

The Return of the Persian Pariah and What it Means for India

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It would not be wrong to say turmoil is part of the culture of the Gulf states. The 1979 Islamic Revolution in Iran, followed by its attempts to export its revolution, threatening the regional monarchies, the Iran-Iraq War, the Kuwait invasion, the coup in Qatar, the 2003 US invasion of Iraq and the ongoing sectarian strife, the Arab Spring, which has manifested in civil war in Libya and Syria and the rise of the Islamic State of Iraq and Syria (ISIS) are some of the major events that have greatly shaped the regional politics.

The series of events post the 2003 US invasion of Iraq have given a classic opportunity for the rise of Iran which has found itself directly or indirectly involved in all the major events in the region. The involvement has greatly contributed to its resurgence, making it a force to reckon with, a fact which even the US has grudgingly come to accept.

Iran's Resurgence

Pre-2001 Scenario: Iranian power was greatly hampered by the long drawn war with Iraq from 1980-88. The focus of the Iranians in the post-war period was more on reconstruction and they silently dropped the idea of export of revolution in the following years. Iraq under Saddam in the west, an economically and militarily powerful Saudi Arabia to the south, and a Sunni Taliban in Afghanistan in the east, alongwith an overwhelming US presence

in the region, kept the Iranians busy and served as an active deterrent for any misadventure in the region.

Post-2001 Scenario: The scenario changed rapidly after the attacks of 9/11 which witnessed the US invasion of Afghanistan in 2001 and Iraq in 2003. It effectively neutralised Iran's formidable enemies, thus, creating a power vacuum for Iran to spread its influence.

The increasing loss of popularity of the US forces in Iraq enabled Iran to cultivate its sphere of influence through its proxies like the Badr Brigade, and other non- state actors which it had cultivated during its war with Saddam as well as during the US occupation of Iraq since 2003¹. This kept the US and its allies tied down in Iraq and made the occupation a costly affair. The intervention took on a sectarian colour when Iran managed to install a pro-Tehran Shia government in Baghdad which actively sidelined the Sunni minorities and which is the main cause of the rise of terrorist groups like the ISIS and other Al Qaeda affiliates.²

Regional Influence

In Syria, Tehran's continuous support to keep President Bashar al Assad in power has made Syria a battleground for a *jihadist* insurgency and fuelled a proxy war with the Sunni states of Saudi Arabia and the Gulf countries aiding various Sunni rebel factions, including hardline *jihadis* to ensure Assad's downfall. The Syrian conflict has drawn up regional alliances between the Sunni states and Iran to limit the latter's regional ambitions to install Shia hegemony and protect the interests of the Sunni Muslims.

Iran is providing vast military support and advice, including facilitating Shia foreign fighters from Iraq, Afghanistan, Pakistan and Lebanon; and roping in Hezbollah and its troops to fight alongside the declining government forces. Through help ranging from supply of armaments, unmanned aerial vehicles (drones),³ personnel and expertise to economic aid and financial loans, Iran has been pivotal in tilting the current dynamics in favour of the Syrian government. Without the regional support of Iran and Hezbollah, the Assad regime would not have survived five years of war.

This sectarian divide is seen in Yemen too which has been in a crisis since the Arab Spring protests. The conflict reached a peak in February this year as Houthi rebels from the minority Zaidi Shia sect, supported by the armed forces loyal to former President Ali Abdullah Saleh, launched a coup against ruling President Abed Hadi and consolidated power. Saudi Arabia's intervention to save Hadi, a Sunni, by launching air strikes to attack the Houthi, supported by Iran, has left

Yemen in a trail of destruction and the internal politics for the immediate future will be a struggle to bring in a stable form of government and find a political solution to unite its fragmented parts.

A strong presence of Al Qaeda in the Arabian Peninsula (AQAP) and Islamic State which the Houthis have been fighting against has further complicated the conflict, heightening the power struggle between tribal-militants locally and Shia-Sunni forces regionally.

The emergence of the ISIS and its rapid expansion in both Iraq and Syria, where its latest conquests in Palmyra, located in the desert region to the east and the Kurdish areas in the north, have provided it with 50 percent control of the latter country. The ISIS' savage barbarity and large presence of foreign *jihadists* have alarmed the Western countries, including the US, UK, France, Germany, Belgium, Canada and Australia; however, they are yet to devise a strategy to confront it.

The US coalition forces which successfully propelled Sunni tribal *sheikhs* to fight the Islamic State of Iraq – the predecessor of the ISIS – in 2006 in Anbar region, and conducted air strikes against the current manifestation of the group in the Kurdish areas of Syria, now find their role militarily overshadowed by Iran's growing influence to fight the militant group. In Iraq, the Quds forces are operating alongside Shia militias and the Iraqi Army to recapture ISIS controlled areas, making Iran the only foreign country to have troops on the ground fighting Takfiri terrorism invoked by the extremist militant group. Iran's involvement in the Iraq/Syria conflicts has elevated its role to the forefront in fighting the trans-national terrorism of the ISIS, a major threat to the West. This, on the other hand, has proved counter-productive for the decade-long investment made by the US-led coalition for influence in Iraq, which is fading rapidly as Iran emerges as a strategic king-maker in the military operations on the ground.

Iran Nuclear Deal and Détente in US-Iran Relations: Implications for the Region

The long drawn nuclear negotiations between the P5+1 comprising the US, Russia, UK, China, France and Germany and Iran have reached a point where the framework agreement is in place and a final nuclear deal is round the corner. Despite the low trust levels⁴ and the scepticism of various lobbies as well as the parties⁵ involved in the negotiation process, the supporters of the deal have an upper hand. President Obama and his Foreign Secretary John Kerry have left no

stone unturned in order to convince the sceptics, both at home and abroad, about the importance of the deal.

The basic premise of engaging Iran through negotiations is to integrate it in the “global mainstream”, thus, empowering it to play a more responsible role in the region. Tehran has desperately sought this role since the time of the Shah and probably even before that. A successful nuclear deal is also expected to empower the ‘moderate’ leadership in Tehran against the few, yet powerful, ‘hardliners’, thus, creating an environment for the installation of a Western friendly regime in Tehran in the long run.

The current optimism concerning Iran’s nuclear programme can be considered as a diplomatic “success” for Tehran, keeping in mind the initial focus of the discussion in 2003-04, where the aim of negotiations was more or less to prevent Iran from developing a nuclear programme in the first place. The defiant stand adopted by Iran under President Ahmedinejad made matters worse for Iran as the US, European Union (EU) and UN imposed some of the toughest sanctions on the country.⁶ The situation, at both domestic and international levels, stabilised after the election of President Hasan Rouhani who, right from the onset, adopted a more conciliatory tone.

It remains to be seen if Iran will continue to adhere to the stated obligations as reached in the final comprehensive agreement with the threat of a “snap back”⁷ of sanctions being the only non-military deterrent at the international community’s disposal.

Impact on the Regional Alliances

The Obama Administration’s attempts to engage Iran have, however, come at a cost which involves appeasing the regional allies like Saudi Arabia and Israel that are convinced that the Iranian nuclear programme will be diverted for military use, leaving Tehran with a nuclear bomb, triggering a nuclear arms race in the already volatile region.

The nuclear deal will also result in lifting of economic sanctions, enabling Iran to enter the global economy, thus, alleviating its economic crisis which it suffered after a host of US, European and UN sanctions since 2007. There is also an apprehension that an economically stable Iran will support its proxies in the region, thereby hampering the stability of the region, and indulge in a proxy war with other regional powers like Saudi Arabia, Israel and Turkey.

Iran is the only foreign country having soldiers on ground in Iraq and Syria to fight the ISIS extremists

The Iranian nuclear case has provided Israel and Saudi Arabia a premium opportunity to 'milk' the US in gaining access to generous economic and military assistance⁸ in order to support the agreement or, at best, not interfere with the proceedings. This has also resulted in closer cooperation between Israel and Saudi Arabia in order to jointly tackle the Iranian threat.⁹ In the long run, it may also enable Saudi Arabia to get its own nuclear weapon, as deterrence against Iran.

Impact on Indian Policy in the Region

India's policy in the region can be categorised as 'successful' as the bilateral relations between India and all the states in the region are cordial. The Indian interests in the region are primarily focussed around energy supply, the safety of the expatriate population and the remittances, and cultural and religious linkages.

With the regional security situation worsening, the US as well as the regional powers expect India to play a more proactive role in stabilising the region. The sectarian fallout may also have an impact on the Indian subcontinent, greatly hampering the national security. However, India till now has chosen to adopt a 'wait and watch' approach and not indulge in problem solving, and adopting the soft power approach as well as focussing more on economic and trade relations. Security relations are at a bare minimum, restricted only to India's proactive actions in the vital Sea Lanes of Communication (SLoCs) in the form of anti- piracy operations as well as the professionalism shown in the evacuation of both Indian and foreign nationals in times of crisis.

Indo-Iran Relations and Nuclear Sanctions

India-Iran relations are rather complex. Even as Iran continues to be important for India, the ties with Washington are also equally important for New Delhi. The bilateral dealings and contracts with Tehran continue to be mired in delays and cancellations. Various economic, security and political issues have surfaced from both Indian and Iranian ends which have been responsible for the slow pace of the projects' progress.

The only worthwhile aspect in the boosting of bilateral relations lately has been the Memorandum of Understanding (MoU) on the Chabahar port signed on May 06, 2015,¹⁰ a move which had been long delayed since its inception during the New Delhi Declaration in 2003.¹¹ Further, the current dealing is only an MOU, not a formal agreement,¹² indicating that the port will not become operational any time soon.

India-Iran relations are complex due to New Delhi's compulsion to maintain cordial relations with Washington

There is also some scepticism about Iran choosing Europe over Asia as a preferred destination for the use of Chabahar as a terminal for the export of gas. It is not only economically, but also diplomatically an important leverage for Iran to engage the 28-nation EU bloc rather than a single country like India. In that case, there has to be monitoring of the proportion of Iran's gas exports towards Asia in general and to India in particular, as Iran can supply Europe through the existing trans-Anatolian natural gas pipeline¹³, greatly undermining Chabahar's importance as an energy hub. Another argument is for Iran replacing its oil-based power generation plants with gas-based ones, thus, resulting in a sizeable proportion of the gas produced being diverted for local consumption, thereby freeing oil for exports. The little remaining surplus gas will most likely be transmitted to neighbours,¹⁴ where transporting gas is relatively cheaper. In addition to the above, lack of existing pipelines will leave the option of supplying gas in the form of LNG, which requires huge investments in infrastructure development and is more expensive than gas transferred through pipelines. This makes importing gas from Iran an expensive bid for India.

Iran under the sanctions had its own set of benefits for India, as it offered lucrative investment opportunities,¹⁵ free shipping of its crude oil to India,¹⁶ rupee payment for the oil,¹⁷ etc. all of which have ended after the nuclear deal. Iran now has various options and will not shy away from bargaining hard to extract a better deal from India.

The brighter side to the limitations, is that lifting of sanctions post the nuclear deal will enable India to make sizeable investments in the country. India can invest in Iran's petrochemical complexes, produce urea and other fertilisers in Iran and import these, which is a much cheaper option than importing gas.¹⁸ A sanction free Iran will be a huge help in satiating India's energy and oil requirements. It has already shipped 17 per cent more oil in April than a year earlier.¹⁹ India has also shown some interest in investing in Iran's energy and transport sectors.²⁰ It will certainly have to bid harder for any project in Iran as all the major companies from Europe, Asia and probably even the US would like to exploit the breakthrough in diplomatic relations and exploit the newly opened market.

Conclusion

It is certain that the turmoil in the Middle East will continue. Both the Saudis and Iranians will remain averse to a direct military confrontation and will attempt to contain each other by stoking sectarian sentiments through their proxies, thus, further destabilising the region.

The current attempts to tackle the security threat posed by non-state actors and the Iranian nuclear deal will only be used as a pretext by the regional powers to arm and replenish their arsenals with the most modern military equipment in the world which may trigger an arms race in the short to medium-term. The cycle of chaos will continue as the Middle East remains a lucrative market for the international defence industries.

A successful nuclear deal between Iran and the P5+1 will allow India to restart business as it did before the sanctions were imposed. However, the lucrative offers that Iran offered to India during the sanctions regime have been more or less withdrawn, and Iran, in all certainty, will bargain for a better deal. Overall, India's foreign policy, irrespective of the criticism, has been by far the best, as it continues to have cordial relations with all the nations in the region and has managed to balance its bilateral relations between both Israel and Iran. Indian interests in the region have been adequately protected and it maintains its strategic autonomy, at least in this region.

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Notes

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