

Regional Dynamics and Strategic Concerns in South Asia

Iran's Role

Project Director
Robert D. Lamb

Authors
Sadika Hameed
Julie Halterman

A Background Paper of the
CSIS Program on Crisis, Conflict, and Cooperation

January 2014

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INTERNATIONAL STUDIES

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Center for Strategic & International Studies
1616 Rhode Island Avenue, NW
Washington, DC 20036
202-887-0200 | www.csis.org

Regional Dynamics and Strategic Concerns in South Asia: Iran's Role

Sadika Hameed and Julie Halterman¹

This background paper was prepared as part of a study of U.S. strategic concerns in South Asia and the regional dynamics and priorities that are likely to influence U.S. policy there between 2014 and 2026. It is one of 10 such papers covering the relevant internal dynamics, trends, relationships, and scenarios in China, Iran, the Gulf States, Central Asia, Russia, Turkey, Europe, India, Pakistan, and Afghanistan. The final report, South Asia Regional Dynamics and Strategic Concerns: A Framework for U.S. Policy and Strategy in South Asia, 2014–2026, by Robert D. Lamb, Sadika Hameed, and Kathryn Mixon, is available at <http://c3.csis.org> and includes a framework on which the United States may base the development of policies and strategy in South Asia over the next 12 years.

Iran's Relations with the United States

The relationship between Iran and the United States, while not actively hostile, has long been adversarial. The United States is concerned by Iran's nuclear program and, to a lesser extent, its interference in the Levant and Gulf regions, use of asymmetrical warfare, and sponsorship of terrorism. Moreover, Iran's nuclearization could spur other countries in the Middle East to acquire nuclear weapons. In response to the Iranian nuclear program, the United States and others have imposed sanctions that have caused significant economic hardship.

The election of Hassan Rouhani as Iran's president in mid-2013 raised hopes of improved relations between the United States and Iran. The United States and Iran soon thereafter entered secret talks, and in late 2013 they announced a six-month agreement in which Iran would suspend key aspects of its nuclear program in exchange for a reversible easing of some sanctions. Questions remained, however, whether either president could deliver on those commitments and create a longer-term agreement, given domestic opposition in both countries. If the nuclear issue could be resolved, it would represent an important shift in the relationship, but other issues (terrorism, regional relations, etc.) would nevertheless remain to be addressed.

Despite long-term tensions between the United States and Iran, the two countries' interests generally converge on policy towards South Asia. Both have an interest in promoting stability in Afghanistan and Pakistan as the United States reduces its footprint in the region. A worsening of the Afghan conflict could increase refugee flows into Iran. Instability in Pakistan could exacerbate tensions with Baluchi separatists operating on both sides of the Pakistan-Iran border. Iran has a history of reasonably good trade relations with India and would benefit from Indian economic strength if international sanctions on Iran were to be permanently loosened.

¹ The authors wish to thank CSIS's Middle East and Burke Chair in Strategy programs for offering insights and comments during the development of this background paper, in particular Jon Alterman, Aram Nerguizian, and Carolyn Barnett. The authors take full responsibility for its content.

Internal Trends and Dynamics

Iran's demographic and economic pressures may affect its ability to influence regional dynamics in South Asia. International sanctions imposed in response to Iran's refusal to allow international review of its nuclear development program have affected its energy sector—oil production and exports have declined dramatically—and its financial sector, where sanctions have driven “the overwhelming majority of banks away from business with Iran's designated banks.”² Iran's GDP fell an estimated 5 to 8 percent in 2012, its budget deficit in 2012 was the largest in 14 years, and the rial has lost two-thirds of its value in the last two years.³ If the agreement reached at the end of 2013 does not hold, sanctions are likely to further tightened, and the Iranian economy will continue to suffer as a result.⁴

In the future, a potential surplus global oil supply and the resulting fall in oil prices could also prove devastating to the Iranian economy, which is heavily dependent on oil exports.⁵ This could negatively affect India, Pakistan, and Afghanistan, countries that trade often with Iran. Though it is unlikely that a faltering Iranian economy would provoke cross-border conflict under such circumstances, economic difficulties will affect Iran's ability to engage directly and multilaterally on security-related issues in South Asia; it will be more concerned with internal stability and its interests in the Levant and Gulf.

Iran's population growth and rapid urbanization are compounding its economic difficulties. Urban infrastructure is unable to keep pace with growth, and rising youth underemployment is a problem as well.⁶ Population growth coupled with climate change further strain Iran's water supply and agricultural sector.⁷ Indeed, a former minister of agriculture, Isa Kalantari, claims that the water crisis in Iran is the “main problem that threatens us” and is “more dangerous than Israel, America, or political fighting.”⁸

Iran is unlikely to undergo any abrupt shift in governance in the near future. The government has proven resilient to dissent and public pressure, liberalization of the economy has stalled, and military and state penetration of commercial structures is deep. Sufficient economic hardship could possibly spur enough public outcry to prompt elite infighting and political change, or an easing of sanctions leading to an economic recovery could lead to public pressure for further liberalization. The Iranian government has a proven ability to withstand public pressure for significant reforms of

² U.S. Energy Information Administration (EIA), “Iran,” <http://www.eia.gov/countries/cab.cfm?fips=IR>; David S. Cohen, “Iran Sanctions: Ensuring Robust Enforcement, and Assessing Next Steps,” testimony before the U.S. Senate Committee on Banking, Housing, and Urban Affairs, June 4, 2013.

³ *Ibid.*, p. 8.

⁴ International Monetary Fund (IMF), “Islamic Republic of Iran and the IMF,” <http://www.imf.org/external/country/IRN/index.htm>.

⁵ Increased shale oil extraction could lead to an oil surplus in the near future. Barbara Slavin, “NIC Predicts Water Shortage, Oil Glut for Iran in 2030,” *Al-Monitor*, December 10, 2012, <http://www.al-monitor.com/pulse/originals/2012/al-monitor/nic-iran-water-oil.html>.

⁶ Keith Crane, Rollie Lal, and Jeffrey Martini, *Iran's Political, Demographic, and Economic Vulnerabilities* (Santa Monica: RAND Corporation, 2008) http://www.rand.org/content/dam/rand/pubs/monographs/2008/RAND_MG693.pdf.

⁷ Golnaz Esfandiari, “Former Iranian Minister Says New President to Inherit Economic Challenges,” Radio Free Europe/Radio Liberty, July 26, 2013, <http://www.rferl.org/content/rohani-iran-economy-kalantari-president/25041707.html>.

⁸ “Real threat to Iran: Water shortages,” Anadolu Agency, July 12, 2013, <http://www.aa.com.tr/en/world/203397--real-threat-to-iran-water-shortages>.

the political system.⁹ But historically, political destabilization has happened with little warning and it would therefore be unwise to predict regime stability for the duration of the next 12 years.

Key Influencers

Both state and nonstate actors within Iran influence policy toward South Asia, but the country's internal dynamics will not significantly affect South Asian stability. The most influential actor in Iran is the Supreme Leader, Ayatollah Ali Khamenei, who has significant power over the executive, legislative, and judicial branches of Iran's government, as well as its economy and media.¹⁰ There are no obvious successors to Khamenei should he die or leave office, and the regime will likely keep his heir "unapparent." While an Assembly of Experts associated with the Guardian Council is technically tasked with choosing the new Supreme Leader, the Iranian Revolutionary Guards Corps (IRGC) will probably play some role in the selection process as well, despite Khamenei's efforts to reduce its influence over the past few years. The IRGC will also likely play a role in shaping a post-Khamenei foreign policy.¹¹ Predicting Iranian foreign policy from 2014 to 2026, therefore, is difficult.

While Khamenei will continue to have far more influence over Iran's foreign policy, President Hassan Rouhani, who accepted an historic phone call from President Obama in September 2013, has signaled a willingness to engage with the West to reduce tensions and get the international community to ease or lift international sanctions so that Iran's economy has a chance to revive. His sincerity and his ability to maneuver politically remain to be tested. So far Khamenei has voiced support for Rouhani's diplomatic overtures, but there is no guarantee that his position will not change. How Iranian domestic politics evolve will rely heavily on the success or failure of economic reforms; the outcome of negotiations over the nuclear program; and the dynamics between Khamenei, President Rouhani, the Guardian Council, and the other revolutionary institutions in the Iranian system. Rouhani could remain president through 2021 if reelected in 2017.

The Ministry of Foreign Affairs works more directly on policy towards South Asia, and is responsible for carrying out diplomatic talks on getting sanctions lifted. Foreign Minister Mohammad Javad Zarif was deputy foreign minister during the 2001 Bonn conference on Afghanistan and played a pivotal role in negotiating the formation of the Karzai government, working closely with the Northern Alliance, the United States, Russia, and India.¹² Iran's Afghanistan Reconstruction Office, in partnership with the Ministry of Foreign Affairs and other organizations, provides significant development aid to Western Afghanistan. Iran has also had a limited military presence in Afghanistan. The Iranian Revolutionary Guards Corps (IRGC) runs Iran's strategy of asymmetric

⁹ National Intelligence Council, *Global Trends 2030: Alternative Worlds* (Washington, DC: National Intelligence Council, December 2012), <http://globaltrends2030.files.wordpress.com/2012/11/global-trends-2030-november2012.pdf>.

¹⁰ Karim Sadjadpour, "The Iran Primer: The Supreme Leader," USIP, <http://iranprimer.usip.org/resource/supreme-leader>.

¹¹ Mehdi Khalaji, "Supreme Succession: Who Will Lead Post-Khamenei Iran?" Washington Institute for Near East Policy, Policy Focus #117, February 2012, <http://www.washingtoninstitute.org/uploads/Documents/pubs/PolicyFocus117.pdf>.

¹² James Dobbins, "Negotiating with Iran," testimony before the House Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, November 7, 2007, http://www.rand.org/content/dam/rand/pubs/testimonies/2007/RAND_CT293.pdf

conflict through the Quds force and other groups. The IRGC may assist factions that oppose Karzai in Afghanistan.

Several nonstate actors within Iran could affect South Asian stability, including Afghan refugees and al Qaeda. Afghan refugees in Iran often face discrimination, expulsion, and violence—to the point where some Afghan officials resent the treatment of Afghans in Iran.¹³ Given the economic and logistical burden of refugees, the Iranian government will likely seek to prevent another influx. As for al Qaeda, some half a dozen operating members are based in Iran, with the agreement of the Iranian government.¹⁴ Evidence suggests they move both funds and fighters through Iran to Syria and South Asia.¹⁵ Other Iranian minorities, including Azeri and Kurdish ethnic minorities and Sunni and Baha'i religious minorities, do not threaten Iranian or regional stability.¹⁶

Regional Relations

Iran's Relations with Afghanistan

For Iran, its relationship with Afghanistan (and other South Asian states) is a lower priority than relations with the Gulf states and the Levant. Afghanistan's importance mainly stems from Iran's interest in securing its eastern border and limiting U.S. influence in the region. Iran has opposed the U.S. war in Afghanistan as well as the prospect of permanent U.S. bases there, and despite the Iranian government's past opposition to the Taliban, some government elements may have supported the Taliban in order to hamper U.S. efforts in Afghanistan.¹⁷ Post-U.S. withdrawal, Iranian policy towards Afghanistan is not likely to shift dramatically. Although Iran might take a stronger role in promoting Afghan stability, policy will continue to focus on preventing Afghanistan's instability from spilling over into Iran.

Afghanistan's insurgency, narcotics trade, refugees, and weapons trafficking all flow over the Iranian border. In 2009 the UNODC estimated that 40 percent of opium produced in Afghanistan passed through Iran.¹⁸ Movement of people also represents a large problem—an estimated 2.4 million Afghan refugees currently reside in Iran.¹⁹ Both Iran and Afghanistan share an interest in preventing these illegal transfers, and Iran, Afghanistan, and Pakistan have cooperated on counter-narcotics operations. Iranian

¹³ “Afghans protest at Iran ‘shooting’ of migrants,” BBC, May 23, 2013, <http://www.bbc.co.uk/news/world-asia-22504646>; “Iran pushes Afghans out,” Reuters, June 3, 2013, <http://www.reuters.com/video/2013/06/03/iran-pushes-out-afghans?videoId=239600162>; Omar Samad, “The Iran Primer: Iran’s Influence in Afghanistan After U.S. Pullout,” USIP, January 17, 2013, <http://iranprimer.usip.org/blog/2013/jan/17/iran's-influence-afghanistan-after-us-pullout>.

¹⁴ Cohen, “Iran Sanctions,” p. 5.

¹⁵ U.S. Department of State, “Country Reports on Terrorism 2012: State Sponsors of Terrorism: Iran,” <http://www.state.gov/j/ct/rls/crt/2012/209985.htm>.

¹⁶ Crane et al., *Iran's Political, Demographic, and Economic Vulnerabilities*.

¹⁷ Anthony Cordesman et al., “U.S. and Iranian Strategic Competition: Afghanistan, Pakistan, India, and Central Asia,” CSIS, June 10, 2013, <http://csis.org/publication/us-and-iranian-strategic-competition-afghanistan-pakistan-india-and-central-asia>.

¹⁸ UNODC, *Addiction, Crime, and Insurgency: The Transnational Threat of Afghan Opium* (Vienna: UNODC, October 2009), p. 7, http://www.unodc.org/documents/data-and-analysis/Afghanistan/Afghan_Opium_Trade_2009_web.pdf.

¹⁹ “Afghans protest at Iran ‘shooting’ of migrants,” BBC, May 23, 2013, <http://www.bbc.co.uk/news/world-asia-22504646>; “Iran pushes Afghans out,” Reuters, June 3, 2013, <http://www.reuters.com/video/2013/06/03/iran-pushes-out-afghans?videoId=239600162>.

officials blame both Karzai and the U.S. government, however, for not doing more to curb opium production.²⁰

Trade between Iran and Afghanistan is currently limited, but the two countries may broaden these ties. Afghanistan is a potential market for Iranian goods, and Iran has an interest in decreasing Afghanistan's dependency on Pakistan. Afghanistan and Iran have negotiated a deal to allow Afghanistan to ship goods from Iran's Chabahar port,²¹ which allows Afghanistan to export without going through Pakistan. It may also help connect both Iran and India to attractive Afghan mineral sources.²² Iran, in turn, hopes to increase energy exports to Afghanistan: in November 2012 Iran announced plans to build an oil pipeline between the countries.²³ On another front, India and Iran may work together to construct a North-South railway that passes through Afghanistan.

Water scarcity could spark conflict between Iran and Afghanistan in the future.²⁴ Afghans worry that both Iran and Pakistan are sabotaging their efforts to build dams, an issue compounded by the fact that Iranian experts have taken on a larger role within the research center inside Afghanistan's water ministry since other countries' experts moved out due to insecurity.²⁵ Iran and Afghanistan have recently argued over water allocation, and as Iran's water scarcity becomes worse, the two countries could clash increasingly over water sources.²⁶

Iran's Relations with India

Iran and India have historically had a close relationship founded on energy and trade interdependence.²⁷ The two have worked together to build alternative trade routes for India to Afghanistan and Central Asia that do not go through Pakistan. Of particular interest is the development of Chabahar Port, built in cooperation with Afghanistan, and the International North-South Transport Corridor (INSTC), built in cooperation with Turkmenistan.²⁸ Iran has been an important source of oil for India, though India has made modest efforts to diversify its imports away from Iran. India has taken some steps to indicate its growing concern with the Iranian nuclear program, for example by participating in talks on the possible Tajikistan-Afghanistan-Pakistan-India pipeline and

²⁰ Mohsen Milani, "The Iran Primer: Iran and Afghanistan," USIP, <http://iranprimer.usip.org/resource/iran-and-afghanistan>; UNODC, "Shoring up a flood of drugs: Afghan heroin enters Iran's eastern border," July 19, 2011, <http://www.unodc.org/unodc/en/frontpage/2011/July/shoring-up-a-flood-of-drugs-afghan-heroin-enters-irans-eastern-border.html>.

²¹ Joshua Hersh, "Afghanistan's Trade Deal with Iran Complicates U.S. Aims," *Huffington Post*, September 5, 2012, http://www.huffingtonpost.com/2012/05/09/afghanistan-trade-deal-iran_n_1504062.html.

²² Kevjn Lim, "Iran's outreach to Afghanistan, Tajikistan faces obstacles," *World Politics Review*, June 5, 2013, <http://www.worldpoliticsreview.com/articles/12998/iran-s-outreach-to-afghanistan-tajikistan-faces-obstacles>; "Iran seeks development of economic, cultural ties with Afghanistan: Iran Envoy," *Outlook Afghanistan*, April 21, 2013, http://outlookafghanistan.net/national_detail.php?post_id=7155.

²³ "Iran to build oil pipeline to Afghanistan: Iranian official," *Press TV*, November 6, 2012, <http://www.presstv.com/detail/2012/11/06/270727/iran-to-build-oil-pipeline-to-afghanistan/>.

²⁴ Cordesman et al., "U.S. and Iranian Strategic Competition," p. 7.

²⁵ Mujib Mashal, "What Iran and Pakistan Want from the Afghans: Water," *TIME*, December 2, 2012, <http://world.time.com/2012/12/02/what-iran-and-pakistan-want-from-the-afghans-water/>.

²⁶ Fatemah Aman, "Afghan water infrastructure threatens Iran, regional stability," *Al Monitor*, January 7, 2013, <http://www.al-monitor.com/pulse/originals/2013/01/afghanwatershortageiranpakistan.html>.

²⁷ Cordesman et al., "U.S. and Iranian Strategic Competition," p. 20.

²⁸ Meena Singh Roy, "Iran: India's Gateway to Central Asia," *Strategic Analysis* 36, no. 6 (December 2012): 957-975; Smrutti S. Pattanaik, "The Iran Factor in India's Afghanistan Policy," *Institute for Defense Studies and Analyses*, August 24, 2012, http://www.idsa.in/idsacomments/IranfactorinIndiasAfghanPolicy_sspattanaik_240812.

discontinuing the Asian Clearing Union (ACU) currency swap mechanism.²⁹ A nuclear Iran is a potential threat to India as it would shift the broad regional balance of military capability and remove India's current advantage.³⁰ Other tensions between the two countries stem from Iran's perceived support for extremists and for Pakistan's position on control of Kashmir.³¹

Iran's Relations with Pakistan

Pakistan and Iran have a good relationship overall. Iran could be an important source of energy to Pakistan—currently, Iran and Pakistan are attempting to build a pipeline that, if completed, will bring gas from Iran's South Pars gas field to Pakistan.³² Iran has also announced plans to build an oil refinery in Pakistan's Gwadar port along the Strait of Hormuz.³³ The two countries may also expand trade, since current bilateral trade is below its potential level.³⁴ Since Iran's economy is suffering under international sanctions and Pakistan is facing an energy crisis that hampers economic growth, an economic partnership between the two countries would be mutually beneficial.

While Iran has avoided directly interfering in Pakistan and is not likely to do so in the near future, several points of contention could serve to drive a wedge between the two countries. Iran is overwhelmingly Shi'ite while Pakistan is majority Sunni, and Iran is concerned about the targeting of Shi'ites in Pakistan. In the Gulf region, Pakistan supports Bahrain's Sunni regime, while Bahrain accuses Iran of supporting the Shi'ite majority and provoking domestic unrest in Bahrain. Pakistan's close ties to the Afghan Taliban, which has targeted the Iran-supported Hazara minority, are problematic for Iran. Iran also perceives Pakistan as not doing enough to prevent Baluchi extremism from spilling over into Iran. Future support of the Taliban or perceived lenience towards Baluchi groups could introduce new tensions between the two countries. Pakistan's close ties to the United States have concerned Iran, but as the U.S. presence in the region diminishes, Pakistan could be drawn closer to Iran.³⁵ If the United States (or its ally Israel) were to attack Iran, Pakistan would likely support Iran.

Other Relationships

Iran-China

As Iran's relations with the United States and Western Europe have deteriorated, Iran has sought a stronger relationship with China. China is Iran's largest trading partner, and China imports about 10 percent of its oil from Iran. Additionally, China provides Iran with military support and sees Iran as an important geostrategic counter-weight to

²⁹ Shebonti Ray Dadwal, "India-Iran Energy Ties: A Balancing Act," *Strategic Analysis* 36, no. 6 (December 2012): 930-940.

³⁰ P.R. Kumaraswamy, "Introduction," *Strategic Analysis* 36, no. 6 (November 2012): 837-847, <http://www.tandfonline.com/doi/pdf/10.1080/09700161.2012.728872>.

³¹ Ibid.

³² "Gas, but not the useful sort," *The Economist*, March 16, 2013, <http://www.economist.com/news/asia/21573612-barren-ground-new-pipeline-gas-not-useful-sort>.

³³ Khaleeq Kiani, "Iran to set up \$4bn oil refinery in Gwadar," *Dawn*, February 21, 2013, <http://beta.dawn.com/news/787531/iran-to-set-up-4bn-oil-refinery-in-gwadar>.

³⁴ "Pakistan, Iran to work for peace," *The Nation*, August 4, 2013, <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/04-Aug-2013/pakistan-iran-to-work-for-peace>.

³⁵ Robert M. Shelala II, Nori Kasting, and Anthony H. Cordesman, *U.S. and Iranian Strategic Competition: Afghanistan, Pakistan, India, and Central Asia* (Washington, D.C.: CSIS, June 2013), http://csis.org/files/publication/130625_iransanctions.pdf.

the United States.³⁶ Because trade with China is important to Iran, China could influence Iranian policy.

China has decided that taking a more active role in Afghanistan is necessary to protect its interests and this could be an arena for Chinese cooperation with Iran. It is seeking greater influence over the Taliban via its ties with Pakistan, and it strongly advocates reconciliation between the Taliban and the Afghan government.³⁷ China could encourage Iran to cooperate with others to promote stability in Afghanistan, or might seek to pressure Iran to reign in any destabilizing activities. Both China and Iran have an interest in keeping Afghanistan from reemerging as a home for Sunni jihadist insurgents: China because of its concerns in Xinjiang and Iran because of its concerns in Baluchistan.

It is also conceivable that if Iran-India relations become stronger and China-Pakistan relations become stronger, the two pairs could become more confrontational, given India's rivalries with both Pakistan and China. India could seek to deepen its partnership with Iran in response.

Iran-Gulf States

Iran has strained relations with many of the Arab Gulf states. It has strong business ties to the UAE, but the UAE also seeks to mitigate Iranian influence. Bahrain accuses Iran of supporting the Shi'ite majority and supporting demonstrations against the government of Bahrain, and Saudi Arabia views Iran as its largest security threat.³⁸ Iran's rivalry with the Gulf could conceivably escalate. If Iran develops nuclear weapons, Saudi Arabia could possibly seek nuclear capabilities. Saudi Arabia is already bolstering its ballistics capabilities, which is affecting the regional balance of power. Iran could respond to threats from the Gulf states through a mixture of conventional and asymmetrical forces. A conflict between Iran and the Gulf states could cause instability in South Asia if it significantly disrupted oil exports; South Asia, and especially Pakistan, currently faces energy shortfalls, and a significant increase in energy costs could have implications for future stability.

Iran-Central Asian states

Iran and Central Asian states could benefit from a closer economic relationship, but Central Asia's infrastructure facilitates trade much more to its north (Russia) and to some extent to the east (Europe) than to the south to Iran. Trade infrastructure to Iran is not likely to expand in the near future. Iran's desire to improve relations and trade with Central Asian states must also balance with the more pressing need to maintain good relations with Russia.³⁹ Out of all of the Central Asian states, Iran has the closest relationship to Tajikistan, due in part to their shared culture and language, and Iran has invested in infrastructure development in Tajikistan.⁴⁰ Sources of tension between the

³⁶ Crane et al., *Iran's Political, Demographic, and Economic Vulnerabilities*.

³⁷ Andrew Small, "Why is China Talking to the Taliban?" *Foreign Policy*, June 21, 2013, http://www.foreignpolicy.com/articles/2013/06/20/why_is_china_talking_to_the_taliban.

³⁸ Ashfin Molavi, "The Iran Primer: Iran and the Gulf States," USIP, <http://iranprimer.usip.org/resource/iran-and-gulf-states>.

³⁹ Shelala et al., *U.S. and Iranian Strategic Competition Afghanistan, Pakistan, India, and Central Asia*, pp. 28-29.

⁴⁰ *Ibid.*, p. 40.

two countries include Sunni-Shi'ite friction and Tajikistan's fear of spreading Islamic extremism.⁴¹

Tajikistan and Uzbekistan have cooperated with Iran on counter-narcotics and refugee issues stemming from the conflict in Afghanistan. The revival of Islamic movements in Central Asia and their connections to groups in Afghanistan and Pakistan are a shared concern among Russia, Iran, and other Central Asian countries.⁴²

Iran-Europe

The EU, in particular France, Germany, and the UK, are the United States' strongest supporters in sanctioning Iran's nuclear program. European states have not formally discussed the possibility of supporting the United States in a military intervention in Iran, but they do support U.S. diplomatic options and economic sanctions.⁴³ Iran strongly opposes NATO bases in Turkey and maintaining bases in Afghanistan after withdrawal in 2014, for fear that they could be used to attack Iran.⁴⁴

Conflict Scenarios

Scenario: Afghanistan Stability

Stability in Afghanistan is beneficial to Iran; a stable Afghanistan can prevent contagion of conflict and help stem the flow of drugs and people across Iran's border.⁴⁵ If the situation in Afghanistan does not deteriorate significantly after U.S. withdrawal, Iran will likely continue its current policies. It will continue to try to influence Afghanistan's government in order to protect the Shi'ite minority, but is unlikely to involve itself further so long as tensions and conflicts in the Gulf and the Levant continue.

Scenario: Afghanistan Instability

If Afghanistan's condition does deteriorate significantly post-U.S. withdrawal, the Iranian government would weigh its involvement in other conflicts before deciding whether to step further into Afghanistan. The government would not want to overextend Iranian resources in an Afghan conflict while also facing threats in the Gulf and Levant. If Iran's interest in the Levant wanes in the future, it may direct its ambitions towards countries like Afghanistan; policies would likely focus on containing instability as much as possible by mitigating the problems caused by increased refugee flows and extremism. Among competing ethnic groups, Iran would likely support the Hazaras, Tajiks, and Uzbeks in Afghanistan, as it has done previously. Iran might also support the creation of a semi-autonomous region within Afghanistan for the Shi'ite minority.⁴⁶

⁴¹ Ibid., p. 41.

⁴² Stephen Flanagan, "The Turkey-Russian-Iran Nexus: Political & Security Dimensions: The Moscow Workshop Report," Center for Strategic and International Studies, September 28, 2012, <http://csis.org/publication/turkey-russia-iran-nexus-political-security-dimensions>.

⁴³ Robert M. Shelala II, Brandon Fite, and Nori Kasting, "U.S. and Iranian Strategic Competition: The Impact of the EU, EU3, and non-EU European States," CSIS, April 4, 2013, http://csis.org/files/publication/130404_eu_iran_chap_12.pdf.

⁴⁴ Yeganeh Torbati and Lisa Shumaker, "Iran Defense Minister Says NATO Missiles Harm Turkey Security," Reuters, December 22, 2012, <http://www.reuters.com/article/2012/12/22/us-syria-crisis-iran-idU.S.BRE8BL03I20121222>; Meena Haseeb, "Iran Reiterates its Opposition to Permanent U.S. Bases in Afghanistan," *Khaama Press*, May 23, 2013, <http://www.khaama.com/iran-reiterates-its-opposition-to-permanent-us-bases-in-afghanistan-1486>.

⁴⁵ Shelala et al., *U.S. and Iranian Strategic Competition: Afghanistan, Pakistan, India, and Central Asia*, p. 40.

⁴⁶ Ibid., p. 5.

Scenario: India-Pakistan Instability

Iran would not likely become involved in an overt conflict between India and Pakistan. It could potentially use the opportunity of such a scenario to increase its regional power and global standing by participating in humanitarian relief and post-conflict reconstruction.

Conclusions

Iranian foreign policy is more focused on expanding influence in the Levant and the Gulf, rather than South Asia. Iran is not likely to significantly impact South Asian stability in the near future. Any potential influence would most likely come as a result of disrupting energy supplies to South Asia, a region which is already experiencing an energy crisis. This could occur via Iran closing the Strait of Hormuz and affecting energy prices, or by Iran becoming involved in a major conflict in the Gulf.

About the Authors

Sadika Hameed is a fellow with the Program on Crisis, Conflict and Cooperation at CSIS whose research focuses on private sector development, quantitative analysis of political transitions, cooperation in South Asia, and monitoring and evaluation of multilateral programs in fragile, conflict-affected, and violent situations. Prior to joining CSIS, Ms. Hameed worked as an economist and governance specialist with the World Bank and USAID in Afghanistan and Pakistan. She earned an M.A. in international policy studies from Stanford University, an M.S. in economics from the University of Manchester, and a B.A. in economics and finance from the University of Manchester.

Julie Halterman was an intern with the Program on Crisis, Conflict, and Cooperation at CSIS. She graduated from Haverford College in 2013. Her interests focused on the dynamics of women in conflict zones and education. She is currently teaching English as a second language in Austria.