India-Iran Gas Pipeline: A Transit Challenge." *Rediff.com*, January 22, 2003. Available at <http://in.rediff.com/news/2003/jan/22ram.htm>. Last accessed February 15, 2004.

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20. Ehsan Ahrari, "As India and Iran Snuggle, Pakistan Feels the Chill," *Asia Times*, February 11, 2003.

21. Zeb, "The Emerging Indo-Iranian Strategic Alliance and Pakistan."

22. Ashley J. Tellis, C. Christine Fair, and Jamison Jo Medby. *Limited Conflict Under the Nuclear Umbrella: Indian and Pakistani Lessons from the Kargil Crisis* (Santa Monica: RAND, 2001).

23. This perception is likely exacerbated by the fact that India now has a presence not only at Iranian bases and ports, but also in Tajikistan at Farkhor and Ayni.

24. While the extent of Pakistan's use of nuclear technology as a carrot for friendship remains to be fully excavated, it is clear that Pakistan has peddled this know-how.

25. India and Israel are also embarking upon closer coordination on issues of space and satellite launch. To the extent that satellite launch is a proxy for inter-continental ballistic capability, similar cooperation between Iran and India will not be welcome in Israel.

26. "India Science News of the Week," Science and Technology Section, U.S. Embassy, New Delhi, India, October 24, 2003. Available at <http://www.atip.org/INDIANEWS/EMBASSY/20031024.pdf>. Last accessed February 16, 2004. According to the *Hindustan Times*, which broke the story, this "leading Indian nuclear scientist is believed to have helped Iran build its nuclear power plant." ("Top Indian nuclear expert helped Iran develop power plant: report," October 23, 2003).

## The Overdue “Strategic” Partnership Between Iran and India

JALIL ROSHANDEL

In a rare moment of cooperation during India’s 54th Republic Day celebrations in January 2003, Iran and India declared a “strategic partnership.” However, the origins of the New Delhi Declaration, signed by Iranian President Mohammad Khatami and Indian Prime Minister Atal Bihari Vajpayee in January 2003, go back more than a decade. That the agreement’s foundation was laid in the early years of Hashemi Rafsanjani’s presidency is perhaps not surprising to those who follow Iran’s regional activities. The partnership that has emerged only recently is, in a sense, overdue.

### BACKGROUND

To understand how the New Delhi Declaration finally became possible, one must look back to the years following Iranian leader Imam Khomeini’s death (1980) and the Iran–Iraq War (1980–1988). Iran was involved in a multi-dimensional challenge to survive as a political regime that had to build a coherent foreign policy and national identity amid a maelstrom of obstacles and challenges.

First, Iran was facing tremendous pressure from the West. The *fatwa* against novelist Salman Rushdie and the Mykonos Restaurant shooting incident<sup>1</sup> endangered relations with other countries (particularly in Europe) by implicating the Islamic Republic in terrorism. Iranian support for Hezbollah encouraged terrorism while failing to alleviate the Palestinians’ plight, and brought pressure and condemnation from the United States and Israel. Meanwhile, Iran suffered isolation, embargoed by the United States as part of Washington’s dual containment policy against Iran and Iraq, and was also continuously monitored for development of weapons of destruction.

Iran also had problems at the regional level. It had failed in its efforts to expand influence among the newly independent Central Asian states, unable to export even such mundane goods as spaghetti and macaroni—perhaps because it had so excessively exported the Qur’an and ideologically motivated

books.<sup>2</sup> Meanwhile, Iran was threatened by the Taliban, and drugs from Afghanistan contaminated Iran’s young population. The Taliban had been organized by Islamabad, profiting from Western (especially U.S.) and Saudi government support, along Iran’s eastern border. Iran also had difficult relations with Azerbaijan, which invited the Iranian Azeri population to join in forming a “greater Azerbaijan.” Iran tried to counter these dreams of Azeri unity by supporting Armenia’s claim against Azerbaijan over the Nagorno-Karabakh region. In 1992, Iran tried to help mediate Tajikistan’s civil war in order to display a peaceful profile and to eventually increase its influence.

Iran’s response to these international and regional challenges, which would lay the foundation for the New Delhi Declaration, was a shift toward “looking East.” The most important issue for Rafsanjani’s government was dealing with Iran’s strategic predicament without compromising the revolution’s Islamic ideals. Iran had had no allies during the grueling war with Iraq, the outcome of which failed to reduce Tehran’s strategic and security concerns. It therefore tried to reduce its vulnerability through ambitious regional plans.<sup>3</sup> The collapse of the Soviet Union seemed to offer new avenues and opportunities that the Iranian government was determined to make the most of, in spite of tremendous external and internal obstacles.

Modifications to the constitution eliminated the position of prime minister in 1989, giving more power to Rafsanjani as president. The last prime minister, Mir Hussein Mousavi, was relegated to a small office in a building detached from the president’s office. Mousavi’s position was a formality and a “fifth wheel,” and his research and recommendations rarely resulted in policy. Yet he strongly supported Iran’s striking out East (instead of mending ties with the West) and was one of the masterminds behind this movement.

Mousavi believed Iran could gain nothing from the West, which (he claimed) had historically acted

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against Iranian interests. The East offered greater promise for a prosperous future; at the least, it involved fewer security risks. Therefore, every effort must be made to reorient Iran's foreign policy in that direction.<sup>4</sup> Mousavi's concept of the East was broad and probably vague, but included Afghanistan, Pakistan, India, Southeast Asia, and even China and Japan—any country that was situated geographically east of Iran.

Iran's decision to bypass Pakistan and sign an agreement with India was the result of several factors. Of key importance was the old belief that "the enemy of my enemy is my friend." Iran had simply learned to distrust the West through experiences like the 1953 coup, in which the United States supported the Shah, and even older British and European interventionist policies. In the late 1980s, Pakistan was still seen as a close ally of the despised United States.

Meanwhile, Iran's parliament and foreign ministry were making their own individual studies and arrangements based on "looking East." Soon steps were taken to develop relations with India and China, as well as with Central Asian countries such as Turkmenistan, Tajikistan, Uzbekistan and Kazakhstan.

Rumors had it that the Chinese rejected these overtures for fear that closer ties with Iran (which from the Iranian side would mean cooperation in nuclear issues) would jeopardize Beijing's expanding relations with the United States. India seemed interested, however. By 1996, trilateral cooperation among Iran, India and Central Asia became *modus operandi*.<sup>5</sup> Two major think tanks, the Institute for Political and International Studies (IPIS) in Tehran and the Rajiv Gandhi Institute for Contemporary Studies (RGICS) in New Delhi, were involved closely and arranged several joint research projects.<sup>6</sup> During 1996, members of Parliament and other authorities traveled to such locations as Indonesia and China, though these exploratory missions produced no tangible results.

Though initial achievements were minor, the idea that "looking East" would build on its small beginnings and eventually pave the way for economic interdependence and stability seemed theoretically convincing. The concept had support especially among decision-makers and policy planners.<sup>7</sup> The broadening of cooperation always involves

some complications which, along with Iran's diplomatic naivety, delayed implementation. Gradually, however, Iran expanded its horizons. Looking East, particularly toward India, became formal policy by 1997. Among other goals this policy was designed to:

- help Iran obtain wider access to resources in Central Asia.
- facilitate access of countries like India or even the Persian Gulf states to landlocked Central Asian countries, always with the final goal of profiting Iran.
- search out (initially small) economic benefits for Iran as a transit country that provides roads, transportation and storage between Central Asia and the Indian Ocean.
- create mutual interdependencies that would eventually reduce harmful dependencies on the West.

Iran, India and the Central Asian states all suffered from weak economies, and therefore a kind of barter trade seemed to offer the most suitable mode for economic deals. Financial conditions were easy for all parties, though the volume of the transactions remained insignificant.

Iran was somewhat successful in demonstrating its potential to link the Arab Persian Gulf to the newly independent states of Central Asia. However, air transportation proved more practical than ground links due to the type, volume and value of goods. Moreover, cultural and moral impediments also dissuaded Iran from acting as a link between Central Asia and the Persian Gulf. Chief among these was a concern that the sex trade would expand from Russia and other former Soviet republics through Iran to the Persian Gulf states.

Overall, the policy of "looking East" tended to have international and political, rather than economic, significance. Iran was careful to avoid or bypass controversial issues like the export of Islamic revolution or goals. In the past, Tehran's direct approach towards Central Asia had frightened the former communist leaders of those countries, who feared the export of the revolution to their Muslim populations. But using trade between Iran and Central Asia as a wedge effectively widened Iran's horizons. Today, via Turkmenistan, Iran and Central Asia are connected by highway and railroad, although political obstacles keep these transporta-



tion links from being fully used. It is worth mentioning that Turkmenistan, in addition to many cultural, ethnic, and historical commonalities, has a long border (of 600 miles) with Iran.

### A STRATEGIC ALLIANCE: THE NEW DELHI DECLARATION

After more than a decade of Iran's "looking East," Tehran and New Delhi signed the unprecedented New Delhi Declaration early last year.<sup>8</sup> Prime Minister Vajpayee's 2001 visit to Iran was the first by an Indian prime minister since 1993, and ever since he has maintained a brisk pace of official meetings to strengthen the two countries' ties. The result was the January 2003 agreement, which aims for mutual benefit on three fronts: economic, political, and military.

On the economic front, the agreement acknowledges the two countries' interdependence and the importance of boosting cooperation, particularly in the energy sector. Iran's role as energy supplier to the growing Indian market cannot be underestimated. Iran has the world's second largest natural gas reserves, and India is one of the world's largest gas importers. As emphasized by the New Delhi Declaration, Iran is strategically located to serve as India's gateway to Middle Eastern and Central Asian energy suppliers.

Plans for pipelines from Iran to India are still unclear. The two major options are through Pakistan or under the Indian Ocean. The former has immense potential to promote security in the region, since it depends upon expanding cooperation among Iran, India and Pakistan. It remains to be seen whether a dire need for energy will prompt India and Pakistan to overcome their long conflict over Kashmir, or whether they will instead decide to examine other options.

Under the terms of the Agreement, Iran and India will make efforts to encourage bilateral trade and economic cooperation not only in energy, but in other areas as well. They will boost non-oil trade and investment in infrastructure projects. For example, discussion will continue on projects in Iran such as the Chahbahar Free Trade Zone port complex, the Chahbahar-Fahraj-Bam railway link, and the Marine Oil Tanking Terminal. In turn, Iran will invest and participate in infrastructure projects in

India. To date, Indian cooperation in response to Iran's interest in nuclear technology remains embryonic.

Currently, Iran's exports to India—mainly shipments of crude oil—equal about \$1 billion annually. Last year Iran imported less than \$200 million worth of goods from India, mainly iron ore, chemicals, and textiles.<sup>9</sup> Trade both ways should grow in volume and variety, as India's needs grow and the situation continues to change in Iran. There exist economic advantages for both sides to increase their economic ties, but India appears reluctant to move forward and prefers to have more ties with Israel for instance. India keeps its Iran option open for two major reasons. First, relations with Iran are strategically important for India's relations with Pakistan. Second, even a superficially good relationship with Iran can be sold politically to Muslim Indians who might have some sympathy towards the Islamic Republic of Iran.

Iran and India find themselves coming together not only economically, but also politically. The foreign policies of the two countries have always had commonalities; in particular, both detested Afghanistan's Taliban and feared the militant Sunni Islam that the Taliban represented. (It is worth remembering that India has more Muslims than either Iran or Pakistan.) Though the Taliban are no longer in power, Afghanistan remains unstable and a regional concern. Both Iran and India have had difficult dealings with Pakistan as well—it is well known that India blames Pakistan for fanning a secessionist struggle in India's majority-Muslim state of Kashmir. One more factor that has helped solder ties between the two countries is Iran's desire to survive under American pressure and the U.S.-led embargo—in a sense, Iran is still "looking East."

On the military side, India and Iran agreed to explore opportunities for joint training and exchange of visits, while declaring that defense cooperation is not aimed against any third country. That the military aspect of the deal will go much further is unlikely. Both India and Iran fear the possible seizure of Pakistan's nuclear arsenal by Islamic fundamentalists—but both Iran and India have their own religious thugs who might attempt to do the same thing. In the worst-case scenario of war with Pakistan, the possibility that India might access Iranian military bases, thereby encircling and con-





taining Pakistan, cannot be excluded. Such a move would fundamentally alter Islamabad's strategic calculations. Depending on the strength of India-Iran relations, Iran could get access to advanced Indian military technology.

One of Iran's anxieties that hinders close relations with India is concern about the Israeli-U.S.-India axis. Until recently, critical comments that Israel is trying to "encircle" Iran have come mainly from extreme right-wing conservatives, since Iran has been preoccupied with internal debates on human rights and Shirin Ebadi's Nobel Peace Prize.<sup>10</sup> But suspicions have grown since Israeli Prime Minister Ariel Sharon's visit to India last fall and India's subsequent deal to buy billions of dollars of Israeli-made airborne early-warning radars.

An Iranian fear that Israel is encircling Iran through an invisible network of relations with neighboring countries has existed for the past two decades, particularly since the Soviet Union's collapse. Israel has a significant presence in Azerbaijan, Armenia, Uzbekistan, Turkmenistan, Turkey, Qatar and other places. Many Muslim and Turkic-speaking countries from China's borders to the Mediterranean have excellent relations with Israel. The fact that Turkish-Israeli military cooperation is at its peak point has only multiplied Iran's concern.

## CONCLUSION

Stability in the Middle East and the Indian subcontinent is of paramount importance to all countries, perhaps particularly to the United States. A strong and stable Iran can help contribute to this stability. Though the current Iranian regime may be viewed as rickety or undesirable, the desire of young Iranians to change the system from within will likely prevail.

The Iran-India agreement of 2003 has been hailed for contributing to peace and stability, but its strategic aspects are undervalued. Why is it "strategic"? Indeed, both sides could easily live without it; in fact, no major part of the agreement has actually become operational. Yet its implementation will encourage three major regional players—namely Iran, India, and Pakistan (particularly if the pipeline project proceeds through the later)—to cooperate in ways that enhance regional security. Iran-India relations have taken over a decade to develop to this

critical point. The United States and the entire world should welcome such an agreement that improves world peace and tranquility rather than fanning the flames of competition and conflict.

## ENDNOTES

1. It was only in 1998 that the infamous *fatwa* was unofficially lifted. However, even today conservatives resort to its validity in order to put the reformist government of President Khatami under further pressure. On why the *fatwa* was lifted, read Scott Macleod, "Why the Rushdie *Fatwa* was lifted now," *Time*, October 5, 1998.

2. A more successful exporter was Turkey. Iran was pained to see Turkey advance even in areas like Uzbekistan, where many have Persian origins and have been traditionally under the influence of Persian culture and civilization.

3. Abandoning an alliance system and entering into the non-aligned movement after the revolution was a strategic mistake that Iran has not yet had the chance to alter.

4. These comments on Mir Hussein Mousavi are recollected from a personal meeting with him when he was High Adviser to President Rafsanjani.

5. Jalil Roshandel, "Trilateral Relations: A Way to Fight against Imbalanced Interdependence," *Amu Darya (Iranian Journal of Central Asian Studies)* 2, no. 1, spring 1997.

6. As an IPIS researcher, I participated in some of these trips to carry out field studies.

7. Jalil Roshandel, "Iran, India and Central Asia: Case for Trilateral Relations in Uzbekistan," in *India, Iran and Central Asia: Delineating Future Economic Relations, RGICS Project No. 23*, ed. Ahmad Mukarram (Rajiv Gandhi Institute for Contemporary Studies, 1998).

8. Available at: <http://news.indiainfo.com/2003/01/25/25indoiran.html>.

9. According to *Hamshahri* (Iranian daily newspaper), imports from India equaled \$165 million and exports equaled approximately \$1 billion in 1999 and 2000. *Hamshahri*, April 10, 2001. Available at: <http://www.hamshahri.net/hamnews/1380/800121/kharj.htm#kharj1>.

10. Mayam-ol Sadat Amir Shahkarami, "From Strategic Cooperation to Strategic Partnership" (in Persian). Available at: <http://216.55.151.46/index.asp?ID=7657&Subject=News>.

## Pakistan Responds to New Ties Between India and Iran

SUNIL DASGUPTA

A close political, economic, and possibly military alliance between India and Iran poses a serious challenge to Pakistan. Though Pakistanis are uncertain and disagree over the true nature of the new relationship, there is special concern about reports last year—which Tehran has since denied—that Iran might allow India access to military bases. Close policy coordination between the two countries could also undercut Pakistan's position on issues such as Kashmir. While military confrontation involving the three states is nearly impossible, invigorated ties between New Delhi and Tehran could open a protracted episode of political maneuvering in the region. Many Pakistanis believe that the new Iran-India relationship could surround and isolate Pakistan, but those in charge in Islamabad are confident that they can manage the consequences of anything India and Iran might do together. In 1994, when India, Iran, and Russia had together aided the Tajik Northern Alliance against the southern Pashtun tribes in the Afghan civil war, Pakistan assembled a force of Islamic seminary students, the Taliban, to dramatically assert its influence. Pakistan's Foreign Office says Iran has provided assurances that Tehran has no deal with New Delhi on military bases. The irony of all this, of course, is that Iran used to be a strong ally of Pakistan and had assisted the country militarily and financially in its wars with India.

Pakistan's direct response to the new India-Iran relationship depends on three variables:

- Islamabad's relationship with India, which is likely to remain wary in the future despite the recent positive turn;
- Pakistan's relationship with Iran, which in the past has alternated between good and bad; it reached its nadir in the mid-1990s with Pakistan's support of the Taliban; and
- the actual content of the alliance between India and Iran.

The first variable is least important, since a near-term improvement in India-Pakistan relations is

unlikely to lead the Pakistan army, which holds veto power on foreign policy and security decisions, to reconsider India's long-term intentions. The other two more directly influence Pakistan's response. The shape, size, and content of Indo-Iranian ties will determine how threatened the Pakistan army feels, while the health of Pakistan-Iran relations will be critical in Islamabad's evaluation of the alliance. This essay primarily explores these two elements to the neglect of the first.

### PAKISTAN'S RELATIONS WITH IRAN

The foundation of the close relationship between Pakistan and Iran was laid in the 1950s when the United States enlisted the two countries into CENTO (Central Treaty Organization), which was to be the West Asian component of the worldwide alliance structure designed to contain communism. The organization did not last, but Pakistan and Iran remained close. In the 1965 war between India and Pakistan, the Shah freely provided military and financial assistance to Pakistan. The two countries formally agreed on a military pact, which provided Pakistan an Iranian armored division in case of a war with India, and Iran a Pakistani armored brigade in case of a war with Iraq. In the 1970s, when Baloch nationalists in Pakistan rose up in rebellion, insurgents crossed the porous desert border between the two countries to hide among Iranian Baloch tribes. The Shah responded by giving the Pakistan army helicopters for the counterinsurgency effort. This history of military cooperation makes the India-Iran military relationship particularly galling in Pakistan.

In 1977, Pakistan and Iran, along with Turkey, old members of CENTO, signed the Treaty of Izmir, formalizing an intergovernmental initiative called the Regional Cooperation for Development (RCD). The RCD structure stopped functioning in 1979 after the Iranian revolution, but would reappear later. In 1985, the RCD was renamed the Economic Cooperation Organization (ECO).

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Under Pakistan's leadership, the ECO admitted seven new regional states as members in 1992, after the fall of the Soviet Union. As late as 1997, Pakistan was still making efforts to get the ECO jumpstarted, though by then it may have been too late. Since the Soviet withdrawal from Afghanistan, the idea of regional cooperation and trade westwards had been a driving force of Pakistan's regional policy. Thus, India's going around Pakistan into Iran and possibly onward to Central Asia directly hurts Pakistani ambitions.

The 1979 revolution in Iran brought the first serious strains in Pakistan-Iran relations. The Pakistani government was in the awkward position of having had a close relationship with the Shah and his regime. General Zia-ul Haq, Pakistan's new military leader and then chairman of the Organization of the Islamic Conference (OIC), had visited Tehran during the monarchy's last days with the hope of bringing about a ceasefire between the clerics and the Shah. Still, there was much in common, especially in the streets. In a reprise of the attack on the U.S. embassy in Tehran, Pakistani mobs comprising both Shia and Sunni Muslims attacked the U.S. mission in Islamabad, leading to a hurried evacuation that came very close to becoming fatal for the entire American diplomatic community. (As it was, two U.S. servicemen and two Pakistani employees of the embassy died in the melee.) Incriminating documents from the embassy turned up in Tehran, where they were published as pamphlets showing U.S. complicity in regional despotism.

Soon after, superpower politics intruded upon the Tehran-Islamabad relationship. The Soviet Union invaded Afghanistan in 1979, and Pakistan joined the United States to support the Afghan resistance. Pakistan's status as a frontline ally of the United States diminished its relations with Iran. The United States bore particular animus toward Iran for holding its embassy staff in Tehran hostage. Pakistan also accepted growing Sunni Wahabi influence in Afghanistan and Pakistan, which came as part of Saudi assistance for the Afghan war effort. This eventually led in the 1990s to Shia-Sunni violence inside Pakistan in which Iran would become implicated.

Despite the geopolitical intrusion represented by Afghanistan, Pakistan and Iran maintained a working relationship throughout the 1980s. The Pakistani government used Shia religious leaders to reach out

to Iran and posted influential diplomats to Tehran. President Zia-ul Haq visited Iran a number of times. Iran, too, conciliated Pakistan by maintaining a degree of supportive rhetoric on the Kashmir issue, much to India's annoyance. Though Pakistan and Iran reportedly transacted a secret nuclear deal in 1986-1987, the two countries were now engaged in a more ambivalent relationship.

This ambivalence began to wear off as Iran and Pakistan competed for influence in Central Asia and Afghanistan following the Soviet disintegration. Pakistan viewed Afghanistan as the prize through which trade and energy routes could pass in a north-south corridor from the Ferghana Valley to its port city of Karachi. One particularly ambitious proposal, which fanned regional conflict, was an oil and gas pipeline from Turkmenistan to Pakistan. Further, a government in Kabul comprising southern Pashtuns amenable to Islamabad's interests would give Pakistan the strategic depth that the army had sought since its birth. Similarly, Iran wanted influence in Afghanistan to ensure that the trade routes and the pipelines passed through its territory to the ports of Abadan and Bandar Abbas. Tehran also saw a sphere of influence in Central Asia as a way of breaking out from its U.S.-imposed isolation. Moreover, Iran had direct cultural links with the Shia Hazara community in western Afghanistan.

The ensuing Afghan civil war pitted Iran (with Russia and India) against Pakistan (with Saudi support) fighting through their proxies. The conflict devastated Afghanistan and particularly the city of Kabul, which was repeatedly won and lost. The destruction crushed Pakistani hopes of turning Central Asia into its own hinterland. In 1994, Pakistan garnered Saudi assistance and American approval to back the Taliban, a devout group of Sunni Wahabi extremists from southern Afghanistan and Pakistan's own Northwest Frontier Province. The idea was to bring order to a lawless land and serve as Pakistan's proxy in the north. In short order, Islamabad did achieve those goals. The Taliban's religious zeal and ruthlessness won most of the country except the far north. But the Taliban also brought its own extreme laws and practices. When they emerged victorious from a murderous battle, they massacred their opponents en masse. They meted out rough justice ordained by historic religious texts. Mazar-e-Sharif, the main city in western



Afghanistan and home to the Shia Hazara, was a particular target of Taliban ire. There they killed thousands. Iran not only lost its influence in the country, but also was deeply disturbed by Pakistan's support of the vicious Taliban. The final straw was when the Taliban executed 10 Iranian diplomats and a journalist in Mazar on August 8, 1998.

The Afghan civil war extended into Pakistan itself through Shia-Sunni violence. Though the country's population had always been overwhelmingly Sunni, overt sectarianism emerged only in the 1980s. Generous Saudi assistance for Islamic seminaries and schooling propagated extreme Wahabi practice. It found a natural political and religious partner in the indigenous puritanism of the Deoband school of Hanafi Islam, which was dominant in southern Afghanistan and the Northwest Frontier Province, and has also created a hardcore cadre in the Punjab where the Barelvi-Hanafi school traditionally dominated. In the Punjab, the growth of sectarianism was also tied to exploitation by Shia landowners of a peasant class of Sunnis. During the 1980s, President Zia supported the Wahabi and Deobandi expansion both to further the Afghan war effort and to undercut the mainstream political opposition.

Tehran took a dim view of the persecution of Shias, while Pakistan accused Iran of taking sides in an internal conflict. The extent of Iranian help to Pakistani Shia militancy is a matter of some debate, but it is clear that the Pakistani state has been unable to stop the sectarian violence. Pakistan's rulers reject sectarian violence, but find it difficult to deal with the problem. They are disconnected from the purveyors of the violence. Most Sunni extremists are outside state control, educated in madrassas, and often employed in the informal sector. Many, moreover, have done tours of duty in Afghanistan or Kashmir. Also, there is no way to stop the violence against Shias without ceasing support for the state's efforts, through militant Sunni groups, in Afghanistan and Kashmir.

The confrontation between Pakistani and Iranian proxies in Afghanistan notwithstanding, both countries have tried to revive their relationship. In 1997, the ECO agenda and constitution were revised to provide a new basis for cooperation, but the two states have failed to find common ground. Leaders from the two countries have visited each other and

proclaimed friendship, but are unable to proceed further. By expanding its ties with India, Iran seemed to be indicating a long-term revision of its view of Pakistan, though both Iranian and Indian leaders have explicitly said that their new relationship is not aimed at any third country, including Pakistan.

### CONVERGING DOMESTIC VIEWS

Except for a small hardline element, most of Pakistan's ruling elite believe that their government must redouble its effort to improve relations with Iran. Indeed, there is the expectation that Islamabad should be able to wean Iran away from India. President Musharraf, mainstream Pakistan army officers, the government of Prime Minister Mir Zafarullah Jamali, and the bureaucrats and diplomats all hold the view that they can maintain a relationship with Iran sufficient to prevent the emergence of a full-fledged military alliance between India and Iran. These pragmatists have renewed their efforts to neutralize Indian influence in Iran following the announcement of the invigorated ties between the countries.

Some critics of the government have different assumptions and make different calculations. The Islamists—many of them Sunni extremists—hold Iran responsible for helping Shia militancy in Pakistan, but are nevertheless willing to accommodate Iran—and indeed India—to gather strength to fight the biggest enemy, the United States. Many of the Islamists are allies of the Taliban and some support al Qaeda. Many thoughtful Islamists, in fact, view Iran's Islamic state as a limited model for their own aspirations. They find Tehran's defiance of the United States as something to emulate. Consequently, they are willing to accept an uneasy peace with Iran in Afghanistan and limited gains in the sectarian power balance inside Pakistan, if that would improve relations between the two countries. Most, however, stop short of publicly using Iran as a model because of the highly Sunni character of their mobilization. The Islamists have a tactical perspective, but if Iran responds positively, they would be willing to reciprocate in the long-term as well. Among the mainstream political players, the Islamists were the group most likely to favor transfer of nuclear technology to Iran. They have come out in strong support of Abdul Qadeer Khan, the father



of Pakistan's atomic bomb, who recently admitted his role in the transfer of Pakistani nuclear technology to Iran.

A second group of critics suggests an even more fundamental reordering of Pakistan's strategic interests. They argue that Iran and India are driven to combine their forces by the geopolitical situation. In their view, Islamabad can neutralize the alliance by developing new ties with both India and Iran. They recognize that this would be possible only if Islamabad abandoned its expansive policy interests in Kashmir and Afghanistan. According to this group, the U.S. presence in Afghanistan protects Pakistan's nominal interests there, and Kashmir might not be winnable, given India's growing economic and technological strength. A more congenial regional security environment would stem the waste of resources in war abroad and put them toward much needed development at home. This view is not widespread, but is influential among the country's business elite, economists, and professionals. They find short-sighted the pragmatists' hope of preventing Iran from growing closer to India without making fundamental changes in Pakistani policy. They are also skeptical of the state's ability to stop sectarian violence while continuing to support what is, after all, a Sunni mobilization on behalf of its interests in Kashmir and Afghanistan.

While these viewpoints do not agree on the diagnoses, they do agree that Pakistan must strengthen its own relations with Iran. Based on this broad base of support, Prime Minister Jamali visited Iran in October 2003 with an agenda prominently featuring India and Kashmir. Politically, Pakistan has been expecting the India-Iran convergence and sought to insert itself, quite literally, in the middle by pushing for a pipeline project to bring Iranian gas to India through Pakistan. While Iran initially agreed to a pipeline running through Pakistan, India rejected the proposal for fear of Pakistani control of the gas supply. Iran and India are now exploring ways of avoiding Pakistan in transporting the gas. Pakistan stands to lose more than \$500 million in annual transit fees. Islamabad has countered India's refusal with the suggestion of a pipeline from Iran to Pakistan, without extending it further east. Most experts believe Pakistan does not have the market to make the project viable, but the offer reflects Islamabad's concern about the growing India-Iran

relationship and its own efforts to neutralize it.

In the short- to medium-term, excepting a major breakthrough in India-Pakistan relations, a reordering of Pakistani priorities in line with the wishes of either the Islamists or the regional peace camp is unlikely. The pragmatists will hold dear their alliance with the United States while trying to defuse or counteract regional threats. The pragmatic leadership, however, has broad support to pursue better relations with Iran, but whether it can achieve this goal without fundamental changes in priorities is doubtful.

### THE CONTENT OF AN INDIA-IRAN ALLIANCE

Politically and diplomatically, the alliance between Tehran and New Delhi could very well keep Pakistan off balance. India is clearly keen to neutralize Pakistan's influence in the Muslim world. New Delhi has asked for membership in the OIC. An alliance with Iran could make it easier for India to defeat Pakistan's objections to its entry and quickly jeopardize the support Pakistan has enjoyed in Islamic forums. The legitimacy Iran bestows on India by virtue of this alliance is likely to diminish Pakistan's traditional role as a torch-bearer for the Muslim *ummah*. In return, India will help Iran escape the "rogue" status conferred on it by the United States. Pakistani hardliners will be determined to prevent India from gaining this advantage. They are likely to point out to the United States India's growing closeness to a country in the "axis of evil" in order to gain sympathy for their beleaguered position.

One area the India-Iran relationship will seek to influence directly is Afghanistan and Central Asia, where Tehran and New Delhi will specifically seek to limit Pakistani influence. Both countries have active assistance programs in Afghanistan and are well-connected in the Karzai government in Kabul. As part of its agreement with New Delhi, Iran has allowed India a land route to Afghanistan that Pakistan had long denied to New Delhi. The effect of this India-Iran initiative may not be evident yet because the United States presently dominates every other player in Afghanistan. But if and when U.S. withdrawal becomes imminent, the others will assert their interests aggressively. An alliance between India and Iran puts in place the rudiments of a coordinated strategy to take advantage of the opportunity.



Faced with this eventuality, Pakistan is likely to intensify its demand for including moderate Taliban in Karzai's cabinet as a guarantee of its own interests; the U.S. will probably agree.

Economically, India and Iran have areas of inherent compatibility. India's growing economic strength makes the country an attractive trading and investment partner. Iran wants Indian foreign direct investment in infrastructure such as oil and railways, but also in manufacturing cheap consumer goods. India, for instance, will invest \$200 million in the road from an Iranian port in the south to Afghanistan. Indian companies are likely to participate in other large projects as well. As India's energy needs grow rapidly, the country is looking to develop long-term supply relationships that will not be affected by political upheaval. The two countries are exploring the possibility of bringing Iranian natural gas to India by an offshore pipeline, but are most likely to settle on tanker-carried supply of liquefied natural gas. India has been building large LNG handling facilities and already has long-term contracts with Qatar and Oman. Together with the military and technology agreements, these projects could provide the basis for a strong economic relationship.

### FUTURE MILITARY IMPLICATIONS

New Delhi and Tehran have released details of Indian technical help for upgrading Iranian MiG-29 fighters, T-72 tanks, armored carriers, ships, and other weapons. India recently undertook these upgrades for its own fleet of military aircraft, tanks, and ships. India can also offer medium-technology weapons such as medium-range howitzers, and importantly, jointly train with the Iranian forces. The broad range of cooperation involving all three military services is quite a turnaround in the strategic situation in southern Asia in the last two decades.

More dramatically, a few speculative reports have suggested that Iran has agreed to allow Indian forces the use of its air bases and other facilities in the event of a war in the subcontinent, but these reports remain unverified. If basing agreements do come about, it would represent a serious threat for Pakistan's security. The Pakistan army has long feared a two-front war that would divide its forces between the western and eastern borders and allow India an easy victory. Islamabad's obsession with

maintaining influence in Afghanistan is in part driven by this fear. The army is unlikely to tolerate a government in Afghanistan that might work in concert with India. Though Pakistan shares a much shorter border with Iran than it does with Afghanistan, the possibility of similar two-front coordination between India and Iran cannot be taken lightly. That India might be able to use Iranian air bases opens the possibility for India to dominate the skies, which would be disastrous for Pakistan's conventional capability. Despite the unlikelihood of a war that pits both India and Iran openly against Pakistan, the army will not be willing to accept the increased risk. The possibility that India could surround Pakistan in the event of a war will force the Pakistan Army to dramatically rethink its military strategy and push further and harder toward developing nuclear weapons.

While it is to be expected that Pakistan prepare for the worst Indian intentions, the army cannot expend unlimited resources in developing capabilities for a two-front war—indeed if Iran is considered a war front, it will be the third, after India and Afghanistan. For this reason, the army's view of the actual military threat emanating from an India-Iran alliance is very important. Both New Delhi and Tehran recognize Pakistan's dilemma in making this determination. They have not officially announced the content of their new relationship, but selectively leaked its details to keep Pakistan guessing. The challenge Pakistan's rulers face is not to overreact to Iran's role, but also not to be unprepared if India and Iran have actually formed a military alliance aimed at their country. An overreaction from Pakistan, which may equate Iran with India and involve some saber-rattling missile tests on the western border, can turn Tehran hostile, leaving little room for Pakistan to neutralize Indian influence politically. Equally, Iran is unlikely to enter into a relationship with India that is openly hostile to Pakistan. An openly hostile relationship with Iran could be disastrous because it would bring the Afghan conflict right into Pakistan. It would also necessitate a military build-up on the Iranian border, with the consequence of dividing Pakistan's forces, exactly what the Indians probably want. Currently, Pakistan enjoys a terrain advantage against India on its eastern front, which it would lose if India could attack from the western border as well. The trick, therefore,



will be to keep the military reaction limited and, if possible, hidden while engaging Tehran politically.

The most direct response to the possible military component of the India-Iran alliance, if the Pakistan army believes the most extreme reports, would be to accelerate the development of the nuclear arsenal. While critics point out that Pakistan's nuclear rearmament is already in the highest possible gear given the country's resources and constraints, the sure knowledge that India and Iran are militarily allied against Pakistan will definitely increase the sense of insecurity and paranoia in Islamabad. Pakistan could develop new missiles and harden vulnerable nuclear-related targets. Though it is a matter of some guesswork, Pakistan maintains important nuclear facilities in the Chagai Hills in the province of Balochistan, which borders Iran and Afghanistan. The closer reach to these targets the Indian Air Force might have as a result of the alliance with Iran would necessitate further defensive measures. The development of offensive missiles can remain rhetorically focused on India, but without making things obvious convey to the Iranians the danger they bring upon themselves should they continue to proceed with a military alliance with India. Pakistan's willingness to remain in alliance with the United States, however, will serve as a constraint on Pakistani ambitions in this regard.

More realistically, Pakistan can move to address its air inferiority problem. The problem as it stands today is that the country's air defenses are concentrated on the eastern front. The possibility that Indian Air Force fighters might intrude from the west would require a similar investment in air defense on the Iranian border. This is a resource problem—perhaps intended by India and Iran to stretch Pakistan—that would have to be resolved. Pakistan established its eastern air defenses during the bonanza of U.S. assistance in the 1980s. Though the country is once more a U.S. ally, American aid is much reduced and earmarked for social development, though reports of diversion are rife.

Astute Pakistanis also point to the limits of an India-Iran alliance, particularly the military component, if indeed this amounts to anything. What India can do with Iran is limited by its own and growing relationships with Israel and the United States, both of which view Iran with great hostility. Israel and the United States are wary that India might help

legitimate Iran's claims against their interests in international forums. Though New Delhi might be willing to risk American antagonism on the issue, it is less likely to jeopardize its flourishing military ties with Israel by getting too close to Iran. Israel considers the Iranian Hezbollah as one of the primary instigators of violence in Palestine. This would ensure that India puts its own brakes on the alliance.

For many of these reasons, the military elements of the alliance, as dramatic as they may be, are unlikely to come about. The political-diplomatic aspects, however, are at the front and center, and tie into the big power game currently ongoing with respect to Afghanistan and Central Asia. The question is to what extent the political machinations will bring Pakistan into play and wrest control over Pakistan from the hands of its traditional rulers.

### INTERNATIONAL IMPLICATIONS

In what could be another episode of the Great Game, Pakistanis are in something of a squeeze. India seems embarked on soft containment of their country. New Delhi has improved its relations with China enough that Beijing did not come out in full support of Pakistan during the Kargil War in 1999. India has at least some influence in Kabul, though obviously the United States is the most important player in that country. Now with an alliance in the making between India and Iran, Pakistan fears finding itself surrounded.

Pakistan is allied with the United States, the most dominant power in the region and in the world, but the alliance both works for and against Islamabad. The United States has until now guaranteed Pakistan's nominal interests in Kabul, but equally limited Pakistan's intervention in that country. Pakistan's real allies in Afghanistan, the leftover Taliban and a few Pashtun groups, are opposed to the United States. This has somewhat immobilized Pakistani policy. Pakistan may be able to force the U.S. hand by increasing or cutting support to the remaining Taliban, though any leakage to al Qaeda or complicity in international terrorism would bring down the wrath of America. Meanwhile, the United States is in a parallel process, trying to develop a new and robust military relationship with Pakistan's archenemy, India. The ultimate card the United States holds against Pakistan is that it will



execute a full-fledged alliance with India aimed at containing or punishing Pakistan. Pakistan's more dependable ally, China, seems unwilling to become overtly involved in the Afghanistan game except to keep its own Muslim population passive, while Saudi Arabia, another long-time friend, has been forced to withdraw from Afghan politics by the United States.

Still, the country's rulers have taken a rather sanguine view of being able to manage the fallout of an India-Iran alliance based on their understanding of the geopolitical situation. Thus, the India-Iran alliance presents a threat to Pakistan, but also brings opportunities. Given Washington's distaste for Iran, the new alliance could slow down progress in U.S.-India ties, which is by far a more important political goal from Pakistan's point of view. The United States is very likely to take a dim view of India trying to rehabilitate Iran in the community of nations, especially when such efforts run contrary to American efforts to punish Iran with economic sanctions. Further, India could lose momentum in its military relationship with Israel, which also sees Iran as a mortal enemy. This could retard India's efforts to improve its surveillance and intelligence technology, much of which comes from Israel. India will have to work to convince the United States and Israel that it is not going to help Iran further its anti-American and anti-Israeli objectives, but so long as the alliance

exists, the door of doubt remains open. Most dramatically, reports emanating from Pakistan suggest that as part of the new alliance India is likely to help the Iranian nuclear program. If that happens, both the United States and Israel are likely to hold India responsible for arming their enemy.

The best hope in Pakistan is that India might fail to resolve these contradictions and, that the Indo-Iranian relationship falls under the weight of its own ambitions. The worst outcome, however, would be if Pakistan's rulers failed to recognize the seriousness of Pakistan's own situation and, instead of reordering their priorities in Kashmir and Afghanistan, pursued their expansive goals with greater vigor, thereby putting at stake the country itself and their control of it. Misplaced confidence in being able to maneuver themselves politically out of a sticky situation might lead to a larger failure, where Pakistan's traditional rulers—the military, the establishment, and the landowners—lose control and their country, like Afghanistan, is laid waste in the grinder of big power politics. The recent upswing in Pakistan's relations with India reduces the burden on Islamabad to respond forcefully and urgently to the alliance. If Pakistan could simultaneously improve its relations with Iran, as most of the country would like to do, it could defuse the underlying anti-Pakistani premise in the new relationship between its neighbors.



## Indo-Iranian Ties: The Israeli Dimension

P.R. KUMARASWAMY

India's emerging relationships with Iran and Israel are independent of one another. While Iran has adopted an indifferent posture toward India's closer ties with Israel, the latter has been apprehensive of growing New Delhi-Tehran proximity. The manner in which India has approached and sought to balance its ties with the other two regional powers re-emphasizes the non-parallel nature of the relationship.

### INDO-ISRAELI NORMALIZATION

Following the normalization of relations between India and Israel in 1992, both countries have strengthened and consolidated a wide range of political, economic, cultural and above all strategic cooperation.<sup>1</sup> Despite criticisms from some sections, the bilateral relationship has been stable and enjoys widespread domestic support and endorsement in India. Within the framework of joint working groups (JWG), senior security officials from both countries periodically meet and discuss issues of strategic importance. Consultations between the security establishments of both countries have become normal and routine with counter-terrorism emerging as the key element in their strategic dialogue.

Moreover, in recent years India obtained a host of military inventories from Israel including remotely piloted vehicles (RPVs), *Barak* ship-borne anti-missile systems for the navy, ammunition for the Bofors field guns during the Kargil operations, and upgrading of its MiG jets. Management of porous borders with Pakistan is a new avenue for cooperation, and India seeks to curtail if not eliminate cross border infiltration from Pakistan through Israeli electronic surveillance and border fencing systems. After months of negotiations, both sides have agreed to the supply of Phalcon airborne early warning systems to India. Estimated to cost over a billion dollars, this is the largest single defense contract between the two countries. Media reports in India

suggest that India has also expressed its interest in the supply of the Arrow anti-ballistic missile defense system. When Israeli Prime Minister Ariel Sharon visited India in September 2003, both sides discussed Israeli partnership in the development of a new class of attack submarines for the Indian navy. Both sides are also exploring new avenues of cooperation in missile and space technology. Thus the growing military cooperation between the two countries is accompanied by an ambitious Indian shopping list of arms from Israel.

The growing military cooperation between the two countries is accompanied by an ambitious Indian shopping list from Israel. These developments in turn have renewed Israeli anxieties over increasing politico-economic relations between India and Iran. Eager to promote highly lucrative defense deals with India, Israel is keen to escape a technological boomerang whereby its military technology reaches its Middle Eastern adversaries like Iran, via New Delhi. Therefore, during his deliberations in New Delhi, Sharon demanded explicit guarantees from Indian leaders that the latter would not transfer any acquired technology to a third country, especially Iran. Assuring Israel that there was no possibility of any "leaking" of Israeli technology, India rejected Israeli calls to shun Iran. The Delhi Declaration issued at the end of Sharon's visit presented both countries as "partners" against terrorism and condemned "states and individuals who aid and abet terrorism across borders, harbor and provide sanctuary to terrorists and provide them with financial means, training or patronage." While India could interpret this to mean Pakistan, for Israel this would mean Iran.

A joint approach toward terrorism that identifies Islamic fundamentalism as a common adversary has its downside. Given its historic relations with Islam and its substantial Muslim population, India could ill afford to align itself with any anti-Islam forces. Such a course would be contrary to India's domestic politics as well as its national interests. Therefore, with-

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out altogether ignoring the use of religion by various terrorist groups operating against them, both countries have been careful not to present their cooperation as an anti-Islamic alliance. As a senior official who accompanied Prime Minister Sharon told reporters in New Delhi, “We are not fighting Islam, we are fighting agents of terrorism.”<sup>2</sup>

Since the establishment of diplomatic relations in 1992, the Iranian angle has figured in the Indo-Israeli dialogue. Indeed when a senior Indian foreign ministry official visited the Jewish state in March 1993, Israel expressed its apprehensions over possible nuclear cooperation between India and Iran. The formal Indian denial of such cooperation got widespread media coverage.<sup>3</sup>

The September 2001 Durban World Conference against Racism proved to be a defining moment in the Indo-Israeli relations. The conference agenda was set when the organizers met in Tehran for preparations and included a strong condemnation of Israel. This resulted not only in the United States and Israel pulling out of the meet, but also in India for the first time refusing to go along with the Arab and Islamic countries in condemning Israel and Zionism. Otherwise, the Iranian angle remained dormant, at least in the public sphere, until Sharon resurrected it during his India visit.

### MIDDLE EAST DIPLOMACY

India’s historic links with the Middle East, especially with its Islamic countries, has been an impediment toward an improvement of Indo-Israeli relations. The prolonged Indian unfriendliness toward Zionism and toward the demand for a Jewish national home can be traced to its traditional pro-Arab orientation. Perceived negative reactions from the Arab and Islamic countries played a role in the delayed Indian normalization of relations with Israel. In the early 1990s, New Delhi adopted a cautious approach toward Israel and was more than willing to “balance” its ties with Israel with high profile contacts with and visits by Palestinian leader Yasser Arafat. The outbreak of the *Al-Aqsa* intifada in September 2000 reiterated the centrality of the Palestinian issue to peace and stability in the Middle East and thereby compelled even a pro-Israeli political party like the ruling BJP to look for non-Israeli allies in the Middle East. As highlighted by a contro-

versial remark by then Foreign Minister Jaswant Singh in Jerusalem in the summer of 2000, India’s domestic Muslim population influences if not shapes the country’s policy toward the Middle East, especially Israel.

The decade-old relationship with Israel discloses that contrary to prolonged Indian apprehensions, the Middle East has been indifferent to Indo-Israeli normalization. Far from taking exception to it, important countries such as Iran and Saudi Arabia have responded to the new Israel policy of India by actively engaging with New Delhi. Iran is more eager to promote its energy exports to India and has been indifferent to Indo-Israeli ties. Likewise, reports of growing Indo-Israeli military ties in the Arab media have not slackened the Saudi desire to promote political ties with India. One can go to the extent of arguing that the Arab and Islamic countries of the Middle East have desisted from linking their bilateral ties with India to the larger Arab-Israeli conflict. Even the Palestinian leaders have come around to recognizing the inevitability of greater Indo-Israeli ties.

### INDIA’S TWIN TRACKS

For some time now, Israel has been troubled about growing political and economic ties between India and Iran, and has periodically expressed this unease in its bilateral exchanges with India. This reached its climax during Sharon’s visit, and at one point threatened to overshadow arms sales-related negotiations. In his talks with his Indian counterpart, Sharon expressed apprehensions over possible diversion of Israeli military technology to a country it considers “the epicenter of terrorism.” Some of Sharon’s entourage publicly talked about the desire and ability of Islamists to attack the United States, Israel and India, with Iran serving as the nerve centre of international terrorism. Following the meeting, an unnamed Israeli official told reporters: “We got answers to the questions raised and we are satisfied with the answers.”<sup>4</sup>

Presentation of Iran as “epicenter of international terrorism” underscores the fundamental difference between India and Israel. Both in public and private India feels that such an honor should go to its neighbor Pakistan, a position Israel is not prepared to embrace. Because of strong political and econom-





ic stakes in its ties with Iran, India is unlikely to heed Israeli demands over Iran. Likewise, possible political ties with Pakistan, a major Islamic country, would prevent Israel from making a common cause with India against Pakistan.

Israeli animosity toward Iran is rooted in the support of the latter for militant anti-Israeli groups such as Hezbollah and Hamas, but no such fears exist in India vis-à-vis Iranian motives in the subcontinent. Indeed, its disapproval of the extremism of the Taliban as anti-Islamic and its refusal to go along with Pakistan on the question of jihad in Kashmir make the Islamic republic a political ally for India in the Middle East. Sharon's offensive against Iran incidentally coincided with renewed international concerns over Iranian nuclear ambitions. Pakistan and North Korea, rather than India, are the prime suspects behind the Iranian nuclear program.

India's expanding political and economic relations with Iran seemed to have dominated Sharon's political agenda. The twin suicide bombings in Israel during his stay in New Delhi appeared to have sharpened the focus on Iran. The Iranian angle is seen by some sections in India as a calculated 'back peddling' on the part of Sharon and a warning for potential disruption of military supplies.

Even though Iran did not go as far as Pakistan and perceive Indo-Israeli ties as an anti-Islamic move, negative remarks against Iran during the Sharon visit did not go unnoticed in Tehran. The public focus on Iran toward the end of Sharon's visit resulted in a minor diplomatic row, with the Iranian embassy depicting the Israeli leader as "the leader of state terrorism." It criticized the Israeli prime minister for "using hostile language against a third country [and thereby violating] diplomatic norms and international law."<sup>5</sup>

Israeli demands for Indian "reciprocity" in the international arena would run into trouble as the countries do not see eye-to-eye on Iran. Observing that there is no veto in bilateral relations, Indian Foreign Minister Yashwant Sinha admitted that Israelis "may have security concerns but we have explained in some detail where Indo-Iranian relationship stands and they should not have any concerns on that count."<sup>6</sup> In the unlikely event of Tehran turning hostile against New Delhi, India is unlikely to share let alone endorse Israeli positions on the Islamic republic.

The issue of Israeli military technology "returning" to the Middle East was valid even for Sino-Israeli military ties. On a few occasions, China functioned as a conduit for Israeli technology reaching Arab countries. In the 1980s, the Middle East being the prime customer for Chinese weapons did not inhibit Israel from actively exporting military hardware to China. Until the Phalcon deal was throttled by the United States in 2000, Israel pursued its military ties with China without worrying about the boomerang effect. Hence, one could argue that Indo-Israeli military ties should not be any different from Sino-Israeli ties regarding "illegal" transfer of Israeli technology. Moreover, despite its long political and economic ties, India, unlike China, had never supplied arms to the Middle East. Notwithstanding nascent military developments such as Indian naval vessels making port calls in Iran, larger strategic compulsions would preclude India from joining any anti-Israeli forces in the Middle East or elsewhere.

### INDIA-ISRAEL-U.S. TRIANGLE

Commenting on the growing relations between India and Israel, U.S. State Department spokesperson Richard Boucher observed, "We're always glad when our friends make friends with each other and work together."<sup>7</sup> Even though he sought to play down the ties as "simply bilateral," tacit American backup for such a relationship did not go unnoticed in all three countries.

Since the Islamic revolution, Iran has been a vociferous critic of Israel and has provided ideological as well as logistical support to militant groups such as Hamas and Hezbollah, which have been conducting a violent campaign against Israel. Both Israel and the United States accuse Iran of involvement in various terrorist attacks against the West. Israel shares President George W. Bush's portrayal of Iran as a partner in the axis of evil. Therefore, the question of Iran places India at odds with Israel as well as the United States. If economic interests prevent Europe from endorsing American moves against the Islamic republic, Indian interests in Iran are economic as well as political. Iranian importance is enhanced by their shared distrust toward Pakistan and its Afghan policy.

As a result, it is possible to argue that India's ties with Iran, important due to political as well as eco-



conomic reasons, could be a major stumbling block not only in New Delhi's relations with Israel but also in its newly found friendship with the United States. Because India sees consolidation of its relations with the Jewish state as a means of improving its ties with Washington, the Iranian factor is bound to affect Indo-U.S. relations.

The Sino-Israeli Phalcon controversy underscores the role of the United States in impeding Israel's strategic exports to countries that Washington considers unfriendly.<sup>8</sup> India appears to have learned the importance of including the United States in any major strategic relationship with Israel. It is in this context that one should view the increasing speculations about an India-Israel-U.S. cooperation, if not a triangle. American clearance of the Phalcon deal to India is a clear manifestation of this convergence of interests. Simultaneously, this underscores the need for an Indo-Israeli understanding vis-à-vis Iran. Otherwise, the triangle, which became a hot topic of discussion following a speech by Brajesh Mishra, Prime Minister Atal Bihari Vajpayee's national security adviser, to the American Jewish Committee (AJC), would be a non-starter.<sup>9</sup> Quite obviously, the Iran factor could be a major obstacle for the formulation of an India-Israel-U.S. triangular relationship.

### NON-PARALLEL INTERESTS

It is important to note that Iran, known for its anti-Israeli rhetoric, has been extremely accommodative and understanding of India's new fondness for Israel. Indeed, when India normalized relations with Israel in January 1992, Iran was the only Middle Eastern country to express its displeasure. Even Palestinian leader Yasser Arafat grudgingly accepted the inevitable. Since then, however, Israel has never been a factor in the Indo-Iranian relations. While Pakistan and occasionally Egypt have been critical of growing Indo-Israeli relations, Tehran has consciously avoided making its ties with New Delhi a hostage to the Israeli angle.

President Mohammed Khatami's advocacy of a dialogue among civilizations fits well with Indian secularism and its desire for amicable coexistence among people of different religious faiths. But the prevailing political situation in the Middle East and the strength of the conservatives within Iran prevent

Khatami from pursuing a similar course towards Judaism, Jews, and Israel.

Besides its regional influence in the Persian Gulf and Central Asia, Iran's position on Afghanistan is not different from India's, as both have become weary of the prolonged involvement of Pakistan in the Afghan quagmire. Given Indo-Pakistani tensions, India needs an Iranian land corridor for its supplies to Afghanistan. Iran would be a strategic asset should India opt for a containment policy vis-à-vis Pakistan. At the regional level, Iran occupies a pivotal role in the growing economic ties between India and Central Asia, and its role as an important player in the Organization of Islamic Conference (OIC) gives additional leverage to Iran. Moreover, Iran is seen by many as the strategic supplier of India's energy needs, especially the growing demand for natural gas. Long before India established diplomatic relations with Israel, Pakistan has been warning the Islamic world of an Indo-Israeli axis against the Islamic world; such rhetoric intensified following the establishment of Indo-Israeli relations. Any Indian endorsement of the Israeli position vis-à-vis Iran would bring more troubles for India.

No other country in the world offers India the political and economic assets Iran does. Therefore, even while articulating its genuine concerns vis-à-vis Iran over issues such as terrorism, nuclear ambitions or technology leakage, Israel will have to recognize, accept and accommodate India's interests in cultivating friendly ties with Iran.

The Iranian angle also underscores the emerging national consensus on India's Middle East policy. A section of Indian public opinion has been critical of the growing Indo-Israeli partnership and attributed it to the ideological leanings of the BJP-led government in New Delhi. Such criticisms intensified during the Sharon visit. Nevertheless, by distancing itself from the Israeli demands for isolating Iran, the Vajpayee government has sought to fashion a non-partisan approach in its Middle East policy. A day after Sharon left Indian shores, the foreign ministry formally briefed all the Arab ambassadors in New Delhi about the Sharon visit. Indeed, weeks later, Prime Minister Vajpayee made a state visit to Syria, a country strongly despised by Israel and the United States. This once again underscores India's regional compulsions and the need to court the Arab countries and balance its perceived pro-Israeli leanings.



Ancient cultural roots, shared democratic values, cultural pluralism, the struggle against religious extremism, violence and terrorism, and a newly found common approach to international issues bind India and Israel. At the same time, the Iranian angle also underscores some of the non-parallel aspects of Indo-Israeli relations. In the past India had to accept Israel's military ties with China, its principal rival, and likewise, that it would be unable to influence let alone impede Israeli-Pakistani normalization. Similarly, given the strong political and economic interests that India shares with Iran, Israel will be unable to undermine Indo-Iranian relationship. While India might tolerate political relations between Israel and Pakistan, any military-security ties between the two would be strongly resented in India. Similarly while Israel might not object to political and economic ties between India and Iran, any strategic component between the two, like nuclear cooperation, would mar Indo-Israeli ties.

Iran, however, is not the only cause of disagreement between India and Israel. Of late, an increasing rapprochement and possible normalization between Israel and Pakistan is reflected in Israel distancing itself from New Delhi on the vexed Kashmir issue.<sup>10</sup> From a staunch pro-India stance in early 1990s, it has come around to advocating an amicable resolution through dialogue.<sup>11</sup>

One cannot rule out the possibility that should there be a reappraisal of its Iran policy, Israel might consider India as a conduit to Tehran. As the Indian and Israeli militaries move toward cooperation in more sensitive and highly competitive and restricted areas, both sides are eager to work out a *modus vivendi* on the Iranian issue.

In short, while respecting each other's redlines, at times both India and Israel will have to cohabit with non-parallel if not conflicting interests.

#### ENDNOTES

1. For a detailed but dated discussion on the military cooperation see P.R. Kumaraswamy, *India and Israel: Emerging Strategic Partnership* (Ramat Gan: BESA Centre for Strategic Studies, 1998).

2. *The Times of India* (New Delhi), September 11, 2003.

3. "Indian official: Delhi ignored Iranian request for nuclear reactor," *Jerusalem Post*, March 26, 1993.

4. *The Times of India*, September 11, 2003.

5. *The Hindu* (Chennai), September 12, 2003.

6. *Sunday Hindustan Times*, September 14, 2003.

7. *The Times of India*, September 10, 2003.

8. Following intense American pressure, in the summer of 2000 Israel cancelled its earlier agreement to sell Phalcon airborne early warning systems to China.

9. In May 2003, he told an AJC meeting, "India, the United States and Israel have some fundamental similarities. We are all democracies, sharing a common vision of pluralism, tolerance and equal opportunity. Stronger India-U.S. relations and India-Israel relations have a natural logic."

10. P.R. Kumaraswamy, *Beyond the Veil: Israel-Pakistan Relations* (Tel Aviv: Jaffee Center for Strategic Studies, 2000).

11. Indeed, the September 2003 Delhi declaration carefully omits any reference to Kashmir or the Palestine issue.

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