



CLAWS

Can India Facilitate a US-Iran Rapprochement?

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Eight years of Indo-US amity, the stamp of which was the civilian nuclear deal, have raised expectations of a mutually beneficial bilateral relationship. But with America's realignment towards Afghanistan, the financial crisis, and the ensuing moves towards Pakistan and China,¹ many in India worry that the "natural" Indo-US friendship may soon become a thing of the past.

If India is not considered *necessary* in global politics, it will be easily ignored. Therefore, to take the relationship forward, India must demonstrate that it is essential in the resolution of global challenges. One way for India to play a meaningful role, particularly as China has refused to cooperate on the issue,² is to facilitate a US-Iranian rapprochement.

US-Iranian Engagement

With tribulations in Afghanistan, Iraq, the Levant and the nuclear realm, and a failed policy of confrontation, the Obama administration has opened the doors to engagement with Iran.³ But after 30 years of hostility, reversing course comes with challenges: each is waiting for the other to act, dismissing the others' goodwill as empty talk. Although considerable turbulence remains in the wake of the controversial Iranian presidential election, imperatives on nuclear non-proliferation in particular, will compel the US back to the negotiating table.

While Iran's nuclear programme remains America's central consideration vis-à-vis Iran, a number of other strategic imperatives would be well served by an Iranian rapprochement. As the United States draws down from Iraq, stability is contingent on the cooperation of the

Iranians and their satisfaction that Iraq will not be used as a base to attack them.⁴

Meanwhile, as the United States has shifted its focus towards Afghanistan - and set 2011 as a cut-off date for beginning to withdraw troops - Iranian cooperation in Afghanistan would accomplish two important aims. First, greater coordination with Iran in western Afghanistan would aid in countering Baluchistan-based Taliban fighters and bringing the western Afghan warlords in Tehran's sphere of influence into the political process.

Second, a transport link through Iran to Afghanistan would reduce Western dependence on an unreliable Pakistan. Since 2001, more than 70% of NATO's supplies and 40% of its fuel have passed through the mountains of northern Pakistan,⁵ a precarious supply line that has been repeatedly attacked by Baluch and Taliban insurgents.⁶ This is the only transport link between the Arabian Sea and International Security Assistance Force (ISAF) troops in Afghanistan, and as a result, the West is reliant on Pakistan and subject to attack from the anti-ISAF forces therein. An Iranian alternative to Pakistan's unstable highways would diminish this reliance. Thereafter, the US would be at greater liberty to put pressure on Pakistan to end support for pernicious groups such as the Taliban.⁷

Iran's geographic location, petro-power (the world's second and third largest reserves of natural gas and oil,⁸ both of which have potential for greater development) and ties to Islamic organisations around the world

(Hamas and Hizbullah in the Levant, Shi'a groups in Iraq and elsewhere) make Iran a de facto regional power. The ouster of the Saddam Hussein and Taliban regimes in Iraq and Afghanistan, respectively, removed Iran's main regional threats, enhancing its strategic position. These strengths are often used in ways that counter American interests, more due to political enmity than innate geostrategic divergence.

Many fear that an American détente will only solidify Iran's regional power. Alternate American options for 'dealing with' an Iranian nuclear programme, however, remain untenable. First, with the politically impractical 'economic' solution, economic sanctions would not garner enough global support to sufficiently coerce Iran.⁹ Second, a strategically unviable military option may remove a few of Iran's suspected nuclear sites, which would delay but not destroy Iran's nuclear capability.¹⁰ The military option would provoke the regime to take countermeasures like mining the Strait of Hormuz¹¹ or accelerating its nuclear programme, as well as fuel anti-Americanism throughout the Islamic world. Third, regime change by support for anti-Tehran groups—such as the Marxist Mujahideen-e-Khalq and the Al-Qaeda-aligned Jundullah¹²—has failed for decades, except in further antagonising Iran.

Since Iran's economic resources and geostrategic strengths will enhance the country's position regardless, it would only help the US to ensure this influence aligns with its own interests. This was the case at the beginning of both the Afghan¹³ and Iraqi¹⁴ campaigns, when Iran ensured the cooperation of its local allies and provided intelligence to the United States. Moreover, engaging with Iran would open up its 60-million strong population to US trade after decades of sanctions. A lack of US engagement with Iran, on the other hand, leaves the field open for US competitors such as Russia or China to fill the gap.¹⁵

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US-Iran and India

When it comes to bear, such a rapprochement would benefit India as well. In the 1990s, many saw a "Tehran-New Delhi Axis" emerging through political, economic, and technological exchanges.¹⁶ As the US and India strengthened their partnership in the early 2000s, however, India sided with the US in opposing the Iranian uranium enrichment programme in the United Nations (UN) and the International Atomic Energy Agency (IAEA). With these votes, India effectively chose Washington over Tehran, weakening the burgeoning Iranian connection.¹⁷

A US-Iranian rapprochement would reconcile the "Iran-or-US" bifurcation in India that has happened in the wake of the nuclear deal debates—a reconciliation that would give New Delhi more autonomy in its own strategy. If the United States 'signed off' on engagement with Iran, a number of opportunities would open up for India.

In the 1990s, one of America's aims in supporting the Taliban, which both Iran and India opposed, was to stabilise Afghanistan and develop Central Asian energy pipelines that circumvented Iran at any cost.¹⁸ However, with the United States on board under an Iranian rapprochement, oil and natural gas pipelines from Central Asia and the Caucasus could extend more efficiently and more cheaply through a stable Iran (compared with the Afghan and Pakistani alternatives) to the Arabian Sea, feeding India's growing energy needs.¹⁹

At present, Islamabad does not allow India to move its goods and aid across Pakistan and into Afghanistan.²⁰ An Iranian alternative would allow India, Afghanistan, and the United States to circumvent Pakistan altogether. This would lessen global reliance on Pakistan in the Afghan campaign, and give the West a freer hand in dealing with Pakistani links to nefarious groups such as the Lashkar-e-Tayyiba.²¹

A strong US-Iran-India understanding would also distance Iran from China and counter the Chinese 'string

of pearls' strategy—in which China has courted Pakistan, Bangladesh, Myanmar, Sri Lanka, and the Central Asian members of the Shanghai Cooperation Organisation (SCO)—with India's own enhanced set of alliances. With China's recently inaugurated Turkmenistan-Uzbekistan-Kazakhstan-China pipeline²² and talk of an Iran-Pakistan-China pipeline,²³ this imperative is even greater.

The Benefits for Iran

A rapprochement with America—and the heightened relations with India that would follow—would also meet Iranian objectives. In Afghanistan, the opium trade from which the Taliban profits, has Iran as its key victim. With approximately 3 million opium users, Iran has “the world's worst heroin problem,” according to Peter Reuter, a drug expert and professor at the University of Maryland.²⁴ Not to mention, the Wahhabi-influenced Islamists in Afghanistan that threaten India, ISAF and the West, as well as Afghanistan itself, are anathema to Iran as well.

After the 2001 invasion of Afghanistan, the US has tried to counter the geographic, political, and cultural influence that Iran has in the western region of that country. Owing to hostility with the West after 2003, this influence has been aimed at destabilising western Afghanistan, through weapons trafficking and support for anti-ISAF warlords.²⁵ However, by partnering with the United States and Afghan forces, Iran's influence can be directed towards shared strategic aims: countering narcotics trafficking, opposing the Taliban, intelligence sharing and counter-terrorism cooperation, and stabilising Afghanistan.

Politically, the Islamist fervor that sustained Iran's influence in the Muslim world since the 1979 revolution, has diminished since the flawed elections, in which images of government forces massacring Muslim civilians flooded the global media.²⁶ On the 'Arab street', Iran is not the infallible demigod of Islamic revival it once was. Even the European Union, in spite of the support it once lent in the face of American pressure, has joined the anti-Iran bandwagon.²⁷ Despite its strategic assets, the country needs allies.

Strengthening ties with a rising global power like India would help Iran overcome its waning political status. Indian and Iranian interests converge further in developing Central Asian markets and managing great

power politics—particularly the Chinese role—in both Central Asia and the Gulf. Infrastructure connecting Iran to Central Asia, and Central Asia to the world, is lacking, and Indian plans to develop transnational roads and railways in Iran²⁸ would serve these aims well. In fact, as Iran's own strategic profile has been expanding—to places such as the economically pivotal Gulf of Aden and even Southeast Asia²⁹—a partnership with India, a growing naval power in the Indian Ocean, would also be mutually beneficial.

Ultimately, a US-Iranian rapprochement would remove major roadblocks to both Indo-Iranian and Indo-American ties, and enhance the US-India-Iran trilateral relationship for mutual benefit.

Challenges to a Trilateral Alliance

Despite the potential convergence of interests and the logic of a rapprochement, American 'overtures' in 2009 have been half-hearted at best. American support for anti-Iranian groups such as Jundallah and ties to the Mujahideen-e-Khalq continue,³⁰ while both military plans³¹ and economic sanctions³² for dealing with Iran have never been taken off the table fully, limiting the political space for a 'détente'. This is to say nothing, of course, of Iranian tests of short, medium, and long-range missiles,³³ refusal to comply with IAEA and UN mandates on its nuclear programme,³⁴ or to cease belligerency in Iraq.³⁵

A few big thorns remain in the side of a détente. The first is the controversial Iranian nuclear programme. From an Iranian perspective, maintaining uncertainty over a nuclear programme makes great strategic sense. An Iraq without nuclear weapons was attacked, while a nuclear North Korea was given concessions—what better way than nuclear weapons to resist a hostile United States? Iranian threat perceptions are amplified by the fact that the US has flanked Iran from the east in Afghanistan, the west in Iraq, the north through US troops in Azerbaijan and Central Asia, and the south via the Gulf Arab states. Until American

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hostility is removed, it is unlikely that the Iranians would give up any aspects of their nuclear programme.

The second, related thorn is the Israel factor, which looms over US-Iranian relations.³⁶ For years, the Islamic Revolutionary regime has antagonised Israel, which worries that Tel Aviv would be the target of an Iranian nuclear weapon strike. Iranian demonisation of Israel, however, emanates more from the political gain Iran accrues in the Muslim world than from any deep-seated hatred; attacking Israel—and being destroyed in retaliation—would be of little value to Tehran. In fact, after the Iranian Revolution, Israel and Iran openly cooperated against a common Iraqi enemy.

As Trita Parsi argues, since the 1960-80s period in which Israel cultivated ties with Turkey and Iran to balance its hostile Arab neighbours, Jerusalem has reversed course. In its post-1993 “New Middle East” doctrine, Israel has warmed up to Arab regimes while framing Iran as a rising regional threat.³⁷ Today regional dynamics are bifurcated: Sunni Arabs, most prominently Saudi Arabia, have endorsed the Palestinian and Lebanese factions that are closer to Israel and the United States, while the Iranians influence the anti-Israel Levantine groups: Hamas, Hizbullah, and the Bashar al-Assad regime in Damascus. An Iranian nuclear weapon would decidedly tilt this balance in one direction, limiting the flexibility of the other faction.³⁸

An Iranian bomb, however, would upset more than just the United States and Israel. Even without a nuclear weapon, Iranian power worries Arab rulers.³⁹ Iran influences Gulf trade, and Arab politics through Hamas, Hizbullah, the Shi’a community in Iraq and elsewhere, while Shi’a empowerment instigates anti-government Islamist forces throughout the Arab world.⁴⁰ If the Iranians, with a nuclear weapon, consolidated their control over vital areas like Hormuz and could freely challenge the United States, their regional hegemony would be ensured, upsetting stability in the whole of West, South and Central Asia. An Iranian bomb would compel Saudi Arabia and the other Gulf Arab countries to develop bombs of their own. An Arab nuclear arms race may also involve Pakistan for political, technical and ideological reasons—an augmentation of Pakistan’s nuclear arsenal that would, in turn, affect South Asian stability.⁴¹

Nuclearisation aside, a warming of American and Indian relations with Iran may upset Israel, India’s burgeoning

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strategic partner and number one military supplier;⁴² raise Pakistan’s threat perceptions; and worry the Gulf Cooperation Council (GCC) nations,⁴³ which employ over three million Indians and provide India with foreign exchange and a great deal of its imported petroleum.⁴⁴

Some Israelis feel that securing peace with their Arab neighbours and ensuring their ‘special alliance’ with the United States, both require a common enemy—a role filled by Iran, that would be lost with an American rapprochement.⁴⁵ A lasting peace, though, would not only have to rely on the inclusion of Iran and its Levantine allies, but also on the kind of regional economic framework that only Israel can be the foundation of; Israel has become vital to both the region and the United States, strategically and economically. Moreover, Israel and the US share cultural and ideological bonds that are, in the words of President Obama, “unbreakable”.⁴⁶

To the east, if the United States had an Iranian alternative to Pakistani transport links, Pakistan’s importance would lessen. Meanwhile, fears that India is using Iran to try to ‘encircle’ Pakistan would rise. Pakistan may feel compelled to use its leverage—in Baluchistan and both sides of the Durand line in particular—to try to spoil any cordiality and keep the US enmeshed in the status quo. An Iranian option, however, would distribute the Afghan burden and enable Pakistan to concentrate on the insurgents that have increasingly targeted the Pakistani state. In the longer term, a trilateral shift would not be an anti-Pakistan move, but a way to ensure regional economic integration. With Iran on board in a more stable Central Asia, both Pakistan and Afghanistan would benefit from enhanced regional trade.

The GCC countries, for their part, fear that an Iran bolstered by an American détente would result in a Shi’a-

dominated Iraq hostile to its Sunni Arab neighbours, as well as Iranian hegemony in the Persian Gulf. But Iranian adventurism has only emerged when other regional actors do not recognise Iran's regional influence. Iran was a spoiler to the 1993 Oslo Accords precisely because it was not included in the process and recognised as a regional pivot, while its harmful manipulation of Shi'a politics throughout the Middle East originates from Washington's post-2003 isolation.

As a regional heavyweight (and with the Iraqi threat quelled), Iran's largest strategic challenges come from outside the region: Great Britain and the Soviet Union in the past and the United States today. Even Israel could not single-handedly sideline Iran; it required the diplomatic muscle of the United States, starting in the mid-1990s, to try to isolate the Persians. Stability in the Levant and the Gulf would require the positive engagement of Iran. Unfortunately, any Iranian antagonism towards America's regional allies remains, largely due to the debilitating US-Iranian political confrontation.

The final outstanding issue in US-Iranian relations is *democracy*.⁴⁷ For decades, not only have the political and security institutions of Iran been closed to democracy and to the United States—so too has the economy. A mountainous terrain has made the development of industrial infrastructure near impossible in Iran. Thus, the economy is reliant on the country's hydrocarbons sector, which, nationalised in the wake of the 1979 Revolution, has remained closed and oligarchically controlled by the regime. The revenues of the energy sector are centrally manipulated and can be targeted at whatever priorities the government deems fit.⁴⁸ This has ensured compliant politico-religious foundations, a ubiquitous security

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system, and just enough cheap gasoline and public services to keep Iranian citizens acquiescent.⁴⁹

Following the June 2009 election protests, however, the reach and power of resistance groups have ostensibly increased—so much so that many expect this round of opposition, dubbed the 'Green Movement,' to displace the current, 'moribund' regime.⁵⁰ Thus the United States is grappling with mutually exclusive options: opening up to the regime would help resolve the nuclear issue and other strategic imperatives, while continuing its isolation would bolster an apparently consequential democracy movement.⁵¹ US assistance, however, would be counterproductive, rationalising Tehran's fears of 'foreign, imperialist meddling' and tarnish the credibility of the movement; supporting a democratic movement would simply weaken it and antagonise the regime further. The alternative, passively waiting for another revolution would not pan out in a timely fashion, as other strategic challenges unfold—Iraq and the Gulf, the surge in Afghanistan, Iran's nuclear programme and the regional response to it. Meanwhile, immense doubts remain over the potential of this democratic uprising.⁵²

A rapprochement would more sustainably accomplish both strategic and political aims: enable the US and Iran to cooperate in the strategic realm while opening Iran up to external influences—trade, commerce and contact—that would ultimately benefit the Iranian middle class. Far from appeasement, engagement would provide the most sustainable means of dealing with the multiple challenges the world faces vis-à-vis Iran.

Indian Initiative

India must take the lead in encouraging both the United States and Iran towards a rapprochement—perhaps, as many American scholars⁵³ and Iranian leaders themselves⁵⁴ have put it, a "grand bargain" in which the Iranians eschew nuclear weapons⁵⁵—that is in the greatest interests of all three countries.

India should be the key interlocutor, and use its good offices to enhance the trust between the United States and Iran. This is not a pipe dream, but a proven, effective option. Turkey, for instance, a country with many cultural influences, has used its immense soft power to bring conflicting parties together: Syria and Israel, Israel and

Palestine, and others.⁵⁶ India, at the crossroads of multiple civilisations, could play a similar role.

Many Indians feel that at the moment, Indo-Iranian relations have reached a nadir.⁵⁷ Iran's emphasis of Kashmir in forums such as the Organisation of the Islamic Conference (OIC), and India's UN and IAEA votes have raised suspicions between the countries. As a result, Indian efforts to develop the Chah Bahar Port in Iranian Baluchistan and connect it to the Zaranj-Delaram highway in Afghanistan, and Iran's first liquefied natural gas (LNG) plant, not to mention the Iran-Pakistan-India (IPI) pipeline, have all fallen by the wayside.⁵⁸

However, in addition to the "civilisational ties" that have been the rhetorical bedrock of Indo-Iranian relations, India's economic relationship with Iran is a strong point of confluence. Indo-Iranian economic relations are strong and growing, based largely around hydrocarbons trade. Indian oil imports from Iran increased by 9.5 percent in 2008-09, accounting for 16.5 percent of India's crude oil imports; Iran is currently India's second largest supplier of oil.⁵⁹ By 2008, bilateral trade reached \$9 billion per year, while India's Oil and Natural Gas Corporation (ONGC), along with other Indian firms such as the Hinduja Group, have entered into negotiations to develop the offshore Farzad B gas field as well as the South Pars gas field, an investment of more than \$11 billion over the coming years.⁶⁰ Meanwhile, despite being one of the world's largest petroleum producers, Iran lacks a significant refinery infrastructure of its own, forcing it to rely on imports for over 40 percent its own consumption. By some accounts, 40 percent of the oil imported by Iran is from refineries in India⁶¹—no insignificant matter.

There have been disputed reports that under US pressure, Reliance Industries, India's main supplier of

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gasoline to Iran, ceased or curtailed its sales of gasoline to Iran in mid 2009.⁶² This pressure may increase in light of the gasoline sanctions that are under consideration in both the United States House of Representatives and Senate. Disengagement, however, would harm both India and the United States: Iranian antagonism against both countries would increase, while Iranian partners like Russia,⁶³ Turkmenistan,⁶⁴ or China⁶⁵ may fill the void in the Iranian energy sector.

Indian investment in hydrocarbons and transport infrastructure, in tandem with strategic alignment with both the United States and India in Central Asia and elsewhere, would be a powerful incentive for Iran to curtail and make transparent its nuclear programme. India's government, think-tanks, and business community should initiate a joint back-channel diplomatic venture to facilitate a rapprochement between the United States and Iran, based on economics and shared regional interests. Key Indian stakeholders in Iran that would be central to this process include the Border Roads Organisation of the Ministry of Defense, Reliance Industries, Oil and Natural Gas Company (ONGC), Gas Authority of India Ltd (GAIL), and Essar Oil. A détente initiative must not be one of carrots and sticks, but based on mutually beneficial futures defined by the following vectors:

- Cessation of US-Iranian political enmity
- Transparency in Iran's nuclear programme
- US disengagement from anti-Iranian activities
- Enhanced Indian investment, on agreeable terms, in Iranian transport and hydrocarbon infrastructure
- Development of an Iran-based transport link from the Arabian Sea to Afghanistan

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- Trilateral cooperation vis-à-vis Afghanistan in the realms of intelligence sharing, counter-terrorism cooperation, and countering narcotics trafficking
- Indo-Iranian economic partnership (hydrocarbons trade, strengthening of the North-South Corridor, further exploration of the IPI Pipeline)
- US-Indo-Iranian strategic cooperation in Central Asia and the Indian Ocean
- US-Iranian coordination in Iraq and the Levant
- US-Indo-Iranian nuclear energy cooperation⁶⁶

Conclusion

Former Iranian Foreign Minister Kamal Kharrazi once expressed the hope that both the US and Iran may be ready for an opening, but “for that to happen, we must be able to trust” one another.⁶⁷ Motivated by the opportunities that would come with strong trilateral ties, India must use its

conviviality with both countries to bridge the trust gap.

After Prime Minister Manmohan Singh’s recent trip to the United States, Indian pundits were left unsatisfied asking what India can get from the United States. They did not give a thought to what India will bring to the table. But with a trilateral initiative inaugurated and facilitated by New Delhi, Washington would see India as the keystone to an Iranian rapprochement that would open up a region of opportunities. Meanwhile, India can forego its bifurcated view of the world, in which one country is chosen over another, and begin to forge a long-term regional and global strategy in which its own interests are served.



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Notes

1. Moreover, the Obama Administration has appeared hesitant to implement the nuclear deal, due to the outstanding issue of the reprocessing of spent fuel. See, for example, “Last Mile in the Nuclear Deal,” *The Hindu*, 26 November 2009.
2. See, for example, Julian Borger, “China maintains opposition to Iran sanctions ahead of crucial meeting,” *The Guardian*, 24 September 2009; Andrew Jacobs, “China Opposes Iran Sanctions Sought by US,” *The New York Times*, 24 September 2009.
3. At the beginning of his tenure in 2009, US President Barack Obama publicly stated that he sought a ‘dialogue’ with the Iranian regime (see, for example, Leonard Doyle, “Obama reaches out to Iran with message to Muslims,” *The Independent*, 28 January 2009), which was reiterated in September 2009 (see, for example, “Obama offers Iran ‘serious, meaningful dialogue’,” *Associated Press*, 26 September 2009).
4. Since the days of Mesopotamia and Babylon, Iraq has been a staging ground for conflict with the Iranians, culminating most recently with the debilitating Iran-Iraq war of the 1980s and the anti-Iranian Mujahideen-e-Khalq based in Iraq. See Jeremiah Goulka, Lydia Hansell, Elizabeth Wilke, Judith Larson, *The Mujahedin-e-Khalq in Iraq: A Policy Conundrum* (Santa Monica, CA: RAND Corporation, 2009). Today, with an American presence in Iraq, the threat of an Iraq-based American attack on Iran is not unimaginable either.
5. Bill Rogio, “Taliban sever NATO supply line through Pakistan’s Northwest,” *The Long War Journal*, 03 February 2009, http://www.longwarjournal.org/archives/2009/02/taliban_sever_nato_s.php, accessed on 04 February 2009.
6. See, for example, Jeremy Page, “Scores of NATO supply trucks destroyed in second attack in Peshawar,” *The Times*, 09 December 2008; “US supply line threatened by Pakistan truck halt,” *Dawn*, 17 November 2008; “Special Report: US-NATO, Facing the reality of risk in Pakistan,” *Stratfor*, 27 April 2009, http://www.stratfor.com/analysis/20090424_pakistan_facing_reality_risk_pakistan, accessed on 28 April 2009.
7. See, for example, Fareed Zakaria, “Change we can’t believe in,” *Newsweek*, 02 May 2009; Dexter Filkins, “Right at the Edge,” *The New York Times Magazine*, 05 September 2008.
8. See, for example, “Exploration & Development - Quick Takes,” *Oil & Gas Journal*, Vol. 103, No. 47, 19 December, 2005; and, Dan Morgan and David Ottaway, Pipe Dreams: The Struggle for Caspian Oil,” *The Washington Post*, 04-06 October 1998.
9. For an analysis of the efficacy of economic sanctions on Iran, see “Iran Sanctions (Special Series), Part 3: Preparing for the Worst,” *Stratfor*, 25 September 2009, http://www.stratfor.com/analysis/20090923_iran_sanctions_special_series_part_3_preparing_worst, accessed on 26 September 2009.
10. A large scale military option in which regime change or decapitation is the ultimate goal has already been ruled out, in part because the American military is already overstretched. Moreover, the strategic and political costs—the (financially unfeasible) occupation of another geographically and ethnically fragmented Muslim country would inflame anti-US sentiment globally—immediately outweighing any benefits.

11. See, for example, Caitlin Talmadge, "Closing Time: Assessing the Iranian Threat to the Strait of Hormuz," *International Security*, Vol. 33, No. 1, *Summer 2008*, pp. 82-117.
12. See, for example, Seymour Hersh, "Preparing the Battlefield: The Bush Administration steps up its secret moves against Iran," *The New Yorker*, 07 July 2008; M K Bhadrakumar, "Foreign Devils in the Iranian Mountains," *Asia Times*, 27 February 2007; and Selig Harrison, "Pakistan's Baluch Insurgency," *Le Monde*, October 2006.
13. See, for example, Flynt Leverett, "Dealing with Tehran: Assessing US Diplomatic Options Toward Iran," *The Century Foundation*, 04 December 2006, http://tcf.org/publications/internationalaffairs/leverett_diplomatic.pdf, accessed on 05 December 2006; Trita Parsi, *Treacherous Alliance: The Secret Dealings of Israel, Iran, and the United States* (New Haven, CT: Yale University Press, 2007), pp. 227-229; Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2004); and Barbara Slavin, "Iran helped overthrow Taliban, candidate says," *USA Today*, 09 June 2005.
14. See, for example, Leverett, *ibid*; Parsi, *ibid*, pp 241; Pollack, *ibid*; and Marc Perelman, "Quiet Cooperation as U.S., Iran Battle Common Enemy," *Forward*, 04 April 2003.
15. For an in-depth analysis of the value of an American 'Grand Bargain' with Iran, see Leverett, n. 13.
16. The phrase 'Tehran-New Delhi Axis' was first used by Christine Fair in "Headlines over the Horizon," *The Atlantic Monthly*, July/August 2003. See also Harsh Pant, "India and Iran: An 'Axis' in the Making?," *Asian Survey*, Vol. 44, No. 3, May/June 2004, pp. 369-383.
17. See, for example, P.R. Kumaraswamy, "Delhi: Between Tehran and Washington," *Middle East Quarterly*, Vol. 15, No. 1, Winter 2008, pp. 41-47; and Sudha Ramachandran, "The elephant in India and Iran's room," *Asia Times*, 21 November 2009.
18. See, for example, Ahmed Rashid, *Taliban: Militant Islam, Oil, and Fundamentalism in Central Asia* (New Haven, CT: Yale University Press, 2001).
19. In the 1990s, "Iran [urged] the Central Asian Republics to export their oil through a direct north-south pipeline to the Gulf via Iran. This could be built at a fraction of the cost of new pipelines across Turkey, because Iran already had an extensive pipeline network and only needed to add pipeline spurs to connect Iran with Azerbaijan. 'The Iranian route for Central Asian oil is the safest, most economic and easiest. The total cost for Iran would be US \$300,000. How does that compare with US \$3billion for a pipeline through Turkey?' Ali Majedi, Iran's Deputy Minister of Oil said in Tehran" Ahmed Rashid, *Taliban: Islam, Oil and the New Great Game in Central Asia* (London: I.B. Taurus, 2002), pp. 155.
20. Pakistan does, however, allow Afghanistan transit rights for its exports to India. Jayshree Bajoria, "India-Afghanistan Relations," *Backgrounder - Council on Foreign Relations*, 22 July 2009, http://www.cfr.org/publication/17474/indiaafghanistan_relations.html, accessed on 23 July 2009; "India and Pakistan in Afghanistan: Hostile Sports," *South Asia Monitor*, No. 117, Center for Strategic and International Studies, 03 April 2008; "No transit route to Afghanistan for Indian trucks: Pak," *Rediff News*, <http://news.rediff.com/report/2009/dec/26/no-transit-route-in-pak-for-indian-trucks.htm>, 26 December 2009.
21. See, for example, "Lashkar-e-Toiba: 'Army of the Pure'," *South Asia Terrorism Portal*, http://www.satp.org/satporgt/p/countries/india/states/jandk/terrorist_outfits/lashkar_e_toiba.htm, accessed on 25 December 2009; Wilson John, "All you wanted to know about Lashkar-e-Tayyeba," Observer Research Foundation, 02 December 2008, <http://www.orfonline.org/cms/sites/orfonline/modules/analysis/AnalysisDetail.html?cmaid=15499&mmacmaid=15500>, accessed on 03 December 2008; Richard Opiel and Salman Masood, "Pakistani Militants Admit Role in Seige, Officials Say," *The New York Times*, 31 December 2008.
22. Wu Jiao and Zhang Jin, "Pipeline pulls region closer," *China Daily*, 15 December 2009.
23. "Pipeline: Iran could ditch India for China," *The Times of India*, 17 September 2009; Pepe Escobar, "Pipelineistan goes Iran-Pak," *Asia Times*, 29 May 2009; "China, Pakistan: The Drivers Behind a Possible Natural Gas Pipeline," *Stratfor*, 11 February 2008, http://www.stratfor.com/node/110499/analysis/china_pakistan_drivers_behind_possible_natural_gas_pipeline, accessed on 12 February 2008.
24. Lionel Beehner, "Afghanistan's Role in Iran's Drug Problem," *Council on Foreign Relations*, 14 September 2006, <http://www.cfr.org/publication/11457/>, accessed on 15 December 2006.
25. As a result of U.S.-Iran enmity, Iran has reportedly reached out to the Taliban, delivering weaponry such as rifles, improvised explosive devices and heat-seeking missiles to the Afghan insurgents Iran had otherwise opposed. See, for example, "Afghan Authorities Say 100 Iranian-made IEDs Found," *Radio Free Europe/Radio Liberty*, 15 August 2007; Muhammad Tahir, "Iranian Involvement in Afghanistan," *Terrorism Monitor*, 18 January 2007; Anna Mulrine, "Sphere of Influence: In western Afghanistan, the United States tries to counter Iran's deep ties," *US News and World Report*, 17 June 2007.
26. See, for example, Scott Peterson, "Iran loses clout in Arab World," *The Christian Science Monitor*, 30 November 2009.
27. Ariel Farrar-Wellmen, "European Union-Iran Relations," *IranTracker*, 08 January 2010, <http://www.irantracker.org/foreign-relations/european-union-iran-relations>, accessed on 09 January 2010.
28. See, for example, Pant, n. 16; and "Iran Proposes Joint Investment of \$800 Million," *The Indian Express*, 25 January 2003; Jyoti Malhotra, "India, Iran chart new roadmap," *The Indian Express*, 26 January 2003.
29. The proposed North-South International Transport Corridor would link Russia and Iran to India and Southeast Asia, with

- Iran as the key fulcrum of the southern and northern corridors. See, for example, “Development of the Trans-Asian Railway: Trans-Asian Railway in the north-south corridor, northern Europe to the Persian Gulf,” *United Nations Economic and Social Commission for Asia and the Pacific*, United Nations Publications, 2001, ST/ESCAP/2182. Moreover, Iran, as a member of the Organisation of the Islamic Conference (OIC), has offered to play an arbitration role in the peace process between the Philippine Government and Islamist rebels and in the Muslim majority Mindanao region of southern Philippines. See, for example, Harnit Kang, “Mindanao: Iran Stoking U.S. Agenda of Peace,” *Article #3013*, Institute of Peace and Conflict Studies, 25 November 2009, <http://ipcs.org/article/southeast-asia/mindanao-iran-stoking-us-agenda-of-peace-3013.html>, accessed on 26 November 2009.
30. See, for example, Flynt Leverett and Hillary Mann Leverett, “Have We Already Lost Iran?,” *The New York Times*, 23 May 2009; Andrew Lee, “Iran’s Campaign Against Foreign Plots,” *Time*, 15 July 2009.
 31. George Stephanopoulos, “Biden: No More Concessions on Iran,” *ABC’s This Week with George Stephanopoulos* (Interview Transcript), 05 July 2009, <http://abcnews.go.com/print?id=8002421>, accessed on 06 July 2009.
 32. See, for example, Elisabeth Bumiller, “Gates Expects New Sanctions on Iran,” *The New York Times*, 11 December 2009.
 33. “Iran missile tests stoke tensions,” *BBC News*, 27 September 2009; “Iran ‘test launches’ medium-range missile,” *BBC News*, 20 May 2009; “Iran tests Shahb-3 Missile,” *Al Jazeera*, 28 September 2009.
 34. See, for example, Ian Black, “Iran Defies United Nations with plans for 10 new nuclear plants,” *The Guardian*, 29 November 2009.
 35. “Iran troops ‘seize Iraq oil well’,” *BBC News*, 18 December 2009.
 36. For a polemic on the role of Israel in United States policy-making, see John Mearsheimer and Stephen Walt, *The Israel Lobby and U.S. Foreign Policy* (New York: Farrar, Straus and Giroux, 2007). For the role of Israel specifically in U.S.-Iranian relations, see Parsi, n. 13.
 37. Parsi, n. 13.
 38. The fear that Iran would transfer a nuclear weapon to non-state groups that use terrorism, such as Hamas or Hizbullah, however, is highly overplayed in western circles, largely for the sake of vilifying and stirring political support against Iran. Possessing a nuclear weapon would increase Hamas or Hizbullah’s capacities and autonomy, reducing their dependence on Iran and minimising Iran’s leverage over them; Iran would not give terrorist groups weapons of mass destruction precisely because they are—and Iran would like them to remain—Iranian proxies. For the same reason, Iran has for years refrained from sharing its chemical and biological weapons capacities with the same groups.
 39. See, for example, Michael Slackman, “Possibility of a Nuclear-Armed Iran Alarms Arabs,” *The New York Times*, 30 September 2009.
 40. As Vali Nasr argues, since the post-2003 empowerment of the Shi’a in Iraq (and consequently, of the Iranian government), Shi’a minorities in countries like Bahrain, Saudi Arabia and Yemen have begun to agitate against their Sunni-dominated governments. This agitation has had an astounding effect not only on the governments of the region, but also their Sunni populations; the allure of the anti-Shi’a Salafi sect of Sunni Islam has increased in countries like Jordan, largely in response to Shi’a empowerment in Iraq. These Salafis also oppose the governments of the countries in which they reside—King Abdullah in Jordan for example—and seek to Islamise their governments. See Vali Nasr, *The Shia Revival: How Conflicts Within Islam will Shape the Future* (New York: W.W. Norton, 2006).
 41. The Pakistan-China-Arab connection is particularly relevant in this regard. See, for example, Gina Cabrera-Farraj and Sammy Salama, “Report Alleges Saudi Arabia Working on ‘Secret Nuclear Program’ With Pakistani Assistance,” *WMD Insights*, May 2006, http://wmdinsights.org/IS/ME2_SaudiArabia.htm, accessed on 01 June 2006; Thomas Woodrow, “The Sino-Saudi Connection,” *China Brief*, Jamestown Foundation, 24 October 2002; Kate Amlin, “Will Saudi Arabia Acquire Nuclear Weapons?” *Issue Brief*, James Martin Center for Nonproliferation Studies (CNS) - Monterey Institute of International Studies, August 2008, http://www.nti.org/e_research/e3_40a.html, accessed on 01 September 2008.
 42. In 2009, Israel replaced Russia as India’s number one supplier of arms and military technology. See, for example, Yaakov Katz, “Israel now India’s top defense supplier,” *Jerusalem Post*, 15 February 2009; “End of an era: Israel replaces Russia as India’s top military supplier,” *World Tribune*, 25 March 2009. For an overview of Indo-Israeli relations, see Harsh V. Pant, “India-Israel Partnership: Convergence and Constraints,” *Middle East Review of International Affairs*, Vol. 8, No. 4, December 2004.
 43. The GCC nations include Saudi Arabia, Bahrain, Kuwait, Qatar, the United Arab Emirates, and Oman.
 44. Samir Ranjan Pradhan, *India, GCC and the Global Energy Regime: Exploring Interdependence and Outlook for Collaboration* (New Delhi: Academic Foundation, 2008), pp. 294.
 45. Parsi, n. 13.
 46. Remarks by U.S. President Barack Obama on ‘A New Beginning’ at Cairo (Egypt) - The White House Office of the Press Secretary, 04 June 2009, http://www.whitehouse.gov/the_press_office/Remarks-by-the-President-at-Cairo-University-6-04-09/, accessed on 05 June 2009. As Trita Parsi explains, many “argue that Israel’s special relationship [isn’t] based on strategic interests to begin with. The special relationship is ‘based on a kind of affinity,’ explained Shlomo Brom of the Jaffee Center for Strategic Studies [in Israel].

- ‘It is based on the fact that a large sector in the US population support [*sic*] Israel: The Jews, the Christian Right, and others. It is based on common values,’ Parsi, n. 13. As for India’s role, with strong techno-military ties with Israel and economic and cultural links to the Arab world, India can use its position to bridge any divides in the long-term. As P.R. Kumaraswamy writes, “it would be prudent for India to emphasize its support for a negotiated settlement acceptable to all parties to the conflict...India could reiterate its opposition to all unilateral actions aimed at changing the status quo.” P.R. Kumaraswamy, “India and Israel: Evolving Strategic Partnership,” *Mideast Security and Policy Studies*, No. 40, September 1998.
47. Since the June 2009 elections in Iran, the western, particularly American and British, media, have been focusing on the *twin* imperatives of democracy and nuclear proliferation. See, for example, Richard Haass, “Only one force can stop Iran now: its people,” *The Times*, 12 February 2010; “Are they Fearless or Foolhardy: Iran’s dilemma over democracy and nukes,” *The Economist*, 11 February 2010; Paula Dobriansky & Christian Whiton, “Iran’s Soft War,” *Foreign Policy*, 25 November 2009.
 48. Fareed Zakaria, “Containing a Nuclear Iran: Forget Force and Sanctions. It’s time to get real,” *Newsweek*, 12 October 2009; Frederic Wehrey, Jerrold D. Green, Brian Nichiporuk, Alireza Nader, Lydia Hansell, Rasool Nafisi, S. R. Bohandy, *The Rise of the Pasdaran: Assessing the Domestic Roles of Iran’s Islamic Revolutionary Guards Corps* (Santa Monica, CA: RAND Corporation, 2009).
 49. As George Friedman writes, “ever since the founding of the Persian Empire, one thing that Iranians have been superb at is creating systems that both benefit [minority opposition] groups and punish them if they stray.” George Friedman, “The Geopolitics of Iran: Holding the Center of a Mountain Fortress,” *Stratfor*, 14 July 2008.
 50. Richard N. Haass, “Enough is Enough: Why we can no longer remain on the sidelines in the struggle for regime change in Iran,” *Newsweek*, 22 January 2010; See also, “Iran in Turmoil: The beginning of the end?,” *The Economist*, 30 December 2009; Maxmilian Wechsler, “Iranian insider predicts regime change,” *Bangkok Post*, 03 January 2010; John P. Hannah, “Regime Change is Dead. Long Live Regime Change,” *Foreign Policy*, 11 September 2009.
 51. Iranian human rights activist and Nobel Laureate Shirin Ebadi, for example, has reversed her position and now fears a US-Iranian rapprochement. “Many of her followers [dread] the sight of Iran and the America achieving a detente that might bolster a regime they are now bent on undermining.” “The Regime’s Ramparts are Shaky,” *The Economist*, 10 December 2009.
 52. First, the bulk of the opposition supports civil rights, not revolution. Second, the security services have not relented in their suppression of the movement, the scale of which remains unknown to most outsiders. Third, economic control over the country remains firmly in the hands of the Iranian Revolutionary Guard Corps, making any structural shifts near impossible. The overall consequence of this round of protests is questionable: “compared to past upheavals in the Islamic Republic’s 30-year history—the forced exile of a president, the assassination of another, the eight-year war with Iraq and the precipitous replacement of Ayatollah Khomeini’s first designated successor, Ayatollah Hussein Ali Montazeri, with Ayatollah Khamenei—the controversy over [the 2009] election was hardly a cataclysmic event.” Flynt Leverett and Hillary Mann Leverett, “How to Press the Advantage with Iran,” *The New York Times*, 28 September 2009.
 53. Perhaps the most well-known advocate of a ‘Grand Bargain’ with Iran is Flynt Leverett, n. 13.
 54. For an overview of early Iranian perspectives and proposals, see Nicholas Kristof, “Iran’s Proposal for a ‘Grand Bargain,’” *On the Ground*, 28 April 2007, <http://kristof.blogs.nytimes.com/2007/04/28/irans-proposal-for-a-grand-bargain/>, accessed on 29 April 2007.
 55. The issue of Iran eschewing even an open nuclear *programme*, however, is separate. Its obligations under the Nuclear Nonproliferation Treaty (NPT) entitle Iran to enrich and reprocess uranium for a peaceful nuclear power-generation programme. In many ways, it would not be in Iran’s interest to overtly weaponise, as it would validate regional fears, perhaps compelling regional actors to launch larger scale military strikes against Iran’s weapons sites. Iran’s current nuclear ambiguity is in fact a greater strategic asset than a nuclear weapon would be: “As long as the Middle East is kept as free as possible from nuclear weapons, Iran will enjoy a conventional superiority vis-à-vis its neighbours because of its size and resources.” “Influencing Iran’s Nuclear Options,” *NIAC Issue Brief*, 07 August 2006, http://www.niacouncil.org/index.php?Itemid=29&id=439&option=com_content&task=view, accessed on 08 August 2006.
 56. Bulent Aras, “Turkey’s Soft Power,” *The Guardian*, 14 April 2009. The role of Pakistan in facilitating an “about-face” in Sino-US relations in 1971 is perhaps another appropriate analogue. See James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton* (New York: Vintage, 2000).
 57. See, for example, Harsh V. Pant, “India-Iran Ties: The Myth of a Strategic Partnership,” *India in Transition*, 10 February 2008.
 58. See, for example, Amit Baruah, “Partnership with Iran in Trouble,” *The Hindu*, 14 May 2006; “India Iran Pipedream Is Quietly Buried In Delhi,” *The Indian Express*, 25 January 2003. In addition to political pressure from Washington, disputes over resource pricing, doubts about the security of the proposed multi-country pipeline in Pakistan, and the fact that LNG plants require American-made parts that are sanctioned under the Iran-Libya Sanctions Act (ILSA), which restricts annual investments in Iran’s energy sector exceeding \$20 million, all obstructed these Indo-Iranian arrangements. See, for example, P.R. Kumaraswamy, “Delhi: Between Tehran and

- Washington,” *Middle East Quarterly*, Vol. 15, No. 1, Winter 2008, pp. 41-47. As of 17 March 2010, Pakistan and Iran have signed an agreement on the natural gas pipeline, which will connect Iran’s South Pars gas field with Pakistan’s southern Baluchistan and Sindh provinces. Under the terms of the agreement, 750 million cubic feet of gas will be pumped to Pakistan daily from Iran by mid-2015. Should the pipeline be extended to India, Pakistan would be allowed to charge a transit fee. Zeeshan Haider, “Pakistan, Iran sign deal on natural gas pipeline,” *Reuters*, 17 March 2010.
59. Nidhi Verma, “India buys more Iran, less Saudi crude oil in ‘08/09,” *Reuters*, 07 May 2009.
60. Ariel Farrar-Wellman, “India-Iran Foreign Relations”, *IranTracker*, 21 December 2009, <http://www.irantracker.org/foreign-relations/india-iran-foreign-relations>, accessed on 22 December 2009; Kuncheria Jacob, “India’s ONGC eyeing stake in Iran gas field,” *Reuters*, 27 November 2009.
61. Kenneth Katzman, “Iran: US Concerns and Policy Responses,” *CRS Report RL 32048*, 07 December 2009, <http://www.fas.org/sgp/crs/mideast/RL32048.pdf>, accessed on 06 January 2010; See also Howard LaFranchi, “Does US Road to better relations with Iran pass through India?,” *Christian Science Monitor*, 18 July 2009.
62. See, for example, Rakesh Sharma, “Source: Reliance Industries Not Selling Gasoline to Iran,” *The Wall Street Journal*, 01 December 2009. Statements from the National Iranian Oil Company, however, have denied this claim. “Iran Imports Oil from RIL, other cos,” *The Times of India*, 01 December 2009.
63. See “Iran Sanctions (Special Series), Part 2: FSU Contingency Plans,” *Stratfor*, 24 September 2009, http://www.stratfor.com/analysis/20090921_iranian_sanctions_special_series_part_2_fsu_contingency_plans, accessed on 25 September 2009.
64. For an analysis of the potential for Turkmenistan to compensate for an Iranian deficit, see “Iran Sanctions (Special Series), Part 3: Preparing for the Worst,” *Stratfor*, 25 September 2009, http://www.stratfor.com/node/146053/analysis/20090923_iran_sanctions_special_series_part_3_preparing_worst, accessed on 26 September 2009.
65. Erica Downs, “Beijing’s Tehran Temptation,” *Foreign Policy*, 30 July 2009.
66. One point of trilateral convergence may in fact be in the nuclear realm. A key hiccup in the US-India nuclear deal has been the arrangement over reprocessed nuclear fuel. According to Christopher Raj of Jawaharlal Nehru University, one proposal is to establish an international reprocessing centre in India that would serve the whole region (Quoted in Ranjit Devraj, “Indo-US Nuclear Deal on Track, but Kinks remain,” *Inter Press Service*, 26 November 2009). Once a trilateral diplomatic breakthrough has been reached, this India-based centre could simultaneously tie up the loose ends of the US-India nuclear deal and serve as a credible host to Iran’s nuclear fuel while the latter awaits reprocessed fuel for its own civilian reactors. (For specifics on the role of an international reprocessing center, see, for example, Leonor Tomero, “The Future of GNEP: The International Partners,” *Bulletin of the Atomic Scientists*, 31 July 2008. The concept of India serving as a host for Iran’s nuclear fuel, in line with the Vienna Proposal of October 2009 is sampled from Joshua Meah, “Toward a Multilateral Triangle: India’s Potential Role in US-Iran Relations,” *forthcoming*). However, Iran has had a prickly history with the storage of its nuclear fuel in foreign countries. In 1975, Iran had established a deal with the joint stock company Eurodif (co-owned by France, Belgium, Spain, and Sweden, whose 10% stake was later sold to Iran) in which Iran’s fuel would be kept in France, reprocessed for Iranian reactors, and returned to Iran. After the Iranian Revolution of 1979, however, France refused to return the enriched uranium to Iran, despite the latter’s co-ownership of Eurodif. (See, for example, Oliver Meler, “Iran and Foreign Enrichment: A Troubled Model,” *Arms Control Today*, January/February 2006). Given this history, it is unlikely that Iran would willingly part with its nuclear fuel under any arrangement. Flynt Leverett and Hillary Mann Leverett go so far as to say that any diplomatic agreement with Iran would “have to accept that Iran will continue enriching uranium, and that the only realistic potential resolution to the nuclear issue would leave Iran in effect like Japan—a nation with an increasingly sophisticated nuclear fuel-cycle programme that is carefully safeguarded to manage proliferation risks.” Leverett and Leverett, n. 30.
67. Quoted in Kristof, n. 54.

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