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# India-Iran Relations and the Afghanistan Factor

Manjari Singh

Post-America's chaotic withdrawal and the resurgence of Taliban in Afghanistan, India's development and assistance prospects in the country demand stability under the interim regime. Likewise, New Delhi's Chabahar port development – an initiative along with Iran – seems to remain stalled until the situation in Afghanistan steadies down. With India not being invited (under Pakistani and Chinese objections) in any of the extended troika meetings initiated by Russia<sup>1</sup>, it is imperative for India to develop a one-to-one discussion with the interim government as the country has invested over US\$3 billion for Afghanistan reconstruction and development in various aspects. Towards the end of August, India initiated its first public meeting with the Taliban in Doha wherein Indian concerns on continuation of its developmental efforts in Afghanistan, progress on Chabahar development (though the issue was not explicitly mentioned) and insistence on Taliban not supporting any terror outfits that may harm Indian national security were the prime areas of discussions amongst others.<sup>2</sup> While Afghanistan remains important for India for a host of reasons, the latter's continued engagement is crucial in maintaining its relations with Iran with which India has had a tumultuous relation of late owing to the American sanctions on that country.<sup>3</sup>

Despite civilisational connect, border sharing until 1947, India's oil dependency on Iran and the subsequent signing of strategic

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partnerships; Indo-Iranian relations have made slow progress. Much of the reason for this slow growth needs to be accorded to the role and influence of external players. While India's post-independence, ideologically driven non-aligned movement barred it from actively engaging with the Persian state, it was only after the Soviet withdrawal from Afghanistan in 1989 and the subsequent disintegration of Union in December 1991 that a visible bonhomie was developed between the New Delhi and Tehran.<sup>4</sup>

Both the two countries were looking for new friendship/partnerships to build clout in Afghanistan which was of strategic significance to both. Thus, for the want of new friendship, partnerships and assurance of cheaper oil, India was naturally drawn to Iran. Similarly, wary of the Iranian Shah's western outlook, post-revolution Iran was at crossroads with western powers especially with the US and its allies in West Asia. It was looking for new friendship, India, in that context was a viable option given the huge market for Iranian crude. Thus, while most of the regional and extra-regional players such as Israel, Arabs and Gulf Arabs, Britain, Russia, the US, Pakistan and now China have had a detrimental impact on the relations between India and Iran; Afghanistan has acted as a binder in the relations, a glue that binds both the countries to work together. Afghanistan's reconstruction is a convergence point in Indo-Iranian relations.

Recently, given recurrent and incessant American sanctions on Iranian oil and trade, has had a negative impact on New Delhi's trade with Iran and to some extent on the relations between the two. Once India's third-largest source of crude oil now barely contributes to its energy requirements. On the other, under "Afghanistan Reconstruction", both India and Iran have been working together on the Chabahar port development project. Additionally, China's visible strategic footprint in the region, its growing proximity to Iran, and increasing violence in Afghanistan post the US decision to withdraw its troops; has again impacted the relations. India's

strategic investments and strategic interests in the region, has compelled New Delhi to work in tandem with Tehran in ensuring the safety of its critical assets, Chabahar topping the charts.

Thus, while maintaining its strategic autonomy, how does India rebuild its relations with the Iranian state especially under the new hardliner leadership are a critical question that needs to be pondered upon. With Taliban in Afghanistan, how does India navigate to safeguard its interests in the country as well as with Tehran needs to be studied in detail especially when the external players in the country remain unwelcoming and mostly hostile towards it.

Pre-historically, India under Indus Valley and Iran under Mesopotamia have had a civilisational connection. In fact, even under various Persian empires such as the Achaemenid, Parthian and Sassanids, Indo-Iranian relations flourished, particularly in trade and commerce. This was feasible as Iran was India's immediate neighbour before the British induced partition in 1947. Post-partition not only led to creation of a new state sandwiched between Iran and India but the period also coincided with the commencement of Cold War. While India under Jawaharlal Nehru's leadership became a strong proponent of non-alignment movement (NAM), Iran under Shah chose to side with the US. This led to coldness in the relations between New Delhi and Tehran which further deteriorated after the advent of Islamic Revolution in 1979 as the religious angle was again in contrast to India's secular framework. Importantly, religion also played a crucial role in bringing Iran and India's adversary, Pakistan, together.<sup>5</sup>

As mentioned earlier, it was only after the Soviet withdrawal from Afghanistan that both India and Iran came closer to play a role in that country. After the US and allied forces entry in Kabul, both New Delhi and Tehran jointly supported the Northern Alliance and Afghan government as the legitimate Afghan-led, Afghan-owned and Afghan-governed player.<sup>6</sup>

By the 2000s when India's foreign policy shifted from NAM to strategic autonomy, it provided more leverage to India to look at Iran beyond the transactional equations; the strategic partnership was signed between the two countries during the Delhi Declaration in 2003 and since then strategic and security angle became additional areas of cooperation for the two. This not only helped the countries in exploring new areas of convergence but it also gave more impetus to their aspirations in Afghanistan. Meanwhile, post-9/11 attacks have led to the American presence in the Islamic State of Afghanistan which further facilitated Indo-Iranian engagements in the country.

While development and infrastructure assistance under "Afghanistan Reconstruction" helped India to garner goodwill amongst the Afghan population, it needed something to have its presence felt in the country. With Pakistan being hostile towards India, Afghanistan provides the gateway to New Delhi to reach out to the Middle East, Central Asia and Europe. This was the time when Chabahar project was initiated to connect India to its western neighbours. It was an ideal strategic location for India to keep a check on Pakistan's movement and aspirations in Afghanistan in terms of supporting proxy elements against India as well as its support to Taliban and to check the sprawl of homegrown terrorist organisations such as Jaish-e-Mohammad and Lashkar-e-Toiba and the likes.

With China's "march westward" strategy to build inroads in the Middle East, Chabahar also acted as a check to watch out Chinese growing sphere of influence in the region, collusivity between China and its all-weather friend Pakistan while developing the Gwadar port also played in the back of the mind of Indian policymakers and thus compelled New Delhi to work strategically in the operational aspects of the port. Additionally, it also helps in checking the inflow and outflow of drug trafficking and to increase trade and commerce within the country. Given these stakes, India has invested in more than 400 infrastructure

projects in Afghanistan in the past two decades which amounts to about US\$3 billion.<sup>7</sup>

Interestingly, India was given a waiver by the US on Chabahar development with Iran under Afghanistan Reconstruction even when the Persian state continued to remain under US sanctions and despite America's decision to remove all waivers from countries trading with Iran including India in May 2019.<sup>8</sup> To substantiate, a 98-page report by the Congressional Research Services (CRS), published in April 2021, notes that despite the US's imposition of "maximum pressure" on the Persian State, the Trump administration "issued the permitted [The Iran Freedom and Counter-Proliferation Act] IFCA exception for Afghan reconstruction to enable India to continue work at Iran's Chabahar Port".<sup>9</sup>

Therefore, to safeguard the above-mentioned interests in Afghanistan and more so to secure its relations with the Persian state of Iran, India needs to pull itself together to have a role in Afghanistan. An inclusive, expanded interim government primarily led by Taliban seems symbolic but a further inclusion may help India to garner support for itself in the country. Iran's role in building a working relationship along with India is thus crucial for New Delhi. However, India also needs to be watchful of growing China, Pakistan role along in Afghanistan and given that the former is cosying up to Iran, lest India act fast, it will lose its leverage point with Iran. This also requires New Delhi to be sensitive to the needs and concerns of Iran vis-à-vis Afghanistan. With no visible sign of rapprochement between Iran and the US, a joint role in Afghanistan along with Iran is in the Indian interest to continue its engagement with the latter.

For Iran, given that changing situations in Afghanistan has more pronounced negative impacts on the country, the Persian state began engaging with Taliban as soon as it saw visible signs of US withdrawal from the country in 2020. Since then, Iran has been wary of spiraling effect of

tense problems in Afghanistan reaching out to its own borders. Being an immediate neighbour to Afghanistan, a chaotic situation in Afghanistan undermines national security of Iran. The most critical concerns that Iran has with Afghanistan under Taliban are: the new interim regime may support various like-minded Sunni Wahhabi extremist groups which may try to harm Shia minority Iran in the region this not only poses security concerns for the Persian state but will also affect its Shia crescent, which is built to inculcate Iran's axis of power and axis of resistance in the wider Middle East and which is also a survival tactic for revisionist Iran; resurgence of Islamic State of Khorasan Province (IS-KP) within the Afghan borders gives an indication ISIS may resurge in the Middle East. Given that Iran's Quds Forces under General Soleimani was one of the frontier forces to fight against ISIS and thus Iran will be under the ISIS radar if and when it regains its strength. In that context, United Nations Security Council Reports in January 2020, February and July 2021 states that ISIS is already reassembling itself under a new leadership in the Levant.<sup>10</sup> The report further confirmed that the group "maintains a largely clandestine presence in Iraq and the Syrian Arab Republic and wages a sustained insurgency straddling the borders between the countries".<sup>11</sup>

Economic constraints heightened by incessant American sanctions and pandemic situation in Iran compels it to be watchful of huge refugee influx from Afghanistan primarily from Shia populated Herat and Zaranj governorates which are adjacent to Western Iran. The country already hosts 3-4 million Afghan refugees who fled their country under political crises at various points in time. With the Taliban takeover, this figure must have escalated to include many more Afghans in Iran.<sup>12</sup> Hence a precarious situation like this not only contributes to demographic inversion in the country but also poses a threat to Iran's stability and national security.

Other compelling reason why Afghanistan stability is of interest to Iran is the latter's dependence on Afghanistan which is the main source of

economy generation for Iran. Recurrent slapping of sanctions on Iran led it to run a parallel economy with Afghanistan and wherein given the dearth of dollars, hard currency exchanges worth of US\$5 million were made on daily basis between the two countries. With Taliban takeover, the US administration has frozen Afghan Sovereign Wealth Funds in its Central Banks fearing misuse by Taliban. This not only is likely to drastically impact Iran's trade and currency exchange under Taliban but also will lead to an economic slump and high inflation rates.<sup>13</sup> Thus, Iranian troubles are high if Afghanistan does not stabilize as soon as possible. This is the prime reason why the hardliner regime under President Ebrahim Raisi, is pursuing Taliban despite ideological and sectarian divides between Iran and Taliban in the past.

Thus, with no role in Afghanistan, India will lose its chance to rekindle its relations with Iran for which the former is crucial. Therefore, to engage actively with Iran, India needs to have a strategic footprint in Afghanistan. Importantly, in a pursuit to engage Iran, Indian External Affairs Minister S. Jaishankar's July and August visit to Iran to meet President-elect Ebrahim Raisi, who took over as President in August focussed primarily on the role in Afghanistan amid other issues.

Moreover, India needs to look at Iran beyond the US. American sanctions are biggest hurdles in India-Iran relations to proliferate. As the US has already committed a strategic mistake in Afghanistan probably it is time for India to show what is of national interest to it in the wider Middle East. Iran should factor in India's strategic calculations. India has successfully balanced its relations in the region vis-à-vis Israel, Iran and Saudi led Gulf Arabs but has not been able to successfully balance its relations with Iran and the US. Engagement with President Raisi should be weighed in a long term manner: likely successor to Ayatollah Khomeini, belongs to Khorasan province and to a political school of thought that believes in engaging with the East including India, and Raisi's main mandate being economic growth and prosperity of Iran. Oil



deals with Iran are approved by the Ayatollah who is closer to Raisi hence engagements with the President of Iran are crucial.<sup>14</sup>

Lastly, while Foreign Minister Jaishankar's unprecedented stopover visit to congratulate the then President-elect Raisi of Iran acted as an ice breaker in the relations, New Delhi also took the step to host National Security Advisor level regional countries meeting on Afghanistan in November, wherein Iran also participated. This is a welcome step to discuss its decisive role in the country as it is crucial for its continued engagement with the latter.

## Notes

1. Russia invited the US, China and Pakistan to join the extended Troika meetings in September 2020 and 2021 and both the times even though it was speculated that India might be invited to the same, the latter was kept out of it on the persistence of Pakistan and China. Iran, another invitee to the meeting decided to keep itself out of it following the nuclear deal conundrum with the US.
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