

Iran-India Relations with Future Prospects

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Abstract

International relations concern people and cultures throughout the world. The complexity scope of the interactions makes international relations a challenging issue. Relations between India and Iran have been deepening with respect to most issues, especially security, energy, and the North-South Transportation Corridor. In January 2003, the two nations signed a number of agreements, including a “Memorandum of Understanding on the Road Map to Strategic Cooperation.” This research paper focuses on India and Iran strategic relationship according to Neorealism theory that emphasizes the importance of the structure of an international system and its role as the primary determinant of state behavior. The aim of this research is to study various components in establishing strategic relations between countries in international system through determining the most important affecting factors such as system, security, and economy in shaping strategic relations. The type of research design is cross-sectional design with quantitative data collected through subjects’ responses to a questionnaire. The results of the research indicate that India and Iran complement each other in the energy sector and share an interest in stabilizing Afghanistan and connecting resource-rich Central Asia to the Indian Ocean. Internationally, the future of India and Iran relations will depend on two factors: how India manages to maintain the right balance between its growing relations with Israel, the US, and GCC countries and on the other hand, what will be the nature and level of Iran’s engagement with India if and when its relations improve with the US and EU.

Keywords: Strategic cooperation, Iran, India.

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1. Introduction

International relations concern people and cultures throughout the world. The complexity scope of the interactions among these groups make international relations a challenging subject (Goldstein, 2005). A scientific theory of international relations states behaves in a predictable manner in an international manner that is interpreted in several ways. Neorealism or structural realism is one of the many interpretations that dominate the contemporary theoretical debates in international relations. Structural realism emphasizes the importance of the structure of an international system and its role as the primary determinant of state behavior. India and Iran are two oldest countries in Asia with distinct cultures and constant interactions. With the emergence of Iran as a major power in West Asia, the Indian leaders emphasized on the strategic importance of Indo-Iranian ties. However, India's non-aligned policy and its closer relationship with the former Soviet Union and Iran's membership in the CENTO and its alliance with the US pulled both the countries in different directions during the cold war affecting their political interests during first Pahlavi dynasty. The bilateral relationship has undergone change with the 1979 Revolution. India viewed the revolution in positive terms as a reflection of Iran's quest for independence and self-assertion and an effort to take an independent course without major power influence (Rao, 2014). Strained relations with Pakistan have blocked India's overland access to natural gas and mineral-rich Central Asia and Afghanistan, while access to Iran's energy resources was impeded by sanctions. With the end of sanctions, India hopes to overcome challenges through interaction with Iran. On the other hand, Iran's quest for autonomy constrains its engagement with other regional powers that desire dominance in their foreign relations and provides India with a valuable opening (Kumar, 2016). During the recent visit of the Indian Prime Minister to Iran, the two sides signed a number of agreements on infrastructure projects. India and Iran complement each other in the energy sector and share an interest in stabilizing Afghanistan and connecting resource-rich Central Asia to the Indian Ocean.

It is required that the most important affecting factors such as structure of international system, security, and economy that have roles in shaping strategic relationship between two countries be determined and prioritized to establish a strategic and long-term relationship between India and Iran.

Though most studies follow a security focus, this study focuses on the all three aspects. Relations between India and Iran have been deepening with respect to most issues, especially security, energy, and the North-South Transportation Corridor. In January 2003, the two nations signed a number of agreements, including a “Memorandum of Understanding on the Road Map to Strategic Cooperation.”

This research will try to identify and prioritize the most important affecting factors in shaping strategic relations between Iran and India. For strategic relationship, structure of international system, security and economy are considered as structures. The endeavor is to study the structure of international system, security and economy aspects related to behaviors of two countries on international environment with the following objectives:

- A.** Identify and prioritize most important factors of structure of international system, security and economy aspects, which are leading to create strategic and long-term relation between two countries.
- B.** Recommend measures to decision makers and takers in foreign affairs, national security and economy authorities in both countries to be taken to improve the level of relationship between two countries from current situation to strategic level.

2. Literature Review

"Few people have been more closely related in origin and throughout history than the people of India and the people of Iran" (Jawaharlal Nehru *Discovery of India*) (Prakask, 2014).



Figure 1. Scientific theory of IR leads states behave in a predictable manner

India and Iran: Common Homeland, Common Linguistic and Racial Past

It is believed that Indians and Iranians belonged to one single family before the beginning of the Indo-Aryan civilization and lived together with a common language for many centuries. The scriptures Vedas (of the Indian Aryans) and the Avesta (of the Iranians) both agree on the cause, which led to the migration of the Aryans from their original homeland. In the Vedic account, it is a flood of water that is referred to and in the Avestan account it is a flood of snow and frost. India is mentioned in the Avesta. Old Persian language was a member of the Indic branch of the Indo-European languages. Related to it was Zend of Avestan, the language of the earliest Zoroastrian text, which was later, divided into two Indic (developed as Sanskrit) and Iranian (developed as Persian) (Embassy of India in Tehran, 2016).

India and Iran: Political Relations

With the emergence of Iran as a major power in West Asia, the Indian leaders emphasized on the strategic importance of Indo-Iranian ties. However, India's non-aligned policy and its closer relationship with the former Soviet Union and Iran's membership in the CENTO and its alliance with the US pulled both the countries in different directions during the cold war affecting their political interests during the Cold War during first Pahlavi dynasty. The bilateral relationship has undergone change with the

1979 Revolution. India viewed the revolution as a reflection of Iran's quest for independence and self-assertion and an effort to take an independent course without major power influence (Tirupati, 2014). It is marked by exchange of high level visits of Indian Prime Minister Shri Narasimha Rao in 1993, Iranian President Akbar Hashemi Rafsanjani in 1995 and Indian Vice President Shri K. R. Narayanan in 1996. The trend was enhanced with visits by Prime Minister Shri Atal Behari Vajpayee in 2001 and a return visit by President Mohammad Khatami in 2003. The Iranian President Dr. Mahmoud Ahmadinejad visited India in 2008. Hon'ble Prime Minister met Supreme Leader Ayatollah Ali Khamanei. In 2012, Dr. Ali Akbar Velayati visited India. He called on the Vice President and Prime Minister. FM Zarif visited India in 2014 and 2015. In 2016, Prime Minister Shri Narendra Modi met the President of the Islamic Republic of Iran Dr. Hassan Rouhani. Indian Prime Minister and Iranian President lead the delegation level talks in Tehran. The two nations also released a Joint Statement titled Civilizational Connect, Contemporary Context. The MoUs and agreements were inked after delegation level talks between Prime Minister Narendra Modi and Iranian President Hassan Rouhani. 12 memorandum of understandings (MoUs) and agreements in various areas including building and operating the Chabahar port by India.

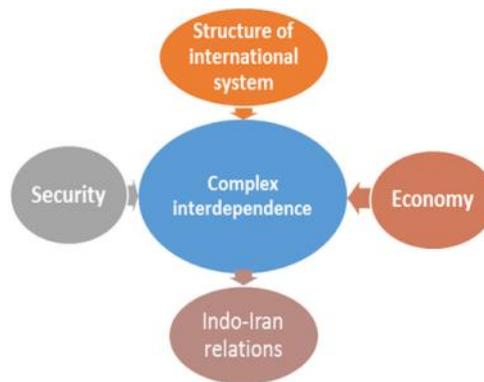


Figure 2. Conceptual Framework

India and Iran: Economic Relations

India and Iran complement each other in the energy sector and share an interest in stabilizing Afghanistan and connecting resource-rich Central Asia to the Indian Ocean. Chabahar Port in south-eastern Iran could serve as a transport corridor that connects it to Afghanistan, the Caspian Sea, and Turkmenistan that will provide Afghanistan and Central Asia with an alternative access route to the rest of the world. This corridor will improve their bargaining power vis-à-vis their larger neighbors and enable India to bypass Pakistan to access the energy and mineral-rich region. Chabahar Port, Chabahar Free Trade, and Industrial Zone could also help Iran emerge as a regional trade, manufacturing and energy hub.

Tehran's quest for autonomy in international affairs constrains its engagement with other regional powers that desire dominance in their foreign relations. This in turn provides India with a valuable opening in bilateral relations with Iran that can be used to access economically and strategically important Central Asia (Kumar, 2016).

Future development of energy crucially depends on its long-term availability in increasing quantities from sources that are dependable, safe, and environmentally sound. At present, no sources are at hand to meet this future need. Fossil fuels (oil, gas & coal) are the primary sources of energy across the world accounting for 86% of total world energy consumption and will remain so over next three decades. However, oil consumption is expected to go down from 38% to 33% while gas and coal consumption will rise from the current level of 24% to 26% and 27% respectively. Oil demand may decline further if the prices remain higher. In this situation natural gas becomes the fuel of 21st century, being cheaper than oil and cleaner than coal (Iran-India Gas Pipeline, 2016).

Iran is an energy superpower and the Petroleum industry in Iran plays an important part in it. Proved oil reserves in Iran, according to British Petroleum Review of World Energy June 2016, rank fourth largest in the world at approximately 157 billion barrels (24×10^9 m³) as of 2016 (British Petroleum, 2016), although it ranks third if Canadian reserves of unconventional oil are excluded. This is roughly 10% of the world's total proven petroleum reserves. At 2006 rates of production, Iran's oil reserves would last 98 years if no new oil was found (wikipedia, 2016).

Iran has surpassed rival Saudi Arabia to become India's top oil supplier in 2016, according to shipping data. India's oil imports from Iran shot up this year after sanctions over its nuclear development program, which limited exports, were lifted in January (Mahaja, 2016). Indian refiners including Reliance Industries Ltd, operator of the world's biggest refinery complex at Jamnagar, that had stopped imports from Iran during the sanctions period have also returned as buyers of Iranian oil (Verma, 2016).

Iran holds the world's largest proven natural gas reserves, at 33.8 trillion cubic meters—or 18.2 percent of the world's total proven reserves—according to a BP report (Review, 2016). India produces approximately 80 million cubic meters (mcm) of natural gas per day, but domestic demand is 170 mcm per day. Thus, India must import approximately 90 mcm per day. According to energy consultants Wood Mackenzie, Indian demand for natural gas is rising 8 percent per year and will reach 270 mcm per day by 2020.

Since the mid-1990 Indian and Iranian officials had been involved in negotiations to construct a 2700 km gas pipeline – also known as the Iran – Pakistan – India (IPI) pipeline project – stretching from the south pars field in Iran via Pakistan to Gujarat in India with an estimated value of \$7 billion. As the most convenient supplier of gas to both countries, Iran even offered to cover 60 percentage of the construction costs of the pipeline. In 2007, India and Pakistan agreed to pay base price of \$4.93 for a British thermal unit of gas (Ashwaria, 2016).

Despite the failure of IPI, Iran's ambition to export natural gas to the Indian subcontinent is alive and well. Indian and Iranian officials resumed serious negotiations to jumpstart a giant project to export Iranian natural gas to Oman and India via an undersea pipeline. This development has been preceded by months of increasingly intense discussions. In 2014, the chairman of the Confederation of India Industry's northern region, Shreekant Somany, at a joint meeting with the Oman Chamber of Commerce, said that the undersea project with the Iranians should be expedited. Then, in November, the head of the National Iranian Gas Export Company, Alireza Kameli, told Iranian media that Tehran is in serious negotiations with New Delhi to construct such an Iran-India pipeline. Two weeks later, on Dec. 9, 2015 Iranian Foreign Minister Mohammad Javad Zarif met with his Indian counterpart, Sushma Swaraj, at the Heart of Asia

conference in Islamabad. The two discussed the possibility of expanding their countries' mutual economic cooperation, particularly in regard to Iran exporting natural gas to India. Subsequently, on Dec. 28, 2015 the Iranian minister of economic affairs and finance met with Swaraj and signed a 73-article agreement to expand bilateral cooperation, and particularly in the field of energy (Yeganehshakib, 2016).

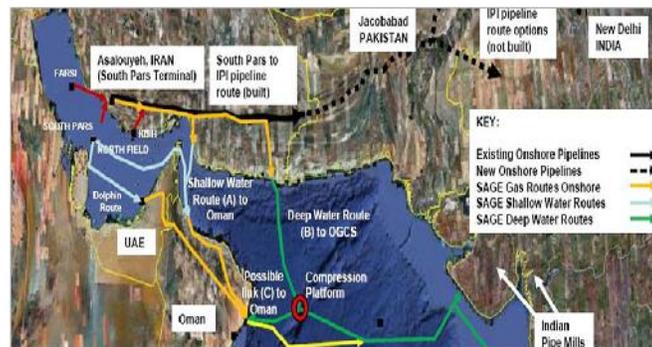


Figure 3. The Deep Water Gas Pipeline, New Route to India from Iran

Chabahar port is strategically located on the southeastern coast of Iran, an extension of the Pakistan's Makran Coast, in the Sistan and Baluchestan province close to the confluence of Indian Ocean with the Gulf of Oman. The port has been declared a Free Trade Zone by Iran. It is situated about 70 km west of the equally important Chinese-funded Gwadar port of Pakistan. The geographical position of this port is well suited for movement of trade to/ from Afghanistan, a land locked country. As India was always very keen to engage with Afghanistan economically and strategically, it finds Chabahar port as an easier sea-land route to Kabul. This option assumed further importance because Pakistan refused to provide a land route for Indian trade to Afghanistan via Wagah border in Punjab (Sodhi, 2015).

India has emerged as important investor in the Iran, and also as an important export destination for the Iran's manufactured goods (Raghuramapatrni, 2014). In May 2016, India and Iran signed a bilateral agreement in which India would refurbish one of the berths Chabahar port, and reconstruct a 600-meter-long container handling facility at the port. The port will provide an alternative for trade between India and Afghanistan. It has a capacity to handle 2.5 million tons (Guardian, 2016).



Figure 4. Chabahar Port

The proposed Iran-Afghanistan road network, Chabahar-Milak-Zaranj-Dilaram, will be used to transport trade on to the Afghanistan's Garland Highway. India has already spent USD100 million on building the 220-kilometre road in the Nimroz province of Afghanistan. On completion of this project, the network will provide easy access to four major cities of Afghanistan, Herat, Kandahar, Kabul and Mazar-e-Sharif. Thus, India's trade can have clear passage to/from the resource rich region of Central Asia. India is also finalizing a plan to construct a 900-km railway line that will connect Chabahar port to the mineral-rich Hajigak region in Bamian province of Afghanistan. Availability of this railway network will also provide India a link with the energy rich Central Asian states of Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan and Kyrgyzstan.



Figure 5. Kandi-Chabahar via sea, Chabahar–Zaranj via railway and Zaranj–Delaram via road

The International North–South Transport Corridor is the ship, rail, and road route for moving freight between India, Russia, Iran, Europe and Central Asia. The objective of the corridor is to increase trade connectivity between major cities such as Mumbai, Moscow, Tehran, Baku, Bandar Abbas, Astrakhan, Bandar Anzali, etc. Dry runs of two routes were conducted in 2014, the first was Mumbai to Baku via Bandar Abbas and the second was Mumbai to Astrakhan via Bandar Abbas, Tehran and Bandar Anzali (Wikipedia, 2016).



Figure 6. Indicative map of the International North South Transportation corridor

The new INSTC link will reduce the transportation time to about 20 days initially and subsequently to 14 days. It will open a shorter, faster and more reliable route from India to Central Asia and Afghanistan as well. India and Eurasian Economic Union (EEU) are currently studying the feasibility of a Free Trade Agreement. The new link also connects India with the EEU(Zafar, 2016).

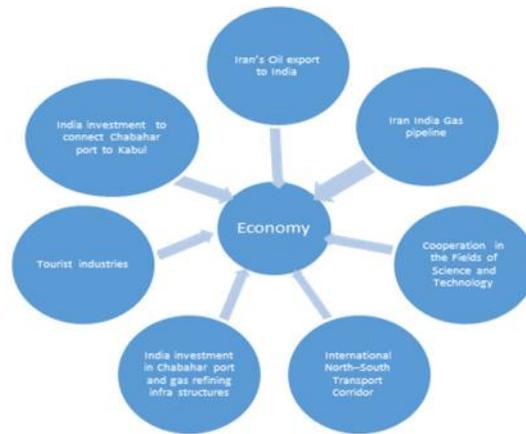


Figure 7. Effective Economic Elements on Indo Iran relation

India and Iran: Security Relations

Without Iran's inclusion regional security architecture will not be sustainable. Iran controls the entry and exit points to the Straits of Hormuz through which vast amount of oil passes. Uninterrupted oil supplies from the Persian Gulf remain important for India and the global economy. Any military attack on Iran can interfere with the general security of oil supplies through the Straits of Hormuz. Military conflict in the region can lead to massive rise in oil prices thus affecting the global economy. Iran is equally an important player in Afghanistan and had played constructive role after 9/11 by offering full support Suresh and Ramesh 383 to the US in ending the Taliban rule. Both India and Iran have stakes in the stability of Afghanistan. In past, India-Iran and Russia have jointly cooperated on Afghanistan. In light of the US's withdrawal in 2014, India and Iran need to evolve strategies to help Afghanistan rebuild. These efforts could include infrastructure connecting Afghanistan with Central Asia via Iran, by

working together in sharing information to ensure that Taliban does not return in Afghanistan. On the Syrian crisis, India and Iran would want an end to violence. Both support the Geneva Communiqué, which includes the “6-Point Plan of Kofi Annan”. For Iran, stakes are high in Syria. For India, its relations with the Gulf Cooperation Council (GCC) countries are equally important. In fact, the stakes are high in the Gulf (Suresh & Ramesh, 2015).

India and Iran strategic partnership has significantly put in place military and energy deals estimated over \$25 billion. In fact, the 2005-06 Annual Report of the Ministry of External Affairs in New Delhi claimed that Indo-Iranian cooperation had “acquired a strategic dimension flourishing in the fields of energy, trade and commerce, information technology and transit

The establishment of the Indo-Iran Joint Commission in 1983 was instrumental in so far as forging New Delhi’s defense and military ties with Tehran. As the protracted Iran-Iraq war drew to a close in 1988, Tehran felt the need to rebuild its conventional arsenal and for this purpose initiated the process of purchasing tanks, combat aircraft and ships from Russia and China. Further, Iran reportedly solicited Indian assistance in 1993 to help develop new batteries for three Kilo-class submarines it had purchased from Russia. The submarine batteries provided by the Russians were ill-suited to the warm waters of the Persian Gulf, and India possessed substantial experience operating Kilo-class submarines in warm water. In addition, Iran remains inclined to acquire Indian assistance for other upgrades to Russian-supplied military hardware, which includes MiG-29 fighters, warships, subs, and tanks. Significantly, the New Delhi Declaration sought to upgrade defense cooperation between India and Iran specifically in the following areas:

Sea-lane control and security;

Indo-Iran joint naval exercises;

Indian assistance to Tehran in upgrading its Russian made defense systems

Establishment of joint working groups on counter-terrorism and counter-narcotics.

According to reports, India would purportedly be given access to Iranian military bases in the event of a war with Pakistan. While Indo-Iranian deals along these lines have not yet materialized, Iran has sought Indian advice in operating missile boats, refitting Iran’s T-72 tanks and armored personnel carriers, and upgrades for MiG-29 fighters.

In March 2003, Tehran and New Delhi conducted their first joint naval manoeuvres in the Arabian Sea. Sea-lane control and security, as well as discomfort with the emerging US presence in the Persian Gulf, were partially responsible for this exercise.

During the second naval exercise in March 2006, the joint naval drill prompted US Congressional criticism, but both the Bush Administration and Indian officials insisted the exchange emphasized mutual sport activities rather than military techniques. According to reports appearing in September 2007, Iran is negotiating with India to purchase advanced radar systems designed for fire control and surveillance of anti-aircraft batteries. Iran is seeking an unspecified number of Upgraded Support Fledermaus radar systems from the Indian state-owned Bharat Electronics Ltd (BEL). The deal could touch a staggering \$70 million and mark the first major defense agreement between New Delhi and Tehran. However, New Delhi faces intense pressure from Washington to not to sell the radars to Iran, as it is convinced that the request is part of Iran's military effort to protect its nuclear weapons facilities in question.

Defense cooperation with Iran would go far so as to project India's role in the regional security structural design. Assessing the opportunities available for military cooperation with Iran, it is evident that Tehran is searching for sustained support in modernization of its armed forces which have been suffering from lack of access to advanced technology, maintenance and spares support. Developing early stakes in the process would be a major advantage for India (Chansoria, 2010).

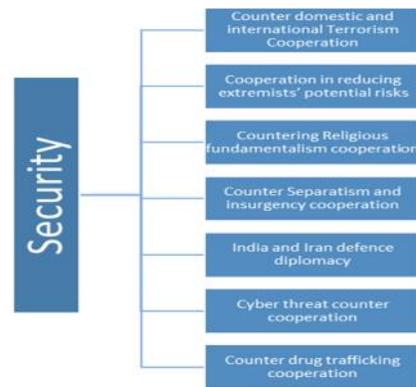


Figure 8. Affecting Security factors on Indo Iran relation

India and Iran: International Factor

India's ties with Iran have become an irritant in the India–US relationship. Several scholars have alleged that the US is influencing India's Iran policy. Three cases in which the US is said to have influenced India's position: The Iran–Pakistan–India (IPI) pipeline; India's votes against Iran at the International Atomic Energy Agency; and the Reserve Bank of India's guidelines of December 2010, which stopped oil payments to Iran through the Asian Clearing Union (Purushothaman, 2015).

There are discussions on expectations about how India would shape its relations with a post-sanctions Iran and issues of energy cooperation and connectivity. Besides the geographical reality of Pakistan interposing itself between India and Iran and historical Iran-Pakistan relations, it is the complex interplay of more recent events such as developments in Afghanistan, Iran-Saudi dynamics with its sectarian dimension, Pakistan's efforts to balance its relations including refusal to be a part of the Arab intervention force in Yemen and a hesitant consent to be part of the Saudi-led anti-terrorism alliance, and the Chinese interest in the region, which support the argument on the Pakistan factor in Iran-India relations (Gulati, 2016).

Afghanistan has increasingly become an important country for both India and Iran. Visible developments had begun after the 2013 interim nuclear deal. India and Iran accelerated their commercial and energy trade. In short,

Afghanistan has become a strategic asset that India and Iran would like to benefit from. An analyst once noted that, “While India looks at Afghanistan more from the prism of regional peace and security, for Iran, Afghanistan presents an opportunity to establish its credentials as a responsible regional player.” Throughout 2014, most of the political discussions between Indian and Iranian officials were heavily concentrated on combating the rise of violence and extremism in the region. In this, maintaining peace and stability inside Afghanistan has also remained an important agenda for New Delhi and Tehran (Alvite Singh Ningthoujam, 2015).

Utilizing its unique position as a neutral partner to both Israel and Iran countries, India should proactively seek to tamper down the growing animosity between Iran and Israel. This is not only the best way for India to protect its interests in these particular countries, but would also help advance New Delhi’s larger goal of becoming a prominent, independent player in global affairs (CHEEMA, 2012).

In international environment the future of India and Iran relations will depend on two factors: First, how India manages to maintain the right balance between its growing relations with Israel, the US and GCC countries on the one hand and Iran on the other? Second, what will be the nature and level of Iran's engagement with India if and when its relations improve with the US and EU? (Roy, 2013).

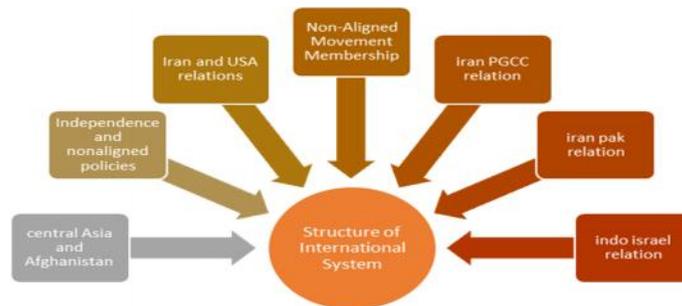


Figure 9. Global, regional and local international affecting factors on Indo Iran relation

3. Research methodology

The research method adopted would be an Embedded Design mixed research method with primary method being quantitative and qualitative inputs being taken during and after the research in the form of informal interviews/interactions with experts on the subject matter. The hypothesis for the research is given below:

Structure of international system, security, and economy are most important affecting factors in shaping of strategic relations between Iran and India.

Null Hypothesis: Structure of international system, security, and economy are secondary factors in shaping strategic relations between Iran and India.

Alternate Hypothesis: Structure of international system, security, and economy are most important factors in shaping strategic relations between Iran and India.

The research was carried out by collection of data/material from the sample and the open domain as per details given below. Informal inputs from subject matter experts were also taken to understand their perspective on the subject.

Primary Data. The main source of primary data was by means of a questionnaire designed to comprehensively obtain inputs from the environment on the various constructs as listed in Chapter III and proposed to be measured to test the hypothesis. The questionnaire was also posted online to facilitate responses from outstation respondents. Informal interviews/interactions with experts were also carried out.

Secondary Data. Published books on related topics in the CDM Library, magazines, newsletters, journals & relevant internet sites were also studied to understand the subject better, interpret results and to formulate suitable recommendations for implementation.

Sampling Design. The details of the Population and sample for the research are given below:

Population: The study population was primarily the officers from the India officials and Armed forces and Iranian officials and Armed forces officers. Who are or are not only the directly relevant of India and Iran foreign political affairs.

Sample: A suitable questionnaire was designed to draw out relevant data by obtaining the inputs from participant officers in the higher defense management course, college of defense management, India and Command

and Staff University of I.R. Iran Army, I.R. Iran embassy in New Delhi and General Consulate in Hyderabad Officers posted in various formations through hard copy, emails and Google document online questionnaires. A minimum of 120 sample size was drawn to enable drawing out accurate inferences. The sample respondents were further categorized into the following categories:

Service: I.R of IRAN Officials or Armed forces officers/ INDIAN Armed forces.

Educational Background: BA/S - MA/S – MPhil/PhD.

Experience: below than 15 Yrs, 15-20 Yrs and 20 Yrs abow.

Rank: Lt col & equivalent and below, Col & equivalent, Big & equivalent.

The questionnaire comprised of a total of 28 questions. The questions were designed to measure the attitude (affective, behavior and cognitive components) of respondents towards various measures/indicators corresponding to each of the three constructs, on a five point Likert scale of strongly disagree to strongly agree. A copy of the questionnaire is attached at Appendix A.

Statistical Analysis

The complete data collated from all the above responses was fed into the SPSS data analysis software for carrying out detailed statistical analysis and inferences. The flowchart for the Descriptive and Inferential Statistical Analysis carried out in the study is depicted in Fig 9 and Fig 10 below respectively:

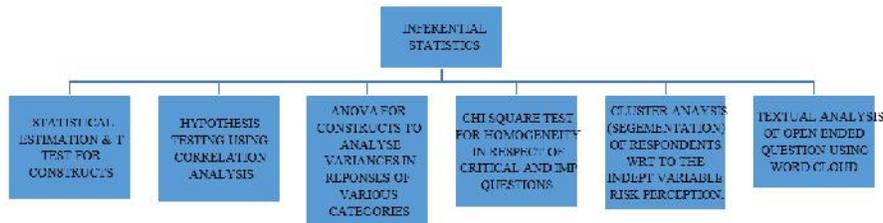


Figure 10. Descriptive Statistical Analysis Flowchart

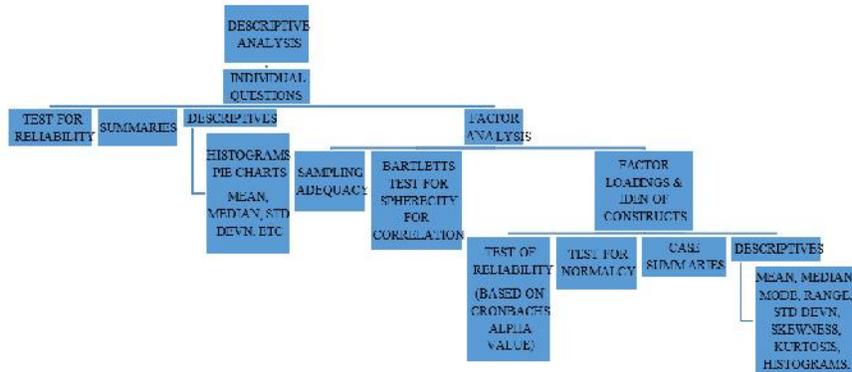


Figure 11. Inferential Statistical Analysis Flowchart

Test for Reliability of Questions

The reliability tests for the questions gave a Cronbach’s Alpha value of 0.85 (refer Table 1). This shows that the responses to questions are reliable.

Table 1. Reliability Statistics for Questions

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.842	.856	21

Factor Analysis

The factor analysis of the 21 variables was carried out based on the responses of 120 respondents. Kaiser-Meyer-Olkin value of 0.62 confirms sampling adequacy.

Bartlett’s Test of Spherecity

A) Null Hypothesis – None of the variables are correlated. Since significance value is 0.000 which is < 0.05, NULL is rejected at 95% Confidence Level. Hence “There is correlation among some of the variables”.

B) Total Variance Explained. Approx. 67% of the variance in the data of 21 variables is explained by just 3 factors. Hence a total of 3 constructs were formed to explain the variance in the 21 variables across the entire sample of respondents.

C) Scree Plot. The Scree plot also shows 3 factors above the kink in the plot i.e. 3 factors having an Eigen value greater than 1.

D) Factor Loadings. The Rotation Component matrix gives out the loadings of various variables onto the 3 factors. However, the loadings were not totally agreed to and the final loadings were done on the basis of reasonable correlation between questions within each construct. The 21 variables were finally reduced to the following 3 constructs for further analysis:

Structure of international system. Questions No 1, 2, 3, 10, 11, 16 and 17.

Security. Questions No 4, 5, 6, 12, 13, 18 and 19.

Economy. Questions No 7, 8, 9, 14, 15, 20 and 21.

4. Findings

Structure of International System. Most respondents feel that Structure of International System is primary affecting factor in shaping of strategic relationship between India and Iran. Respondents from the I.R. Iran and India feel that cold relations between Iran and US and on other hand closed relations between India and Israel can be intruder factor at creating strategic relations between two countries but respondents believe that the effect of membership of two countries in international organization is less effect than bilateral relations between India with Israeli and Iran with USA and Pakistan. Another important variable which is important in relation of two countries is lack of access of central Asia countries and Afghanistan to the sea is evaluated (refer descriptive analysis of Questions 1, 2, 3, 10, 11, 16 and 17 at para 12 of Chapter IV, Chi square test of Questions 1 and 11 at part 14 of Chapter III, T Test results of Structure of International System construct).

Security. Most respondents feel that security is more likely important on strategic relations between Iran and India. Counter domestic and international Terrorism Cooperation, Cooperation in reducing extremists' potential risks and India and Iran defense diplomacy can be important variables in shaping of strategic relationship between India and Iran. While Countering Religious fundamentalism cooperation and Counter Separatism and insurgency cooperation are quit important On the other hand counter drug trafficking cooperation and Cyber threat counter cooperation are less important. (Refer descriptive analysis of Questions 4, 13 at para 12 of Chapter III, T Test results of security at paras 24 (a), 36 of Chapter III).

Economy. In this age of globalization, given the intricate economic relations between nations conflict is less likely to occur (refer to literature review). Most respondents feel that Economy is very important factor in creating a

strategic relation between Iran and India. Iran's stable Oil export, India's investment in Chabahar – Zahedan railway and Zaranj-Delaram Highway to connect Chabahar port to Kabul, Iran India Gas pipeline and The International North–South Transport Corridor for moving freight between India, Russia, Iran, Europe and Central Asia are most economic variables in shaping a strategic relations between India and India while tourist industry and Cooperation in the Fields of Science and Technology are other economic important factors (refer descriptive analysis of Questions 7 and 20 at para 12 of Chapter III, Chi square test on Question 8 at para 15 of Chapter III, T Test results of perceived barriers construct at paras 24(b) of Chapter III).

Rank order

Since according the result of research all three constructs including Structure of International System, Security and Economy are very important affecting factors but Economic variables set in the higher degree of importance. Economic factors such as north south corridor, Iran India Gas pipeline and Chabahar port as a key point of connecting Central Asia and Afghanistan to India are vital elements in shaping a strategic relation between Iran and India. On the other hand economic factors are related to Structure of International System while they connect regional and global countries like Russia, Kazakhstan , Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Afghanistan, Oman and other countries together.

Recommendations

Relations between India and Iran have been deepening with respect to most issues, especially security, energy, and the North-South Transportation Corridor. However, the two countries for achieving Strategic relations have a long road ahead. According the finding of research the most important landmarks to achieve this important can be India's investment in Chabahar port and gas refining infrastructures, The International North–South Transport Corridor for moving freight between India, Russia, Iran, Europe and Central Asia and India's investment in Chabahar – Zahedan railway and Zaranj-Delaram Highway to connect Chabahar port to Kabul as Economic Factor and Counter domestic and international Terrorism Cooperation and defense diplomacy as security factors and lack of access of central Asia and Afghanistan to the sea and managing to maintain the right balance between

their growing relations with other countries. To create a lasting relationship between the two countries some points should be considered:

- A) The relationship should be well-structured. Benefits of cooperation should be both mutual and visible.
- B) Both of the country's elite decision makers to obtain a stable long term relation should observe all aspects of the trilogy factors.
- C) Other local, regional and global countries should be involved in economic and security cooperation as much as possible.

5. Conclusion

India and Iran complement each other in the energy sector and share an interest in stabilizing Afghanistan and connecting resource-rich Central Asia to the Indian Ocean. Two countries are making robust efforts to renew and strengthen the bilateral economic and security relations. The relationship between both the countries has evolved into a significant partnership in the trade, energy, south-north trade corridor, and security sphere. At the same time, USA policy in West Asia has been other wards and India does not want to be a victim of this. In international environment the future of India and Iran relations will depend on two factors: First, how India manages to maintain the right balance between its growing relations with Israel, the US and GCC countries on the one hand and Iran on the other hand, what will be the nature and level of Iran's engagement with India if and when its relations improve with the US and EU.

The strategic relations between India and Iran has potential to alter the course of history of south and west Asia. Long term bilateral relations between India and Iran not only is affected by Security factor but also is effected by Economic and Structure of International system. It is interesting point that according the findings of research even Economic Factors has greater role than others. Both countries have to make considerable effort to ensure that creating a logic balance between all three main affecting factors including Structure of international system, Security and Economy. Inattentive one of them cause loss of effort for maintaining and upgrading the other two factors. The lack of significant progress in the project of development of Chabahar port is a witness of this claim.

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