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# CONTENTS

Editor's Note	v
1. Xi's Strategic Vision to Integrate Taiwan into the 'China Dream' <i>Bhavna Singh</i>	1
2. Russia-Ukraine Relations Today: Interests and Challenges <i>Chandra Rekha</i>	17
3. Iran: 40 Years after the Revolution <i>Dhiraj Kukreja</i>	27
4. Three Reasons Why Hanoi Summit between the US-DPRK Failed <i>Hina Pandey</i>	41
5. External Powers in India-West Asia Relations: An Overview <i>Anu Sharma</i>	51
6. JCPOA Crisis: Implications for Iran and Regional Geo-Politics <i>Nasima Khatoon</i>	67

CONTENTS

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7. Nuclear Energy in West Asia 79  
*Stuti Banerjee*
8. An Overview of the Relations after India's Foreign  
Secretary's Two-Day Visit to Moscow 89  
*Indrani Talukdar*

# XI'S STRATEGIC VISION TO INTEGRATE TAIWAN INTO THE 'CHINA DREAM'

**BHAVNA SINGH**

Eversince the diplomatics switchover of the legitimate representation of China from the Republic of China (ROC) – which was based in Taiwan – to the People's Republic of China (PRC) in 1971, Taiwan has found it extremely difficult to establish a sovereign identity on its own merit on the global stage. The current status quo between the two sides of “no unification and no independence” reflects nothing but the confused sense of identity originating from being half-citizens to half-renegades. And despite the utmost priority given to the task of reunification in its Constitution, the PRC has not been able to assimilate this “sacred territory” into its United Front. In the light of the 1992 consensus on the “One China Principle”, which is subject to interpretation by both sides, this paper attempts to contextualise the ongoing tussle between the PRC and ROC; the former seeking ‘step by step’ assimilation and the latter demanding political representation internationally and relative autonomy within the cross-strait framework.

The paper probes the relative merits and demerits of the respective positions taken by the two sides. Beijing insists on the “one country two systems” formula under which Taiwan will

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become a “special administrative region” within the purview of the PRC’s Constitution. On the other hand, the voices in Taiwan are more fractured, with some groups aspiring for the “one country three Constitutions” formula for cross-strait integration and demanding treatment as equal “constitutional order subjects”, while other groups are vehemently pursuing a distinct Taiwanese identity which should refrain from giving up its sovereignty and joining hands with Communist China. It further examines the policy options available to both in terms of reunification vis-a-vis independence in view of the asymmetric hard power of the two sides, especially under Xi Jinping.<sup>1</sup>

### **HISTORICAL BACKGROUND**

Beijing’s Taiwan policy remains embedded in its overall domestic and international strategic calculus. Till 1979, a military solution to the problem had dominated the minds of the leadership which saw it as an extension of the unfinished civil war in the mainland. Yet, Beijing’s official slogan “liberating Taiwan”, was not substantiated in any operational plans to liberate Taiwan after the US deployed the 7th Fleet in the strait. Following the Korean War in 1950, when the People’s Liberation Army (PLA) was compelled to abort a massive amphibious attack against Taiwan in June 1950, Beijing has avoided military means, especially since the US deployed the 7th Fleet in the strait (except for the bombardment of the Kinmen Islands in 1958). In fact, Mao’s Taiwan vision became strategic and less confined to the geographic setting of the Taiwan Strait; rather, his central concern was how to play the Taipei card in the Cold War power game, not merely by reunification through military actions.<sup>2</sup> The strategy that has since been followed is one of “protracted confrontation”, as Taiwan continues to claim the entire China under the Republic of China (Taiwan). It is, in fact, unfortunate that Mao lost the only opportunity to assimilate Taiwan into China by force right after the establishment of the PRC.

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1. This paper is a part of the author’s larger project at the Centre for Air Power Studies (CAPS).
  2. You Ji, “The Evolution of Beijing’s Military Strategy Toward Taiwan” in Yufan Hao and Bill K P Chou, *China’s Policies on its Borderlands and the International Implications* (World Scientific, 2011), pp. 165-198.

Geographically, Taiwan had been a part of the Chinese mainland until the shifting of the earth's crust created the Taiwan Strait. In the period of the three kingdoms, Sun Quan sent Wei Wen at the head of a 10,000-man army to Yi Zhou (Taiwan). During the Yuan dynasty (established in 1271 AD by Kublai Khan, the first non-Han ruler to establish a dynasty in China), the Penghu patrol and inspection bureau was established to govern Taiwanese affairs (till 1604, when the Dutch invaded the Penghu Island).<sup>3</sup> In 1661, the national hero Zheng Chenggong led troops to take back Taiwan and the following year expelled the Dutch. In 1683, Emperor Kangxi dispatched troops led by Shi Lang that defeated Zheng Chenggong's army and realised the unification of Taiwan with the mainland. Taiwan was forced to be ceded to Japan when it defeated China in the Sino-Japanese War (1895), but returned to China in 1945 based on the 1943 agreement between Chiang Kai-shek and President Franklin Delano Roosevelt (the Cairo Declaration). In 1954, the United States signed a mutual defence treaty with Chiang Kai-shek's government that marked the element of separatism in the Taiwanese-Chinese relationship.

Deng Xiaoping's economic reforms in 1978, the opening up of China by adopting flexible development strategies suitable for the mainland's conditions and borrowing the successful economic experiences of neighbouring East Asian countries allowed China to quickly surpass Taiwan's outstanding foreign reserves. This shift in economic ascendance was also visible in the diplomatic arena as most countries switched their recognition of an official 'China' to the PRC which repeatedly stressed in unequivocal terms that it would not renounce its territorial claim over the island. As of 2019, 18 countries out of the world's 195 sovereign states recognise Taiwan/ROC<sup>4</sup> and 177 recognise the PRC as the sole legitimate government of China (if both the PRC and Bhutan<sup>5</sup> are included). Meanwhile, the ROC maintains membership in several government-to-government organisations as

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3. "White Paper on The Taiwan Question and Reunification of China", August 1993, Beijing, China, <http://www.china-embassy.org/eng/zt/twwt/White%20Papers/t36704.htm>. Accessed on July 23, 2018.

4. These include 21 UN member states and the Holy See.

5. Bhutan is the only country that has not officially recognised either the PRC or the ROC.

an observer, associate member or cooperating member/non-member for the purpose of conducting economic exchanges, and uses different names to represent itself abroad, e.g. ROC, Taiwan, Taipei China, Chinese Taipei, Chinese Taipei Separate Customs Territory and Taiwan Penghu Kinmen and Matsu (Taipei Economic and Cultural Centre in India).

The creation of a separate Taiwanese identity was driven by the historical circumstances of Taiwan's handover to the Chinese authority after almost 50 years of Japanese colonial rule. The 228 incident of 1947, where the Kuomintang (KMT) brutally suppressed an indigenous uprising after failed negotiations on equal representation of indigenous Taiwanese in the political and administrative institutions of the province, came to play a pivotal role in propagating a different Taiwanese identity, which, in turn, legitimised the strife for an independent Taiwanese nation. The memories of this incident have been reinterpreted several times over the decades in an attempt to appropriate its legacies for political purposes by the two major political parties in Taiwan, especially reviving the 228 hand-in-hand rallies all over the island. The 228 Peace Day Association has held several commemorative events revolving around the incident, the legacy of which is being largely coopted by the Democratic Progressive Party (DPP) by resorting to the tactics of "delegitimization by shame" of the other party. By 1997, the year that marked the opening of the 228 Museum in Taipei, most demands of the movement had been met and February 28 had been declared as a national day of remembrance. At the same time, Lee Teng Hui succeeded Chiang Ching-kuo as Taiwan's top leader and starting 1995, he promoted his policy of the so-called Taiwanisation of the Republic of China on Taiwan and "special state-to-state relationship". He shredded the one China consensus achieved in 1992.

However, Beijing responded quickly to the US' entanglement in the Taiwan issue and, in 1996, it conducted several rounds of military exercises in response to Lee's visit to the US. Nevertheless, the concept of the "*New Taiwanese*" based on the inhabitants of the island of Taiwan became more prominent hereafter, which established that all ethnic sub-groups of Taiwan residents were



to be regarded as equally sharing a Taiwanese identity based on a subjective identification with, and love for, Taiwan, thereby, transforming from an ethnic-based conceptualisation to a political term for the “citizens of Taiwan.”<sup>6</sup>

This was also abetted by Lee Teng Hui’s push for Taiwan’s return to the UN and his ‘educational reforms’ with a 10-year programme to construct a “Taiwan ethnic and cultural identity” and a new nation-state building project under the “concentric circle” concept of history. In 1999, he introduced the “special state-to-state relationship” and in 2002, Chen Shui-bian proposed the one country on each side which set off high cross-strait tensions, leading to the abrupt halt of the contacts between the Association for Relations Across the Taiwan Strait (ARATS—an organisation set up by the PRC for dealing with technical or business matters with the ROC) and the Strait Exchange Foundation (SEF—the ROC’s counterpart to ARATS). While both major parties continued building narratives of collective memories around the 228 incident and other discourses, the Taiwanese identity has exhibited a phase of consolidation in the last two decades.

Most popular perceptions have been shaped as a result of the symbiotic trade relationship between the mainland and the island but trade exchanges have not necessarily translated into support for integration with the mainland. Several surveys have tried to identify these trends amongst which the Mainland Affairs Council (MAC) survey tried to gauge the Taiwanese people’s preference regarding the “unification vs. independence ideology” but found that they are caught in a dilemma and are confused over Taiwan’s future. The survey tried to gauge the support for the broadly defined status quo—including the status quo now on making decisions later, the status quo now leading to reunification, the status quo now leading toward independence and the status quo permanently. It revealed that among the 87.5 percent of those polled, the highest preference was for status quo now and making the decision later (33 percent) followed by 29.8 percent favouring

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6. Stephane Corcuff, “Taiwan’s Mainlanders, New Taiwanese?” in *Memories of the Future: National Identity Issues and the Search for a New Taiwan* (New York: ME Sharpe, 2002), p. 188.

the status quo permanently. Significantly, it rephrased the option for Taiwan's "soonest independence" to "the soonest declaration of independence" signifying an attitude that they considered themselves to be de facto independent.

The discourses on Taiwan's independent status, its claim to sovereignty, boundary distinctions and advocacy of actions that reinforce this position are largely shaped by the leadership. For instance, Ma Ying-jeou does not refer to 'Taiwan sovereignty' and prefers to talk about the sovereign jurisdiction of the ROC, while Chen Shui-bian holds the reverse position.<sup>7</sup> Recent surveys (2016) suggest that the share of the Taiwanese people who consider themselves as Chinese/*zhongguo ren* as opposed to Taiwanese or a mix of the two has shrunk to 3.5 percent. A major poll conducted before the 2016 election found that the respondents were more concerned about domestic (economic) issues as opposed to relations with China.<sup>8</sup> In sum, what the Taiwanese objected to was being referred to as Chinese nationals as the term has become synonymous with PRC citizens, even though they share cultural and social affinities with the Chinese nation. The consolidation of the Taiwanese identity has been stronger as popular perceptions reject unification with the mainland even if China were to become more democratic, the lack of which has been held to be the main reason why the Taiwanese did not want to unify with the mainland.

### **ECONOMIC INCENTIVES AS CHINESE ANTIDOTE TO TAIWANESE NATIONALISM**

Beijing continues to adhere to the one country two systems formula for peaceful reunification with Taiwan and advocates the use of functional cooperation as a strategy for integration, as the neo-functionalists believe the spillover effects of economic integration will gradually create the need for further integration

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7. Jonathan Sullivan and Eliyahu V Sapir, "Strategic Cross-Strait Discourse: A Comparative Analysis of Three Presidential Terms", *China Information*, 27 (1), 2013, pp. 11-13.

8. Richard C. Bush, "Taiwan Election: Voters Turn their Backs on Closer Ties with China", January 17, 2016, <http://edition.cnn.com/2016/01/16/opinions/taiwan-election-china-united-states-richard-bush/index.html>. Accessed on July 20, 2018.

in politics.<sup>9</sup> Towards this goal, China's primary strategy for integrating this renegade province is doled out in economic terms or the political patronage policy whereby Beijing seeks to target Taiwanese business as leverage to urge Taipei to accept the 1992 consensus, which is, to a certain extent, in line with Ma Ying-jeou's propositions of "economy first and politics later" and "easy things first, difficult things later".

In general, "peaceful development of cross-strait relations" has been its *mantra* since 2004, endorsed further in the Party's National Congresses in 2007 and 2012. With the ascendance of the fourth generation PRC leaders, headed by Hu Jintao, Jiang Zemin's policy of non-contact was quickly supplanted with that of engagement as Jiang's timetable for reunification was dropped.<sup>10</sup> Consequently, the mid-2000s witnessed a series of unilateral trade concessions, especially in the agricultural sector; this 'generosity' was, however, not welcomed by the ruling DPP which feared that the trade concessions would eventually entice Taiwanese farmers to vote for the opposition KMT.<sup>11</sup>

Nonetheless, a forward push to Beijing's strategy on Taiwan was provided by the KMT's return to power in 2008, preceded by the ice-breaking visit of KMT Chairman Lien Chan in 2005 which endorsed the "Five Points Common Vision". Based on the '1992 consensus', both sides signed 23 agreements through 11 rounds of negotiations via the ARATS and SEF, which included the Economic Cooperation Framework Agreement (ECFA) inked between Chen Yunlin, president of the mainland's Association for Relations Across the Taiwan Strait, and Chiang Pin-kung, chairman of Taiwan's Straits Exchange Foundation and the Service Trade Agreement. In effect, the signing of the ECFA was supposed to usher in a new era for both sides and have a profound bearing

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9. Suisheng Zhao, "Economic Interdependence and Political Divergence: The Emerging Pattern of Relations Across the Taiwan Strait", *Journal of Contemporary China*, 6(15), 1997, pp. 177-197.
  10. Chen Kai-Chien, "Comparing Jiang Zemin's Impatience with Hu Jintao's Patience Regarding the Taiwan Issue, 1989-2012", *Journal of Contemporary China*, 21(78), 2012, pp. 957-958.
  11. Stan Hok-wui Wong and Nicole Wu, "Can Beijing Buy Taiwan? An Empirical Assessment of Beijing's Agricultural Trade Concessions to Taiwan", *Journal of Contemporary China*, vol. 25, no. 99 2016, pp. 353-371.

on the peaceful development of cross-strait relations as well as the prosperity and stability of East Asia. It was not only meant to facilitate Taiwan's recovery from the global financial crisis but also symbolise a response from both sides to pursue a more integrated regional economic model of development. Perceptions were, however, divided on whether such an agreement was solely oriented towards unification, as was revealed in the conference of "Two Shores of the Strait over the past Six Decades" (*liangan yi jiazi*) held in Taipei in 2009.<sup>12</sup>

Broadly speaking, the economic engagements under President Ma Ying-jeou, especially under the arrangements of the ECFA, were meant to augur a more pro-China stance, but these benefits came to be questioned during his second term in office. The DPP especially interpreted Beijing's beneficiary treatment of Taiwan as "bullying or bribing" tactics with the ultimate goal of annexing Taiwan. Sceptics called the ECFA a "trap",<sup>13</sup> and a "political tool that masquerades as a trade instrument".<sup>14</sup> Even mainland analysts conceded that the ECFA was more favourable to the interests of the mainland

The business opportunities and benefits created by the ECFA will keep Taiwan's public more positive about the peaceful development of cross-straits relations and deter "Taiwan independence" activities of the Democratic Progressive Party and the Taiwan Solidarity Union, which have organised street demonstrations and taken legislative measures in an attempt to block the approval of the ECFA.<sup>15</sup>

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12. For more information, see Xin Qi, "Bawo jiyu, cujin liangan guanxi heping fazhan" (Catching the opportunity and promoting peaceful development of cross-strait relations). Paper presented at a symposium on Peaceful Development of Cross-Strait Relations and Opportunity Management, Beijing, August 31, 2009; Zhu Weidong, "Guanyu liangan helping xieyi de jiben neirong" (On the basic contents of the cross-strait peace agreement). Paper presented at the First Forum of Cross-Strait Peace, Shanghai, October 11-12, 2013.
  13. Dennis V Hickey, "Rapprochement Between Taiwan and the Chinese Mainland: Implications for American Foreign Policy", *Journal of Contemporary China*, 20(69), 2011, p. 243.
  14. William Lowther, "Taiwanese-Americans Attack ECFA", *Taipei Times*, May 22, 2010.
  15. Deng Yunguang and Ding Xin, "A Milestone in Cross-Straits Relations", *Beijing Review*, July 22, 2010, <http://www.cnki.net>. Accessed on September 21, 2016.

The growing economic antagonism between the two sides is visible in the popular backlash, for instance, to that of the Cross-Strait Service Trade Agreement (CSSTA), leading to the occupation of the legislature by several protestors for 23 days in early 2014. The incident was allegedly a reaction to the article published in the *Global Times* on February 21, 2014, entitled "Beijing's Strategy to Buy Taiwan: Coerced Unification without Firing a Shot". The growing anxiety amongst the Taiwanese over the rise of mainland China and Taiwan's economic dependence on the mainland is becoming visible in the manifestation of movements like the Sunflower Students Movement in Taiwan in May 2014.<sup>16</sup>

At the same time, there is a growing section of voices that oppose China's patronage to Taiwan, which is a larger reflection of the growing economic nationalism and local protectionism.<sup>17</sup> New reports reveal that Taiwanese businesses are being crowded out of China's markets as a result of the growth of Chinese state-owned enterprises and local private firms<sup>18</sup> and local governments have begun infringing on Taiwanese business property. It was mainly the KMT that benefited from its acceptance of the 1992 consensus that now continues to argue in favour of greater economic integration. In comparison, however, the Ma administration remained much less enthusiastic than Beijing in endorsing the track-two dialogues<sup>19</sup> as was visible from the absence of representatives in the meetings conducted between the two sides.

Beijing, for its part, has continued offering generous loans to Taiwanese businesses, relaxing travel restrictions and tolerating a modest increase in the international space for the ROC.<sup>20</sup> Benefitting from such arrangements, entrepreneurs and factory managers are the most

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16. Yang Zhong, "Explaining National Identity Shift in Taiwan", *Journal of Contemporary China*, vol. 25, no. 99, 2016, pp. 336-352.

17. Yi-wen Yu, Ko-Chia Yu and Tse-Chun Lin, "Political Economy of Cross-Strait Relations: Is Beijing's Patronage Policy on Taiwanese Business Sustainable?" *Journal of Contemporary China*, vol. 25, no. 99, 2016, pp. 372-388.

18. Ibid.

19. The Peace Forum, co-hosted by seven semi-official academic institutions on each side which include the mainland-based National Society of Taiwan Studies and the Taipei-based 21st Century Foundation, had its first conference in October 2013 and the second round in 2015.

20. David Brown, "China-Taiwan Relations: Beijing Prefers to Tango with the Opposition", *Comparative Connections*, 7(3), 2005, pp. 83-90.

prominent groups who have taken permanent residence on the Chinese mainland. While scholars like Lee Chun Yi and others believe that this business community [Taiwan Business Associations (TBAs)] is able to wield economic clout to shape the policy agenda of local governments through a vibrant relationship with local government authorities, others argue that they do not have much leeway in influencing provincial and national policy-making.<sup>21</sup> There are no substantial indications on how effectively these organisations influence the domestic discourse on the cross-strait relationship either.

### PERCEPTIONS AND IMPLICATIONS FOR CHINESE DREAM

A renewed appeal to maintain an indivisible China has been emphasised under the successive leaderships. Even the current President, Xi Jinping has acceded to the fact that although the mainland and Taiwan are yet to be reunited, the need to work towards national renewal by addressing historical traumas, thus, writing a shining page in China's journey towards prosperity, remains.<sup>22</sup> He reviewed the challenge from "Taiwan independence" which remains a real threat to the peace of the Taiwan Strait and the need to address it without any compromise. Military means to coopt Taiwan into the mainland have been reviewed, especially after the 2005 Anti-Secession Law. Xu Caihou, one of the three vice chairmen of the Central Military Commission of the Chinese Communist Party and one of the early architects of China's Taiwan policy, has stated that China will not change its current military strategy as a hostile relationship still exists between the two sides of the Taiwan Strait.<sup>23</sup> Taiwan, in fact, remains at the heart of China's unification problem.

The current Chinese leadership hopes to boost cross-strait economic cooperation under the concept of "one family" for the great renewal of the Chinese nation. Taiwan remains at the crux of the

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21. Gunter Schubert, "Assessing Political Agency Across the Taiwan Strait: The Case of the *taishang*", *China Information*, 27 (1), 2013, pp. 51-7.

22. Xi Jinping, "Handle Cross-Straits Relations in the Overall Interest of the Chinese Nation", June 13, 2013, in Xi Jinping, *The Governance of China* (Foreign Languages Press, 2014).

23. "The Vice Chair of the Military Committee of the Central Party Committee: China Will not Lower the Military Force against Taiwan", *United Daily*, July 3, 2008, <http://udn.com/> (Passed on March 14, 2005). Accessed on March 23, 2019.

great game between the US and China, which the mainland intends to retain at all costs. In his talks with Xiao Wanchang (Vincent Siew), honorary chairman of the Cross-Strait Common Market Foundation of Taiwan and his delegation, Xi Jinping emphasised, "All of us, whether from the mainland or Taiwan, are members of the Chinese nation, and both economies are those of the Chinese nation. Giving more consideration to the needs and interests of our Taiwan compatriots, we will offer the same treatment to Taiwan enterprises as to the mainland enterprises in the fields of investment and economic cooperation, sooner rather than later, and provide greater scope for enhancing cross-strait economic cooperation."<sup>24</sup> This statement reflects a continuity of approach as far as the national goals of the leadership are concerned but some of these may be simply empty promises or even difficult to achieve for the leadership on either side.

Under the larger historic mission of the reunification of the motherland, the leadership calls for the compatriots in Taiwan to join hands in supporting, maintaining and promoting the peaceful growth of cross-strait relations, improving the people's lives on both sides of the Taiwan Strait and creating a new future for the Chinese nation.<sup>25</sup> In addition, Xi Jinping, in his meetings with several pro-unification and pro-integration delegations from Taiwan, has used terms such as "two shores, one close family" (*liangan yijia qin*) and "both sides effecting the Chinese dream" (*gongyuan zhongguo meng*) to convey the ideas that "both mainland and Taiwan belong to one China" and, "striving for reunification". Even his predecessor Hu Jintao had laid top priority on "building mutual trust" for the purpose of gradual integration of the Taiwan province, recognising that the fundamental national security interests of China were involved. In his "Six-Point-Proposal" for future developments in the cross-strait relations, Hu called for a comprehensive economic cooperation agreement, more political dialogue, and ways to accommodate Taiwan's aspirations to international space.<sup>26</sup> The need to rein in the autonomy of the island

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24. Xi Jinping, "Create a Better Future for the Chinese Nation Hand in Hand", in Jinping, n. 22, pp. 252-255.

25. Xi Jinping, "Address to the First Session of the 12th National People's Congress", March 17, 2013, in *Ibid.*, pp. 40-46.

26. Richard Weixing Hu, "Taiwan Strait Détente and the Changing Role of the United States in Cross-Strait Relations, *China Information*, 27(1)m, 2012, pp. 31-50.

has been ever greater since China does not want it to be used as an "unsinkable aircraft carrier"<sup>27</sup> by the US even though it might resort to similar actions internally after the integration.

The Taiwanese national discourse, on the other hand, has witnessed more oscillation, as demonstrated in the presidential speeches. In an analysis of 4,902 speeches given by Chen Shuibian and Ma Yingjeou between May 20, 2000, and June 30, 2011, Sullivan and Sapir decipher the content, audience and motives behind their respective China strategy and global response. While Chen tried to bolster support for his "Taiwan first" programme by appearing "statesmanlike", Ma's embrace of the 1992 consensus, Three No's (no unification, no independence and no use of force), mutual non-denial and a diplomatic truce with the PRC resulted in a different international reaction to Taiwan. The authors deduce that Chen progressively emphasised his Taiwanisation agenda, as reflected in his speeches where the mention of the term "Taiwan identity" increased over time (almost 60 percent of his speeches, by the end of his term). The authors also demonstrate how the business interests of the *Taishang* organisations and other commercial groups were substantially increasing in Taiwan's domestic politics.

## STRATEGIC DIMENSIONS

It remains to be seen how the cross-strait relationship will evolve in view of Xi's and Tsai's equation over the last few years. Though Ma Yingjeou had emphasised the need for respecting reality, the DPP's ideology (though difference of opinion exists within the party) lays heavy emphasis on Taiwanese nationalism and the notion of Taiwan that is culturally and politically distinct from mainland China. President Tsai Ing-wen is aware of the extant complexities in handling the mainland affairs as she had previously admitted that the party's unworkable mainland policy – especially under Chen Shui-bian, which included a referendum on joining the United Nations and revision of textbooks to indicate separation of Chinese and Taiwanese history – was one of the main reasons that prevented his electoral victory in the two-in-one 2012 elections, since he had chastised Beijing's gestures as united front

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27. Andrew J Nathan, "China's Goals in the Taiwan Strait", *The China Journal*, no. 36, July 1996, pp. 87-93.



tactics.<sup>28</sup> So, of late, President Tsai has tried to reassure Beijing and the international community of her support for a consistent, predictable and sustainable cross-strait relationship based on existing realities and political foundations<sup>29</sup> and called for responsibility from both sides “to do their utmost to find mutually acceptable ways to interact ... and ensure no provocation and no surprises”.<sup>30</sup>

At the same time, Taiwan under Tsai has responded to China’s military build-up by developing missiles and interceptors of its own that could reduce Beijing’s military advantage. Though Taiwan’s capabilities remain asymmetrical, the Hsiung Feng IIE missiles built in Taiwan have been deployed to hit military bases in China up to 1,500 km (932 miles) away and there has been stepped up production of the indigenous Wan Chien air-to-ground cruise missiles to more than 100. Taiwan has also backed up interception missiles and the early warning radar system. It is also hoping to get diesel-electric submarine technology from the US which could enhance its capabilities against the missile arsenal emplaced by China.<sup>31</sup>

The Chinese media has projected that the change in leadership poses grave challenges to the cross-strait relations and an official statement from the China’s Taiwan Affairs Office quoted that it resolutely opposed any form of secessionist activities seeking Taiwan’s independence.<sup>32</sup> The Chinese media has also rekindled the debate on the understanding of the ‘one China principle’ under the 1992 consensus in the wake of Tsai’s appointment to the key position. To quote from a *China Daily* editorial:

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28. Cited from Gang Lin, “Beijing’s New Strategies toward a Changing Taiwan”, *Journal of Contemporary China*, vol. 25, no. 99, 2016, pp. 321-335.

29. Michael Casey, “Time to Start Worrying about Taiwan”, *The National Interest*, June 12, 2016, <http://nationalinterest.org/feature/time-start-worrying-about-taiwan-16551>. Accessed on April 14, 2017.

30. Katie Hunt and Kristie Lu Stout, “Taiwan Elects its First Female President; China Warns of ‘Grave Challenges’”, January 17, 2016, CNN, <http://edition.cnn.com/2016/01/16/asia/taiwan-election/>. Accessed on September 15, 2018.

31. “Taiwan is Developing Missiles in Response to Beijing’s Military Build-up”, Associated Press, August 18, 2018, <https://www.scmp.com/news/china/diplomacy-defence/article/2160312/taiwan-developing-missiles-response-beijings-military>. Accessed on September 20, 2018.

32. “Tsai Ing-wen wins Taiwan Leadership Election”, Xinhua News Agency, January 16, 2016, [http://www.chinadailyasia.com/nation/2016-01/16/content\\_15373488.html](http://www.chinadailyasia.com/nation/2016-01/16/content_15373488.html). Accessed on April 15, 2018.

Now that the Democratic Progressive Party leader Tsai Ing-wen has won Taiwan's 'presidential' election, she should waste no time to prove that she is sincere in maintaining peace and stability across the Taiwan Straits. She should work to make people in Taiwan feel safe, instead of creating anxieties with her ambiguous mainland policy...It requires efforts from both sides to make sure the momentum will not be interrupted by a leadership change, or derailed by any political missteps and misjudgement. After all, peaceful development of cross-straits relations conforms to the interests of both Taiwan and the mainland.<sup>33</sup>

There is no doubt that the mainland will continue its efforts to help the KMT, given its pro-unification stance, though passively engaging with the DPP at the official level.

In addition, the internet has been teeming with instances of popular nationalism in China. For instance, since January 2016, the members of the 'Little Pink' group bombarded social media en masse against the 16-year-old Taiwan born pop-singer Chou Tzu-yu, of a South Korean band, who waved Taiwan's national flag on a television show, a move that Beijing considered treasonous, and accused her of supporting Taiwanese independence. Chinese netizens also bombarded Tsai Ing-wen's Facebook page using derogatory terms like 'pro-independence dogs'.<sup>34</sup>

Thousands of weibo posts also berated Leon Dai, a high profile Taiwanese celebrity, for supporting Taiwanese and Hong Kong independence and misguiding the youth. In an interview with the Hong Kong-based *Initium media*, Zhang Youyou, a 25-year-old mainland Chinese citizen complained, "It sucks that only Taiwanese are allowed to lash out at us and we are not allowed to argue back." Such statements reflect that the common perceptions support the Communist Party's understanding on assimilation of the province while maintaining placid people-to-people relations.

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33. Editorial: "Tsai Should Prove Sincerity about Peace Across Taiwan Straits", *China Daily*, January 1, 2016, [http://www.chinadaily.com.cn/opinion/2016-01/16/content\\_23117124.htm](http://www.chinadaily.com.cn/opinion/2016-01/16/content_23117124.htm). Accessed on September 20, 2018.

34. Lotus Ruan, "The New Face of Chinese Nationalism", *Foreign Policy*, August 25, 2016, <http://foreignpolicy.com/2016/08/25/the-new-face-of-chinese-nationalism>. Accessed on December 16, 2018. These actions have elicited praise from the Chinese state media for online assertiveness and a growing awareness of the Little Pink group.

Given the datum that no great powers have ascended without political unification at the same time, the Taiwan question remains linked to China's rise as a great power and, hence, Xi Jinping is likely to use all means to integrate this region into the mainland. But whether this will translate into a military entanglement over the status of the island remains to be seen as the Chinese would not want to destroy the fruits of China's development over a war on unification. For now, the two main aims remain winning the majority support of the local people in Taiwan for peaceful reunification, and reducing Taiwan's dependence on the US.

# RUSSIA-UKRAINE RELATIONS TODAY: INTERESTS AND CHALLENGES

**CHANDRA REKHA**

In recent times, the rise of Russia in global affairs has once again drawn the attention of the academic community. Russia has gained a prominent position in global affairs under President Vladimir Putin who has largely focussed on energy diplomacy and revived armed forces and defence industrial complex. With new-found confidence, Russia's foreign policy interests have signalled its relentlessness in consolidating its influence in the former Soviet space. However, with China's growing engagement in the Central Asian region, the fragile nature of Russia's economic growth and the North Atlantic Treaty Organisation's (NATO's) presence—especially in Eastern Europe—Russia is getting to grips with the reality that it does not enjoy the status that it did during the Soviet era.

The Ukraine imbroglio that took place in 2014, nevertheless, reestablished Russia's foreign policy assertiveness in the former Soviet space. Ukraine has been one of the most coveted former Soviet republics for Russia since the disintegration of the Soviet Union. In fact, Russia's intervention in 2014 in Ukraine and the reclaiming of Crimea generated numerous debates and large scale criticism,

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especially from the United States and its allies. The West sought to retaliate to Russia's actions in Ukraine through economic sanctions; it, however, failed to make an impact on Russia's new-found confidence. To diffuse tensions, several measures were undertaken such as the Minsk Agreement initiated on February 11, 2015, by Ukraine, Russia, France, and Germany. Although these measures had significantly reduced the tensions in the conflict zone (Donbass in Eastern Ukraine), the crisis remains unresolved, creating a precarious security situation in the region.

When the news broke on November 25, 2018, that Russia had seized three Ukrainian naval ships and their crew near the Kerch Strait, political analysts began to revisit the understanding of Russia-Ukraine hostility which until now was treated as a 'frozen conflict.' The Euromaidan protests (2013) and the Sea of Azov crisis nevertheless were axiomatic outcomes of the failure by both Russia and Ukraine to accommodate each other's interests. Ukraine stated that the denial to its naval vessels to access the Kerch Strait was a violation of the agreement signed on December 24, 2003, that allows cooperation between the two countries in the Kerch Strait and the Sea of Azov, while Russia termed Ukraine's alleged action as an act of 'provocation'.

While the resolution of the crisis remains a distant aspiration, Ukrainian comedian Volodymyr Zelensky getting a landslide victory in the country's presidential election held this year, has led some to argue that there could be a possibility of a revival of relations between Russia and Ukraine. Unlike Pedro Poroshenko, Zelensky has called for reconciliation with Russia, alongside a growing change in the attitude among Ukrainians towards Russia. At the same time, the renewed crisis between Russia and Ukraine has further hinted that the conflict between the two countries is far from over. Given these developments, this paper explores the breadth of Russia's reengagement in the former Soviet republics, with particular emphasis on the relations between Ukraine and Russia since the post-Cold War era, Ukraine's unsuccessful attempt to either associate unreservedly with the West or integrate with Russia, and Ukraine being a 'bone of contention' in NATO's 'expansionist' policy against Russia's consolidation in the former Soviet space.

## THE 2014 UKRAINE IMBROGLIO

What started as anti-government protests in 2013, soon transformed into intense ethno-political mobilisation, with the demand for secession becoming contagious in Eastern Ukraine. The uprising of ethnic groups brought to light the shortcomings in the domestic fabric of Ukraine since its independence from Soviet control in 1991.

The demographic divide of Ukraine since independence has seen Eastern and Western Ukraine torn politically and divided along ethnic-linguistic lines. While Ukrainian is the main language in the western regions, the Russian language is predominant in most parts of the east and south.<sup>1</sup> The attitude and division of the Ukrainian population is further reflected in the voting patterns during national elections. People from districts dominated by the majority group (Ukrainian-speakers who are ethnically Ukrainian) tend to vote for candidates with pro-West/European inclinations or anti-Russian sentiments; while people from districts with ethnic Russians or Russian-speakers as a majority tend to vote for candidates with pro-Russian interests. The results of Ukraine's 2004 and 2010 presidential elections clearly bolster this argument. In both cases, it was a clear case of regional and ethno-identity divide.<sup>2</sup>

The dissatisfaction of the Kiev interim government after the ousting of President Yanukovich further aggravated protests in the Eastern Ukraine region when the interim government banned the Russian language. What started as anti-government protests, soon transformed into a secessionist movement, with a call for a referendum on March 16, 2014. Crimea was the bastion of support to the ousted President Yanukovich as it comprises nearly 60 percent of the Russian ethnic majority.

The call for "Greater Novorossiya" led to a domino effect of the Crimean uprising in Eastern Ukraine which includes the following provinces in addition to Crimea: Donetsk, Lughansk, Kharkiv, Zaporizhia, Kherson, Mikholaiv and Odessa.<sup>3</sup> Pro-Russian sentiment,

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1. Ibid.

2. Max Fisher, "This One Map Helps Explain Ukraine's Protests", December 9, 2013. <http://www.washingtonpost.com/blogs/worldviews/wp/2013/12/09/this-one-map-helps-explain-ukraines-protests/>

3. Adrain A Basora and Aleksandr Fisher, "Putin's "Greater Novorossiya—The Dismemberment of Ukraine", Foreign Policy Research Institute, April 2014, p. 1.

which is strong in Eastern Ukraine, saw the referendum of Crimea and its accession to Russia as an opportunity to lean back to the shared legacy of Russia.<sup>4</sup>

Following the 2008 recession, Ukraine's Gross Domestic Product (GDP) had declined as the emerging economy was heavily hit by the economic crisis, therefore, putting an end to its rapid economic growth. By November 2013, a desperate Yanukovich was in search of between \$20 billion to \$35 billion in loans and aid from all possible sources: the European Union (EU), Russia, the US, the International Monetary Fund (IMF), as well as China. Moreover, integration with the European Union or Russia for the revival of Ukraine from a crippled economy and the brink of bankruptcy was dependent on the Rada (the Parliament of Ukraine).<sup>5</sup> Russia was willing to offer \$15 billion and cheap natural gas,<sup>6</sup> but it also saw this as an opportunity to bring Ukraine under its fold through a possible membership in the Eurasian Customs Union in which Ukraine comprised a pivotal aspect for Russia's ambitious project. The European Union, on the other hand, had negotiated details of the association agreement with Ukraine over several years as the agreement was the central pillar of its much-vaunted Eastern Partnership.<sup>7</sup>

The hardest hit areas of recession in Ukraine were the industrialised areas of Eastern Ukraine, where the sudden decline in demand for the products of heavy industry had a great impact on employment, and, therefore, on poverty.<sup>8</sup> Albeit an aging Soviet era defence industrial complex, Ukraine's industrial heartland faced a severe impact during the recession in 2009; moreover, the government lost popular support when it failed to address the worsening economic situation in these pro-Russian regions.

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4. Ukraine in Maps: How the Crisis Spread", May 9, 2014, <http://www.bbc.com/news/world-europe-27308526>

5. Alan Mayhew, "The Economic and Financial Crisis: Impacts on an Emerging Economy—Ukraine", Sussex European Institute (SEI) Working Paper, no. 115, 2010, p. 5.

6. Andrew Higgin, "With President's Departure, Ukraine Looks Toward a Murky Future", February 22, 2014, <http://www.nytimes.com/2014/02/23/world/europe/with-presidents-departure-ukraine-looks-toward-a-murky-future.html>. Accessed on July 1, 2019.

7. Katranya Wolzduk and Roman Wolzhuk, "What You Need to Know About the Causes of the Ukrainian Protests", December 9, 2013, <http://www.washingtonpost.com/blogs/monkey-cage/wp/2013/12/09/what-you-need-to-know-about-the-causes-of-the-ukrainian-protests/>

8. Mayhew, n. 5, p. 11.

## RUSSIA'S INTERESTS IN UKRAINE

Russia's intervention in Ukraine only revealed that the very foundation for a strong and sustainable partnership between Russia and Ukraine had failed over the years. One of the main reasons for the failure was that Russia's interests in its relations with Ukraine are mainly through the prism of securitisation (of Russia) in the former Soviet space. Ukraine, on the other hand, continues to view Russia's foreign policy as an extension of the country's assertiveness pursued during the Soviet era. For instance, Russia justified the Crimean referendum as being under international law, as the declaration mentioned the referendum of Kosovo and its outcome.

The Black Sea has historically occupied an important position, both economically and militarily, in Russia's foreign policy interests. The region addresses Russia's geographical inadequacies, viz. the Russian Black Sea naval fleet is based at Sevastopol in Crimea which is Russia's only important warm water port. Also, some of the littoral states in the Black Sea are NATO members and NATO partner countries which complicates Russian security interests. Besides, Ukraine's future membership in NATO or the EU would encircle Russia, making its strategic depth vulnerable in the region.

Crimea has always been of grave importance to Russia as it shares a historic and cultural umbilical cord with Russia.<sup>9</sup> Russia could not endure the loss of Crimea from Moscow's authority when the then Soviet leader Nikita Khrushchev transferred Crimea from Russia to the Ukraine SSR as a 'symbolic gesture' to mark the 300th anniversary of Ukraine becoming a part of the Tsardom of Russia.<sup>10</sup> Also, Russia's Black Sea naval fleet is based at Sevastopol—the only important warm water port for Russia—and has been there for nearly 230 years.<sup>11</sup> The vacillating foreign policy interest of the Kiev administration to join NATO threatened the Russian position in Crimea—a possible NATO takeover would make Russia vulnerable as it could lead to possible

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9. Yasmeen Aftab Ali, "Crimea: The New Candy Floss", March 10, 2014, <http://www.pakistantoday.com.pk/2014/03/10/comment/crimea-the-new-candy-floss/>

10. "USSR's Nikita Khrushchev Gave Russia's Crimea Away to Ukraine in only 15 Minutes", *Pravda*, February 19, 2009, [http://english.pravda.ru/history/19-02-2009/107129-ussr\\_crimea\\_ukraine-0/](http://english.pravda.ru/history/19-02-2009/107129-ussr_crimea_ukraine-0/)

11. Richard Allen Greene, "Ukraine's Crimea Lives in Russia's Shadow: 5 Things to Know", CNN, February 28, 2014. <http://edition.cnn.com/2014/02/27/world/europe/ukraine-crimea-5-things/>. Accessed on May 1, 2014.



eviction of Russia's naval fleet and its access to its only warm water port.

Ukraine occupies a sensitive position for Russia as it adds to its geo-strategic significance. Ukraine's integration with Russia would strengthen Moscow manifold with its resources and population, and, more importantly, it would fortify its energy transit route to the European states. In fact, Ukraine has been Russia's key transport energy route for Europe-bound gas and it receives some \$3 billion dollars in annual revenues for its role in Russia's energy markets. The case, however, is that Ukraine's over-dependence on Russia's oil, gas, coal, and uranium, alongside Moscow's strategy to reduce its reliance on Ukraine's transit route through the Nord Stream II, which is nearing completion, will impact Ukraine's overall domestic energy situation, including the energy transit fees.<sup>12</sup>

#### **NATO'S AND THE EUROPEAN UNION'S INTERESTS**

Another factor that has visibly led to the growing tensions between Russia and Ukraine comprises the hostile relations between Russia and the US. The US-led NATO's policy in the former Soviet space has always been an irritant in the development of long-term relations between Russia and the US. The existence of NATO and the redefining of its agenda in the former Soviet space, which largely focusses on expansion and containment of Russia's presence has resulted in Russia's growing displeasure. Hence, Russia's repeated intervention in its former zones of influence is seen as a means to weaken or subordinate its neighbouring states such as Ukraine and keep them out of the orbit of the US-led NATO's influence. NATO's growing presence in the former Soviet space was coupled with the deployment of US missile defence systems or radar systems in Poland, the Czech Republic and Turkey. In addition, the 'Orange Revolution' sponsored by the West, and NATO's offer to Ukraine and Georgia to join NATO in 2008 during the Bucharest Summit further deteriorated the relations between Russia and the US. It was in the same summit

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12. Ariel Cohen, "Ukraine's Most Important Battle is for Energy Independence", *Forbes*, June 30, 2019, <https://www.forbes.com/sites/arielcohen/2019/06/30/ukraines-most-important-battle-is-for-energy-independence/#6561948b30d3>

that Putin had rhetorically threatened the territorial integrity of Ukraine.<sup>13</sup>

Russia has also been wary of EU initiatives in the Black Sea, and believes that policies such as the Eastern Partnership are an extension of the EU's sphere of influence in the region.<sup>14</sup> One of the major factors for the Ukraine crisis is Moscow's fear that a closer association agreement between the EU and Ukraine will hamper Russia's economic interests in the region and likely prove to be trade diverting and not trade creating for Russia. Furthermore, European and American transnational companies could also edge out Ukrainian firms linked to Russia, especially in military industries and high-tech areas generally located in Eastern Ukraine.<sup>15</sup> The EU initiative through the EU Eastern Partnership since 2009 brought six East European neighbours—Armenia, Azerbaijan, Belarus, Georgia, and Republic of Moldova—under its economic umbrella.<sup>16</sup>

Russia, however, returned to the Council of Europe in June 2019 after the parliamentary assembly voted to lift the five-year restrictions on Russia's delegation post Crimea issue. This move by the European countries revealed that the economic sanctions imposed on Russia since 2014 have had a two-way impact, especially on the European countries, including Germany, France and Italy. This development, however, was met with criticism from Ukraine which tried to block the motion.<sup>17</sup>

At the heart of the crisis in Ukraine, evidently, there is a desire by President Putin to increase Russia's sphere of political, military and economic influence in its 'near-abroad', including strategic control of the Black Sea (which Russia lost to Ukraine with the fall of the Soviet Union). Russia's intentions in its sphere of influence are to maintain its strategic military assets in the Crimea and challenge the growing Western interests in Ukraine.

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13. Hall Gardener, "NATO, the EU, Ukraine, Russia and Crimea: The 'Reset' that was Never 'Reset'", NATO Watch, Briefing Paper no. 49, April 3, 2014, p. 5, [www.natowatch.org](http://www.natowatch.org)

14. Mustafa Aydın-Sinem A. Açıkmeşe, "EU Engagement in the Black Sea: The Views from the Region", Centre for European Strategy, Warsaw, 2011, p. 10.

15. Gardner, n. 13, p. 6.

16. Ibid., p. 7

17. Roland Oliphant, "Ukraine Threatens Council of Europe Boycott as Russia Rejoins PACE Five Years After Crimea Annexation Ban", *The Telegraph*, June 25, 2019, <https://www.telegraph.co.uk/news/2019/06/25/pace-votes-allow-russia-return-five-years-ban-crimea-annexation/>. Accessed on July 1, 2019.

Ukraine's foreign policy, nevertheless, since independence in 1991, has been characterised by a single central feature: a reluctance to commit to one side or the other. Association with the EU or integration with Russia with which it shares historical and cultural linkages has resulted in Ukraine struggling to create its own identity. In the east and south of Ukraine, Soviet values were still solid and the Great Russian identity was, in turn, the overwhelming feeling.<sup>18</sup>

### **UKRAINE'S INDECISIVE FOREIGN POLICY**

Ukraine, since its independence, has been characterised dominantly by a single central feature: a 'vacillating' foreign policy. The unsuccessful attempt to associate with either the EU or the US or integrate with Russia is a result of Ukraine's failure to pursue an independent policy towards external actors. For Russia, the foreign policy dilemma of Ukraine has posed a challenge in countering the expansionist policy of NATO in the former Soviet space.

Ukraine undoubtedly is a 'bone of contention' in NATO's 'expansionist' policy and Russia's consolidation in the former Soviet space. Even after the annulment of the Warsaw Pact, the US-led NATO's anti-Russia policy in the former Soviet space has caused Russia anxiety. In addition, the 'Orange Revolution' (2004) and NATO's lucrative offer of a possible membership to Ukraine is another concern for Russia. The re-unification of Crimea with Russia by way of a referendum has become the new battleground for the West and Russia.

With Russia determined to keep the West at bay in Ukraine, and 'punching above its weight' to preserve its interests in Ukraine, the challenge for Russia would still be to rebuild Ukraine as an asset rather than a liability.

Despite both the West and Russia acting as key partners on global issues, the Crimean crisis revealed the complete failure of both to find a path toward defence and security cooperation in the post-Cold War era.<sup>19</sup> While NATO and the EU see Russia's claim in Ukraine as illegal and a continuation of its Cold War policy of assertiveness and

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18. Alexander Dugin, "Letter to the American People on Ukraine", March 8, 2014. <http://openrevolt.info/2014/03/08/alexander-dugin-letter-to-the-american-people-on-ukraine/>. Accessed on May 2, 2014.

19 Gardner, n. 13, p. 1.

muscle flexing in the former Soviet space, Russia, on the other hand, views the collaboration of NATO and the EU in its 'near abroad' as 'containment' of Russia's influence in its zone of influence.

Russia is Europe's main energy supplier, supplying about 30 percent of Europe's natural gas and 35 percent of its oil. Given the substantial trade and economic cooperation between Russia and the members of the EU, sanctions with regard to the energy markets of Russia have led to major repercussions on both the region's and markets' security. Moreover, the US and EU are divided over the use, and extent, of sanctions. The EU is reluctant to press harder with the sanctions because Russia is its biggest oil and gas supplier, and, in fact, does not wish to impose sanctions on officials in Putin's inner circle. The division between the US and the EU could limit the impact of the sanctions and actions against Russia in the future. Nevertheless, for a while now, Kiev has been struggling to link itself with Europe or Russia while the aim of a sovereign country like Ukraine should have been to create a 'united Ukrainian identity'.

### **THE WAY FORWARD**

At the heart of the ongoing crisis between Russia and Ukraine and Ukraine's domestic crisis, is the historical hostility between the two, including the conflict of interests between Russia and the West in Ukraine. This only indicates that the Ukraine crisis can never be a frozen conflict. With the reunification in 2014 of Crimea with Russia following a referendum, Russia asserts greater control over the Kerch Strait and Sea of Azov. The strategy is mainly to impede the US and its allies from using Ukraine as a 'trump card' in order to put a check on Russia's growing influence in the region.

The showdown in Crimea and the Sea of Azov crisis are perceived in Russia as a restoration of its lost glory after the disintegration of the Soviet Union. It has, however, given rise to several questions as to whether Russia is capable of sustaining its assertiveness—especially its economic aspirations—given the fact that Russia is still grappling with its own economy.

With regards to foreign policy behaviour, Ukraine may, however, reconstruct its existing foreign policy and may possibly focus on formulating a 'multi-alignment' foreign policy to balance all the major players to promote its national interests and preserve its national

security. Russia can revisit its assertive policy pursuit in order to develop a sustainable partnership, especially with the former Soviet republics such as Ukraine. Should Russia, Ukraine and NATO members fail to resolve the Sea of Azov crisis without the use of military power, the conflict will no longer be a geographically restricted one. Countries such as India will be impacted by the domino effect of the conflict as it involves two of its major bilateral partners—Russia and the US.

Given the likely repercussions of the conflict on international geo-politics, the concerned parties (Ukraine, Russia, NATO and EU) may formulate a mechanism without the use of hard power and work towards a more viable option to establish security and stability, both regionally and at the global level. More importantly, the Ukraine crisis will never be a ‘frozen’ conflict unless Russia and Ukraine address the historical baggage and existing grievances, which would mutually benefit the partnership.

As for the domestic factor, Ukraine, after the fall of the Soviet Union, got the opportunity to reorient its identity; in practice, developing national consciousness including a pan-Ukraine identity. The 2013 Ukraine imbroglio exposed an intense ethno-political polarisation, deeply rooted in the demographic structure of Ukraine. Anti-Sovietism and pro-European sentiment was displayed during the Euromaidan protests in 2013 in Western Ukraine while the industrial heartland, the Eastern (Donbass) region, has expressed strong pro-Russian sentiment which saw the Crimean referendum as an opportunity to rejoin Russia. In this scenario, it is ironic that a demographic split has led to the ‘*geography of fear*’ in both the divided (Western and Eastern) regions as they live in constant fear of being subjugated, or, in a worst case scenario, of losing their identity. This fear of living in such a geography, in turn, has led to *ghettoisation of the mind* where both parties concerned have developed the notion of ‘us’ and ‘them’, ‘we’ and ‘the other’ and, hence, have failed to identify with each other as a community. Under such circumstances, the split demography of Ukraine has only become ‘*tolerant*’ of the ‘other’ instead of ‘*acceptance*’ of their respective identities as a whole. All these factors have finally resulted in *ethno-political mobilisation* and violent uprising in Ukraine. A ‘pan-Ukrainian’ identity can become a reality only when Kiev is able to address the demographic split in the country.

# IRAN: 40 YEARS AFTER THE REVOLUTION

**DHIRAJ KUKREJA**

## **INTRODUCTION**

Iranians came onto the streets en masse on February 11, 2019, to mark the 40th anniversary of the revolution that brought their Islamic Republic to power and changed the geo-politics of the region. As always, in Iran, the scenes reflected the full panorama of the country's diverse and dynamic society: senior officials and staunch defenders of the theocratic state mingled alongside those carrying signs denouncing the corruption within the post-revolutionary system. The cry of "Death to America", which has rung out in Tehran every Friday since the Islamic Revolution of 1979, was, however, hollow. The shadow of 1979 appeared to have since paled.

February 1, 1979, was the date that witnessed probably the largest crowd that had gathered in Tehran to welcome Ayatollah Khomeini; earlier, the Shah, Mohammad Reza Pahlavi, had fled the country amid massive protests against his autocratic rule. After 10 days of uncontrolled violence, the Shah's government, that he had left behind, resigned and the army declared its neutrality to pave the way for Ayatollah Khomeini to seize power in Iran. While rallies are held every year on February 11 to mark the success of the 1979 revolution, this year's rallies came amidst increasing economic and

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political pressure on the government, due to the reimposed sanctions by America after it unilaterally withdrew from the UN-backed multilateral nuclear deal with Iran.

Khomeini had made his first big decision long before he came into power. "The government must be directed and organised according to the divine law, and this is only possible with the supervision of the clergy,"<sup>1</sup> he had written nearly four decades earlier. As the Shah's regime wobbled, he disguised his aim of *velayat-e faqih* (guardianship of the Islamic jurist). The leftists and the liberals who had supported his revolution had misjudged him; some had imagined that he would retreat to the holy city of Qom and leave the governance to others! Khomeini did go to Qom, but not to give up power. Forty years on, Iran is nominally democratic, but unelected *mullahs* continue to wield the real power defying expectations.

Iran today is less pious than the *mullahs* would like, less prosperous than it should be and less engaged with the rest of the world than most nations. What has led the country to this sorry state of affairs?

### **THE YEARS AFTER THE REVOLUTION**

From the very beginning, Khomeini undermined his handpicked prime minister, the relatively moderate Mehdi Bazargan; he branded his oil minister as a traitor on his refusal to purge non-Islamic workers; the veil was mandated for women; music was compared with opium and its broadcast was banned. Secular groups were ignored and critics of the revolution were persecuted and some even executed, including prostitutes, homosexuals, adulterers and most of the Shah's officials.

There were rumblings of protest amongst some clerics who thought involvement in politics would tarnish the image of the religious establishment; prominent amongst the critics was the Grand Ayatollah Muhammed Kazem Shariatmadari, who, in 1963, had given Khomeini the title of Ayatollah, in part to prevent his execution by the Shah. He denounced the extremes of the new order and rejected Khomeini's *velayat-e faqih*. Shariatmadari was placed under house arrest, but his fears came true; Islam was twisted to

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1. "The Shadow of 1979", *The Economist*, February 9, 2019.

justify the new regime's actions, with Khomeini brazenly declaring that officials could override the Koran!

The main tool of oppression used by Khomeini and his band of clerics was the Islamic Revolutionary Guard Corps (IRGC), a 'conglomerate' of all the armed groups that had supported the revolution and had fought against the Shah's army. The IRGC was also used to fight against Saddam Hussein, Iraq's then dictator, in 1980; this was termed as a 'divine war', which lasted eight years and claimed the lives of hundreds of thousands of Iranians. The war transformed the IRGC, which was now about 100,000 strong and also supervised the *baseej*, a militia of volunteer vigilantes. The IRGC, today, has penetrated all sections of society, with its members, past and present, holding high ranking government positions and seats in Parliament. In addition, it ensures that radio and television broadcasts appropriately support the government; and students in school are taught to be loyal to the regime, which, in turn, supports the vast commercial interests of the IRGC.

Iran is confusing and infuriating to deal with; power is shared ambiguously between a weak president who is elected from a list of loyalists and is mandated to deal with day-to-day issues, and a nebulous revolutionary caste that controls the instruments of coercion. There are occasions when Iran has been pragmatic, as, for instance, going along with the US plan to overthrow the Taliban in Afghanistan; but such instances are few and far between and generally with the supreme leader, ideology trumps rational policy-making.

In the face of the sanctions that Iran has faced ever since 1979, the country has developed a 'resistance economy', diverse and self-sufficient in some areas, but hardly efficient. Iran today is at the bottom of the World Bank's Ease of Doing Business Index and Transparency International's Corruption Perceptions Index.<sup>2</sup> In January 2018, thousands of Iranians took to the streets, in epic demonstrations, to protest against the corruption, repression, and rising costs of living. While the news of those impressive demonstrations that rocked Iran has mostly faded from the headlines, the convergence of pressures from within and without is pushing Iran's post-revolutionary system

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2. Ibid.



steadily towards the brink. The tempo may have slowed and the furies may have receded, but the turmoil has laid bare the public's frustrations with the stalemate over Iran's future that lies just beneath the fractious partisanship of its political establishment.

It is a stalemate that Iran has been confronted with since 1979, over how to reconcile the contradictions between the revolution's ideological imperatives and the fundamentals of effective governance and diplomacy. The divergence within Iran's political elites themselves on this question has generated a persistent competition among them, and a succession of attempts to reform the ruling system from within. The latest iteration began with the 2013 election of President Hassan Rouhani. With his tempered slogan of "hope and prudence," he promised to swing the country towards more responsible governance via an agenda of economic reforms and increased international engagement. Even before the Trump Administration put the nuclear deal in its sights in 2015, the policies advocated by President Rouhani had fallen short of redressing long-simmering disappointment and frustration with a system that staked its legitimacy on social justice. President Rouhani is not quite halfway through his second and final term as president, but his model of moderation is already in ruins, much like every prior attempt to mould and rationalise the state, which was forged in the aftermath of the 1979 revolution. The prospects for internal change in Iran have become even more inextricably entangled with the fierce passions around the relationship with the USA.

### **HATRED FOR USA**

Hatred for the "Great Satan", Khomeini's nickname for America, was a central tenet of his revolution, for it was America which had installed the Shah after toppling the democratically elected government of Muhammad Mosaddegh, a nationalist prime minister, in 1953. By 1979, Iranians, fed up of the misrule of the Shah, had turned against him, worried that their country was being corrupted by a decadent Western culture. The American view of Iran was poisoned nine months after the revolution, when, on November 4, 1979, student activists scaled the walls of the US Embassy and took 52 of the staff hostage for 444 days. In an aborted rescue attempt in 1980, eight

American soldiers lost their lives, while providing an opportunity to Khomeini to whip up support in his favour.

The mutual vitriolic enmity has hardly dissipated since then. The USA severed diplomatic ties with Iran in 1980, imposed sanctions after the hostage crisis, and has always accused it of exporting terrorism and Islamic fundamentalism (although in 1985, the USA did attempt to sell arms to Iran, in exchange for hostages in Lebanon); this author, during a visit to Tehran in 1994, stayed at a hotel, which had on its lobby wall "DOWN WITH US" inscribed in big, bold, brass letters!

George Bush, in his first term, in 2002, had declared Iran to be a part of the "Axis of Evil", accusing it of attempting to acquire technology for Weapons of Mass Destruction (WMDs). The USA, however, does not ever mention its other Arab ally, Saudi Arabia, in any of its security or diplomatic briefings, for exporting an even more toxic version of Islamic fundamentalism. However, if Iran has been able to increase its influence in the region, it is in large part due to the mess caused by the American invasion of Iraq in 2003.

Relations between Iran and America – along with its Western allies – seemed to take a turn for the better when in June 2013, the maverick President of Iran, Mahmoud Ahmedinejad, relinquished office after the present incumbent, Hassan Rouhani, was elected in a surprisingly low-key election process. It was felt in the USA and by its Western allies that if Iran desired domestic stability, a change in its foreign policy was essential in a very volatile geo-political environment. Rouhani, with his background, it was expected, would be the person to initiate the change. The Iranian people demonstrated their sagacity in electing Rouhani, in relatively free and fair elections, for engagement and dialogue with the West. Similarly, the cleric leadership demonstrated to the leaders in foreign capitals that the Iranian people do not unnecessarily take to the streets and can bring about a change through the ballot box. The low-cost and low-tempo campaigning on a moderate and even a reformist agenda by the selected candidates for the presidency, was in stark contrast to the erstwhile nationalistic agenda of the hot-headed Ahmedinejad.

The changes in Iran's foreign policy came sooner than expected. Within three months of being elected, President Rouhani, in a speech

at the UN General Assembly (UNGA), said that Iran would be willing to “engage immediately in time-bound and result-oriented talks to build mutual confidence and (for) removal of mutual uncertainties.” Continuing in the same tone, he further said, “Nuclear weapons and other weapons of mass destruction have no place in Iran’s security and defence doctrine, and contradict our fundamental religious and ethical convictions”.<sup>3</sup> In the same forum he, however, decried international sanctions against Iran, but also struck a conciliatory tone stating that Iran did not seek to increase tensions with the USA. While there were no momentous Obama-Rouhani handshakes on the sidelines of the UN General Assembly (UNGA), what, however, followed was equally significant – President Obama called the Iranian president on the telephone, in a first such conversation in 34 years! Analysts and leaders in the USA, Israel and other Western nations, received President Rouhani’s speech at the UNGA with cautious optimism. Yet it did create history as the two nations initiated the process of direct diplomatic contacts after nearly 35 years. A new era seemed on the horizon when Barack Obama offered to “extend a hand” if Iran “unclenched its fist”

After prolonged negotiations, Iran finally agreed to a deal in 2015, termed as the Joint Comprehensive Plan of Action (JCPOA), with the USA and other permanent members of the UN Security Council (UNSC) (P5+1), wherein Iran agreed to curb its nuclear programme in return for sanctions relief. Both leaders hoped for better relations, but the deal did not produce prosperity as President Rouhani had promised his people. Iran continued to test missiles and increase its sphere of influence in the region by covert meddling in other nations, much to the annoyance of America. Notwithstanding, the agreement with Iran did succeed in freezing Iran’s nuclear programme, as has been repeatedly confirmed by the International Atomic Energy Agency (IAEA) in the periodic inspections mandated under the JCPOA.

### **THE US WITHDRAWAL FROM THE NUCLEAR DEAL**

The nuclear deal, the JCPOA, which sought to control Iran’s nuclear ambitions, was arrived at on July 14, 2014, after hectic

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3. Iran poses no threat to the world: Pres Rouhani, <https://www.moneycontrol.com/news/world/-1644241.html>. Accessed on May 5, 2019.

debates and discussions, and intense, at times, even bad-tempered, negotiations. The IAEA released a report on January 16, 2016, confirming Iran's honouring its commitments to the nuclear deal. With the announcement came the expectation of Iran's return to the international community and, more important for its government, the end of most European Union (EU) sanctions and several important US sanctions. With the legal framework already in place, the EU and the US announced the formal rescinding of their respective sanctions shortly after the release of the IAEA report. That some sanctions remained, and newer ones were imposed, was due to Iran's repeated missile tests; a stark reminder that while the USA and Iran may have patched up an agenda to resolve their nuclear differences, the two continue as adversaries on a host of other issues.

The year of the nuclear deal with Iran was also the election year in the USA. All through the campaigning, Trump referred to the deal as "the highest level of incompetence", and promised to revoke it if elected. Despite warnings to not discard the nuclear deal by advisers, who he has conveniently replaced, and allies, who he has conveniently ignored, President Trump finally declared on May 8, 2018, that the USA was pulling out. Almost all parties to the deal claim to have foreseen this move, and the reactions have probably been as expected. President Trump, on his part, has stated that America would use its muscle to extract far bigger concessions from Iran: on May 21, 2018, the USA issued a list of 12 demands for inclusion in the nuclear treaty with Iran,<sup>4</sup> which aimed to prevent Iran from developing nuclear weapons and delivery systems in the far future too.

Notwithstanding the assertion of support to the continuation of the pact by the other signatories, the new sanctions have affected Iran's economy adversely, with the USA increasing the pressure on nations to stop importing Iranian oil – the embargo became effective in November 2018 and became total in May 2019 with the cancellation of waivers that had earlier permitted some countries to import Iranian oil. Internally, Iran is now facing turmoil, with localised protests in response to the country's growing economic crisis and ever-

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4. Mike Pompeo speech: What are the 12 demands given to Iran?, <https://www.aljazeera.com/news/2018/05/mike-pompeo-speech-12-demands-iran-180521151737787.html>. Accessed on May 10, 2019.

increasing demands from hardliners. Shows of disapproval at malls, traders closing their shops to protest against the declining currency, demonstrators marching to the Parliament building in Tehran, have become a major headache for President Rouhani.

The American exit from the deal and intensification of economic pressure confronts both Iran and the USA with an uncertain end game, complicated by the appearance, at least, of divisions within the political establishments in both nations. By demanding a blanket severance of its oil exports and all other trade as quickly as possible, President Trump is seeking to apply maximum pressure on Iran with a sense of urgency that suggests a particular impatience for a quick result. But what is it that President Trump wants, precisely?

The American foreign policy team, which, at one time had a turnover by the day, appears to understand Iran's particular blend of antagonism and boldness that has historically discouraged bilateral diplomacy. While US National Security Adviser John Bolton, and Secretary of State, Mike Pompeo, both hardliners as far as Iran is concerned, have not been pursuing their earlier statements of supporting a regime change in Iran, their current public pronouncements, with about a dozen demands, do sound like preconditions, contrary to the offer of talks by their president. Iran's aversion to a direct dialogue with the USA may be encouraged by such announcements. Tensions are rising and the drums of war have begun to sound, though both nations know it would be disastrous for both.

Predictably, rather than bringing Iran's leadership, including the moderate president, to its knees, American belligerence has caused it to harden its stance. In their public statements, Iranian leaders have insisted that no dialogue is possible with the USA until President Trump reverses his abrogation of the nuclear deal and ceases the application of what they describe as psychological and economic warfare against Iran. President Rouhani has given an ultimatum to the other signatories to the nuclear deal – Russia, China, France Germany and Britain – of 60 days to find a solution to ease the pressure brought about by the American sanctions, failing which, Iran too would take action against the mandate of the JCPOA. Additionally, it has said that it would no longer limit low-enriched uranium stockpiles to 300 kg or limit heavy water

stockpiles to 130 metric tonnes. President Rouhani hopes that such an action would placate the hardliners within, while being calibrated enough not to provoke the other signatories; more importantly, Iran hopes to send out a strong signal to President Trump of its resolve.

Dramatic moves on the part of Iran could, however, result in the withdrawal of European support, renewed diplomatic isolation and, possibly, even war. A race between the American sanctions and a gradual Iranian withdrawal from the deal would take the region and the world back to the agitated years before the agreement.

### **INSIDE IRAN**

In recent weeks, the US has intensified its sanctions-heavy campaign against Iran. In April 2019, it designated the IRGC as a foreign terrorist organisation, and then in May, it declined to extend waivers for Iran's oil customers to continue purchases. Following the suspension of waivers on oil and trade, the USA extended most of the waivers related to Iran's civilian nuclear programme, barring two critical waivers: one that allowed Iran to export heavy water surpluses to Oman and one that allowed Iran to swap low-enriched uranium that exceeded 300 kg for yellowcake uranium. The two waivers that the US has removed for its civilian nuclear programme meant Iran had a choice: either eventually shut off heavy water production and nuclear enrichment entirely, or eventually violate the JCPOA itself. Iran continues to produce heavy water and low-enriched uranium, but it needs outlets to move them outside its borders so it can remain under JCPOA-mandated stockpile levels.<sup>5</sup>

Apparently, the US intent is to increase Iran's economic pain to the point of stoking a domestic uprising that weakens the Iranian government's sovereignty and draws it back to the negotiating table. However, an economic crisis is not guaranteed to prompt a domestic uprising, let alone force Iran to the negotiation table; but the unprecedented severity of the US sanctions campaign is compelling Iran to reconsider its response.

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5. Iran Is Inching Away From the Nuclear Deal. What Happens Now? [https://www.realclearworld.com/articles/2019/05/08/iran\\_is\\_inching\\_away\\_from\\_the\\_nuclear\\_deal\\_what\\_happens\\_now\\_113017.html](https://www.realclearworld.com/articles/2019/05/08/iran_is_inching_away_from_the_nuclear_deal_what_happens_now_113017.html). Accessed on May 10, 2019.

Iran's response, at least initially, has displayed commendable restraint. Iran's leadership seems to have assessed that, over the next 20 months of President Trump's presidency, it must respond to the US provocations against the JCPOA, not only to ensure its own negotiating credibility, but also to gain leverage if future talks do ever materialise. The current moves may not cross the threshold into those that cause the European Union to immediately reapply sanctions, or the United States to conduct a limited military strike on Iranian nuclear facilities. However, such actions on the part of Iran could come towards the third quarter or later in the year, if Iran follows through on threats to enrich uranium above the 3.67 percent level enshrined in the JCPOA and starts modernisation work on the Arak heavy water reactor. Both of these would directly shorten the breakout timeline for Iran to produce a nuclear weapon.

The situation has changed drastically for Iran ever since the USA announced the withdrawal from the nuclear agreement a year ago. The reimposition of sanctions has scared away potential trading partners and isolated the economy. As the pressure on Iran has increased, the hardliners in Iran have been emboldened, giving them an opportunity to squeeze Rouhani, one of the main architects of the deal. The Iranian president belongs to a more pragmatic faction and has a proven record of engaging with the West and pushing back against his conservative opponents, but it appears that by design, the current US Administration's Iran policy does not leave much space for negotiations.

President Rouhani is facing heavy pressure over the continuing deterioration of the economy; as his political capital continues to decline, he could, thus, be forced to rebalance his Cabinet, earlier than later, with members of the conservative camp. Notwithstanding Iran's threats to block oil exports through the Strait of Hormuz – a move hailed by the conservatives and the hawks – the probability of it attempting to shut the strait remains low for now, due to the risk of inviting a US military response, but potential moves to harass naval vessels in the area, target Gulf energy infrastructure and ramp up parts of its nuclear programme are very much on the horizon.

Iran, therefore, finds itself in a predicament. While trying to defend itself from the economic damage of the new potent US sanctions, part of which kicked-in in early August 2018, it also must respond to Israeli and American actions against it within the region. At the same time, Iran is intent on retaining as many of the economic benefits as it can from the existing framework of the JCPOA; it has been reserved in its responses, rather than rapidly escalate some of its retaliatory moves, which could alienate the EU nations continuing in the deal. This constraint, however, leaves Iran with not many options as it seeks to preserve its diplomatic relationships to insulate its economy, while hitting back at its rivals.

### **EFFECT OF THE US ACTION ON INDIA**

Pakistan was used as a facilitator when Richard Nixon and Henry Kissinger cut a deal with China in 1970. India, not on the best of friendly relations with the USA at that time, was not in the loop for an agreement that changed the geo-political dynamics of the region. Now, four decades or so later, India has involved itself in bringing about an American understanding with Iran, which, as and when fully realised, could have bring about a tectonic shift in Asia. However, despite India's best efforts, this did not materialise.

Relations between India and Iran are based on a typical political maxim that there are no permanent friends or enemies in politics, only permanent self-interests. Ranjan Mathai, India's former foreign secretary, summarised the necessity of why India needs Iran: *"Our relationship with Iran is neither inconsistent with our non-proliferation objectives, nor is it in contradiction with the relationships that we have with our friends in West Asia or the United States and Europe. Iran is our near neighbour, our only surface access to Central Asia and Afghanistan and constitutes a declining but still significant share.....of our oil imports"*.<sup>6</sup> It is, therefore, a requirement for serving Indian national interests.

India had all the reasons to involve itself in the deal; it is home to the second-largest Shia population in the world after Iran; it has old civilisation relations with Iran; and it is also one of the largest importers of oil from Iran. Reconciliation with Iran would be to the benefit of the USA and India – from making the US withdrawal from

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6. Ranjan Mathai, *Deccan Chronicle*, February 19, 2012.



Afghanistan a little smoother, to relieving India from the suffocating pressure on the energy front. To all appearances, however, the deal needed much more groundwork before it could be given permanency to reap the profits from it. The agreement, hence, still has the 'work in progress' sign on it.

India needs Iran, not only for its gas and oil but also because of its geo-strategic location. It is the vital link for India to tap the vast iron ore reserves in Afghanistan, by building a 900 km rail-link through Chabahar port of Iran to the iron ore mines. Iran also provides India connectivity to the hydrocarbon reserves of Central Asia. On geo-political issues, India and Iran are on the same side in Afghanistan, with a mutual distrust of the Taliban. Any straining of relations between India and Iran could be an open invitation to China to step into the void created. Iran, therefore, has been a crucial test for Indian foreign policy, where, so far, Indian diplomacy has achieved success by walking a tightrope between the *realpolitik* and ideological policy options, with some surprising finesse.

The development of Chabahar is beneficial not just for India, but also for Iran. It lies outside the Persian Gulf, thus, safe from a hostile blockade and provides an opening to the Gulf of Oman and Indian Ocean. India has committed \$500 million in the development of the port and Farzad gas fields. Application of sanctions could push back the progress of development of Chabahar and the other connectivity projects.

The other major challenge for India will be to contain the resultant spike in oil prices, already a cause of concern due to the Organisation of Petroleum Exporting Countries (OPEC) policies; the cost of the OPEC basket had touched \$72 as on May 9, 2018, though as this piece is being scripted, the price is hovering at sub-\$70 levels. A payment crisis can also be seen looming on the horizon as all banks, barring UCO Bank, have an American presence, and, therefore, are susceptible to US sanctions. India needs to look at all options, including rupee-rial trade on oil purchase, as was done the last time when India's oil imports were hit by sanctions.

Whatever the voices of President Trump and his group of dissenters of the Iran nuclear deal, the JCPOA with Iran was a landmark deal; both the USA and Iran pulled back from the

stubbornness, confrontation and escalation. The limits placed on Iran's nuclear programme and the lifting of sanctions by the world powers, not only permitted India to increase its import of oil from Iran but also helped it to consolidate its position in Afghanistan, Central Asia and even beyond.

### CONCLUDING THOUGHTS

The question has been asked earlier: what is it that President Trump wants, precisely?

Personally, for President Trump himself, the temptation of a bigger, better deal with Iran—or at least a photo-op summit that lends the appearance of a breakthrough, as with North Korea—seems to appear attractive. Ever since he first announced his willingness for the presidency, he has emphasised his unique capabilities to renegotiate “a new and lasting deal”, while denouncing the JCPOA in the harshest possible terms. The volley of threats and appeals that he has directed at Iran in recent weeks—to negotiate “any time they want” and with “no preconditions”—betray his exasperation that Iranian leaders have yet to take him up on the offer.

Can India play any role? The walkout by the USA from the deal of 2015, apart from triggering a new crisis in West Asia, has also had a rippling effect around the world, with India being no exception to the collateral effects. Indian diplomacy, with previous experience in handling US sanctions, could be expected to handle the situation with some deft moves, now that the new Administration has taken over. Nevertheless, it would be wise not to forget that the earlier sanctions were under President Obama and not the unpredictable President Trump; bi-partisan politics within the USA could play an unhelpful role!

As mentioned, India will have to use skills of innovative *realpolitik* on the diplomatic front. India has long been a proponent of a ‘rules-based order’ that depends on multilateral consensus and an adherence to commitments made by countries on the international stage. By walking out of the JCPOA, much against the advice of its European allies, and the ‘clean chit’ to Iran by the IAEA, the USA has overturned the precept that such international agreements are made

by 'states' not just with prevailing governments or regimes. Such a controversial stand could have an impact on all agreements that India is negotiating both bilaterally and multilaterally with the US, especially after President Trump has unilaterally withdrawn from the Paris Accord on Climate Change and the Trans-Pacific Partnership (TPP) with East Asian trading partners. India will have to consider a new understanding of its ties with the USA in this context, and some of this understanding may be built during the forthcoming dialogue between the leaders of both nations.

Iran has exercised commendable restraint so far in maintaining its enrichment capacity within the mandate of the JCPOA, to sustain its economic connections with Europe. But as the European options remain limited in the face of the US' secondary sanctions, Iran could take some formal steps, as announced, to withdraw from the nuclear deal as well, while ramping up parts of its nuclear programme. The risk associated with all the options is that they could invite a credible military response at a time when the USA is in collaboration with both Israel and Saudi Arabia, and all are in favour of applying maximum pressure on Iran.

The chronicles of Iran analysis are strewn with prognostications of doom that ultimately proved premature, at least in part because of the tendency for enthusiasm to overtake common sense. Some critics of the post-revolutionary regime perennially see a course correction just around the corner; the 'corner' however, never seems to appear! Iran has endured every crisis short of the plague—revolution, war, tribal uprisings, terrorism, earthquakes, drought, and routine episodes of internal unrest—yet the *nezam* (the system) endures.

The world has not yet seen an end to the Iran crisis!

# THREE REASONS WHY HANOI SUMMIT BETWEEN THE US-DPRK FAILED

HINA PANDEY

On May 4, 2019, North Korea tested a new short-range missile.<sup>1</sup> It was important, as it was the first missile test that North Korea had conducted after the recent breakdown of the nuclear talks at Hanoi between the US and the Democratic People's Republic of Korea (DPRK). It was reported that "...*Pyongyang fired a new type of solid-fuel short range ballistic missile and tested two separate multiple rocket launch systems...*" while maintaining its moratorium on testing of Intercontinental Ballistic Missiles (ICBMs). The missiles were fired from the Hodo peninsula, covered an approximate trajectory from 70 to 200 km (roughly 45-125 miles) before landing in the Sea of Japan. The site had earlier been used for launching cruise and long range missiles. Experts have argued that the nature of the recent tests suggested that "...the weapon could be launched from land, sea or air...."<sup>2</sup>

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1. "North Korea Fires Short-Range Missiles, South Korea Official Confirms", *NBC News*, May 4, 2019, available at <https://www.nbcnews.com/news/world/north-korea-fires-short-range-missile-south-korea-official-confirms-n1001976>. Accessed on May 6, 2019.
2. Ankit Panda and Vipin Narang, "Why North Korea Is Testing Missiles Again: Is a Much Larger Escalation on the Horizon?", *Foreign Affairs*, May 16, 2019, Available at <https://www.foreignaffairs.com/articles/north-korea/2019-05-16/why-north-korea-testing-missiles-again>. Accessed on June 1, 2019, and "North Korea 'Test Fires Short-Range Missiles'", *BBC*, May 4, 2019, <https://www.bbc.com/news/world-asia-48158880>. Accessed on June 2, 2019.

It is to be noted that both countries had been engaged in nuclear talks since the Singapore Summit, aimed primarily to denuclearise the Korean peninsula. However, it now seems that perhaps the optimists rejoiced too soon after the landmark meeting between Presidents Trump and Kim on June 12, 2018. While the first ever meeting of the sitting heads of state of the US and DPRK was something out of the norm for US-DPRK dynamics – and, indeed, this ought to be taken as something to cheer about to the sceptics—it seemed that the meeting promised more than it could deliver; especially on the goal of denuclearisation that was set during the Singapore Summit.

The expectations on delivering on this particular goal may or may not have been high, depending on how one chooses to look at the glass – as half empty or half full – but if one observes closely, it can be argued retrospectively that the progress made since the Singapore Summit (June 2018) till the second summit at Hanoi (February 2019) was doomed to fail. Three reasons can be explored in this context.

### **CVID IMPLIES LOOKING IN THE SAME DIRECTION, NOT LOOKING AT EACH OTHER**

The Hanoi meeting was supposed to follow up on the agenda of denuclearisation, as set earlier. Ideally, it was to discuss the ‘deliverables’<sup>3</sup> of denuclearisation including (i) a mutually agreed definition of denuclearisation – mainly Comprehensive Verifiable Irreversible Denuclearisation or Dismantlement (CVID); (ii) a possible timeline for such an endeavour; and (iii) a defined pathway towards this end, including a step-by-step approach of reciprocal sanctions relief along with the dismantlement efforts.

The goal of denuclearisation managed to drag itself from Singapore to Hanoi, with some setbacks of US sanctions on the DPRK’s influential officials, including the minister of state security. The leaders of the two countries established a steady communication channel and despite the Singapore Summit being called off once, both were able to bounce back towards a dialogue. Both sides made concessions in terms of the US cancelling its (the then upcoming)

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3. Daniel L. Davis, “When Demands for Denuclearization go too Far”, *Washington Times*, March 25, 2019, available at <https://www.washingtontimes.com/news/2019/mar/25/some-denuclearization-demands-are-unrealistic-unne/>. Accessed on April 3, 2019.

military exercise with Seoul, and the DPRK exhibiting willingness<sup>4</sup> by dismantling its nuclear site. But CVID as a goal was never discussed.

Yes, the term denuclearisation was used many times in order to hint that the talks were heading in some direction; however, the aforementioned components were not discussed by the two leaders in the course of nine months. It is to be reiterated that Secretary of State Mike Pompeo, during his swearing-in ceremony, had highlighted that their Administration's North Korea strategy would focus on *seeking permanent, verifiable, irreversible dismantlement of its Weapon of Mass Destruction (WMDs)*,<sup>5</sup> but CVID wasn't followed. Some US experts have highlighted that the Trump Administration did not have a *clear roadmap for how a denuclearisation process would work*.<sup>6</sup> Within the US Administration, there seemed to have been some confusion on how to approach the agenda.

It was reported in the media that Bolton's Libya model<sup>7</sup> might have bulldozed the Hanoi talks by "*demanding unrealistic goals*"<sup>8</sup> such as the CVID in a document that was passed to Kim".<sup>9</sup> However, it is also true that there existed different perceptions within the US Administration on how to approach the denuclearisation pathway. The US Special Representative for North Korea, Stephen Biegun

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4. Courtney Kube, "Trump: 'Very Disappointed' if North Korea is Rebuilding Long-Range Rocket Site", *NBC News*, March 7, 2019. It is to be noted that the North Koreans began to dismantle some facilities at Sohae after the first summit between the two leaders in Singapore in June 2018, available at <https://www.nbcnews.com/news/north-korea/trump-very-disappointed-if-north-korea-rebuilding-long-range-rocket-n980251>. Accessed on April 4, 2019.
  5. US State Department, Press Briefing, May 3, 2018, available at <https://www.state.gov/r/pa/prs/dpb/2018/05/281803.htm>. Accessed on March 31, 2019.
  6. David Nakamura, "Trump Administration Struggles for Path Forward on Nuclear Talks as Tensions with North Korea Mount", *Washington Post*, March 15, 2019, available at [https://www.washingtonpost.com/politics/trump-administration-struggles-for-path-forward-on-nuclear-talks-as-tensions-mount-with-north-korea/2019/03/15/016bb090-4739-11e9-8aab-95b8d80a1e4f\\_story.html?utm\\_term=.5f7ef08cd543](https://www.washingtonpost.com/politics/trump-administration-struggles-for-path-forward-on-nuclear-talks-as-tensions-mount-with-north-korea/2019/03/15/016bb090-4739-11e9-8aab-95b8d80a1e4f_story.html?utm_term=.5f7ef08cd543). Accessed on April 4, 2019.
  7. "The 'Libya Model' Killed the Hanoi Summit", *Live Trendy News*, March 31, 2019, available at <https://livetrendynews.com/the-libya-model-killed-the-hanoi-summit/>. Accessed on April 8, 2019.
  8. Davis, n.3.
  9. Lesley Wroughton, David Brunnstrom, "Exclusive: With a Piece of Paper, Trump Called on Kim to Hand Over Nuclear Weapons", *Reuters*, March 30, 2019, available at <https://in.reuters.com/article/northkorea-usa-document-exclusive/exclusive-with-a-piece-of-paper-trump-called-on-kim-to-hand-over-nuclear-weapons-idINKCN1RA20C>. Accessed on April 4, 2019.

had earlier said that the US would not agree on an 'incremental' approach to denuclearise, aligning more towards the US National Security Adviser's (NSA's) perception. However, President Trump himself was, in fact, willing to be more accommodating on the CVID, especially considering the sanctions.<sup>10</sup> In fact, post the summit, this was more evident as President Trump had undercut his own Treasury Department's announcement on the recently initiated sanctions and *ordered their withdrawal*.<sup>11</sup>

Secondly, the possibility of North Korea relinquishing its nuclear weapons programme voluntarily was becoming an impossible mission to accomplish, as Kim himself said during his new year speech<sup>12</sup>, "... if Washington continues to push for one-sided demands or pressure into unilateral disarmament, we may be compelled to find a new way for defending our sovereignty...."<sup>13</sup> One can assert that North Korea was meaning to put two denuclearisation preconditions on the table sooner rather than later: one, a complete removal of the American threat from the Korean peninsula, including the military presence; and, two, the removal or elimination of the US nuclear umbrella to the Republic of Korea (RoK), as that directly impacts North Korea's rationale for nuclear weapons.<sup>14</sup>

Therefore, even if Washington had negotiated from a consensus-based approach, the possibility of it going anywhere without the US giving concessions on what the DPRK considers as part of the denuclearisation goal, would have been difficult to achieve. It has now become evident that the lack of a mutually agreed vision on the goal of denuclearisation and a mismatch of perceptions within the White House on how to approach the goal in the near and long

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10. "Trump was Open to Easing Sanctions at Hanoi Summit: N.K. Official", *Yonhap News Agency*, March 26, 2019, available at <https://en.yna.co.kr/view/AEN20190326000200315?section=nk/nk>. Accessed on April 4, 2019.

11. Alan Rappeport, "Trump Overrides Own Experts on Sanctions, in Favor to North Korea" *New York Times*, March 22, 2019, available at <https://www.nytimes.com/2019/03/22/world/asia/north-korea-sanctions.html>. Accessed on April 8, 2019.

12. Kim Tong-Hyung (2019) "North Korea Won't Give up Nukes Unless US Removes Nuclear Threat", December 4, 2018, *Nuclear Security Newsletter*, vol. 13, no. 5, January 1, 2019.

13. Daniel R. Depatris, "North Korea Could Have 100 Nuclear Warheads", *Nuclear Security Newsletter*, vol.12, no. 6, January 15, 2019, p.9.

14. Dr. Sandip Kumar Mishra, "China's Strategic Silence on the Hanoi Summit", *IPCS Commentary*, March 22, 2019, available at [http://ipcs.org/comm\\_select.php?articleNo=5570](http://ipcs.org/comm_select.php?articleNo=5570). Accessed on April 8, 2019.

terms played a crucial role in the Hanoi talks not achieving anything. Clearly, while both President Trump and North Korean leader Kim intended denuclearisation, they both seemed to have been looking at each other rather than in the same direction while discussing denuclearisation.

### **IS *JUCHE* WITHOUT NUCLEAR WEAPONS POSSIBLE FOR NORTH KOREA?**

There is no denying what the philosophy of *Juche* means for North Korea and how the country's foreign and security policy is more than guided by it. The philosophy of *Juche* implies independence in politics, self-reliance in the economy, and self-defence in national defence. While it can be roughly translated as self-reliance, it insists on North Korea's distinctness of identity. It strictly encourages Pyongyang to focus on the autonomy of its own decisions, especially with regard to the US, a country that North Korea considers as an imperialist power. While one may debate as to what extent North Korea has internalised the philosophy of *Juche* in its conduct of interacting with the outside world, those who observe the country have often argued that *Juche* is very much interwoven in North Korea's thinking. For Kim Sung, the progenitor of *Juche* and the father of the nation, *Juche* implies that one is responsible for one's own destiny; it compels taking an independent stance wherein independence in politics is topmost. Kim Sung, in his seminal speech, asserted, "A government that acts under pressure or takes instructions from others cannot be called the government of the people". Establishing *Juche* implies standing opposed to subjugation – the extension of which in security politics would mean independence in decision-making, especially when it comes to nuclear weapons – and for North Korea, those weapons are the ultimate guarantor of security against an imperialist power (such as the US).

Thus, giving up the nuclear weapons could be seen in North Korea as being obedient to an external order of governance. It should be noted here that what the US hoped to extract during these negotiations was exactly this—a unilateral giving up on nuclear weapons. In all these years (since 2006), the pursuit of nuclear weapons has become North Korea's way of exerting its



sovereignty. Thus, an important question to ask here is: how will North Korea be able to realise *Juche* in its domestic/security politics without nuclear weapons? What is the alternative? This question gives one a peek into the answer on whether North Korea would willingly give up on its nuclear capability.<sup>15</sup> This is to suggest that denuclearisation might appear as conditioned to an external threat perception, but equally shares its roots in the domestic politics of the DPRK, much of which is related to how North Korea perceives its sovereignty.

### **IS COMPROMISING MILITARY EXERCISES IN EXCHANGE FOR CVID POSSIBLE FOR USA?**

Another externality that is bound to have a major impact every time there are any negotiations about denuclearisation concerning North Korea is the US-RoK military alliance; more specifically the US-RoK annual military exercises. It has been established more than once by North Korea that any willingness to reduce or freeze its nuclear capability and testing would be conditioned by *how the US and South Korea would bring about a peaceful environment in the Korean peninsula*. In fact, as recently as in 2016, “Pyongyang has indicated it would trade them for a more hospitable security environment...”<sup>16</sup>

On the American side as well, it is argued by former diplomats that the right mix of security and economic guarantees might convince North Korea to commit to denuclearisation. Ironically, the right mix of security guarantees for North Korea would likely include a hiatus of the US-RoK military exercises. Time and again, North Korea has consistently insisted on this condition. The US-RoK military exercises have been viewed as a way to intimidate North Korea. Interestingly,

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15. Kim Sung, “For the Independent, Peaceful Reunification of the Country”, pp. 207-2013, and Jina Kim, *The North Korean Nuclear Weapons Crisis: The Nuclear Taboo Revisited* (Palgrave Mcmillan Publishers), pp. 50-68; and Charles K Armstrong, “Juche and North Korea’s Global Aspirations”, April 2009, Wilson Centre, North Korea International Documentation Project Working Paper Series, Working Paper No.1, and Zack Beauchamp, “Juche, The State Ideology that Makes North Koreans Revere Kim Jong Un, Explained”, *Vox*, June 18, 2018, available at <https://www.vox.com/world/2018/6/18/17441296/north-korea-propaganda-ideology-juche>. Accessed on April 9, 2019.

16. Kristian McGuire, “North Korea and the Prestige Dilemma”, *Diplomat*, November 2, 2018, available at <https://thediplomat.com/2018/11/north-korea-and-the-prestige-dilemma/>. Accessed on April 16, 2019.

both the US and South Korea have often taken cognisance of this factor and have paused their military exercises in order to address the trust deficit, whenever there have been negotiations with North Korea.

In recent times too, the Trump Administration had halted its annual exercise before the Singapore Summit. In fact, very recently (March 2019), an announcement by the US-RoK confirmed that the countries would “ reconfigure their large scale annual military exercises, namely Foal Eagle and Key Resolve, to be conducted at a much smaller scale, or even include virtual training”.<sup>17</sup>

While this is indeed good news for North Korea, it can't be argued with certainty that the temporary halting and overhauling of these military exercises would actually reduce the threat perception for North Korea in the long term. Neither can it be guaranteed if this (suspension of military exercises) would become the norm in the US-RoK military alliance in the future. In fact, one can argue that so long as the military exercises continue, North Korea would continue to feel threatened, which will further reflect in its nuclear behaviour.

Similarly, it is important to note the timing of the recent missile test conducted by North Korea. The series of missile tests conducted on May 4, 2019, and subsequently on May 9, 2019, took place not only approximately two months after the Hanoi Summit failed to address North Korea's view on denuclearisation, but also after the resumption of the US-RoK military exercises that began on March 12, 2019.<sup>18</sup> Thus, it is clear that the annual/routine US-RoK military exercises would likely invite a reciprocal move by the DPRK too.

Additionally, the recent Dong Maeng exercise which was newly introduced post the failure of the Hanoi Summit is a downplayed version of the previous exercise known as Key Resolve. It is important to note that, as per the North Korean state media agency, the DPRK

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17. Barbara Starr and Jamie Crawford, “US- South Korea Scale Back Joint Military Drills to reduce tensions with North Korea”, *CNN Politics*, March 3, 2019, available at, <https://edition.cnn.com/2019/03/02/politics/us-south-korea-military-exercises/index.html>. Accessed on May 11, 2019.

18. Jo He-rim, “South Korea-US kick off Combined Exercise Dong Maeng”, *Korea Herald*, March 5, 2019, available at <http://www.koreaherald.com/view.php?ud=20190304000744>. Accessed on June 3, 2019.

has clearly viewed the new exercise Dong Maeng as a violation of the commitment given to the DPRK by the US and RoK during their respective meetings. The meetings had promised that the US as well as RoK would take measures aiming at the removal of hostility and tensions in the Korean peninsula.<sup>19</sup> The introduction of Dong Maeng stands contrary to that commitment.

Another important takeaway on the overhaul of these exercises is that, in essence, they remain very much a part of the US-RoK alliance extending to the US-DPRK dynamics. It is important to note that not just one military exercise such as Key Resolve, that is being revised and downplayed into Dong Maeng, but another key exercise – namely Foal Eagle<sup>20</sup> – is also being reorganised into a low key drill, to be conducted at regular intervals. Thus, the exercises have not been called off completely but only been revised and overhauled in order to be continued.

Additionally, it is important to reiterate here that one of the key reasons for the overhaul of the previous exercises is their being expensive in the view of President Trump. He views them as an expensive affair (in a manner that the US ends up bearing a disproportionate share of the cost for the exercises). Thus, one might argue, hypothetically, that the next Administration may consider them as not being a financial burden, thereby bringing back the salience of the US-RoK military exercises into any denuclearisation talks in the future. Thus, one may argue that the US-RoK military exercises would continue in the long run in order to ensure the robustness of the US-RoK military alliance which has not been completely rendered an obsolete alliance.

The suspension of these exercises has often been done as a good faith measure and not because they are not required. Thus, as of now, looking at the recent trend since the Singapore Summit, one may argue that these exercises are not likely to wither away, which would influence North Korea's military thinking, thus, directly affecting its nuclear behaviour.

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19. "North Korea Media Slams US-South Korea Joint Military Exercise", *Nikkei Asian Review*, March 8, 2019, available at <https://asia.nikkei.com/Spotlight/N-Korea-at-crossroads/North-Korea-media-slams-US-South-Korea-joint-military-exercise>. Accessed on June 3, 2019.

20. Panda and Narang, n.2.

In fact, historically too, these exercises had been suspended during the period 1994-96, when the DPRK was involved in negotiations to give up its nuclear programme during its initial stages.

But critics have argued that it did not amount to much, and only created a short-term positive environment for diplomacy. It is also argued that the very fact that these exercises, as a routine, have been going on for more than twenty years now may have been well understood by North Korea. Thus, reducing the threat perception, more so because these have taken place under an advance notification to the DPRK, with the monitoring of "...the UN's Neutral Nations Supervisory Commission to ensure that they in no way violate the Korean Armistice Agreement..."<sup>21</sup>. The point critics often make here is that because the DPRK is so used to these exercises, their suspension doesn't really matter (to the DPRK).

Additionally, it is important to reiterate once again that the US-RoK share a deep-rooted defence relationship dating back to 1953. The very core of the "Mutual Defense Treaty between the United States and the Republic of Korea"<sup>22</sup> signed in 1953 rests on the "... common determination (of both countries) to defend themselves against external armed attack so that no potential aggressor could be under the illusion that either of them stands alone in the Pacific area..." The US-RoK annual military exercises are the means to provide symbolism to their defence partnership. Thus, halting them permanently, either in reality or virtually, in order to appease the DPRK might not be feasible for both countries.

## CONCLUDING OBSERVATION

Finally, it is interesting to note that on June 12, the Singapore Summit completed its first anniversary; the landmark nuclear talks that had set the hope for denuclearisation of the Korean peninsula are now becoming a memory. The leaders of both countries have so

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21. Mark Tokola, (Circa 2019), "Are U.S.-ROK Military Exercises Unnecessary Provocations?" Korea Economic Institute of America ( KEIA), <http://keia.org/are-us-rok-military-exercises-unnecessary-provocations>. Accessed on June 1, 2019.

22. Text of the Mutual Defense Treaty Between the United States and the Republic of Korea; October 1, 1953(1), Yale Law School, Circa (2008), "The Avalon Project: Documents in Law, History and Diplomacy", available at [http://avalon.law.yale.edu/20th\\_century/kor001.asp](http://avalon.law.yale.edu/20th_century/kor001.asp). Accessed on June 4, 2019.

far exchanged personal letters<sup>23</sup> of mutual appreciation rather than definitions of denuclearisation and have also had two meetings. However, even two summits later, the nuclear capability of North Korea has not reduced substantially. In fact, North Korea continues to launch missiles (albeit symbolic, if not potentially threatening) and also continues activity<sup>24</sup> on its nuclear sites. The key question about denuclearisation, such as how one should approach it, remains to be solved. Indeed, Presidents Trump and Kim have opened up a way for communication between the two countries that never officially talked before at such a level, yet the core of the solution lies not in 'they are talking' but on 'what they are talking about'. The content of the summit matters, otherwise both countries can go from one summit to another, just like Hanoi after Singapore and the agenda on denuclearisation might not move. Recently, US NSA Bolton had hinted<sup>25</sup> about the possibility of a third summit, however, it remains essential that both the US and DPRK address the above mentioned issues if any genuine progress is sought.

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23. Pia Deshpande, "Trump Touts 'Beautiful Letter' from Kim Jong Un", *Politico*, June 11, 2019, available at <https://www.politico.com/story/2019/06/11/trump-touts-beautiful-letter-from-kim-jong-un-1360138>. Accessed on June 12, 2019.

24. Choe Sang-Hun, "North Korea Has Started Rebuilding Key Missile-Test Facilities, Analysts Say", *New York Times*, March 5, 2019, <https://www.nytimes.com/2019/03/05/world/asia/north-korea-missile-site.html>. Accessed on June 12, 2019.

25. "Third U.S.-North Korea Summit Possible, up to Kim: Bolton", available at [https://www.reuters.com/article/us-northkorea-usa-bolton-idUSKCN1TC1M3?utm\\_campaign=trueAnthem%3A+Trending+Content&utm\\_content=5cffb84ba8a6c00014d1a3b&utm\\_medium=trueAnthem&utm\\_source=twitter](https://www.reuters.com/article/us-northkorea-usa-bolton-idUSKCN1TC1M3?utm_campaign=trueAnthem%3A+Trending+Content&utm_content=5cffb84ba8a6c00014d1a3b&utm_medium=trueAnthem&utm_source=twitter), *Reuters*, June 11, 2019. Accessed on June 12, 2019.

# EXTERNAL POWERS IN INDIA- WEST ASIA RELATIONS: AN OVERVIEW

**ANU SHARMA**

West Asia has been part of India's extended neighbourhood. Historically, Indian foreign policy principles since independence had been based on peace, non-alignment, non-violence and anti-imperialism. However, the Indian foreign policy had lacked a lucid and comprehensive approach where this region was concerned. In the past few years, Indian foreign policy has been witnessing a shift vis-à-vis this region with somewhat raised strategic stakes for India in its extended western neighbourhood. With the growing expectation to become a global strategic power, the pillars of the relationship between India and West Asia remain energy, trade and diaspora. Since 2014, under the leadership of Prime Minister (PM) Narendra Modi, the importance of the West Asian region and its placement in the Indian foreign policy in the form of India's "Look West Policy" has been highlighted. The basis of this renewed vigour remains the deep historical, cultural and civilisational links with West Asia. At the same time, India is all set to change its role of the passive player that it has played in the West Asian region so far.

During the Cold War years, the Indian foreign policy had been more inward looking, with more preoccupation with its immediate

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neighbourhood. At the same time, the political relations were largely defined by Cold War allegiances and antagonism towards Pakistan. The Indian foreign policy during that time favoured the Nehruvian thinking related to non-alignment and non-interventionism. The “Look West” policy launched by India in 2005 changed the course of thinking of its policy-making circles, eventually establishing West Asia as a significant region for India. Until the last decade, the major thrust of India-West Asia relations had been on economic interests—i.e. energy, trade and migrant labour. However, there has been a change in these circumstances and the West Asian region now figures prominently in the Indian foreign policy-making circles.

Furthermore, contemporary West Asia is a region of fragility, afflicted by lingering inter-state conflicts and the fallout from unresolved territorial disputes, as well as unsettled by the persistence of ethnic and religious identities. Additionally, the continuous authoritarian rule, lack of political participation, and slow economic growth all have become the dominant factors of instability in this region. The region draws extensive external attention due to its energy resources and strategic geo-political location. Mehran Kamrava describes the relations between geography and power in the context of the West Asian region while highlighting the Great Game being played out there. He observes that the importance of certain locations can lead to the rise or decline of that location depending on the changing priorities and aspirations of the region. It can shape the fate of realms by facilitating their rise or hastening their demise, and it can become a source of intense competition or neglect by powers, both near and distant. There is a deep connection between geography and power, with the geographic dimensions of power often defined as “geo-politics” and the strategic competition over, or the quest for, acquisition of that geographic power as “geo-strategy.”<sup>1</sup> This is relevant while discussing the politics of the West Asian region.

In the case of India, there has been the emergence of several factors that have forced India to consider the strategic aspects of ties

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1. Mehran Kamrava, et al., “The Great Game in West Asia”, Centre for International and Regional Studies, Georgetown University in Qatar, Summary Report No. 17, 2017, <https://repository.library.georgetown.edu/bitstream/handle/10822/1043056/CIRSSummaryReport17TheGreatGame2017.pdf?sequence=1>. Accessed on March 10, 2019.

with its extended neighbourhood. New Delhi's heightened political and economic aspirations to rise to the top of the global hierarchy have increased the strategic dimension of its dependence on the West Asian energy resources. India is already increasingly energy-thirsty, and more than 80 per cent of India's oil and gas imports come from the West Asian countries. This has increased the importance of West Asia for India. A lot of external factors have been responsible for India's attitude towards this region. In this context, this paper intends to look at the role of three major external powers, namely, the US, Russia and China, which had—indirectly—affected, and can affect, India's burgeoning relations with West Asia.

The central argument of the paper is that India, in order to manoeuvre its policy in the volatile West Asian region, needs to keep the following in mind: the receding US influence in this region, the role of Russia playing the role of the 'friend in need' for India, and the increasing Chinese influence being the lookout factors for India. The roles of Russia, China and, to some extent, India are increasing significantly in this energy-rich, geo-strategically important region, thereby, imparting a multipolar character to the regional politics and economic affairs of this region.

The region remains dominated, as it has been for the past century and a half, by the Western powers. The US-Soviet rivalry emerged as the predominant external influence in the region during the Cold War. Soviet support for the anti-Western Arab regimes—such as the Egyptian, Syrian, and Iraqi regimes—and the growing US military relationship with Israel became the cornerstones of the new dynamic that emerged in this region.<sup>2</sup> In addition, the US had increasingly extended its hand to the countries in the Gulf, particularly Saudi Arabia and Iran, until the fall of the Shah in 1979. In the post-1991 scenario, the US emerged as the most important player in the region.

One of the important questions that need to be answered in the current circumstances is that if the US withdraws from the region and limits its responsibilities of being a security provider, will countries like India and China be able to fill the vacuum? Will

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2. "The Growing Asian Middle East Presence", Brookings, July 2016, [https://www.brookings.edu/wp-content/uploads/2016/07/theeastmoveswest\\_chapter.pdf](https://www.brookings.edu/wp-content/uploads/2016/07/theeastmoveswest_chapter.pdf). Accessed on March 10, 2019.



Russia be able to fill the void that would emerge in the region? One school of thought believes that there are chances that China is likely to take a more aggressive approach to West Asia and develop close relationships with countries like Syria and Iran. However, another school of thought focusses on the growing relationship between India and the US, arguing that it may serve to counter-balance the Chinese ambitions.<sup>3</sup>

### **US IN INDIA-WEST ASIA RELATIONS**

With the recent turn of events and following a complicated foreign policy under President Trump, US policy-makers had taken the big step of withdrawing US troops from Syria, leaving behind a smaller number of almost 2,000 troops there. In the recent past, the equation was a little different when the US brokered a nuclear deal, the Joint Comprehensive Plan of Action (JCPOA) with Iran—a decision that affected America’s long-term allies in the region, i.e. Saudi Arabia and Israel. The fact that President Obama decided to work towards a compromise with Iran over its nuclear programme rang alarm bells amongst the Gulf Cooperation Council (GCC) states. In fact, Saudi Arabia was seen posturing, along with Israel, to put pressure on Washington to act against Iran, instead of legitimising Iran’s nuclear desires. However, this nuclear deal and the removal of sanctions from Iran had steered in favour of India. India reinvigorated its political, strategic and economic engagement with Iran. It helped Iran develop the Chabahar port which will be beneficial for India and provide a foothold and better connectivity with Central Asia. At the same time, the trade (both oil and non-oil) between the two countries also increased post Iranian nuclear deal.<sup>4</sup>

The Iranian nuclear deal and the sanctions waiver came at a time when the Indian foreign policy was also witnessing a shift under its current leadership of PM Narendra Modi. This policy accelerated

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3. Ibid.

4. According to the Ministry of External Affairs, India-Iran bilateral trade during the 2016-17 fiscal was worth \$12.89 billion. India imported \$ 10.5 billion worth of goods, mainly crude oil, and exported commodities worth \$ 2.4 billion. “Sushma Swaraj, Javad Zarif Hold Talks; Focus on Iran Nuclear Deal”, NDTV, May 28, 2018, <https://www.ndtv.com/india-news/sushma-swaraj-javad-zarif-hold-talks-focus-on-iran-nuclear-deal-1858979>. Accessed on March 15, 2019.

India's "Look West" policy which was taken up in 2005. With oil being particularly essential for military power prognosis, India's already growing dependence on West Asian energy assumes a more strategic dimension. Therefore, it is necessary to assess the current situation between the US and West Asia in order to formulate India's policies while simultaneously dealing with the US and West Asia. The changing policy of the US in the West Asian region provides India the scope to play a larger role in the region.

### **US-WEST ASIA CURRENT SCENARIO**

The approach of the Trump Administration in West Asia in the past two years has been to reverse the rapprochement with Iran and rekindle relations with the long-term allies, i.e. Saudi Arabia and Israel. US Secretary of State Mike Pompeo, in a speech, identified radical Islam and Iran as the foremost enemies in the region, and Israel and the Sunni Arab states as the chief ones.<sup>5</sup> In the most recent move, in December 2018, President Trump announced the withdrawal of US troops from Syria. Currently, the Pentagon plans to cut its combat force in northeastern Syria roughly to about 1,000 troops, and then pause. The military will then assess the conditions on the ground and reduce the number of troops every six months or so, until the number reaches 400 troops in Syria. These will include 200 in a multinational force in the northeast and another 200 at a small outpost in southeastern Syria, where they will seek to counter Iran's influence throughout the country.<sup>6</sup> This is likely to create a power vacuum in the region.

The main strategic interests of the US in West Asia remain: maintaining the flow of oil and gas and other commerce; protecting American citizens at home and abroad from the terrorist threats emanating from this region; ensuring the security of its allies in the region; and preventing Iran from acquiring a position of influence

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5. "US to Expel Every Last Iranian Boot from Syria: Pompeo", BBC, January 10, 2019, <https://www.bbc.com/news/world-middle-east-46828810>. Accessed on March 3, 2019.

6. Eric Schmitt, "U.S. Troops Leaving Syria, but Some May Stay Longer Than Expected", *The New York Times*, March 29, 2019, <https://www.nytimes.com/2019/03/29/world/middleeast/us-troops-syria-isis.html>. Accessed on June 12, 2019.

in the region.<sup>7</sup> The US has been at war with one set of actors or the other in West Asia since 2003. In the last few years, the region has witnessed a breakdown of the regional order and intensification of violence – especially since the outbreak of the Arab Spring in 2011.

In spite of America's reduced dependence on West Asian energy, it still seeks to protect the energy flows that remain vital to the global economy. Among the threats to American allies, intra-state conflicts and violent extremism comprise the current phenomenon in the region. Furthermore, American analysts and scholars have been citing that the state that the United States needs to worry about in the region remains Iran.<sup>8</sup> Meanwhile, new threats have emerged that were not anticipated in the traditional expression of American interests in the greater West Asian region. The rise of the Islamic State in Iraq and Syria (ISIS) and the expansion of Kurdish influence have explored the depth of US interest and commitment to maintaining the state structure in the region; in a way questioning the American interests. Moreover, the US needs to realise that it is increasingly being faced with situations where the Gulf states are independently deploying military power, often uncoordinated with their traditional security guarantor—that is, the US.<sup>9</sup>

Furthermore, under the current leadership, it seems that the US is no longer interested in playing its traditional role regarding regional security. The US' withdrawal from the Iranian nuclear deal, its unilateral recognition of Jerusalem as Israel's capital, uncritical support of Saudi Arabia and the UAE in their catastrophic war in Yemen, and hasty decisions about the military withdrawal from Syria are examples of its contrasted policies as it contemplates its strategic options in a rapidly changing region. India's increasing engagement in the region in such a scenario is becoming one that cannot be ignored. Its efforts to engage with various West Asian

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7. "What Role Should the U.S. Play in Middle East?", *Belfer Centre Newsletter*, Summer 2011, <https://www.belfercenter.org/publication/what-role-should-us-play-middle-east>. Accessed on March 3, 2019.

8. Karl P. Mueller, Becca Wasser, Jeffrey Martini, Stephen Watts, "U.S. Strategic Interests in the Middle East and Implications for the Army", *RAND Report*, 2017, <https://www.rand.org/pubs/perspectives/PE265.html>; Ray Takeh, "Middle East Burden Sharing", *CFR*, January 11, 2019, <https://www.cfr.org/article/middle-east-burden-sharing>. Accessed on March 4, 2019.

9. Mueller, et al., *Ibid*.

states can provide India with the platform it requires to play a larger role in the region.

India's interest in this region could be adversely affected if the situation turns more chaotic. The extent of the US involvement might have direct implications for India-US relations in terms of its possible impact on the time, energy, resources and attention that the US policy-makers can devote to nurturing the India-US relationship. India's increasing nearness with the US and the differences on West Asian policy, e.g. with respect to Iran, can affect the broader bilateral relationship. Given the potential impact on Indian interests and the growing Indian influence in the region, Washington could consider India as an alternative middle power in West Asia. This was proven when India, along with some other Asian countries, got exemption from the US sanctions it had imposed on Iran. Six-month waivers from economic penalties were granted to the eight main buyers of Iranian crude—China, India, Japan, South Korea, Taiwan, Turkey, Italy and Greece—to give them time to find alternative sources and avoid causing a shock to global oil markets, which eventually ended in May 2019.<sup>10</sup>

### **RUSSIA IN INDIA-WEST ASIA RELATIONS**

The end of the Cold War and the disintegration of the Soviet Union saw greater cooperation and competition in the region amongst the former Cold War rivals. During the Cold War years, the Soviet presence in West Asia has fluctuated from being at the zenith during the latter part of the 20th century to near disappearance post disintegration. Post disintegration, Russia has been able to maintain a minimal presence in the region. With the shift in the balance of power in the post-Arab Spring (2011) world order, Russia had been trying to rebuild its influence in the region with a renewed vigour.

West Asia has regional significance for Russia for a number of reasons, including physical proximity, as also one of the concerns related to political and religious turbulence crossing the borders and entering Russian territory. In economic terms, Russia, as a leading

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10. "Iran Oil: US to End Sanctions Exemptions for Major Importers", *BBC News*, April 22, 2019, <https://www.bbc.com/news/world-middle-east-48011496>. Accessed on May 14, 2019.

energy producer, sees the oil- and gas-rich countries of West Asia as partners and competitors at the same time. It shares an interest with them in maintaining the oil price at sufficiently high levels, and it hopes to regulate competition in the gas market.<sup>11</sup>

In the case of India, Russia has been the friend-in-need. It will be correct to point out that India and Russia share a true strategic partnership. The increasing presence of the non-Western powers in the region can help India to strengthen its position there. Russia has become the frontrunner in seizing the opportunities in the region, be it its role in the war in Syria or in the civil war in Yemen. It can be said that central to Russia's regional resurgence has been the intervention in Syria. Survival of the Assad regime in Syria is part of the larger strategic plan of Russia. At the same time, Russia is trying to challenge the American predominance in the region.<sup>12</sup> On the other hand, it can become a little problematic for India as it can get caught in the tension emanating as a result of balancing between the growing strategic proximity with the US and already established strategic partnership with Russia.

### *Russia in Contemporary West Asia*

Prior to the collapse of the Soviet Union, the Russian authorities had created a solid foundation for the development of fruitful cooperation with the Arab world and Iran. The domestic economic and political turmoil of the 1990s limited Russia's export capacities and diverted the attention of the authorities from foreign to domestic policy issues.<sup>13</sup> The pattern of Russian engagement with the West Asian region changed post Arab Spring since 2012 after the reelection of Vladimir Putin for a third term. This was the period when Russia substantially increased its presence in the region. In 2015, Russia, for the first

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11. Dmitri Trenin, "Russia's Policy in the Middle East", *The Century Foundation*, 2010, [https://carnegieendowment.org/files/trenin\\_middle\\_east.pdf](https://carnegieendowment.org/files/trenin_middle_east.pdf). Accessed on March 5, 2019.

12. Shruti Godbole, "Future of India-Russia Relationship Post Sochi Summit", *Brookings*, July 2, 2018, <https://www.brookings.edu/blog/up-front/2018/07/02/future-of-the-india-russia-relationship-post-sochi-summit/>. Accessed on March 6, 2019.

13. Nikolay Kozhanov, "Russian Policy Across the Middle East: Motivations and Methods", *Chatham House Research Paper*, February 2018, <https://www.chathamhouse.org/sites/default/files/publications/research/2018-02-21-russian-policy-middle-east-kozhanov.pdf>. Accessed on March 6, 2019.

time, launched full-fledged air strikes against the groups opposing the Assad regime in Syria.<sup>14</sup> This changed the precedent of Russian action plans in the region. Another school of thought argues that the receding American influence in the region is providing Russia with an opportunity to develop its economic, political and diplomatic ties with the West Asian states in order to end the American unilateralism in the region.

One of the primary concerns of Russia with respect to West as also to Asia remains security. The threat of the West Asian brand of Islamic extremism expanding into Russia and its neighbours remains the foremost concern for Russia. In order to serve this security interest, Russia is motivated to build alliances in the region, especially with friendly states like Iran, Egypt and, more recently, Turkey, as also to establish good bilateral relations with all the states.

The Russian role in the West Asian region increased considerably, especially after its involvement in Syria. Its involvement in West Asia and the Syrian civil war has been in keeping with its foreign policy for this region. There are chances that Moscow will try its best to advance its proposals related to cooperation on rebuilding Syria while, at the same time, 'protecting' Iran from the crippling US sanctions by including Iran in the emerging economic space. In this context, Iran's ideological commitment to compete with the US in the region and beyond, has certainly been a major geo-political boon for Moscow. However, it should also be kept in mind that Iran is a big stakeholder in the Syrian civil war and has a major role to play in Syria. Throughout the war, Iran has emerged as the steadfast supporter of the Bashar al-Assad regime in Syria. This relationship has often been referred to as the tactical-strategic relationship between the two countries (Iran and Syria).<sup>15</sup> It can be said that to some extent, the mutual contempt for Saddam Hussein's Iraq brought Syria and Iran together in the 1980s, and mutual fear and antipathy towards the US and Israel has helped sustain their alliance. The abrupt decision of President Trump to bring back troops from Syria has put Russian

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14. Ibid.

15. Karim Sadjadpour, "Iran's Unwavering Support to Assad's Syria", *CTC Sentinel*, Syria Special Issue, vol 6, issue 8, August 2013, <https://ctc.usma.edu/irans-unwavering-support-to-assads-syria/>. Accessed on May 13, 2019.

President Putin in a pivotal position. This has also handed Russia the bigger responsibility of stabilising the Syrian political process and promoting reconstruction in Syria.<sup>16</sup>

The contemporary component of Russia's West Asian strategy has been related to the enhanced engagement with this region. This increased engagement has been based on the development of the age-old cultural ties between Russia and the West Asian region, it being the neighbouring region. There are chances that Russia and West Asia could reap great benefits from enhancing their cultural ties in the coming years; at the same time, challenging the US interests in the region. Russia has been careful not to take sides in the GCC rift with Qatar. The increased threat perception of the Gulf countries vis-à-vis Iran had led to an increased demand for the Russian air defence system S-400. Because of its capabilities, several countries, including China, India, Saudi Arabia, Turkey and Qatar have shown willingness to buy the S-400.<sup>17</sup> This also means that there are chances that Russia might end up supplying this defence technology to both the fighting sides. The significant fact remains that perhaps for the first time, Russian security and weapon systems are being seen as the guarantor of security, as compared to the usual American developed ones.<sup>18</sup> Moreover, it is easy to assess that the foreign policy goals of Russia in the West Asian region include becoming a great power in the region, reducing the role of the US, sustaining allies such as the Bashar al-Assad regime in Syria and supporting Iran, and fighting terrorism. However, it is difficult to assess how much Russia will be able to achieve. At the same time, the presence of an influential friend in the West Asian region can eventually turn fruitful for Indian ventures in this region.

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16. Some parts of this article have been taken from my paper titled "US Decision to withdraw from Syria: Ramifications for Major Players", *Defence and Diplomacy*, April-June 2019.

17. Yarno Ritzen, "Why do Countries Want to buy Russian S-400?" Al-Jazeera, October 8, 2018, <https://www.aljazeera.com/indepth/features/countries-buy-controversial-russian-400-181007205808578.html>; Bill Law, "How Russian Arms Sales Help to Keep the Gulf Divided", *Middle East Eye*, June 11, 2018, <https://www.middleeasteye.net/opinion/how-russian-arms-sales-help-keep-gulf-divided> Accessed on March 6, 2019.

18. Law, *Ibid.* John Raine, "Russia in the Middle East: Hard Power, Hard Fact", *IJSS*, October 25, 2018, <https://www.ijss.org/blogs/analysis/2018/10/russia-middle-east-hard-power>. Accessed on March 6, 2019.

## INDIA AND CHINA COMPETE IN WEST ASIA

Both India and China are interested in West Asia because of its oil resources. Indian and Chinese business houses are keen on pursuing opportunities in investment, sale of consumer goods and tourism in this region. Both Beijing and New Delhi seem to have adopted a similar policy towards this region which is based on the principles of neutrality and non-intervention. Both India and China are utilising soft power and trade diplomacy to expand their ties with all the West Asian states—regardless of their domestic politics and their historical or sectarian rivalries with one another. This disinterest in the domestic affairs of the regional states shown by both New Delhi and Beijing, as well as the complementarity of mutual interests in each other's markets and their increasing global power have, in turn, substantially boosted China's and India's standing in the region.<sup>19</sup>

However, despite having an almost similar approach, both India and China remain fierce competitors in this region. The foremost competition in this regard is for oil, apart from gaining strategic depth in countries like Iran and Saudi Arabia; e.g. Saudi Arabia became the top oil supplier to China in 2009 and is also an important supplier to India after Iraq.<sup>20</sup>

Both India and China have been vying for establishing strategic influence in this region through transportation routes. On the one hand, India is struggling with the International North South Transport Corridor (INSTC) to gain better connectivity with West Asia, Central Asia and larger Eurasia; on the other hand, China is moving fast in this region with its Belt and Road Initiative (BRI) plans. This increased competition is imparting enhanced strategic importance to both the Indian Ocean and Central Asian regions. Here, the roles of the US and Pakistan also become central and the

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19. Nima Khorrami Assl, "China and India: Rival Middle East Strategies", *Al Jazeera*, January 10, 2012, <https://www.aljazeera.com/indepth/opinion/2012/01/20121811164584439.html>. Accessed on March 8, 2019.

20. Solveig Monvoisin, "China and India in the Middle East", [http://www.capeurope.eu/images/stories/Article\\_Solveig\\_-\\_China\\_and\\_India.pdf](http://www.capeurope.eu/images/stories/Article_Solveig_-_China_and_India.pdf). Accessed on March 8, 2019. "Iraq Replaces Saudi Arabia as Top Oil Supplier to India in August; Iran Remains Third-Biggest Supplier Despite Heavy Cuts", *First Post*, September 11, 2018, <https://www.firstpost.com/business/iraq-replaces-saudi-arab-as-top-oil-supplier-to-india-in-august-iran-remains-third-biggest-seller-despite-heavy-cuts-5156791.html>. Accessed on March 9, 2019.



evolution of their strategies can directly affect the plans and future developments of India and China in the West Asian region. India is developing the deep-sea Chabahar port in Iran, whereas China is developing Gwadar port in Pakistan in order to gain access to the wider Persian Gulf waters. Currently, the Indo-US bonhomie seems to place India in a comfortable position in the Indian Ocean; on the other hand, the Sino-Pakistani cooperation could give China an advantage once Gwadar port becomes operational.<sup>21</sup>

### **HOW IS CHINA FARING IN WEST ASIA?**

Historically, China's relationship with West Asia dates back to the Rashidun Caliphate, following the death of Prophet Mohammed in 632 AD. China has had diplomatic and trade relations with this region in one form or another since that time. Chinese leaders have regularly visited the West Asian states for many years. President Xi Jinping made his first visit to West Asia in 2016, setting the stage for subsequent plans in the region. China clearly sees the region's shifting political sands as an opportunity to enhance its economic and political role, particularly as American power and influence continue to decline.<sup>22</sup> West Asia has become one of the most important staging grounds for Chinese President Xi Jinping's policies related to the China Dream and fulfilment of the BRI plans. West Asia also becomes the theatre for Beijing to play a more active role in international affairs. In order to achieve this influence, President Xi has pledged billions of dollars in loans and financial support and aid for economic development in the West Asian states.

Here, it is necessary to keep in mind that China and West Asia have mutual economic interests beyond oil. Chinese companies are actively pursuing major infrastructure projects in this region as part of the humongous BRI project—with a promise to help the economies of this region recover after the Arab Spring. The Chinese institutions created to support the BRI have been working hard to provide financing for the much-needed infrastructure development

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21. Monvoisin, *Ibid.*

22. Daniel Wagner, "China Rewrites the Rules on how to Rise in Influence in the Middle East", *South China Morning Post*, January 31, 2018, <https://www.scmp.com/comment/insight-opinion/article/2131328/china-rewrites-rules-how-rise-influence-middle-east>. Accessed on March 10, 2019.

in this region.<sup>23</sup> In West Asia, there is an increasing demand for the development of renewable energy, development of financial technology, infrastructure development such as railways, roadways, etc.—the sectors where China is playing a leading role. There are chances that much of China’s financing will go towards supporting projects and sectors where China is a global leader.<sup>24</sup> The important point to keep in mind is that most of the states of the West Asian region are welcoming it. In fact, China is pressing hard for the establishment of Free Trade Agreements (FTAs) with this region which could provide it special trading privileges along with financing to the Arab world, enabling it to further strengthen ties—and, thus, political relations—with these potentially volatile states.<sup>25</sup>

While it comes as no surprise that China’s political interests follow its global economic goals, what remains to be seen is whether its economic incentives result in the political ties that China seeks, particularly with the turmoil hit West Asia. For President Xi, capturing this resource-rich region is the core goal of BRI, so there are chances of witnessing more developments in this evolving new strategic partnership.

In this context, it becomes important to point out that the Chinese outlook is not all rosy considering the erupting fissures between the Gulf monarchies. These ruptures have become an issue of concern for China. There are chances that for China, this would represent a serious complication for its emerging regional policy in West Asia. It maintains robust bilateral relations with each of the GCC member states and has a coordinated policy with them as a group through the China-GCC Strategic Dialogue, a multilateral mechanism in place since 2010.<sup>26</sup> Trade, investment, and infrastructure and construction

23. Deborah Lehr, “How China is Winning over the Middle East”, *The Diplomat*, July 21, 2018, <https://thediplomat.com/2018/07/how-china-is-winning-over-the-middle-east/>. Accessed on March 9, 2019.

24. Ibid.

25. Xuming Qian and Jonathan Fulton, “China-Gulf Economic Relationship under the “Belt and Road” Initiative”, *Asian Journal of Middle Eastern and Islamic Studies*, vol. 11, no. 3, <https://www.tandfonline.com/doi/pdf/10.1080/25765949.2017.12023306>. Accessed on March 8, 2019; Zha Daojiong and Michal Meidan, “China and The Middle East in the New Energy Landscape”, *Chatham House*, October 2015, <http://www.iberchina.org/files/ChinaMiddleEastEnergy.pdf>. Accessed on March 8, 2019.

26. “China-GCC Relations”, <http://sa.china-embassy.org/eng/zggccgx/>. Accessed on March 10, 2019; Jonathan Fulton, *China’s Relations with Gulf Monarchies* (New York: Routledge, 2018).

projects are all areas where commercial relations have strengthened in recent years. This enhanced cooperation will eventually also lead to increased opportunities for China and West Asia under BRI, which will play an important role in expanding China's regional presence in West Asia.

It will be true to say that China's entry drives New Delhi to increase its own influence and prevent Beijing gaining leverage over its energy security, and being encircled by China's allies. However, considering the pragmatism of the two countries, viz. India and China, both have developed very important bilateral trade relationships and have, thus, become economically interdependent with this region.

### CONCLUSION

India is facing a sudden reshaping of West Asian geo-politics. The influence and interest of the US in the West Asian region has receded, Iraq and Syria have emerged as Iranian allies in the region after Lebanon in the circumstances where the global oil and gas markets are shifting.

India has, at times, been a reluctant partner, sceptical of the American embrace, both due to past differences as well as its traditional ideals of non-alignment of avoiding formal alignments with the superpowers. In response to these emerging factors, there has been a massive increase in activity. Prime Minister Modi's West Asia policy focussed on the "Link West" policy with its agenda evolving into "Think West" with a plethora of bilateral visits. In recent years, Delhi has signed security and defence agreements with Saudi Arabia, the UAE, Oman, and Qatar.

From the US perspective, Saudi Arabia – in the entire West Asian region – is an important state geo-politically. While the Saudis will remain dependent on the US in that regard, the growing bonhomie between India and the US provides India with a chance to utilise this opportunity to the fullest for its own benefit. However, most analysts agree that new patterns of international relations are evolving. The new dynamics must take into account the reemergence of more traditional balance-of-power politics as Asian nations such as India

and China become powerful players in the West Asian region. By rebranding its image in the West Asian region, Russia is playing the long-term game. At the same time, it will be difficult to force Moscow out of the region. However, at the same time, the extra-regional goals of the Russian foreign policy vis-à-vis West Asia are amplified by the geo-political and geo-economic transition occurring throughout West Asia.

It will be pertinent to mention here that India's engagements with the West Asian region have moved beyond the requirements of uninterrupted supply of energy resources and the presence of the Indian diaspora. Moreover, India's increasing strategic engagement with this region is an indication of its strategic vision to become a regional power and a stakeholder in the geo-politically important West Asian region. In all of this, China's increasing presence in the West Asian region cannot be ignored. There is a need for India to develop its relations and connectivity with this region to achieve the mutual objectives of peace, stability and growth.

# JCPOA CRISIS: IMPLICATIONS FOR IRAN AND REGIONAL GEO-POLITICS

**NASIMA KHATOON**

The last one and half years were like no other for the Islamic Republic of Iran. Beginning with massive protests and a nationwide uprising in January 2018 to the recent policy of zero import of crude oil from Iran, as part of the “maximum pressure” strategy by the US, all have continued to pose new threats to the Iranian regime and to the regional geo-politics, apart from the global crude oil market. While the US’ withdrawal from the Iran nuclear deal and the sanctions have taken a toll on the country’s economy, there are other factors which have altered the dynamics of the regional geo-politics, as well as deepened the internal socio-economic and political challenges of the country. Between the inflation and the currency collapse, the ordinary people of Iran have to struggle to cope with the changing state of affairs and, at the same time, tensions have been raised between Iran and the US. The European signatories of the Joint Comprehensive Plan of Action (JCPOA) pledged to keep their side of the bargain after the US’ withdrawal from the deal, but in spite of their best efforts, the Europeans have been unable to safeguard their Iranian oil

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imports and, thereby prevent Iran from being disconnected from the international financial market.

While its dismal socio-political situation and acute economic challenges are likely to worsen as new sanctions are imposed on Iran's oil and metal exports, the already deteriorating situation may lead to Iran's complete withdrawal from the JCPOA which would adversely impact the global non-proliferation regime and raise the risk of yet another military conflict in West Asia. In this backdrop, the paper examines the effects of the sanctions on different internal and external factors. It also analyses whether full-scale sanctions are an effective solution to the crisis and their impact on the regional geo-politics.

### **A SHUTTERING START**

In Iran, the year 2018 began with nationwide anti-government movements and protests. While these protests did not continue for long and were curbed by the government, the uprising revealed the early signs of strong discontent among the people against the regime. Among the most significant characteristics of the movement were the protests that sprang up throughout the country, including the provincial, traditionally conservative areas that rarely participate in political activities led by groups in Tehran and other major cities. The majority of these comprises the young working class, under 25 years of age, who have suffered the most under Iran's sluggish economy. The streets of Iran were filled with thousands of protesters who marched against the regime's failing domestic, economic and foreign policies. The protest which broke out in Mashhad, a religious city near the border with Turkmenistan in northeast Iran, primarily focussed on economic issues such as unemployment, poverty and the skyrocketing prices of basic goods. In Iran, where the ruling clerics hold much of the power, the people were majorly frustrated over the suppression of social freedom and political openness by the political elites, the institutionalised discrimination against Iran's ethnic minorities and the greater economic hardship in Iran's periphery. The multi-ethnic composition of the protests was a sign of the relative weakness of the government's control in the minority rich frontier region of Iran.

The reformists, who are relatively marginalised by the hardliners, mainly remained silent but a few came out, asking the ruling party to allow peaceful demonstrations. Initially, the authorities largely held back, but as the unrest continued, and intervention by President Rouhani, a relative moderate, who tried to underplay the significance of the violence, failed to calm the protesters, the security forces took over with a harsher response to the demonstrators. The Iranian authorities blamed the unrest on foreign powers, mainly accusing Saudi Arabia and the US. Although these countries are vocal about regime change in Iran and are doing all they can to realise it, there is little evidence so far to show that the unrest was being driven from outside.

As the US further escalated the sanctions against Iran, the regime's economic woes increased, affecting the everyday life of the people. Although Rouhani had said that the recent annual budget of December 2018 had been adjusted to take account of Washington's "cruel" sanctions, he could not deny the reality that in spite of every effort, these would continue to cripple the country's economy.

### **ECONOMIC WOES BEYOND SANCTIONS**

Many analysts believe that Iran's economic downfall began much before the US sanctions were imposed, and the sanctions only added to the already existing sluggish economy. The major problem lies with the fictitious assets and non-performing loans. Iranian banks had issued huge loans under Rouhani's predecessor Ahmadinejad, without paying much attention to whether these loans would be repaid. This situation led to almost half of these loans, worth around \$27 billion, being unpaid. Being short of funds, the banks desperately tried to attract deposits with high interest rates, as high as 30 percent. While this initiative primarily increased the source of liquidity, the interest on these deposits only added extra burden on the banks. The banks are also being burdened by unsaleable properties, after investing money in such constructions and by lending money to 'unhealthy' banks.

According to analysts, despite a privatisation drive, the country's private sector is struggling to attract investments and compete for projects, as much of the economy remains under the control of the

state, directly or indirectly. State-controlled industries like steel and petrochemicals benefit from the huge subsidies but these sectors create relatively low jobs and returns due to the rampant corruption. The nuclear deal was expected to bring foreign investment to boost the private sector, but the reimposition of the sanctions ended that hope and forced Rouhani more towards the “resistance economy” preferred by the supreme leader.

The downfall of the economy led many Iranians to secure their savings in dollars and gold, triggering a fall of the Iranian rial, which has lost more than half its value since the sanctions were imposed. This, in turn, has resulted in a sharp increase in the prices of daily commodities, by as much as 60 percent<sup>1</sup>, with the inflation rate hovering around 35 percent and an unemployment rate of 13 percent, which is expected to rise to 15 percent by 2020<sup>2</sup>.

The threat of US sanctions led to a sharp decline<sup>3</sup> in the Iranian oil exports: from 2.4 million barrels per day (bpd) in May 2018 to approximately 1.25 million bpd<sup>4</sup> in November 2018. The exemption that had been given till May 2019 to Iran’s key oil buyers— China, India, South Korea, Japan, Italy, Greece, Taiwan and Turkey— allows them to buy oil for a few more months, which increased Iran’s oil exports to some extent. This group of eight countries accounted for 80 percent of oil imports from Iran in 2017, which was on average 2.6 million bpd.<sup>5</sup> The move had also resulted in the global oil price drop, as the waiver had helped ease tension in the global oil market

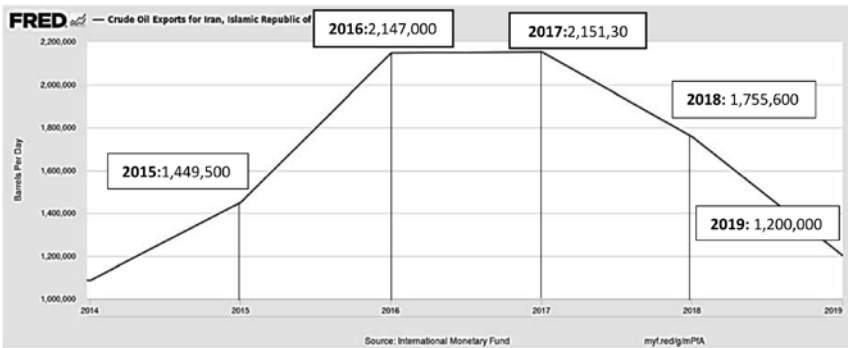
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1. “IMF: Growth Prospects for Iran to Decline Over Sanctions”, *Financial Tribune*, October 9, 2018, <https://financialtribune.com/node/94343>. Accessed on December 4, 2018.
  2. Data Mapper, IMF, “Unemployment Rate (per cent)”, International Monetary Fund. October. <https://www.imf.org/external/datamapper/LUR@WEO/OEMDC/ADVEC/WEOORLD/IRN>. Accessed on December 7, 2018.
  3. Suzanne Maloney, “‘Sanctions are Coming’— but Trump has no Achievable end Game for Iran”, *Brookings*. November 5, 2018,. <https://www.brookings.edu/blog/order-from-chaos/2018/11/05/sanctions-are-coming-but-trump-has-no-achievable-end-game-for-iran/>. Accessed on December 15, 2018.
  4. “Saudi Energy Minister, US State Department Official Meet on Iran Sanctions”, Ed. Valarie Jackson, *S&P Global* December 5, 2018,. <https://www.spglobal.com/platts/en/market-insights/latest-news/oil/120518-saudi-energy-minister-us-state-department-official-meet-on-iran-sanctions-source>. Accessed on December 18, 2018.
  5. Henning Gloystein, Alex Lawler,. “Iran oil Exports to Plummet in November, then Rebound as Buyers use Waivers”, *Reuters* November 6, 2018,. <https://www.reuters.com/article/us-usa-iran-sanctions-oil/iran-oil-exports-to-plummet-in-november-then-rebound-as-buyers-use-waivers-idUSKCN1NB0JW>. Accessed on January 5, 2019.



– making it difficult for Tehran to earn the expected revenue from one of its major exports. However, after the US imposed a total ban on Iranian crude oil exports in May 2019 and most of the countries decreased their oil imports from Iran to nearly zero, the already existing crisis intensified. Denied access to Western finance, Iran is likely to accelerate its efforts to seek China’s and Russia’s help as most of the European firms pulled out of Iran ahead of US sanctions.<sup>6</sup>

On January 31, Germany, France and Britain (the EU-3) announced the establishment of a special purpose vehicle aimed at facilitating legitimate trade in humanitarian goods, called Instex, with Iran. But despite their support to the JCPOA, the Europeans have been unable to safeguard Iran’s ailing economy and the Instex is yet to become operational.

**Fig. 1: Crude oil export from Islamic Republic of Iran (BPD)**



Source: International Monetary Fund, “Crude Oil Exports for Iran, Islamic Republic of” [IRNNXGOCMBD], *FRED*, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/IRNNXGOCMBD>. Accessed on February 20, 2019.

In this situation, Tehran’s recent decision to restart part of the activities prohibited under the 2015 JCPOA, and systematic withdrawal from the landmark deal, would be perilous, not only for the global non-proliferation regime but also for the security and stability of the West Asian region. Iran has announced that it will exceed the present

6. Benoit Faucon, “China Offers Iran \$3 Billion Oil-Field Deal as Europe Halts Iranian Crude Purchases”, *The Wall Street Journal*, January 17, 2019, <https://www.wsj.com/articles/china-offers-iran-3-billion-oil-field-deal-as-europe-halts-iranian-crude-purchases-11547743480>. Accessed on January 23, 2019.

limit of production of heavy water and Low Enriched Uranium (LEU) in 60 days, if the other signatories of the JCPOA – the EU-3, China, Russia – do not take strong actions to defend the deal. Iran has also threatened to retaliate against any disruption of oil sales, by blocking<sup>7</sup> the Strait of Hormuz—a narrow conduit for about 30 percent<sup>8</sup> of the world’s seaborne-traded crude oil. In case no effort is made by the signatories of the nuclear deal to defend it, the increasing pressure by the US will lead to Tehran’s complete withdrawal from the deal, which would be a major failure of multilateral diplomacy.

### JCPOA AND IRAN-US RELATIONS

The JCPOA was the product of a long international effort to persuade Iran to negotiate limits on its nuclear programme. The effort began in 2003 when the Iranian dissident group, the National Coalition of Resistance of Iran (NCRI), disclosed a covert uranium enrichment programme pursued by Iran<sup>9</sup>. The US-Iran political tension soon placed this as a major politico-strategic controversy over Iran’s nuclear ambitions. Although Iran’s interest in nuclear technology dates back to the 1950s when the Shah of Iran received technical assistance under US President Dwight D. Eisenhower’s Atoms for Peace programme, the assistance ended with the 1979 Iranian Revolution.

As a country with the fourth largest known oil reserves (after Venezuela, Saudi Arabia and Canada) and the second largest gas reserves (after Russia), Iran had to face questions regarding the rationale behind the nuclear option. Although Iran is a signatory to the nuclear Non-Proliferation Treaty (NPT), some of its actions and activities raised doubts about the “peaceful” nature of its nuclear ambitions. Though the NPT recognises the right to use civilian

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7. Saeed Kamali Dehghan, “Iran Threatens to Block Strait of Hormuz over US oil Sanctions”, July 5, 2018, <https://www.theguardian.com/world/2018/jul/05/iran-retaliate-us-oil-threats-eu-visit-hassan-rouhani-trump>. Accessed on January 20, 2019.
  8. Ladane Nasser, Golnar Motevalli, Arsalan Shahla, “After Sanctions, Iran’s Economy Is Nearing a Crisis”, *Bloomberg*, August 9, 2018, <https://www.bloomberg.com/news/articles/2018-08-09/as-sanctions-hit-iran-s-on-the-verge-of-economic-breakdown>. Accessed on January 15, 2019.
  9. Oren Dorell, “Tehran Hiding a Secret Underground Nuclear Base in Iran, Dissident Group Claims”, *Independent*, February 25, 2015. Accessed January 14, 2019. <https://www.independent.co.uk/news/world/middle-east/tehran-hiding-a-secret-underground-nuclear-base-in-iran-dissident-group-claims-10069604.html>. Accessed on January 14, 2019.

nuclear energy, the Iranian pursuit of an extensive nuclear fuel cycle, including sophisticated enrichment capabilities,<sup>10</sup> and the construction and maintenance of nuclear installations outside the purview and inspection of the International Atomic Energy Agency (IAEA), became the subject of intense international negotiations between 2002 and 2015. Between 2008 and 2015, the number of centrifuges operated by Iran rose significantly from 5,000 to 15,000, and intelligence assessments suggested that Iran could develop sufficient nuclear fuel for a crude nuclear device<sup>11</sup>.

In the late 1980s and early 1990s, as Iran's nuclear cooperation agreements with various countries like China and Pakistan came under the US radar, the US introduced a series of economic sanctions against Iran and actively pressured potential suppliers to limit nuclear cooperation with it. As a result of these measures, Iranian oil and gas exports, critical components of its economy, began to decline, and the drastic drop in prices since mid-2014 further undermined its capabilities.

These factors, as well as the American desire to seek to diminish the Iran factor in West Asia through a political settlement, culminated in the July 2015 JCPOA, commonly known as the Iran nuclear deal. The process began in June 2003 when the EU-3 (France, Britain, and Germany) initiated a political process, later joined by the USA in March 2013. Iran eventually reached an agreement with the five permanent members of the Security Council and Germany that, *inter alia*, curtails Iran's ability to develop weapons grade uranium. On July 20, 2015, the UN Security Council adopted UN Security Council Resolution (UNSCR) 2231, endorsing the agreement, and it came into force in January 2016.

The JCPOA requires Iran to reduce operational centrifuges at the Natanz enrichment facility from 19,000 to 5,060 until 2025, and it was required to reduce its stockpile of 3.67 percent enriched uranium to 300 kg (660 lb). Another means of acquiring fissile material for a nuclear weapon is to reprocess plutonium, a material that could be

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10. "Nuclear Iran", Nuclear Threat Initiative (NTI), May 2018, <https://www.nti.org/learn/countries/iran/nuclear/>. Accessed on January 23, 2019

11. Iran Watch, "A History of Iran's Nuclear Program", August 9, 2016. Accessed on February 2, 2019. <https://www.iranwatch.org/our-publications/weapon-program-background-report/history-irans-nuclear-program>. Accessed on February 2, 2019.

produced by Iran's heavy water plant at Arak. In accordance with the JCPOA, Iran rendered inactive the core of the reactor and limited its stockpile of heavy water.

President Donald Trump's contempt for the nuclear deal dates back to his time as presidential candidate, and on May 8, 2018, he made a pledge to pull America out of the international agreement.

Since 2016, the IAEA has released quarterly verification and monitoring reports on Iran's compliance with the terms of the JCPOA in accordance with UNSCR 2231. In April 2017, the Trump Administration certified Iranian compliance but with strong reservations and reluctance. This was followed by a series of events supported by the US' strong regional ally, Israel, and, finally, the US withdrew from the agreement, terming it as a "horrible, one-sided deal (that) failed to achieve the fundamental objective of blocking all paths to an Iranian nuclear bomb<sup>12</sup>."

Although the leaders of France, the UK and Germany reemphasised their support for the deal and its importance for the non-proliferation regime, it soon became clear how hard that would be, given the European companies' close links with the US companies. Major European companies like the French Total, Peugeot parent Groupe, Daimler, have halted their activities and withdrawn from the business deals they had signed with the Iranian government. Although Russia and China are also in favour of resisting Trump's policies, their private sectors remain unable to retaliate against US acts that are forcing them to significantly limit their economic exchanges with Iran.

### **CHANGING REGIONAL DYNAMICS**

The geo-political shift in West Asia, especially in the aftermath of Donald Trump's withdrawal from the JCPOA and the ongoing proxy war in Syria and Yemen, have underscored Iran's geo-political importance in the region, leading it to look for a modified foreign policy construct, adjusting its status with the new geo-

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12. France24, "US Reimposes Tough Economic Sanctions on Iran", August 7, 2018, <https://www.france24.com/en/20180807-us-iran-reimposes-tough-economic-sanctions>. Accessed on February 5, 2019.

political environment and regional balance of power. Iran has been involved – directly or indirectly – in many regional conflicts and its influence reached far beyond its immediate borders to Syria, Lebanon, Yemen, Iraq and Bahrain. This has increased apprehensions among Iran’s regional competitors such as Israel, Egypt, Saudi Arabia and the UAE over its overall intentions. A host of international developments, such as declining American influence for greater involvement in West Asian politics – after a series of not so successful interventions in many countries and the recent decision to withdraw US troop from Syria under the Trump Administration – is gradually changing the dynamics of the West Asian politics as many Gulf monarchies have become uncomfortable with the US move. Although the sanctions caused by the US’ withdrawal from the JCPOA have hindered Iran’s economy to a large extent, it poses an important question: would the unilateral sanctions be pertinent to end Iran’s nuclear ambitions, especially when the Islamic republic was in complete adherence to IAEA guidelines<sup>13</sup> and the other signatories of JCPOA had backed the deal – or would it make the process more complex? What would be the regional implications of this growing stalemate? It is also important to assess as to how long the situation can be sustained. For India, the growing Iran-Saudi rivalry and regional proxy wars could also be troublesome, as New Delhi seeks to maintain strong strategic and diplomatic bonds with both countries.

Since the Islamic Revolution of 1979, Iran has faced prolonged conflict, diplomatic isolation, and prolonged economic sanctions; but it has managed to retain stability. The revolution was an event that upended the political order in West Asia. When the Shiite cleric Ayatollah Ruhollah Khomeini ousted the US backed Shah’s last government in February 1979, one of the founding events for the foreign policy of the new regime was the taking of American diplomats as hostages. The event ruptured the ties between Washington and its one-time regional ally, and also had obvious repercussions for the neighbouring Arab monarchies along the Persian Gulf. Khomeini’s

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13. Director General, IAEA, Board of Governors, “Verification and Monitoring in the Islamic Republic of Iran in Light of United Nations Security Council Resolution 2231 (2015),” IAEA, November 12, 2018, <https://www.iaea.org/sites/default/files/18/11/gov2018-47.pdf>. Accessed on February 14, 2019.

call for overthrowing the pro-Western Arab monarchies intensified regional tensions and finally culminated in the Iraqi aggression towards Iran (1980-88).

In the meantime, pro-Western Saudi Arabia formed the Gulf Cooperation Council<sup>14</sup> (GCC), with all six pro-Western founding members; this was mainly a political move against the Islamic Republic which influenced protests by Shiites in Saudi Arabia. Although Iran suffered enormous casualties against Iraq – which was backed by the US and the oil rich Arab countries like Saudi and Kuwait – its ability to sustain the loss and survive the war without major regional support from many oil rich Arab countries placed the Islamic Republic in a vital position in West Asian politics<sup>15</sup>. The aftermath of the Islamic Revolution pitched Iran against Saudi Arabia and other major Sunni Islamic countries, except for some key allies like Syria and the Shiite movement by the Hezbollah that arose after Israel's invasion of Lebanon in 1982. Hence, the strategy of the Islamic Republic, post revolution, has been preventing the US from having a foothold in West Asia. The standoff between Washington and Tehran, from Syria to Yemen to Lebanon, continues to shape the geo-political map of the region. In this scenario, the US' counter-measure against Iran in the form of withdrawal from the Iran nuclear deal, citing Iran's role in regional conflicts, comes as no surprise.

The Trump Administration has not made it explicit, but regime change in Iran can also be the US' Iran strategy. The sanctions appear to be the instrument to cripple Iran's economy, thus, fuelling domestic tensions and protests by the Iranian people, which has already become a huge domestic problem. The precarious relations between Iran's moderate and democratically elected President Hassan Rouhani and the conservative-revolutionist supreme leader Ayatollah Khamenei could also have significant repercussions for Iran's foreign policy and domestic politics. While Washington sees the Iranian policy as the main destabilising factor in West Asia, it seems that Iran's growing regional influence is a major bone of contention, as it impacts the

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14. Gulshan Dietl, *Through Two Wars and Beyond: A Study of the Gulf Cooperation Council*, (New Delhi: Lancers Books, 1991).

15. Anoushiravan Ehteshami, *Dynamics of Change in the Persian Gulf: Political Economy, War and Revolution*, (New York: Routledge, 2013).

interests of US allies in the region. According to analysts<sup>16</sup>, it seems unlikely that the sanctions would spur an economic collapse in spite of the predicament the Iranian economy is facing. Now the current geo-political aims of Tehran seem focussed mainly on one goal: to ensure economic and political stability. It is likely that Iran will integrate its economy into the neighbourhood's economy to strengthen Iran's national products and enhance economic growth. Tehran will seek regional cooperation along with strengthening its trade relations with China— an emerging external player in West Asian geo-politics. In this regard, Iran's Foreign Minister Mohammad Javed Zarif announced that the country's two main priorities hereafter would be "focussing on economic matters" and "strengthening the relationship at the neighbourhood realm" and the region<sup>17</sup>.

## CONCLUSION

The historical record of sanctions demonstrates that in most cases, economic sanctions could be a detrimental foreign policy tool, owing to the inadvertent destabilising effects they create in the target countries which cause disproportionate stress on ordinary citizens, while allowing the targeted regime to avoid the cost of compulsion<sup>18</sup>. For example, sanctions in North Korea led to the deaths of thousands of people without affecting the dictator's government too much; the US economic sanctions in Cuba in 1960 harmed the people's life without weakening the regime; sanctions in Iraq and Venezuela also had detrimental consequences on the populace. In the case of Iran, decades of sanctions led to declining living standards for citizens and gave rise to a series of public protests, but that was no hindrance to Iran's growing regional influence. Hence, increased sanctions may give rise to the deterrence side of Iran's foreign policy to protect its national security in the region and to increase its regional presence.

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16. Dr. Fatima Al-Smadi, "Do Trump's Sanctions on Iran Fulfill Their Objectives?" *Al Jazeera*, December 20, 2018. <http://studies.aljazeera.net/en/reports/2018/12/trumps-sanctions-iran-fulfill-objectives-181220112029571.html>. Accessed on March 8, 2019.

17. "What are Foreign Policy Priorities of Twelfth Government?" *Mehr News*, August 10, 2017, [mehrnews.com/news/4053673](http://mehrnews.com/news/4053673). Accessed on March 17, 2019.

18. Dursun Peksen, "Better or Worse? The Effect of Economic Sanctions on Human Rights", *Journal of Peace Research*, 46, no.1, pp. 59-77. <http://www.jstor.org/stable/27640799>. Accessed on March 20, 2019.

The main goal of the Iranian foreign policy is enhancement of its regional influence through benefitting from its geo-political advantages and to contain the American desire to preserve a regional order tilted in favour of the Arab monarchies in the Gulf region. Through alliances with Syria and militant groups such as Hamas and Hezbollah, Iran has managed to expose the limits of American influence in the region to some extent, especially in Iraq, Lebanon, and Palestine. It is now evident from the JCPOA's experience that sticking with a foreign solution about regional stability is unlikely to help Iran in overcoming the new geo-political constraints. The nuclear controversy, and with the US withdrawal from JCPOA, the necessity to strengthen the level of economic and political cooperation with neighbouring countries will become more significant in Iran's foreign policy construct. Evidently, a more stable Iran will have the propensity to increase its regional cooperation, and complete implementation of the JCPOA could increase Iran's appetite for international cooperation with the West, especially with the US. Moreover, the dynamics of the regional developments will determine Iran's orientation towards regional cooperation and, hence, a more stable West Asia, or escalation of tensions and rivalries.



# NUCLEAR ENERGY IN WEST ASIA

**STUTI BANERJEE**

## **INTRODUCTION**

Nuclear issues, when discussed in relation to West Asia, have largely focussed on Iran and, to some extent, the nuclear capabilities of Israel. Nonetheless, the signing of the Joint Comprehensive Plan of Action (JCPOA) or the Iran nuclear deal among Iran, the P5+1, and the European Union (EU), and the opposition it faced, led to the nuclear and related issues being discussed within the purview of the region as a whole. Other nations of the region have launched nuclear programmes and claim them to be peaceful, for civilian use and within the ambit of international safeguards. They also present an economic rationale for exploring nuclear energy. However, it is the political and geo-political dimensions, a desire for prestige and the possible military implications that need attention for not just the countries of the region but others as well.

The region for the moment is going through a turbulent phase with people's protests leading to some measure of reforms, civil wars that involve regional and international actors and the growing role of radical forces and non-state actors. The regional security has been challenged with the rise of the Islamic State in Iraq and Syria (ISIS), revival of Al Qaeda and its affiliates, crisis in Syria, fragile peace in

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Iraq, political unrest in Egypt, crisis in the Gulf Cooperation Council (GCC) and tension between Israel and Palestine, along with the rivalry between Iran and the Arab states.

In this mix of regional rivalries and tension is the reality that nuclear energy is being sought by some countries of the region. In the past, Israel's bombing of the nuclear reactors in Iraq and Syria had put an end to the nuclear power ambitions of these two countries. Libya voluntarily gave up its nuclear weapons to improve its relations with the international community; this further led to the unmasking of some proliferation networks. As of date, four nations of the region, Egypt, the United Arab Emirates (UAE), Jordan and Saudi Arabia have nuclear power ambitions. Iran has nuclear power plants, whereas Israel is alleged to have nuclear weapons but does not use nuclear power for electricity.

In the past decade, Egypt and Saudi Arabia announced their plans to establish nuclear power reactors. Egypt's first nuclear power plant is to be built by Russia. Construction work is to begin by 2020. Saudi Arabia has announced plans to build 16 nuclear power reactors by 2040. It is currently in the process of selecting a company for the construction of the first nuclear power plant. A preferred bidder in the competitive dialogue is expected to be chosen in 2019.<sup>1</sup> Jordan signed a nuclear cooperation agreement with Russia in 2015. However, it was recently announced that Jordan would be focussing on smaller modular reactors instead of larger reactors due to financial pressures. The UAE began construction of the 5,600MW Barakah Nuclear Power Plant (NPP) in 2011. The construction of the power plant is over and it is expected to be operational by 2020. Russia is building the Bushehr 2 in Iran and it is expected to be completed by 2026. Thus, the region is posed for a dramatic growth in nuclear energy in the next few decades if all the reactors come online.

The desire for nuclear power by any of these countries is not new and has been in the process for some decades. The pursuit of nuclear energy for civil use in itself is neither prohibited under international law nor undesirable as a source of energy. It is a reliable source of power, with many of the reactors being built likely to have more years

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1. "Saudi Arabia 'on its Way to Become a Nuclear Power'," *Saudi Gazette*, <http://saudigazette.com.sa/article/550770>. Accessed on January 14, 2019.

of operation than originally anticipated.<sup>2</sup> However, the dual nature of nuclear technology has meant that it needs to be viewed with caution and within the ambit of international safeguards. In a region with historical rivalries that have been heightened in the past few years, the introduction of nuclear technology is being viewed both as an economic opportunity and a security nightmare.

This paper will try to understand whether the pace of nuclear energy development is out of necessity; or is being developed as a geo-political status and is connected to the regional security concerns of nuclear weapons, in which case it raises the risk of a nuclear arms race.

### **NUCLEAR ENERGY IN WEST ASIA: REASONS FOR DEVELOPMENT**

Scepticism aside, the desire to develop nuclear energy stems from a wide variety of reasons, the most important of which is diversification of energy sources. Energy security through energy diversification is one of the primary reasons for the countries of the region to explore nuclear energy. These countries are major suppliers of energy resources to the world. Development of nuclear energy for domestic consumption frees valuable reserves for export. For example, Saudi Arabia produced 11,951 barrels of oil per day in 2017, and in the same year, it also consumed 3,918 barrels a day.<sup>3</sup> The country is the largest producer and consumer of energy resources in the region. It consumes over one-quarter of its oil production, and while the energy demand is projected to increase substantially, oil production is not. Its per capita consumption is about 9,500 kWh/yr, heavily subsidised.<sup>4</sup> These countries are also competing with new entrants to the energy

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2. Ephraim Asculai, "The Pros and Cons of Nuclear Power in the Middle East," <http://www.inss.org.il/publication/the-pros-and-cons-of-nuclear-power-in-the-middle-east/>. Accessed on January 10, 2019.

3. Total Middle East consumption per annum of energy was: 2007- 618.2, 2008- 657.1, 2009- 677.2, 2010 714.3, 2011- 740.9, 2012- 771.1. 2013 795.3, 2014- 823.1, 2015- 848.3, 2016- 869.7, 2017- 897. Growth rate 2017 (2 3.4%) , 2006-2016 (4.1%) to 2017 (6.6%). Figures have been taken from the *BP Statistical Review of 2018*. Available at <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2018-full-report.pdf>.

4. World Nuclear Energy, "Nuclear Power in Saudi Arabia", <http://www.world-nuclear.org/information-library/country-profiles/countries-o-s/saudi-arabia.aspx>. Accessed on June 14, 2019.

market. The rise in the production and export of shale gas will impact the region as countries look for ways to overcome their dependence on West Asian oil. According to the US Energy Information Agency's short-term energy outlook (December 11, 2018), the United States has surpassed Russia in crude oil production and this year is likely to overtake the UAE. The United States and other countries are exploring their shale energy reserves and, in the future, will affect the energy market structure. The energy economies of West Asia have to adapt to this change. It needs to be noted that the shale revolution has attracted particular attention due to the unexpected changes it has brought to the US' energy production.

Along with shale oil, the West Asian nations also have to factor in the increasing stress on the use of renewable sources of energy. With climate change, the need to shift to a carbon neutral option is fast becoming a policy imperative for a number of nations. This is not to say that fossil fuels would no longer be relevant but the stress on renewable energy has ensured that countries are spending more on the development of such technologies for long-term economic and environmental health. As technology develops, it has meant that the overall cost of solar and wind energy is steadily falling. In the near future, it will be cheaper to generate electricity from renewables than from conventional fuels. The automobile and airline industries are also developing environmental friendly options for both private and commercial vehicles. As government policies start to look at renewables beyond just power generation to use across sectors and technologies, it will increase the demand for renewables in the future. This 'non-conventional energy' supply revolution may, in the future, reshape the more conventional energy markets and industry.

As major energy exporting countries, a significant portion of the domestic economic outlook of the nations of West Asia is affected by global oil prices. Besides the impact on government finances and the balance of payments, changes in oil earnings have broader domestic implications. The non-oil economic activity in these countries is heavily dependent on oil revenue. Moreover, most large-scale economic activities in the public domain (petrochemicals and oil-based basic manufacturing) are closely linked to developments in the oil sector. A fall in energy prices or

less demand, over an unexpected long duration, will likely have a detrimental effect on the spending by the government on other non-energy related sectors.

There is also a domestic compulsion to explore other sources of energy. As population and demands increase, the states of the region would have to ensure a correspondingly increased supply of electricity. The need to diversify their energy resources also stems from their need to meet the rising domestic demands for electricity and to preserve the indigenous resources largely for the export income. Desalination is the other major consumer of electricity in the countries of the region. This process is energy intensive and as demand rises, it is expected that energy needed to provide water will also grow correspondingly. In this bid to build upon alternative sources of energy, the countries of the region are exploring nuclear energy.

#### **NUCLEAR ENERGY IN WEST ASIA: CONCERNS OVER DEVELOPMENT**

Questions have been raised on the rationale and timing of countries such as Saudi Arabia and the UAE announcing their plans to build nuclear power plants. This is especially true as there are other alternative sources of energy that the countries could focus on such as solar. Nuclear energy is financially expensive to build and maintain when compared to solar power plants, which are easier to build and maintain and have seen a fall in the cost of installed solar power in the past few years. Wind energy is another alternative that the countries of the region can explore.

Experts studying the region are of the opinion that the desire to develop nuclear energy is linked to international prestige and status and also to Iran's nuclear power ambitions. By expressing their desire to develop civil nuclear energy, the countries of the region have made clear their aim to challenge Iran's nuclear power projects. To buttress their views, they point to the statement made by Crown Prince Mohammed bin Salman of Saudi Arabia to media outlets during his visit to the United States in March 2018, where he stated that Saudi Arabia could develop nuclear weapons if Iran continued to do so.

Internationally, very few nations are engaged in the construction of nuclear power plants. With the economic slump globally, it is being feared that they might be willing to provide concessions or agreements without restrictions on uranium enrichment and reprocessing of spent fuel as is the standard safety process. Saudi Arabia has indicated that it would like to enrich and reprocess its spent fuel rather than import it under strict International Atomic Energy Agency (IAEA) guidelines. Experts feel that such a provision may lead to increased tensions in the region, with possible clandestine development of nuclear weapons. President Trump has shown a willingness to allow such a deal if the Saudi Kingdom chooses the United States to build its reactors. This will not only boost ties between the two countries; it will also bring jobs and deals worth millions to the United States, a key promise of the Trump Administration. There is a fear within the United States nuclear industry and the government that if it does not provide the concessions, Russia or China may be more willing to do so. This will not only take the projects away from the United States but it will also lose any, and all, oversight over the nuclear power projects. However, the US Congress is yet to agree to a diluted 123 agreement and negotiations between the US Congress and the Administration are ongoing. In the meantime, Saudi Arabia has started the construction of its first 'experimental' reactor on the outskirts of Riyadh. According to the IAEA, at its current pace of construction, it should be complete by the beginning of 2020. The kingdom which made its plans for nuclear energy public in 2010, has been pursuing them earnestly under the direction of the new Crown Prince Mohammed bin Salman's Vision 2030, which hopes to reduce Saudi Arabia's dependence on its own oil and diversify its energy basket. Apart from the financial efficiency of the projects, there are other apprehensions about the development of nuclear energy. They are related to safety, security and proliferation risk. While it needs to be stated that these concerns are not confined to the region but due to the political climate, they feed the reservations about nuclear technology in West Asia.

Safety fears are not limited to just the safety of the reactor in the event of a natural disaster – which was highlighted in Fukushima – but also include the safe storage of nuclear waste. The storage and

long-term disposal of highly radioactive waste in an environmentally sustainable manner needs to be planned before the large-scale nuclear growth planned in West Asia. Geological repositories<sup>5</sup> can offer a stable solution. They can also be used as a possible confidence building measure, with such storage projects open to, and managed through, regional cooperation. It would also be a financially viable option for the region.

Development of human capital is another barrier, although most nations have started programmes to train operators for the reactors, and universities are now encouraging students to study nuclear technology and related subjects. However, while safety conscious operators and constant monitoring of the facilities would reduce the risk of accidents, the states would also need to develop safety and security layers to protect the facilities from attackers who view such sites as targets. Terrorism and sabotage involving nuclear plants is not so rare. With increasing use of cyber technology in nuclear plants there is a threat of cyber attacks. Such attacks can be carried out by malicious groups as well as part of a military attack. It needs to be kept in mind that nuclear installations are potential military targets in the event of hostilities. In regions where major war and military crises are remote, such concerns are relatively minor. Since World War II, every known military attack on a nuclear installation has taken place in West Asia. Iran and Israel each bombed the Iraqi Osirak reactor; Israel destroyed it in 1981. Iraq bombed the Iranian reactor site at Bushehr several times during the Iran-Iraq War in the 1980s. The United States bombed several Iraqi nuclear installations during the 1990s. And in 2007, Israel bombed a reactor nearing covert completion in Syria. Even today, plans for attacking Iran's nuclear sites no doubt sit waiting in more than one military headquarters. And no regional forum for the discussion of nuclear security and other regional security issues exists today.<sup>6</sup>

As can be noted, destruction of nuclear power plants has not deterred the states of the region from developing or exploring

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5. An excavated, underground facility that is designed, constructed, and operated for safe and secure permanent disposal of high-level radioactive waste. A geological repository uses an engineered barrier system and a portion of the site's natural geology, hydrology, and geochemical systems to isolate the radioactivity of the waste.

6. Asculai, n.2.

nuclear power. It has, in effect, carried concerns of a possible race to develop nuclear weapons, raising apprehensions about nuclear proliferation in the region. Uranium enrichment and reprocessing facilities use technology that could be diverted to build nuclear weapons. The desire by Saudi Arabia and other nations to build such facilities could further add to regional tensions (Iran already has such facilities). The UAE is the only country in the region that has forgone an enrichment facility as part of its nuclear agreement with the United States. The route that Iran would like to take in the future hangs in the balance as the United States has withdrawn from the JCPOA deal.

Nuclear proliferation fears are linked to nuclear energy development anywhere in the world; in West Asia, they are heightened due to the troubled history of the nuclear weapons programmes in the region and have escalated due to regional rivalries. The behaviour of the states of the region in the past also does not generate much confidence in their adherence to international non-proliferation guidelines. Israel reportedly has nuclear weapons and is not a signatory to the nuclear Non-Proliferation Treaty (NPT). Iraq, Iran, Syria, and Libya each had signed the treaty and pledged not to acquire nuclear weapons, however, according to IAEA assessments, they have tried to pursue nuclear weapons development. Saudi Arabia has made it clear that it will develop weapons if Iran does. It is likely that other states may follow in Saudi Arabia's footsteps, gaining nuclear technology or weapons from other nations.

## CONCLUSION

The countries of West Asia have all supported the goal to make the region a zone free of nuclear weapons and all other weapons of mass destruction and their delivery vehicles. However, geo-politics has meant that the major parties have not achieved the goal. The countries of the region and the depositary states of the NPT have blamed one another for the failure to achieve any notable progress, citing lack of political will, inflexibility of approach and renegeing on promises made.<sup>7</sup>

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7. Tomisha Bino, "The Pursuit of a WMD-Free Zone in the Middle East: A New Approach," <https://www.chathamhouse.org/sites/default/files/publications/research/2017-07-27-WMDFZME.pdf>. Accessed on May 3, 2019.



It would be near impossible to separate politics from the development of nuclear energy in West Asia. Today, the focus of the debate has shifted from Iran acquiring nuclear weapons to the possibility of the same from Saudi Arabia and the UAE. The eventual nature of the nuclear programmes remains a question mark. It is not easy to develop nuclear weapons; however, clandestine operations are not unheard of in the international community. This also raises the prospects of proliferation which needs to be checked. One way of demonstrating a commitment to safe, secure, and peaceful nuclear development is by joining and implementing the relevant international conventions, including: the Convention on Nuclear Safety, the Convention on the Physical Protection of Nuclear Materials (as amended), the International Convention on the Suppression of Acts of Nuclear Terrorism, and the IAEA's Additional Protocol for safeguards. Not one of these conventions or agreements is universally implemented in the Middle East (West Asia).<sup>8</sup>

The other questions that need to be addressed are on regional and national security concerns. International terrorism, weapons of mass destruction, collapsed states and organised crime are the most important elements in the new threat pictures, along with the accumulation of significant amounts of nuclear waste, posing a potential security problem in addition to generating environmental concerns. In the event of an accident like Fukushima, a plan to evacuate the densely populated coastal areas needs to be in place. Given the close geographical proximity of the countries of the region such regional cooperation is the need of the hour. Cooperation on strengthening nuclear safety and security through regional workshops and peer reviews, discussions on regional nuclear waste management, and establishing regionally coordinated disaster response agencies that sponsor exercises using nuclear accident and nuclear terrorism scenarios would be places to start.<sup>9</sup>

It is well established that the countries of the region want to develop nuclear energy for economic reasons but it is also true that

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8. Asculai, n.2.

9. Ibid.

regional geo-politics has meant that they want it also for power and prestige. It seems unlikely that the countries would give up their nuclear energy programmes, making it prudent for the international community to get involved in, and address, the safety and security concerns that arise, by ensuring that channels of communication with all parties in the region remain open at all times.

# AN OVERVIEW OF THE RELATIONS AFTER INDIA'S FOREIGN SECRETARY'S TWO- DAY VISIT TO MOSCOW

**INDRANI TALUKDAR**

India's Foreign Secretary, Vijay K Gokhale, was in Russia for a two-day visit from April 1-2, 2019. During his visit, Mr. Gokhale met some of the important ministers of Russia. He met Deputy Foreign Minister Igor Morgulov for Foreign Office consultations, Deputy Foreign Minister Sergey Ryabkov and Deputy Prime Minister and Plenipotentiary Representative of the President of the Russian Far East Federal District Yury Trutnev.

Mr. Gokhale discussed wide-ranging issues with the ministers, according to the divisions headed by these three Russian ministers. With Mr. Morgulov, he reviewed the implementation of decisions taken at the 19th Annual Summit of 2018; discussed the preparations for the high-level meetings between the two countries for 2019, including on the preparations for the next Annual Bilateral Summit of 2019 and India's participation in the Eastern Economic Forum in Vladivostok in September 2019 (Prime Minister Modi has been invited by President Putin to attend the forum). They had discussions on the upcoming summits and

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cooperation between India and Russia under the formats of the Shanghai Cooperation Organisation (SCO), Russia-India-China (RIC) trilateral grouping and other bodies such as the UN and G20. The foreign secretary and the minister also discussed the evolving situation in Afghanistan.

Mr. Gokhale discussed the regional and international issues, including those relating to disarmament and non-proliferation, and cooperation between India and Russia at various multilateral fora with Mr. Ryabkov. They also discussed India's membership in the Nuclear Suppliers Group (NSG), which is supported by Moscow. The Foreign Ministry of India has not elaborated on the discussions between Mr. Gokhale and Mr. Trutnev but said that the foreign secretary's visit was successful and productive. It is believed that the meetings resulted in enhanced mutual convergence and coordination of views on all major regional and international issues such as Afghanistan, NSG membership, etc. in the spirit of India's and Russia's long standing and time-tested friendship.

With the preparation for the 2019 Annual Summit underway, Mr. Gokhale's visit to Moscow is an important event. It helps in taking stock of the overall relationship between India-Russia since the summit in 2018.

The special and privileged strategic partnership between India and Russia has been in an upswing mode despite the constant change in the international landscape. The bilateral relationship is steering well through the two countries' ambitions while balancing each other's interests. The two countries are in regular consultations, which is an important aspect, given the constant change in the global and regional scenarios. These meetings help India-Russia to keep abreast of each other's developments. Russian President Vladimir Putin had said last year that the relationship between the two countries is developing in a constructive and dynamic manner.<sup>1</sup> The constructive nature of the relationship has been witnessed on many occasions, including during the hard, trying and difficult times of both the countries.

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1. "Indo-Russia Talks Developing in a Dynamic Manner: Putin", *The Economic Times*, December 31, 2018, <https://economictimes.indiatimes.com/news/defence/indo-russia-talks-developing-in-a-dynamic-manner-putin/articleshow/67322024.cms?from=mdr>. Accessed on April 11, 2019.

The relationship shared by President Putin and India's Prime Minister Narendra Modi has also proved important for the bilateral partnership. The Sochi informal meet between the two leaders in 2018 was a vital step towards strengthening the relationship. It is anticipated that this year also, the two leaders might have another informal meet. On Modi's reelection, President Putin congratulated him and expressed his conviction that the two countries will further strengthen the centuries-old friendship and the all-round development of a particularly privileged strategic partnership between Russia and India.<sup>2</sup> The special and privileged partnership has been able to weather rough storms such as the sanctions being imposed on Russia by the West.

The Ukrainian crisis of 2014 which saw the imposition of sanctions on Russia by the West and also tried isolating the country, did not impact the relationship between India and Moscow. The recent warnings by the US against doing business with Russia did not deter India from going forward and signing the deal for the S-400 missile defence system with Moscow in 2018. It was an important step that demonstrated New Delhi's clear and balanced priorities. Likewise, in February 2019, Russia, despite its growing closer relationship with Pakistan, showed its solidarity and camaraderie with India by reiterating its support to the United Nations Security Council proposal to list Masood Azhar as a terrorist. It was also reported that Moscow used its good offices with the Chinese mission to garner China's support on the issue, though the effort was unsuccessful. China changed its position due to the pressure from the other three P5 powers of the United Nations Security Council (UNSC) i.e. France, the US and UK.

Meanwhile, India and Russia are cooperating closely on every aspect of their bilateral relationship. In the economic sector, in 2017, the bilateral turnover was \$10.7 billion. During the 2018 Annual Summit, the two leaders noted that there was an increase of 20 per cent in the trade volume between the two countries in 2017.<sup>3</sup> Both

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2. "Putin Congratulates Modi on his Party's Convincing Victory in General Elections", *Business Standards* May 23, 2019, [https://www.business-standard.com/article/pti-stories/putin-congratulates-modi-on-his-party-s-convincing-victory-in-general-elections-119052301049\\_1.html](https://www.business-standard.com/article/pti-stories/putin-congratulates-modi-on-his-party-s-convincing-victory-in-general-elections-119052301049_1.html). Accessed on May 25, 2019.

3. "India-Russia Joint Statement During Visit of President of Russia to India, October 5, 2018", Ministry of External Affairs, October 5, 2018, [https://mea.gov.in/bilateral-documents.htm?dtl/30469/IndiaRussia\\_Joint\\_Statement\\_during\\_visit\\_of\\_President\\_of\\_Russia\\_to\\_India\\_October\\_5\\_2018](https://mea.gov.in/bilateral-documents.htm?dtl/30469/IndiaRussia_Joint_Statement_during_visit_of_President_of_Russia_to_India_October_5_2018). Accessed on April 10, 2019.

countries are optimistic of achieving the \$30 billion target by 2025. The Stock Exchanges of India and Russia, on April 3, 2019, signed a Memorandum of Understanding (MoU) to ease access to the Russian market for Indian capital. Through this MoU, the Moscow Stock Exchange, Bombay Stock Exchange (BSE) and India International Exchange (IIE) will help investors and companies to connect with each other.

During the 19th Annual Summit, held in October 2018, the two countries decided to hold a meeting of the 1st India-Russia Strategic Economic Dialogue to focus on five core areas of cooperation, namely development of the transport infrastructure and technologies; development of the agriculture and agro-processing sector; small and medium business support; digital transformation and frontier technologies; industrial cooperation and trade. The meeting was held in St. Petersburg on November 25-26, 2018. The meeting was held with the objective to identify the most promising areas to improve bilateral trade, economic and investment cooperation, and to define joint projects in the framework of national programmes.<sup>4</sup> Both countries are optimistic about the deliberations and agreements of the 1st India-Russia Strategic Economic Dialogue.

In the defence sector, the arms exports from Russia to India have fallen to 58 per cent between 2014-18, from 76 percent in 2009-13.<sup>5</sup> India's imports have also gone down from 13 percent during 2009-13 to 9.5 per cent from 2014-18.<sup>6</sup> The reasons for the decrease in the exports and imports between India and Russia are India's diversification in its defence basket and the growth of India's indigenous defence market. However, the two countries have kept their defence cooperation upbeat. During the 18th

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4. "Joint Statement Following the Results of the 1st India-Russia Strategic Economic Dialogue", *Press Information Bureau: Niti Ayog*, February 5, 2019, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=188068>. Accessed on April 5, 2019.

5. "Russia's Arms Export to India Fell by 42% Between 2014-18 and 2009-2013: Report", *Business Today*, March 11, 2019, <https://www.businesstoday.in/latest/russia-arms-export-to-india-fell-by-42-between-2014-18-and-2009-2013-report/story/326452.html>. Accessed on April 10, 2019.

6. "Russian Arms Exports to India Fall 42% Between 2014-18 and 2009-13: Sipri", *The Economic Times*, March 12, 2019, <https://economictimes.indiatimes.com/news/defence/russian-arms-exports-to-india-fall-42-between-2014-18-and-2009-13-sipri/articleshow/68368195.cms>. Accessed on April 6, 2019.

meeting of the India-Russia Inter-Governmental Commission on Military Technical Cooperation (IRIGC-MTC), held on December 13, 2018, India and Russia agreed to extend bilateral cooperation on defence Joint Venture (JV) manufacturing projects, including the Kamov-226T helicopters, naval frigates and projects related to land systems.<sup>7</sup> A JV on the Kalashnikov rifle production was agreed to during the Annual Summit of October 2018. The agreement was implemented by launching a factory in Uttar Pradesh on March 4, 2019. It promises to generate jobs and revenue for India. The launch of this rifle production project is a positive step towards the counter-terrorism partnership of the two countries. In the same month, India-Russia inked a deal of \$3 billion for the Russian Akula class submarine, named Chakra III, that will be delivered to India by 2025.

In other sectors, such as the diamond industry, Russia's Alrosa, the world's largest diamond mining company, has invested in sales, marketing and support projects in Mumbai, where it opened its representative office in 2018. In the energy sector, the two countries are cooperating closely. Russia's biggest oil producer, Rosneft acquired a 49 per cent stake in Essar Oil, including its refinery in Gujarat, for \$12.9 billion. The two countries are also investing in building mini-hydropower units in India, though the sites for these projects have not been finalised.

The Sistema Asia Fund, investing in high-tech companies in India, announced the expansion of their fund value from \$50 million to \$120 million in March 2017. They have invested in the start-up businesses in India. The joint venture project on a butyl rubber plant in Jamnagar, that commenced in 2017, has been completed. Full production at the facility is expected to be achieved by the middle of 2019.<sup>8</sup> On energy, there has been growing engagement between the two countries. Apart from the acquisition of Essar Oil by Rosneft in 2016, to the India-Russia collaboration in Siberia and the Arctic, India

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7. Manjeet Singh Negi, "India, Russia Agree to Extend Bilateral Cooperation on Defence Joint-Venture Projects", *India Today*, December 14, 2018, <https://www.indiatoday.in/india/story/india-russia-agree-to-extend-bilateral-cooperation-on-defence-joint-venture-projects-1409162-2018-12-14>. Accessed on April 6, 2019.

8. "Reliance-Sibur JV will Lead Indian Butyl Rubber Market", *Rubber Asia*, March 21, 2019, <https://www.rubberasia.com/2019/03/21/reliance-sibur-jv-will-lead-indian-butyl-rubber-market/>. Accessed on April 8, 2019.

and Russia are also collaborating in other spheres of energy such as in projects on hydrogen<sup>9</sup> and renewable energy.

The two countries also signed multilateral agreements to boost the economic and cultural spheres, on February 19, 2019. India and Russia are also focussing on rejuvenating the older areas of cooperation such as space cooperation and newer areas like migration respectively.

Overall, the India-Russia relationship is on an upswing mode despite various challenges surrounding the two countries as well as between the two countries, which demonstrates the strength of this special and privileged strategic partnership. With newer avenues of opportunities opening in Eurasia such as being a member of the SCO, International North–South Transport Corridor (INSTC), negotiations on the Eurasian Economic Union (EaEU) etc., the future of the India-Russia relationship looks bright. However, regular and transparent communications at all levels will be important to maintain the pace in the changing world order because of the various challenges which will evolve and have already emerged.

Russia's growing cooperation with Pakistan and China, and India's with the US seems to make both strategic partners uncomfortable. Both countries are trying to use pressure tactics by leaning towards each other's adversaries. For example, Russia supports China's One Belt One Road (OBOR) initiative and had also asked India to not let political problems deter it from joining the project, involving billions of dollars of investment, and benefiting from it.<sup>10</sup> India has shown its discomfort. It seems that Russia is unable to understand India's problem about the OBOR and the China-Pakistan Economic Corridor (CPEC) encroaching on its territorial sovereignty. Similarly, on Chabahar port, Iran has invited China and Pakistan to invest in the

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9. Indian and Russian scientists in 2016 came together to develop new energy sources—hydrogen fuel cells through the development of oxide materials. Hydrogen energy is an alternative energy industry based on the use of hydrogen as a vehicle for the accumulation, transportation and consumption of energy. "Russian, Indian Scientists to Create Energy from Hydrogen", *Russia Beyond*, July 12, 2016, [https://www.rbth.com/economics/technology/2016/07/12/russian-indian-scientists-to-create-energy-from-hydrogen\\_610643](https://www.rbth.com/economics/technology/2016/07/12/russian-indian-scientists-to-create-energy-from-hydrogen_610643). Accessed on April 11, 2019. The project was supposed to be completed in 2018, however, there is no updated report on it for the time being.
  10. "Russia Backs China's OBOR Plan, says India Should Find a way to Work with Beijing", *The Telegraph*, December 11, 2017, <https://www.telegraphindia.com/india/russia-backs-china-39-s-obor-plan-says-india-should-find-a-way-to-work-with-beijing/cid/1329053>. Accessed on April 15, 2019.



project. Though there is no report on Moscow's comment on Beijing's and Islamabad's investment and engagement in the project, given the close relationship among the three, it hints at covert support from Russia's side. For India, this is an uncomfortable development. In fact, it seems that a trilateral axis among Russia-China-Pakistan is in the making and Iran might also join. A Gordian knot for India is in the making.

India has been uncomfortable with Russia's growing contacts with the Taliban. Though New Delhi too attended the Moscow format meet where the Taliban came to the table for talks, India is still uncomfortable. In their bilateral relationship, one of the main areas of cooperation is anti-terrorism. India and Russia have been conducting exercises on anti-terrorism, however, there is a deviation in their understanding of terrorism. For India, there is no 'good' or 'bad' terrorist and the discomfort is regarding the Taliban. However, for Russia, since 2016, after the Taliban was able to defeat the Islamic State (IS) terrorists within Afghanistan, Moscow's stand towards the Taliban has changed. The Russians also maintain that they are talking to the group to come to a resolution based on the Afghan-led peace process. For Russia, the IS is a bigger threat than the Taliban, whereas for India, there is no distinction. The threat of the IS is also bringing Russia closer to Pakistan. During the Pulwama attack, though Russia extended its support and sympathy to India, it held back from accusing Pakistan. Also, Moscow was unable to put pressure on China to list Masood Azhar as a terrorist, unlike the UK, France and US which gave Beijing an ultimatum.<sup>11</sup> The inability on Russia's part to put pressure on China shows that somewhere Moscow is not willing to put its own interests at stake. China has become Russia's strategic partner since a few years ago. A growing alliance between the two countries is in the making. How far it will succeed, given their ambitions, remains to be seen. At least, till the US dominance prevails—politically, strategically and economically – and as long as the US led liberal world order is around and there is a strained relationship between the US-Russia and US-China,

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11. Elisabeth Roche, "US, France and UK Give 'Ultimatum' to China to Lift Hold on Masood Azhar: Report", *Mint*, April 12, 2019, <https://www.livemint.com/news/india/us-france-and-uk-give-ultimatum-to-china-to-lift-hold-on-masood-azhar-report-1555040498966.html>. Accessed on May 30, 2019.

Russia and China will cooperate with each other closely as pseudo<sup>12</sup> allies.

Apart from Russia's closer cooperation with Pakistan on the aspect of terrorism, another issue that is making India uncomfortable is the growing defence cooperation between Russia and Pakistan. Though Moscow has assured New Delhi that it would not transfer any sophisticated technology, India is doubtful about this for the future. As regards China, Russia, a few years ago, had said that it would not sell it any more sophisticated technology because of Beijing's reverse engineering developments. However, Russia has sold its S-400 missile defence system to China. There is concern in India that sale of this sophisticated technology to China might mean a transfer to Pakistan via Beijing. The S-400 is the same system which Russia had sold to India too during the 2018 Annual Summit. One cannot overlook Russia's strategy in selling the same missile defence system to its two closest strategic partners, India and China, that are each other's adversaries<sup>13</sup>.

In the defence sector, in future, the localisation of India's weaponry system as well as its diversified arms market is likely to push Russia more towards China and Pakistan, apart from other Third World countries. The tense relationship between Islamabad and the US makes it a perfect environment for Russia to export arms to Pakistan. The defence market is a huge revenue and job generating market for Russia. With the extension of sanctions on the country, it will be important for Russia to look for newer markets.

Meanwhile, for Russia, India's growing closeness to the US is becoming a huge irritant. The trust level between India and Russia is getting hampered because of the US factor. The QUAD in the Indo-Pacific brings discomfort to Russia. The Russians, including the academicians as well as strategic thinkers, are not only closely studying this area, including the organisation, but have also expressed their unhappiness to India. The Indians have clarified

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12. The relationship between Russia and China can be called a pseudo one because the alliance does not seem to be genuine, given the ambitions of both as well as other issues emerging between Russia and China. The EAEU and OBOR projects, to an extent, are containment strategies of each other in Eurasia.

13. This can be seen as Moscow's way to contain China's rise and also maintain influence on India.

to them that the QUAD is not against any third country, including China or Russia, and that India wants Russia to closely engage in the Indo-Pacific; however, it seems that Moscow is not convinced. Russia does not want the US in Asia. It wants to weaken its dominance in the region. For this purpose, Russia is cooperating more closely with China, including in the South China Sea. Despite having good relationships with the other countries of the South China Sea such as Vietnam, Moscow went ahead with China in a military drill in that controversial region. The move on Russia's part was to send a signal to the US. It can also be interpreted as a signal to India and other countries in the region.

In the SCO too, India might be in a tight spot given the growing closeness between Russia, China and Pakistan. In the recent SCO forum, all members extended their support to the OBOR except India. In the previous forum too, where terrorism was the main agenda, the member states, including Russia, shied away from naming Pakistan as a state sponsor of terrorism. Russia wants India and Pakistan to use the SCO platform to resolve their issues, which even Islamabad wants. However, India will not want this because of the dynamics involved. India wants to resolve its bilateral problems bilaterally rather than multilaterally. Although the Central Asian countries have a close relationship with India – and are sceptical about the Russian and Chinese dominance in the organisation – they still do not have the capacity or the capability to openly support India if such a situation arises. Hence, India's position in the SCO becomes complicated. Therefore, though the bilateral relationship between India and Russia is in an upswing mode and the two leaders are trying to steer it towards a stronger partnership, in the future, these irritants might become serious, given the changing nature of geo-politics. The India-Russia relationship will be undergoing many litmus tests in the future. The two countries will need to work more strongly and genuinely in a candid and frank manner, including on areas in which they are uncomfortable, to not let the special and privileged relationship remain one only on paper.

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