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GEO-STRATEGIC SIGNIFICANCE OF IRAN

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According to a famous dictum of 'Realpolitik', two things cannot be changed: one is Geography and the other is History

Abstract

Iran's strategic location made it an ideal gateway for economically rising India to access the resources and markets of Afghanistan, Central Asia, Turkey and 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. One of the most difficult tasks facing the foreign policy makers in India is the requirement to balance the relations with Iran while enhancing proximity with the United States. This invariably raises questions over the importance of Iran. An ancient civilization, Iran lies at the crucial junction of South Asia and Middle East. It also links the Central Asian Republics and the Caucasus region to the Arabian Sea. Historically, it has influenced its neighbors, irrespective of the type of government in power. One of the oldest continuously inhabited civilizations, it forms a bridge between the Semitic world and the Indo-Aryan civilization of South Asia has had strong historical linkages with India. This paper looks at the strategic importance of Iran.

Keywords: Geo-Strategic, Iran, South Asia, Middle East, Central Asia, India, Shia **Introduction**

To understand Iran, you must begin by understanding how large it is. Iran is the 18th largest country in world at 1.648 million km², in terms of area. It is larger than any country with which it shares its land frontiers, including Turkey and Pakistan and to that extent exerts influence on all its neighbors. Iran is the 16th most populous country in the world, with about 70 million people. Its population is larger than the populations of either France or the United Kingdom. Geographically Iran virtually controls the access to the narrow confines of the Persian Gulf, which is the largest energy exporting hub in the world. It controls the land access between fast growing economies of South Asia and the energy rich states of Middle East. It can provide the former Soviet states in the Caucasus with a much shorter access to the warm water ports of the Indian Ocean. Similarly, it can possibly provide Turkmenistan and through it the other Central Asian Republics an access to Indian Ocean

Region without traversing through Afghanistan or Pakistan. Iran has about 800 miles of coastline, roughly half along the eastern shore of the Persian Gulf, the rest along the Gulf of Oman. Its most important port, Bandar Abbas, is located on the Strait of Hormuz. There are no equivalent ports along the Gulf of Oman, and the Strait of Hormuz is extremely vulnerable to interdiction. Therefore, Iran is not a major maritime or naval power. It is and always has been a land power.

Iran occupies the crucial intermediate position between the recent war zones of Afghanistan and Iraq. Though not as mountainous as Afghanistan, it is not as easy to occupy as Iraq, owing to the presence of two formidable mountain ranges of Alborz and Zagros, which provide strategic defenses. Besides, a large part of Iran comprise of deserts and marshes, which inhibit fast movement of foreign forces across its vast expanse. Similarly, its long coastline both along the Arabian Sea and Caspian Sea allows Iran to avoid being isolated and blockaded like Iraq. These in turn ensure that it is easier for Iran to bypass any economic sanctions that may be imposed on it by the international community.

India's indifferent relations with China and Pakistan ensures that Iran provides the only access to the untapped markets of Afghanistan and Central Asia for Indian goods, as well as its major option for tapping the vast energy and other mineral resources of the region. On account of its own geo-political imperatives it is almost inevitable for India to maintain good relations with Iran if it wants to have role in Afghanistan or Central Asia. Iran also provides India the shortest access to the vast energy resources of the Caspian basin and the Caucasus region. The growing Indian economy not only requires the vast less markets of central Eurasian landmass, but needs newer sources of energy supplies.

With over 75 million people, Iran is the 17th most populous state in the world. With the exception of Egypt and Pakistan, it is more populous state in the entire region. More significantly its culture has permeated across national boundaries and influences population in Iraq, Turkey, countries of the Caucasus and trans-Caucasus region, the Middle East, the Afghanistan, the Central Asian Republics, China and the South Asia. Historically, Iranian rule extended over large parts of Central Asia and a strong cultural influence still exists there. Tajikistan and parts of Afghanistan speak Tajik and Dari, which are dialectical variants of Persian and these people consider themselves within the Persian cultural influence. Similarly, the South Asian region has been deeply influenced by Iranian culture. Centuries of historical interaction have made the presence of Iranian art and architecture omnipresent. In India, cities like Lucknow and Hyderabad have emerged as the citadel of Iranian culture.

Accordingly, a significant section of the population identifies itself with Iran and has a close cultural affinity with it.

Persian language and its affiliates, Darri and Tajik are spoken over large parts of Asia. Kurdish, Ossetian and Balochi languages are also a part of Iranian group of languages. Over 110 million people worldwide speak Persian language. For five centuries prior to the British rule, Persian language was the second language in most of South Asia and was the language of the elite in many princely states and medium for higher education culture. It became the official language under many Muslim rulers including the Mughals. Urdu language, which is the official language of Pakistan and is spoken widely across India and other countries in South Asia is written in Persian script and is deeply influenced by Persian language. Similarly, other South Asian languages of Indo-Aryan group like Hindi, Punjabi, Seraiki, Oriya, Bengali, Nepali and Sindhi have been influenced a great deal by Persian. Even Dravidian languages in South Asia like Brahui and Telugu have been influenced by Persian. There is a strong influence of Iranian art, architecture and poetry on Indian culture and civilization and similarities between oldest Indian scriptures Vedas and Iranian Avesta.

Of late however, Iran has come to symbolize the aspirations of Shias worldwide. Unlike the Sunnis, the Shias are not a monolith, yet after the Iranian revolution Iran has come to represent the entire Shia community within Islam. As Iran emerged as a powerful revolutionary state, the Shias across the world started identifying with Iran and began to asserting themselves. Though Ithna Asharris or Twelver Shias have serious ideological difference with other Shia sub-sects, Iranian Twelver clergy has been taking up issues on behalf of Shia groups as diverse as Zaidis and Alawites. Even within Iran, Azeris and Ahvazi Arabs have risen in revolt against the Persian domination despite following the same Twelver school of Shia Islam. However, the western world by its duplicitous handling of current political issues in Syria and Bahrain has ensured that any challenge to Iranian supremacy within the Shiite fold has been smothered. Its influence in southern Iraq and the Shi'a-dominated areas around the Persian Gulf has increased enormously after the fall of Saddam Hussein.

When Shia majority in Bahrain protested against the Sunni authoritarian regime, the Western world merely looked the other way. Even a blatant external interference by Saudi Arabia was not condemned by the Arab world or the Western world and a quest for democratic rights was converted into a sectarian struggle. On the other hand the struggle of Sunni majority in Syria against an Alawite regime has been supported by Turkey, the Arab

world and the West, thereby leading Shias to conclude that the only supporter of Shia rights in the Middle East has been the Islamic Republic. Although hard line twelver Shia clerics consider Alawites to be heretics, the manner in which various Sunni regimes have grouped together against Syria, have forced Shias across the world to perceive it as a Sunni reaction to a progressive Shia regime. Similarly Iran's support to Hezbollah and Amal, have strengthened its standing within the Shia world. Despite the emergence of Iraq and Azerbaijan as Shi'a-dominated polities, the Shias internationally look towards Iran. The western governments by their policies in Syria, Bahrain and Saudi Arabia, have prevented an alternative Arabic Shiite leadership from emerging in the Islamic world. General treatment of Shias in most of the Islamic world and the West's ambivalent attitude towards has led to the consolidation of Shias behind Iran and its emergence as the sole spokesman for the global Shia community cutting across barriers of nations and sub-sectarian beliefs.

The Shias in South Asia primarily, look forward to Iran for spiritual guidance and increasing sectarian fissures have led to greater identification of Indian and Pakistani Shias with Iran. In Pakistan, sectarian cleavages are often delineated along Iran-Saudi Arabia fault lines. Recent developments in Bahrain saw Pakistani Shias demonstrating against Saudi Arabia. The sympathies of population in Shia majority regions like Gilgit-Baltistan in Pakistan-held Kashmir and Parchinar in Kurram Agency clearly rest with Iran. Similarly, in India there is strong support for Iranian viewpoint amongst Shia clergy as well as the masses. In cities like Lucknow, this pro-Iran sentiment is clearly discernable to any observer. There are approximately 25 million Shias in India, a majority of whom visit various places of pilgrimage in Iran and look up to Iran and Iranian clergy for spiritual guidance. Besides Shias, the miniscule but economically significant Parsi (Zoroastrian) population of India has its centers of pilgrimage in Iran. It also has a small Zoroastrian minority still living there, with which Indian Parsees have emotional bonds.

The identification of Shiite masses with Iran enables Iran to draw upon their support cutting across national frontiers and enhances its significance considerably. This also gives Iran a significant role in Afghanistan, which is not only a neighboring country, but also has a substantial Shia population. Twelver Shias are believed to comprise 10 to 15 per cent of Afghanistan's population and a large percentage of these are Hazaras living in central province of Bamiyan. There is also a large population of Shias amongst the Farsiwans in Western Heart and Farah provinces. There are small Shia communities of Bayat (a Turkish clan), Qizilbash (Persian speaking Shiites) and Sayyeds (descendants of prophet) as well. The puritanical Sunni ideology as practiced by Taliban places them in a direct confrontation with

the Shias of Afghanistan. This has traditionally ensured Indian and Iranian collaboration with the anti-Taliban grouping in Afghanistan, which has also been supported by Central Asian states and Russia. Afghanistan is strategically significant for India and establishment of radical Taliban regime in Afghanistan hurts its long term interests. As the US and NATO plan to withdraw from Afghanistan by 2014, India would be forced to collaborate with Iran and CARs to prevent the consolidation of Pakistan-backed Taliban.

Economic Resources

Iran has one of the largest economies in the Middle East and it is larger than all but Turkey. It is a fairly diversified economy, but around half of its revenue comes from oil and natural gas. It has a fairly strong manufacturing industry and has a thriving tourism industry. It has the largest car manufacturing facility in the entire region and its automobile production had crossed one million in 2005. According to the World Bank the GDP of Iran in 2011 is estimated to be \$400 billion. In terms of purchasing power parity, it exceeds \$900 billion. The Services sector contributes over 50 per cent of the GDP, while hydrocarbon sector contributed to about a quarter and agriculture to about 10 per cent of the GDP. Economic growth is slowing down on account of the sanctions and has come down below one per cent. The inflation continues to be high. The foreign exchange reserves had also come down from \$81.31 billion on 31 Dec 2009 to \$75.06 billion on 31 Dec 2010. Despite this, foreign exchange reserves are too high for the sanctions to have any debilitating impact. Its social indicators are quite high by both Middle Eastern and South Asian standards and have consistently improved. Enrolment in schools, primary health care and female literacy rates are very good by regional standards. The only source of concern continues to be increasing budgetary deficit on account of huge energy subsidies.

The main contributory factor to Iran's significance is its huge hydrocarbon resource, which contributes to 80 per cent of its exports. Its energy resources have gained further significance with the depletion of energy resources in other oil producing states, especially those that are outside Organization of Petroleum Exporting Countries (OPEC). Iran possesses 10 per cent of world's proven oil reserves as compared to 24 per cent with Saudi Arabia. Its natural gas is estimated 812 trillion cubic feet or approximately 15 per cent of the global gas reserves. Within the OPEC, Iran is the second largest exporter of crude oil and is the fourth largest producer of oil in the world. Although Iran has the second largest natural gas reserves in the world after Russia, it has not been able to exploit them optimally and its gas exports are fairly limited. Besides high domestic consumption of gas (it is estimated that Iran is the third largest consumer of natural gas), the absence of external investment and

technology denials have prevented development of gas fields. It therefore has strong complementarities with India whose investment and markets can help Iran to develop its gas reserves. Iran has every ingredient to be the energy super power of the world, as besides gas, it also has the third largest oil reserves in the world. Therefore, any disruption of Iranian oil or gas production would accelerate the prices of these two crucial commodities, which will affect the recession-hit global economy rather badly. Any spurt in oil prices could also derail the fast growing economies of India and China. Iranian crude accounts for approximately 13 per cent of India's oil needs, 11 per cent of China and 9 per cent of Japan.

From India's point of view Iran's energy resources provide one of closest and cheapest energy resource available to fuel India's growth. With 12.6 per cent India is the largest destination for Iranian exports after China (16.2 per cent). Accordingly, India has been looking at North South Transport Corridor and Iran-Pakistan-India (IPI) gas pipeline to resolve its energy shortages. The IPI is a follow up on the 1989 proposal to construct an 'Asian Gas Pipeline' proposed by Tehran- based International Institute for Caspian Studies. It was proposed that the pipeline would transport 36 billion cubic meters of gas every year from Bandar Abbas to Calcutta. Of this 70 per cent gas was meant for India while 10 and 20 percent were meant for Iran and Pakistan respectively. Eventually a joint working group was set up to work out the modalities. The pipeline, which can be extremely useful for India is ostensibly stuck up over the pricing of the gas. Although the bigger impediments to the project are the US sanctions on Iran and the opposition of Baloch nationalists from whose territory the pipeline would have to traverse.

Despite huge oil reserves, Iran lacks adequate refining capacity and as against an annual consumption of 64.5 million liters of petrol, its refineries can refine only 43 million liters, which forces it to import approximately one third of its consumption. Iran has been a major destination for the products of some Indian refineries in the private sector. The relative proximity of these refineries to Iran makes this arrangement extremely profitable. In the Financial year 2009-10, India imported around 22 million tons of crude oil valued at \$10 billion, making India, the largest market of Iranian crude and Iran the second largest source for Indian crude imports. The total trade between India and Iran in 2009-10 was \$13.4 billion, which include Indian exports of \$1.9 billion and imports of \$11.5 billion. The main goods being exported by India besides petroleum products are chemicals, pharmaceuticals, iron and steel, synthetic yarn, tea and rice. However, the trade value has come down from \$14.9 billion in 2008-09 under sustained US pressure and consequent problems over payments for Iranian imports. The problem becomes more acute as Indian exports to Iran are miniscule

as compared to its imports; on the other hand China is both the largest destination for Iranian exports as well as largest source for Iran's imports. Recent sanctions imposed on December 31, 2011, on institutions dealing with Iran's central bank has complicated the problem for India to pay for the Iranian crude. Although India has publicly stated its refusal to recognize sanctions imposed by individual countries, certain private sector companies have been forced to reduce their dealings with Iran.

Persian Gulf and Iran

One of the most significant capabilities of Iran is its ability to disrupt maritime access to the Persian Gulf through the narrow Strait of Hormuz, something it has recently threatened to do so, in response to the western sanctions. The Persian Gulf and its coastal areas are the single largest source of crude oil in the world and also houses the largest offshore oil field, the Safaniva Oil Field and has huge gas fields. According to OPEC, as of 2010, Persian Gulf contained 789 billion barrels of proven oil reserves, which represents almost 54 per cent of world reserves and the Persian Gulf states are producing around 20.4 million barrels of crude oil per day, which is over 29 per cent of global oil production. Besides oil, the region has over 77,950 billion cubic meters of proven natural gas reserves or over 40 percent of global gas reserves. However, despite huge reserves, the region produced only 475,847 million cubic meters of marketed gas in 2010, which was less than 15 per cent of global production during the year. A giant gas field spreads across the territorial waters of Qatar and Iran and is called North Field in Qatari waters and South Pars Field in Iranian waters. The former has built a significant Liquefied Natural Gas (LNG) infrastructure based on this field and contributes to over 80 per cent of the natural gas exports from the region. The countries of the region export 15.981 million barrels of crude oil per day, which is approximately 42 per cent of the global exports of crude oil. The region also exported 132,309 million cubic meters of natural gas, contributing approximately 13.33 per cent of global exports of natural gas.

The disruption of oil and gas production or its transportation through the Strait of Hormuz, would lead to a big spurt in the prices of oil and gas, which in probabilities would create a major global economic crisis. It must also be realized that an overwhelming part of the global excess oil production capacity lies in this region and hence disruption of supplies from the region would be virtually impossible to compensate. Almost 90 per cent of oil exported from the Persian Gulf transits by tankers through the Strait of Hormuz, which is 45 km wide at its narrowest and has 3.2 km wide navigable channels for inbound and out bound traffic with a 3.2 km buffer zone in between. Iran controls the entire northern coast of

the Strait; it has military outposts in the islands of Abu Musa, Larak and Sirri within the Strait, which could easily enable any worthwhile naval power to block movement of traffic through the Strait. It also claims two other islands in the region namely the Greater and Lesser Tunbs (captured by Iran in 1971) and controls Qeshm an island with fairly large population. In 2011, on an average, 14 tankers carrying 17 million barrels of crude oil moved out of the Persian Gulf daily, through the Strait of Hormuz. This amounts to 35 per cent of the global oil shipments and 20 per cent of all oil traded globally. Significantly over 85 per cent of these shipments went to Asia, with Japan, India, South Korea and China being the major destinations. Iran has repeatedly threatened the closure of the Strait in case of any action against it and the closure if successful would require the usage of alternative routes that would increase transportation costs considerably. Even if the Strait is not closed, any conflict in the region could accelerate the price of oil. For a developing country like India that has huge dependence on energy resources from the region, either the closure or even a threat of closure could be economically catastrophic. It needs to be appreciated that the US energy imports from the region are negligible and the EU imports are limited.

Being the strongest country in the region, Iran has the capability to create disturbances in any of the Persian Gulf states. The presence of substantive Shia population in most of these states further increases Iran's leverage in these states. There is a huge Indian expatriate population in these states and a major source of foreign exchange earnings for India is the remittances sent by overseas Indians. In fact India tops the global list of countries receiving remittances. According to the World Bank estimates, in 2011 India received \$ 57.8 billion in remittances and it contributed to three per cent of its GDP. If the data of 2010 is any indicator 53 per cent of this amount came from GCC states. Any disruption in this region will have a debilitating effect on this valuable source of foreign exchange for India.

In addition 18.59 per cent of India's exports in 2010-11 were destined for the Persian Gulf States of United Arab Emirates (UAE), Saudi Arabia, Iran, Kuwait, Oman, Iraq, Bahrain and Qatar. UAE, alone is amongst the largest destinations for Indian exports. More significantly, these states accounted for almost a quarter of India's total imports during the first half of 2010-11. Any disruption in the region or the blockage of the Persian Gulf will affect this huge trade with the region adversely and also raise the costs of shipment of goods in terms of increased freightage and insurance cover.

Role of Armed Forces & Defence Capability

Iran possesses the largest armed forces in the Persian Gulf Region, even though it spends much lesser percentage of its GDP on defense than Saudi Arabia and UAE. According to former commander of US Central Command General John Abizid, Iran has the most powerful military in the Middle East. Iran also has the largest number of people under arms in the region and comprise of 545,000 soldiers, of these 465,000 comprise the Army, 28,000 the Navy and the rest make up the Air Force and the Air Defense Force. Besides the Army of the Guardians of the Islamic Republic has 120,000 troops under arms under five wings (besides all the four wings of the regular armed forces, it also has a wing comprising of Special Forces). In addition there is the ubiquitous Basij para-military force, which can mobilize 11 million men, although its active strength includes 90,000 regulars and 300,000 reservists. Although the forces like most other Asian powers are dominated by land forces, it is the significant maritime capabilities, which coupled with its air force arguably gives Iran the capability to choke the Persian Gulf and enhances its leverage. According to General Abizid, the foremost capability of Iranian Armed Forces is their ability to temporarily block the Strait of Hormuz through the naval forces. Although the US Navy has claimed to have plans to counter any blockage of the Persian Gulf, the threat remains substantial.

Despite being the smallest arm of Iran's Armed Forces, the Iranian Navy has transformed itself into the most potent regional force. The Navy traditionally designed for a defensive role of guarding the maritime borders, has transformed itself and the transformation has been governed by Iran's petroleum trade and a hostile relationship with most countries of the region as well as with the West specifically the United States. Although its exact capabilities are a matter of conjecture, it has tried to project a capacity for pursuing asymmetric warfare and has succeeded in instilling a fear amongst its adversaries of an Iranian stranglehold over the Gulf. The major instrument of Islamic Republic of Iran Navy (IRIN) capable of disrupting shipping in the Persian Gulf are its three Kilo-class submarines acquired from Russia in the 1990s and its first helicopter carrying missile equipped Mowj class frigate, which has been indigenously built. It also possesses 12 midgets, corvettes and fast attack missile craft, which can also be used to target shipping in the Persian Gulf. It has also claimed to have developed numerous platforms and weapons, which are capable of disrupting shipping within the restricted shallow waters of the Gulf. Its naval commander Rear Admiral Habibollah Sayyari has claimed that the closure of the Strait of Hormuz could be easily achieved by the Iranian Navy.

Apart from IRIN, there are 20,000 personnel in the Islamic Revolutionary Guard Navy (IRGCN), including one Brigade of 5,000 marines. Although primarily meant to be a coastal security force, it has numerous small and medium craft capable of pursuing unconventional warfare within the restricted waters of Persian Gulf, including missile and torpedo boats. It also has bases for small craft all along the coast including on the islands of the Persian Gulf. Primary weapon that Iran is likely to use against shipping is mines. It is believed to possess around 2,000 mines, which may not be adequate for a naval battle but may deter shipping through the narrow Strait, considerably. It will also take enormous efforts to demine the Strait and fairly long to assure the mariners that the waters are safe even after a short mining campaign by Iran. The next major weapon that could be used against shipping to close the Strait of Hormuz by Iran may be Anti-ship Cruise Missiles (ASCM) which it possesses several hundreds and the capabilities of these Chinese-origin missiles have improved considerably over time. These could be launched from surface vessels, aircraft and even shore based tucks.

Iran possesses several hundreds of these missiles and the capabilities of these Chinese origin missiles have improved considerably over the last three decades. Of all the weapons in Iran's arsenal, Cruise missiles have the maximum potential of being used against warships and are likely to be used by Iran against western warships trying to keep the water ways open in times of a conflict. The missiles in Iranian inventory include C-802 Saccade with turbojet engines and a range of 120 km, a successor to rocket propelled C-801 Sardine with a range of 8 to 42 km. Both the missiles form main stay of Iranian anti-ship missiles and are restricted by Line of Sight targeting, although some reports indicate that C-802 may have Over The Horizon Targeting (OTHT) capability. These could be launched from surface vessels, aircraft and even shore based trucks. Iran has 20 missile boats and three aging frigates, besides six aircraft capable of launching these missiles. In addition Iran possesses antiquated land-based anti-ship missiles CSS-N-2 Silkworm and CSS-N-3 Seersucker, which have ranges greater than 95 Km. More than 12 batteries and 300 missiles are believed to deployed in and around Bandar Abbas Besides many Iranian fast attack craft are believed to be fitted with shorter range ASCM. There have also been reports that Iran has acquired SS-N-22 Sunburn ship-launched cruise missile from Ukraine and also possessed extended-range version of CSS-N-3 called Raad, which could reach up to 150 km. By itself Iran's maritime capabilities may not be enough for a naval battle, but within the shallow and restricted waters of Persian Gulf, its smaller craft and midgets could be very effective against commercial shipping.

Although it is Iran's maritime forces that cause maximum consternation amongst the global community, it has a substantial missile inventory that can target many other states in the region. In addition they have many organizations within the region that look up to Iran and may disrupt things within the region at Iran's instigation. Finally its massive army may not have any significant offensive capability, but with its unconventional tactics may provide stiff resistance in case of any armed intervention within Iran's territory. Although on per capita basis, Iran's military expenditure is much lower than other states and its economy is going through a tough phase, which has resulted in a reduction in the overall annual budgetary expenditure, it has increased its defense budget by a huge 127 per cent for the Iranian calendar year 1391 commencing March 20, 2012.

Before September 11 attacks in the US, Indian and Iranian defense forces closely cooperated with the Northern Alliance in Afghanistan to evolve a joint approach against the Taliban. Besides, Afghanistan, India and Iran have collaborated in the field of military hardware for over two decades. In 1993 Iran requested Indian assistance to develop new batteries for its Kilo-class submarines. In addition it requested upgrades for various Soviet origin weapons and platforms including Mig-29 fighter aircraft. A Memorandum of understanding (MoU) on defense cooperation between the two countries was signed in 2001 and sale of Indian weaponry and spare parts to Iran was considered. The two countries also carried out joint naval exercises in 2003 and 2006. Iran has also sought advanced radar systems for fire control and surveillance from Bharat Electronics Limited. However, despite enormous potential, large-scale Indian defense exports to Iran have not fructified on account of serious US pressure.

Nuclear Capability

The issue that has drawn maximum attention on Iran in recent times is its attempt to set up uranium enrichment facility. There have been reports that Iran has been undertaking clandestine enrichment of uranium beyond the levels permitted for pursuing peaceful usage of nuclear technology. There have been certain infractions by Iran that violate its commitments under the nuclear non-proliferation treaty (NPT) and Additional Safeguard Protocols. After Iran failed to satisfy the International Atomic Energy Agency (IAEA), the United Nations Security Council clamped sanctions on Iran in 2006 vide its Resolution 1737. The Resolution directed Iran to immediately halt its proliferation activities that included all enrichment-related and reprocessing activities, including research and development; and work on all heavy-water related projects, including the construction of a research reactor moderated by heavy water. It also mandated on all states to prevent "the supply, sale or

transfer, for the use by or benefit of Iran, of related equipment and technology, if the State determined that such items would contribute to enrichment-related, reprocessing or heavy-water related activities, or to the development of nuclear weapon delivery systems".

However, despite sanctions Iran has continued with enrichment of uranium to Low Enriched Uranium (LEU). By 2010, Iran had enough LEU to make sufficient weapon grade uranium for its first nuclear bomb. Although Iran denies that it is enriching uranium for the bomb and claims its enrichment is for nuclear power, the US and other western countries generally disagree with Iranian assertions. It is difficult to imagine that a country like Iran would be willing to face the international wrath for producing nuclear power, whilst holding huge reserves of oil and gas. Its announcements about creation of additional enrichment facility under a mountain have created further consternation amongst the international community. If it continues on its current trajectory, Iran would be a nuclear state within the next few years.

Considering the relationship that Iran and the US have shared since Iranian Revolution, Iran's bomb does pose a grave threat to the US and the western world. Israel particularly has reasons to be wary of an Iranian Bomb. Even the Sunni Arab countries in the Gulf have reasons to be worried about a nuclear armed Iran. According to WikiLeaks, King Abdullah of Saudi Arabia had repeatedly asked the US to destroy the Iranian nuclear infrastructure by military strikes. Former Saudi intelligence chief Prince Turki bin Faisal termed 'Iran as a paper tiger with steel claws', which was meddling into countries with significant Shia populations. The Gulf countries believe that Iranian nuclear bomb might make their Shia population recalcitrant, as had happened after the Iranian revolution.

Iranian nuclear bomb is not in India's interest either and as Prime Minister Manmohan Singh stated in parliament, having another nuclear state in its vicinity does not serve its interests. Iran's bomb may lead to an arms race in the Gulf. Despite recent bonhomie between India and Iran, successive Iranian regimes have by and large taken anti-India stance on Kashmir.

Conclusion

It would therefore not be incorrect to state that its unique geography, population and nature have bestowed upon Iran a unique strategic significance, making it one of the important players in the global arena. 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 manufacturers' access to Central Asia and Caucasus. On the other hand Iran's nuclear

weapons programme does pose a threat to the regional and global peace. It could also irrevocably disturb the balance of power in geo-strategically significant Persian Gulf. Any disturbance in the region could adversely affect India's economic well being.

India and Iran have traditionally shared strong people to people relations. There are strong linguistic and cultural ties between Indian and Iranian civilizations. From India's point a quick resolution of Iran's nuclear imbroglio is the best solution. It could mediate between Iran and the West and persuade Iran to fulfill its commitments under NPT. Iran needs to appreciate that its nuclear programme at least at this stage of its development does not provide it with any security and on the contrary may provoke hostile action by the US and Israel. Any conflict in the region will have wide ranging consequences and lead to considerable loss of life and property. Any attempt to close the Persian Gulf will be resisted by the United States with all its might and will create large-scale turbulence in the region.

The West on the other hand needs to give diplomacy a chance, Iranians are proud people who take pride in their glorious past and are unlikely to succumb to brute external pressures. Iran is strategically too significant to be disturbed at this juncture. It needs to be given a way out, which does not appear to be surrender in the eyes of its population. Countries like India, Russia and even China need to impress upon Iran to avoid confrontation, which appears to be looming large on the horizon. As it is the Western sanctions are impacting many Indian companies, which have been trading with Iran. India therefore needs a quick resolution of this discord.

As of now the peace appears to be a distant dream and war drums are beating aloud. Much as India might want a peaceful resolution of the problem, at this point of time it appears quite improbable. The US presidential elections, Israeli insecurities and Iranian intransigence are pointing towards a conflict. In case the conflict becomes inevitable, then a short and swift one would minimize its adverse impact on India. A prolonged conflict and consequent disruption of energy supplies could completely derail India's growth story. In case of an armed conflict, India may not have the luxury to prevaricate and may be forced to take sides. In any case India should be prepared to escort shipping bringing in crude and LNG to India from the Persian Gulf, in case of attempts to disrupt supplies from this crucial region.

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