



## **India's Hedging Strategy in the Iran-Israel Rivalry: A Study of Strategic Autonomy in Foreign Policy**

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### **ABSTRACT**

India's foreign policy in West Asia has increasingly reflected the need to navigate a complex and contested regional order shaped by rivalry between Iran and Israel. As both states occupy central but contradictory positions in the geopolitical landscape of West Asia, India has adopted a hedging strategy that seeks to preserve strategic autonomy while safeguarding its energy security, defence interests, connectivity ambitions, and diplomatic flexibility. Rather than choosing one side over the other, India has pursued a calibrated approach that allows cooperation with Iran in areas such as Chabahar, energy, and regional access, while simultaneously deepening ties with Israel in defence technology, intelligence, agriculture, and innovation. This paper examines the historical evolution, structural logic, and policy implications of India's hedging behaviour in the Iran-Israel rivalry. It argues that hedging has become an essential instrument of India's foreign policy because it enables New Delhi to manage contradictory interests, avoid zero-sum alignments, and maintain room for manoeuvre in a volatile regional environment. At the same time, the paper shows that this strategy faces growing stress from United States sanctions on Iran, regional polarisation, Gulf realignments, and domestic political sensitivities. The study concludes that India's balancing act demonstrates both the strengths and limits of strategic autonomy in contemporary foreign policy, especially in an era when external pressures increasingly constrain middle power diplomacy.

**Keywords:** India–Iran Relations, India–Israel Relations, West Asian Geopolitics, Strategic Autonomy, Energy Security, Defence Cooperation, Multi-Alignment.

### **1. INTRODUCTION**

India's foreign policy has undergone significant transformation in the post-Cold War era, moving from a largely normative and non-aligned worldview to a pragmatic, interest-based, and increasingly multi-aligned strategy. In this transformation, West Asia has emerged as one of the most important theatres of Indian diplomacy. The region matters to India not only because of the large Indian diaspora and energy dependence, but also because of its role in maritime security, terrorism, trade, connectivity, and access to Central Asia. Within this broader regional environment, the rivalry between Iran and Israel presents one of the most difficult strategic dilemmas for Indian policymakers.

Iran and Israel occupy very different positions in India's foreign policy calculus. Iran has traditionally been important for India because of its geographic location, energy resources, and role as a bridge to Afghanistan and Central Asia. Israel, by contrast, has become one of India's most reliable partners in defence technology, intelligence sharing, cyber security, and agricultural innovation. Yet the deep hostility between Iran and Israel means that India cannot

deepen ties with one without raising concerns in the other. This creates a structural challenge that goes beyond ordinary bilateral diplomacy.

India's response to this challenge has been to hedge. Hedging, in this context, refers to a strategy of maintaining simultaneous relationships with competing actors while avoiding exclusive alignment with any one side. It is a diplomatic method designed to reduce risk, maximise flexibility, and preserve policy autonomy under uncertainty. In the Iran-Israel case, hedging allows India to work with Iran on connectivity and energy while cooperating with Israel on defence and technology. The goal is not to resolve the rivalry, but to avoid being trapped by it.

This paper examines India's hedging strategy in the Iran-Israel rivalry as a case study of strategic autonomy in foreign policy. It argues that India has successfully used hedging to protect core national interests, but that the strategy is becoming more difficult to sustain as the West Asian environment becomes more polarised. The study further argues that India's approach reflects a broader evolution in its foreign policy doctrine, from the moral language of non-alignment to the more flexible and pragmatic language of strategic autonomy.

### **1.1 Significance of the Study**

The significance of this study lies in the centrality of West Asia to India's strategic and economic interests. The region supplies a substantial share of India's energy needs, hosts millions of Indian workers, and provides crucial routes for trade and connectivity. At the same time, it is a region marked by conflict, rivalry, and external intervention. India's ability to act independently in such an environment is therefore an important indicator of the maturity and resilience of its foreign policy.

This study is also important because it helps explain how middle powers manage contradictory partnerships in a fragmented international system. India's balancing of Iran and Israel offers a useful example of how strategic autonomy is practised in reality. Rather than being a rigid doctrine, strategic autonomy appears here as a flexible diplomatic method that allows India to engage with rival actors while keeping its options open. The topic is therefore relevant not only for understanding India's West Asia policy, but also for broader debates on foreign policy adaptation and multi-alignment.

### **1.2 Objectives of the Study**

The primary objective of this study is to analyse India's hedging strategy in the Iran-Israel rivalry and its relationship with strategic autonomy. The specific objectives are:

1. To examine the historical evolution of India's relations with Iran and Israel.
2. To assess the geopolitical importance of Iran and Israel in India's foreign policy.
3. To analyse the instruments through which India hedges between the two states.
4. To identify the major challenges and constraints facing India's balancing strategy.
5. To evaluate the implications of this strategy for strategic autonomy in foreign policy.

### **1.3 Research Questions**

This study is guided by the following questions:

1. How has India's relationship with Iran and Israel evolved over time?
2. What does hedging mean in the context of India's West Asia policy?

3. How does India use diplomacy, energy policy, and defence cooperation to balance the Iran-Israel rivalry?
4. What constraints limit India's ability to sustain this balancing strategy?
5. What does India's approach reveal about the nature of strategic autonomy in contemporary foreign policy?

## **2. REVIEW OF LITERATURE**

The literature on India's West Asia policy is extensive, but it is often divided between studies on India-Iran relations, India-Israel relations, and India's broader doctrine of strategic autonomy. Fewer works explicitly examine the triangular relationship between India, Iran, and Israel as an integrated strategic problem. This section reviews the major themes in the literature and identifies the gap this paper seeks to address.

A large body of scholarship on India-Israel relations highlights the rapid expansion of bilateral ties since the establishment of full diplomatic relations in 1992. These studies focus on defence procurement, intelligence cooperation, counterterrorism, agriculture, water management, and technological exchange. Scholars note that the relationship has become one of India's most practical and functional partnerships because it meets immediate security and development needs without requiring ideological alignment.

The literature on India-Iran relations places emphasis on geography, energy, and connectivity. Iran's strategic value to India has historically derived from its location on the Persian Gulf, its role as an energy supplier, and its utility as a transit route to Afghanistan and Central Asia. Chabahar Port, in particular, is frequently discussed as a symbol of India's long-term continental ambitions and an effort to bypass Pakistan. At the same time, many studies stress the vulnerability of this relationship to United States sanctions and broader geopolitical tensions.

A third strand of literature examines India's foreign policy doctrine of strategic autonomy. This body of work traces India's evolution from non-alignment during the Cold War to a more flexible policy of multi-alignment in the twenty-first century. Scholars argue that strategic autonomy no longer means standing apart from all alliances, but rather preserving freedom of action through diversified partnerships and issue-based cooperation. This perspective is especially relevant to India's engagement in West Asia, where rigid alignment would likely reduce rather than expand policy space.

Recent writings have increasingly described India's behaviour in West Asia as hedging. Hedging is understood as a strategy that combines elements of cooperation and caution, allowing a state to engage with competing actors while avoiding dependence on either. In the case of India, this means maintaining close defence ties with Israel while preserving channels of engagement with Iran despite sanctions and pressure. The literature suggests that this approach has enabled India to retain strategic flexibility, though it also exposes the limits of diplomacy in a highly polarised region.

However, a clear gap remains. Most studies examine India-Iran and India-Israel separately, or discuss strategic autonomy in broad theoretical terms. Fewer works focus directly on how India manages the rivalry between Iran and Israel through hedging. This paper attempts to fill that

gap by analysing the strategy as a practical foreign policy response to competing regional demands.

### **3. HISTORICAL EVOLUTION OF INDIA'S ENGAGEMENT**

#### **3.1 India and Iran**

India's relationship with Iran is deeply rooted in history, culture, and trade. For centuries, the two civilisations interacted through commerce, language, art, religion, and scholarship. In the modern period, this historical connection gave the relationship a degree of warmth even when geopolitical circumstances differed. After independence, India maintained cordial ties with Iran, seeing it as an important regional actor whose influence extended across West Asia and the Indian Ocean world.

During the Cold War, India and Iran were not always aligned politically, but they preserved pragmatic engagement. The 1979 Iranian Revolution changed the regional order significantly, yet India managed to continue a working relationship with the new regime. The two states shared an interest in regional stability, particularly in the context of the Gulf, the Soviet-Afghan war, and the changing balance of power in the Middle East.

In the post-Cold War period, India's ties with Iran became more strategically important. Energy security emerged as a major concern for India's rapidly growing economy, and Iran became one of the important suppliers of crude oil. At the same time, Iran's location made it indispensable for India's regional connectivity ambitions. India sought access to Afghanistan and Central Asia without depending on Pakistan, and Iran offered the most viable route for such access.

The most important symbol of this strategic relationship has been Chabahar Port. For India, Chabahar is not just a commercial facility but a strategic gateway. It provides an alternative corridor to Afghanistan and Central Asia, enhances India's presence in the broader region, and reduces reliance on routes controlled by Pakistan. However, the implementation of this project has been affected by sanctions, banking restrictions, and geopolitical uncertainty. This has repeatedly shown that the India-Iran relationship is valuable but highly vulnerable.

#### **3.2 India and Israel**

India's relationship with Israel followed a different trajectory. Although India recognised Israel in 1950, full diplomatic relations were delayed for decades due to political, ideological, and regional considerations. India's support for the Palestinian cause, its solidarity with Arab states, and its non-aligned orientation limited the scope of official engagement with Israel for much of the Cold War.

This changed after 1992, when India established full diplomatic ties with Israel. The end of the Cold War, the decline of old ideological constraints, and India's own economic liberalisation created the conditions for a more open relationship. Since then, the relationship has expanded rapidly, especially in defence, intelligence, agriculture, and technology. Israel has become one of India's most important partners in military modernisation and security cooperation.

The relationship has been driven largely by utility. Israel has offered India advanced capabilities in drones, missile defence, surveillance, cyber security, and precision weapon systems. These are areas where India has seen immediate operational value. The partnership

has also included collaboration in water management, irrigation, and agricultural technology, making it a broadly functional relationship.

At the diplomatic level, India has sought to separate its support for Palestinian statehood from its practical cooperation with Israel. This de-hyphenation has allowed India to deepen ties with Tel Aviv while maintaining a traditional rhetorical commitment to a two-state solution. In practice, this means India has worked to keep the Israel file distinct from its wider West Asia policy.

### **3.3 The Rise of Hedging**

The simultaneous importance of Iran and Israel to India produced a foreign policy challenge that could not be solved through exclusive alignment. India needed Iran for geography, energy, and access, but it needed Israel for defence and technology. Since Iran and Israel are adversaries, India had to find a diplomatic method that would avoid forcing a choice.

This method became hedging. Hedging is more flexible than classic balancing and less ideologically rigid than non-alignment. It allows India to cooperate with both sides, but on different issue areas and under different levels of political visibility. In practice, this means India can continue engaging Iran on Chabahar while expanding defence cooperation with Israel. The relationship with each state is therefore compartmentalised.

This approach reflects a major shift in Indian foreign policy. India is no longer merely avoiding alliances; it is actively managing a complex portfolio of partnerships. Hedging enables India to protect its interests without fully committing to the security agenda of any one external actor. It also demonstrates how strategic autonomy has become more operational and less rhetorical.

## **4. INDIA'S HEDGING MECHANISM IN PRACTICE**

### **4.1 Energy and Connectivity with Iran**

India's engagement with Iran is most visible in energy and connectivity. Iranian oil has historically helped India diversify its energy sources, and even when imports declined due to sanctions, the energy relationship remained politically important. Iran's value is not limited to oil; it is also a key land bridge linking India to Afghanistan and Central Asia.

The Chabahar project is the clearest expression of this logic. India views Chabahar as a strategic investment that can strengthen trade, influence, and access. By supporting this project, India signals that it is willing to retain a long-term interest in Iran despite external obstacles. This is an important element of hedging, because it shows commitment without overcommitment.

At the same time, India has had to manage the risks associated with Chabahar carefully. US sanctions have repeatedly created uncertainty, and financial mechanisms for the project have been difficult to sustain. India has therefore often taken a cautious and incremental approach, avoiding a direct confrontation with Washington while trying to keep the project alive. This is a classic hedging move: preserve the option, reduce the cost, delay the loss.

### **4.2 Defence and Technology with Israel**

India's relationship with Israel is most visible in defence and technology. Israel has become a critical supplier of military equipment, surveillance systems, drone technology, and cyber capabilities. These assets are especially important for India in the context of border security, counterterrorism, and force modernisation.

The significance of Israel lies in both capability and reliability. Israel offers advanced systems that can be integrated into India's defence architecture relatively quickly. It also tends to be responsive to India's operational requirements. This makes the relationship highly functional and strategically useful.

India's cooperation with Israel also extends into agriculture, water management, and innovation. These sectors matter because they allow India to present the relationship not only as a hard-security partnership but as a broader development relationship. This helps reduce political sensitivity and strengthens the legitimacy of the partnership in the domestic sphere.

From a hedging perspective, the India-Israel relationship is valuable because it gives India options. It enhances India's deterrence and technological depth while not requiring India to adopt Israel's full regional agenda. India can cooperate closely with Israel while still retaining enough distance to continue relations with Iran and Arab states.

### **4.3 Diplomatic Compartmentalisation**

One of the core techniques of India's hedging strategy is diplomatic compartmentalisation. India tries to ensure that the Iran file and the Israel file do not completely contaminate each other. This means that cooperation with one is not necessarily converted into hostility toward the other.

India's diplomacy often emphasises issue-based cooperation. With Iran, the focus is on connectivity, energy, and regional access. With Israel, the emphasis is on defence, innovation, and security. This enables India to keep each relationship operational without turning it into a symbolic choice. The strategy is not perfect, but it has worked reasonably well because both relationships produce tangible benefits.

The success of this approach depends on careful messaging. India presents itself as independent, pragmatic, and non-ideological. It does not frame its choices as part of any anti-Iran or anti-Israel bloc. Instead, it insists that its relations are shaped by national interest. This language of strategic autonomy is central to the legitimacy of hedging.

## **5. CASE STUDIES AND COMPARATIVE ANALYSIS**

### **5.1 Chabahar Port as a Test of Hedging**

Chabahar Port is the most important case study for understanding India's hedging strategy toward Iran. The port is central to India's ambitions to access Afghanistan and Central Asia without transit through Pakistan. It also represents India's effort to remain engaged with Iran in a way that serves long-term strategic needs.

However, Chabahar is also a test of India's diplomatic limits. Because the project is affected by sanctions and geopolitical contestation, India has had to balance persistence with caution. If India pushes too hard, it risks friction with the United States and partners aligned with sanctions pressure. If it pulls back too far, it loses strategic leverage in the region. This tension reveals the essence of hedging.

Chabahar also demonstrates the difference between symbolic commitment and material implementation. India has consistently supported the project in principle, but practical progress has often been slow. This shows that hedging can preserve options, but it cannot eliminate structural constraints.

### **5.2 India-Israel Defence Cooperation as Strategic Gain**

India's defence cooperation with Israel illustrates the other side of hedging. Unlike the Iranian file, the Israel relationship has yielded quick, visible, and operational gains. Israel's willingness to transfer technology, cooperate on security matters, and engage in high-level defence collaboration has made it one of India's most useful strategic partners.

This partnership enhances India's deterrence and modernisation without forcing India into a formal alliance. That makes it ideal for a hedging strategy. India benefits from Israel's capabilities while retaining autonomy over how and when to use them. This is one reason why the relationship has expanded even as India continues to support a balanced diplomatic line on Palestine.

The challenge, however, is perception. The closer India becomes to Israel, the more Iran may suspect India of strategic drift. India must therefore manage both substance and symbolism. It must show that cooperation with Israel does not equal hostility toward Iran. This is difficult but necessary if hedging is to succeed.

### **5.3 Regional Realignments and the Gulf Factor**

India's hedging strategy is not limited to bilateral diplomacy. It is also affected by broader regional changes, especially the growing interdependence between Israel and several Gulf states. The Abraham Accords and related developments have altered the diplomatic geography of West Asia. They have created new opportunities for India, but they have also complicated its balancing role.

On the one hand, new alignments involving Israel and Gulf actors can strengthen India's economic and strategic connections. On the other hand, they may deepen Iran's sense of isolation and sharpen rivalries that make India's neutral posture harder to maintain. India must therefore navigate not just Iran and Israel, but a wider, increasingly fragmented regional environment.

This broader context shows that hedging is not static. It must adapt to new regional arrangements. A strategy that worked when the rivalry was mostly bilateral may become less effective when the region is divided into more complex blocs.

## **6. KEY CHALLENGES FOR INDIA**

### **6.1 United States Sanctions**

The biggest challenge to India's hedging strategy is the United States sanctions regime against Iran. Because India also values its strategic partnership with the United States, it cannot freely expand ties with Iran without creating broader diplomatic costs. This limits the degree to which India can fully operationalise its Iranian engagement.

Sanctions affect finance, trade, shipping, insurance, and project implementation. They also create uncertainty, making long-term planning difficult. For a hedging strategy to work, the state must be able to sustain ties with both rivals. Sanctions make this increasingly hard.

### **6.2 Deepening Rivalry Between Iran and Israel**

The more intense the Iran-Israel rivalry becomes, the harder it is for India to remain balanced. If the conflict remains indirect and regional, India can continue compartmentalisation. But if it escalates into open confrontation or wider war, the diplomatic space for hedging shrinks.

India is therefore vulnerable to escalation even when it is not directly involved. A major conflict can force it to choose sides in practical terms, even if not formally. This is one of the central risks of hedging: it works best in uncertainty, but poorly under extreme polarisation.

### **6.3 Domestic Political Sensitivities**

India's West Asia policy is also shaped by domestic factors. Public opinion, political narratives, and ideological tendencies influence how relations with Iran and Israel are interpreted. Support for Israel may be seen as strong security pragmatism, while engagement with Iran may be framed as a matter of energy and regional access. But both can become politically sensitive in moments of crisis.

This means that hedging is not only a foreign policy challenge but also a domestic communication challenge. The government must justify its balancing in terms that are acceptable at home while remaining credible abroad.

### **6.4 Strategic Autonomy Under Pressure**

Strategic autonomy is often presented as a source of freedom, but in practice it requires constant negotiation. India can only remain autonomous if it can sustain diversified relationships without becoming dependent on any single partner. In West Asia, that is increasingly difficult. The Iran-Israel rivalry exposes the limits of autonomy in a deeply interdependent world. India's strategy remains valid, but it is no longer cost-free. It requires more diplomatic skill, more institutional coherence, and more tolerance for ambiguity than in the past.

## **7. CONCLUSION**

India's hedging strategy in the Iran-Israel rivalry provides a clear example of how strategic autonomy operates in contemporary foreign policy. By engaging both Iran and Israel, India has sought to maximise benefits, reduce risks, and preserve flexibility in a volatile regional environment. This strategy has allowed India to protect energy interests, expand defence cooperation, and maintain access to critical connectivity routes without entering into exclusive alignments.

The paper has shown that hedging is not the same as indecision. It is an active and purposeful strategy designed to manage contradictions. India's success in balancing Iran and Israel reflects its broader foreign policy maturity and its desire to remain independent in a multipolar world. However, the strategy also faces growing stress from sanctions, regional polarisation, and the difficulty of compartmentalising rival relationships.

The future of India's hedging will depend on whether it can continue to translate strategic autonomy into practical flexibility. If India can keep both relationships functional while adapting to changing regional realities, it will strengthen its position as an autonomous and influential regional actor. If not, it may be forced into harder choices that reduce its room for manoeuvre.

Ultimately, India's West Asia policy shows that strategic autonomy is not a fixed doctrine but a continuous exercise in balancing, adaptation, and restraint. In the Iran-Israel rivalry, that balancing act remains one of the most important tests of India's foreign policy.



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