

**The Sixth Roundtable of
Institute for Political and
International Studies (IPIS)
and India Institute for
Defense Studies and Analyses
(IDSA)**

The Sixth Roundtable of Institute for Political and International Studies (IPIS) and India Institute for Defense Studies and Analyses (IDSA) was held on July 12-13, 2009, in Tehran. Iranian and Indian officials and researchers took part in the meeting to exchange opinions.

The event comprised of one opening, four specialized and one concluding sessions. The topics of discussions during the specialized sessions were international issues, energy, financial crisis, regional developments and bilateral relations.

Mr. Ali Ahani, the Iranian foreign minister for education and research was the first

speaker of the opening session. He highlighted the importance of relations between Iran and India and then laid emphasis on the importance of having a macro view on regional affairs, resolving regional disputes such as Afghanistan, as well as collective efforts to create an all-inclusive structure such as an Asian union for regional prosperity and development. He named the ongoing disputes between Pakistan and India as well as interference of world powers in the region as the main impediment in the way of attaining Asian convergence and added: "The Islamic Republic of Iran and India could make optimum use of their national capacities, international status and technological, economic and geopolitical abilities to take on an independence position irrespective of world powers' views in order to play a strategic role in the region".

India's Ambassador in Tehran Mr. Sanjay Singh was the second speaker of the session. He outlined India's economic capacities and potentials such as its 9-percent economic growth on average over the past five years, but maintained that over the next 20 years its energy and power needs will grow by four-fold and six-fold, respectively. This will be a prerequisite for attaining an average growth rate of 8 percent in GDP and for the same reason New Delhi views Iran as an important energy supplier.

He went on to state that India is one of the top countries in the world in terms of having extensive lands for cultivation and agricultural production. It also has the biggest number of livestock; ranks first in world milk production; second in rice and wheat production; and third in grain production. For the same reason, it could become an important trading partner with the Islamic

Republic of Iran in agricultural production.

He said India has embarked on technological and human resources development projects and there are 8,000 Iranian students studying and working in India. He then expressed hope that the two countries could broaden cooperation in scientific and cultural domains. The Indian ambassador maintained that New Delhi is more than willing to enhance cooperation with Iran in energy fields, especially in oil and gas development projects and plans. In conclusion, the official stated that New Delhi is mulling to advance the North-South Corridor in order to gain access to the transit routes in Central Asia.

IPIS Director-General Mr. Mousavi kick-started the first specialized session of the event entitled "International Affairs". He outlined the ongoing developments and changes in

international relations, including the emergence of new powers and the falling influence of world powers in the region. He named China, India and Iran as the new emerging powers in Asia. According to him, globalization, financial crisis in the West, rising number of crisis-prone spots, new geo-strategic rivalries among nations, issues related to energy security, militarization and growing military costs (based on a SIPRI report) are among other developments in the contemporary world. He then called for establishing security in the region and urged India and Iran to exchange views on how best to deal with these developments in future. Mr. Mousavi expressed hope that Tehran and New Delhi could focus on issues related to Asia and could pave the way for a new round of collaboration as part of collective efforts to safeguard their national and

common interests in international relations.

IDSAs Head Narendra Sisodia was another speaker in the first specialized session. He elaborated on issues such as the positive and negative impacts of globalization, the rising trend of inter-dependence, the high risk of spreading the economic crisis, the rising number of non-governmental players, the shift of power from the West to the East as well as the multi-polarization of power. He said dialogue between the two institutes has been among the most successful meetings between the two countries and since the researchers have been sincere and undemanding, the official meetings have also been a success. He then invited Iranian researchers to visit IDSA and get acquainted with works carried out by their Indian counterparts.

Mr. Arvind Gupta, an official with IDSA, opened the second

specialized session of the event entitled "Energy and Financial Crisis". He discussed issues related to Iran-India economic and political relations, proposed a number of scenarios for future, and called for dialogue between the two institutes in order to assess these future scenarios. In his view, there are three likely scenarios for the region's future. In the first scenario Iran and the United States improve their bilateral ties and the Palestinian crisis is resolved through a two-state solution. In the second scenario, relations between Iran and the US remain tense and the crisis lingers on, even with the possibility of an all-out confrontation. The force to adopt a compromised stance against the Muslim world through diplomatic channels gradually peters out and the Palestinian crisis remains unsolved.

The third scenario involves simultaneous negative and

positive developments. There might be some resolutions but they will not be sufficient per se. However, Iranian and Indian researchers could lobby continuously or assess these likely scenarios as well as the corresponding developments. Mr. Gupta said if crude oil runs out within the next 50-60 years there will be an uncertain outlook for global energy. He predicted that international competition over fossil fuels will result in greater tensions, jeopardizing the energy security of consumers such as India. He stated that crude oil has shaped global policies over the past 100 years. However, if crude oil runs out over the next 50 years, competition over these reserves, development of new energy resources and other forms of energy will give way to a different world. Now, the pressing question is how would Iran and India react in such helter-skelter?

Mr. Nazar Boland, Iran's former ambassador to Sri

Lanka, was the next speaker. He outlined the history of US economic policies since the 9/11 terrorist attacks and blamed the irresponsible managers of giant corporations as well as decision makers in Washington for the current global financial crisis. He said inefficient credit ratings for offering loans and distribution of cheap money among applicants unable to pay back loans were the main reasons behind the inefficiency of the financial system and its subsequent collapse. In addition, absence of supervision and control over the markets from one hand and the rush of American monetary and financial institutes to the markets on the other weakened and collapsed the global financial system.

The next speaker was Mr. Talebi. He elaborated on the impacts of global financial crisis on Asian economy and stated: Because of the strategy to develop the export sector,

the regional states have been mostly affected by the falling volume of global trade. In other words, falling demand in the developed markets, especially in the US and Europe, has not only had negative impacts on Asian foreign exchange revenues but also reduced its economic growth. Of course, despite the fall in economic growth, Asia is still considered as the world's economic growth engine and based on reports it will continue to be the same in the coming years. This is despite the fact that Asia needs to stimulate demand on national and regional levels in order to reduce dependency on the developed markets. Regional convergence has been mentioned as a solution to the current crisis in Asia and it would be impossible to overlook the role that Iran and India could play to this end from East to West Asia.

Mr. P. Stobdan was the next speaker who raised several

issues during the session. With regard to Central Asia he said: Since 1999, the Americans have devised plans for military presence in Central Asia besides oil activities. For instance, If Turkmenistan's natural gas reserves are huge as claimed by some, we could witness great developments in the gas sector. Unlike the Chinese, the Russians have no program for energy security in Central Asia and they only seek to transfer energy to Europe. The Indian views clearly reflect national interests and they are not based on the outdated mentality of the Cold War era. India is busy reviewing its relations with the world and regional powers, including Iran. Iran could play a significant role in India's foreign policy across the region by reviewing and improving its relations with the powers and through bilateral cooperation. The cooperation between Russia and the US in Afghanistan is a new development that demands a

closer look. China plans to enter Afghanistan after the United States withdraws. China is trying to increase its influence in certain regions, including the Indian Ocean, and this creates concern for New Delhi.

He said he is of the opinion that there is skepticism about the way Pakistan has been fighting terrorism. It attacked the tribal regions under pressure from Washington and this way the Pakistani army is trying to get military aid from the US. Islamabad has to choose which one is the primary threat: India or its internal problems.

Mr. Suri, a former staff of Iranian Embassy in New Delhi, was the next speaker of the session, who talked about energy cooperation between Iran and India. He said Iran has great potentials in production and supply of energy, specially oil, gas and electricity, while India faces an

unprecedented energy shortage. India consumes one-third of world's standard energy consumption while Indians do not consume any kind of energy, including electricity, crude oil, gas etc.

According to him, the region's main problem is poverty and instability and the only way to resolve the issue is for the regional states to jointly put into operation major projects. He then urged the elite to write and talk about major energy supply projects (positive or negative) in order to help politicians make decisions on these projects.

Sisodia was the first speaker of the third specialized session entitled "Regional Issues". He said the United States and China are highly dependent on each other, which is also known as G2 or Chimerica. Such relation could have greater impacts on world's future relations.

The next speaker of the third session was Mr. Kalantari, head of Asian Studies Group at IPIS. He stated: The challenge of security is the focal point of new US strategy in Afghanistan and Pakistan. Stuck in a mire for eight years, Washington has tried to take on a much more pragmatic approach toward the Afghanistan crisis. It would take a greater role on the part of army, police and security forces to tackle the growing security issues in Afghanistan. We do hope that Washington will meet its commitments as regards the new strategy of forming the Afghan army and police by 2011. As long as this is not the case, there will be no hope for peace and security.

Mr. Kalantari termed the presidential election in Afghanistan as important because an elected and popular president could facilitate prosperity and welfare for the country. On ways to fight extremism and Taliban, he said

there should be a line between extremist leaders and elements and those who have taken refuge in the Taliban for the incorrect policies of foreign forces. Another goal for the new US strategy of Afghanistan and Pakistan is creating a fundamental connection between the problems in Afghanistan and the crisis in Pakistan. Under the same policy, the US is putting pressure on Pakistan to fight the Taliban and Al-Qaeda. However, the American officials do not trust the Pakistani leaders as far as the strategy is concerned. For that reason, such mistrust could affect future relations between the two countries as well as the new US foreign policy. The reality is that the US and Pakistan have different views on the malaise of extremism in Afghanistan and Pakistan. As far as Washington is concerned, extremism is the root cause of all security threats against the United States whereas Islamabad sees

it as just one more problem besides many other internal malaises. Therefore, there are doubts over whether the recent attacks carried out by Pakistani Army against the Taliban and Al-Qaeda have been within the framework of a fundamental policy or a tactic to bypass the current circumstances.

As next speaker of the session, Mr. Arvind Gupta elaborated on different developments in Afghanistan and Pakistan. He talked about the presence of tens of thousands of US troops and those from other ISAF member states in the region, as well as the high number of casualties. He stated that the AFPAK policy of President Barack Obama is based on a face-saving withdrawal from Afghanistan. The policy for the first time highlights that as long as Pakistan remains a safe haven for the Taliban and Al-Qaeda, the crisis in Afghanistan will refuse to go away.

The differences of opinion among NATO member states in Afghanistan are another headache for the West. NATO forces are not in a position to win or lose the war in Afghanistan. Despite that, there have been significant improvements in Afghanistan. Schools are now open and girls could go there to study. However, reconstruction of Afghanistan needs more time and more investment. At the same time, the government of President Karzai is accused of being incompetent and corrupt.

In contrast, production and trade have picked up, so much so that US Secretary of State Hillary Clinton has named Afghanistan "the nation of addicts". In 2008, 7 provinces in Afghanistan produced 98 percent of the total 7,700 opium in the country, of which just about \$730 million went to poppy planters. The total export value of opium, morphine and heroin produced

from this volume is estimated to be around \$3.4 billion. The warlords, smugglers and insurgents collect \$500 million in taxes from such trade and as long as the Taliban is able to make money from drugs, the war in Afghanistan will carry on. Russia and China have adopted a much more dynamic policy with regard to Afghanistan. Russia helps the US send arms to Afghanistan and China has purchased Ainaq Copper Mine for \$900 million. As stated by Afghan officials, Beijing plans to invest \$5 billion in the development of the mine which holds world's second largest copper reserves. Beijing and Kabul have also inked an official agreement on extensive cooperation. At the same time, the Shanghai Cooperation Organization is taking the fight against illicit drugs much more seriously now and it has decided to do more in this respect in collaboration with Afghanistan.

Mr. Gupta reminded that Afghanistan has historically been a neutral state and presence of occupying forces has undermined its impartiality. Afghanistan's impartiality should be revived as a long-term solution. The international community should take this matter more seriously and also help Afghanistan in its reconstruction efforts. India has also taken part in Afghanistan's reconstruction program and is currently implementing development projects worth \$1.1 billion. The construction of 220 km Zaranj-Delaram Road was part of such deal which connects Afghanistan to Iran, replacing the road which used to stretch to Central Asia via Iran. Iran and India which helped strengthen the Northern Alliance can once again go on with their strategic cooperation in Afghanistan.

With regard to Pakistan, Mr. Gupta stated that the country

is gradually drowning in the sea of instability. The ISI and the Pakistani army created the Taliban in order to bolster their own influence in Afghanistan but now they are now at loggerheads. Under pressure from the United States, Islamabad launched the present war in tribal areas but it is not clear when these clashes will come to an end. The Taliban is trying to set its foot in other regions, especially in Punjab and Karachi, in collaboration with the Wahabis. As a consequence, ethnic tensions have been on the rise throughout these regions. Amid all this, Pakistan's economy is suffering from long-standing insufficiencies and it has only been able to stand on its feet through the US aid. The developments in Pakistan have generated grave concerns for global security. India can help Pakistan ensure stability but the Pakistani army will certainly create obstacles. Therefore, Pakistan will have

limited abilities in tackling these pressing issues. It would also continue to take on its traditional position of assuming India as its arch enemy and not the Taliban. The growing trend of Talibanization of Pakistan also creates grave concerns about its nuclear arms. This is because the governing body in Pakistan has tendency towards the jihadist forces which pose a serious threat to the security of its nuclear arms. In conclusion, Mr. Gupta said Pakistan is fast becoming a threat to global security and the international community should deal with the problem just like other similar cases.

Mr. Moradi, head of Central Asia and Caucasus study group in IPIS, talked about Iran and the security environment in Central Asia. He stated that the single most important feature in Iran's future relations and security policy with Central Asian nations is enhancing regional

convergence. Iran's bid to join the Shanghai Cooperation Organization as a permanent member should also be assessed within this framework. The collapse of the former Soviet Union and US presence in Central Asia after September 11, 2001, are two important developments with great repercussions in the past two decades for security in Central Asia and its geopolitical environment. The vivid presence of the United States in Afghanistan and American bases in Uzbekistan, Tajikistan and Kyrgyzstan have severely affected the region's security structure.

The geostrategic importance of oil and gas reserves in the region have equally attracted the attention of regional and trans-regional powers and the region's importance will continue to increase for decades. There are numerous players in Central Asia, from governments to multinational corporations and international

organizations, each with its own set of motives, though. The fall of the former Soviet Union was in itself a huge blow to the region's stability and now the regional states are seriously concerned about the threats and challenges posed by the war in Afghanistan as well as failed states, drugs, growing social discontent, disputes over land, water and energy reserves, and ethnic clashes.

Therefore, all regional players should have a common understanding about the present threats and opportunities. In this respect, for countries such as Iran and India it is significant to pursue regional security and stability, and since they appear to be dealing with common threats and opportunities, there are grounds for cooperation.

Since the collapse of the former Soviet Union, the newly established republics have been an integrated part of the

Iranian civilization and Central Asia is a great market for Iranian goods and investments. Iran has focused its plans on trade, transport and energy transit, and it has enhanced cooperation with the region through the Economic Cooperation Organization (ECO) as a founding member. The first goal for Iran is to prevent the spread of threats such as Taliban and Al-Qaeda into its borders, although the presence of US forces poses a greater threat to Iran's security. Another goal for Iran is to become a transit route for transfer of goods and energy from the region to the world. Without a doubt, Iran and India could cooperate with each other in these two fields.

Ms. Singh Roy was the next speaker of the third session who talked extensively about the project of North-South Corridor. She stated that in 1991, Central Asia began to develop its transportation routes alongside the ancient

Silk Road because of its excellent strategic position. Now the North-South Corridor is considered to be one of the most important transportation channels between South Asia, Persian Gulf, Central Asia and Europe. The corridor's transportation capacity is close to 20 to 30 million tons of goods per year, whereas it takes around 45 to 60 days to transfer goods through the Suez Canal. This corridor is not only 40 percent shorter and 30 percent cheaper but also it takes just about 25 to 30 days to cover it.

This multi-purpose transportation route connects Indian sea routes to the ports and roads in Russia and Europe via Iranian ports and roads. Some of the roads in the Middle East and Central Asia are also connected to this enormous transit route. It is also possible to extend the route to Myanmar and Thailand, which means connecting Europe to

Southeast Asia. It is also important to state that 3 million tons of goods pass through the Iranian territories each year.

According to her, there three obstacles in the way of putting into operation the corridor, mainly:

1. Economic and geopolitical interests of regional and trans-regional powers
2. Security concerns and political disputes between governments
3. Geographical and economic barriers

In 2007, the regional states agreed to have specialized working groups in each country to conduct a research on potentials and barriers in the way of implementing the corridor. In this respect, the Indian working group studied Iranian roads and sent a comprehensive report to the Iranian authorities. They found

out that there is no balance in the movement of goods from northern and southern terminals and the corridor's operations have been limited to Russian trade with Iran and other nations. The current volume of goods in transit is far less than the one between India and Europe.

She further argued that the North-South Corridor has been diluted by the national interests of regional powers. There are, though, better prospects for having an East-West Corridor with European assistance. Over the past 15 years, China has likewise developed its transit routes to Central Asia in order to reach Europe along the ancient Silk Road. As a result and amid rivalries, Central Asia has managed to develop its transit routes and pipelines in a bid to develop its relations and links with the outside world. This could offer an appropriate potential for the neighboring states to develop intermediary

links with Eurasia and the outside world.

She went on to state that the existing transit routes need new investments as many roads, bridges, railways and airports are outdated and need to be reconstructed. Irrational delays in transportation and inspections, changes in transit regulations, inefficient and sluggish bureaucracy, absence of national networks, constant swaps of cargos, declaration forms written in different languages in each and every country when passing through them, flaws in management and technology, higher tariffs, higher transit costs in different destinations, and absence of an information dissemination system for carriers are also among many other obstacles.

In general, there should be greater cooperation between the member states of the region, especially when it comes to devising a comprehensive system of tariff

and customs. India's relations with Central Asia and Russia are growing and it intends to cooperate with Iran and Afghanistan to build roads. For instance, in addition to cooperation with Iran in the development of Chabahar, India built the Zaranj-Delaram Road in Afghanistan which connects to the Iranian border. The road has cut the distance to carry goods from Central Asia by 1,500 km. It can also stretch to Tajikistan and Uzbekistan to perk up their transportation sectors. Indeed, the political and economic hurdles of the North-South Corridor could only go away if the member states enhance their multilateral interests through a regional cooperation mechanism.

The next speaker was Mr. Niknam, senior expert on the Middle East of IPIS who talked about the Palestinian crisis, oppression against Muslims in Palestine and Lebanon, and the historical role of the United

States in exacerbating the situation, which by the way, has greatly undermined its relations with the Islamic world.

Mr. Bani Assadi, head of the West Asia department in Iranian foreign ministry, was the next speaker. He stated that Iran and India should first strengthen bilateral ties before taking any steps towards regional cooperation. He outlined all the meetings between the officials and leaders of the two countries in the past few years and reminded that there have also been regular meetings on ministerial levels - although the results have not been up to the mark.

He further stated that the two sides held joint economic commission meetings last year and also signed a memorandum of understanding which did not materialize. According to him, if oil is not taken into account

in bilateral economic ties, the volume of trade with India is almost the same as the one with Bangladesh. As for the development of Chabahar Port and railway, the Indian side has not done a great job either. As for the LNG project and steel industries, the Indians have likewise failed to take decisive actions. Apart from the two countries' navies visiting each others' ports, also there is no cooperation in the defense field.

He said Iran is one of the biggest Muslim countries in the world and a center for Shiites. India is home to world's second largest population and therefore its relations with Iran are of high importance. According to him, Tehran is concerned about the rumors the Indians have assured the United States that they would put pressure on Tehran to discontinue its nuclear program. Tehran is also concerned about the presence of Israelis in India.

Indeed, if transit and energy are important for New Delhi, as expected, it has to pay the price for them.

In conclusion, he argued that bilateral relations remain casual although there is still room for growth. Quoting other Iranian government officials, he said New Delhi is demonstrating no practical and positive signs to advance relations with Tehran.

In response, Mr. Sisodia outlined India's defense priorities and stated that New Delhi is in no way a US ally against Iran and only because of its defense needs does it have a common understanding with all parties, including with the United States. India is very well aware of the fact that even by purchasing arms for defense it cannot use them during a war, because Western exporters stop selling spare parts during the conflicts. India has a peaceful and defensive philosophy and never thinks

about war. At the same time, it must have enough power to defend itself.

To conclude the two-day sessions, Mr. Kalantari said the two sides have come to the conclusion that they should establish more dialogue and contacts in future and added: As Mr. Ahani pointed out earlier, we should establish contacts through other channels for dialogue, in addition to the roundtable. The deep-seated relations between the two countries should never be undermined by a third party. We need an Asian convergence that also has an Asian economic-political structure.

He then thanked the Indian and Iranian participants of the roundtable and expressed hope that the two sides could continue their negotiations on closer cooperation.

At the end of the roundtable, Mr. Sisodia and Mr. Mousavi exchanged presents.