



# INTERNATIONAL RESEARCH JOURNAL OF HUMANITIES AND INTERDISCIPLINARY STUDIES

( Peer-reviewed, Refereed, Indexed & Open Access Journal )

DOI : 03.2021-11278686

ISSN : 2582-8568

IMPACT FACTOR : 5.71 (SJIF 2021)

## Impact of USA on India-Iran Relations

**Dr. Ranjeet Kumar Patel**

Assistant Professor  
M. D. P. G. College,  
Pratapgarh (Uttar Pradesh)

DOI No. **03.2021-11278686** DOI Link :: <https://doi-ds.org/doi/10.2021-68376474/IRJHIS2109014>

### **Abstract:**

*India's cooperation with Iran has become an irritant in the India-US relationship. No doubt USA is influencing India's Iran policy. It has been observed since 2005 that India is being born somewhere in the relationship between Iran, it has been direct and indirectly behind the US. In this article, we are examining how is India working under the pressure of America, India is spoiling relationship with Iran and how it's are playing under the pressure of US. India should be a strong tie with Iran without any USA pressure because Iran is a trustworthy and historical relation between two Nations.*

**Keywords:** *Indo-US Civil Nuclear Cooperation, Cold War, JPOA, Chabahar port, Iranian nuclear issue, Carter Doctrine, US sanctions, tilt, Taliban, UNSC, nuclear weapons programme.*

### **Introduction:**

The overthrow of the Shah in 1979 was considered as a turning point in India - Iran and Iran - Europe relations which had a deep impact on the relations between India - Iran. The US had played a vital role in shaping the western orientation toward Iran. Iran with its oil and gas resources, its geopolitical and strategic location and its unique place in the region and the Islamic world had been viewed as an important regional and international player. Meanwhile, Iran's domestic process was central and incorporated part of social and political change in West Asia, the whole of Islamic world and as well as, the developing countries. Iran located at the centre of the world's largest resource of energy; it included prominently the global and natural gas check points at the Strait of Hormuz. It provided the cheapest and the shortest transit route at the heart of the ancient Silk Road for the transport of energy resources from the Caspian Sea basin to the world markets through the Persian Gulf and it was the most populated country with one of the largest industrial bases in the

vast region, stretching from the Caspian Sea to Eastern Mediterranean.

The new regime in Iran came to power in February, 1979 denouncing the United States as the "Great Satan." The policy loss was confirmed on November 4, 1979, when radical "student" followers of Khomeini signed the US embassy in Tehran and held US diplomats hostage. The setback was compounded in December 1979 by the Soviet invasion of Afghanistan, which prompted President Carter to articulate the "Carter Doctrine"- a US threat to intervene militarily, if the Soviet Union encroached on US vital interests in the Persian Gulf. Although, still unable to resolve the Iran hostage crisis (1979), President Carter declared US neutrality in the Iran - Iraq war, which had begun on September 22, 1980, when Iraq crossed the border with Iran militarily. In order to prevent an Iranian victory in the Iran - Iraq war, in 1982, the Reagan Administration began a "tilt" towards Iraq. The United States also undertook diplomatic efforts to persuade individual governments not to sell arms to Iran in the ongoing war and the United States tacitly supported the arming of Iraq by other suppliers. Despite this tilt, in 1985-86, the Reagan Administration sought to engage Iranian "moderates" in an effort to obtain the release of Americans held hostage by pro - Iranian groups in Lebanon and to promote a strategic opening to Iran. That initiative included 1985-86 US arms shipments to Iran (TOW anti-tank weapons and HAWK anti-aircraft missiles) for hostage exchange. After the abortive dealings, the United States and Iran clashed in the Persian Gulf several times during 1987-88 in the course of a US effort to protect Kuwaiti oil shipments from Iranian attack.

Although US - Iran relations appeared to reach a new low point, US conditions for future talks with Iran were established before the Reagan Administration ended. Under the policy formulation, which was held since the United States welcomed an official dialogue with Iran, as long as the talks involved no preconditions. It was openly acknowledged that the talks were to be conducted with an "authorized" representative of the Iranian government. President George Bush, in his January 1989 inaugural address had said that, "good will begets good will"; that Iranian help in assisting release of American hostage in Lebanon might earn some US reciprocation. The June 3, 1989 death of the leader of the revolution, Ayatollah Ruhollah Khomeini, also created some international optimism that Iran's policies might moderate under Khomeini's successor, Ali Akbar Hashemi Rafsanjani, who was elected President in August 1989. Iran remained neutral during the 1990-91 Gulf crises.

Even after the end of the Cold War, the US attempted to contain Iran through its policy of 'dual containment', which was aimed both at Iran and Iraq. President Bill Clinton started the policy of isolating Iran, accusing it of hindering the Arab - Israeli peace process, supporting terrorism and developing nuclear arms. In 1995, he imposed an embargo on American companies dealing with Iran, leading to a breakdown of trade relations. The US and Iran even worked together in defeating the Taliban in Afghanistan. However, after the fall of the Taliban, US - Iran relations worsened as

President George W. Bush designated Iran as a part of 'axis of evil' along with North Korea and Syria. Some American scholar's even felt that Iran, with support of the terrorist groups and its desire to acquire WMD's, posed a greater threat to US than Iraq did before the US - led invasion of 2003.

The biggest challenge and hurdle in US - Iran relations was Iran's nuclear programme. The US believed that Iran's nuclear programme was a ploy to develop nuclear weapons since, being blessed with abundant gas and oil reserves but with scare uranium resources, it did not make sense for Iran to embark on such an ambitious nuclear programme, simply for electricity. The US was determined not to allow Iran to achieve nuclear weapons capability. Along with its allies, it had put pressure on Iran to declare its nuclear programme and had lobbied for strong action by the international community. Allies like Saudi Arabia and Israel were also threatened by Iran's intentions to go nuclear. Furthermore, a nuclear Iran would completely alter the balance of power in the Middle East against US interests and potentially destabilize the region. The US had also accused Iran of acquiring chemical and biological weapons as well.

On July 18, 2005 India entered into an understanding with the US to work towards the Indo - US civil nuclear deal. Consequent to this, about two months later India voted against Iran on September 24, 2005 in the IAEA meeting. The timing of these two events portrayed India as taking the side of its new found friend the US on the Iranian nuclear issue. It also appeared that this action could adversely affect the long standing India - Iran relations. Therefore, Indian diplomatic machinery sought to clarify its stand and deny the allegations that India's actions were due to any pressure from the US. In spite of such explanations, it got increasingly evident that India - Iran ties would never be the same again.

Indo-US Civil Nuclear Cooperation, also known as the '123 Agreement', was signed between India and the US on October 10, 2008 and required India to separate its civil nuclear facilities under the International Atomic Energy Agency (IAEA) safeguards, in exchange for the full cooperation by the US in the field of its civil nuclear field. This deal served as the bedrock of Indo - US Strategic Partnership.

India's energy cooperation with Iran continued to be a prime area of foreign policy divergence between India and the United States. Though, India had stated time and again that a nuclear Iran was not in its strategic interest and bad for regional stability, it had not desisted from sourcing the much needed energy supplies from Iran. The US on its part, contended that a prime source of funding for Tehran's nuclear activities was its oil revenues. This was recognised even by UN Security Council Resolution No. 1929 of June, 2010. Sanctioning three oil companies (Chinese Zhenrong, Singaporean Kuo Oil and Sharjah based FAL Oil) under the provisions of the Comprehensive Iran Sanctions and Divestment Act (CISADA) in January, 2012 for supplying refined oil to Iran beyond the limits set by CISADA (\$ 5 million worth transactions in a 12 month

period), the US State Department noted that UNSCR No. 1929 "recognised the potential connection between Iran's revenues derived from its energy sector and the funding of its proliferation sensitive nuclear activities."

The prospects of India's interactions with Iran on the energy front was being seen as better aligned with US policy objectives/prescriptions would be the subject of further discussions. The ongoing efforts by both the countries to square the circle on the issue would continue when US Energy Coordinator Carlos Pascual visited New Delhi later to discuss the possible ways in which India could further cut back on its energy links with Iran.

While the sectioned legislation such as CISADA and ITRSHRA obtained overwhelming bipartisan support, the response in the US Congress to the JPOA was clearly on partisan lines. On November 14, 2013, 65 US Congressmen (52 Republicans and 13 Democrats) wrote a letter to the Senate leadership insisting that 'tighter sanctions would enhance our leverage.....'. On November 26, 2013, 9 senators (all Republicans) urged strict Congressional oversight of a potential Iran nuclear deal.

After nearly 18 months of negotiations and 14 rounds of talks in the aftermath of the JPAS, Iran and its interlocutors 'reached to a solution on [the] key parameters of [the] Joint Comprehensive Plan of Action' (JCPOA) on April 2, 2015. When the JPOA (November 24, 2013) was under negotiations, US officials Secretary John Kerry stated that Iran's 'break-out' time - the time period required for Iran to possess sufficient enriched uranium to make one bomb - was about 2 months. US Energy Secretary Ernst Moniz, who played a crucial role in the negotiations leading up to the Lausanne Framework, stated that the parameters agreed to at Lausanne ensured this possibility by blocking Iran's potential pathways to a bomb.

The JCPOA Implementation Day began on January 16, 2016. All EU and US nuclear - related 'secondary' sanctions as specified in Section 16 and 17 respectively of Annexure V of the JCPOA were waived from that date, while UNSC sanctions were also terminated on January 16, 2016. These included curbs on Iran crude oil sales, the limitations on the transfer of Iranian oil revenue held abroad given that designations on NIOC and NITC as 'proliferation - entities' were removed, the export, sale or provision of refined petroleum products and petro - chemical products, financial transactions with the Central Bank of Iran (CBI) relating to Iran's energy imports, provision of insurance services for ships transporting Iranian oil, among others.

As a consequence of the Iran nuclear deal, the international sanctions were lifted from Iran on January 16, 2016. On this occasion, the Embassy of India, Tehran stated that "India welcomed the announcement of lifting of nuclear - related sanction against Iran. The milestone represented a significant success for patient diplomacy and signaled a new chapter of peace and prosperity. India looked forwards to further develop its longstanding, close and mutually beneficial economic

cooperation with Iran, in the sphere of energy and regional connectivity".

Iran's ballistic missile tests in March and May 2016 (in addition to those conducted in October 2015) had injected a dose of brinkmanship into the matrix. In a letter to the UNSC in March 2016, the US, the UK, France and Germany had called the missile tests 'inconsistent' with the JCPOA. It was pertinent to note the two missing countries in the above list - Russia and China were the other two P5+1 interlocutors of Iran. Russian officials were cited as stating that these tests had not violated Resolution 2231 and that no evidence had been provided to support the contention that the missile tested could carry nuclear warheads.

On the other hand, the Iranian Foreign Ministry insisted that the country's ballistic missile programme was 'totally for peaceful purposes and no measure could strip the Islamic Republic of Iran of its legitimate and legal right to boost its defensive capabilities and (safeguard) national security'. An Iranian missile test - fired in March 2016, had a message threatening Israel's destruction scribbled across it in Hebrew.

After withdrawing from the JCPOA, the Trump administration imposed economic sanctions on Iran waiver was offered to eight countries on importing Iranian oil for 180 days, which came to an end on including on its export of crude oil which came into full effect on November 05, 2018. However, a May 02, 2019. In April 2019, the US decided not to renew the waivers and designated the Iranian Revolutionary Guard Corps (IRGC) including its elite Quds Force as a Foreign Terrorist Organization (FTO). To further tighten the noose on Iran's source of revenue, Trump signed an executive order on May 08 (the same year) to "to impose sanctions with respect to Iran's iron, steel, aluminum and copper sectors", considered to be its "largest non - petroleum - related sources of export revenue".

As noted earlier, the US had refused to renew the SRE's issued for eight countries including India. This meant that Indian companies would either had to stop buying oil from Iran or resort to a Rupee payment mechanism, as was done in the past. However, during the pre - JCPOA sanctions period, the Obama administration had given exemptions to India on importing oil from Iran. Whereas, now under the Trump administration, the likelihood was bleak for forging any informal arrangement to allow continued import of Iranian oil. According to media reports, as of May 2019, Indian oil companies had decided not to place further orders for oil imports from Iran, due to US sanctions, although, no official statement had been issued by the Ministry of External Affairs in this regard. A tweet on April 23, 2019 from the Minister of Petroleum and Natural Gas indicated that India had prepared plans for not allowing any shortfall of oil in the domestic market due to the restrictions on oil imports from Iran.

Other than the oil sector, India was not directly affected by US sanctions on Iran, though Indian companies involved in the Iranian automobile, iron, steel and mining sectors would also be

affected due to additional US sanctions on these sectors. The Chabahar port also did not come under US sanctions and hence, Indian investment and involvement in it would not be affected. Nonetheless, due to sanctions on the iron and steel sector and individuals, certain infrastructure development projects such as the Chabahar - Zahedan railway and gas pipeline, part of Iran's plan to develop Chabahar as a transit hub between Central Asia and the world, would be certainly affected.

Reacting to almost no imports of oil and gas from Iran by India, a senior US official said, "We have been highly gratified by cooperation from a great friend and partner like India and even less well - aligned countries, in making the rather obvious choice that the United States would be the business partner of choice, not Iran".

It would not be difficult for India to meet the shortfall in crude oil imports due to US sanctions on Iran. According to a forecast by the International Atomic Energy Agency (IAEA), global oil supply was expected to outpace demand throughout because of the surplus oil available in the international market. Higher flows from countries such as Nigeria, Libya and Iraq had already offset losses from the decline in Iranian exports. Moreover, countries such as Saudi Arabia, the United Arab Emirates (UAE) and the US had publicly announced their willingness to help meet the shortfall in crude oil that India might face due to sanctions on Iran. Then there were countries such as - Iraq, Kazakhstan, Nigeria, Angola, Mexico, etc., which were among the top ten sources of oil for India and had the capacity to increase production and exports in case of a rise in demand.

Given this scenario, India had two options, first one was to resort to buying Iranian oil through one or more informal arrangements including devising a Rupee payment mechanism to overcome the sanctions and secondly, joining hands with the EU, Russia and China through the INSTEX mechanism. If India were to undertake such a move, its multifaceted relations with the US would be hampered and the Trump administration was unlikely to look upon such a step kindly. The second and more plausible option was to continue negotiating with the US to either secure a formal waiver or to have an informal understanding to buy Iranian oil. The likelihood of the Trump administration granting an exemption was remote given that it understood that there was enough oil in the international market and wanted to exert maximum pressure on Iran to change its behavior and attitude. Meanwhile, India offered Iran to enhance its investments in the Chabahar port development project, as well as, consider initiating other development and connectivity projects to strengthen linkages to Afghanistan, the Caucasus and Central Asia. This would help India not to openly defy the US or subvert its policy towards Iran, but also at the same time, ensure that its relationship with Iran was not completely derailed and it would also be able to pursue an independent foreign policy. The bottom line was that while India could wait for the easing of US - Iran tensions to resume buying oil from Iran, it was unlikely to undermine its relationship with the US to please Tehran.

To conclude, both the Iran and USA are strategically and economically important for India.

Regionally Iran's significance for India as gateway to Eurasia, its growing role and levers in West Asia and Afghanistan make it difficult for India to abandon Iran under the U.S pressure. Regionally, India needs Iran both for its connectivity projects INSTC and Chabahar, support and engagement in Afghanistan and its cooperation to maintain balanced ties with China, Pakistan and Russia. This important as, geo-politically the realignment of regional players like Iran – China- Russia and Iran-Afghanistan-Pakistan-China and Russia demand India's continued engagement with Iran. In present situation, India will have to work on twofold strategy, first how to get special exemptions like it has got for Chabahar port negotiating with Biden administration and secondly, finding innovative mechanism to sustain its current momentum of overall security and economic ties with Iran. From India's perspective, good relations with Iran are an essential imperative for India's sustained growth and development. Its energy resources could easily speed up India's growth and its landmass could provide Indian manufacturer's access to Central Asia and theCaucasus. On the other hand, Iran's nuclear weapons programme does pose a threat to regional and global peace. It could also irrevocably disturb the balance of power in the geostrategically significant Persian Gulf. Any disturbance in the region could adversely affect India's economic well-being. The recent accord between the West and Iran has given diplomacy a chance, although many in the West as well as in the Middle East are unhappy with it. It needs to be appreciated that the Iranians are a proud people who take pride in their glorious past and are unlikely to succumb to brute pressure being put on them.

#### References:

1. Rizvi, M. Mahtab Alam," US - Iran Rivalries in the Region and Its Implications for India", New Century Publications, New Delhi, 2011, p. 265.
2. Katzman, Kenneth., "Iran : US Policy and Options", Nova Science Publishers, Huntington, New York, 2001, p. 63.
3. <https://indianexpress.com/article/opinion/web-edits/iran-us-tensions-and-the-indian-dilemma-6277722/>
4. Purushothaman, Uma," American Shadow over India - Iran Relations", Strategic Analysis, New Delhi, November, 2012, p. 902.
5. Shuja, Asif., "India - Iran Relations : Under the Shadow of the Iranian Nuclear Issue Challenges for India's Diplomacy", KW Publishers Private Limited, New Delhi, 2018, p. 35.
6. Rajiv. C., "India and the US : Squaring the Circle on Iran", IDSA, New Delhi, May, 2012.
7. Rajiv, C., "Iran Sanctions and India : Navigating the Road blocks", IDSA, Monograph Series No. 52, New Delhi, July 2016, p. 83.
8. Shuja, Asif., "India - Iran Relations under the Shadow of the Iranian Nuclear issue : Challenges for India's Deplomacy", KW Publisher Private Limited, New Delhi, 2018, p.

138.

9. Rajiv, C., "Iran Sanctions and India: Navigating the Roadblocks", IDSA, Monograph Series No. 52, New Delhi, July 2016, p. 102.
10. Quamar, Md. Muddassir., "Raising US - Iran Hostilities and Challenges for India", IDSA, New Delhi, May, 2019, p. 3.
11. NDTV, August 01, 2019.
12. Md. Muddassir Quamar, "Rising US - Iran Hostilities and Challenges for India", IDSA, New Delhi, May, 2019, p.10.
13. Purushothaman, Uma," American Shadow over India - Iran Relations", Strategic Analysis, New Delhi, November, 2012, p. 902.
14. <https://www.wionews.com/opinions/us-iran-tensions-and-why-india-should-care-271967>

