IRAN'S NUCLEAR IMBROGLIO AT THE CROSSROADS:

POLICY OPTIONS FOR INDIA

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Acknowledgements

The author would like to thank Dr. Rajiv Nayan and Dr. S. Kalyanraman for comments and suggestions on an earlier draft. The author would like to express his gratitude to two anonymous reviewers for their positive and constructive feedback. The author would also like to specially thank Shri Vivek Kaushik, Assistant Editor, Strategic Analysis for facilitating the publication process. The author is solely responsible for the final content.
On account of pertinent international, regional and domestic dynamics, the Iranian nuclear imbroglio is at uncertain crossroads. International dynamics include Iran's continuing unresolved contentions with the International Atomic Energy Agency (IAEA) and the ramping up of unilateral sanctions by the US and European Union (EU). Among regional dynamics are the Iran dilemma for Israeli policy makers, political uncertainties as exemplified by developments in Syria (Iran's friend in the region), an increasing focus on the Saudi ability to meet energy requirements of countries in Asia and Europe amidst impending procurement difficulties as a result of extant sanctions as well as an imminent oil embargo on Iran, and the role being played by Turkey as a key diplomatic facilitator on both, the Iranian nuclear issue and on Syria. Iranian internal political dynamics and differences between the Supreme Leader Ayatollah Khamenei and President Mahmoud Ahmadinejad as evident during the March 2, 2012 elections to the Majlis (Parliament) are also pertinent. The Paper delineates significant aspects relating to the above dynamics and notes policy dilemmas being faced by India as a result of the fluid situation. It ends by exploring possible policy options for India to maximise its core national interests.
I. International Dynamics

A. The IAEA and Iran: Unresolved Contentions

The Director General (DG) of the International Atomic Energy Agency (IAEA) in the assessment of the agency to the Board of Governors (BOG) on February 24, 2012 urged Iran ‘to address the Agency’s serious concerns about possible military dimensions to Iran’s nuclear programme, including, as a first step, by responding to the Agency’s questions related to Parchin and the foreign expert, and by granting early access in that regard’.¹ It was the 36th report of the IAEA DG to the BOG since June 2003 delineating the status of Iranian compliance with its NPT/IAEA obligations. The IAEA DG’s latest report to the BOG on May 25, 2012 concludes that ‘the Agency is unable to provide credible assurance about the absence of undeclared nuclear material and activities in Iran, and therefore to conclude that all nuclear material in Iran is in peaceful activities’.²

The nature of interactions between the IAEA and Iran has been contentious, with each side differing on the nature of those obligations. The IAEA has passed 11 resolutions from September

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2003 to November 2011 urging Iran’s cooperation in ensuring confidence in the exclusively peaceful nature of its nuclear programme and expressing increasing concern over its continued uranium enrichment activities among others. It referred the issue to the UN Security Council (UNSC) in February 2006 for the first time after Iran re-started its enrichment activities, which it had agreed to suspend in the aftermath of the Tehran Agreed Statement of October 2003 entered into with the EU-3 countries (Britain, Germany, and France).³ The UNSC has passed six resolutions on the issue from July 31, 2006 to June 9, 2010, four of them being punitive in nature imposing sanctions under Article 41 of Chapter VII of the UN Charter.

The latest reports of the IAEA DG have to be seen in the context of the November 8, 2011 report of the DG, which contained ‘credible’ information regarding ‘possible military dimensions’ of the Iranian nuclear programme. These contentions included ‘activities related to the development of a nuclear payload for a missile; ... the acquisition of nuclear weapons development information and documentation from a clandestine nuclear supply network; [and] work on the development of an indigenous design of a nuclear weapon including the testing of components’.⁴ Iran had dismissed these contentions as ‘fabricated’.

Specifically on Parchin, the November 2011 report had alleged that work related to a large explosives containment vessel ‘designed to contain the detonation of up to 70 kilograms of high explosives’, was undertaken there and that a foreign expert had assisted in the process.⁵

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⁵ Ibid., Annex, p. 10
Reports identified this ‘expert’ as Vladimir Danilenko, a Russian scientist who was versed in the creation of Ultra-Dispersed Diamonds (UDD or nano-diamonds). He had earlier worked in his country’s nuclear weapons complex and had worked in Iran from 1996 to 2002. However, other analysts have pointed out that the patented design of Danilenko relates to a containment vessel designed to contain ten kgs of high explosives.

Iran had accorded access to the IAEA at the Parchin facility twice during 2005 when it carried out random checks at five locations. The IAEA however contended in November 2011 that satellite imagery shows the construction of infrastructure consistent with a high explosives testing facility - like an earth berm ‘constructed between the building containing the cylinder and a neighbouring building, indicating the probable use of high explosives in the chamber.’

In the aftermath of the November 2011 report, two rounds of inspections were carried out by IAEA teams from January 29 to 31 and February 20 to 21, 2012. Iran turned down the IAEA request to visit the Parchin site and both sides could not agree on the contours of a ‘structured approach’ to carry out further cooperation. The

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8 See n. 4, Annex, p. 10.
United States held the outcome of these IAEA visits as a ‘failure of Iran’ to more convincingly explain its nuclear programme.9

Iran’s Foreign Minister insisted that despite ‘disagreements’ with the IAEA as evident during the January and February visits of IAEA teams, he was ‘optimistic’ that the ‘upcoming meetings between the high delegation of the IAEA and the Iranian (side) will be proceeding hopefully in the right direction’.10 In a sign of stepped up interactions ahead of the second round of talks between Iran and the P5 + 1 (UNSC permanent members along with Germany) in Baghdad on May 23, IAEA DG Yukiya Amano made an unexpected visit to Tehran on May 21. His visit followed talks in Vienna on efforts to seek a mechanism to address contentions relating to Iran’s alleged weapons-related activities. While admitting that Iran and the IAEA held different ‘views’ on the issue of contention, Amano described his talks with the Iranian interlocutors as ‘expansive and intensive’ which were held ‘in a positive atmosphere’.11

An US think tank has meanwhile stated that Iran was possibly involved in ‘cleaning up’ the Parchin site ahead of allowing IAEA

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access to it.\textsuperscript{12} Analysis critical of Iran’s record insist that this is another instance of Iranian ‘playing foul’ of its international obligations. Other observers however discount the suggestion by noting that activities that are being carried out at Parchin if any as suggested by satellite images are outside the confines of the facility where the alleged experiments are slated to have taken place and are instead indicative of possible construction activities.\textsuperscript{13} The Iranian Foreign Ministry on its part has dismissed the contentions about ‘razing’ the site as a ‘joke’.

The May 2012 report meanwhile shows that Iran has made significant progress in its nuclear efforts despite extant IAEA and UNSC resolutions requiring it to desist from such activities. These include production of 6197 kg of UF6 [uranium hexa-flouride] enriched up to 5 per cent U-235 and 145.6 kg of UF6 enriched up to 20 per cent U-235.\textsuperscript{14} Analysts however note that Iran continues to encounter difficulties in running its nuclear enterprise.

While covert efforts by Western and Israeli intelligence agencies (see later sections for more details) have affected Iran’s nuclear programme to some extent, it seems to be facing greater technical difficulties. The February 2012 report for instance notes that Iran had informed the IAEA on February 1, 2012 that it intended to install three new types of centrifuges – IR-5, IR-6 and IR-6S, at the Natanz enrichment


\textsuperscript{14} See n. 2, p. 3.
plant. Former IAEA Chief Inspector Olli Heinonen notes that because Iran is testing so many models simultaneously, ‘it indicates that Iran has not yet reached a point where it can decide which would be the next generation centrifuge to be deployed.’\textsuperscript{15} Iran’s ability to mass-produce second-generation centrifuge models has also been under the scanner. Iran has however continued to advertise its efforts like loading of indigenously produced nuclear fuel rods into the Tehran Research Reactor (TRR) on February 14, 2012.

The two sides held on to their respective positions at the third round of talks at Moscow from June 18 to 19. Iran continued to insist on ‘comprehensive sanctions relief’ and safeguarding its ability to enrich uranium, which the P5 + 1 were reluctant to accede in the absence of concrete Iranian assurances on stopping its current enrichment activities, shipping its current stockpile and shutting down its underground enrichment plant at Fordow – termed the ‘stop, ship and shut’ requirements by Western diplomats.\textsuperscript{16}

The next round of ‘technical’ talks is slated to be held in Istanbul on July 3. If there is forward movement with Iran’s interlocutors on some sort of formula to address extant concerns, there is less possibility of the issue being referred again to the UNSC for another round of punitive measures or ramped up rhetoric, and pressure for more muscular measures. If not, Iran could face greater economic hardships,


which could either make it offer concessions (as Western powers expect) or become more defiant in its positions (as past record suggests).

B. The US: Military Options versus Sanctions

The US administrations on their part both under President George Bush and President Barack Obama have insisted that ‘no options are off the table’ while dealing with Tehran’s nuclear ambitions. Washington has however, proved to be a less than interested party in actively pursuing a military solution and has even restrained Israel from doing so. Reports had earlier suggested that the Bush administration for instance was non-committal on allowing Israeli fighter planes to fly over Iraqi airspace on their possible bombing mission and had initially refused to provide Tel Aviv with the necessary equipment to carry out such a task, like adequate amounts of advanced bunker-busting bombs. Later reports in 2011 however, indicated that the Obama administration had indeed supplied 55 GBU-28 bombs, even though Israel had developed its own version.

Despite senior US officials like Gen. James Mattis, Commander of the US Central Command, stating at the Senate Armed Services Committee on March 6, 2012 that Iran remains ‘the single greatest threat to regional stability – and to the security of the United States’,


there continues to be a lack of appetite for military strikes in official Washington circles to address Iranian nuclear concerns. The Director of National Intelligence (DNI) James Clapper in a testimony before the Senate Select Committee on Intelligence on January 31, 2012 stated that though Iran has the “scientific, technical, and industrial capacity to eventually produce nuclear weapons ... We judge Iran’s nuclear decision-making is guided by a cost-benefit approach, which offers the international community opportunities to influence Tehran [emphasis added].

Testifying before Senate Armed Services Committee on February 16, 2012, the Director of the US Defence Intelligence Agency Lt. Gen. Ronald Burgess noted that ‘Tehran poses a threat to US interests through its regional ambitions, support to terrorist and militant groups, and improving military and nuclear capabilities.’ Although acknowledging that Iran has threatened to ‘launch missiles against the United States and our allies in the region in response to an attack,’ Burgess contended that ‘it is unlikely to initiate or intentionally provoke a conflict or launch a pre-emptive attack.’ US military chief Gen. Martin Dempsey told Fareed Zakaria on CNN that ‘US officials aren’t convinced Iran has decided to pursue nuclear weapons. ... I

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think it would be premature to exclusively decide that the time for a military option was upon us.”

President Barack Obama addressing the American Israel Public Affairs Committee (AIPAC) on March 4, 2012, criticised what he termed ‘too much loose talk of war’ and urged that ‘for the sake of Israel’s security, America’s security, and the peace and security of the world, now is not the time for bluster’. Obama, though, acknowledged that ‘a nuclear-armed Iran is completely counter to Israel’s security interests’ as well as the ‘national security interests of the United States’.

During his meeting with the visiting Israeli Prime Minister Benjamin Netanyahu on March 5, 2012, Obama asserted that the US does not ‘want a regime that has been a state sponsor of terrorism being able to feel that it can act even more aggressively or with impunity as a consequence of its nuclear power’. Pointing out that his administration has ‘worked so diligently to set up the most crippling sanctions ever with respect to Iran’; he added that ‘we do believe that there is still a window that allows for a diplomatic resolution to this issue ...”


The Obama administration meanwhile has further tightened unilateral sanctions measures against Iran in December 2011, targeting the central bank with provisions penalising foreign financial institutions that do business with it. The sanctions against the bank came into effect on February 29, 2012. Earlier in November 2011, in the aftermath of the report of the IAEA DG, the US Treasury Department identified Iran as a ‘jurisdiction of primary money laundering concern’ under Section 311 of the Patriot Act. Secretary Clinton stated that the measure was the ‘strongest official warning we can give that any transaction with Iran poses serious risks of deception or diversion’.25 These were over and above the provisions of the Comprehensive Iran Sanctions, Accountability, and Divestment Act, signed into law by Obama in July 2010. CISADA restricted investments in Iran’s petro-chemical sector (limited to $20 million over a 12-month period), imposed restrictions on provision of loans by US financial institutions ($10 million in any 12-month period), among other requirements.26

The 2012 National Defence Authorisation Act, under Section 1245, passed by the US Senate in December 2011 and signed by President Obama into law on December 31, requires countries importing Iranian oil to ‘significantly’ reduce their imports within 180 days, i.e. by June 28, 2012.27 Secretary Clinton announced on March 20, 2012 that the administration had made the assessment that 11 nations which were importing Iranian crude (Belgium, the Czech Republic,


France, Germany, Greece, Italy, Japan, the Netherlands, Poland, Spain, and the United Kingdom) have ‘significantly’ reduced their imports. She noted that Japan’s reductions were ‘especially noteworthy considering the extraordinary energy and other challenges it has faced over the past year’.28 Japan has been held to reduce its imports by as much as 15 to 22 per cent.29 The second round of exemptions was given to India, Malaysia, South Korea, South Africa, Sri Lanka, Turkey and Taiwan on June 11. Countries that are still under the scanner include China, Indonesia, Singapore, Philippines and even Pakistan.30

Even as Washington exercises military caution officially, while inflicting economic pain on Iran through a series of multi-lateral and unilateral punitive measures, there continues to exist a plethora of views domestically on how to deal with the Iranian nuclear imbroglio. The Republican presidential candidate Mitt Romney participating in a debate with his rival contenders in Arizona on February 22, 2012 stated that Obama should communicate to the Iranians that a military solution ‘is not just on the table, [it is] in our hand’.31 It is


pertinent to note that some US analysts have pointed out that Israel currently has a military window of opportunity over Jordan and Iraq into Iran (given that the US is withdrawing from Iraq) and a political opportunity, due to the political vulnerability of the Obama administration, till at least November 2012 in the run-up to the presidential elections.\footnote{‘Is Israel fuelling fear not facts over Iran?’ February 22, 2012, at http://www.aljazeera.com/programmes/insidestoryamericas/2012/02/20122272434144338.html (accessed February 22, 2012).}

Public opinion polls also show divergent indications. A February 15, 2012 poll by the Pew Research Centre for instance indicated that 58 per cent of those surveyed in the US were in favour of military action to prevent a nuclear Iran while 39 per cent would want the US to support an Israeli military action. Over 64 per cent in the Pew poll believed that tougher economic sanctions would not succeed in forcing Iran to give up its nuclear weapon option.\footnote{‘Public Takes Strong Stance Against Iran’s Nuclear Program’, February 15, 2012, The Pew Research Centre, at http://www.people-press.org/files/legacy-pdf/02-15-12%20Foreign%20Policy%20release.pdf (accessed February 29, 2012).} In a November 2011 as well as February 2012 CNN-ORC poll, however, over 60 per cent favoured economic and diplomatic efforts to find a solution to the problem compared to 16 per cent who advocated military action.\footnote{Results of survey are available at http://i2.cdn.turner.com/cnn/2011/images/11/22/rel19c.pdf (accessed February 29, 2012); See also PollingReport.Com, ‘Iran’, at http://pollingreport.com/iran.htm (accessed February 29, 2012).}
C. The EU: Sanctions and Diplomacy

The EU and its important member states like Germany, Britain and France have been actively involved in efforts to find a solution to the Iranian nuclear imbroglio. The October 2003 Tehran Agreed Statement (when Iran agreed to suspend uranium enrichment and pledged to sign the IAEA Additional Protocol, which it did in December 2003) and the Paris Agreement of November 2004 are pertinent in this regard. However, these agreements collapsed on account of increasingly tougher stance by the international community – including the referral of the issue to the UNSC, and Iran’s refusal to follow through on the requirements of subsequent IAEA/UNSC resolutions.

The EU in recent times has complemented the US’ unilateral approach to force Iran to come to the negotiating table. In its Foreign Affairs Council meeting in Brussels on January 23, 2012, it imposed an oil embargo (to be effective from July 1, 2012), restrictions on the Iranian central bank, export restrictions on gold and sensitive dual-use items, a freeze on the assets of eight companies controlled by the Islamic Revolutionary Guards Corps (IRGC) and visa bans on three individuals.35 Prime Minister David Cameron, Chancellor Angela Merkel, and President Nicholas Sarkozy stated that the ‘full ban on Iranian oil exports’ was because ‘the Iranian leadership has failed to

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restore international confidence in the exclusively peaceful nature of its nuclear programme’. 36

The EU also urged ‘Iran to reply positively to the offer for substantial negotiations, as set out in the High Representative’s letter of October 21, 2011, by clearly demonstrating its readiness to engage in confidence building measures and, without preconditions, in meaningful talks to seriously address existing concerns on the nuclear issue’. 37 EU Foreign Policy Chief Catherine Ashton insisted that the tough measure (which Iran termed as a ‘dangerous innovation’), was ‘to put pressure on Iran to come back to the negotiating table’. 38

Given that Iran’s chief nuclear negotiator, Saeed Jalili did respond to Ashton with a 200-word letter on February 15, 2012, it would seem the pressure did work. Jalili welcomed the P5 + 1’s willingness to resume talks with Iran as well as Ashton’s view that Iran’s legitimate rights to make use of nuclear energy for peaceful purposes should be respected. 39 Ashton on her part stated that Jalili’s letter held a


37 See n. 35.


The last time negotiations were held with Iran by the P5+1 under the leadership of Ashton was in January 2011, when three rounds of talks took place in Istanbul.

The two sides eventually met on April 14 in Istanbul, though the possibility of the talks being held in other venues like Baghdad, Beijing or Beirut was also publicly aired by such figures as Iran’s Foreign Minister Ali Akbar Salehi and former IRGC Commander Mohsen Rezaei. Reports noted that the Iranians were unhappy with the Turks for hosting the US missile defence system radar (which it had agreed to in September 2011) as well as for its role in the ongoing developments vis-à-vis Syria, which was held to be inimical to Iranian interests. While Ashton called the April Istanbul talks ‘constructive and useful’, the White House termed them as a ‘positive first step’. It is pertinent to note that the senior foreign policy advisor to Mr. Khamenei Ali Akbar Velayati used similar language to describe the Istanbul talks, terming them as a ‘positive step’.

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Both sides met for the second time in Baghdad on May 23. Ahead of the talks, the P5+1 made it clear that there will not be a possible lifting/easing of sanctions in the absence of some forward movement by Iran regarding the stopping of its enrichment activities among other steps. Iranian officials including its envoy to Moscow have indicated that Iran was considering Russia’s ‘step-by-step’ approach, which refers to the gradual easing of sanctions in return for Iran agreeing to abide by the obligations of the IAEA/UNSC resolutions. The US State Department spokesperson however discounted the view of the Iranian Envoy, noting that he was ‘not a central player, ... what’s most important is what Iran says and does at the negotiating table’.44

At Baghdad and the subsequent talks at Moscow, the issue of ‘sanctions relief’ almost scuttled the negotiations with Iranian diplomats accusing the US of ‘creating a difficult atmosphere’.45 Iran apparently wanted an almost immediate relief, including such issues as the sourcing of parts for its civilian aircraft fleet. The EU spokesperson on his part insisted that sanctions were a ‘matter of the law and they will come into force when they come into force’.46


Reports meanwhile indicated that the sanctions in place were having their intended effect. Global shipping companies for instance were reported to have become wary of carrying out oil trade with Iran and some of them announced their intent to stop calling on Iranian ports. This was because of difficulties in securing insurance coverage from London-based companies, which fund close to 90 per cent of insurance cover for total global oil tonnage.\(^\text{47}\) Iran’s Finance Minister also admitted to the difficulties during a visit to the UN in May 2012 when he stated, “...sanctions have created a lot of disturbances for us.”\(^\text{48}\)

Not just for Iran, but also for the countries of EU a solution to the crisis will be important. Before the decision was taken to impose an oil embargo, EU accounted for 20 per cent of Iran’s oil exports, with member countries facing serious economic problems like Greece securing 22 per cent of its requirements (others like Italy 13 per cent) from Iran. Reports noted that the six-month delay for EU sanctions to be operative (from July 2012 onwards) was precisely to let countries like Greece find alternative suppliers.\(^\text{49}\) Though they have been held to have reduced their imports from Iran by the US, the 180-day sanctions waiver to 10 European countries given on March 20 (which is renewable for another similar period) is dependant on these countries continuing to reduce their imports from Iran while making up for these reductions from other sources.


\(^{49}\) See n. 38.
Signalling resolve to sustain the current approach of increasing pressure on Iran through sanctions, important EU countries like Germany, UK and France which are also members of the G8 during their May 19, 2012 Summit at Camp David at Maryland urged the International Energy Agency (IEA) to take ‘appropriate action to ensure that the market is fully and timely supplied’ due to the ‘likelihood of further disruptions in oil sales and the expected increased demand over the coming months’. A lot though will depend on the outcome of the future interactions between Iran and its interlocutors given that the coming months will see EU oil embargo becoming effective (from July 1) and as noted above, US sanctions regime targeting foreign financial institutions including their central banks for carrying out business transactions with Tehran become operative from June 28.

II. Regional Dynamics

A. Israel’s Iran Dilemma

Israel has been at the forefront of efforts urging more muscular efforts including military strikes to deal with the Iranian nuclear issue. Israeli policy makers have long maintained that a nuclear capable Iran, coupled with its help to groups like the Hezbollah and Hamas, the rhetoric against Israel emanating from Tehran, and the ‘denial’ of extremely sensitive issues like the Holocaust constitutes an existential threat. The efficacy of such an action, however, has been the subject of much debate, with estimates of the period within which Iran will be able to get back to its pre-raid capabilities ranging from six months to three years at the most. Analysts have suggested that a military strike could in fact drive the programme underground and accelerate efforts to attain nuclear weapons capability, as happened in the case of Iraq after the 1981 Osiraq raid.51

Operational difficulties that have been pointed out include the possible loss of Israeli fighter pilots and planes over enemy territory, the issue of flying over Egyptian, Saudi/Jordanian and Iraqi airspace in order to reach targets 1000 miles away, the imperative of aerial re-fuelling to sustain the long flight time and limited Israeli capabilities in this regard, the issue of negotiating through Iranian air defences, possible repercussions of such an action on the 25,000 or more Jews living in

Iran, among others. Senior US analyst Michael Hayden, former Director of CIA, has plainly stated that a successful operation was ‘beyond the capacity’ of Israel.\(^5^2\)

Israeli insistence on military strikes has however been contingent on its estimates of the period within which Iran could achieve nuclear weapons capability. These estimates have however, varied widely. For instance, the then Israeli chief of Military Intelligence, Maj. Gen. Yamos Yadlin told the Knesset on March 8, 2009 that Iran has ‘crossed the technological threshold’ and that it will have the capability to make a bomb within a year.\(^5^3\) More recently, the outgoing Mossad chief estimated in early January 2011 that Iran would not develop a nuclear capability before 2015.\(^5^4\)

Some reports indicate that covert tactics have been employed by Tel Aviv (and Washington) aimed at sabotaging Iran’s nuclear efforts including its procurement networks. The apparently successful use of computer worms like Stuxnet to damage Iranian centrifuges has been one such effort. The Israeli secret service Mossad has also been speculated as being responsible for the ‘untimely’ deaths of members of the Iranian nuclear energy programme. The killing of Mostafa


Ahmadi Roshan in January 2012 in Tehran is the latest such instance of alleged covert efforts.55 The Chief of the Israeli Defence Forces (IDF) Lt. Gen. Benny Gantz informed the Knesset Foreign Affairs and Defence Committee in early January that ‘2012 will be a critical year in the connection between Iran gaining nuclear power, changes in leadership, continuing pressure from the international community and events that happen unnaturally [emphasis added]’.56

Major powers including US, Russia, Britain and Japan among others have cautioned Israel against carrying out military strikes. While British Foreign Secretary William Hague termed the option as ‘not wise’, Russian Deputy Foreign Minister Gennady Gatilov warned on February 22, 2012 that ‘any possible military scenario against Iran will be catastrophic for the region and for the whole system of international relations’.57 Japanese Prime Minister Yoshihiko Noda in a meeting with Defence Minister Barak warned that military action could be ‘extremely dangerous’.58

There has been a steady stream of high-level US officials including Gen. Dempsey, National Security Adviser Tom Donilon and Defence Secretary Leon Panetta visiting Jerusalem in January-February 2012 for greater consultations on Israeli thinking on the subject as well as to ostensibly urge Israel to let sanctions do their work.\(^59\) An Israeli official was cited as stating that after the three-day visit of NSA Donilon, which ended on February 20, 2012, ‘they became convinced the Americans would neither take military action, nor go along with unilateral action by Israel against Iran’.\(^60\)

It is pertinent to note that despite the tough talk on military option, Israeli policy makers including Prime Minister Netanyahu and Defence Minister Ehud Barak have not ruled out the importance of tougher economic sanctions forcing Iran to offer concessions at the negotiating table. Barak, for instance, told reporters in Tokyo on February 18, 2012 that there was scope for ‘tight, ratcheted’ sanctions before military option is considered. He, however, insisted that a military strike would become inevitable before Iran enters the ‘zone of immunity’ like North Korea.\(^61\) This has been described by analysts as a point where ‘it will not matter so much when Iran achieves a bomb; what will matter is that Israel will not be able to stop it’.\(^62\)

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Netanyahu, in an interview to an Israeli news channel on March 9, 2012 in the aftermath of his US visit, insisted that a military attack was not imminent, adding, ‘I am not standing with a stopwatch in hand. It is not a matter of days or weeks, but also not a matter of years’. In his remarks made at his meeting with Obama on March 5, Netanyahu insisted that ‘when it comes to Israel’s security, Israel has the right, the sovereign right to make its own decisions. ... Israel must reserve the right to defend itself’.

The dominant Israeli contention vis-à-vis the Iranian nuclear programme has been that Iran’s leaders cannot be trusted with nuclear weapons. The oft-quoted statement (or mis-quoted depending on which side of the divide one is) of President Ahmadinejad in October 2005 threatening to “wipe Israel off the map” is pertinent in this regard. In recent times, the chief of staff of the Iranian armed forces was quoted as stating on May 20, 2012 that Iran was ‘committed to the full annihilation of the Zionist regime of Israel to the end’.

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64 See n. 24.


Recent statements by serving as well as former senior Israeli officials over the issue of ‘rationality’ of Iranian leaders bring to light the continuing complexities for the Israeli government in responding to the ‘existential’ threat. The Chief of IDF Lt. Gen. Benny Gantz in an interview to Haaretz stated ‘I think the Iranian leadership is composed of very rational people’. However, he added that a nuclear capability ‘in the hands of Islamic fundamentalists who at particular moments could make different calculations, is dangerous’. Gantz’s views have to be seen in the context of opposition to muscular Israeli approaches as expressed by former Mossad chief Meir Dagan and former Shin Bet chief Yuval Diskin. The latter has termed Netanyahu and Barak as ‘messianic’ in their approach towards Iran.

Analysts opposed to the exercise of the military option point out to such public opinion polls as that conducted by the University of Maryland in November 2011 in Israel. These showed that 41 per cent of those surveyed were opposed to a military strike (as against 43 per cent which supported a strike) even though 62 per cent believed that it was very likely that Iran would eventually get a nuclear weapon. A poll by the same institute in February 2012 indicated

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that only 19 per cent of Israelis would support a military strike without the backing of the US. 42 per cent on the other hand indicated that they would support such a strike if there were US backing.71

The Netanyahu coalition government made up of right-wing elements meanwhile was strengthened on May 8, 2012 with the addition of the centrist Kadima (Forward) party of former Defence Minister Shaul Mofaz. Some analysts have contended that the move gives much needed political stability in case of a possible action against Iran. However, others note that Mofaz has been much more circumspect as regards a military strike against Iran while in opposition.72 Prior to the addition of the party founded by the former prime minister Ariel Sharon, Netanyahu had also talked about the possibility of holding general elections ahead of the October 2013 scheduled timetable to impart greater domestic and political stability in the light of a fluid regional situation. Israel meanwhile continues to be sceptical of Iranian concessions as a result of the renewed P5+1 diplomatic engagement.

B. The Saudi Lynchpin

The Gulf Cooperation Council (GCC) countries led by Saudi Arabia have been wary of the Iranian nuclear efforts and have urged that a solution be found to address their concerns. In February 2010, Saudi Foreign Minister Prince Saud Al-Faisal had expressed apprehensions about the effectiveness of sanctions, stating ‘sanctions are a long-term


solution (but) ... we see the issue in the shorter term because we are closer to the threat’.73 During a meeting of the GCC in November 2011, al-Faisal warned that ‘Tehran’s work to develop nuclear capabilities, which would allow it in the future to have nuclear weapons, would represent a clear threat to the security and stability of the region’.74 Saudi officials and analysts continue to insist that ‘Iran’s leaders should give up their goal of acquiring nuclear weapons and support, by deed, the creation of a zone free of weapons of mass destruction in the Middle East. ... We fully support the tightening of sanctions, assertive diplomacy, and concerted action via the United Nations’.75

Saudi Arabia is also important for a very obvious reason – that of being the world’s biggest oil exporter. As Western sanctions begin to bite and curtail Iranian supply, there is greater pressure on Riyadh to help meet world demand, especially from countries like India, China, Japan, and South Korea. India for instance is slated to import 32 million tonnes of crude from Saudi Arabia during 2012-13, as against 27 million tones during 2011-12.76 India is also seeking four


75 These views were expressed by former Saudi intelligence chief Prince Turki Al- Faisal during the course of a speech at the IDSA on December 15, 2011. Transcript of the speech is available at http://idsa.in/keyspeeches/ATourdHorizonoftheSaudiPoliticalSeas (accessed March 2, 2012).

million tonnes of additional crude from Iraq during 2012-13, its third biggest supplier. Riyadh has also pledged to Seoul during the visit of President Lee Myung-Bak to the region in early February 2012 that it will compensate for any loss of Iranian crude.

Saudi ability to meet world demand will therefore be critical given that the country is already pumping at its highest levels in nearly three decades. Saudi output in January 2012 was 9.9 million barrels per day (mbpd) and according to the IEA, the maximum pumping capacity of Riyadh was 11.9 mbpd. Analysts note that the two mbpd spare capacity (which in itself will be under the scanner given that Saudis never pumped at these high levels before) will be under pressure given increasing domestic demand during summer and lack of spare capacity from countries like Kuwait and United Arab Emirates. Riyadh has however been successful in stepping up production with its May 2012 output being 10.1 mbpd.

C. The Syrian Question

Apart from the complications arising out of the Iranian nuclear issue, the West Asian region continues to be in the grip of political turmoil that began with the ‘Arab Spring’. After popular revolutions rocked Tunisia, Egypt, Libya and Bahrain, political uncertainties continue in these countries. Post-Mubarak Egypt has seen the rise of Muslim Brotherhood and questioning of the country’s policies towards Israel. There has also been talk of restoring ties with Iran, cut after the 1979 Islamic revolution. Analysts note that though Iran is a rival, Egypt is

78 Ibid
more worried about Israel’s capabilities rather than Iran’s nuclear ambitions.\textsuperscript{79}

Syria is currently plunged into a serious political and humanitarian crisis. The regime of Bashar al-Assad continues to use its larger military assets to crackdown on the opposition groups almost a year into the crisis. The UN Security Council was told by the Under-Secretary General for Political Affairs in February 2012 that over 7,500 people have lost their lives in continuing violence.\textsuperscript{80} Reports note that Syrian rebels are being supported by sources as varied as Libya (with Russia accusing Tripoli of establishing a ‘training centre’ inside Libya) and the US (supplying anti-aircraft missiles among other arms).\textsuperscript{81}

Amidst calls by prominent Republicans like Senator John McCain for the US to intervene militarily, Defence Secretary Panetta and President Obama have insisted that the situation in Syria was much more ‘complicated’ than Libya for instance and that a unilateral military action would be a ‘mistake’.\textsuperscript{82} Among Western powers, while France has denied reports that its soldiers have been captured near


Homs, British Foreign Secretary has stated that his country would provide ‘non-lethal’ aid to the rebels. Reports have also noted that British Special Forces would help establish and enforce ‘safe zones’ for fleeing refugees. Apart from Syria’s long-term ally Russia, China has warned that continuing Western support to rebels might result in a ‘large-scale civil war’. Russia meanwhile has been accused of going ahead with the supply of lethal equipment like attack helicopters to the Assad government by Secretary Clinton. The insurance cover for a ship carrying these refurbished helicopters has reportedly been withdrawn in the aftermath of Clinton’s comments.83

The ‘Sunni’ countries of the region including Egypt and Saudi Arabia and the Arab League have criticised the Assad regime and pitched their support to the Syrian rebels. Saudi Foreign Minister asked rhetorically, ‘Is there something greater than the right to defend oneself’ and added that ‘the regime is not wanted by the people’.84 Reports noting Hamas support to the Syrian rebels cited worshipers at Al Azhar in Cairo shouting ‘No Hezbollah and no Iran. ... The Syrian revolution is an Arab revolution’.85 Even groups like the Al Qaeda have pledged their support to the rebels.86

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The UN-mediated ceasefire, meanwhile, came into effect on April 12 and the UNSC Resolution 2043 authorised the constitution of the United Nations Supervision Mission in Syria (UNSMIS) to oversee the implementation of ceasefire. Intermittent violence, however, has continued with UN Special Envoy Kofi Annan terming suicide bombings among other incidents by government as well as the opposition forces as ‘really worrying’. In the midst of these uncertainties and instabilities, the Assad regime went ahead with conducting parliamentary elections on May 7, which were boycotted by the opposition. The UN, the Arab League and the Red Cross on their part have warned that continuing instances of violence like that witnessed at Houla where over 100 civilians were massacred on May 25 could lead to a civil war in Syria.

In the above context of the difficulties being faced by the Assad regime, the Iran-Syria equation assumes significance. Two Iranian warships docked in the Syrian port of Tartus on February 19, 2012 in a show of support and to provide ‘maritime training’ to Syrian forces. It is pertinent to note that Tartus is the only operating overseas naval base for Russia. Iran is also reportedly supplying arms to the regime, including eavesdropping equipment that the regime is using to target opposition groups. Iran on its part has criticised Western support to the Syrian rebels as serving ‘the best interests of Israel’.


The possible loss of the Assad regime could be a big regional blow affecting Iran’s strategic calculations. Gen. James N. Mattis, head of the US Central Command, told a Senate hearing on March 6, 2012 that the loss of the regime would be ‘the biggest strategic setback for Iran in 25 years.’ However, senior US intelligence officials were cited as stating ‘off-the-record’ in early March that ‘though the odds are against’ the militarily-superior Assad regime, it was firmly in control and ‘going to fight very hard’.

D. Turkey: Key Diplomatic Facilitator

Turkey has been active diplomatically in a bid to restart the stalled negotiation process. After Foreign Minister Ahmet Davutoglu met his Iranian counterpart Ali Akbar Salehi in January 2012, prospects of re-starting negotiations brightened with Salehi expressing optimism about the outcome of such an effort. This was especially pertinent in the backdrop of the ramping up of unilateral sanctions measures by the US and the EU. In the aftermath of Jalili’s letter of February 14 to Ashton, Davutoglu after a telephonic conversation with Salehi


on March 1, 2012 stated that ‘negotiations could take place in a month’s time, in April at the latest’.  

The Turkish engagement on the issue goes beyond just being a host to negotiations involving Iran and its key interlocutors in the P5+1 process. Its most prominent involvement was the May 2010 nuclear swap deal that Iran entered into with Turkey along with Brazil. Iran was to have transferred 1200 kg of low enriched uranium to Turkey and then on to Russia for enrichment which would then pass it onto France for converting it to uranium fuel rods for use in the Tehran Research Reactor (TRR). The deal was similar to the terms of the October 2009 deal that Iran entered into with the Vienna Group (US, Russia, France and the IAEA). However, Western powers rejected the deal because Iran was in possession of greater amounts of LEU (2500 kgs) as compared to October 2009 (about 1500 kg).

The Iran-Brazil-Turkey deal was described as a ‘missed opportunity’ by Davutoglu. However, that deal had led to concerns in US-Turkey relations, given the important role that Turkey plays as a crucial NATO member state (since 1952) and US ally. Turkey was also one of the two countries (the other being Brazil) that voted against the UNSC Resolution 1929 in June 2010. The US Undersecretary for

Political Affairs William Burns admitted that the US was ‘disappointed’ with Turkey’s vote.\textsuperscript{96} Lebanon had abstained during that vote. It is pertinent to note that the only other country to have voted against the UNSC resolutions on Iran was Qatar, during the first vote on Resolution 1696 in July 2006.

Analysts note that Turkey’s willingness to host the P5+1 negotiations is based on two premises – Iran should guarantee that its nuclear programme does not have a military dimension while the P5+1 agrees that Iran has the right to develop peaceful nuclear energy.\textsuperscript{97} Despite supporting Iran’s peaceful uses of nuclear energy, playing a critical role as a diplomatic facilitator on the issue, and rising economic ties ($16 billion bilateral trade during 2011, with plans to increase it to $30 billion by 2015), relations between the two neighbours are far from cosy. This was most apparent when Turkey in September 2011 agreed to host a radar station in Kurecik, 700 kms from the Iranian border that will be part of the NATO and the US ballistic missile defence system. While the US officials hailed the move as the ‘biggest strategic decision between the United States and Turkey in the past 15 or 20 years’, President Ahmadinejad stated that it was not a ‘correct’ decision and that ‘such shields can’t prevent the collapse of the Zionist regime’.\textsuperscript{98}


Turkey has also repeatedly pointed out Western ‘double-standards’ regarding penalising Iran for its nuclear programme under IAEA safeguards and extant Israeli nuclear capability. For instance, Prime Minister Recep Tayyip Erdogan in October 2009 characterised sanctions on Iran as ‘arrogant’ and added that ‘... those who criticise Iran’s nuclear program continue to possess the same weapons’.99 Turkey on its part had signed the NPT in 1969 and ratified it in April 1980. It also signed and ratified the IAEA Additional Protocol in July 2000.

The Turkish role in the unfolding Syrian issue will also be crucial, given that it shares a 500 km border with the country. The success of a ‘no fly zone’, a ‘humanitarian corridor’ to refugees or arming the rebels would depend crucially on Ankara’s support. Turkey also played the role of a key facilitator by hosting the ‘Friends of Syria’ group meeting in Istanbul. President Abdullah Gul on his part has stated that Turkey is opposed to military intervention in Syria ‘from outside the region’.100

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100 See n. 90.
III. Iran: Domestic Political Dynamics

The future contours of the developments regarding the Iranian nuclear issue are also dependent on Iranian domestic political dynamics, which are in a state of flux. Elections for the 290 member parliament (Majlis) were held on March 2, 2012. Over 3400 candidates were in the fray. These elections were the first test of the popularity of Mr. Ahmadinejad after having won the June 2009 presidential elections (his second and final four-year term) in a controversial manner which saw large-scale violence and political unrest. The main fight was between Ahmadinejad’s supporters who formed the Resistance Front (Paidari) and conservative supporters of Supreme Leader Ayatollah Khamenei who organised themselves into the United Front (Motamed).101 Other conservative supporters of Khamenei represented in the elections include the Resistance Front (led by former IRGC Commander Mohsen Rezaei) and ‘The Peoples Voice’.

It is pertinent to note that there was no representation from the ‘Green’ movement, which was at the forefront of protests during and after the June 2009 elections. This was because of the crackdown on supporters of the movement – including the continuing house arrest of prominent opposition figures like Mehdi Karrubi and Mir Hossein Moussavi. Reports noted that the movement had in fact asked its supporters not to exercise their franchise and thereby register

their protest and seek to de-legitimise the result through the ensuing low turnout.\textsuperscript{102} The constellation of candidates in the fray for the parliamentary elections was also an indication that one of the important outcomes of the tough approach of the Western countries in enforcing punitive multi-lateral and unilateral sanctions against Iran could be the strengthening of the radical and conservative forces domestically.

The political divisions evident in the run-up to the elections were a continuation of the contentious relationship that Ahmadinejad has shared with Khamenei in the recent past. In October 2011 for instance, Khamenei had floated a proposal for the abolition of the post of president, which was not taken lightly by Ahmadinejad and others like former president Ali Hashemi Rafsanjani.\textsuperscript{103} The last time a major change in the political structure was effected was in 1989 when the office of prime minister had been abolished. It is pertinent to note that the person who held that position was Mousavi, the ‘Green’ politician currently under house arrest.\textsuperscript{104}

Given that his supporters got the upper hand in the elections winning close to 75 per cent of the seats, Khamenei, who is the ultimate decision-

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making authority on all matters of state including the nuclear issue, could seek to tune down the looming confrontation with the West in contrast to the defiant and confrontationist approach adopted by Ahmadinejad. On the other hand, Ahmadinejad and his supporters could ramp up the nuclear rhetoric in order to reclaim lost political space. However, given that they will be in a weak political position, there could be greater opportunities to reduce the ‘temperature’ and rhetoric regarding Iran’s nuclear quest.

In this context, it is pertinent to note the Supreme Leader’s views on nuclear weapons. Since issuing an oral ‘fatwa’ against nuclear weapons possession in October 2003, Khamenei has been re-iterating his position while at the same time supporting Iran’s peaceful pursuit of nuclear energy and his country’s current nature of interaction with the IAEA. Khamenei for instance in an address on state television on February 22, 2012 insisted that Iran was ‘not seeking nuclear weapons because the Islamic Republic of Iran considers possession of nuclear weapons a sin ... and believes that holding such weapons is useless, harmful and dangerous’.105 Foreign Minister Ali Akbar Salehi, echoing Khamenei’s remarks, insisted that Iran does ‘not see any glory, pride or power in the nuclear weapons, quite the opposite’.106

Secretary Clinton was quoted as stating that if Khamenei’s fatwa ‘is indeed a statement of principle ... it serves as the entryway into a

negotiation’. Analysts like Michael Eisenstadt and Mehdi Khalaji however, note that ‘nothing would prevent Khamenei from modifying or supplanting his nuclear fatwa should circumstances dictate a change in policy’. Others also note that despite Ahmadinejad’s poor showing in the elections, there would not be any change in Iran’s policies, given that ‘the force spearheading Iran’s anti-American policy ... was first and foremost Khamenei’.

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IV. India’s Dilemmas in the Evolving Situation

India’s continuing dilemmas in the rapidly evolving situation vis-à-vis the Iranian nuclear issue, are evident across three sets of important bilateral interactions. These include India-US, India-Israel and India-Gulf Cooperation Council (GCC). Each of these relationships is important for India in their own right. India shares one of its most important strategic relationships with the US. While annual trade exceeds $100 billion, India has also bought defence equipment worth over $8 billion from the US in recent times. Israel is a valuable ally in India’s defence modernisation and developmental needs. Annual trade between the two countries is currently worth over $5 billion, and both sides expect to double/even treble it in the near future after the free trade agreement (FTA), currently being negotiated, is finalised before December 2012. India has also bought defence equipment estimated to be over $9 billion from Israel. Bilateral trade with GCC countries during 2011-12 was $119 billion, coupled with massive presence of Indian citizens in these countries, numbering nearly 6 million and their substantial remittances into the country.

However, each of these important ‘strategic partners’ share mutually antagonistic relationship with Iran. While US-Iran and Iran-Israel relationship is non-existent since the 1979 Islamic revolution (even though Iran never formally recognised Israel, they shared a robust relationship prior to 1979), Iran is locked in a geo-political struggle for regional dominance with countries of the GCC led by Saudi Arabia. It is pertinent to note that the GCC was in fact formed in 1981 as a direct response to the Iranian revolution and its stated goal of exporting its brand of Islam to other countries.
India has tried to maintain a ‘pragmatic balance’ its relations with the above sets of actors as regards the Iranian nuclear issue in efforts to safeguard its core national interests, including its energy requirements, defence modernisation needs and safety and security of its citizens. India voted against Iran thrice at the IAEA (September 2005, February 2006 and November 2009) despite critics labeling such a policy as acting as a ‘surrogate’s surrogate’.\textsuperscript{110} India justified its decisions against Iran (for instance its Explanation of Vote after the third vote) stating that the conclusions drawn by the IAEA DG in his report of November 16, 2009 were ‘difficult to ignore’.\textsuperscript{111} Despite these votes, India hosted Ahmadinejad in New Delhi during April 2008, in a visit that was looked down on by Washington. A Wikileaks cable quotes the then US Ambassador David Mulford as stating that Ahmadinejad’s visit was an effort by India ‘to prove that it has an independent foreign policy ...’\textsuperscript{112}

India has also not stopped its defence engagement with Israel despite expressing vigorous opposition to such Israeli policies as ‘Operation Cast Lead’ during December 2008-January 2009, which led to the death of 1400 Palestinians. India has on the other hand balanced its burgeoning defence and economic engagement with Israel with limited

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\footnotesize{\textsuperscript{111} Rajya Sabha, ‘Vote against Iran’, Unstarred Question No. 3122, December 17, 2009, at http://rsdebate.nic.in/handle/123456789/291324 (accessed February 14, 2011).}

high-level political contacts with Jerusalem in contrast to more frequent contacts with the Palestinians, coupled with diplomatic, moral and economic support.\(^{113}\) India has also vehemently opposed the Israeli policy preference pertaining to military strikes as an answer to address concerns generated by the Iranian nuclear programme. The Ministry of External Affairs (MEA) had termed the exercise of such an option as ‘unacceptable international behaviour’ with ‘disastrous consequences for the entire region, affecting the lives and livelihood of five million Indians resident in the Gulf, and the world economy’.\(^{114}\)

India has in the past expressed its support for negotiations, opposition to unilateral sanctions while being part of multi-lateral UNSC-mandated sanctions regime, opposition to military strikes, and insisted on the important role of the IAEA as the lead technical agency to address concerns emanating from the Iranian nuclear programme. In the rapidly evolving situation, India’s policy determinants of strategic autonomy, regional strategic stability and national security will continue to be operative.\(^{115}\)

Evidence of these policy determinants ‘in action’ in recent times include India continuing its energy and trade cooperation with Iran despite rising roadblocks to such interaction. India for instance did not desist from sending a trade delegation to Tehran on March 9, 2012, despite US Congressmen viewing the move as hurting the

\(^{113}\) See S. Samuel C. Rajiv, ‘The Delicate Balance: Israel and India’s Foreign Policy Practice’, *Strategic Analysis*, 36(1), 2012, pp. 128-144.


international sanctions regime and aimed at thwarting the regime’s finances.\textsuperscript{116} In the light of ramping up of unilateral sanctions by the US and the EU in January 2012 and the targeting of the Central Bank of Iran, India’s Finance and Oil Ministers insisted that ‘it is not possible for India to take any decision to reduce the import from Iran drastically ...’\textsuperscript{117}

Such trade cooperation also seems not to be affected by the ongoing investigations into the February 13, 2012 attack on an Israeli Embassy vehicle in New Delhi, which purportedly show an Iranian hand.\textsuperscript{118} Israeli policy makers were quick to blame Iranian agencies and organisations supported by it, like the Hezbollah, for the ‘coordinated’ attacks on Israeli targets in Georgia, India and Thailand. President Peres and Netanyahu charged that Iran was the ‘headquarters of terrorism, of hatred and of war’ and ‘the largest exporter of terrorism in the world’.\textsuperscript{119}

India obviously cannot be immune to the antagonistic nature of affairs between countries with each of which it shares important bilateral relationships. However, it is important to note that the political


problems that these countries face in their relationships are not of India’s making, though India is affected by them. It is therefore crucial for India not to let itself or its territory be used for proxy wars between these countries. Cutting down on the nature of its interactions with either of these sets of countries in order to ‘please’ the other will neither help matters nor secure its core national interests.

India’s positions on regional uncertainties have also evolved based on dominant regional opinion, as is evident in the case of Syria. In August 2011 for instance, India abstained from voting against Syria at the UN Human Rights Council, as it held that ‘spotlighting and finger-pointing at a country for human right violations’ was not helpful.120 However, in the light of rising violence and mounting regional criticism of the actions of the Assad regime by regional players like the Arab League and the GCC, India voted in favour of the February 4, 2012 UNSC vote (vetoed by Russia and China) and the February 17 General Assembly vote condemning Syria for the violence.

The rising prices of oil in part due to the Iranian nuclear imbroglio continue to impact Indian economic considerations negatively. Finance Minister Mukherjee during his April 2012 visit to the US to attend the International Monetary Fund (IMF) and World Bank spring meetings indicated as such when he stated that the quantum of government subsidies have increased substantially as a result of the average oil price increasing from about $90 a barrel to about $110-115 a barrel.121


Despite facing difficulties for its economic well-being as well as on its energy security considerations in the aftermath of the scrapping of the Asian Clearing Union (ACU) mechanism in December 2010, India has made efforts to reduce its imports of Iranian crude. The Rajya Sabha was informed by the Minister of State (MoS) for Petroleum and Natural Gas on March 20, 2012 that while India imported 21.81 million metric tonnes (MMT) during 2008-09, its imports during 2011-12 (April 2011-January 2012) were 14.78 MMT.\footnote{Rajya Sabha, ‘Decrease in oil import from Iran’, Question No. 746, March 20, 2012, at http://164.100.47.4/newrsquestion/ShowQn.aspx (accessed May 24, 2012).} Further on May 15, the MoS told the Rajya Sabha that ‘the target fixed for import of crude oil from Iran for the year 2012-13 is approximately 15.5 MMT subject to techno-commercial and other considerations’.\footnote{Rajya Sabha, ‘Cut in oil import from Iran’, Question No. 4295, May 15, 2012, at http://164.100.47.4/newrsquestion/ShowQn.aspx (accessed May 24, 2012).} Reuters citing tanker discharge data noted that India’s imports from Iran were about 279,000 barrels per day (bpd) in April 2012 as compared to about 410,000 bpd in March and 450,000 bpd in April 2011.\footnote{Nidhi Verma, ‘India’s April Iran oil imports plunge 34 pct vs March’, Reuters, May 9, 2012, at http://in.reuters.com/article/2012/05/08/india-oil-imports-idINDE8ETO1020120508 (accessed May 24, 2012).}

Secretary Clinton during her visit to Kolkata and Delhi in May 2012 urged her interlocutors to continue to support measures to constrict Iran’s oil revenues. The US contends that Iran uses its oil revenues to fund its proliferation activities as well as the buying of dual-use equipment.\footnote{See Iran Sanctions Act Announcement’, March 29, 2011, at http://www.state.gov/r/pa/prs/ps/2011/03/159309.htm (accessed December 20, 2011).} As noted above, India was included in the list of
countries that were given the sanctions exemption on June 11. The US pressure on India to cut back on its oil imports from Iran is in tune with its ‘dual-track’ policy of ‘sanctions in pursuit of constructive engagement’, as stated by Clinton while announcing a new set of sanctions against the Iranian Revolutionary Guard Corp (IRGC)-owned companies and other entities like Iran Air on June 23, 2011.\textsuperscript{126}

Clinton affirmed in New Delhi during her press conference with External Affairs Minister S.M. Krishna that the April 2012 Istanbul talks held after a gap of 15 months and the Baghdad talks scheduled for May 23 were a result of sanctions pressure. She insisted that Iran would not have come back to the negotiating table ‘unless there had been the unrelenting pressure of the international sanctions. And this pressure must stay on if we want to see progress toward a peaceful resolution’.\textsuperscript{127}

It is however, pertinent to note that the past record indicates that such pressure has not elicited the required cooperation from Iran. This can be seen in Iran’s suspension of its implementation of the IAEA Additional Protocol (which it had signed in December 2003) on February 6, 2006 after its referral to the UNSC in the February 4 resolution of IAEA DG. It also went back on its decision to abide by the provisions of revised Code 3.1 of its Subsidiary Arrangement in March 2007, in the immediate aftermath of UNSC Resolution 1747.


The Iranian nuclear issue is at crucial crossroads because of the domestic, regional and international dynamics delineated above. The policy paper does show however, that there are reasons for optimism. This is on account of strong opposition from major powers to a military solution, Iran’s willingness to continue its engagement with the IAEA and P5+1, and international and even Israeli opinion in favour of giving sanctions more time to work. In the light of the above, the following section explores possible policy options for India.

- **Greater diplomatic role?** The above-flagged ‘optimistic’ trends are in tune with India’s policy preferences. It should be the effort of Indian diplomacy to strengthen these trends and expand the space for the application of ‘satisfactory strategies’ and reduce the range of ‘unsatisfactory strategies’ (National Security Advisor Shiv Shankar Menon’s term describing US policy options vis-à-vis the issue as cited in a US Embassy cable released by Wikileaks). India will have to do this currently without being a part of such efforts like P5+1. While there are no efforts on the table to expand the process to include regional heavyweights like India or Turkey (which is hosting the talks without being formally part of the structure), opinion from the region is in favour of India being part of such negotiations. India, in fact, is

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held to be better placed than Turkey (by some regional observers) to be involved, given the stakes it has in the resolution of the issue, its growing strategic profile coupled with its strategic restraint, among other positives.\(^{129}\) While a greater role by India to find a solution to the issue could naturally be expected to flow from the above facts – including as a mediator/interlocutor/host as being done by Turkey for instance, India cannot possibly take on such a role until expressly requested by the key interlocutors.

- **Maintain ‘pragmatic balance’:** India will have to continue follow a ‘pragmatic balance’ to manage its important relationships with the diverse range of actors involved in order to secure its core national interests. This calls for pro-active diplomacy and greater high-level engagement with the P5 + 1 countries, Tehran, Jerusalem, Riyadh, Dubai, Qatar and Istanbul to better know the strategic pulse in these countries regarding the issue, convey its concerns as well as safeguard its strategic and energy interests.

- **Special Envoy/Policy Coordinator?** A case could also be made for instituting the position of Special Envoy/Policy Coordinator on the Iranian Nuclear Issue. India has in the recent past instituted similar positions for crucial national interest issues like climate change and the Indo-US nuclear deal. India has been/is being affected by ramifications of the Iranian nuclear issue with important implications for its energy security, financial well-being, as well as regional strategic stability. Given the high stakes involved in the outcome of the Iranian nuclear imbroglio, such a position (possibly under the NSA) could be a useful addition to the policy making process to help coordinate various strands

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involved to arrive at optimum decisions. This is especially pertinent given that the issue affects different government ministries including Commerce, Finance, apart from different sections of the MEA. Another consideration could be that such a designated position will more forcefully convey the government’s intent to come to grips with the issue to both domestic as well as external constituencies. The media glare focussed on the issue during high-level diplomatic visits could be controlled to some extent as well if such a position is institutionalised.

- **Multi-lateral sanctions:** As regards future punitive measures against Iran, India has clear choice of voting against such a resolution if attempts are made at the UNSC to impose sanctions under Article 42 of Chapter VII of UN Charter (enforceable by military means). However, if a new resolution is sought to be introduced under Article 41 (as has been the case so far as regards the four UNSC sanctions resolutions vis-à-vis Iran), India’s dilemmas will be evident. This is because India has been insisting that it is not against multi-lateral sanctions but against unilateral measures. However, the possibility of such a move is precluded by the fact that the tough unilateral US and EU sanctions (according to reports as well as senior Iranian officials) have begun to seriously affect the Iranian economic situation negatively. With the onset of the EU oil embargo as well as measures targeting the transport of Iranian crude, the economic stakes for Iran could get higher. Other factors precluding such a possibility include Iran’s continuing engagement with the IAEA, as well as with the P5+1. Paradoxically however, the overwhelming view of the international community against the exercise of a military option and the current dominant position that sanctions should be given more time to work could create an enabling atmosphere for the imposition of more punitive multi-lateral measures if Iran is held to remain ‘intransigent’ in its positions. Iran meanwhile has
shown signs that it will take some measures to address the international community’s concerns. The possibility of a deal between Iran and the IAEA on a mechanism to address concerns regarding its past activities, the contours of which were purportedly agreed to during IAEA DG Amano’s visit to Tehran on May 21 is pertinent in this regard. The aftermath of the July Istanbul ‘technical’ talks and Iran’s interactions with the IAEA meanwhile will determine the level of comfort that Iran and the international community can generate regarding its future nuclear activities.

- **Adding to the weight of the international opinion:** India is a member of the UNSC as well as of key groupings like Brazil, Russia, India, China, South Africa (BRICS) and India, Brazil, South Africa (IBSA) Forum. Countries of these groupings have been engaged diplomatically in finding a solution to the issue, the May 2012 Brazil–Turkey nuclear swap deal being a pertinent example. Other prominent offers on the table include Russia’s step-by-step approach, elements of which are currently in the forefront of solutions in the aftermath of the Baghdad talks. India could encourage more of such efforts. The positions taken by India at such tri-lateral groupings like the Russia-India-China Foreign Minister’s meeting, the 11th round of which was held in Moscow in April 2012 – which reinforced the imperative of political and diplomatic dialogue to resolve the also issue, adds to the collective weight of the international opinion regarding the issue. This is also true of Indian opposition as well as Russian and Chinese positions, for the imposition of further punitive measures.

- **Tough choices on energy security:** India has tough choices on the energy front, given that it is the oxygen of its economic well-being. India cannot realistically suspend its energy cooperation
with Iran, as has been stated numerous times by Indian policy makers. Nor is such a suspension being asked of India, other than recommendations to reduce imports ‘significantly’. India has indeed taken steps to reduce its dependence on Iranian oil and is currently sourcing its requirements from more than 30 countries. However, India should continue to highlight its energy security compulsions in continuing its energy cooperation with Iran, specifically to meet its growing developmental needs. It is important to point out that any negative fallout on India’s growth story as a result of difficulties in sourcing energy from countries like Iran, which have some of the world’s biggest deposits of crude and natural gas, will also have a bearing on India-US/EU commercial ties in the short-to-long term. Efforts to diversify its oil sources should continue apace – especially to meet shortfalls from Iran. Indian policy makers should be alive to the fact that they could face challenges in this regard, given that countries like China, Japan, and South Korea among others have negotiated/are in the process of negotiating, deals to meet shortfalls from Iran.

- **Central Asia Connectivity Prospects**: India will have to continue to be prepared for the situation if and when the Iranian nuclear issue gets resolved or if some sort of solution is arrived at. It is in this context that India’s efforts regarding the North-South transportation corridor and its overall Central Asia policy is accentuated. Iran being the only land corridor to Afghanistan and its importance to Indian interests is equally pertinent. While keeping its options open on these aspects it is also important to note that India cannot suffer real limitations for its interests as regards its energy security considerations in the short-to-medium term in favour of some future indeterminable benefits that could be accrued from policy efforts which still face huge challenges to come to fruition.
India’s current policy of multi-sourcing its energy requirements, reducing imports from Iran, maintaining a ‘pragmatic balance’ in its key relationships in the region, and keeping its options open as regards its long-term economic and security interests in Central Asia and Afghanistan therefore, seems to be par for the course into the immediate future.
On account of pertinent international, regional and domestic dynamics, the Iranian nuclear imbroglio is at uncertain crossroads. There are however reasons for optimism. This is because of strong opposition from major powers to a military solution, Iran's continuing engagement with the IAEA and P5+1, and international and even Israeli opinion in favour of giving sanctions more time to work, in case Iranian 'intransigence' on its nuclear stance continues. In the light of the above dynamics, the Paper points out dilemmas being encountered by India and ends by exploring possible policy options in the evolving situation. It calls for continued pro-active diplomacy to secure India's core national interests, including the possible institution of the position of Special Envoy/Policy Coordinator on the Iranian Nuclear Issue, which could be a useful addition to the policy making process to help coordinate various strands involved to arrive at optimum decisions.

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