THE UNITED STATES, INDIA AND IRAN: MANAGING A DELICATE BALANCE

WAHEGURU PAL SINGH SIDHU

February 2016
The world faces old and new security challenges that are more complex than our multilateral and national institutions are currently capable of managing. International cooperation is ever more necessary in meeting these challenges. The NYU Center on International Cooperation (CIC) works to enhance international responses to conflict and insecurity through applied research and direct engagement with multilateral institutions and the wider policy community.

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ACKNOWLEDGEMENT

This publication results from research supported by the Naval Postgraduate School’s Project on Advanced Systems and Concepts for Countering Weapons of Mass Destruction (PASCC) via Assistance Grant/Agreement No. N00244-14-1-0053 awarded by the NAVSUP Fleet Logistics Center San Diego (NAVSUP FLC San Diego). The views expressed in written materials or publications, and/or made by speakers, moderators, and presenters, do not necessarily reflect the official policies of the Naval Postgraduate School nor does mention of trade names, commercial practices, or organizations imply endorsement by the U.S. Government.

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INTRODUCTION : INDIA’S TRILEMMA

The India-U.S. relationship is presently stronger than at anytime in their history. The twin summits – less than six months apart – in September 2014 and January 2015 between President Barack Obama and Prime Minister Narendra Modi have repaired, revived and revitalized the strategic partnership. Yet there remain several hurdles to deepening the relationship, notably, geopolitical differences over Iran, Russia, Syria and India’s membership of various nuclear and missile export control regimes. Perhaps the most formidable of these in terms of immediacy and proximity is the resolution of the Iranian nuclear challenge.

Iran's nuclear ambitions pose a serious threat to India's economic and security well being. Iran's abundant oil and gas reserves and its potential as an alternative trade conduit to Afghanistan and Central Asia are crucial for India's continued economic growth. However, as a result of sanctions on Iran, India was forced to curtail its imports. Consequently, Iran, which in 2008-09 was India's second largest supplier of crude oil, slipped to seventh place in 2012-13 and in March 2015 oil imports dropped down to zero. While imports have risen following the 14 July 2015 Joint Comprehensive Plan of Action (JCPOA) agreement to curb Iran's nuclear program, it remains to be seen whether India’s oil and gas imports from Iran will reach earlier levels when sanctions are lifted.

Similarly, following the withdrawal of the International Security Assistance Force (ISAF) from Afghanistan, Iran might again be a natural ally for India, as it was in 2001-2003 when both countries, along with Russia and the U.S., supported the Northern Alliance to counter the Taliban. Iran could in addition provide an alternative route to Afghanistan that bypasses Pakistan. This might also be to the advantage of Washington, which would then not be entirely dependent on either Pakistan or the Central Asian nations. However, this alternative route requires the development of Chabahar (a crucial entrepôt for the Zaranj-Delaram route) on the Iranian coast. While India, Iran and Afghanistan have set up a working group to expedite the project, progress is likely only if the necessary investment is forthcoming. The Indian government’s own financial limitations and the reluctance of the private sector to invest because of existing sanctions mean that Chabahar’s crucial development is virtually stalled and with it India’s access to Afghanistan. Thus, the tacit if not explicit understanding of the U.S. would be crucial to develop Chabahar and the alternative route to Afghanistan.

These economic and political drivers notwithstanding, Iran's nuclear weapons quest and nuclear-capable missiles, reportedly assisted by technology, materials and expertise from China, North Korea and Pakistan, pose a direct and indirect threat for India. A nuclear-armed Iran, even with the present range of some of its missiles, could easily target New Delhi and other strategic locations if there was ever a conflict. Iran's potentially nuclear-capable liquid-fuel Shahab 3 and Shahab 4 missiles, with estimated ranges of 2,000 and 2,200 kilometers respectively, put most of India's industrial heartland within range. Similarly, the two-stage solid-fuel Sejjil missile, capable of carrying a nuclear payload to a range of about 2,200 kilometers, poses a threat to India's capital and most of its territory. While India has developed a nascent ballistic missile defense program, this system remains unproven.

Moreover, as the attack on Israeli diplomats in New Delhi in February 2012 by suspected Iranian operatives proved, Tehran also poses terrorist threats to India. Given the growing India-Israel cooperation, the presence of large numbers of Israelis and growing Israeli interests in India, there are concerns that Iran might be tempted to carry out more such brazen terrorist attacks on Indian soil were it to acquire a potential nuclear umbrella.
Indirectly, Iran – given its growing indigenous nuclear and missile capabilities – might have emerged as a new link in the proliferation chain, joining China, North Korea, and Pakistan. This too would threaten the non-proliferation regime, including the Missile Technology Control Regime (MTCR) and the Nuclear Suppliers Group (NSG), which India is seeking to join and uphold. Indeed, even with U.S. backing, India’s membership of the MTCR and NSG might depend on two crucial factors: first, its ability to be seen to be contributing to curbing the proliferation activities of countries like Iran. Second, New Delhi would also seek to justify its own membership of the MTCR and NSG on a criteria-based approach built on its own non-proliferation record. Finally, while India scrupulously adhered to the United Nations Security Council (UNSC) sanctions against Iran, it was reluctant to go along with the sanctions imposed by the U.S., its European allies and allies in the region. This put its relations under severe strain not only with the U.S. and European countries, but also with Israel and other Gulf states, where over 7 million Indians work.

Thus Iran’s nuclear ambitions and the U.S.-led international response to it resulting in the JCPOA pose a trilemma for India: first, how to support the JCPOA (which is contested in some countries party to the agreement) and contribute to its successful implementation, which would also strengthen New Delhi’s non-proliferation credentials, especially given its aspirations for membership of the MTCR, the NSG and the UNSC; second, how to enhance oil and gas imports from Iran without jeopardizing economic relations with other key partners, particularly the U.S., Europe and the Gulf States, which remain suspicious of Iran’s intentions; and third, how to retain a strategic partnership with Iran, particularly on Afghanistan, despite Tehran’s exclusion from most formal processes. How India addresses these challenges will have a direct impact on its nonproliferation credentials, its economic well being and its geopolitical interests.

While India had not until recently articulated an approach to address the predicament posed by Iran, New Delhi has consistently expressed its preference for a diplomatic and political solution instead of a military one. For instance, at the height of tensions and shrill calls by Washington’s allies for military action against Iran, the Delhi Declaration following the fourth BRICS (Brazil, Russia, India, China and South Africa) summit in March 2012 cautioned that the “situation … cannot be allowed to escalate into conflict, the disastrous consequences of which will be in no one’s interest”. Instead the declaration noted that “Iran has a crucial role to play for the peaceful development and prosperity of a region of high political and economic relevance, and we look to it to play its part as a responsible member of the global community … We recognize Iran’s right to peaceful uses of nuclear energy consistent with its international obligations, and support resolution of the issues involved through political and diplomatic means and dialogue between the parties concerned, including between the IAEA [International Atomic Energy Agency] and Iran and in accordance with the provisions of the relevant UN Security Council Resolutions”. However, India did not elaborate what role it might play by itself or in partnership with the U.S. and its allies or as part of the BRICS (with Russia and China, which were part of the JCPOA process) in developing this alternative approach. Nor has any serious research been undertaken (apart from one or two short articles) on how India might be able to contribute to allaying the concerns posed by Iran’s nuclear ambitions.

Against this background, this policy paper will map out New Delhi’s various options to effectively implement the Iran nuclear agreement. The paper considers India as a lynchpin state between the existing nuclear order and developing world, with the Iran case posing the fundamental challenge.

The policy paper is divided into four sections and will assess the prospects for engagement between the U.S. and India on the crucial issue of Iran’s nuclear proliferation. The first section will examine the nature of India’s multifaceted (i.e., energy, geopolitics,
geo-economics and nuclear) relations with Iran. The next section will study India's changing approach to proliferation in general, including the role of the India-U.S. nuclear deal in this process. The third section will examine India's evolving approach to Iran's nuclear challenge in particular. The final section will explore areas of convergence and divergence between the U.S. and India on Iran, and will suggest ways for the U.S. and India to work together to successfully implement JCPOA, curtail Iran's nuclear proliferation and strengthen the strategic partnership between Washington and New Delhi.
INDIA’S MULTIFACETED RELATIONSHIP WITH IRAN

Although scholars romanticize the historical and civilizational ties between India and Iran dating back to at least the Mughal and Safavid era in the 17th century if not earlier, the reality of modern-day Indian-Iranian relations is very different. Their relations as independent nations are determined by a number of factors that pull the two countries together, but also a number of push factors that limit this relationship from deepening beyond a certain point. This is evident in every aspect of their relationship – political, economic and even ideological. During the Cold War, particularly between 1950 and 1979, relations between India, the self-professed leader of non-alignment, and Iran, which was firmly and proudly aligned to the U.S. and the West, remained distinctly frigid. Following the 1979 Islamic revolution the relationship thawed to one of indifference, even though Iran joined the Non-Aligned Movement (NAM) then championed by India. This minimal interaction continued through the eight-year long Iran-Iraq war, although India as the NAM chair sought unsuccessfully to mediate an end to the conflict. One reason for NAM’s failure to resolve the Iran-Iraq conflict was Iran’s distrust of India’s mediation, since Tehran considered New Delhi to be closer to Baghdad. This perception was strengthened by India’s silence over Iraq’s use of chemical weapons against Iran during the war. Until the end of the Cold War the bilateral relationship remained primarily transactional and was based on India’s growing dependency on Iran’s abundant oil and gas reserves. Even after the end of the Cold War, which coincided with India’s own economic reforms in 1991, while relations between New Delhi and Tehran warmed and expanded for geopolitical and other reasons, the energy relationship continued to remain the bedrock of bilateral relations.

THE ENERGY EQUATION

As India’s economic reforms took root and its economy took flight, its oil and gas demands skyrocketed. According to one estimate its oil consumption rose by a staggering 82 per cent in the decade from 1990 to 2000 and by an additional 46 per cent between 2000 and 2009. As a result, today India is the world’s third largest consumer of crude oil after the U.S. and China, although its consumption is only a third of China’s and a sixth of the U.S. With limited domestic oil and gas production, India now imports more than 80 per cent of its oil requirements and 40 per cent of its natural gas needs. Thus, India’s voracious energy appetite is the pull factor for it to seek supplies from myriad sources, including Iran.

According to a 2015 report of the U.S. Energy Information Administration, Iran possesses “the world’s fourth-largest proved crude oil reserves and the world’s second-largest natural gas reserves”. Iran’s oil and gas resources are particularly suited for India’s energy requirements for at least two reasons. First, given the geographical proximity between the west coast of India and the Persian Gulf ports, the transportation cost is relatively low. Second, many Indian state-owned refineries were built to process only the heavy crude oil from Iran, which made supply from there particularly crucial. Unsurprisingly then, before the U.S. and the European Union (EU) imposed sanctions India purchased up to 16 to 18 per cent of its oil from Iran, which made it the third largest buyer of Iranian crude.

Additionally, Indian public and private sector companies made significant investments to explore and exploit Iran’s undeveloped oil and gas fields. For instance, Indian companies have already invested in several Iranian oil and gas projects and are planning to invest over $5 billion for the development of the Farzad gas field. Similarly, the Iran-Pakistan-India (IPI) gas pipeline is one of the
most ambitious projects of interest to energy-starved India, even though New Delhi has not been participating in trilateral meetings since 2007 and appears to have gone cold on the project. The primary reason given by India for its hesitation is pressure from the U.S. and the security (or lack thereof) of the pipeline, which will pass through the strife-torn Baluchistan region of Pakistan. Technical and pricing issues are also likely to have curbed India's enthusiasm for the project.

If Iran's oil and gas is crucial, then why did India not import more from and invest more in Iran well before recent sanctions were imposed? The answer lies in the push factors that have limited greater economic ties between the two. One important factor was the unreliability of supplies from Iran, especially after the Islamic revolution of 1979, when the oil industry was in disarray and production fell significantly. The subsequent Iran-Iraq war further bumped up prices and underlined the imperative for India to diversify its supply and insulate itself from domestic or regional developments that might affect its energy needs.

Second, Iran has proved to be a difficult supplier for India and, according to one scholar, "is thought to have reneged on some deals, tried to renegotiate others, and given China and its companies better terms" in the oil and gas industry. For instance, a 2009 agreement for the purchase of five million tons of liquefied natural gas (LNG) per year for a 25-year period fell apart over price disputes. India felt that Iran was trying to renegotiate the deal on more favorable terms to Tehran.

Third, given that India imports more from Iran (mostly oil and gas) than it exports, the bilateral trade is heavily skewed against India. In fact, since 2006 India has been running a trade deficit with Iran. In 2006, owing to a sharp increase in oil imports, India raked up a trade deficit of $4.3 billion, which rose to $5.5 billion in 2010 and doubled to over $11 billion in 2012. While India blamed the U.S. and EU sanctions for the growing trade deficit, in reality the deficit actually fell to $5.41 billion in 2013-14 after sanctions were imposed. This was primarily because the sanctions forced India to cut oil imports on one hand and on the other forced Iran to trade in Rupees and buy more from India, thus reducing the deficit.

Fourth, following the rude awakening with the 1973 oil shock (though its imports were minimal), India recognizes that oil is a potent political weapon that suppliers will wield to enforce their writ. India experienced this when Iran sought to link energy deals with New Delhi's votes on Iran's nuclear file at the International Atomic Energy Agency (IAEA). India experienced similar arm-twisting by Saudi Arabia on a UN General Assembly vote on Syria when it increased its imports to offset the reduced imports from Iran. Thus, India is inclined to diversify its oil and gas supplies so as not to be politically vulnerable to any one supplier.

Consequently, India's growing energy needs make it imperative that Iran will remain a crucial source of oil and gas. To that extent the JCPOA, which will ease sanctions against Iran, is likely to see India's imports from Iran return to the pre-sanction levels (see chart).

However, it will also see India's trade deficit with Iran grow, unless it can continue trading in Rupees and convince Iran to buy more Indian goods and services to balance the trade deficit. On the other hand, India is also likely to adhere to self-imposed limits on energy imports from Iran to ensure that New Delhi retains its freedom of action and is not susceptible to pressure.
SHARE OF IRAN IN INDIA’S TOTAL OIL IMPORTS


GEO-ECONOMIC CALCULATIONS

From distinctly frosty relations during the Cold War to indifference after the Islamic Revolution, India-Iran political relations warmed considerably after the death of Ayatollah Khomeini and the end of the Cold War. The two countries were drawn to each other primarily to enhance trade and economic cooperation as well as geopolitical considerations. In fact, in the case of Iran, India’s geo-economic and geopolitical interests are intertwined.

At the end of the Cold War India identified its area of strategic interest as “Southern Asia”, which extends from Central Asia in the north to the Southern Indian Ocean in the south and from the Straits of Malacca in the east to the Persian Gulf in the west. This encompasses not only China and Russia; the South Asian Association of Regional Cooperation (SAARC) nations of Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka; the five Central Asian “stans”; the island nations of the Indian Ocean; the Association of South East Asian Nations (ASEAN) members; but also Israel, the Gulf Cooperation Council (GCC) countries, plus Iraq and, finally, Iran – the only non-Arab, Shia-majority country in India’s geopolitical sphere of interest. The U.S. political and military presence in Southern Asia also made it an indispensible actor in India’s perception.
The end of the Cold War took away a primary rationale for NAM and saw India's commitment to the Movement steadily weaken. Instead of nonalignment India now embarked on a policy of "multi-alignment": it initiated a "Look East" policy to engage ASEAN and simultaneously reached out to build strategic partnerships with the U.S., Israel and Iran. The Islamic Republic – though ideologically at odds with a secular and democratic India – had emerged as an independent actor in the region and was regarded as a counterweight to the quarrelsome and dependent Arab states allied to the United States. Following the collapse of the Soviet Union and the ensuing chaos in Afghanistan and, to a lesser degree, in Central Asia, Iran rose in prominence for India; it became not only a crucial energy supplier to power New Delhi's ambitious economic reform, but also a critical conduit to landlocked Afghanistan and Central Asia.

Iran's strategic location made it an ideal gateway for economically rising India to access the resources and markets of Afghanistan but also Central Asia, Turkey and even Europe. Since the 1995 trilateral Memorandum of Understanding on trade and transit between India, Iran and Turkmenistan was signed, both New Delhi and Tehran have been part of several initiatives to facilitate trade with other Central Asian countries and beyond. This includes the International North-South Transport Corridor (INSTC) as well as their engagement with the Shanghai Cooperation Organization (SCO). According to one estimate the INSTC, which when operational will provide transit to goods through Iran, the Caspian Sea, Russia and into Northern Europe, is likely to be 40 per cent shorter and 30 per cent cheaper than the Suez Canal route. For India, apart from the time and cost saving, INSTC will also allow it to bypass Pakistan while providing access to Central Asia.

India's outreach to Iran coincided with Tehran's own policy of "Looking East" which was driven by the desire to escape international isolation and also deal with regional problems. While Tehran's initial concept was vague and broadly included countries to the east of Iran, from Afghanistan and Pakistan all the way to China and Japan, the policy eventually centered on India. This was probably because the Taliban ruled Afghanistan; Pakistan was still regarded to be in the U.S. ambit; and China rejected Iran's overtures for closer ties. The trilateral cooperation between India, Iran and Central Asia became the basis for closer ties and by 1997 the Looking East policy focused on India. Among the policy objectives were to seek "economic benefits for Iran as a transit country that provides roads, transportation and storage between Central Asia and the Indian Ocean" and to "create mutual interdependencies that would eventually reduce harmful dependencies on the West".

However, the competing East-West Corridor linking Romania with Central Asia via Georgia, Azerbaijan and the Caspian Sea is considered more attractive, since the U.S. and Europe back it; but it is inaccessible to India and Iran. More recently China's One Belt, One Road (OBOR) project, which provides a competing route from the Arabian Sea to Central Asia via the Pakistani port of Gwadar, also offers a competitive commercial alternative to INSTC. Thus, many of the trade and economic initiatives involving India and Iran have remained on paper on account of poor infrastructure, bureaucratic wrangles, security and political considerations (including U.S. opposition), as well as the availability of alternative routes.
GEOPOLITICAL CONSIDERATIONS

Prominent among the geopolitical issues that led to a strategic convergence was the rise of the Taliban from 1993 to 1996 in Afghanistan and their capture of Kabul. For Shia Iran, the Sunni Taliban regime backed by Sunni Pakistan posed a threat along its borders. Also of concern was a Taliban-inspired movement across the border in Sunni-dominated Isfahan province. For India, the surge in foreign mercenaries trained in Afghanistan and fighting in disputed Kashmir was a clear and present danger. Under the Taliban several thousand militants were reportedly trained in Afghan camps located in Khost, Jalalabad, Kabul and Kandahar. Additionally, the illegal narcotics trade emanating from Afghanistan was a concern to both India and Iran. According to one Indian observer there was “close strategic engagement” between Iran and India from 1996 to 2001 when both had “identical interests in pulling [the] Taliban down and supporting the Northern Alliance”.

These interests formed the basis of the Tehran Declaration signed on 10 April 2001 by Indian Prime Minister Atal Bihari Vajpayee and Iranian President Mohammed Khatami. The Declaration, signed five months before the dramatic events of 11 September 2001, highlighted “serious threats posed to nation states and international peace and security by the growing threat of international terrorism and extremism”. Without naming Pakistan or Taliban-ruled Afghanistan, the Declaration condemned “states that aid, abet and directly support international terrorism and call[ed] on the international community to intensify its efforts to combat international terrorism”. In a separate paragraph on Afghanistan, the Declaration expressed “deep concern over the growth of extremism and the threat of terrorism and illegal trade in narcotics emanating from the area of the extremists”.

In practical terms, this translated into Indo-Iranian logistical support for the Northern Alliance led by Burhanuddin Rabbani and his military commander Ahmed Shah Masood. When the Northern Alliance got the backing of the U.S. and its Western allies in May, for a brief moment the U.S., Russia, Iran and India were aligned to oust the Taliban from power. However, following the assassination of Masood on 9 September 2001, the attacks on the U.S. on 11 September 2001, Washington's launch of “Operation Enduring Freedom” and the ouster of the Taliban from Afghanistan, this unusual alliance faded.

Although India and Iran offered carte blanche support to the U.S. soon after President George W. Bush declared “war on terror”, Washington demurred. For a number of reasons, primarily logistical, operational and tactical, Washington preferred Pakistan’s less than forthcoming offer for assistance, much to the shock of many strategists who argued that Islamabad was not only an unreliable ally but also a dangerous one in the war against terrorism. The U.S. military presence in Afghanistan and Pakistan and the ISAF role in securing post-Taliban Afghanistan paved the way for greater engagement between India and Iran, especially in Afghanistan. Consequently, New Delhi and Tehran moved purposefully to consolidate their converging strategic interests.

The New Delhi Declaration, signed by President Khatami and Prime Minister Vajpayee on 25 January 2003 when President Khatami visited India as the chief guest for India's Republic Day, outlined a “strategic partnership” in political, economic and even military spheres. The Declaration stressed strategic dialogue between the national security councils of the two countries and set up joint working groups on counter-terrorism, drug trafficking (especially from Afghanistan and Pakistan) and strategic collaboration in Afghanistan.
Additionally, the Declaration also endorsed the “recent trilateral agreement between the Governments of India, Iran and Afghanistan to develop the Chahbahar route”. Curiously, even as the spotlight was starting to shine on Tehran's nuclear activities, the Declaration highlighted the commitment of Iran and India “to commenced multi-lateral negotiations for nuclear disarmament under effective international control” and expressed concern about “restrictions imposed on the export of materials, technology and equipment to developing countries ... for peaceful purposes”. Ominously, the Declaration also called for “cooperation in defence in agreed areas, including training and exchange of visits”.

Despite this strong statement of intent, the reality of India-Iran cooperation remained uneven. While there was greater interaction on counter-terrorism and counter-narcotics operations, there was very little movement on Chabahar. Similarly, while joint naval exercises in the Arabian Sea in March 2003 – barely two months after the Declaration was signed – raised concerns, especially in Washington (which had stepped up its presence in the Persian Gulf and the Arabian Sea ahead of its invasion of Iraq), these “exercises emphasized sports and entertainment activities rather than military technique.”23

Several factors have limited the strategic engagement between New Delhi and Tehran. First is the underlying mutual suspicion of each other's intentions both within the region and globally.24 Another factor is India's rapprochement with the U.S. and growing military and security ties with Israel.25 Both of these strategic relationships constrained India but also Iran's desire for closer ties. Finally, India's relations with the Gulf Arab states, where over seven million Indians work and remit around $30 billion per annum – more than the Foreign Direct Investment received by India – and bilateral trade of $120 billion (eight times the $15 billion direct bilateral trade with Iran) serve as further checks to New Delhi's engagement with Tehran.26

**THE CHABAHAR SAGA**

The story of the development of Chabahar port best exemplifies this gap between intentions and implementation. Located on the Makran coast in the Iranian province of Sistan and Baluchistan, Chabahar is a relatively underdeveloped free trade and industrial zone, especially when compared to the sprawling port of Bandar Abbas further west. For India the location of Chabahar is attractive for two reasons. First, it is the nearest port to India on the Iranian coast, which provides access to the resources and markets of Afghanistan and Central Asia. Second, it is located 76 nautical miles (less than 150 kilometers) west of the Pakistani port of Gwadar, which is being developed by China. For India, this makes Chabahar of geostrategic significance for keeping track of Chinese or Pakistani military activity based out of Gwadar.27

The idea of developing Chabahar as an entrepôt for Afghanistan and Central Asia was first floated in January 2003 during the visit of Iran's President Khatami to Delhi. The concept was formalized in a trilateral agreement between India, Iran and Afghanistan the same year. The agreement called for the building of a road from Chabahar through Melak and Zaranj to Delaram, where it would connect with the Kandhar-Herat highway. Under the agreement India was to construct the road from Zaranj to Delaram in Afghanistan, while Iran was to complete the road inside Iran from Chabahar up to Melak on the Afghan border. India raised $100 million and finished construction of the 200-kilometer road by 2008 despite regular terrorist attacks. However, the road through Iran has not been completed (see map).
There are several factors that explain Iran’s unenthusiastic support to the project. First, while the route is of crucial importance for India to connect with Afghanistan, it is less of a priority to Iran, which has other direct routes to its neighbor. In fact, for Iran the route and the opening up of Chabahar was a sop to India to support Tehran’s nuclear case against the U.S. and the West, as evidenced from the timing of Iran’s formal approval of the project in 2012. Moreover, there was also suspicion within Iranian military circles, particularly among the Army of the Guardians of the Islamic Revolution (often called the Revolutionary Guards), of India’s strategic intentions and how it might use the port to advance New Delhi’s interests in the region possibly to the detriment of Tehran.

Consequently, despite the 2003 trilateral agreement there was virtually no movement on the Chabahar project for nearly a decade. It was only in 2012 on the sidelines of the 16th NAM Summit hosted by Iran that it conceded (under pressure from India) to set up a joint working group to operationalize the long-delayed trilateral cooperation agreement between Kabul, New Delhi and Tehran on investment cooperation, trade and transit between the three countries. One crucial factor in Iran’s late enthusiasm for the project was the impact of the U.S. and EU sanctions and its growing isolation. Since then there appears to be a growing realization in Tehran of the strategic importance of Chabahar, especially in the context of the development of the nearby port of Gwadar in Pakistan with China’s help. Additionally, the negotiations led by Washington on Iran’s nuclear file also appear to have paved the way for tacit U.S. support for the trilateral agreement, which provides Afghanistan with alternative routes for international connectivity and access to the sea.28
Despite this convergence, however, funding for the Chabahar port project has been contentious. While India has decided to invest around $85 million to develop the port and free trade zone at Chabahar, Iran has asked for investment to be increased to the project. Some reports suggest that, apart from the difficulty of raising funds, India is hesitant to invest more given the uncertainty of the situation in Afghanistan following the U.S. withdrawal and the strains between the new governments in Kabul and New Delhi. Besides, the project is also marred with a commercial dispute. When Iran’s Foreign Minister Mohammad Javad Zarif visited India in August 2015 (after the conclusion of the nuclear deal), he offered strategic control of the port as an incentive. But it remains to be seen if New Delhi will accept the offer.

In contrast to the tortuous Chabahar saga, Pakistan and China jointly invested $248 million to develop the first phase of Gwadar port. Following the formal handover of the port to the China Overseas Port Holdings Limited in 2013, Beijing is likely to invest at least another $750 million to develop the next phase of the port. China has also committed a staggering $46 billion for a 3000-kilometer long economic corridor to link Gwadar to Kashgar in Xinjiang province. Interestingly, while Iran has asked India to invest more in Chabahar, Tehran itself, according to one report, has plans to invest $4 billion to build a refinery in Gwadar to process 400,000 barrels of oil per day, thereby hedging its bets.

There are also serious questions about the financial viability of Chabahar and whether it might attract enough business to justify the initial costs, given the presence of Gwadar next door and its link to the lucrative Chinese-supported economic corridor, which is part of Beijing’s ambitious One Belt, One Road (OBOR) project. It would appear that Chabahar might be economically unviable if it were to serve only India, Iran and Afghanistan. However, were the U.S. to support the project and were U.S. companies to invest and use this route, then the project might be more competitive and its future might be viable.

NUCLEAR DEALINGS

India’s nuclear dealings with Iran have been episodic, sporadic and problematic not only for relations with other nations, particularly the U.S., but also for itself. Indeed, apart from pressure by the U.S. and its allies, New Delhi’s own interactions with Iran have made it wary of any nuclear relations with Tehran. Dealing with Iran has contributed to changing India’s outlook toward proliferation and its approach to Iran’s nuclear file.

India’s earliest nuclear interaction dates back to 1974 when Prime Minister Indira Gandhi visited Iran – just two weeks before India’s “peaceful nuclear explosion” on 18 May – and the two countries issued a communiqué stating that contacts would be made “between the atomic energy organizations in the two countries in order to establish a basis for cooperation in this field”. Subsequently, in February 1975 the Iranian-Indian Nuclear Cooperation Treaty was signed. However, in reality there does not appear to have been much cooperation. The inaction was also probably in part a result of the international response to India’s first nuclear test in 1974. The U.S. and Russia led the establishment of the NSG in 1975, which sought to harmonize policies between the leading nuclear suppliers to ensure that India and other countries could not use dual-use technology for military purposes. Additionally, the 1978 Nuclear Non-proliferation Act passed by the U.S. Congress also reinforced the NPT and virtually eliminated the prospects of India-Iran nuclear cooperation. The lack of cooperation was partly also on account of the 1979 Islamic Revolution and the new regime’s decision to shelve the nuclear program.
It was only in 1982, after West Germany halted work on Iran's Bushehr nuclear reactor project in 1980, that Iran asked for India's help in completing this project. While some reports suggested that India would send nuclear engineers and scientists to Iran to inspect the Bushehr nuclear power plant and resolve the problems, there is little evidence to suggest that India was seriously involved with any work on this reactor.

Perhaps the most significant India-Iran nuclear interaction occurred in the 1990s when Iran embarked on an indiscreet and blatant drive to buy technology, expertise and hire nuclear experts – pointedly some with nuclear weapons experience, particularly from the former Soviet Union states – as well as from anywhere else that they could, including Argentina, Brazil, China, France, Kazakhstan, Russia, Tajikistan and, of course, North Korea and Pakistan. During this period "India appears to have played only a minor role in contrast to other states".

Iran sought to purchase nuclear technology and expertise from India, and New Delhi – partly in a bid to enter the lucrative global nuclear market – offered to sell a 10-megawatt (MW) research reactor to Tehran. Since this reactor would be under IAEA safeguards, India felt that this might address any proliferation risks or concerns about the sale. Another reason behind India's decision to supply this small reactor to Iran could be political: New Delhi might have sought to improve relations with Iran through the deal. This motive of building ties through transactions is not unlike the sale by China of nuclear-capable CSS-2 (Dong Feng 3) missiles to Saudi Arabia in 1987.

In 1991 India's Foreign Minister Madhav Singh Solanki signed a technical cooperation deal with Iran for the delivery of a 10 MW reactor. This reactor was to be built at Moallem Kalayeh, a secret uranium enrichment complex in the Qazvin province in northern Iran. Additionally, Iran also expressed interest in a 30 MW pressurized heavy water reactor. Within days, the U.S. dispatched Assistant Secretary of State Reginald Bartholomew to New Delhi to persuade India to cancel the sale and subsequently India reneged on the deal.

While U.S. pressure was, doubtless, crucial in India reversing its decision on the reactor sale (New Delhi was keener on establishing closer ties with Washington in the post-Cold War era than entering the arena of nuclear commerce), there were other factors that played an equally important role. First, some parts of the Indian establishment became suspicious of Iran's intentions when it sought to acquire a 30 MW heavy water research reactor, similar to the type used by India (and reportedly Israel) to make the plutonium for their first fission bombs. This concern, coupled with the brazen approach of Tehran to acquire nuclear weapons materials, technology and expertise, was underlined by the proposed location of the reactor near a secret facility. Finally, as India's Foreign Secretary J. N. Dixit averred in 1993, given the growing evidence of Iran's relationship with Pakistan (through the A.Q. Khan network), India felt it would be imprudent to provide a reactor to Iran at the time.

The last troubling episode of India's nuclear interaction occurred in the early 2000s when Dr. Y.S.R. Prasad, the former chairman and managing director of the Nuclear Power Corporation of India Limited (NPCIL) – a public sector undertaking – took up a job in Iran after his retirement. He, along with another NPCIL colleague, Dr. C. Surender, were alleged to have passed on heavy-water nuclear technology to Iran, specifically how to extract tritium from the reactors. In September 2004 the U.S. sanctioned both Indian scientists under the Iran Nonproliferation Act of 2000. Following official Indian protests that this cooperation had occurred under the auspices of the IAEA technical cooperation program, and Dr. Surender's insistence that he had not visited Iran, the sanctions against him were lifted in December 2005. Since then there has been no evidence of India's interaction with Iran in the nuclear arena, even though New Delhi continues to support the right of Iran to the peaceful uses of nuclear energy.
By the time Iran’s clandestine activities came to the attention of the IAEA in June 2003, India and Iran had already signed the New Delhi Declaration announcing their “strategic partnership”, which made a case for access to technology for peaceful nuclear purposes. Nonetheless, a significant section of India’s strategic community had become suspicious of the ultimate objective of Iran’s nuclear program, even though they did not express this publicly. These fears were validated following the 2003 IAEA revelations.

Subsequently, several Indian experts openly questioned Iran’s nuclear intentions. One expert called Iran’s position “hazy” and noted that on the one hand Iran had stated that it does not want to build nuclear weapons, while on the other “its search for reprocessing and enrichment capabilities and technologies, and its lack of transparency … has led to questions regarding its intentions”. Another Indian study in 2013 based on an assessment of Iran’s nuclear and technical capabilities concluded that “Iranian declarations vis-à-vis its nuclear programme raise more questions than answers and its actions and declared intentions are frequently to be at variance with reality”. This growing suspicion was also reflected in Indian public opinion. In a March 2006 survey, 64 per cent of Indians polled believed that Iran was trying to develop nuclear weapons and as many as 77 per cent worried about this prospect.

There were two other factors that made suspicions of Iran’s nuclear program even more troubling for India. First, following IAEA inspections in 2003, Iran revealed that Pakistan (through the Khan network) had assisted its nuclear program by providing not only design for centrifuges but had also transferred technology from 1989 until the late 1990s. Similarly, Iran confirmed that China had provided one ton of uranium hexafluoride (to be used in centrifuges for enrichment) as well as 400 kilograms of uranium dioxide in 1991. Neither China nor Iran declared these transfers to the IAEA. Given India’s own security concerns vis-à-vis China and Pakistan, their role in Iran was an additional worry for New Delhi. These revelations also underlined the inability of Indian intelligence agencies to track Iran’s nuclear shenanigans despite India’s close relations with Tehran, adding to New Delhi’s concerns.

Second, while India had remained circumspect in its official critique of the intentions of Iran’s nuclear program, the Islamic Republic was publicly vocal in its criticism of India’s nuclear tests (of 1974 and 1998) and called for it to sign the NPT and the Comprehensive Test Ban Treaty (CTBT). Iran was one of the few countries that pressed for the full implementation of UNSC Resolution 1172 (1998), which called for India to give up its nuclear weapons and sign the NPT and the CTBT. Although Tehran rationalized that its call for universalization of the NPT was aimed at Israel rather than India, New Delhi was not convinced. Similarly, Iran’s consistent support for the South Asian Nuclear Weapon Free Zone proposed by Pakistan also rankled India.

Thus, India’s firsthand experience in dealing with Iran in the nuclear realm since the end of the Cold War, in addition to IAEA reports and pressure from Washington, led to growing suspicion of Tehran’s nuclear intentions. This, coupled with the role of China and Pakistan in Iran’s clandestine nuclear activities and Tehran’s overt admonishment of India’s nuclear weapons program, was a key determinant in shifting India’s approach to non-proliferation in general and contributed to a change in India’s assessment and approach to the Iran case in particular.
The evolution of India’s non-proliferation policy is directly related to the experience of building its own nuclear weapons program, its changing perception of the international non-proliferation regime, and its assessment of the prospects of global nuclear disarmament. India’s disarmament and nonproliferation policy has evolved in four distinct phases: the complete nuclear disarmament phase (from 1947 until the first Chinese nuclear test in 1964); disarmament diplomacy coupled with the quest for nuclear guarantees and demonstration of its “weapon option” phase (from 1964 till India's rejection of the nuclear non-proliferation treaty in 1968 and its first nuclear test in 1974); the continuing linkage between nuclear disarmament and non-proliferation coupled with the build-up of its nuclear armament phase (from the mid-1980s to the overt nuclear tests in May 1998); and the “reducing nuclear dangers” phase when India finally de-linked disarmament and non-proliferation and became more vocal about state and non-state proliferation dangers (since May 1998).

Complete Nuclear Disarmament Phase

Prime Minister Jawaharlal Nehru, along with Homi Bhabha, the head and chief architect of India’s nuclear program, provided the wherewithal for building India’s nuclear weapon capability. Nehru was also responsible for instituting India’s subsequent global nuclear disarmament efforts. Nehru’s personal aversion to nuclear weapons was evident as early as 1946, when he called the bomb “a symbol of evil.” He was horrified by the destructive power these weapons were capable of unleashing. Following the 1 March 1954 “Bravo” test on the Bikini Atoll—the biggest U.S. hydrogen bomb ever tested, with a yield of 15 megatons and fallout that spread worldwide—Nehru introduced the first UN General Assembly resolution calling for a comprehensive test ban of nuclear weapons, a precursor to the CTBT negotiated later. Nehru also commissioned the world’s first public study of the effects of nuclear weapons, which was published in 1956.

While championing the cause of global nuclear disarmament, Nehru was also categorical about India not building nuclear arms itself. In 1963 Nehru reiterated the “no-bomb” policy in parliament: “On the one hand, we are asking the nuclear powers to give up their tests. How can we, without showing the utter insincerity of what we have always said, go in for doing the very thing which we have repeatedly asked the other powers not to do?”

Nehru’s assertion was endorsed in the active diplomatic role that New Delhi played in the Eighteen Nation Disarmament Committee (ENDC), the forerunner to the present day conference on disarmament (CD) in Geneva, to ensure the successful negotiation of the Partial Test Ban Treaty (PTBT), which banned nuclear tests in the atmosphere, underwater, and in outer space. The PTBT entered into force in 1963. Interestingly, India lamented the limitations of the PTBT in the UN General Assembly in October 1963 in that it did not ban underground tests and called for continued efforts to achieve a CTBT. Around this time India also supported other UN General Assembly resolutions that sought general and complete disarmament, especially the prohibition of nuclear and thermonuclear weapons, as well as resolutions that called for a suspension of all nuclear tests.
India's military defeat at the hands of China in the 1962 Sino-Indian border war, coupled with China's first nuclear test at Lop Nor in 1964, not only dealt a severe blow to the Indian national psyche, but also highlighted the real and present danger of a nuclear threat from a formidable and now nuclear-armed neighbor. The emerging alliance between China and Pakistan, with whom India had already fought one war and was facing another, accentuated the potential nuclear threat from Beijing. These developments posed a serious dilemma to the traditional idealistic approach that India had adopted toward global nuclear disarmament and non-proliferation.

In response to the new scenario India embarked on three approaches: first, to participate in global nuclear disarmament negotiations that would target all nuclear weapons in general, but China's nuclear weapons in particular. Second, to simultaneously seek nuclear guarantees from other nuclear powers (albeit through the UN) against China. Third, to embark on its own nuclear weapons program to deter China's growing capabilities. Clearly, these three approaches were in contradiction to each other. For instance, by seeking nuclear guarantees against other nuclear weapons states (especially China), even through the UN, India was forced to tacitly accept the presence, possession of, and protection by nuclear weapons.

The first approach saw India take active part in proposing the principles of the NPT in the ENDC in 1965. In particular India championed Article IV: the “inalienable right” to peaceful nuclear uses. However, its hopes of having an NPT that would lead to the elimination of all nuclear weapons, especially those in the hands of China, were soon dashed and New Delhi argued that the treaty was discriminatory and created a class of “nuclear haves” and of “nuclear have-nots.” Subsequently, India sought to at least have security guarantees provided to non-nuclear states under the UN auspices. The Kosygin Proposal submitted in February 1966 by the Soviet Union to provide “negative security” guarantees might have alleviated the Indian concerns had China also agreed to adhere to it, but it was subsequently withdrawn, leaving India with no credible guarantee for its security. By 1967, although India continued to participate in the NPT negotiations, it became disillusioned at the “imposed exercise in non-armament of unarmed countries” and frustrated that there was no real effort to “deny prestige to possession of nuclear weapons.” Privately, Prime Minister Indira Gandhi did not want to accede to the NPT on the grounds that “with China at her back, and Pakistan lurking on the sidelines, she saw no alternative but to keep open her option on the production of nuclear weapons.

Thus, when the draft of the NPT was submitted to the UN General Assembly in April 1968, India voted against it and later refused to sign the treaty. India's detailed critique of the NPT ranged from its failure to prevent proliferation, its inability to ensure a step-by-step approach toward nuclear disarmament, its discriminatory nature, and the lack of any security guarantee to non-nuclear weapon states, which was a quid pro quo for accepting the treaty.

India's quest for security guarantees fared even worse outside the ENDC negotiations. Given its non-aligned status and inherent abhorrence to military alliances, such as NATO (which had provided security guarantees to all its members), India was reluctant to get assurances from only one camp. On the other hand, military alliances like NATO were unwilling to provide a nuclear security umbrella to non-members like India. India's preferred position of multilateral guarantees – ideally under the UN banner or from nuclear weapons states on both sides of the Cold War divide – was a non-starter. Consequently, India gave up its quest for seeking nuclear guarantees and focused on building its own nuclear weapons program.
NUCLEAR ARMAMENT AND NONPROLIFERATION PHASE

Even while negotiating the NPT and seeking security guarantees, India drew up plans for the Subterranean Nuclear Explosion Project (SNEP). Prime Minister Lal Bahadur Shastri, who had succeeded Nehru, gave the go-ahead to SNEP in November 1965. However, after the sudden deaths of Shastri and Bhabha – the creator of the Indian nuclear bomb program – in January 1966, SNEP was shelved. Following the entry into force of the NPT in 1970, Prime Minister Indira Gandhi revived SNEP as a “peaceful nuclear explosion”.

India’s “peaceful nuclear explosion” on May 18, 1974 – the first such detonation by a non-NPT state – was ignored by the UN Security Council, even though the five permanent members, notably the United States, condemned the test and took measures to curtail further proliferation by India and others. The Council’s inaction might partly be explained by the fact that the IAEA, established in 1957 to inhibit the use of nuclear technology for military purposes, did not refer the case to the Security Council (under Article XII.C of the IAEA statute) and partly by the fact that although India was not an NPT member, it used the cover of a “peaceful nuclear explosion,” which was allowed even under the NPT.59 (Indeed, “peaceful nuclear explosions” were in vogue between the 1960s and 1980s, and over 150 were conducted by the U.S. and the Soviet Union). Thus, although India had defied the fundamental tenet of the NPT, it sought to project that it was still adhering to the principles of the treaty even though it was not a member. That, however, did not prevent international sanctions being imposed.

Reeling under sanctions, India’s civil nuclear program – especially heavy water production – faced the brunt of international opprobrium. India sought to indigenize the fuel cycle and, consequently, apart from surreptitiously importing some heavy water in the short term to make up for shortages, its program, after long delays, became largely self-reliant. Similarly, apart from one instance of trying to sell a small reactor to Iran (under IAEA safeguards) in 1991, India remained circumspect about exporting nuclear technology and equipment. Thus it sought to follow the NPT and NSG rules, and leading nonproliferation experts pronounced that despite its foibles India was neither a “determined proliferator” nor a “rule breaker”.

Although India had tested a nuclear device it continued to make an intrinsic link between disarmament and non-proliferation, as prescribed by most non-nuclear armed members of the NPT, arguing that the only way to prevent further proliferation was nuclear disarmament. This theme was evident in all the multilateral diplomatic efforts made by New Delhi between 1974 and 1996. In 1978, four years after conducting its first nuclear test, India presented a resolution at the UN General Assembly which stated that the use of nuclear weapons violated the UN charter, was a crime against humanity, and should therefore be prohibited pending nuclear disarmament. The resolution, like most UN General Assembly resolutions, was adopted but not enforced. In 1982, even while contemplating a second round of nuclear tests, Prime Minister Indira Gandhi proposed a five-point program of action to the Second Special Session of the UN General Assembly (UNSSOD-II) which included the “negotiation of a binding convention on the non-use of nuclear weapons, a freeze on nuclear weapons . . . the immediate suspension of all nuclear weapon tests, and negotiations addressed to the task of achieving a Treaty on GCD [General and Complete Disarmament] within an agreed time-frame.”62 In May 1984 India joined the “Six Nation Initiative” (along with Argentina, Greece, Mexico, Sweden and Tanzania) with the stated objective of promoting the CTBT, nuclear and general disarmament. The initiative took place against the backdrop of the second Cold War and the concerns of a limited nuclear war being contemplated between the two superpowers.
In June 1988, by which time India had already developed an operational nuclear arsenal, Prime Minister Rajiv Gandhi unveiled his Action Plan at the Third UN Special Session on Disarmament (UNSSOD-III). The grandiose plan sought to eliminate all nuclear weapons by 2010 in three distinct stages. The Action Plan also aimed to “replace the NPT, which expires in 1995. This new Treaty should give legal effect to the binding commitment of nuclear weapon States to eliminate all nuclear weapons by the year 2010 and of all non-nuclear weapon States to not cross the nuclear weapons threshold”. The Action Plan revealed a naivety of the challenges that would have to be addressed to rid the world of tens of thousands of nuclear weapons. Consequently, the plan could not be taken seriously by any of the nuclear weapons states, particularly the superpowers.

The last Indian contribution to non-proliferation and disarmament before New Delhi conducted its May 1998 Shakti series of tests and declared itself to be a nuclear weapons state was its participation in the CTBT negotiations. Here India played an active role right up to the time that the treaty neared completion and bumped up against the reality of India’s untested nuclear arsenal. India’s insistence on a “time-bound framework” for the elimination of nuclear weapons was an attempt to stall the Treaty while New Delhi tested its arsenal. However, as the CTBT was successfully concluded, India, which had initially proposed such a treaty in 1954, felt compelled to block it at the CD in Geneva.

DE-LINKING NON-PROLIFERATION AND DISARMAMENT PHASE

Soon after India’s nuclear tests (which were followed within weeks by Pakistan’s) in May 1998, there were discernable shifts in New Delhi’s disarmament stance. Unlike the past, India no longer insisted that disarmament was a necessary pre-requisite to prevent further proliferation. A nuclear-armed India, which had originally challenged the NPT, now acknowledged the salience of the Treaty and the broader regime in preventing further proliferation even without disarmament. This recognition was on account of two factors: first, the proliferation activities of China, Pakistan, Iraq, North Korea, Iran, and Libya, as well as fears that terrorist groups might also acquire nuclear weapons; and second, the link connecting nearly all of them to the Pakistani scientist A.Q. Khan’s network in most cases and China in some. Thus, India felt it no longer had the luxury of tackling the growing proliferation around it – mostly involving Pakistan and China – by waiting for disarmament to occur.

In another significant shift India embraced the concept of responsible nuclear weapons states that sought to distinguish it from irresponsible states seeking or possessing nuclear weapons. The concept argued that while some countries might be compelled to acquire nuclear weapons for security reasons, their behavior both in the process of acquiring and after they had acquired them was equally important. Thus a serial proliferator, which either sold weapons technology indiscriminately to any buyer, or a nuclear-armed state, which indulged in threats and military adventurism, were both irresponsible. Though primarily aimed at Pakistan, which was the base of the Khan network and which also launched the provocative and ill-advised military campaign against India in Kargil in 1999 just a year after its nuclear tests, the argument was equally applicable to North Korea, Libya and Iran.

India’s significant policy shift was taken seriously because it was eventually endorsed by the United States. Following the 1998 nuclear tests and UNSC Resolution 1172, the U.S. imposed economic sanctions on India. Simultaneously Washington and New Delhi embarked on an unprecedented dialogue. Led by India’s erudite foreign minister Jaswant Singh, and Deputy Secretary of State Strobe Talbott, the two sides held over a dozen rounds of negotiations between 1998 and 2000, which culminated in the visit of President Bill Clinton to India in March 2000 – 22 years after the previous presidential visit. During the course of this dialogue, even
though the sanctions remained in place, Washington accepted the reality of India's nuclear status, sought to promote restraint, and seek common ground on nuclear issues with New Delhi. It was Clinton's endorsement and support of the 14-round Singh-Talbott dialogue that paved the way for the lifting of sanctions under President George W. Bush. The Bush administration also accepted India as a nuclear power and, as one official rationalized, that “the genie could not be put back in the bottle”. By August 2001 the Bush administration was already contemplating lifting sanctions.68 The attacks of 9/11 on the United States (coupled with New Delhi's unequivocal support for the “war on terror”) and the desire to improve relations with India led to the sanctions being lifted on 22 September 2001. This in turn facilitated the U.S.-India civil nuclear cooperation and the Next Steps in Strategic Partnership, starting with the July 18, 2005 nuclear agreement and culminating in the formal 123 Agreement bill approved by the U.S. Congress on September 28, 2008.69

While the India-U.S. nuclear agreement was promoted as a springboard for extensive bilateral nuclear cooperation, including the sale of U.S. nuclear reactors to support India's ambitious clean energy plans, it was never only about India buying a few reactors from the United States.70 The nuclear deal was also expected to end to decades-old strategic mistrust between the two biggest democracies and transform the existing global nuclear order by having India play a greater role in preventing global proliferation, including from Iran.71

India enacted the Weapons of Mass Destruction (WMD) and their Delivery Systems (Prohibition of Unlawful Activities) Act in June 2005 partly as a precondition to the July 2005 India-U.S. nuclear deal and partly to strengthen the existing legislative and regulatory mechanisms for exercising controls over WMD. This was to ensure that they did not fall into the hands of terrorist groups or states seeking to acquire WMD. This so-called WMD Act not only consolidated India's existing export control provisions but also broadened the legal liability to cover even managers of companies for their actions.72 As part of the Hyde Act, which enabled U.S. civil nuclear cooperation with India, the U.S. president had to determine that India's WMD Act harmonized “its export control laws, regulations, policies, and practices with the guidelines and practices” of the MTCR and NSG.73

As a corollary, while New Delhi still espoused the cause of complete nuclear disarmament in a time-bound framework, there was now a greater emphasis on ensuring that existing nuclear weapons were properly managed so as to reduce the danger posed by them. The first indication of this concept was India's “Reducing Nuclear Dangers” resolution in the UN General Assembly in the autumn of 1998. Since then, this resolution has been presented annually. New Delhi sought to buttress this resolution with another, which aimed to establish a “Convention on the Prohibition of Use [not possession] of Nuclear Weapons”.74

Moreover, in the post-9/11 world, given India's own experience of being targeted by transnational terrorism, there were two concerns for New Delhi related to nuclear weapons and non-state actors, especially terrorist groups. First, there was fear that terrorists might resort to using nuclear or radiological weapons in some future attacks. However, while the probability of a nuclear device being fielded by terrorist groups in India is extremely low (for a number of reasons), there is a higher risk of a radiological dispersal device (popularly called a 'dirty bomb' because it combines conventional explosives with other radioactive material, such as that used for medical or industrial purposes) being built and used.75

Second, while radiological weapons remain only a potential threat, the prospect of cross-border terrorism – such as the 2008 Mumbai attacks – triggering a conventional conflict that could quickly lead to a nuclear escalation remains a more likely scenario.
It is pertinent to remember that the two occasions that India and Pakistan have been locked in an eyeball-to-eyeball confrontation since going nuclear in 1998 were precipitated either by the actions of alleged militants or terrorist outfits operating across the border. The Kargil confrontation of 1999, which was sparked off when intruders – purportedly militants, as initially claimed by Islamabad – were spotted on the Indian side of the Line of Control, was the first episode after India and Pakistan went nuclear. Similarly, terrorist attacks on 1 October 2001 on the State Assembly in Kashmir and on 13 December 2001 on the Indian Parliament in New Delhi respectively by groups operating out of Pakistan led to the mobilization of India’s conventional strike forces and a year-long border confrontation with nuclear overtones.

To address the challenges posed by terrorism in general and nuclear terrorism in particular, India has been supportive of a UN Convention on Terrorism as well as UN Security Council Resolution 1540 adopted in 2004. India has also offered its assistance to other countries in implementing Resolution 1540.

Primarily because of its concerns over the use of nuclear weapons and materials by terrorist groups, India also actively participated in all three Nuclear Security Summits (NSS) initiated by President Barack Obama and strongly endorsed both the communiqués and the work plans. One reason for India’s participation was that the summit makes no reference to the NPT and is considered to be the start of an effort to establish a new nuclear order. At the first NSS in Washington, D.C. in April 2010, New Delhi also announced its decision to establish a “Global Centre for Nuclear Energy Partnership” to study nuclear safety and security issues and signaled its intention to work with others to achieve common nonproliferation objectives.

These three policy shifts – delinking disarmament and non-proliferation; distinguishing between responsible and irresponsible nuclear armed states; and addressing WMD terrorism threats – facilitated and were buttressed by the India-U.S. nuclear deal, and manifest themselves in India's evolving approach to Iran on the nuclear question.
INDIA’S CHANGING APPROACH TO IRAN’S NUCLEAR FILE

India’s approach to Iran’s nuclear imbroglio evolved from one of indifference and ambivalence to encouraging Iran to adhere to its NPT commitments; politically supporting the efforts of the IAEA; enforcing the subsequent UN Security Council sanctions imposed; and strongly endorsing the U.S.-led P5+1 negotiations. However, India stopped well short of bandwagoning with the U.S. and its European allies when they imposed unilateral sanctions, and New Delhi also continued to work with Iran on other issues in different fora.

FROM ABSTENTION TO VOTING AGAINST PROLIFERATION

When Britain, France and Germany (the so-called EU-3 who were negotiating with Iran on its nuclear activities) moved a resolution against Iran in the IAEA in September 2005, India surprised many – especially in Tehran and the NAM – when it voted in support of the resolution. This was, clearly, a political signal to indicate India’s shift rather than affect the outcome of the vote, since the resolution was supported by two-thirds of the IAEA board and only one country – Venezuela – opposed it. Indeed, the resolution would have easily passed even if India had joined the dozen countries that abstained (including Brazil, China, Pakistan, Russia and South Africa), but New Delhi’s vote indicated efforts to delink non-proliferation and disarmament, distance itself from the NAM position, and establish its non-proliferation credentials by moving closer to the position of the US and its allies.

Many saw India’s vote as a direct consequence of the India-U.S. nuclear agreement penned in July 2005 and aimed at garnering U.S. Congressional support for the 123 Agreement. This perception is based on cables from U.S. Ambassador David Mulford to Secretary of State Condoleezza Rice urging her to impress upon the Indian prime minister the need to “exercise leadership” on the Iran vote in light of the “challenges we face in implementing legislative actions necessary for us to fulfill the civil nuclear vision of the July 18 Joint Statement”.81

While the India-U.S. nuclear agreement was doubtless one crucial element in India’s decision, New Delhi also justified its vote as an effort to “de-escalate the situation”; “a clear statement of the dominant view within the country on non-proliferation”, particularly in a case closely linked to Pakistan and China; and a fair price in convincing the sponsors not to refer the Iran file to the UN Security Council (under Article XII.C of the IAEA statute).82

Although India’s vote was a relief for the George W. Bush administration (which had branded Iran an “axis of evil” member), it was severely criticized by members of the Manmohan Singh coalition, notably from the communist and leftist parties, who saw the vote as the outcome of U.S. pressure. Interestingly, the Bharatiya Janata Party (BJP), the main opposition, actually supported the government’s policy, as did several Indian strategic experts. Justifying India’s stance, noted Indian strategist K. Subrahmanyam wrote, “A Vote for Iran, A Yes for Khan” and argued that had India abstained “it would have had no locus standi to raise the basic issues involved on nuclear proliferation to Iran”.83 Indeed, in 2003 and 2004 Iran itself had admitted receiving “P-2 centrifuge drawings from foreign sources [Pakistan] in 1994” but had failed to report it due to “time pressure”, which the IAEA found “difficult to comprehend”.84 Similarly, other experts asserted that India’s vote was not against Iran but in support of its non-proliferation policies.85
When Tehran failed to satisfactorily address all the concerns about its nuclear activities, the IAEA board voted to refer Iran's noncompliance to the UNSC in February 2006. This time too – despite the matter being referred to the UNSC – India voted in favor of the resolution. The ensuing domestic criticism again came from leftist coalition members, which was prompted not only by the vote but also by an undiplomatic statement by the U.S. ambassador to India prior to the vote. Speaking in January 2006, Ambassador David Mulford publicly warned that if India voted against the impending IAEA resolution, the coveted nuclear deal with the U.S. would not materialize. Clearly, overt U.S. pressure “made it more difficult for New Delhi to carry out the policy it had already chosen”.86

Against this backdrop the Indian foreign ministry justified its vote as an effort at “keeping the door open for further dialogue” and “aimed at resolving the outstanding issues within the purview of the IAEA”. Simultaneously, India also welcomed the decision of Washington (along with China and Russia) to join the EU-3 discussions with Iran as a vindication of its position that “issues related to Iran's nuclear programme ought to be resolved through dialogue and that confrontation should be avoided”.87 Given India's interests in the region, New Delhi preferred a negotiated settlement with Iran rather than a military solution.

Equally significant, Prime Minister Manmohan Singh took the unusual step of explaining India's vote in a suo moto statement in parliament. While defending Iran's right to develop peaceful uses of nuclear energy, Singh pointed out several of the controversial issues in the Iran nuclear file: the resumption of uranium enrichment activities; the renewed production of uranium hexafluoride; and, perhaps most contentious of all, the “unresolved question regarding centrifuge imports and designs [allegedly from Pakistan] to make uranium metallic hemispheres”. In light of this, the Indian prime minister concluded: “It is incumbent on Iran to exercise these rights in the context of safeguards that it has voluntarily accepted upon its nuclear programme under the IAEA". He also pointed out that even Russia and China, two of Iran's closest allies, had voted in favor of the resolution.88

While this statement, aimed at critics in India, might not have satisfied them, it appears to have resonated (along with India's IAEA vote) with members of the U.S. House of Representatives. In July 2006 the House passed legislation to enable civil nuclear cooperation with India and defeated an amendment to it, which sought India's cooperation with the U.S. policy toward Iran.89 Subsequently, following approval of the legislation by the U.S. Congress and its signing by President Bush, the United States-India Nuclear Cooperation Approval and Non-proliferation Enhancement Act became law on October 8, 2008.

If India's voting pattern in the IAEA were simply aimed at ensuring the passage of the U.S.-India nuclear cooperation act, then it would be likely that India's voting behavior might change once the act came into being. Yet, India continued to consistently vote against Iran in the IAEA, indicating that proliferation concerns were the primary driver for New Delhi.

In November 2009, India (along with 24 of the 35 countries on the IAEA board, including the U.S., Russia and China) again voted against Iran on an IAEA resolution demanding the suspension of a hitherto undisclosed pilot fuel enrichment plant at Fordow near Qom. In its explanation of the vote New Delhi argued that it was “difficult to ignore” the finding of the IAEA director general that Tehran had failed to either implement the Additional Protocol or to cooperate with the Agency “to exclude the possibility of military dimensions to Iran's nuclear programme”. Thus, India asserted it was imperative that the “integrity of this [IAEA safeguard] system should be preserved”, thereby upholding the non-proliferation regime.90
While some experts in India and the U.S. suggested that New Delhi could do more to support non-proliferation in general (by supporting multilateral fuel cycle initiatives and joining the Proliferation Security Initiative) and to bring Iran back to the non-proliferation fold in particular (by using its close ties to convince the leadership in Tehran to mend its ways), this was a non-starter for at least two reasons. First, India's ties with Iran, though multifaceted and high-profile (including a regular strategic dialogue) did not have the necessary trust quotient to provide India this leverage. Thus, "India has desisted from assuming such a role. Perhaps, in appreciation of the fact that it would have no real influence on the domestic imperatives of Iranian foreign policy towards the US and the West".91

Moreover, once India started voting against Iran in the IAEA any residual trust also dissipated. Instead, after every IAEA vote against it Iran expressed its anger and sense of betrayal to India in no uncertain terms. After the 2006 vote, Ali Larijani, head of Iran's national security council, expressed his "hurt" and pointedly stated: "India was our friend". Similarly, Hadi Nejad-Hosseinian, Iran's deputy oil minister, questioned the natural gas agreement, which provided India a 30 percent discount below prevailing rates. Following the 2009 vote, Iran's Foreign Minister Manouchehr Mottaki was "hopping mad" at a meeting with the Indian National Security Adviser, M.K. Narayanan. Mottaki also wrote to his Indian counterpart, S. M. Krishna, and drew parallels between Iran's nuclear program and India's nuclear tests, arguing that the tests and the U.S.-India agreement challenged the NPT. Krishna responded that the two cases were dissimilar, as India was not a signatory to the NPT and that its non-proliferation record was clean. Iran also resumed its criticism of India's position vis-à-vis Kashmir, which Tehran had refrained from doing since the 1990s.92

SUPPORTING THE DUAL TRACK OF ENFORCEMENT AND ENGAGEMENT

Despite these tensions neither Iran nor India severed ties. The two continued their bilateral strategic dialogues and multilateral economic and political interactions. Both joined the Shanghai Cooperation Organization (SCO) as observers in 2005 and India welcomed Iran as an observer to the South Asian Association for Regional Cooperation in 2008. Similarly, at the 2009 SCO Moscow summit they discussed options to contain the Taliban. Clearly, despite differences both saw advantages in cooperating. For Tehran it prevented being completely isolated, while New Delhi was driven by energy needs and geopolitics.

Second, despite the growing trust between the U.S. and India, New Delhi was reluctant to play the role of facilitator between the U.S. and Iran given the mistrust between Washington and Tehran. The challenge was particularly severe under the Bush administration, which on the one hand had designated Iran as an "axis of evil" member and on the other was engaging India through the nuclear agreement. Thus, even though Prime Minister Manmohan Singh sought to "bridge reconciling various differences that have arisen between Iran and the other country [U.S.]", in reality India merely conveyed messages from one side to the other.93 India's caution to was reinforced by the rejection of the so-called 2010 'Tehran Agreement' between Brazil-Iran-Turkey by the U.S. and its allies.94 What is clear is that both Washington and Tehran turned to Oman, which played the crucial role of facilitating deliberations that contributed to the successful conclusion of the P5+1 negotiations.95

India also supported all six Iran-related UNSC resolutions (five under Chapter VII of the UN charter, which allows for enforcement measures), the same number as for the DPRK, even though Pyongyang has nuclear weapons while Iran does not. The first Council resolution on Iran, 1696 (2006), mirrored the IAEA resolution, demanding that Iran suspend all enrichment-related and reprocessing activities until a negotiated solution that guaranteed the peaceful nature of Iran's nuclear program could be found. It also urged Iran to win the confidence of the Council by resolving the outstanding issues.
However, later resolutions veered into legislating Iran-specific rules and included a series of progressively expansive sanctions targeting specific persons and entities. Resolution 1737 (2006) went further than the IAEA request and obligated Iran to suspend work on its heavy-water reactor. Similarly, Resolution 1929 (2010) ordered Tehran to refrain from “any activity related to ballistic missiles capable of delivering nuclear weapons”. These resolutions progressively widened the scope of sanctions to impose a complete arms embargo, stringent financial sanctions, and a strict inspection regime of Iranian aircraft and vessels as well as cargo bound to or from Iran. Apart from the UN sanctions, the United States and its allies also imposed their own set of sanctions. While these sanctions have inflicted a heavy burden on Iran’s population, they evidently did not retard its nuclear activities.

Although India was not a member of the UNSC and was critical of the sweeping sanctions, which went beyond the nuclear realm and affected the civilian population, it nonetheless implemented them. However, it expressed opposition to unilateral sanctions imposed by the U.S. and its allies.

India’s critique of the sanctions was purportedly on humanitarian grounds. As National Security Adviser Narayanan noted, “We are cautious about adhering to a broad attack on Iran” as the “imposition of sanctions punishes ordinary people, who then turn their anger outward”. Narayanan contended that encouraging Iran to join the mainstream would produce more results. In reality however, India accepted sanctions as long as they focused on Iran’s nuclear industry (where India now had no stakes). However, it was vocally opposed to sanctions that targeted other aspects of Iran’s economy, especially those sectors like oil and gas, shipping and insurance, all of which were of vital importance to India’s own economy. As India’s Foreign Secretary Nirupama Rao noted, India was more concerned about the “extra-territorial nature of certain unilateral sanctions ... with their restrictions on investment by third countries in Iran’s energy sector”. In particular India was perturbed by the U.S. and EU sanctions imposed in 2012, which deliberately targeted Iran’s oil exports. While India contended that it would not adhere to the sanctions, in reality they did affect India’s trade with Iran. Indeed, several private Indian companies deferred or shelved their business plans for Iran for fear that such actions might jeopardize their business with the U.S. and Europe. These sanctions tested U.S.-India relations, with Washington urging New Delhi to drastically reduce its oil and gas imports from Iran, and India arguing that such steps would affect its economic well-being. In 2012 Secretary of State Hillary Clinton insisted that the pressure of these sanctions was crucial “if we want to see progress toward a peaceful resolution”, and that sanctions were better than the military option that the Obama administration was being forced to consider under pressure from political opponents at home and allies abroad.

Clearly, sanctions were one track of a dual-track policy to deal with Iran’s nuclear file. India was far more supportive of the other track: diplomatic initiatives to resolve the crisis. In 2006, China, Russia and the United States joined the EU3 in a so-called P5+1 format – a reference to the P5 plus Germany – to explore proposals with Iran. However, despite several on-again, off-again rounds of negotiations, progress remained uneven. Following the election of Hassan Rouhani as president of Iran in 2013, an interim nuclear deal was reached in November 2013, followed by the “Parameters for a Joint Comprehensive Plan of Action (JCPOA) Regarding the Islamic Republic of Iran’s Nuclear Program” in April 2015. The final JCPOA was signed on 14 July 2015 and, despite staunch opposition, has now been approved by both Iran and the U.S., though its implementation promises to be challenging.

While India did not provide any direct input into the negotiations – neither Iran nor the U.S. considered India as an essential participant in the already crowded negotiating process – anecdotal evidence suggests that India’s separate interactions with Tehran and Washington might have encouraged both to pursue patient diplomacy. One such episode occurred during President Barack Obama’s first visit to India in November 2010 when he asked Vice-President Hamid Ansari, one of India’s best experts on Iran, how to deal with Tehran. The former diplomat and scholar observed that dealing with Iran was like buying a Persian carpet.
“You have to patiently negotiate and bargain on their terms to get the right price and carpet,” advised Ansari. Obama purportedly replied that he did not have the time or the patience for prolonged negotiations. “You have to find the time if you want the carpet,” Ansari insisted.102

Similarly, the regular strategic dialogue between India and Iran also served the negotiations. First, it provided a platform for both to share their evolving relationship with the U.S. and its impact on India-Iran relations. This allowed for frank exchange of views, including on the impact of the sanctions. Second, apart from alleviating Tehran’s sense of isolation, this interaction also provided an opportunity for India to emphasize to Iran that progress on the nuclear negotiations with the U.S. would also pave the way for greater economic gains.

Consequently, India welcomed the final JCPOA because it serves two critical non-proliferation objectives and New Delhi’s economic goals. First, it ensures that Iran’s nuclear weapon ambitions will be severely curtailed if not entirely eliminated. Second, that this primary objective was achieved through diplomatic means rather than military means.

However, for India, the Iran nuclear deal has several other geopolitical and geo-economic implications.103 First, it accentuates the crucial leadership role of the U.S. in achieving breakthroughs and also holding its allies opposed to the deal in check. Indeed, in 2003 the Europeans were unable to reach an agreement because the U.S. was uninterested and had labeled Iran an “axis of evil” country. As India seeks to reshape the existing nuclear order through membership of the various nuclear and missile-related export control regimes, it would be vital for New Delhi to work closely with Washington and leverage U.S. leadership in achieving its objectives.

Second, while the deal will also allow India to increase oil imports from Iran (which had briefly dropped to zero), it will also face greater competition from other countries, particularly U.S. allies such as Japan and South Korea, as well as China.104 Moreover, increased oil imports from Iran will also skew the bilateral balance of payments against India with little prospects of improving them.

Third, sanctions played a part in compelling Tehran to finally give the go-ahead (after a decade’s delay) to New Delhi’s request to develop its Chabahar port, which is strategically significant as an entrepôt in providing India access to Afghanistan. The lifting of sanctions might on the one hand reduce Iran’s enthusiasm for India’s participation in the Chabahar project, and on the other bring in competitors with deeper pockets, such as China, who can easily outspend India’s puny $85 million initial investment in the port project.105

Finally, while sanctions compelled India to undertake a tightrope walk between Iran and the U.S., the lifting of sanctions will witness New Delhi trying to walk between raindrops as it seeks to strengthen relations with Israel and Saudi Arabia on the one hand (both of whom remain vehemently opposed to the deal) and Iran on the other.
AREAS OF INDIA-U.S. CONVERGENCE

There are several areas of convergence between the U.S. and India where Iran is concerned. The first and, perhaps, the most important is the desire to ensure that Iran does not develop a nuclear weapons capability in the foreseeable future. This objective is critical to both Washington and New Delhi for geostrategic and national security interests, as well as to uphold the non-proliferation regime. The security aspect is paramount for India, which is already within the range of existing Iranian nuclear-capable missiles and has growing economic, political, and business interests in the broader Middle East, along with a seven-million-strong diaspora, which it needs to protect. Apart from an untested and rudimentary missile defense capability, India has no means to defend itself against a potential Iranian nuclear strike. For Washington, which is becoming energy-independent, the security of its friends and allies in the region is the primary reason to stop Iran’s nuclear ambitions. Moreover, the U.S., as the custodian of the global non-proliferation regime, feels duty-bound to prevent proliferation in the region while India is equally driven to prove its non-proliferation credentials (especially when the proliferation was facilitated by China and Pakistan) and contribute to strengthening the global non-proliferation architecture.

However, the key difference is that while Washington was willing to consider all means – including military – to thwart Iran’s nuclear weapons program, India is willing to support only diplomatic and political means to de-fang Iran. This is probably because India does not have the inclination or capability to intervene militarily, and also does not want the U.S. and its allies to exercise this option to, apart from its understandable concerns about the unintended consequences of the use of force (as is evident in Iraq and Libya). Moreover, while the U.S. led the sanctions brigade – both multilateral and unilateral – India was reluctant to take a lead in initiating sanctions and was only comfortable with sanctions that had been approved by the UNSC, even though in reality it was forced to accept the unilateral sanctions too.

Besides, Washington was unwilling to engage with Tehran (except episodically between 2001 and 2002 when they worked together with the Northern Alliance in Afghanistan, and before Iran’s nuclear shenanigans were publicly exposed in 2003) even on areas of mutual interest as long as the nuclear question remained unresolved. In contrast, India continued to engage with Iran economically and politically, given New Delhi’s energy demands and its interests in Afghanistan, especially in light of the impending withdrawal of U.S. and NATO-led ISAF troops. This is not dissimilar to U.S.-China economic ties, which continue to flourish despite tensions over the South China Sea.

Sanctions were a key area of dissonance between Washington and New Delhi where the former felt that the pressure of sanctions would lead to a negotiated settlement only if Iran were economically and politically isolated. However, New Delhi, which had also been the target of unilateral U.S. sanctions in the past, felt that isolating Iran was neither in India’s interest nor the interest of reaching a negotiated settlement. These differences notwithstanding, both Washington and New Delhi, through regular consultations and discussions, were able to reach a common understanding. India at one point stopped importing oil altogether for a short period in 2015 to pressure Iran. Consequently, the U.S. provided sanction waivers to India and other countries in acknowledgement of their efforts at reducing oil imports.106
India's engagement with Iran on the sanctions issue – though contentious at times – might have convinced Iran that a negotiated agreement was in its own interest. Besides, given India's own multifaceted geopolitical and geo-economic interests with Iran, New Delhi could not risk severing all ties with Tehran under U.S. pressure for fear that a Washington-Tehran rapprochement might leave India entirely out in the cold. Indeed, India's continued engagement with Iran might also provide an incentive for Iran to move purposefully on implementation of the agreement. This was evident in the visit of Iranian Foreign Minister Zarif to India within a month of the agreement to seek greater investments.

Another area of convergence between the U.S. and India is the role that Iran might play in resolving crises in its neighborhood, especially in Afghanistan and countering the onslaught of the Islamic State (IS) or Daesh. For India, given the state of its relationship with Pakistan, transit through Iran is vital to ensure its interests in Afghanistan. While the Obama administration had bet heavily on Pakistan to ensure stability in Afghanistan, the recent decision to keep U.S. troops in the war-torn country to counter increasing Taliban attacks is an indication that Washington might be examining other options to secure Afghanistan. Presently the Pakistan route, which carries 40 percent of fuel supplies and 70 per cent of other supplies, remains the primary though precarious option to sustain U.S.-ISAF operations in Afghanistan. One option might be for Washington not to engage directly with Iran, but to acquiesce if not support Indian investment in the Iranian port of Chabahar and to connect it with Afghanistan. That would provide an alternative to the Pakistan route without any political or economic commitment until such time as Iran delivers on the nuclear deal.

Additionally, the Pakistan route will be increasingly dominated by China as part of its OBOR project and the U.S. will have to contend with this new reality. Instead, investing in an alternative route through Iran (along with India) might not only provide attractive options but might also provide an incentive for Tehran to deliver on the nuclear agreement. Moreover, it would also provide a counter to China's growing influence in the region. Indeed, within a week of the so-called 'Implementation Day' of the JCPOA and the lifting of sanctions Chinese leader Xi Jinping was the first leader among the countries that negotiated the JCPOA to visit Tehran. Building on its position as Iran's largest trading partner, China signed 17 new cooperation agreements related to nuclear energy, the oil industry and to enhance bilateral trade more than tenfold so as to reach the target of $600 billion over the next decade. Moreover, Beijing is also set to fund the construction of road and rail facilities in Iran, which will closely tie it to China's ambitious OBOR initiative. Additionally, China also promised to support Iran's membership in the SCO, thus bringing Tehran closer into Beijing's orbit of institutional arrangements. Some key interlocutors in Washington regard supporting the route through Iran to Afghanistan and Central Asia as a premature reward even before Iran has delivered on the nuclear agreement. However, were the U.S. to delay investing and developing this route, they might lose out to China, which is increasing its dominance in the region through a web of alternative routes for its OBOR network.

In January 2015, following the second Obama-Modi summit in less than six months, the two countries unveiled the U.S.-India Joint Strategic Vision for the Asia Pacific and Indian Ocean Region, which called for greater political, economic and security/military interaction to balance China's expansionist urges in the region. In particular, the Joint Strategic Vision singles out the South China Sea to assert the “freedom of navigation and over-flight” rights and calls for states to “avoid the threat or use of force and pursue resolution of territorial and maritime disputes through all peaceful means”. A similar joint vision to check China's ambitions in Afghanistan and the Gulf region might not be inconceivable and might include Iran later.
Further afield, the presence of Iran at an international meeting to seek a political and diplomatic solution to the long-drawn Syria crisis is indicative that the nuclear deal has opened the possibility of a potential regional role for Tehran. Given the interest of both the U.S. and India in a political resolution of the Syrian crisis, increased interaction with Iran on this issue, as well as the vexing problem of IS, is a logical next step.
CONCLUSION: WAY FORWARD

The 14 July 2015 U.S.-Iran JCPOA, apart from preventing Iran’s march toward nuclear weapons capability, also provides an opportunity for India and the U.S. to widen and deepen their strategic partnership in the realm of non-proliferation in general, and on Iran in particular. Although India was not part of the negotiations that produced the JCPOA, there was some interaction on the Iranian file, which allowed for New Delhi and Washington to compare notes, calibrate sanctions to a degree and put pressure on Iran at appropriate times.

Building on this, India and the U.S. could also consult regularly and work closely to ensure the successful implementation of the agreement with the help of the IAEA and the UNSC. Here the U.S. could also use India’s close ties with Iran, and support incentives like building the Chabahar port route to Afghanistan, to ensure that Tehran’s no-nukes commitment is unwavering. Additionally, once India is admitted as a member of the MTCR and, possibly, the NSG, it could work in tandem with the U.S. and other members to curtail Iran’s missile ambitions. This would require a greater degree of consultation and cooperation than has previously existed.

Cooperation on the nuclear aspects of the JCPOA could also be a curtain-raiser for closer cooperation with Iran in addressing regional challenges, particularly in Afghanistan. That, however, is only likely if Tehran delivers on the nuclear agreement substantially – if not completely. Meanwhile, India could continue its engagement while also ensuring that long-term U.S. interests (that converge with Indian interests) are also guaranteed.

Finally, the opposition to the JCPOA, particularly by Israel and Saudi Arabia, also poses significant challenges to both the U.S. and India, which have close ties with both countries. Here again India and the U.S. could work, on one hand, to ensure that the JCPOA is also made palatable to other friends and allies in the region. On the other hand, India and the U.S. could also seek to initiate a rapprochement among Iran, Saudi Arabia and Israel, which might form the basis of a new cooperative security arrangement for the region.
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Peaceful nuclear explosions; though indistinguishable from other nuclear explosions, were allowed under Article V of the NPT. Essentially they were nuclear explosions conducted for civilian or “peaceful” purposes, such as excavating canals, building reservoirs, and recovering natural resources. The International Atomic Energy Agency (IAEA) also promoted peaceful nuclear explosions. See the IAEA write-up “Peaceful Nuclear Explosions,” www.iaea.org/sites/default/files/17203505359. pdf; and Comprehensive Test Ban Treaty Organization, “Peaceful Nuclear Explosions”, http://www.ctbto.org/nuclear-testing/history-of-nuclear-testing/peaceful-nuclear-explosions/


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Cover Photo: India’s Foreign Minister Sushma Swaraj (R) and her Iranian counterpart Mohammad Javad Zarif fold their hands in a traditional Indian greeting before their meeting in New Delhi, August 14, 2015. © Reuters/Adnan Abidi