India’s Iran-Israel Balancing Act
Written by Sujata Ashwarya Cheema

Since establishing full diplomatic relations with Tel Aviv in 1992, India has sought to compartmentalize its relationships with Israel and Iran. However, maintaining this careful balancing act has become increasingly difficult as the Israeli-Iranian rivalry has intensified in recent years. The recent attack on Israel’s Ambassador to New Delhi—which many believe Iran was behind—has brought forth the imminent possibility that India will be sucked into a conflict from which it has thus far maintained a distance from. As the drumbeat of war against Iran becomes increasingly strident, India’s strategy of equidistance from, and continuous engagement with, the two conflicting regional powers has an important corollary. Utilizing its unique position as a neutral partner to both countries, India should proactively seek to tamper down the growing animosity between Iran and Israel. This is not only the best way for India to protect its interests in these particular countries, but would also help advance New Delhi’s larger goal of becoming a prominent, independent player in global affairs.

Indo-Iranian relations

India has important strategic interests in its bilateral relations with Iran and Israel. Energy ties form the backbone of the Indo-Iranian relationship. Despite its relatively vast domestic energy sources, India’s impressive economic growth has left it increasingly dependent on foreign energy. As the world’s fifth-largest net oil importer, India imported nearly 70% of the oil it consumed in 2010. The following year Iranian crude accounted for 12-13 percent of these oil imports, making Iran New Delhi’s second-largest oil supplier after Saudi Arabia. Additionally, Indian firms have $5 billion invested in Iran’s South Pars natural gas fields, even as American sanctions on Iran’s energy sector have curtailed India’s ability to make further investments.

Furthermore, given its unique geo-strategic location, Iran is India’s most logical conduit for projecting power into Central Asia and land-locked Afghanistan. Having established regional primacy, India is eager to expand its power and influence over the smaller states in its near abroad. Maintaining a cordial relationship with Iran is essential if India is to realize its ambitions in these prized geopolitical arenas.

Moreover, India and Iran share a common strategic objective of regional stability in southwest Asia. Both countries are particularly concerned about the likelihood of prolonged instability in Pakistan and Afghanistan. While India is primarily concerned about Pakistan’s leverage in Afghanistan, Iran is wary of the Taliban’s sectarian animus, especially in the context of the growing anti-Shia sentiment among Saudi Arabia and the GCC. Tehran is also concerned about the anti-regime Iranian terrorist group, Jundallah, using Pakistani territory to launch attacks on the Islamic Republic. The impending withdrawal of NATO forces highlights the immediacy and importance of Indo-Iranian strategic cooperation in Afghanistan.

In sum, although Iran was the only Middle Eastern country to have criticized India for normalising relations with Israel, New Delhi and Tehran have since come a long way in developing an understanding of each other’s strategic imperatives. While Iran has assiduously avoided making references to Israel in its dealings with India, Israel from time to time has expressed concerns over some issues in New Delhi-Tehran ties.

Indo-Israeli Relations
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During the first 40 years of Israel’s existence, India purposely distanced itself from Tel Aviv for a host of domestic and strategic reasons. Since the normalization of relations in 1992, however, India and Israel’s bilateral relationship has expanded rapidly. This is particularly true in the fields of defence, trade, science and technology. For example, bilateral trade grew by 500% between 1992 and 2000, when it reached $1 billion. Bilateral trade has grown another five-fold since, reaching $5 billion in 2011.

Defence cooperation continues to be New Delhi’s most important interest in the Indo-Israeli relationship. During the 1990’s, Israeli arms helped India fill the void that was created by the collapse of the Soviet Union. Defence Cooperation between the two countries has only broadened since, and now includes the supply of sophisticated military equipment, intelligence sharing, and joint research in missile technology. In 2008, moreover, Israel emerged as India’s largest arms supplier, surpassing Russia and crossing the $1 billion mark in defence contracts. The aggregate value of Indo-Israeli defence trade between 2000 and 2010 was estimated to be $10 billion. In the backdrop of its own adversarial relations with Iran and established Indo-Iranian ties, Israel has expressed concern at times that India might transfer its military equipment or technology to Tehran. Similarly, Iran strongly protested the ISRO, India’s primary space research body, launching Israel’s sophisticated Polaris spy satellite in January 2008 under the aegis of Indo-Israeli defence cooperation.

Indo-Israeli security cooperation is also based on a shared perception of dangers from terrorism and its purveyors. At the same time, this is not as strong an impetus as is commonly believed. In fact, this factor has often put India in an awkward position when Indo-Iranian strategic ties are taken into account. Israel’s depiction of Iran as the ‘epicentre of terrorism’ carries little resonance on the Indian side. The Jewish state’s perception of Iran is rooted in the latter’s long-standing support for the virulently anti-Israeli groups Hezbollah and Hamas. These Islamist groups are products of Israeli occupation and operate in a localised context. No such fears exist in India pertaining to their motives or of those of their Iranian backers.

India’s Iranian-Israeli conundrum

In an international environment where Iran faces increasing international isolation over its nuclear programme and relations with Hizbollah, Iran has emerged as a serious challenge to India’s bilateral relations with Israel. In recent years, Iran’s belligerent rhetoric towards Israel—such as President Mahmoud Ahmadinejad calling for Israel to be “vanish[ed] from the arena of time” and his questioning the historicity of the Holocaust—has made Tel Aviv extremely apprehensive. Accordingly, Israel’s foreign intelligence agency, the Mossad, is widely believed to be behind a string of covert attacks aimed at curtailing Iran’s nuclear program. This campaign has included the murky assassinations of a number of Iranian nuclear scientists; mysterious explosions at Iran’s industrial and military complexes; as well as the Stuxnet computer virus that infected Iran’s nuclear installations and destroyed thousands of centrifuges. Furthermore, Israel has repeatedly warned that it will carry out airstrikes against Iran’s nuclear facilities to prevent it from obtaining nuclear weapons. From India’s perspective, these threats introduce a new factor into the equation: the question of regional stability in the near future.

It is in this context that last month’s attack on an Israeli embassy official in the heart of New Delhi occurred. The New Delhi attack took place alongside similar attacks against Israeli embassy officials in Georgia and Thailand. Israeli officials including Prime Minister Benjamin Netanyahu and Defence Minister Ehud Barak immediately accused Iran of orchestrating the assassination attacks. Their claims gained some credence after it was discovered that an assailant who had accidently blown himself in the Thailand attacks was an Iranian national. Thai officials also later arrested three Iranians in connection with the attacks.

The New Delhi attack may have brought the Iran-Israel battle to India, a scenario India has dreaded for some time. As a country that has a strategic interest in maintaining close ties with both Iran and Israel, India is clearly uneasy over the dangers posed by escalating tensions in its proximate neighbourhood. To date, India has been fairly successful, albeit only with great effort, at maintaining a fragile balance between its relations with these two adversaries. In the context of growing Israeli-Iranian animosity, this policy may be no longer tenable.

To secure its significant interests in both countries, New Delhi must adapt to this changed reality by working towards
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a rapprochement between Iran and Israel. Through bold diplomacy India could translate its economic leverage with both countries into political influence. Bereft of any meaningful relations in the last thirty years, Iran and Israel are uncertain of each other intentions and fear for their own security.

To begin with, India must firmly convey to both parties that it would only support a diplomatic solution to the crisis. New Delhi could then demonstrate its willingness to be engaged as an interlocutor, building upon the relations of trust that it has built over the years with the regional rivals. Israel is concerned Iran is developing nuclear weapons that could be used against it. Iran has its own fears of security emanating from adversarial relations with the United States and its regional allies. Therefore, it would be important to address the question of Iran’s nuclear ambition within the context of a regional security framework, which would also take into account Israel’s security perception. Such a framework would be based upon mutual recognition and guarantees of all the states in the region. More generally the basis for such a framework would be the resolution of other outstanding regional conflicts involving the Jewish state.

Mediating a comprehensive settlement of the Iranian-Israeli standoff would not only help India secure its particular interests in both countries. Indeed, it is also wholly consistent with New Delhi’s desire to extend its influence throughout the Asian landmass, and would also serve as a powerful demonstration of India’s larger role on the world stage.

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