

The Iran Challenge

Unraveling India's Foreign Policy Dilemma

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Abstract

The article delves into the complex dynamics of India's foreign policy vis-à-vis Iran and examines the challenges it poses. The study introduces two key concepts namely Iran's role as a *geopolitical pivot* and India's *extended neighborhood*, to provide a framework for comprehending New Delhi's imperatives in relation to Iran, within the context of an evolving regional and global security landscape. By discussing five key strategic interests, namely the geopolitics of Afghanistan, overland access to Central Asia and Russia, security and stability of the Persian Gulf, energy security, and engagement with West Asia, the article highlights India's multidimensional considerations in its ties with Iran. However, the intricate interplay of Iran's regional behavior, responses from Gulf powers and the United States toward Iranian actions, as well as the deepening strategic relations between Iran and China, pose significant complications to Indo-Iranian engagement. Consequently, Iran emerges as a strategic conundrum that influences the formulation of New Delhi's foreign policy. This article contributes to a nuanced understanding of the Iran challenge and its implications for India's foreign policy decisions in the Indo-Pacific region.

The purpose of this article is to analyze the Iran challenge for India's foreign policy in the context of changing regional and global security land-scape. Iran is an important player in India's extended neighborhood and impinges on India's foreign and strategic policy interests across the wider Eurasian and Persian Gulf regions. The intricate dynamics between India and Iran present a complex dilemma and strategic conundrum, as they navigate their multifaceted relationship. On one hand, Iran serves as an indispensable player in India's geostrategic calculations in the South-West-Central Asian region, including Afghanistan, by facilitating overland access to Central Asia and ensuring energy security. Conversely, Iran's regional behavior, particularly its rivalries with the United States and Washington's allies in West Asia, adds layers of complexity to India's foreign policy challenges. Moreover, the evolving geopolitics of Afghanistan accentuate the significance of addressing the Iranian challenge in India's foreign policy considerations. Thus, this article sheds light on the intricacies of the Iran challenge and its implications for New Delhi's foreign policy decision-making process.

During the crucial endgame in Afghanistan, as the Taliban's rise and the US-backed Afghan government's fall unfolded, India's External Affairs Minister (EAM), S Jaishankar, undertook two significant visits to Iran within the span of a month. Notably, on 6 July 2021, Jaishankar became the first foreign leader to meet with Iranian president-elect Ebrahim Raisi, signaling India's proactive approach.¹ Subsequently, in early August, he returned to Tehran again to attend Raisi's swearing-in ceremony.² Following this, Iranian foreign minister Dr. Hossein Amir-Abdollahian visited India in June 2022, with Afghanistan prominently featuring in the discussions. A press statement from India's Ministry of External Affairs (MEA) highlighted that both countries emphasized the immediate provision of humanitarian aid to the Afghan people while engaging in talks on international and regional matters, including the situation in Afghanistan.³

The discernible resurgence of diplomatic engagement between Tehran and New Delhi, following a period of relative stagnation in the Indo-Iranian relationship since 2018, signifies significant strategic realignments precipitated by the withdrawal of US troops from Afghanistan and the subsequent rise of the Taliban. India's proactive overtures toward Iran serve as a clear indication of the latter's pivotal role in shaping the geopolitical landscape of Afghanistan in the aftermath of the US withdrawal. Furthermore, Iran's recent inclusion as a member of the Shanghai Cooperation Organization (SCO) offers new avenues for collaboration between India and Iran, particularly in the realms of security and connectivity. This development holds the potential to deepen and diversify the partnership between the two nations in these critical domains.

The February 2022 Russian invasion of Ukraine has had a profound impact on the geopolitical dynamics of the Eurasian region. Relations between Russia and the West have deteriorated significantly, elevating the strategic importance of pivot states like Turkey and Iran for both sides. As stringent Western sanctions take effect, Russia is actively seeking alternative trade routes, currency arrangements, political support, and connectivity options. In this context, Iran emerges as a crucial link for Russia to establish connections with India and Asian markets, leveraging its overland routes and ports like Chabahar and Bandar Abbas. Additionally, Iran holds significant influence in global oil and gas markets. Iran and Russia both hold

¹ "Jaishankar meets Iranian President-elect," *The Hindu*, 8 July 2021, <https://www.thehindu.com/>.

² Suhasini Haidar, "Jaishankar's Tehran visit significant for timing on Afghanistan," *The Hindu*, 5 August 2021, <https://www.thehindu.com/>.

³ "Visit of H. E. Dr. Hossein Amir Abdollahian, Foreign Minister of the Islamic Republic of Iran to India" (press release, Ministry of External Affairs, 8 June 2022), <https://mea.gov.in/>.

pivotal roles in the Syrian context, which explains Russian president Vladimir Putin's July 2022 visit to Tehran to engage with Iranian and Turkish leadership.

The article adopts a comprehensive structure comprising of eight sections. Firstly, it elucidates the pivotal role of Iran as a significant geopolitical pivot and highlights Tehran's strategic importance as a major player in West, Central, and South Asian geopolitics. Subsequently, it situates Iran within India's extended neighborhood, offering a framework to comprehend New Delhi's foreign policy objectives and the expanding horizons of its strategic vision. The discussion then delves into India's five primary strategic interests concerning its ties with Iran, namely the geopolitics of Afghanistan, overland access to Central Asia and Russia, security and stability of the Persian Gulf, energy security, and engagement with West Asia. These five key interests are examined against the backdrop of evolving global and regional geopolitics. Given the ongoing war in Ukraine, the article refrains from making definitive assessments regarding its impact or predicting future directions, acknowledging the fluidity of the situation..

Iran as a Geopolitical Pivot

Iran's pivotal geopolitical location stands as one of its greatest assets, as highlighted by Zbigniew Brzezinski in his influential work *The Grand Chessboard: American Primacy and its Geostrategic Imperatives* (1997). Brzezinski, a former US National Security Advisor, categorizes Iran as a *pivot state*, defined as a nation "whose importance is derived not from their power and motivation but rather from their sensitive location" and "from the consequences of their potentially vulnerable condition for the behavior of geostrategic players." As geopolitical pivots owe their significance to their geographical positioning, they play a distinct role in either facilitating access to crucial regions or impeding resource access for influential actors.⁴ Alongside Ukraine, Azerbaijan, South Korea, and Turkey, Iran emerges as one of the pivotal states with significant importance in world politics, particularly in Eurasian geopolitics. Brzezinski emphasizes Iran's stabilizing support for political diversity in Central Asia and its dominant position along the eastern shoreline of the Persian Gulf. Despite the hostility toward the United States, Iran acts as a barrier against long-term Russian threats to US interests in the Persian Gulf region. Brzezinski further suggests that both Iran and Turkey are engaged in establishing

⁴ Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives* (New York: Basic Books, 1997), 41.

influence in the Caspian Sea–Central Asia region, yet their capacity for major regional shifts in power distribution is limited due to domestic challenges.⁵

Positioned at the crossroads of the energy-rich Caspian Sea region and Persian Gulf region, Iran's influence extends along the sea lanes of the Persian Gulf and connects the Caspian Sea–Central Asian region to the Indian Ocean through overland transit routes and ports like Chabahar. Additionally, Tehran's significant support and political-military-ideological links with various groups, including the Houthi rebels in Yemen, Hamas in Gaza, Hezbollah in Lebanon, and the Assad regime in Syria, enable its influence in the Gulf of Aden, Red Sea, and Mediterranean regions.⁶

Highlighting Iran's pivotal geostrategic location, Robert Kaplan argues that “just as the Middle East is the quadrilateral for Afro-Eurasia, that is, for the World–Island, Iran is the Middle East's very own universal joint.”⁷ Kaplan provocatively suggests that the pivot proposed by Halford Mackinder, traditionally located in the Central Asian steppes, should be moved southward to the Iranian plateau. Iran's possession of key Middle Eastern geography, encompassing location, population, and energy resources, makes it fundamentally significant in global geopolitics.⁸

Both Kaplan and Brzezinski underscore the role of geography as a crucial variable in explaining Iran's enduring strategic power and importance. The Hague Centre for Strategic Studies (HCSS) further expands on the concept of pivot states, identifying military, economic, and ideational factors as critical determinants. Iran—alongside India, Saudi Arabia, and Turkey—exhibits attributes in all three categories.⁹ As per HCSS, Pivot states find themselves caught amid the overlapping spheres of influence of great powers, with associations comprising military and economic agreements, cultural affinities, arms and commodities trade, and discourse. A change in the association of a pivot state has profound implications for regional and global security. According to the HCSS study, 22 states worldwide can be classified as pivot states, with Iran actively shaping its immediate security environment, thereby underscoring the broader ramifications of its ideological orientation and future associations.¹⁰

⁵ Brzezinski, *The Grand Chessboard*, 47.

⁶ Robert D. Kaplan, *The Revenge of Geography* (New York: Random House, 2013), 266–68.

⁷ Kaplan, *The Revenge of Geography*, 269.

⁸ Kaplan, *The Revenge of Geography*, 269.

⁹ Tim Sweijs et al., *Why are Pivot States so Pivotal?: The Role of Pivot States in Regional and Global Security* (The Hague: The Hague Centre for Strategic Studies, 2014), 11.

¹⁰ Sweijs et al., *Why are Pivot States so Pivotal?*, 31–35.

Iran's unique position places it at the convergence of three regions: the Middle East, South Asia, and the post-Soviet space. For New Delhi, all three regions, along with the northern Indian Ocean maritime space, hold significant importance for India's strategic and economic interests. Consequently, any power exerting influence across the extensive geostrategic expanse from the Mediterranean to the Arabian Sea and from the Caspian Sea to the Gulf of Aden becomes crucial for India, necessitating engagement with such states.

India's Extended Neighborhood and Iran

India's policy makers perceive "security as lying in a neighborhood of widening concentric circles."¹¹ India's foreign policy envisions a geostrategic landscape structured around three concentric and expanding circles of engagement. The first circle comprises South Asia, stretching from Afghanistan in the West to Myanmar in the East. Given its demographic and geographic advantages, India holds a dominant position in South Asia, actively seeking primacy and exerting influence to counter external involvement.¹²

The second circle encompasses the extended neighborhood, comprising regions adjacent to South Asia, including West Asia, Central Asia, Southeast Asia, and Indian Ocean region. Within this sphere, India aims to "balance the influence of other powers and prevent them from undercutting its interests."¹³ Analysts, including David Scott, argue that India's "vision of an extended neighborhood involves power projection by India; be it hard power military and economic projection or be it soft power cultural and ideational strands."¹⁴ This extended neighborhood concept has become a comprehensive framework guiding India's engagement in all directions, characterized by a 360-degree vision of the opportunities beyond South Asia.¹⁵

Lastly, the third circle encompasses the entire world, reflecting India's aspirations as a global power.¹⁶ It signifies India's recognition that its strategic interests and responsibilities extend far beyond its immediate neighborhood. In this circle, India aims to play an active role in shaping global affairs, contributing to

¹¹ "Speech by Foreign Secretary Shri Shivshankar Menon on 'India and International Security' at the International Institute of Strategic Studies" (transcript, Ministry of External Affairs, 3 May 2007), <https://www.mea.gov.in/>.

¹² C Raja Mohan, "India and the Balance of Power," *Foreign Affairs* 85, no. 4 (2006), 17–32.

¹³ Mohan, "India and the Balance of Power," 18.

¹⁴ David Scott, "India's 'Extended Neighborhood' Concept: Power Projection for a Rising Power," *India Review* 8, no. 2 (2009), 107.

¹⁵ Scott, "India's 'Extended Neighborhood' Concept," 107.

¹⁶ Mohan, "India and the Balance of Power," 18.

issues of global significance, and participating in international decision-making processes. India believes that it is not only a regional power but also seeks to be a key player on the global stage, advocating for its national interests, promoting peace and stability, and forging partnerships with countries around the world. This broader global perspective highlights India's ambition to be a responsible and influential actor in addressing the complex challenges and opportunities of the twenty-first century.

India's strategic planners believe that "the logic of geography is unrelenting" and that "geography gives India a unique position in the geo-politics of the Asian continent, with our footprint reaching well beyond South Asia and our interests straddling across different sub-categories of Asia—be it West Asia, East Asia, South-east Asia or Central Asia."¹⁷ For India "Central Asia verges on our northern frontiers" and that "our exclusive economic zone spans the waters from the Persian Gulf to the Straits of Malacca."¹⁸

After the end of the Cold War, India's political, economic and defense engagements with the extended neighborhood have intensified. The deepened engagement with the extended neighborhood is the "beginning of the reassertion of India's historically benign and stabilizing role in these regions premised on the commerce of ideas and goods."¹⁹ In this context, West Asia is a key region in terms of India's extended neighborhood concept. India launched the Look West policy in 2005 as "the Gulf region, like South-East and South Asia, is part of our natural economic hinterland. We must pursue closer economic relations with all our neighbors in our wider Asian neighborhood."²⁰

Among these, Iran emerges as India's closest geographic neighbor in the Gulf region, possessing invaluable resources, political capabilities, and a strategic location that renders it indispensable for safeguarding India's interests in West Asia. Iran's role in India's Afghanistan–Pakistan policy is of immense value, reflected in the structure of India's MEA, which groups Iran with Pakistan and Afghanistan.

Moreover, Iran's position as a connector for Central Asia, the Caspian Sea, and the South Caucasus region with the Indian Ocean adds another vital dimension to India's strategic engagement. Significant incidents, such as the 2016 abduction

¹⁷ "Speech by Foreign Secretary Shri Shivshankar Menon."

¹⁸ "Speech by Foreign Secretary Shri Shivshankar Menon."

¹⁹ "Indian Foreign Policy: A Road Map for the Decade Ahead" - Speech by External Affairs Minister Shri Pranab Mukherjee at the 46th National Defence College Course" (transcript, Ministry of External Affairs, 15 November 2006, <https://mea.gov.in/>).

²⁰ "PM launches 'Look West' Policy to boost cooperation with Gulf" (press release, Prime Minister's Office, 27 July 2005, <https://archivepmo.nic.in/>).

of an Indian intelligence officer at the port of Chabahar, have underscored the intricate and interrelated geopolitics at play in West Asia, Central Asia, and South Asia. The following sections of this article delve into the complexities of India's Iran challenge.²¹

Geopolitics of Afghanistan

The close geographic proximity and the presence of Shia communities, primarily among the Hazara ethnic group, grant Iran a natural role in Afghan politics. Apart from Pakistan, Iran stands as one of the most significant neighbors to Afghanistan. The Iranian regime perceives itself as the guardian of Shia interests throughout the region, and the sizable Shia population, comprising around 10–12 percent of the Afghan population, compels Tehran to take a keen interest in Afghan affairs. Historically, the city of Herat in western Afghanistan has been under the influence of Iran.²² Moreover, as a major regional power in its own right, Iran possesses the capability to play a critical role in balancing Pakistan's influence in Afghanistan to some extent.

In the late 1990s, Iran—along with India and Russia—supported the anti-Taliban forces represented by the Northern Alliance.²³ The ousting of the Taliban from power following the 11 September 2001 terror attacks brought relief in India and Iran. However, in subsequent years, Iran's deteriorating relationship with the United States and the resurgence of the Taliban as a formidable force prompted Tehran to adjust its strategies. Iran began reaching out to the Taliban to safeguard its interests and established a working relationship with the group.²⁴ In July 2021, Iran even hosted talks between Afghan and Taliban leadership.²⁵ Therefore, when Kabul fell on 15 August 2021, the Iranian embassy remained open, and the staff was not evacuated, reflecting Tehran's nuanced approach toward the changing dynamics in Afghanistan.

Together with China, Pakistan, and Russia, Iran is regarded as one of the major beneficiaries of the US withdrawal from Afghanistan. However, it is important to note that the Taliban and Iran are not natural allies; they simply agreed that the departure of US forces was mutually beneficial. Inherent tensions exist in their

²¹ Indo-Asian News Service, "Kulbhushan Jadhav was abducted from Iran by Pak, claims Baloch activist," *Business Standard*, 18 January 2018, <https://www.business-standard.com/>.

²² Deepika Saraswat, "The Iranian Approach to the Taliban: Understanding Changes and Continuities," *Indian Council of World Affairs*, 25 August 2021, <https://icwa.in/>.

²³ C Raja Mohan, "Ebrahim Raisi and India's Bet on Iran," *Foreign Policy*, 4 August 2021, <https://foreignpolicy.com/>.

²⁴ Vinay Kaura, "Iran's influence in Afghanistan," *Middle East Institute*, 23 July 2020, <https://www.mei.edu/>.

²⁵ "Afghan gov't delegation meets Taliban in Iran," *Al Jazeera*, 8 July 2021, <https://www.aljazeera.com/>.

relationship, as evidenced by clashes between the Taliban and Iran's border security forces in June and July 2022.²⁶

For India, Iran's role in Afghanistan presents a dilemma. India views Iran as a valuable partner in Afghan affairs. However, there has been a divergence between Indian and Iranian perceptions regarding the US presence in Afghanistan. Tehran saw the United States as part of the problem, whereas New Delhi clearly benefited from the US presence in Afghanistan, which facilitated the expansion of India's presence in Afghanistan both militarily and politically. The US withdrawal from Afghanistan has had an adverse impact on India's prospects in the country. Despite engaging with the Taliban and reopening its embassy in Kabul, India remains cautious about a Taliban-led Afghanistan.

Simultaneously, India's overtures toward Iran are part of a strategic readjustment. New Delhi aims to maintain a well-established relationship with Tehran, particularly given the rapidly evolving situation in Afghanistan. Over the years, Iran has cultivated a Shia Afghan militia force, known as Fatemiyoun, which grants Tehran significant leverage in Afghanistan.²⁷ At present, Tehran does not appear openly supportive of anti-Taliban forces in Afghanistan. However, if Sunni extremist elements of the Taliban gain prominence and pursue policies targeting non-Sunni Muslims, the situation could rapidly change. Similar to India, limiting Pakistan's role in a Taliban-dominated Afghanistan aligns with Iran's long-term interests, and the Indo-Iranian partnership will play a role in this pursuit.

Overland Access to Central Asia and Russia

Iran holds a central position in India's strategy to establish connections with Central Asia and Russia, which hinges on developing the port of Chabahar, located just outside the Persian Gulf.²⁸ The routes from Chabahar to Central Asia transit through Afghanistan. Therefore, the supporting infrastructure, mainly the road in Afghanistan between Zaranj and Delaram was needed to be constructed. A modern railway line in Iran from the port to the Afghan border was also envisaged. The project was expected to boost the trade between India and Central Asia, including with Afghanistan.²⁹ Iran, being the transit country, would receive the benefits of a modern infrastructure and a flourishing trade network.

²⁶ "Afghan-Iran border clash: Taliban says one killed," *BBC News*, 31 July 2022 <https://www.bbc.com/>.

²⁷ Saraswat, "The Iranian Approach to the Taliban."

²⁸ Yoel Guzansky and Gil Hurvitz, "A Port Rush: Competition for Control of Trade Routes," *Institute for National Security Studies*, 5 August 2019, <https://www.inss.org.il/>.

²⁹ Khesraw Omid Farooq, "Chabahar Port: A Step Toward Connectivity for India and Afghanistan," *The Diplomat*, 3 July, 2019, <https://thediplomat.com/>.

Additionally, India proposed Chabahar as a vital node in the International North-South Transit Corridor (INSTC), which seeks to connect Russia and Eastern Europe with India through road, rail, and maritime routes passing through the Caspian Sea region and Iran.³⁰ Therefore, the plans to connect with Central Asia and Russia would be complementary to the INSTC, and the role of Chabahar cannot be overstated in this effort. In the wake of Russian invasion of Ukraine, the INSTC is emerging as an important node for accessing South Asian and Southeast Asian markets. In June 2022, two Russian containers were shipped from Astrakhan on the Caspian Sea to Mumbai, India, via Iran. This was seen as a test for the new trade routes under the INSTC banner. The strained relationship between Washington and Tehran over the Iranian nuclear program was a key factor that delayed the development of Chabahar from 2003 to 2015. In 2015, Iran signed a nuclear deal with the six world powers. As per the deal, Iran accepted limits on its nuclear program in exchange for the lifting of stringent sanctions. It opened the doors for greater economic engagement with Iran. In 2016, India, Iran, and Afghanistan signed a trilateral agreement for the development of Chabahar.³¹

Phase one of the Chabahar port was inaugurated in December 2017, enabling India to send wheat to Afghanistan and provide much-needed humanitarian assistance during the Covid-19 pandemic in 2020.³² However, following the Taliban's takeover of Afghanistan, the future of Chabahar and its associated connectivity projects has become uncertain. The Taliban's openness to Chinese investments in Afghanistan raises questions about their willingness to support a trade corridor between India, Afghanistan, Central Asia, and Russia through Chabahar. Given Pakistan's influence over the Taliban, it is likely that they will discourage the growth of overland trade through Chabahar, as it would diminish Pakistan's control over Afghanistan.

Notably, the port of Chabahar is in close proximity to the China-developed port of Gwadar in Pakistan, which is a significant project for China and Pakistan with strategic and economic implications for the wider Indian Ocean region. China's plans to connect Xinjiang in western China to the Indian Ocean via Gwadar and the China-Pakistan Economic Corridor (CPEC) further under-score the importance

³⁰ "Address by External Affairs Minister on 'Chabahar Day' at the Maritime India Summit 2021" (transcript, Ministry of External Affairs, 4 March 2021), <https://mea.gov.in/>.

³¹ Ankit Panda, "India, Iran, Afghanistan Finalize Chabahar Port Agreement," *The Diplomat*, 18 April 2016, <https://thediplomat.com/>.

³² Harsh V Pant, "India-Iran Cooperation at Chabahar Port: Choppy Waters," *Center for Strategic and International Studies*, 2 April 2018, <https://www.csis.org/>; and "India to use Chabahar port to send assistance to Afghanistan," *The Hindu*, 9 June 2020, <https://www.thehindu.com/>.

of Gwadar to China's Belt and Road Initiative (BRI). Consequently, undermining the potential of Chabahar aligns with Pakistan's interest.³³

Meanwhile, in 2018-19, as the US under the Donald Trump administration hardened its stance towards Iran and re-imposed sanctions, India decided to limit its Iran relationship, which included halting oil imports, despite knowing the strategically important role of Iran in the geopolitics of Afghanistan and the Persian Gulf. As a result, Iran turned to China in a major way. In 2021, it was announced that Iran and China have signed a 25-year agreement for deepening their strategic partnership. As per the agreement, China will invest USD 400 billion in Iran and in return will receive Iranian energy exports.³⁴ Plans are afoot to develop connectivity and transport infrastructure within Iran and with its neighbors such as Turkey and Pakistan. Chinese companies are expected to play a major role in it. The agreement serves the interests of both parties and opens up new avenues of cooperation. For India, the burgeoning relationship between Iran and China presents considerable challenges. The consequence of the strengthening China-Iran strategic relationship in Eurasia will be to undermine India's interests and operating space in the region. Afghanistan presents another opportunity for China and Iran to work together.

Security and Stability of the Persian Gulf

In India's maritime security considerations, the Persian Gulf and the strategically vital Strait of Hormuz serve as a key theater. The Indian Navy regards this region as one of its primary "areas of maritime interest."³⁵ Given the presence of approximately 7 million expatriates in Gulf countries and the crucial role of energy supplies from the region in India's energy security, New Delhi recognizes the need to actively contribute to the security and stability of the Persian Gulf.

Iran, situated along the northern coastline of the Gulf, holds immense significance in the strategic dynamics of the region. It possesses the capacity to influence the geopolitical trajectory in the Persian Gulf. However, due to Tehran's contentious relationship with the United States and Gulf powers like Saudi Arabia, the stability in the Gulf has faced persistent challenges. Iran has periodically threatened to block the Strait of Hormuz, a critical chokepoint, which

³³ Gurmeet Kanwal, "Pakistan's Gwadar Port: A New Naval Base in China's String of Pearls in the Indo-Pacific," *Center for Strategic and International Studies*, 2 April, 2018, <https://www.csis.org/>.

³⁴ Farnaz Fassihi and Steven Lee Myers, "China, With \$400 Billion Iran Deal, Could Deepen Influence in Mideast," *New York Times*, 27 March, 2021, <https://www.nytimes.com/>.

³⁵ Indian Navy, *Indian Maritime Doctrine*, 2015, 65-68, <https://www.indiannavy.nic.in/>.

would have far-reaching implications for global energy security.³⁶ Moreover, there have been incidents of attacks on oil tankers and ships in the Gulf of Oman, with Iran often implicated.³⁷

For India, maintaining stability in the Gulf is essential for its domestic energy security. However, New Delhi finds itself in a complex position: it has substantial interests in ensuring Gulf stability while simultaneously deepening partnerships with the Gulf powers and the United States. The strained relationship between Iran and the United States, along with the latter's allies in West Asia, affects India's engagement with the Gulf region.

In 2020–2021, trade between India and Gulf Co-operation Council (GCC) member states reached USD 121 billion, with approximately 60 percent of India's oil imports originating from the Gulf.³⁸ Recognizing the significant economic and energy interests at stake, the Indian Navy initiated Operation Sankalp in 2019, through which Indian warships were deployed to “establish presence, provide a sense of reassurance to the Indian merchantmen . . . [and] monitor the ongoing situation [between the United States and Iran] and respond to any emergent crises.”³⁹ Over the course of two years, 23 Indian warships have deployed in support of the operation.⁴⁰ This consistent naval presence underscores India's enduring interest in the region. The behavior of Iran in the Gulf, as well as the responses from regional actors, necessitates India's sustained engagement in the Gulf.

Energy Security

India ranks as the world's third-largest energy consumer, following China and the United States. The country heavily relies on energy imports, with West Asia supplying approximately 60 percent of India's oil needs. Major oil suppliers from the region include Iraq, Saudi Arabia, the United Arab Emirates, and Kuwait.⁴¹ Previously, Iran also played a significant role as a major oil supplier, accounting for

36. Elisa Catalano Ewers and Ariane Tabatabai, “How Iran's Oil Infrastructure Gambit Could Imperil the Strait of Hormuz,” *War on the Rocks*, 16 June 2020, <https://warontherocks.com/>.

37. Ariel Cohen, “Iran's Suspected Energy Terrorism: Persian Gulf Tanker Hijacking,” *Forbes*, 3 August 2021, <https://www.forbes.com/>.

38. Kirtika Suneja, “India considers reviving FTA talks with Gulf Cooperation Council,” *Economic Times*, 10 April 2021.

39. “Press Brief on Operation Sankalp” (press release, Press Information Bureau, 8 January 2020, <https://pib.gov.in/>).

40. Manjeet Negi, “Two years of Operation Sankalp: Warships deployed in Gulf region for safe passage of merchant ships,” *India Today*, 14 July 2021, <https://www.indiatoday.in/>.

41. US Energy Information Administration, “India,” 30 September 2020, <https://www.eia.gov/>.

about 10 percent of India's oil imports. In 2018–2019, India was the second-largest consumer of Iranian oil after China, importing around 480,000 barrels per day. However, due to pressure from the United States, India ceased Iranian oil imports in 2019.⁴² This loss of a major customer like India was a setback for Iran. In response, India compensated for the shortage of Iranian oil by increasing imports from other Gulf powers and the United States. However, this shift resulted in India losing leverage in its relationship with Iran. Conversely, China resisted US pressure and continued importing oil from Iran, deepening Beijing's strategic partnership with Tehran.

In 2021, as global oil prices began to rise, India considered resuming Iranian oil imports. Iran's geographical proximity and its oil production capabilities position it as a crucial player in India's energy security dynamics. Additionally, certain Indian refineries located on the western coast are geared to process Iranian crude oil. For these refineries, importing Iranian oil and refining it for the domestic and global markets makes practical sense. Against the backdrop of Russia's invasion of Ukraine, the significance of oil exporters like Iran has dramatically increased. Bringing Iranian energy exports back into the market would not only alleviate the pressures of rising energy prices but also directly impact Russia. The Russian regime heavily relies on energy exports, and higher prices have served to bankroll the war in Ukraine. For a developing country like India, high energy prices directly impact domestic stability. Therefore, resuming Iranian energy imports becomes imperative to mitigate discontent among the population.

Engagement with West Asia

The intensification of strategic rivalries between Iran and the United States—and Washington's West Asian allies like Saudi Arabia, the United Arab Emirates, and Israel—has become a prominent fault line in West Asian geopolitics. These rivalries often have religious dimension, with Sunni powers in the Gulf pitted against Shia Iran. Saudi Arabia and the United Arab Emirates have pursued aggressive policies aimed at isolating Iran and diminishing its influence in the region. However, their objectives have not been fully achieved. The war in Yemen continues, and Iran's ally, the Assad regime, remains in power in Syria. The region has experienced significant instability over the past decade. To address this, backchannel talks between Saudi and Iranian diplomats were initiated to reduce the tensions between the two regional rivals. Recently, as part of a China-

42. Nidhi Verma and Julia Payne, "Indian, European refiners get ready to buy Iranian oil," *Reuters*, 19 May 2021, <https://www.reuters.com/>.

brokered agreement, both countries decided to reopen embassies and limit their strategic rivalries.

In this complex strategic environment, India has substantial interests in strengthening ties with all major players in West Asia. However, Iran's behavior also affects India's engagement in the region. New Delhi has endeavored to build stable relationships with all major regional players, without taking sides in the ongoing rivalries. In fact, India has invested political capital in deepening its strategic relationships with Israel, Saudi Arabia, and the United Arab Emirates in recent years. New Delhi is also part of a quadrilateral initiative known as I2-U2, which includes Israel, the United States, and the United Arab Emirates. While some analysts perceive this group as anti-Iran, both India and the United Arab Emirates reject such a framing. They recognize the value and importance of Iran in the strategic landscape of South–West Asian geopolitics.

Due to the US policy of “maximum pressure” on Iran during the Trump administration, India was compelled to limit its relationship with Tehran. However, as the geostrategic environment in South-West Asia evolves, New Delhi is reassessing its strategic priorities. Recent visits and diplomatic overtures by India in Iran underscore the enduring strategic significance of Iran in the geopolitics of West Asia and Afghanistan.

Conclusion

Iran is one of the five geopolitical pivot states in the Eurasian region, with its geostrategic location being the nation's greatest asset. As India has sought to re-engage with the ‘extended neighborhood’, Iran figures prominently in India's calculations in Afghanistan, Central Asia, Caspian Sea region and the West Asian strategic theatre. In the changing regional and global geopolitics after the Russian invasion of Ukraine, Iran's importance has gone up. The five key interests i.e., geopolitics of Afghanistan, overland access to Central Asia and Russia, security, and stability in the Persian Gulf, energy security and engagements with West Asia are enduring drivers of India's relationship with Iran.

Iran's regional behavior, along with the responses from Gulf powers and the United States, as well as Tehran's deepening strategic ties with Beijing, add further complexity to the Indo-Iranian relationship. As India navigates this strategic conundrum, changing dynamics in Afghanistan present intriguing opportunities for India and Iran to reengage and invigorate their strategic partnership.

Iran is an important player in the geostrategic space straddling South–West Asia and the Persian Gulf. However, Iran's hostile relations with the United States and its West Asian allies complicate India's engagement with Iran. India needs Iran for influencing the geopolitics of Afghanistan, for ensuring overland access to

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Central Asia and Russia via Afghanistan, for ensuring a secure and stable Persian Gulf, and for India's energy security. Iran is a key factor to consider while charting India's engagements with West Asian powers as well. ✪

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