

Iran and India on the Silk Road: Challenges and Prospects of Economic Cooperation in Belt & Road Initiative*

Mandana Tisheyar^{1}, Amin Noorafkan²**

1. Assistant Professor, University of Allamah Tabatabai
2. MA of Regional Studies, University of Allamah Tabatabai

Abstract

India and Iran have historically shared strong socio-cultural and commercial relations since ancient times. However, the emergence of regional and extra-regional powers has drastically changed the relationship between Iran and India and given it a regional character rather than a bilateral one. . As one of the regional powers in East Asia and at the global level, China is increasing its power and influence and is attracting other countries' cooperation in various fields. In this regard, the Chinese government has officially pursued the Belt and Road Initiative (BRI) since 2013. Iran and India have taken two completely different positions on this plan; while India still formally sees the project as a threat to its stability and security, Iran is eager to expand its ties with China to get out of economic isolation. In this article, the authors try to answer how Iran and India can expand and pursue their economic interests by cooperating in projects related to the BRI. In response, the authors suggest that developing multilateral cooperation in Chabahar port, cooperation in Chabahar free trade zone, and International North-South Transit Corridor (INSTC) provide enormous opportunities for all parties involved. However, collaboration conditions must also improve through simultaneous consideration of security and development, increasing economic integration, strengthening multilateral negotiations, strengthening infrastructure and establishing non-dollar payment mechanisms.

Keywords: BRI, Chabahar, China, India, INSTC, Iran.

* This research is supported by the Silk Road studies program in Allameh Tabataba'i University.

** Corresponding Author's Email: mandana.tisheyar@gmail.com

Introduction

Iran and India have had cultural, social, political and economic ties for centuries. These relations have continued more or less with ups and downs until now. But in recent decades, the role of foreign powers, above all China and the United States has influenced the relations between these two countries more than the internal policies, strategies and intentions of Iran and India. . It seems that the policies of China and the United States towards India and Iran have alienated Iran and India from each other. For example, the US-designed Indo-Pacific Strategy was a countermeasure to the Belt and Road Initiative (BRI) to isolate China economically, which in turn increased the distance between Iran & India.

Iran enthusiastically supports the initiative to make the best use of its geographical position (Shariati Nia & Azizi, 2017:12). It seeks a way out of US-forced isolation by joining an interconnected network for trade and cooperation. On the other hand, India had a two-pronged approach to BRI. Delhi officially rejected the initiative and often critically expressed its suspicions about it. They supported U.S. “Indo-Pacific strategy” as a counter-strategy to build their own network of partnerships. But at the same time, India is cooperating with China on different themes and platforms, even those closely related to BRI. Neither India nor China seems interested and willing to cut off cooperation.

Despite various obstacles, Iran and India’s possibilities and opportunities are pretty rich. Just looking at the BRI routes is enough to understand Iran and India’s importance in terms of geopolitical & geoeconomic status. Both have huge land and maritime capacity to contribute to BRI. But there is also another transit capability that has a significant role in shaping the future of the region’s connectivity and interdependence. The INSTC project, which was initiated by Iran, India, and Russia and included some other countries -also members of BRI- can be seen as an essential transportation artery with a synergetic effect connected with the BRI.

In this article, the authors will examine the economic relationship between Iran and India within the BRI framework. The authors will

discuss the challenges and prospects of economic cooperation between Iran and India in the framework of BRI concerning security, geoeconomic and geopolitical factors. This research's central question is how Iran and India can expand and pursue their economic interests by cooperating in projects related to BRI? The answer is that both countries can maximize their economic interests by developing multilateral cooperation in Chabahar port, Chabahar free zone, and International North-South Transit Corridor (INSTC).

Literature Review

The research literature on this topic can be divided into three sets of bilateral relations between China and India, Iran and China, and Iran and India. Likewise, the following is a general overview of the topics covered in each section:

1- Due to the importance of the two countries in many fields, there is an extensive research literature on Sino-Indian relations in the BRI. . Population, robust economies, regional proximity, and other factors make them one of the foremost considerations of any comprehensive study in the context of BRI. As a result, the list below only consists of the main subject matters discussed in the relevant body of research:

A group of researchers believe that the solution to reducing cooperation between China and India should be sought in the economy either by increasing the volume of trade, facilitating trade, increasing investment, etc. (Lijun, 2019: 228-30). However, this proposal seems impractical because the economy is only one of the influential factors in the two countries' relations. Some argue efforts should be made to build a mutual understanding of BRI benefits by increasing diplomatic relations (Yang and Xie, 2017: 90). Others believe that weak relationship between China and India lies in security concerns. From the China-Pakistan Economic Corridor to the presence of Chinese warships in the Pacific Ocean and the "String of Pearls" strategy are some of the reasons for India's reluctance to join the BRI (for example, see Jacob, 2017. Khurana, 2019).

2- The literature on Iran-China relations in BRI is relatively few. Most Iranian researchers have focused on Iran's geopolitical and geoeconomic position and its importance to BRI (Yazdani and Shah

Mohammadi, 2014 & Amir Ahmadian and Salehi, 2016). Shariatinia and Azizi (2016) have claimed that Iran and China should make strategic decisions because they can meet their developing needs only if they create an efficient bureaucratic decision-making center. . However, it is unclear exactly what mechanism and plan the center has for improving relations.³- The third category of research related to this article is on Iran-India relations. Dinkar Srivastava, for example, has briefly examined various dimensions of Iran-India relations, including cooperation in BRI (Srivastava, 2017: 233). Most researchers constantly remind us that Indo-Iranian relations have been strained first and foremost by the “U.S. factor” (for example, see Cheema, 2010. Pant, 2007. Joshi, 2015). However, they did not forget that Iran and India still have the ability to cooperate widely in many projects such as IPI, Chabahar Port, INSTC, etc. (Devare, 2015 and Rizvi, 2011).

In general, it is safe to say there is no research specifically focused on Iran-India relations within the BRI. This study seeks to fill this research gap and provide practical solutions to expand economic ties between Iran and India regarding BRI.

India’s Position in the BRI Initiative

The BRI was first formally announced as “One Belt One Road initiative” by Chinese President Xi Jinping in September 2013. Xi talked about the Silk Road Economic Belt during a visit to Kazakhstan. A month later, in October 2013, he proposed the Maritime Silk Road (MSR) while speaking at the Indonesian parliament. China’s proposal to revive the Silk Road has been considered an ambitious idea based on multilateral cooperation. Generally speaking, the initiative has two components: First, a continental road (or the economic Belt) connects China to Europe through South and Central Asia. Second, the Maritime Silk Road (MSR) aims to create a sea corridor between China and Europe through the Indian Ocean.

Despite China’s invitation to attend the BRI summit in May 2017 and April 2019, India did not send any representative to the forum. Moreover, Indian officials have been directly or indirectly criticizing

this initiative. The Indian Prime Minister Narendra Modi in a meeting with Shinzo Abe, expressed the two countries' concerns over BRI's "quality infrastructure which, among others, ensures alignment with local economic and development strategies, safety, resilience, social and environmental impacts, and job creation, as well as capacity building for the local communities" (The WIRE, September 14th, 2017). India, after all, has several reasons to be concerned about BRI:

1. The Security issue: the China-Pakistan Economic Corridor (CPEC) probably is the foremost issue that concerns Indian officials. They repeatedly stated that the economic corridor would create insecurity and instability in Kashmir. Still, it appears that what really worries them is that their membership in BRI will imply recognizing Kashmir – the intensely contested land between these countries- as being Pakistani or Chinese (Ellis, 2020). China's attempt to merge BRI & BCIM is another concern for India since it increases the Chinese influence in India's Northeast region. Moreover, Maritime Silk Road (MSR) attempts to develop and enhance China's presence in the Indian Ocean region under the so-called 'string of pearls' strategy. Chinese officials tried to respond to these concerns of India; according to the Chinese Foreign Minister, the China-Pakistan Economic Corridor is not aimed at the "third parties" [one being India] and does not affect Beijing's position on the Kashmir issue (Patranobis, 2017). However, this does not seem to have changed the security approach of Delhi's policy makers. 2.
2. Economy: Apart from security issues, the Indian government expressed concerns over the possibility of creating an "unsustainable debt burden for communities" about BRI (Ministry of External Affairs, May 13th, 2017). Analysts described this phenomenon as a "debt trap" for developing economies, which others believe is already threatening Pakistan's economy (Jacob, 2017: 93).

However, despite India's official stance towards BRI and as a result, the difficulty to talk about Iran-India relations in the framework of the JCPOA, India continues to be involved in BRI-related matters such as the Asian Infrastructure Investment Bank (AIIB) – the second largest investor after China (Wu, 2019). India is one of the co-founders of AIIB. It is the second-largest contributor to the AIIB, which has also allocated US\$100 billion for BRI (Kumar, 2019: 28). India also has a stake in the BRICS New Development Bank (NDB) and is a full member of the Shanghai Cooperation Organization (SCO). . India's cooperation with China in the framework of BCIMEC is another example of these related projects (Silk Road Briefing, 2020). But most importantly, India wants to use its favorable geographical position as a tool for regional connectivity. In this regard, Iran offers a unique potential to achieve this goal.

Iran and India Economic Relations Geopolitical/Geoeconomic Position

As mentioned, Iran and India both have outstanding regional geoeconomic and geopolitical potential. Some scholars even believe that India's relations with Iran are best understood through the prism of the intertwined geoeconomic and geopolitical considerations (Ahmed & Bhatnagar, 2018: 517). Iran has access to the Persian Gulf and the Makran Sea from the south and the Caspian Sea from the north. Iran can be considered the gateway for South and East Asian countries such as India and China to Central Asia, Russia, and Europe. Therefore, its position is unique regarding access to the high seas and the east-west and north-south transit routes. India also borders the Bay of Bengal from the east, the Arabian Sea from the west, and the Indian Ocean (including the Bay of Bengal and the Arabian Sea) from the south. India's access to open waters and its geoeconomic potential have significantly shaped its foreign relations. The Indian Ocean accounts for half of the world's container traffic. In addition, 70 percent of all petroleum products from the Middle East to the Pacific pass through the Indian Ocean (Barzegar & Rezae, 2017: 3).

As China increases its influence in South Asia, India seeks to maintain cooperation with its powerful neighbor on the one hand and

to improve its competitiveness in the region on the other (Baruah, 2018: 2). As mentioned earlier, India is very much concerned about being encircled by its strategic rivals, China and Pakistan And eagerly looking to reach the markets of Central Asia and Europe. (for example, see Fair, 2007 & Singh 2019). Indian government strongly emphasizes the importance of access to Afghanistan's iron ore resources and wheat shipments to the country. With its borders with Afghanistan, Central Asian countries, and the South Caucasus, Iran will be an excellent geoeconomic option for India to access these regions and their market (see map 1). The importance of the two countries' geopolitical capabilities –Iran and India– is very significant, especially in relation to China's geopolitical ambitions in BRI.

Iran-India Economic Cooperation

Many researchers believe that Iran and India have economic complementarity, especially in the field of energy (for more information see Joshi, 2015 & Nasirpour, 2019 & Cheema, 2015). . Iran's proven oil and gas reserves are 137 billion barrels (10 percent of the world's total proven reserves) and 41.14 trillion cubic meters (15 percent of the world's total proven reserves), respectively, which gives it a unique status in the global energy supply (Natural gas reserves in Iran, n.d). On the other hand, India's oil import is estimated at 4.48 million bbl./day, and its natural gas import at 27.02 billion cu.m; Iran is one of the world's largest energy producers, and India is one of the world's largest energy consumers. In terms of trade value, Iran's exports to India in 2018 were about 13.4 billion dollars. . Mineral products, chemical products and about 90% of Iran's export value to India include mineral products such as crude oil and petroleum gas (OEC statistics, *Figure 1*).

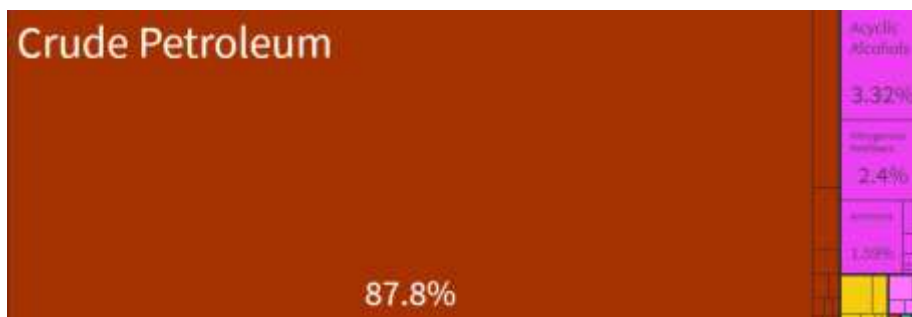


Fig. 1. Iran exports to India 2018, source: oec.world

The value of Iran's imports from India in the same year was 2.84 billion dollars. Rice, tea, vegetable products, chemical products and machinery account for almost 75% of Iran's imports from India.. (Figure 2)

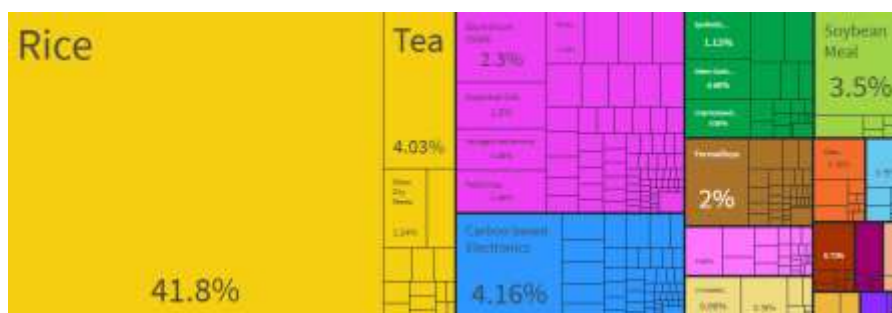


Fig. 2. Iran imports from India 2018, source: oec.world

In 2018, India was Iran's seventh-largest export destination and fourth-largest import (Trade Promotion Organization of Iran, 2018). Iran's non-oil export to India was only \$2 billion in 2018, which shows the oil-centric economic relations between the two countries. (Tehran Chamber of Commerce, Industries, Mines & Agriculture, 2018 statistics). Comparing the statistics of 2018 with the years before Iran's foreign trade, we find that the share of Iran's export to India is shrinking, while Iran's import from India is increasing. However latest data show even India's export decreased in 2020; the Indian Ministry of Finance announced a 23-fold drop in India's imports from Iran in the first seven months of 2020 and a 45 percent drop in export (RadioFarda,

September 10th, 2020). The important reason was, on the one hand, the embargo on Iran's oil, petrochemical, and steel industries by the United States, and on the other hand, the oil dependence of Iran's economy along with the Corona pandemic, which hit the economy of the two countries and led to a significant reduction in bilateral trade relations. Iran was also open to cooperation with India in the energy sector and offered investment opportunities in upstream oil and gas exploration, for example in the Farzad-B gas field. . Farzad-B which was discovered by OVL about ten years ago in the Farsi block, had gas reserves of 21.7 trillion cubic feet, of which 12.5 trillion cubic feet are believed to be recoverable. During the Minister of State's visit for PNG Dharmendra Pradhan to Tehran in April 2016, Iran and India discussed this project (Srivastava, 2017: 236).

However, it seemed that negotiations between the two sides on the realization of this project had not been successful. Iranian Oil Minister Bijan Zanganeh said in August 2019, "Our intention is to do the final negotiations with them [India]... If they are not ready to do the project, we will continue with an Iranian company. . However, if Indian companies come forward, they will be the ministry's priority for completing the project" (Tehran Times, May 29th, 2019). Finally, Tehran decided not to wait anymore. The managing director of Iran's Pars Oil and Gas Company (POGC) stated that the deal for the development of the Farzad-B gas field (in the Persian Gulf) is going to be signed with a domestic company (PetroPars) by the end of the current Iranian calendar year (March 21st, 2021).

Obstacles to the Expansion of Economic Cooperation between Iran and India

Despite the potential for cooperation between Iran and India, such as economic complementarity in energy and regional connectivity, there are some obstacles to the collaboration between the two countries. These barriers can be divided into different categories. One is external factors, and the other is internal factors. On the other hand, these barriers can be categorized into conceptual and material aspects. Despite adopting the first category, we will also address the importance of conceptual and material obstacles.

Most scholars who have studied Iran-India relations believe that the United States has overshadowed the ties between the two countries (for further information, see Soltaninejad, 2017 & Cheema, 2010 & Abbasipour, 2018 & Rizvi, 2011). The close relationship between India and the United States has grown since China's rise to power. Both countries have expressed concern about China's growing influence in the region and the world. On the other hand, the United States has made every effort to isolate Iran politically and economically. Although these measures are decades old, they reached their peak under the Trump administration with the "Maximum Pressure" campaign. India is left with a strategic decision to comply with Iran sanctions or continue to cooperate with its neighbor. . In reality, with the imposition of economic sanctions on Iran, many investments and other economic cooperation between the two countries were significantly reduced.

China, India's most prominent and influential neighbour, is another factor influencing Iran-India relations. While India fears the emergence of new Chinese-led geopolitics in the region, it is fully aware of the consequences of non-cooperation with a booming economy, especially in its neighbourhood. In addition, India seeks to establish a balance of power against China, with its relationship with Iran, by any means such as investing in the Chabahar port, investing in different economic sectors, and expanding the railway network. India wants to break out of the fence they perceive from their neighbours, namely China and Pakistan, by creating a north-south axis and access to Afghanistan, Central Asia, and Europe through Iran (for example, see Devare, 2015 & Dushyant, 2018).

This strategy of expanding the link has sometimes been associated with the US's strategy of balancing power in the region and its attempt to isolate China and Iran, and sometimes it has been in conflict. (i.e., in the framework of Indo-pacific strategy and sanctions against Iran, respectively). The experience of sanctions and comparing the behaviour of China and India in the face of sanctions toward Iran was a decisive factor in determining the future of Iran's foreign relations. The more the United States puts pressure on Iran, the more Iran moves toward cooperation with China. On the other hand, the more mistrust between China and India escalates, the more India is pushed towards

the United States. This is a vicious cycle that pushes Iran and India further apart.

However, the obstacles to economic cooperation between Iran and India do not stem only from the two countries' relations with other countries. Apart from the energy sector, a large part of both countries' exports includes raw materials and non-capital goods. Both countries are importers of advanced industrial machinery and capital goods. A large part of India's economy is made up of services that are almost non-exchangeable. Iran and India also suffer from weak infrastructure and low-speed railways that are unsuitable for large-scale and regular transit exchanges (Lin, 2017: 348). Although in terms of expansion of railway networks, India has the fourth-largest railroad network globally with over 63,974 route km, giving the country an extraordinary advantage in commercial transportation.

Moreover, India and Iran both need to develop their economic corridors and maritime transport infrastructure. Modernization projects, redevelopment of ports and railways and increasing safety measures and efficiency of fast transportation are among the main projects of both countries to expand their economic potential and, therefore, increase their transit capacity. India has managed to attract FDI worth US\$ 1.64 billion between April 2000 and March 2020 in the port construction and development sector alone. Iran has not received such investments, mainly due to sanctions. Because of this, Iran has a greater need and eagerness to pour money into its inefficient and outdated infrastructure, which provides a great opportunity for India to play its part in this game.

The Groundwork for Expanding Economic Cooperation between Iran and India in BRI

As mentioned above, due to the strong opposition of the Indian authorities to the BRI, it does not seem possible to talk about Iran-India cooperation in the framework of the One Belt One Road initiative anytime soon. . But considering the geographical location of both countries and their geo-economic and geo-political capacities, it is possible to create, develop and complete programs not only for the expansion of economic relations between Iran and India but also in

the bigger picture, they can be considered valuable projects for the development of BRI. Two examples of these capacities are the Chabahar port and the International North-South Transport Corridor (INSTC). Although the development of Chabahar port can be considered a part of the North-South development corridor, but considering the many obstacles that exist in the way of cooperation between the two countries, it is better to forget about big economic projects for now and focus on cooperation related to the issue. This will prevent the entire project, being halted due to an external obstacle, which has made cooperation between Iran and India very difficult in recent years.

Chabahar; the Anchor of Commercial Relations between the Two Countries

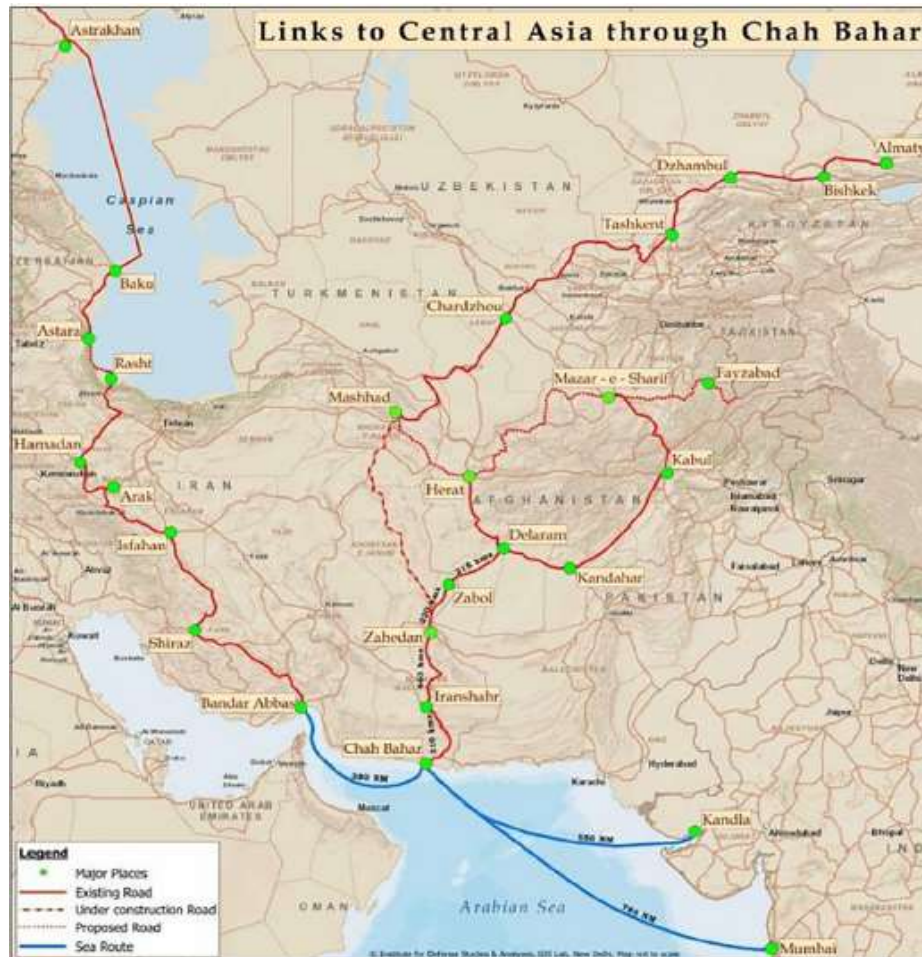
This region has a privileged position in transit, industrial, commercial, tourism, and even agricultural potentials. The status of the Chabahar super-strategic region is critical due to its access to the high seas on the one hand and the presence of landlocked countries such as Afghanistan, Central Asia, and even the Caucasus Armenia, etc., on the other. Chabahar is the link between the maritime Silk Road and the land Silk Road, which passes through the CIS and northern Iran and the southern Caspian Sea. In terms of transit capacity -the Chabahar railway is planned to be extended to Sarakhs. From there, it can be connected by rail to Delaram in Afghanistan. Through Chabahar, India can access the Garland Highway in Afghanistan using the existing railways in Iran and the Zaranj-Delaram Road, built by India in 2009. The port provides India with direct access to four major cities in Afghanistan. Chabahar also offers Indian road and railway companies good opportunities to launch communication projects (IRNA, 2019).

On the other hand, Chabahar could also have a railway line to Turkmenistan. Completing the Chabahar-Zahedan railway, the Zahedan-Mashhad railway makes it possible. As shown in Map 1, Chabahar can then be connected to Turkmenistan and Central Asia and the northern route of the Silk Road in the shortest distance. By developing a strategic Chabahar Port in Iran, India will reduce logistics costs by 20 percent in container transport to CIS countries

(Tehran Times, 2020). India has pledged to invest \$500 million to develop the port, but so far, it has not been fully realized (Dushyant, 2018: 1900).

INSTC

INSTC is the most important international transport corridor, transiting tons of goods from Asia to mostly Europe and North America and vice versa. Transportation through this corridor is up to 40 percent cheaper and 30 percent more time efficient (Yazdani & Shah Mohammadi, 2014: 160). Iran's geographical location and proximity to India make it an ideal transit hub for reaching Russia and CIS countries (see map 2). There are several axes that the North-South International Transit Corridor extends from Bandar Abbas to the North. The Amirabad port on the Caspian Sea, and the Inchebarun crossing on Iran's land border with Turkmenistan, are connected by railroad to Bandar Abbas. The Inchebarun railway crossing was inaugurated by the presidents of Kazakhstan, Turkmenistan, and Iran in December 2014. Bandar Abbas is connected with Astara port on the western fringe of Iran's Caspian seashore by road; the railway line has a gap between Rasht and Astara.



Map 1- Source: idsa.in

It is worth mentioning that there is rail connectivity between Bandar Abbas, Mashhad, and Sarakhs, in the northeast of Iran's border with Turkmenistan. So there is a substantial infrastructure already in place. In 2014, a pilot run was also conducted by the Freight Forwarders Federation of India (FFFAI) under the auspices of the Ministry of Commerce, GOI. Two containers were sent from Bandar Abbas north to Astara port and Amirabad port by road. Iran's Caspian Sea ports of Astara, Bandar Anzali, and Amirabad are

connected with the Russian port of Astrakhan. There is a railway line from Astrakhan to Moscow. This route will save an estimated 40 percent in time and 30 percent in cost over the traditional path from India, which goes around Europe to St. Petersburg and Moscow. Iranian ports are similarly connected with the Kazakhstan port of Aktau. Kazakhstan participated in developing the Amirabad port in Iran as an outlet for its wheat exports (Srivastava, 2017: 230).

Although sometimes INSTC has been described as an “effort to counter the BRI” (Kumar, 2019: 36) or as an action against the Silk Road project (Haider, December 10th2019), this neither shows the intention of all parties nor serves their interests. Even if Delhi is inclined to believe so, Moscow and Tehran, the two other collaborators in INSTC, have good reasons to cooperate with China. However, this is true that the decrease in the attention to the North-South Transit Corridor project can be considered due to the increase in concentration to the Silk Road Economic Belt. Interest groups and countries involved in these two projects are competing hard to attract resources and investment. But the more practical question would be, “Is the expansion of one at the expense of the other?” In this regard, a few points should be noted: First, most INSTC rail transit routes currently exist and should only be expanded and strengthened. Secondly, the economic Belt is generally an east-west route and does not interfere with INSTC, which is a north-south route, and the two can even be considered complementary. Thirdly, Iran does not see the expansion of INSTC exclusive to India; the same is valid for investing in the Chabahar port and the Chabahar Free Trade Zone and has always expressed its desire to attract capital from other countries, including China.

As shown in the map below, the economic Belt and INSTC offer different connections that, in fact, complete each other in such a way that creates a vast transit network throughout the region. There is a simple criticism of the idea that China's desire to create an economic belt is only to gain access to European markets, and that India prefers - at least for now - to strengthen its presence in Central Eurasian markets. However, this criticism does not bear a close look at the policies of each of these countries. The EU is India's largest trading

partner; after all, INSTC was also designed to reach Europe. China also has adopted a diversification of supply routes and suppliers in many fields, including energy, which makes it terribly important to have access to the Persian Gulf and Central Eurasian regions as two of the most energy-rich areas in the world. Iran must use this intersection of interest wisely and provide a stable investment climate for these two countries.



Map 2

Opportunities for Iran and India Collaboration in the Framework of BRI

Military conflict between China and India intensified from May to July 2020, raising tensions, concerns, and mistrust between China and India. On the other hand, China and Iran are expanding their relations and ratifying the Strategic Cooperation Agreement. According to some experts, India's exclusion from the bigger picture in general and Chabahar-Zahedan railway development projects and gas extraction from the Farzad B field, in specific, could be related to the same contract (Faraz, July 19th, 2020). These indicate that India and Iran are

moving further apart. Still, there are a few things to keep in mind: One is that India should use its geopolitical advantages as soon as possible to get out of the looming deadlock. Iran remains India's most credible option for this purpose. It should be borne in mind that if India does not bring this stalemate to an end, the likelihood of future conflicts will be higher and more intense.

On the other hand, Iran should attract several business partners for its future projects by avoiding monopolistic investment policies. Together, these two leave the possibility of improving relations, but 'policymakers' decisions and political will' play an essential role in realizing this possibility. There are some general suggestions in this regard:

1. Expanding multilateral cooperation in Chabahar port, Chabahar free zone, and INSTC can be considered the focal point of future collaboration. Above all, all three countries have vital interests in these projects. We hope to achieve simultaneous development and security by expanding cooperation in the mentioned fields.
2. Security and Development: One of the main reasons for the widespread adoption of the BRI was China's pursuit of the "peaceful rise" slogan. . By pursuing this policy, China gained great international prestige, which was very useful in attracting cooperation from other countries. As some experts have pointed out, countries are trying to benefit from the economic cooperation of this project [BRI] and at the same time consider its security risks (Amir Ahmadian & Salehi, 2016: 13). In order to advance its goals regarding security and development as the two wings of any cooperation, China should pursue a policy of peaceful escalation. Strengthening Multilateral Negotiations. However, we must keep in mind that no negotiation is one-dimensional and that the security, trade, media and political dimensions must be considered. It is suggested to form joint cooperation and interaction commissions and think tanks with the presence of experts in the mentioned fields. Media experts to inform the market capacities of each country for investment and cooperation, trade experts to measure the cooperation capacities and complementary economic sectors, security experts to build internal trust about security dimension of

economic cooperation and prevent the security of non-security sectors such as geopolitics and geoeconomics.

3. Expanding *economic integration* can create an intertwined network of complementary economies (Lijun, 2019:223). Of course, this network should be based on constructive cooperation, not dominative competition.
4. Strengthening transit and trade infrastructure and expanding investment in productive and high-capacity sectors (Yang & Xie, 2017:90). For example, in this article, we mentioned the very high capacities of Chabahar port, the Chabahar free trade zone, and the north-south transit corridor. Undoubtedly, many other capacities for cooperation require the research of academics and the political will of politicians.
5. Non-dollar Payment Mechanisms during sanctions against Iran could be one way to continue cooperation. Multilateral efforts should be made in this direction to make financial, banking, and economic collaboration possible. The Rupee-Rial channel facilitated by the Central Bank of Iran (CBI) and the Reserve Bank of India (RBI) could help traders in both countries exchange commodities (Fallahi, 2020).

Conclusion

Interference of interests between regional neighbors is not a matter of discussion. Historically, there have always been extensive relations between Iran, India and China. . That raises the question of why there has not been a framework to direct and facilitate such relations. Several political, economic, and security reasons have been discussed above. However, in comparison, the mutual benefits far outweigh the threats. . The parsimonious logic of interaction often suffers from combining the whole picture and understanding roles and identities. At its core, however, it shows that patterns of enmity can be transformed into friendship. .

For that purpose, a number of projects can benefit all parties, including developing multilateral cooperation in Chabahar port, cooperation in Chabahar free trade zone, and International North-South Transit Corridor (INSTC). It must be noted that such collaboration must meet certain conditions and mechanisms, such as

consideration of security and development while increasing economic integration, strengthening multilateral negotiations, strengthening infrastructure, and establishing non-dollar payment mechanisms.

Authors' Statement: The authors declare that they fully complied with all ethical requirements regarding issues such as plagiarism, publication and/or duplicate submission, redundancy, data falsification and/or forgery, informed consent, misconduct, etc.

References

- Ahmed, Z. S., Bhatnagar, S (2018) The India-Iran-Pakistan Triad: Comprehending the Correlation of Geo-economics and Geopolitics, *Asian Studies Review*, Vol. 42, No.3, pp. 517-536.
- Amir Ahmadian, B. & Salehi, R. (2016), China New Silk Road Initiative (Goals, Benefits and Challenges), *Quarterly Journal of International Relations Studies*, Vol. 9, No. 36, in Persian
- Baruah, D. M. (2018), *India's Answer to the Belt and Road: A Road Map for South Asia*, Carnegie India, New Delhi
- Barzegar, K. & Rezae, M. (2017), The Future of Overlapping Strategic Competition in the Indian Ocean, *Quarterly Journal of Politics*, *Journal of the Faculty of Law and Political Science*, Vol. 47, No. 1, in Persian
- Chabahar to become Iran's 3rd Trade Hub Soon (2020), Available at: <https://www.tehrantimes.com/news/449853/Chabahar-to-become-Iran-s-3rd-trade-hub-soon>
- Cheema, S. A. (2010), India-Iran Relations Progress, Challenges and Prospects, *India Quarterly*, Vol. 66, No. 4, pp. 383-396
- Devare, S. M. (2015), India-Iran relations, Department of Political Science, KJS College Kopargaon
- Dushyant, (2018), India-Iran Relation Present and Future, Vol. 2, No. 3
- Ellis, C. P. (2020), Belt & Road Initiative: India, Available at: <https://www.silkroadbriefing.com/news/2019/06/20/belt-road-initiative-india/>
- Fair, C. C. (2007), India and Iran: New Delhi's Balancing Act, *The Washington Quarterly*, Vol. 30, No. 3, pp. 145-159
- Fallahi, E. (2020), India Sees Iran a Vital Trade Partner, Looks for Expansion of Ties: Envoy, Available at: <https://www.tehrantimes.com/news/450049/India-sees-Iran-a-vital-trade-partner-looks-for-expansion-of>
- Farzad-B gas field development deal to be signed with domestic company Available at: <https://www.tehrantimes.com/news/454294/Farzad-B-gas-field-development-deal-to-be-signed-with-domestic> (Accessed on: 2020/11/06).
- Foreign Trade Performance Report (2018), Published by Trade Promotion Organization of Iran
- Haider, S. F. (2019), INSTC vs. BRI: The India-China Competition Over the Port of Chabahar and Infrastructure in Asia, Available at: <https://jamestown.org/program/instc-vs-bri-the-india-china-competition-over-the-port-of-chabahar-and-infrastructure-in-asia/>
- Iran Awaiting OVL's Final Position on Farzad-B Gas Project (2019), Available at: <https://financialtribune.com/articles/energy/98218/iran-awaiting-ovl-s-final-position-on-farzad-b-gas-project>
- India to Save 20% logistic Cost in Supplies to CIS Countries via Chabahar (July 6th, 2020), Available at: <https://www.tehrantimes.com/news/449670/India-to-save-20-logistic-cost-in-supplies-to-CIS-countries>

- Jacob, J. T. (2017), China's Belt and Road Initiative: Perspectives from India, *China & World Economy*, Vol. 25, No. 5, pp. 78-100.
- Joshi, R. M. (2015), India and Iran Trade: Issues and Challenges, *International Business & Management*, Vol. 31, pp. 121-131.
- Khalil Nejadi, A. (July, 2019), India's Golden Opportunity in Chabahar is Coming to an end, Available at: <https://www.irna.ir/news/83856891/%D9%81%D8%B1%D8%B5%D8%AA-%D8%B7%D9%84%D8%A7%DB%8C%DB%8C-%D9%87%D9%86%D8%AF-%D8%AF%D8%B1-%DA%86%D8%A7%D8%A8%D9%87%D8%A7%D8%B1-%D8%B1%D9%88-%D8%A8%D9%87-%D9%BE%D8%A7%DB%8C%D8%A7%D9%86-%D8%A7%D8%B3%D8%AA> (Accessed on 2020/12/14).
- Khurana, G. S. (2019), India as a Challenge to China's Belt and Road Initiative, *Asia Policy*
- Kumar, S.Y. Surendra (2019), China's Belt and Road Initiative (BRI): India's Concerns, Responses and Strategies, *international journal of china studies*, Vol. 10, No. 1, pp. 27-45
- Laskar, R. H. (May 25th, 2017), CPEC Route through Kashmir Could Create Tension with India: U.N. Report, *Hindustan Times*, Available at: <https://www.hindustantimes.com/world-news/cpec-route-through-kashmir-could-create-tension-with-india-un-report/story-05fdgjtDfMATT6K13ZJffN.html> (Accessed on: 2020/12/14).
- Lijun, C. (2019), The Belt and Road Initiative and Production Capacity Cooperation between China and India, *Institute of South Asia Studies, Yunnan Academy of Social Sciences, Kunming, China*
- Lin, F. (2017), The Prospects and Challenges of Sino-India Cooperation under "the Belt and Road" Initiative: Based on the Five-Link Index
- "Modi-Abe Meet: India, Japan Drop Mention of South China Sea in Joint Statement", *The WIRE*, September 14th 2017. Available at: <https://thewire.in/external-affairs/modi-abe-meet-india-japan-drop-mention-of-south-china-sea-in-joint-statement> (Accessed on 2020/12/14).
- Nasirpour, G. (2019), Iran-India Relations with Future Prospects, *Geopolitics Quarterly*, Vol. 14, No. 4, pp. 165-187.
- Official Spokesperson's response to a query on participation of India in OBOR/BRI Forum, Ministry of External Affairs, May 13th, 2017. Available at: <https://mea.gov.in/media-briefings.htm?dtl/28463/Official+Spokespersons+response+to+a+query+on+participation+of+India+in+OBORBRI+Forum> (Accessed on: 14/12/2020).
- Pant, H. V. (2004), India and Iran: An "Axis" in the Making? *Asian Survey*, Vol. 44, No. 3
- Patranobis, S. (2017), Kashmir not relevant to China-Pakistan corridor, Beijing says as BRF summit ends, *Hindustan Times*, Available at: <https://www.hindustantimes.com/india-news/kashmir-not-relevant-to-china-pakistan-corridor-beijing-says-as-belt-and-road-summit-ends/story-UsszB16OLfaGIsPdUaGLcN.html>

- Rizvi, M. M. A. (2011), Interpreting India's Vision in West Asia: A Study of India-Iran Relations, *South Asian Survey*, Vol. 18, No.1, pp. 81-92
- Shariati Nia, M. Azizi, H. (2017). Iran-China Cooperation in the Silk Road Economic Belt, *Foreign Relations Quarterly*, Vol. 9, No. 36, in Persian
- Sharp Decline In Iran's Trade With India, Japan And South Korea (September 10th, 2020) Available at: <https://en.radiofarda.com/a/sharp-decline-in-trade-iran-s-trade-with-india-japan-and-south-korea/30832047.html>
- Singh, S. & Singh, B. (2019), Geopolitics of Ports: Factoring Iran in India's counterbalancing strategy for "Sino-Pak Axis", *Journal of Eurasian Studies*, Vol. 10, No. 2. pp. 169-182
- Soltaninejad, M. (2017), Iran-India Relations: The Unfulfilled Strategic Partnership, *India Quarterly* Vol. 73, No. 1, pp. 1-12
- Srivastava, D. (2017), India-Iran relations Potential and challenges, in *India's National Security*, Edited By Satish Kumar, London, Routledge
- The second season of the Tehran-Delhi contracts cancellation series, (July 19th, 2020), *Faraz*, Available at: <https://www.faraz.ir/2020/07/19/> (Accessed on 2020/12/14).
- Total statistics of imports and exports to Iran, Tehran Chamber of Commerce, Industries, Mines & Agriculture, Available at: http://www.tccim.ir/ImpExpStats_TarrifCustomCountry.aspx?slcImpExp=Exp&slcCountry=&sYear=1397&mode=doit (Accessed on 2020/10/12).
- Wu, F. (2019), India's Pragmatic Foreign Policy toward China's BRI and AIIB: Struggling for Relative and Absolute Gains, *Journal of Contemporary China*
- Yang, Y. & Xie, Y. (2017), "The Analysis of China's Investment to India Under the One Belt and One Road," School of Economics and Management, Yunnan Normal University, Kunming, China
- Yazdani, E., Shah mohammadi, P. (2014), A Study of the Positive Aspects and the Necessity of Iran's Dynamism in the Economic Belt Initiative from the Perspective of the Copenhagen School, *Central Asia and Caucasus Quarterly*, No. 88, in Persian