



CHALLENGES AND ISSUES IN INDIA- IRAN RELATIONS IN 21ST CENTURY

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ABSTRACTS

India and Iran share a long historical relationship from centuries ago. The two countries are among the great civilizations of the world. They established diplomatic relations in 1950 and strengthened their relations. However, the two countries were not able to make it stronger and saw several fluctuations in their relations. The reasons were either domestic and international instability and also the hostile relation between the US and Iran. Besides, the two countries time to time paid official visits to each other and take their relation further. India and Iran established political, economic and cultural ties with other. Iran is very much important for India as it provides unique access to Central Asia and Afghanistan. But, there are some constraints and issues which create disturbances between them. In the present world, both countries want to become a global power and for this they need each other as well. On turn to the 21st century, India aims to become a global economic power for which it needs uninterruptedly energy supply. So, despite the current US Iran enmity, India is compelled to maintain some good level of friendship with Iran. Besides, another constraint in their relation is China's closeness to Iran as they signed a strategic partnership agreement. This article emphasizes on the relationship between India and Iran and will also try to find out the factors of challenges and issues between them which hinder their relationship to move forward.



KEY WORDS : *India-Iran relations, economic, energy, US Iran relations, challenges.*

INTRODUCTION

India and Iran share a long historical relationship from centuries ago. The people of both the countries enjoy close cultural and historical linkages dated back to Aryans. Both shared common border till 1947 and after independence established diplomatic relationship in March 1950. From time to time, both the countries tried to strengthen their relation and exchanged several visits to each other's country. During the cold war era, both US and Iran were close allies but after Iranian revolution they became apart. Iran is important for India as it provides unique gateway to Central Asia and Afghanistan. Both the countries established political, economic and energy and cultural relation. However, there are such disturbing factors which hinders their relationship to move further. The existing international environment, US sanctions upon Iran and security measures are some factors due to which their relation did not able to flourish. On the turn to 21st century, India aims to become global economic power for which it needs to maintain prosper relation with Iran. India has started several projects with

Iran like Chabahar project, IPI gas pipeline project etc. The relationship between India and Iran lies in their mutual interests and long term strategic relationship.

The methodology of the study is historical and analytical. The sources of data collection are mainly secondary data like books, various articles, journals and newspapers. The data are also collected from some internet sites.

The objective of the study is to examine the bilateral relationship between India and Iran and also an endeavor to find out the potential areas of challenges between both the countries.

Hypothesis- India tries to maintain cordial relations with Iran despite the challenges as Strategically Iran is significant for India. Iran is seen as a gateway to central Asia and Afghanistan. India needs Iran for its oil and natural as resources.

BILATERAL RELATIONSHIP: STRENGTHENING OF TIES

India after independence formalized a treaty with Iran to strengthen their bilateral relationship in March, 1950 which called for “perpetual peace and friendship” between the governments of the two countries. The emergence of cold war strained their relationship after Iran became an ally of the United States and later on became a part of CENTO. From time to time Iran showed its support to Pakistan which also hindered their relationship. There were also exchange of official visits between both the countries which helped to boost their relation. After Iranian Islamic Revolution in 1979, Iran focused more on bilateral relations and it came as a good signal to India and India also supported Islamic Iran. Then there were great exchanges of high level visits between India and Iran with an effort to bring them closer to each other and several agreements were signed on cooperation in wide areas. After India aspired to become one of the global economic and energy power in 21st century, there was need of vast supply of energy resources. For India’s ever growing market, Iran’s rich energy resources and its geographic location as it provides connectivity to Central Asia and Afghanistan is really crucial.¹

The two major agreements in cooperation between the two countries have shaped their relationship in recent years. Indian prime Minister Atal Bihari Vajpayee visited Iran in 2001 and the Tehran Declaration was signed between the two countries and new chapter in bilateral relations was added. It focused on energy and commercial commodities and also materialized political, strategic, technical and cultural fields for regional peace and stability. When Iranian President Mohammad Khatami came to India in 2003 and the Delhi declaration was signed for a stable and safe region which focused on international terrorism.² These two agreements marked new beginnings in Indo-Iran relations. India is very much keen to start several projects with Iran and it has already started ventures in economic and energy realm. These projects include Chabahar Port project, IPI gas pipeline project, several agreements in oil and energy sector and also Chabahar-Zahedan railway line project.

The Chabahar port will give access to Indian goods to Afghanistan and beyond. In 2003, India, Afghanistan and Iran, under the North-South transport Corridor framework, signed the Chabahar port agreement, which allowed all the three countries to utilize the Chabahar port as a trade hub. Afghanistan is connected to the port its land border with Iran, and India via the sea. Pakistan’s Gwadar port is about 70 kilometers away to the west in which China is connected.³ The Chabahar port is considered as an important opportunity for India and Afghanistan to crossover Pakistan’s Gwadar port and its trade routes. The First trade was started in December 2017. Through Afghanistan, the trade routes to landlocked countries of Central and South Asia can be accessed and that will increase regional connectivity.

India and Iran ties have been majorly dominated by oil and energy trade. During 2016-17, bilateral trade stood at USD 12.89 billion in which Indian imports included USD 10.5 billion and exports accounted for USD 2.4 billion.⁴ After Obama administration lifted sanctions on Iran, India increased its share of oil imports from 7 to 13 percent. But again in 2018, the Trump Administration imposed oil-related ban on Iran and India was allowed to buy only some amount of oil which India planned to increase in upcoming years. The energy sector is another crucial area of concern. India needs another way from US sanctions to ensure that oil trade does not suffer. Iranian oil is important for India because of subsidized prices and 90-day credit facility. India needs to ensure continuous supply of oil and crude.

The Iran-Pakistan-India gas pipeline project has been in progress for two decades but delayed due to geopolitical factors and due to US-Iran enmity and tensions between India and Pakistan. The IPI project was signed with a memorandum of Understanding between India and Iran in 1993 for the construction of a gas pipeline which would connect Iran's South Pars field to India's natural gas network through Pakistan. However, India opted out from the project in 2009 due to security reasons and disagreements over pricing. Considering India's growing energy demands, New Delhi must think about restarting the project which will eventually help to meet energy ends.⁵ The focus is also now shifted on the alternate Turkmenistan-Afghanistan-Pakistan-India (TAPI) project which envisioned delivery of natural gas from Turkmenistan to South Asia.⁶ India is also sceptical about the security of the pipeline route from Pakistan.

ISSUES AND CHALLENGES: OBSTACLE TO DEVELOPMENT

The conflict of the views had strained the relationship between India and Iran. The factors of the issues include nuclear issue, US-Iran tension, security issues between India and Iran, the Israel factor and the China-Iran proximity. Iranian nuclear program was started by Mohammad Reza Shah Pahlavi who had warm relation with the United States. Later Iran extended its nuclear program and it did not comply with the US guidelines and then eventually there were sanctions imposed over Iranian nuclear program. The Joint Comprehensive Plan of Action was settled in 2015 which put an end to the years old Iranian nuclear issue.⁷ Although these sanctions were lifted up and the US announced the withdrawal from the JCPOA in 2018 but again were imposed. It did not put an end to the issue and the tension between Iran and the US continues. India also supported the US stand and voted against Iran for its nuclear program at the International Atomic Energy Agency (IAEA) in favor of the sanctions imposed on Iran. This action led to a decline in the Indo-Iranian relations. India signed a civilian nuclear deal with the United States in 2005 and was acknowledged as a nuclear power which further led to a decline in their bilateral relations.⁸

Another area of concern includes security issue between India and Iran. India wants peace and stability in the West Asian region for mutual prosperity. Iran is very much important for India as it provides a gateway to Afghanistan and Central Asia. The Central Asian region is enriched with natural gas and petroleum. As India aspires to become a global energy power it has to build a good economic relation with the region. For this purpose, India very much needs security in the region. India and Iran have several projects lining up for the rebuilding and reconstruction of Afghanistan. The rise of Sunni militant groups and Taliban will create a hurdle for the accomplishment of the purpose. As of now, Taliban has come to power in Afghanistan and assured to cooperate in the projects as were proposed. India further hopes positively to engage in the scheduled projects as they came to a halt.

An important geopolitical hurdle in the development of bilateral relations is the Israel factor. India is now seen as a close friend to Israel and Iran watches it with suspects. Israel is one of the largest arms supplier to India and their trade has also increased over years. Other areas of cooperation include agriculture, science and technology. Irrespective of its hostility with Israel, Iran has not made it a hurdle in bilateral relations with India and want a smooth relationship. India, being a country who wants to have a normal and balanced relationship with both the countries Iran and Israel for requirements, finds it difficult over the threat posed by increasing tensions between the two. As provided, both are equally important for India's global power aspirations.⁹

The China-Iran proximity has raised concerns for India. The 25-year strategic partnership agreement between China and Iran has posed a threat for India's aspirations of global power. Sino-Iranian relations have been growing in years. China sees Iran as an important partner for its Belt and Road Initiative that looks for a web of connectivity across Asia, Africa and Europe. It seems difficult for India to engage Iran in continuing the functions at Chabahar Port, otherwise China is curious to take it over and may merge it in its Gwadar Port project which is situated in the Balochistan region of Pakistan.¹⁰ Furthermore, there are other agreements which include oil and gas trade and other core areas. India must look into this closeness and work accordingly.

CONCLUSION:

India and Iran share a long historic relation from centuries ago. They both established a diplomatic relationship in 1950. Both exchanged high level official visits from time to time. Iran is very much significant for India for its rich oil and energy resources as well as a gateway for Central Asia and Afghanistan. Both the countries cooperated in several areas and done agreements. Iran is one of the largest oil supplier to India and India exports several items which include: technology, agricultural products, pharmaceuticals, textiles etc. The security reason is the most significant pillar and India must focus upon expanding military and security ties with the region. There are some issues and differences like nuclear issue, US-Iran hostility and China-Iran closeness which create hindrance in their ties, but both countries must cooperate with each other to sort out the problems and work on improvement of their relations. There are a lot of realms in which they can cooperate and flourish as it will be advantageous for both the countries.

LITERATURE REVIEW:

Dr. Mukhtar Ahmad Bhat (2018) in the book **India and Iran relations in Twenty First Century** attempts to study the past, present and future prospects of the relations between India and Iran. It analyses the areas of bilateral cooperation between the two countries and the influence of external powers particularly of U.S and Israel.

Sujata Ashwarya (2016) in the book **India-Iran Relations: Progress, Problems and Prospects** examines India's relationship with Iran since the post-World War II period and its search for bilateral ties in the West Asian region. The Chapter One deals with the relation during the Cold War years, 1947-1992. How their relation were affected by the changing world order and unfolded with the passage of time. The second chapter analyses the Post-Cold War period and the constraints and challenges faced by the two countries in maintaining their relations.

Anwar Alam (Ed., 2011) in the edited book **India and Iran: An Assessment of Contemporary Relations** attempts to provide insights into the complexities of Indo- Iran relations in contemporary times. This book discusses the issues in Indo- Iran relations including energy security, military and defence cooperation, Iranian nuclear program, terrorism, commerce, political, economic and cultural ties.

P.R. Kumaraswamy and Meena Singh Roy (Eds., 2017) in the book **Persian Gulf 2016-17: India's Relations With The Region** analyse India's approach towards the west Asian region. The development of the relation in the P.M Modi era has been increasingly growing.

Md. Muddassir Quamar (2019) in the article **Rising US-Iran Hostilities and Challenges for India** presents the aspect of US-Iran problems and increasing challenge for India. The US-Iran rivalry has affected India's relations with Iran. After US withdrawal from JCPOA, the unilateral sanctions on Iran has affected India too mainly in the Oil sector.

Middle East Institute (2013) in the article **Perspectives on India-Iran Relations** analysed the perspectives on India-Iran relations which is multidimensional and far-reaching. But it is constrained by the turbulence in the Middle East, U.S and Israel influence over the region and terrorism. **Meena Singh Roy (2019)** in the article **Modi's visit to Iran: Will it provide a New Momentum to Bilateral relations?** examines the West Asia policy of the Modi government. India's increasing diplomatic activism towards the region is indicative of the Modi government's shift to build stronger economic and security ties with West Asian countries

Shebonti Ray Dadwal (2018) in the article **Iran Sanctions: India's Options** presents her views on the conflict between US and Iran and India is caught in the middle. The article analyses India's options on this issue and the impact of the trouble on India's relation with Iran. How India will keep its relation further with Iran and India's huge demand and growing market for oil make Iran imperative for India.

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