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**INTERNATIONAL HEGEMONY AND THE IRAN-PAKISTAN-INDIA PIPELINE
PROJECT**

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Uluslararası Hegemonya ve İran-Pakistan-Hindistan Boru Hattı Projesi

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ABSTRACT

This thesis is based on analyzing the position of the Iran pipeline project that is planned to deliver natural gas to Pakistan and following India within the context of international hegemony. The research question I try to answer is: Has the Islamic Republic of Iran aimed a stance against current hegemonic order with the Iran-Pakistan-India pipeline project? Iran has been imposed some sanctions by the USA for producing nuclear weapon. The main problem between two countries is based on nuclear energy issue. Therefore, every action of Iran regarding this topic will be doubtlessly avoided. Iran who plans to establish energy collaboration with Pakistan and India aims to open an energy corridor to China besides exporting natural gas. The possibility of alliance between Iran and China apparently bothers the USA. The international perception of Iran which is a threat risk for the international hegemonic power shapes the argument of this thesis around the concept of hegemony. In this context, the scope of this study is the assessment of Iran-Pakistan-India pipeline project with the perspective of Gramsci's hegemony concept.

ÖZET

Bu tez İran'ın Pakistan ve akabinde Hindistan'a ulaşması planlanan doğalgaz boru hattı projesini uluslararası hegemonya bağlamında inceleyen bir çalışmadır. Tezi oluşturan araştırma sorusu: İran İslam Cumhuriyeti, İran-Pakistan-Hindistan boru hattı projesiyle mevcut hegemonik düzene karşı bir duruşu mu amaçlamaktadır? İran nükleer silah üretimi suçlamalarıyla ABD tarafından çeşitli yaptırımlara maruz kalmaktadır. İki ülke arasındaki temel sorun nükleer enerji konusuna dayanır. Bu sebeple İran tarafından atılan her adım kuşkusuz ABD engeline takılacaktır. Pakistan ve Hindistan'la enerji işbirliğini planlayan İran, doğalgaz ihraç etmenin ötesinde, Çin'e uzanan bir enerji koridoru açmayı hedeflemektedir ki Çin ile ittifak yapma ihtimali ABD'yi rahatsız etmektedir. İran'ın uluslararası toplumdaki algısının, uluslararası hegemonik güç için bir tehdit unsuru olması tezin tartışma konusunu hegemonya kavramı etrafında şekillendirir. Bu bağlamda, çalışmanın odak noktası Gramsci perspektifli hegemonya kavramı üzerinden İran-Pakistan-Hindistan boru hattı projesini değerlendirmektir.

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INTRODUCTION

The world order which was established after the Second World War was certainly influenced by economic interests, which predominantly signified Pax Americana in the political economy sense of internationalization of the new perspective based upon Fordist fundamentals. Fordism, which was developed and applied in Ford Motor Company by Henry Ford, is a type of industrial production in advanced capitalism. Fordism as a factory system was implemented from the 1920s until the 1970s in the world, by industrialized countries in particular, pursuant to the standardization of the product on assembly lines, mass production and mass consumption due to macroeconomic growth, mode of regulation that includes institutional and structural reforms for the purpose of sustaining and maintaining the regime of accumulation and mode of social life.¹ The economic system of Pax Americana within the Fordist approach elaborated international hegemony under the leadership of America.²

Initially, one needs to mention industrialized countries, which were the United States of America and the Soviet Union. They were the hegemonic powers over the world order, including energy generation and supply. With the collapse of the Soviet Union, the balance of power in the world altered and the U.S. was the only hegemonic power remaining. In the meantime, an increase in the energy demand constituted a problem for the contemporary world since energy management is a major issue in the way of providing sustainable production. Thereby, international political decision-making on energy, i.e. 'geopolitics of energy', has played a significant role in the political economy

¹ Scott, A. J. and Storper, M. J. 'Fordism and post-Fordism: a critical reformulation' Pathways to Regionalism and Industrial Development. London: Routledge, 1992, pp. 43-65.

² Ibid, pp. 43-65.

of energy. With growing energy demands around the world, major world powers headed toward the control of energy politics in order to keep their dominant position in the international system.

This manner of action is nothing short of economic, political and military coercion in order to have control over the region with significant energy resources, such as Central Asia. In addition to U.S. hegemony, China and India as the emerging economies have grown dramatically. Moreover, the emerging countries in Asia might have a bigger market share in the world market and a big trade centre might be created in Asia. This probability has preoccupied the U.S. due to the fact that some regions owning oil and gas reserves on a vast scale are close to Asia. Geographic proximity is an important issue with regards to the flow of energy since the energy needs of China and India have increased gradually but certainly. Hereby, the distribution of energy resources became a current issue in the context of the changing world order.

At this point, the Islamic Republic of Iran, which owns substantial energy resources, has appeared as an alternative option in order to secure the energy need of the emerging economies. However, Iran has recently faced with some problems, namely international sanctions in relation to economic policies such as export of natural gas or Iran's nuclear programme.³ In spite of the sanctions, Iran seemed determined to export its natural gas. Therefore, Iran intended to transfer its natural gas to Pakistan and India via a pipeline. The pipeline became known as the Iran-Pakistan-India (IPI) pipeline project.

³Cordesman, Anthony H.; Gold, Bryan; Coughlin-Schulte, Chloe. Iran- Sanctions, Energy, Arms Control and Regime Change. Washington: Centre for Strategic & International Studies, CSIS, January 2014.

The aim of this study is to carefully analyze the position of the IPI pipeline project within the context of international hegemony as a counter-hegemonic movement.

In regard to the aim of this study, the debate on hegemony prior to the history of the IPI pipeline project needs to be mentioned. The term *hegemony* is, in the general sense, used as dominance over others. So, the U.S. has been accepted as a hegemonic power. In other words, a regime that has the power comes to the power of the order. The notion of hegemony was derived from Antonio Gramsci, who was an Italian Marxist, as political power via consent in addition to coercive power.⁴ The notion of hegemony in which consent and coercion play a major role became a current issue in Gramsci's theory. It would not be wrong to identify economic and political development as the most important factors in order to be a hegemonic power. As is known, the U.S. has strengthened its hegemony over the West and developing world after the World War II and collapse of the Soviet Union. Thereby, the U.S. aimed at economic development globally. The only thing that did not change is its looking out for its own interests regionally or globally.⁵

Returning to the IPI pipeline, the project might be seen as a successful project and be interpreted as a counter-hegemonic movement in world politics due to Iran and Pakistan being Muslim countries and developing countries. Robert Cox has stated that the current order would change in the future. According to Cox, actors within counter-hegemonic movements can be developing countries, classes or new social movements. "In the world-hegemonic model, hegemony is more intense and consistent at the core and

⁴Rupert, Mark. "International Relations Theories-Discipline and Diversity: Marxism and Critical Theory" Tim Dunne, Milja Kurki, and Steve Smith (ed.) Oxford: Oxford University Press, 2007, p.156.

⁵Henderson, C.W. International Relations, Conflict and Cooperation of the Turn of the 21st Century. Mc Graw-Hill, 1998, p.242.

laden with contradictions at the periphery.”⁶ Thereby, consent and coercion have been applied to the periphery by the great powers so as to prohibit any counter-hegemonic movement.

In 1979, the world saw the Islamic Revolution in Iran. The Iranian Islamic Revolution took place, and the regime of the Shah, who was associated with the U.S., was overthrown. The administration was converted from constitutional monarchy to an Islamic republic based on sharia under the Supreme Leader, Ayatollah Khomeini. With the Islamic Revolution, Iran aimed at both economic and political development as well as securing its existence in the region and the world. Iran has been considered by the U.S. and Western countries as a serious threat since 1979. Through economic cooperation, Iran has increased its influence on the neighboring countries, such as Pakistan and India, which is not necessarily in accordance with the U.S. hegemony.

Iran has the second largest gas reserves in the world.⁷ The pipeline called the Iran-Pakistan-India pipeline project, IPI, is crucial in relation to economic and political development as well as the region, where massive investments for Iran, India and Pakistan are expected in terms of infrastructure. At this point, political economic interpretation of geography⁸ is corresponding to the IPI pipeline project. The IPI pipeline project is essential for the trilateral cooperation among Iran, Pakistan and India. Before we consider the process of the IPI pipeline, relations among Iran, Pakistan and India must

⁶ Cox, Robert W. “Gramsci, Hegemony and International Relations: An Essay in Method.” Stephen Gill (ed.) “Gramsci, Historical Materialism and International Relations.” Cambridge: Cambridge University Press; 1993, Cambridge Studies in International Relations: 26, p.61.

⁷Cordesman, Anthony H.; Gold, Bryan; Coughlin-Schulte, Chloe. Iran- Sanctions, Energy, Arms Control and Regime Change. Washington: Centre for Strategic & International Studies, CSIS, January 2014.

⁸Tunander, Ola. Swedish Geopolitics From Rudolf Kjellento a Swedish ‘Dual State’. International Peace Research Institute, Oslo, Norway, p.15.

be briefly elucidated based on the importance of the presence of a gas pipeline since Iran's gas is to be transferred to Pakistan and India.

Prior to Pakistan's independence from India, Iran and India had deeper ties. In 1947, Pakistan separated from India, which was a British colony. In the wake of the separation, the Islamic Republic of Pakistan was established in the same year. The separation between India and Pakistan, however, led to a quandary from the standpoint of Iran, as Iran kept in touch with both India and Pakistan. In other words, they always had close ties even though they also betimes suspended their relations.⁹ Iran and Pakistan have faced enormous problems based upon the socio-economic and political conditions and owing to pressures from the U.S. Likewise, both ethnic conflicts and sectarian tensions have been encountered in Pakistan. On the other hand, the Kashmir conflict between India and Pakistan is related to a territorial issue. The two countries have combated each other three times since 1947 due to the Kashmir conflict. The Balochi problem regarding predominantly Pakistan, Iran and India is one of the most complicated issues in the region because Baluchistan is in the southeast of Iran, southwest of Pakistan and at the border of the Indian Ocean in the south. Both Iran and Pakistan have been faced with an ethnic problem in Baluchistan for 50 years, intermittently. In spite of these problems, Iran and Pakistan believed the IPI pipeline project, which provides cooperation, will develop the countries economically and politically. Therefore, Iran is a locomotive of the natural gas project. The government of Iran conceptualized the gas pipeline project within 1989 and 1990 with the intent to be a supplier for both India and Pakistan, which need natural gas on a large scale. When it came to February 1999, the

⁹Hussain, Mushtaq. Indo-Iranian Relations during the Cold War. *Strategic Analysis*; 2012, 36:6, pp. 859-861. <http://dx.doi.org/10.1080/09700161.2012.728868>

government of Iran declared that it requisitioned to extend the pipeline from Pakistan to New Delhi, India, and subsequently, Iran and India signed a preliminary agreement¹⁰.

Moreover, the IPI pipeline project has been considered since the beginning 1990s as a project that could not be completed by the regional states because of the political conflicts of India and Pakistan. Besides, the price of gas is a crucial issue in respect of the IPI pipeline. At this stage, although Iran would like to sell its products to buyers, the price of gas has not been approved by India. With the addition of India's suspicions regarding the project, the IPI was interrupted on the border of India. Although Pakistan looks out for its interest no matter whether India takes part in the project or not, Iran insisted on the inclusion of India in the project.¹¹ Despite the overwhelming odds against them, Iran and Pakistan signed the agreement on gas trade and the IP pipeline in 2009.¹² Immediately afterwards, both countries signed the Gas Sale and Purchasing Agreement, GSPA, between the National Iranian Oil Company (NIOC) in Iran and Inter-State Gas Systems(ISGS) in Pakistan. In the process of the IPI pipeline project, these agreements were an incipency.¹³ The capacity of the pipeline will certainly grow with the addition of India. In 2009, the government of India announced that it withdrew from the project based upon the high price, transit fees and security concerns, while Iran was welcoming to China's interest in joining the pipeline project in 2008¹⁴. In spite of the

¹⁰ Haq, Dr. Noor ul; Khan, Mohammad Nawaz. Iran-Pakistan Peace Pipeline. Pakistan: Islamabad Policy Research Institute, July 31, 2010, p.8.

¹¹ Arslan, Ali. The Peace Pipeline Project: "Balancing the Geopolitical and Legal Seesaw" Law and Policy Review, December 2010, Volume:1, p.196.

¹² "Iran, Pakistan sign gas pipeline deal," Tehran Times, May 25, 2009, at http://www.tehrantimes.com/index_View.asp?code=195354

¹³ Arslan, Ali. The Peace Pipeline Project: "Balancing the Geopolitical and Legal Seesaw" Law and Policy Review, December 2010, Volume:1, p.196.

¹⁴ Haq, Dr. Noor ul; Khan, Mohammad Nawaz. Iran-Pakistan Peace Pipeline. Pakistan: Islamabad Policy Research Institute, July 31, 2010, p.5.

disengagements from the project, the IPI pipeline did not stray from its intended path. In Tehran in 2009, the government of Iran, again, parleyed with India about the project. However, the pipeline project could not yet take another twist. Even so, Iran has believed that the IPI pipeline project has an essential role to play in establishing social, cultural, economic and political relations among these three countries.

Shortly, Iran has led the gas pipeline project of Iran, Pakistan and India to ensure strong regional cooperation and get out of the difficulties brought about by the economic and political blockade. There are compelling circumstances in front of the natural gas project as the USA has been concerned about Iran's position in the region and sanctions have been imposed on Iran by the U.S., United Nations as well as European Union member states. The World Bank and other international institutions, though they have financed the emerging developments in the developing countries, have not funded the IPI pipeline due to the sanctions on Iran.¹⁵ Furthermore, Pakistan was severely warned in 2005 and 2006 by the administration of the United States of America on the grounds of cooperation with Iran on the IPI pipeline.

Sanctions imposed by the U.S. and the West were a current issue for the Islamic Republic of Iran. In general terms, the following sanctions on Iran can be mentioned: Ban on Dual-use Exports, October 1987; Prohibition of Goods and Technology Relating to Advanced Conventional Weaponry, October 1992; Embargo on Exports of Nuclear Equipment and Materials, March 1993; Prohibited Transactions Related to Petroleum Resources, March 1995; Prohibition of Imports, Exports, Re-exports, New Investments,

¹⁵ Arslan, Ali. The Peace Pipeline Project: "Balancing the Geopolitical and Legal Seesaw" Law and Policy Review, December 2010, Volume:1, p.200.

Prohibition of Transfers of Goods and Technology Related to Chemical, Biological, and Nuclear Weapons, February 1996.¹⁶ The sanctions broke Iran's balance in terms of economic advantages. For example, the Iranian rial devaluated against the U.S. dollar in August 2012 due to the economic embargo. There are many negative effects of imposing sanctions on Iran. One of them is related to oil and gas projects associated with Central Asia and Iran. On the one hand, in foreign policy, Iran has been precluded with regards to oil and gas projects by the U.S. and the Western countries. As a result, engagement of Iran and the U.S. has seemed quite difficult. However, relations between the two countries can be different in apparent than in invisible issues.

Despite the imposed sanctions, Iran could not be isolated from the region. However, the United States has kept on having a bad attitude toward Iran and has further propounded new projects to the countries in Central Asia, such as the Turkmenistan, Afghanistan, Pakistan and India pipeline project. TAPI was presented as the 21st century version of the Silk Road. Iran has been perceived as a risk for the USA in terms of nuclear weapons.¹⁷ Thereupon, the USA has kept on applying sanctions to Iran and nearby states to isolate Iran from the region.

In addition to the sanctions on Iran, political violence in Baluchistan is another important obstacle for the pipeline project in the sense of energy security. Iran, India and Pakistan have been concerned in relation to the IPI pipeline because energy security cannot be ensured in Baluchistan. Baluchistan has a strategic importance for Iran,

¹⁶Miglietta, John P. "From Ally to Adversary: American –Iranian Relations since the Revolution" Montreal, Canada: International Studies Association Meeting , March 18, 2004. P. 1-25.

¹⁷ Arslan, Ali. The Peace Pipeline Project: "Balancing the Geopolitical and Legal Seesaw" Law and Policy Review, December 2010, Volume:1, p.189.

Pakistan, India and the U.S. as well. Baloch people have desired independence.¹⁸ These people have declared self-determination with the U.S. support. Iranian-Pakistani cooperation can be interrupted due to rising militancy in Baluch areas. The reason for the U.S. support to Baluchistan is to impede the flow of Iran's natural gas, some argue, because the U.S. does not want to retire from this territory with regards to its hegemony.

There is apparently a close tie between energy security and the IPI pipeline. Energy security is described as “the sustainable production and use of energy at reasonable costs to ensure a certain quality of life”¹⁹ by the World Bank. Energy security concerns show differences from country to country. Since Iran attempts to sell its product to energy markets, getting energy to Pakistan is a major target since there is an increase in the demand. India aims to solve its energy deficit problem. Pakistan and India have the same target in the context of generating energy using natural gas reserves. Cooperation within the region is essential to concretize the project since India and Pakistan must have a way with each other. Pakistan plays a crucial role in providing energy from Iran to India; in short, India has thus one option, that is, to use Pakistan's land border for energy needs.²⁰ That is to say, Pakistan has been a transit country to provide cooperation between Iran and India.²¹ It must be noted, however, political conflict between India and Pakistan has a tendency to increase because Pakistan is perceived as the transit country that may use this as a weapon against India. Pakistan not only needs energy but has also struggled with sabotage of the supply of natural gas in Baluch political violence; due to

¹⁸Fitzgerald, Erin; Vira Varun. U.S. and Iranian Strategic Competition: Competition in Afghanistan, Central Asia and Pakistan. Washington: CSIS, September 12, 2011, pp.9-11.

¹⁹World Bank Report; 'Energy Security Issues'. Washington: The World Bank Group Moscow, 2005.

²⁰ Arslan, Ali. The Peace Pipeline Project: “Balancing the Geopolitical and Legal Seesaw” Law and Policy Review, December 2010, Volume:1, p.193.

²¹Ibid., p.192.

this fact, Balochs' desire for independence has been viewed as a threat to regional stability. "The transit state sits over the trade route and could theoretically sabotage the pipeline at any time, holding supply as a bargaining chip for renegotiation or greater and cheaper off-take."²² With the addition of the sabotage dimension, controlling energy security in Pakistan has increasingly become difficult.

The IPI pipeline, like other pipelines, is vital for economic growth and also sustainable development. When Iran, India and Pakistan could consolidate this project, regional integration on energy security and commerce may then expand to new members, especially in Central Asia. In short, the realization of the IPI pipeline is to promote energy security, provide cooperation and friendly political relations and, finally, enlarge independence in foreign policy.

To accomplish the pipeline project is pivotal in the context of energy security and economic prosperity in the region. However, it remains to be seen whether Iran will be the energy transfer network or not.²³ In the new world order, regional cooperation, seemingly, might be in command of the markets; in other words, the world will not only be ruled by one hegemonic power but also multiple powers. On the other hand, even though America does not have control over the world any more, it does not mean the world is dominated by another power. Consequently, Iran deflected its route from the West eastward and its new partners in the region are particularly India and China. China's oil giant Sinopec Group invested in Iran \$70 billion for natural gas and oil in 2004 and Iran is to sell Sinopec 250 million tons of liquefied natural gas over 30

²² Arslan, Ali. The Peace Pipeline Project: "Balancing the Geopolitical and Legal Seesaw" Law and Policy Review, December 2010, Volume:1, p.193.

²³ Cohen, Ariel; Curtis, Lisa; Graham, Owen. The Proposed Iran-Pakistan-India Gas Pipeline: "An Acceptable Risk to Regional Security." Washington: The Heritage Foundation, 2008, No:2139, p.15.

years.²⁴ Furthermore, China is to import from Iran 150,000 barrels of crude oil per day for 25 years. In 2005, India signed Liquefied Natural Gas (LNG) Agreement with Iran in order to supply its energy needs valued at \$22 billion.²⁵

The IPI pipeline project also gained currency the same year. Furthermore, “the Iran-Pakistan-India gas pipeline is a win-win proposition for Iran, India and Pakistan.”²⁶ If the IPI pipeline project is successful, Iran both will use the opportunities and its trade ties will enlarge in the region. With the addition of the energy provider role, Iran can overcome the sanctions imposed by the U.S. and United Nations. If something goes wrong along the process of the IPI and Iran loses its efficacy in the region, Iran will be seriously outmaneuvered by the U.S. Pakistan has been experiencing an energy crisis for two years. If the pipeline project is, thus, interrupted or excluded fully, Pakistan will have to find a new and reliable energy source. The main crisis can appear at that time. There are two options for these countries: they will either go on competing with each other or cooperate in consideration of a peaceful resolution project against the U.S. and Western countries. With this project, Iran will certainly gain ‘strategic value’ and establish strong ties with China and India to export its natural gas to emerging markets and Europe, although it defies international hegemony.

This study discusses the political economy of the IPI pipeline project within the context of hegemony. The study consists of three chapters. In Chapter One, an overview of critical theories within the context of International Relations is provided; namely Realism (Neo-realism) and the Gramscian (Neo-Gramscian) approach in Marxist thought

²⁴Mostashari, Ali. The Political Economy of the Iran-Pakistan-India Gas Pipeline.<http://www.forsat.org/articles/economics/176.html>Erişim Tarihi: 19.06.2012, pp.1-6.

²⁵Ibid., p.4.

²⁶Ibid., p.4.

as it pertains to hegemony. The second chapter details the historical process of the Iran-Pakistan-India (IPI) pipeline project. The aim of the last chapter is to focus on Iran in the light of the natural gas project, and then it will be concluded by discussing the efficacy of the presence of the IPI pipeline on trilateral relations with regards to economic linkages, trust, friendship and foreign policy. It will be examined whether this cooperation will provide effective solutions via the IPI gas pipeline as part of reducing the impact of the unipolar system since, with the addition of the energy provider role, Iran can overcome the sanctions imposed by the U.S. and United Nations.

CHAPTER I

THE THEORETICAL FRAMEWORK

**“THE REALIST CONCEPT OF HEGEMONY &
GRAMSCI’S IDEA OF HEGEMONY IN
INTERNATIONAL RELATIONS LITERATURE”**

International Relations, which were born as a discipline after World War I, has gained acceleration and become prevalent. The general thought about this discipline is it being a phenomenon of the 20th century. International Relations comprise major paradigms originating from the West such as Realism, Liberalism and Marxism. These theories had affected the world system, actors' identities in the system and movement of ideas, and they still do so. The theories had developed around views on religion or an idea. In addition, these paradigms have been renewed in the process of time by their thinkers due to change being inevitable in developing world. The theories adopt a stance for target ideas. Naturally, Realism, Liberalism and Marxism had started out to realize their principles. International Relations has focused on Realism and gained prominence especially after World War II and the entire world was witnessed to power effect on Realism. According to ideas about power and balance of power, disputations over dominating systems and becoming a leader have risen. In this section, the first focus point is the concept of hegemony according to the Realist theory. The second focus point is hegemony theories founded by Antonio Gramsci, who is a phenomenon of the Marxist theory. The study follows the Iran-Pakistan-India pipeline project with respect to Gramsci's discussions, which is not based on pure power.

THE REALIST CONCEPT OF HEGEMONY

After World War I, the importance of Realism has increased and relation of powers has become the inspiration in International Relations studies. According to prominent scholars, Edward H. Carr, the focus point was supposed to be power relations to clarify what is going on. During the First World War, the principle of balance of power was advanced in foreign policy by Edward H. Carr, who was an English historian and

writer of *The Twenty Years' Crisis*. E. H. Carr dealt with the presence of two schools between 1919 and 1939: realists and utopians. Carr even wrote in his book that “*The Twenty Years' Crisis* was written with the deliberate aim of counteracting the glaring and dangerous defect of nearly all thinking about international politics in the English-speaking countries from 1919 to 1939—the almost total neglect of the factor of power”.²⁷

The Realist thought progressed between 1940 and 1970. In the progress of Realism, touching upon the effects of historical factors and also actors is necessary. Two important cases before this period and within this period accelerated the effect of this thought. One of them was the Great Depression, which was a worldwide economic depression in 1929, and the other was a tension in the international relations arising from Germany and Japan, which were defeated in the World War II. After the Second World War, Realism found the chance to grow rapidly thanks to power relations becoming a current issue since the new world order consisted of the reflection of power relations. The Realist thought took its source from the United States of America, which was more powerful after the Second World War, and therefore it legitimated the armament policy of the U.S. for power requirement. This thought focused on political security as well.

Military superiority became distinctive by the effect of the Cold War after World War II. The United States of America declared itself as the superior government based on the aforesaid power and power campaign. The theory of power and balance of power refers to governments, which try to maximize self-interest. In the light of this idea, the USA tried to gain military superiority by justifying armaments and followed a smooth-

²⁷Haslam, Jonathan. “The Vices of Integrity: E. H. Carr 1892-1982.” London and New York: Verso, Nov. 17, 2000, p:70.

policy strategy to keep balance in the system as well. Hans Morgenthau's *Politics Among Nations*, which is accepted as the founding work of Realism studies, discusses the primordial basis of Realism. Morgenthau, who had studied international politics, contributed scientifically to theories of International Relations with his textbook called *Politics Among Nations*. Morgenthau describes Realism based on six principles:

*“Politics, like society in general, is governed by objective laws that have their roots in human nature; the main signpost that helps political realism to find its way through the landscape of international politics is the concept of interest defined in terms of power; the idea of interest is indeed of the essence of politics and is unaffected by the circumstances of time and place; political realism is aware of the moral significance of political action. It is also aware of the ineluctable tension between the moral command and the requirements of successful political action; political realism refuses to identify the moral aspirations of a particular nation with the moral laws that govern the universe; intellectually, the political realist maintains the autonomy of the political sphere, as the economist, the lawyer, the moralists maintain theirs.”*²⁸

For Morgenthau, a balance of power is compulsory to build peace in international arena. As long as a balance of power is not created, international anarchy continues increasing rapidly due to all the problems that result from human nature and so the world is anarchic. Morgenthau, inspired by Hobbes²⁹, claimed that human nature is selfish and has passion and capacity for power, and also focused on self-interest. He mentioned that

²⁸Morgenthau, Hans J. “Politics Among Nations: The Struggle Power and Peace” Fifth Edition, New York: Alfred A. Knoph, 1978, p.108.

²⁹“In the nature of man, we find three principal causes of quarrel. First, Competition; Secondly, Diffidence; Thirdly, Glory.” “And the life of man, solitary, poor, nasty, brutish, and short.” Hobbes, Thomas. “Leviathan” 1909 ed. ch:13, par:6. P.87. The Online Library of Liberty. <http://oll.libertyfund.org>

the salvage could be an authority that can lead with social and political rules. Morgenthau talked about the relation between national interest and power.³⁰The nation-state, which stands for rational approach blending national interest and power, is the essential point in the system. As mentioned above, the common point of realists is, “Nation-state is at the center.” In the Realist theory, the hegemonic nation has economic power, has military superiority and works as a locomotive engine in international relations. However, there are different discussions about domination of economic and political factors. Morgenthau claimed that governments move according to their own interests like individuals, and also military and political factors are the focus points instead of economic elements. On the other hand, according to Carr, economic and political factors cannot be examined separately.

Realists tend to think these kinds of features are necessary to run the system in terms of economical and political views. Even though the USA does not have hegemonic power as much as it had before, it is still accepted that it is a superpower state. In this sense, the USA should aim for a sustainable hegemony. In this respect, it does not want another hegemonic power except itself. Military force, political leadership and economic system presented to the international market have a significant role to play in carrying on the stability of hegemony for the USA pertaining to the global power balance. For instance, after the Cold War, with several excuses, the USA hegemony based on Realism has used its military force against the countries considered threatening by the United States, such as Iraq and Afghanistan. The United States used the September 11th attacks to justify their occupation, using several excuses such as weapons of mass destruction

³⁰Morgenthau, Hans J. “Politics Among Nations: The Struggle Power and Peace” Fifth Edition, New York: Alfred A. Knoph, 1978, p.11.

belonging to Iraq, liberating Iraqi people, running the oil safely by integrating oil resources to the world economic system and giving Iraq their right to improve their wealth from oil. In the light of this ideology, they showed that they may use military force whenever they run across international terrorist attacks. The United States, inspired by the Realist paradigm for power battle, also focused on Neo-liberalism for the idea of penetration to any market with their free market economy. During the Cold War, security, military and political issues have become the focus point; later on, the thought that economic factors should not be underestimated arose. The ideology called Neo-realism was born in the light of the aforesaid thoughts.³¹

Kenneth Waltz attempted to give qualification scientifically to classical Realism with his *Theory of International Politics*, which published in 1979. “Waltz’s ‘neo-realism’ or ‘structural realism’ is both a critique of traditional realism and a substantial intellectual extension of a theoretical tradition which was in danger of being outflanked by rapid changes in the contours of global politics.”³² Power is a tool for state security, according to Waltz and the interdependency theory, and it affects stability as well. “Waltz argues that systems are composed of a structure and their interacting units. Political structures have three elements: an ordering principle (anarchic or hierarchical), the character of the units (functionally alike or differentiated), and the distribution of capabilities”.³³ Waltz states,

³¹Eralp, Atila (der). Devlet, Sistem ve Kimlik: Uluslararası İlişkilerde Temel Yaklaşımlar. İstanbul: İletişim Yayınları, 1996, pp.79-82.

³²Burchill, Scott. Theories of International Relations: Realism and Neo-realism. London: Macmillan Press Ltd, 1996, p.83.

³³Elman, Colin. “International Relation Theory for the Twenty First Century: Realism” The Taylor & Francis e-Library, 2007, p:13. edited by Martin Griffith, www.eBookstore.tandf.co.uk.

“The state’s interest provides the spring of action; the necessities of policy arise from the unregulated competition of states; calculation based on these necessities can discover the policies that will best serve a state’s interests; success is the ultimate test of policy, and success is defined as preserving and strengthening the state.”³⁴

Robert Gilpin, who describes himself as state-centric, is the one of the contemporary representatives of the Realist theory. According to Gilpin, it is utopic to expect the nation-states to disappear entirely due to globalization. Of course, the powers of the states are variable because of several factors. These factors, which are the reason of this variety, are economical, political and technological. The distributions of the states’ powers are not even and stable. According to Waltz, the power balance is a part of the system for the states. As in Realism, the notion of state is emphasized in Neo-realism as well. Therefore, the importance of tangible sources, the understanding of competition and especially the power factor are significant. The control of these sources is a must to establish hegemony. Realist opinion postulates that a hegemonic system has to be established in order to enable the anarchic system to have wealth and stability. Thus, the stability of hegemony is inescapable for the order.

THE HEGEMONIC STABILITY THEORY

The Hegemonic Stability Theory assesses whether hegemony is necessary for the international peace and safety as well as liberal international economy. According to Robert Gilpin, a hegemonic power is a must for the liberal international economy.³⁵ For

³⁴ Donnelly, Jack. “Realism and International Relations” United Kingdom: Cambridge University Press, 2000, p:7.

³⁵ Gilpin, Robert. The Political Economy of International Relations. New Jersey: Princeton University Press, 1987, pp.86-88.

Gilpin, “the hegemonic stability theory sets forth the political conditions for the existence of a liberal international economic order and the idea that the rise and decline of hegemon is an important determinant of structural change.”³⁶ Furthermore, Gilpin thinks that a decision-making mechanism has to be created and the anarchic structure in the international system has to be controlled by a political system in order to sustain the existence and stability of the hegemony over non-compliant states. These states are called non-compliant since they are known as free riders. These states use the public’s common goods namely “collective goods” egocentrically.³⁷ According to Gilpin, this circumstance only feeds the anarchic structure of the system. To conserve the order in the international system, the existence and stability of hegemony is inescapable.

In addition, Charles Kindleberger believes in the stability of hegemonic order to get rid of the anarchic structure. Kindleberger claims that the chaos in the international system in 1929 was caused by a non-existence of a decision-making mechanism—in other words, a non-existence of hegemony. To preserve the stability of the USA hegemony, which is also the hegemony of the system, several measures need to be taken, which are “maintaining a relatively open market for distress goods; providing countercyclical, or at least stable, long term lending; policing a relatively stable system of exchange rates; ensuring the coordination of macroeconomic policies; acting as a lender of last resort by discounting or otherwise providing liquidity in financial crisis.”³⁸ Furthermore, fundamental problems are expected to occur in terms of economic and

³⁶Gilpin, Robert. *The Political Economy of International Relations*. New Jersey: Princeton University Press, 1987, pp.91-92.

³⁷*Ibid.* Pp.74-75.

³⁸Kindleberger, Charles P. *The World in Depression 1929-1939*. London: University of California Press, Ltd, 1986, p.289.

political development in a system without hegemony.³⁹ For instance, Kindleberger believes that a lack of hegemony led to World War I. This thought of Kindleberger basically reminds one of Hobbes's opinion, which is when there is no power ruling the system, a war breaks out. Therefore, also Waltz in the book *Man, the State and War* indicates that the reason behind wars is the structure of states and a supra-state organization is needed to establish an order on behalf of hegemony.

Robert Keohane, who is one of the founders of the neo-liberal institutionalist approach mentioning economic hegemony in contradistinction to power relations hegemony, criticizes the idea that a hegemonic power is a must to create a liberal international economy.⁴⁰ Keohane defines the terms of hegemony as preponderance of material resources. For Keohane, "Hegemonic powers must have control over raw materials, control over sources of capital, control over markets, and competitive advantages in the production of highly valued goods."⁴¹ Moreover, according to Keohane, the decline of hegemony does not mean the fall of the system. At the same time, the hegemonic structure that is ruled by only a state enables strong international regimes to improve.⁴² Because of these created international regimes, a post-hegemonic cooperation can be established. In other words, "cooperation does not necessarily require

³⁹Kindleberger, Charles P. *The World in Depression 1929-1939*. London: University of California Press, Ltd, 1986, pp.288-298.

⁴⁰Gilpin, Robert. *The Political Economy of International Relations*. New Jersey: Princeton University Press, 1987, p.75.

⁴¹Keohane, Robert O. *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton: NJ: Princeton University Press, 1984, p.32.

⁴²Keohane, Robert O. "Theory of Hegemonic Stability and Changes In International Economic Regimes", (Eds.) Ole R. Holsti, Randolph M. Siverson and Alexander L. George, *Change In The International System*, Boulder, Colo.: Westview Press, 1980, p.132.

the existence of hegemonic leader after international regimes have been established. Post-hegemonic cooperation is also possible”⁴³.

HEGEMONY IN NEO-GRAMSCIAN SCHOOL OF THOUGHT

The concept of hegemony was analyzed by the Neo-Gramscian school of thought, which identifies its followers as critical Marxists. According to this approach, hegemony is not an approach based purely on power. Gramscian concept of hegemony is different than the realist paradigm of hegemony. Realism defines hegemony with the military and economic power of the nation-state and describes the use of force or fear of the use of force as a way to achieve more power in a sense of influence or obedience. Therefore, in the Neo-Gramscian school of thought, the idea of hegemony is different than coercion or direct use of force. According to Gramsci, “be willing, to approve and consent” is described as a joint concept. Contrary to the cultural influence of the hegemonic conception of Realism, ideologies legitimize themselves with the help of socio-economic factors. At this point, we need to refer to the concept of hegemony through consent. According to Gramsci, hegemony is defined based on its power over civil and political life either through coercion or consent and refers to the struggle between dominant (hegemon) classes and the others.

Antonio Gramsci did not use his ideas in the literature of International Relations. Neo-Gramscian theorists have emerged in the 1970s after the development of International Relations and international eco-politics and adapted his ideas.⁴⁴The

⁴³Keohane, Robert O. *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton: NJ: Princeton University Press, 1984, pp.31-31.

⁴⁴Keyman, Fuat. *Devlet, Sistem ve Kimlik: Uluslararası İlişkilerde Temel Yaklaşımlar*, “Eleştirel Düşünce: İletişim, Hegemonya, Kimlik/fark.” Atila Eralp (ed) İstanbul: İletişim Yayınları, 1996, pp.239-250.

Gramscian approach is one of the approaches in critical theory and it was developed by Robert Cox and Stephen Gill. Cox moved Gramsci's view on hegemony to the field of International Relations because the theory had not been adapted to the International Relations discipline by Gramsci. The Marxist critique of capitalism, which underlies the basis of the class struggle in general, related hegemony to the production relations. Therefore, hegemony goes hand-in-hand with the 'means of production', hence wealth and power. Robert Cox examines the Marxist ideology in the critical theory as not only means of production, relationship with, or an approach that connects the capital accumulation with the means of production but also as the social reality and historical change that surrounds us.

In classical Marxism, the relationship between the state and civil society, production relations, the status of the worker in the production of the means of production has been studied more often and closely in accordance with the power relations. Therefore, the focus is the capital accumulation, and whoever holds the power of capital accumulation in production also holds the power of the state associated with international relations. Hence, this policy is shaped by the accumulation of capital. On the other hand, by talking about the ideological structure, Gramsci added several new concepts to this ideology. These concepts, which are commonly referred to in today's world, are: hegemony, civil society, historical bloc, the counter-revolution, cultural hegemony, consent and force. Gramsci's concepts, which provide the political and social meaning in the theory, are important to explain the concept of hegemony. Therefore, in this chapter we will refer to the concepts that have been developed by Gramsci.

According to both Antonio Gramsci's thought and many realists, hegemony is an indicative case in international relations. However, hegemony is particularly a concept that has been used in the field of international political economy. The key motor force of hegemony is based on historical bloc or historical materialism for Gramsci. Therefore, to touch upon historical bloc is necessary. History and historical context are essential cases to understand clearly Gramsci's political theory on hegemony and world order. According to Gramsci, the concept of hegemony brought up via bourgeoisie and bourgeois hegemony, thanks to capitalism, demonstrated itself to the world as partially completed. Thereby, a new form, which is rule over the subordinate classed or civil societies in favor of the leading classes by the state, appeared between the directing classes and civil societies. This is signified in building the historic bloc which is possible through hegemonic social class. All alternative forms, such as institutions, states, education systems against the hegemony of dominant classes, have been perceived as counter-hegemonic movements—in other words, as a threat to the existing system.⁴⁵

CIVIL SOCIETY, HISTORICAL BLOC, COERCION and CONSENT

In the capitalist society, the state, or the hegemon class, not only is dominant in the economic field but also dominates every aspect of civil society. Through various institutions and organizations and with the help of organic intellectuals who serve the purpose of these organizations and institutions, the hegemonic power strengthens its current position and continues to produce cultural and ideological means to serve itself.

⁴⁵ Cox, Robert W. "Gramsci, Hegemony and International Relations: An Essay in Method." Stephen Gill (ed.) "Gramsci, Historical Materialism and International Relations." Cambridge: Cambridge University Press; 1993, Cambridge Studies in International Relations: 26, pp:49-56.

Gramsci analyzes the cultural and ideological activities with the concept of hegemony. Gramsci explains the power of capitalist-ruling class with its control over the other classes and its influence on different aspect of the society by hegemony. Consequently, there is an ideological control over civil society. When it is considered that institutions are not independent from theories and theories are not independent from ideologies, every way for the ideology of a capitalist class called hegemonic power is lawful.

At this point, Gramsci speaks of organic intellectuals who help the ruling class to control the civil society, which could mean: professors, intellectuals, journalists, religious officials, artists, etc. With their help, they can impose their ideology on the society.⁴⁶The general opinion in critical theory is that intellectuals are the ‘living cells’ of civil and political societies. *Coercion* stands for the use of force and *consent* refers to moral leadership.⁴⁷ Hegemony consisting of coercion and consent covers all of society. Thereby, the relations of social force represent hegemony. Hegemon sometimes shows its power in the meaning of force, e.g., via its military or police against a strike performed by a group or via the occupation of the Middle East countries for various excuses made up by dominant class. However, for Gramsci, the ruling class on behalf of continuity of its power prefers to get the society’s approval rather than use tyranny. Therefore, it keeps its ideological tools alive.

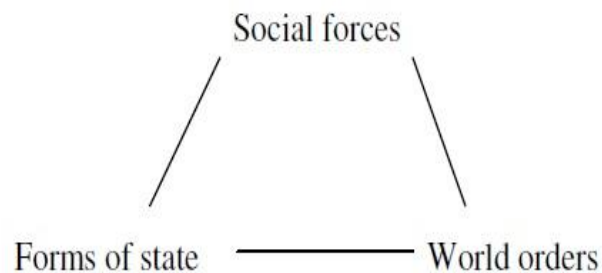
In sum, civil society is an area which is known as consent. In other words, civil society is an area where the dominant class leads subordinated groups to believe in the interests of bourgeoisie via consent. In Gramsci’s view, making a deal between the ruling

⁴⁶Portelli, Hugues. Gramsci ve Tarihsel Blok. Kenan Somer(çev.) Ankara: Savaş Yayınları, 1982.

⁴⁷ Arrighi, Giovanni. The Long Twentieth Century: Money, Power, and the Origins of Our Times. New York, London: Verso, 2000, p.28.

class and subordinate class is essential in a social order established by the hegemonic class. Civil society accepts (rarely assimilates) ideas of the ruling class and in the Neo-Gramscian sense, the world order is established in parallel with this ideology, too. Surely, capital accumulation is vital within this order. The aim is to ensure the concentration of capital accumulation in hegemonic power to direct the global economy passes from that way.

Figure 1. Hegemony and World Orders (adopted from Cox, 1986: 221).



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As it was explained by Drezner, America, which has announced its hegemony as global power, strengthens its hegemony by the ideological position of capital owners, international organizations, institutions and civil society.⁴⁹ Therefore, it has the ability to manage, direct and redirect the society and the world as it wishes with the help of its ideological stance. For example, the role of the media is as important as that of the organic intellectuals in this orientation, such as the American music and film industry, and the curiosity and admiration towards American actors and actresses are an indication

⁴⁸ Cox, Robert W. "Social Forces, States, and World Orders: Beyond International Relations Theory", in Robert O. Keohane (ed.), *Neorealism and Its Critics*. Cambridge: Columbia University Press, 1986, p.221.

⁴⁹ Drezner, Daniel W. *Who Rules? The Regulation of Globalization*. Chicago: Chicago University Press, Nov. 2004, pp.271-272.

of this influence. In this way, it is always in the centre of cultural attraction. Gramsci highlights how the civil society is directed through consent and, according to Brzezinski, this reflects the pretty face of hegemony.⁵⁰

Antonio Gramsci's concept of hegemony had a new dimension separating its meaning from the states' military capability in the realist thought. At the same time, the concept of hegemony consisting of material capability, institutions and ideas developed by Gramsci refers to historical bloc that develops in line with historical conditions. That is to say, while a ruling class exists, it is accompanied by its historical bloc.⁵¹ This historical bloc looks out for the hegemon's interests, as well. That is because the historic or hegemonic bloc is united with the structure and superstructures—in a word, economic factors and ideology. There is an organic link between those structures.⁵² Gramsci explains the term *historical bloc* using the relation of economic infrastructure and its politic-ideological superstructure.⁵³

“... the conception of historical bloc in which precisely material forces are the content and ideologies are the form, though this distinction between form and content has purely didactic value, since the material forces would be inconceivable historically

⁵⁰ Brzezinski, Zbigniew. *The Grand Chessboard, American Primacy And Its Geostrategic Imperatives*. New York: Basic Books, HarperCollins Publishers 1997, pp.8; 35.

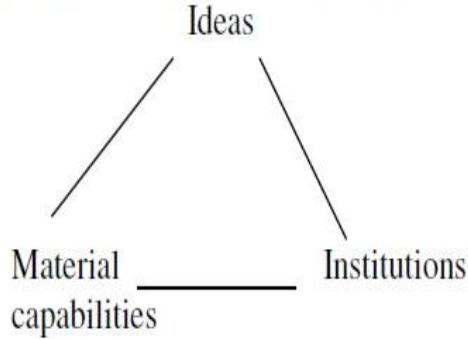
⁵¹ Gramsci, Antonio. *Selections from the Prison Notebooks of Antonio Gramsci*, translated by Q. Hoare and G. Nowell Smith, New York: International Publishers, London: Lawrence and Wishart, 1971, p.418.

⁵² Cox, Robert W. “Gramsci, Hegemony and International Relations: An Essay in Method.” Stephen Gill (ed.) *Gramsci, Historical Materialism and International Relations*. Cambridge: Cambridge University Press; 1993, p.57. And Jessop, Bob. *Hegemony, Post-Fordizm ve Küreselleşme Ekseninde Kapitalist Devlet*. Betül Yazar; Alev Özkazanç (ed.), İstanbul: İletişim Yayınları, 2005, p.180.

⁵³ Gramsci, Antonio. *Selections from the Prison Notebooks of Antonio Gramsci*, translated by Q. Hoare and G. Nowell Smith, New York: International Publishers, London: Lawrence and Wishart, 1971, p.366.

without form and the ideologies would be individual fancies without the material forces.”⁵⁴

Figure 2. Structural forces (Cox, 1986: 218)



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In short, the success of hegemonic projects is up to the economic base and its superstructure.⁵⁶ Economy is pointed out as “the mainspring of history in the last analysis”.⁵⁷ According to Gramsci’s thinking, “... for though hegemony is ethical and political, it must also be economic, must necessarily be based on the decisive function exercised by the leading group in the decisive nucleus of economic activity.”⁵⁸ One must keep in mind that ethical and political hegemony legitimizes economic structures. For Stephen Gill,

“An historical bloc refers to an historical congruence between material forces, institutions and ideologies, or broadly, an alliance of different class forces politically

⁵⁴ Ibid. p.37.

⁵⁵ Cox, Robert W. “Social Forces, States, and World Orders: Beyond International Relations Theory”, in Robert O. Keohane (ed.), *Neorealism and Its Critics*. Cambridge: Columbia University Press, 1986, p. 218.

⁵⁶ Jessop, Bob. *Hegemony, Post-Fordizm ve Küreselleşme Ekseninde Kapitalist Devlet*. Betül Yazar; Alev Özkazanç (ed.), İstanbul: İletişim Yayınları, 2005, p.349.

⁵⁷ Gramsci, Antonio. *Selections from the Prison Notebooks of Antonio Gramsci*, translated by Q. Hoare and G. Nowell Smith, New York: International Publishers, London: Lawrence and Wishart, 1971, p.162.

⁵⁸ Gramsci, Antonio. *Selections from the Prison Notebooks of Antonio Gramsci*, translated by Q. Hoare and G. Nowell Smith, New York: International Publishers, London: Lawrence and Wishart, 1971, p. 161.

organized around a set of hegemonic ideas that gave strategic direction and coherence to its constituent elements. Moreover, for a new historical bloc to emerge, its leaders must engage in conscious planned struggle. Any new historical bloc must have not only power within the civil society and economy, it also needs persuasive ideas, arguments and initiatives that build on, catalyze and develop its political networks and organization—not political parties such.”⁵⁹

Historical bloc is analyzed in the context of political and social terms for Stephen Gill who thinks Gramsci’s view is inadequate on hegemony after the Second World War. Classes, ideologies and institutions are essential in the process of establishing the historical or hegemonic bloc. Materially superior powers are one of the effective units in this process. According to Gill, historical bloc needs indispensably transnationalization. Allied to globalization, developments in the field of production and finance take place and therefore, the control of international capital is vital for the hegemon. In this respect, the hegemonic power avoids being damaged by interests of historical bloc by moving its economic institutions in the meaning of transnationalism.⁶⁰ While development in the production and financial sector is transnational thanks to globalization, civil society entered into the same process, too. Hence, the hegemony of the dominant class started to go beyond national in all areas. Together with a historical process, it transformed into an

⁵⁹Gill, Stephen. *Power and Resistance in the New World Order*. Palgrave, Macmillan, 2002, p.58.

⁶⁰Gill, Stephen. *American Hegemony and Trilateral Commission*. *Cambridge Studies in International Studies*, Nov. 1991, pp.37-51.

international hegemony or world hegemony. The aforesaid advanced hegemony contains economic, political and social structures that are interrelated among themselves.⁶¹

⁶¹ Cox, Robert W. "Gramsci, Hegemony and International Relations: An Essay in Method." Stephen Gill (ed.) "Gramsci, Historical Materialism and International Relations." Cambridge: Cambridge University Press; 1993, pp.61-62.

CHAPTER II

THE HISTORICAL PROCESS OF THE IRAN- PAKISTAN-INDIA PIPELINE PROJECT

In particular, the purpose of this chapter is to investigate the historical process of the Iran-Pakistan-India pipeline project owing to the fact that the IPI pipeline project is essential for the trilateral cooperation among Iran, Pakistan and India. Then, it examines to what extent the pipeline project is crucial for the trilateral deal and relations among Iran, Pakistan and India, briefly elucidated based on the importance of the presence of gas pipeline since Iran's gas is to be transferred to Pakistan and India. The chapter begins with Iran's view on the political economy of its gas project before explaining the development process of the IPI pipeline project. In addition to that, the concept of hegemony is addressed in this section as part of both regional and international relations, as international hegemonic order and counter-hegemonic movements with respect to India, Pakistan and other countries which are interested in this project should be scrutinized. It is important to note that the concept of hegemony has altered and expanded from a unipolar world to multipolar world in the post-Cold War era as the sole superpower, the USA, has needed other great powers' contribution and cooperation to stabilize some regions, such as Afghanistan, Iraq and Iran. Thus, global hegemony has been shared by the major members of the world order. Relevant at that time, the leading powers, therefore, have been engaged, to some extent, in peacekeeping operations. The purpose of peacekeeping operations is to maintain international peace and security including threats such as international terrorism and nuclear weapons.

Robert Cox, interested in Gramsci's thought, sought to connect it with international relations. For Cox, international hegemony "derives from the ways of doing and thinking of the dominant strata of the dominant state or states."⁶² State, which plays a determinative role in the hegemonic system, is crucial for Gramsci due to it being "the

⁶² Cox, Robert. *Approaches to World Order*. Cambridge: Cambridge University Press, 1996, p. 151.

basic entity of international relations.”⁶³ The exegesis of hegemony in terms of world order, therefore, is indispensable. Robert Cox divides the periods of hegemony into four parts: 1845-1875, which is called the first period, when Britain was the hegemonic power in the world economy; 1875-1945 as the second period, which is called *non-hegemonic* because the supremacy over the world economy was divided among different powers economically; the third period is between 1945 and 1965, which was dominated by the United States of America; and the last period is from 1965 to the current time, which is called the U.S.-based world order;⁶⁴ however, the US has integrated with the other great powers to complete the hegemonic process. “In the world-hegemonic model, hegemony is more intense and consistent at the core and laden with contradictions at the periphery.”⁶⁵ Thereby, consent and coercion have been applied to the periphery by the great powers so as to prohibit any counter-hegemonic movement. Besides, to praise hegemony as a system among directing states is not true for Cox since this order is shaped around social structure, economic structure and also political structure. Therefore, the existing order must be explained considering all there.⁶⁶

For Cox, “A hegemonic order is inscribed in the mind. It is an inter subjective sharing of behavioral expectations. A leading nation’s conception of the world becomes universalized.”⁶⁷ It means that hegemonic powers or states, in fact, ignore social, economic and political cooperation in the first plan because these great powers prioritize

⁶³ Cox, Robert W. “Gramsci, Hegemony and International Relations: An Essay in Method.” Stephen Gill (ed.) “Gramsci, Historical Materialism and International Relations.” Cambridge: Cambridge University Press; 1993, Cambridge Studies in International Relations: 26, p.58.

⁶⁴Cox, Robert W. “Gramsci, Hegemony and International Relations: An Essay in Method.” Stephen Gill (ed.) “Gramsci, Historical Materialism and International Relations.” Cambridge: Cambridge University Press; 1993, Cambridge Studies in International Relations: 26, p. 60.

⁶⁵Ibid. p.61.

⁶⁶Ibid. p.62.

⁶⁷ Cox, Robert. Approaches to World Order. Cambridge: Cambridge University Press, 1996, p.245.

their interests. International hegemony, therefore, becomes systemized within the scope of relationships based on self-interest. On the other hand, hegemony has been shaped by military and economic power. This position of hegemony is, therefore, effective in international relations as world politics and foreign policy. Even though ineffectual states appear as tolerating or giving consent to hegemonic powers, hegemony consists of coercion, ultimately.⁶⁸ This coercion shows up in foreign policy, economic cooperation and sanctions, such as the U.S. sanctions on Iran. This is the evidence that hegemony also contains within itself an ideological and normative structure to ensure military and economic power, as Cox emphasizes. Hegemony, in consequence, creates a world order that prioritizes its interest and rules and values. Therefore, the world order will never be against the hegemon's interest and desire.

IRAN'S STANCE

Iran, regarded as having a counter-hegemonic stance at that point, plays a crucial role. In parallel to that, Iran, Pakistan and India's natural gas project displayed Iran's stance in the meaning of counter-hegemonic movement. With this context, looking briefly at Iran's position is necessary to be able to understand more easily the importance of and the process behind the IPI pipeline project both for all the three countries involved and for that region, as Afghanistan, Russia and China might also be related to this project, becoming an ally of these countries against the hegemonic states such as America and European hegemonic states. That is to say, a possibility of counter-hegemony such as Iran contravenes the dynamic of existing world order. In the face of the growing hegemony in international relations, counter-hegemonic movements cannot be ignored.

⁶⁸Espen Moe, Ph.D. Candidate, Unipolarity and Hegemony Why do States Tolerate Hegemony? Norway: UCLA and University of Trondheim, ISA Montreal, 03/19/04, pp.6-7.

Iran, which has a complex social structure, is a vast and also strategic region since this region has witnessed different geographical definitions, both historical and political factors. Thereby, Iran played host to different communities within its territorial limits. Therefore, Iran has been a multiregional country and Central Asia had played a role in large part in Iran's position.⁶⁹ In order to better understand the geographical effect, this chapter should briefly touch on Iran's neighbors. Iran's area is 1,648,195 sq km; its location is between Iraq and Pakistan and bordering the Gulf of Oman, the Persian Gulf, and the Caspian Sea. The Persian Gulf and the Strait of Hormuz are in an essential strategic position. Moreover, Afghanistan, Armenia, Azerbaijan, Iraq, Pakistan, Turkey, Turkmenistan are Iran's neighbors. Central Asian countries are located Iran's northeast.⁷⁰ Seemingly, Iran's geography and political culture and also the Iranian society took form thanks to the interplay between Mesopotamia in the west and Central Asia in the east.

Iran had experienced radical changes and every alteration, thus, has continued to bear the stamp of the previous one. The final change in Iran was lived in 1979 and the role of religion in the construction of global hegemony and counter-hegemony revealed itself yet again. In 1979, the world testified to the Iranian Revolution, more precisely the Islamic Revolution in Iran. The Iranian Islamic Revolution took place and the Shah of Iran, who was associated with the U.S., was overthrown. The administration was converted to sharia from constitutional monarchy by the Supreme Leader, Ayatollah Khomeini. With the Islamic Revolution, Iran aimed at both economic and political development to exist in the region and the world as well. Iran's routes, thus, altered dramatically in every sense. In other words, the direct relationship between religion and

⁶⁹Garthwaite, Gene R. "İran Tarihi" çev: Fethi Aytuna, İstanbul: İnkılap Kitabevi, 2011, p.4.

⁷⁰ Cia The World Factbook; Iran <https://www.cia.gov/library/publications/the-world-factbook/geos/ir.html>

state was established once again with the Islamic Revolution of 1979. “We desired to grant Our favor to those that were oppressed in the land, and to make of them leaders and the inheritors” (Qur’an, 28:4). This ayah from the Holy Qur’an was Iran’s password to manage the people and the country. Furthermore, Ayatollah Khomeini, who is known as the international face of the revolution, declared the victory day—April 1, 1979—to the Islamic world and the whole world as the first day of God’s government.⁷¹ Therefore, April 1 was a turning point for Islamic Iran with 98 percent of vote in 1979.

Today, energy is predominantly based on oil and natural gas, and the world, therefore, needs energy increasingly. Iran at this point is vital, owing to Iran having, subsequent to Russia, the second largest oil and gas reserves in the world. That is to say, Iran possesses sufficient energy reserves to export to the rest of the world, (ROW). The most important factor is whether Iran uses the reserves effectively, rather than Iran being one of the major owners of energy resources. According to 2010 estimations, Iran is the sixth country in the world in both production and consumption of natural gas. However, its natural gas exports were estimated as 8.42 billion cu m, and this country was the 25th country vis-à-vis the ROW in natural gas exports.⁷² It shows that Iran does not have the infrastructure capacity to use its gas effectively in terms of being one of the leading gas exporting countries although Iran has sufficient gas reserves. Certainly, there are many obstacles for Iran’s development, such as the sanctions arising from the U.S. and European Union and additionally not finding any financial provider for Iran’s energy project. The issue related to the sanctions and the financial provider will be referred to

⁷¹Imam Khomeini. “Islam and Revolution: Writings and Declarations of Imam Khomeini.” Translated and Annotated by Hamid Algar. Berkeley: Mizan Press, Contemporary Islamic Thought, Persian Series, 1981, pp.265-267. See Annex.

⁷²<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2179rank.html?countryName=Iran&countryCode=ir®ionCode=mde&rank=2#ir>

within this chapter in the next section. Now, the chapter will proceed with explaining Iran's gas project.

Natural gas, which is oil derivative and is colorless and odorless, is one of the energy resources. After the Second World War, natural gas usage increased. Allied with increasing gas consumption in the world, natural gas transmission and distribution piping systems gained currency. Natural gas is the cheapest and the most efficient fuel among the others and, thereby, natural gas should be transported by a way that is cheap and effective. That is possible with natural gas piping systems. Iran, at this point, made a move about its gas transmission and distribution via the pipeline project called IPI with the purpose of productive use of Iran's natural gas resources. This project is a step forward for economic and political development on behalf of Iran and, thus, Iran has resolutely attached importance to the project.

The government of Iran conceptualized the gas pipeline project within 1989 and 1990 with the intent to be a supplier for both India and Pakistan, which need natural gas on a large scale. In 1994, Iran and Pakistan began to parley with each other on energy demand and energy security as well. These two countries signed a preliminary agreement in 1995 regarding the flow of gas from Iran, South Pars, to Pakistan, Karachi. Iran was not contented with this route because Iran was aiming for both economic and political interdependence in the long term within the region. Therefore, India was offered to take part in the project by the Islamic Republic and when it came to February 1999, the government of Iran declared that it requisitioned to extend the pipeline from Pakistan into New Delhi, India, and subsequently, Iran and India signed a preliminary agreement⁷³.

⁷³ Haq, Dr. Noor ul; Khan, Mohammad Nawaz. Iran-Pakistan Peace Pipeline. Pakistan: Islamabad Policy Research Institute, July 31, 2010. pp.8.

It seems, Iran is a locomotive of the natural gas project. Iran's aim with this project is to provide for Pakistan and India's energy demand at the first stage and further, in both economic and political field, Iran has aspired to reinforce its efficiency and to enhance collaboration. This project has been envisaged by these countries—Iran, Pakistan, India—in total as 2,700 km. Its 1100 km belongs to Iran, nearly 1000 km is within the borders of Pakistan, and the rest is in the Indian territory—about 600 km.⁷⁴ This length can be changed according to the run of the project. Additionally, this project is expected to be completed toward the end of 2015. According to estimations, \$7 billion will be used up in the investment as well.⁷⁵ For India and Pakistan's domestic energy demand, the IPI pipeline has been seen as a lifesaver. But, even though the IPI pipeline project has been seriously considered since the beginning of 1995, the project could not be yet completed by the region's states because of some disagreements between Iran, Pakistan and India, and also due to the sanctions of the directing states. To better understand these issues, it is necessary to scan the trilateral deal from an Iran-based perspective since Iran, as a gas supplier, has different relations with Pakistan and India in terms of foreign policy and economic cooperation.

IRAN-PAKISTAN RELATIONS WITHIN THE PROCESS OF THE IPI PIPELINE PROJECT

Prior to when Pakistan separated from India, Iran and India had deeper ties. In 1947, Pakistan separated from India, which was a British colony. In the wake of the separation, the Islamic Republic of Pakistan was established in the same year. The

⁷⁴<http://www.gulfoilandgas.com/webpro1/projects/3dreport.asp?id=100730>

⁷⁵Maleki, Abbas. *Iran-Pakistan-India Pipeline: "Is it a Peace Pipeline?"* Cambridge: Massachusetts Institute of Technology -Tehran: International Institute for Caspian Studies, 2007, pp.1-4.

separation between India and Pakistan, however, led to a quandary from the standpoint of Iran, as Iran kept in touch with both India and Pakistan. In other words, they always had a close tie even though they also betimes suspended the relations between them.⁷⁶ Returning to Iran-Pakistan relations, Iran after the 1979 revolution was recognized as an Islamic Republic by some countries; one of them is Pakistan. Moreover, Muhammad Zia-ul-Haq, who showed a maximum effort to strengthen Pakistan's role in the world, supported Imam Khomeini's revolt. Further, he announced his support, stating, "Khomeini is a symbol of Islamic insurgence."⁷⁷ Notwithstanding the fact that Pakistan's government came close to the United States of America at times, Pakistan had close ties with Iran based on Islam, as the first supreme leader of Iran emphasized. However, it cannot be definitely said that Iran and Pakistan collaborate only for the benefit of Islam and Muslims. Iran and Pakistan have associated with each other in favor of Islam as well as for any other reason such as just economic development, political conditions and ethnic structures. The aim of collaboration is thus complicated. However, those countries took a concrete step signing a preliminary agreement in 1995 for gas flow and transmission from Iran to Pakistan.

Pakistan has experienced difficulty about energy and therefore, the IPI pipeline project has given hope to Pakistan's government in terms of fulfilling its energy requirement and advancing its economic development. Since 1995, the discussion on the project has continued and Iran made progress with Pakistan day by day despite the U.S. pressures. However, to complete the pipeline project would take time as "this pipeline is

⁷⁶Tunander, Ola. Swedish Geopolitics From Rudolf Kjellento a Swedish 'Dual State'. International Peace Research Institute, Oslo, Norway, p.89.

⁷⁷<http://www.iranembassy.pk/en/political-section/592-pak-iran-relations-since-islamic-revolution-genesis-of-cooperatio-and-competition.html>

not something that you can agree today and build tomorrow.”⁷⁸ Even though the natural gas project was interrupted because of many reasons, official attempts started in 2009. An initial agreement, the Gas Sale and Purchasing Agreement, GSPA,⁷⁹ between Iran and Pakistan was signed for the IPI pipeline project and then the agreement was signed formally between the National Iranian Gas Export Company (NIGEC) and Pakistani Interstate Gas Company (PIGC) in Istanbul on June 5, 2009.⁸⁰ In the process of the IPI pipeline, these agreements were an incipency.⁸¹ The diameter of the pipeline will absolutely grow longer with an addition of India. In the mean time, Iran kept on the construction of its pipeline within Iran’s borders and completed almost all of it. In 2010, Iran and Pakistan made a step forward in their cooperation according to the agreement as ‘a deal paving the way for construction’ of the pipeline project.⁸² This engagement was made with a 25-year contract with Pakistan providing that 750 million cubic feet of gas will be transferred daily to Pakistan by Iran, which is the gas supplier of the project. As it is seen, to meet energy shortages of Pakistan, which has faced with an energy crisis in recent years, is essential. Therefore, Pakistan has remained closely associated with Iran.⁸³ In tandem with this agreement, both countries saw an obvious future for the pipeline project. In other words, Iran and Pakistan agreed on starting the flow of gas from Iran to

⁷⁸Verma, Shir Kumar. “Energy Geopolitics Iran-Pakistan-India Gas Pipeline” New Delhi: School of International Studies, Jawaharlal Nehru University, Energy Policy 35 (2007) p.3283. .
www.elsevier.com/locate/enpol

⁷⁹(Pakistan, Iran sign framework for gas pipeline accord (May 25, 2009), available at
<http://archives.dawn.com/archives/36942>)

⁸⁰<http://www.gulfoilandgas.com/webpro1/projects/3dreport.asp?id=100730>

⁸¹ Arslan, Ali. The Peace Pipeline Project: “Balancing the Geopolitical and Legal Seesaw” Law and Policy Review, December 2010, Volume:1, p.196.

⁸² Associated Press of Pakistan Corporation; Islamabad, May 28.
http://www.app.com.pk/en_/index.php?option=com_content&task=view&id=104448&Itemid=2

⁸³ Associated Press of Pakistan Corporation; Islamabad, May 28.
http://www.app.com.pk/en_/index.php?option=com_content&task=view&id=104448&Itemid=2

Pakistan in 2014 if nothing goes wrong. This is an important stage for both countries, which have had cordial and strong ties for a long time.

By the end of 2011, a pre-feasibility study and working on finding assistance to support the project continued. China, before long, declared its support for Pakistan for the completion of the IPI pipeline project. Pakistan, which gets support from China, ventured to complete the IP project despite overwhelming odds against both Iran and also the Pakistani Islamic Republic. China's support to Pakistan and China's role in the project will be discussed in the next chapter. In 2012, Iran and Pakistan proceeded to the second phase related to pipeline laying. In the meantime, an offer came to Iran and Pakistan from Russia as to paving the pipeline via Gazprom, which is Russia's energy giant. Apparently, the project has been assisted by some great powers in the world, such as China and Russia, against the sanctions of hegemonic powers. Pakistan, on the other hand, agreed on \$250 million for pipeline laying in Pakistan's territories with a German company called ILF Engineering. Furthermore, Iran made an offer Pakistan to complete together a pipeline which would belong to Pakistan and on July 21, Iran promised Pakistan to support Pakistan's part with \$500 million. While Iran was loaning \$500 million to Pakistan, Tadbir Energy Company in Tehran was preferred by Iran's government because this company was not under pressure of the United States as in a period of time the project is not interrupted. As a result, completion of the Iran-Pakistan pipeline project has been envisioned in 22 months. Additionally, Javad Owji, managing director of the National Iranian Gas Company (NIGC), declared, "The [Iran-Pakistan (IP)] peace pipeline is expected to be constructed in 22 months on the Pakistani soil with

the participation of Iran.”⁸⁴ Iran and Pakistan have established close contact with each other since 2009 and the period of their engagement culminated in the inauguration of the Iran-Pakistan pipeline on March 13, 2013. Iranian President Mahmud Ahmadinejad and Asif Ali Zardari, who is the 12th president of Pakistan, declared formally their association to the world in the inaugural ceremony of the pipeline. The two leaders agree on the significance of the pipeline project, as they believe “the project will help enhance economic, political and security ties between Tehran and Islamabad.”⁸⁵

After the project was investigated chronologically, it is necessary to mention briefly the pressures applied to Pakistan in order to understand why the process of the IPI pipeline project has been prolonged. Iran and Pakistan have faced enormous problems based upon the socio-economic and political conditions and owing to pressures from the U.S. Likewise, with both ethnic conflicts and sectarian tensions have been encountered in Pakistan. As mentioned above, there are some obstacles in front of the pipeline project; in this study, just two impediments will be cited. One of the impediments is the U.S. pressure, as is well known. The pressure is related to the fact that Iran has led a gas pipeline project involving Iran, Pakistan and India to ensure strong regional cooperation and thereby, Iran has increased its efficacy on the neighboring countries, such as Pakistan and India, vis-a-vis the U.S. hegemony. As the USA has been concerned about Iran’s position in the region, Pakistan has been taken aim for the completion of this project by the U.S. For instance, Pakistan was warned sternly in 2005 and 2006 by the administration of the United States of America regarding its collaboration with Iran on

⁸⁴ Tehran Times, International Daily. <http://www.tehrantimes.com/economy-and-business/106028-iran-to-complete-gas-line-to-pakistan-in-22-months-official>

⁸⁵ Gulf Oil and Gas <http://www.gulfoilandgas.com/webpro1/MAIN/Mainnews.asp?id=27099>

the IPI pipeline. Following this call, in 2009, the Obama administration pushed forward the sanctions on Iran⁸⁶ because, the U.S. claimed, a nuclear weapons policy has been hidden by Tehran behind this project. However, Pakistan has not withdrawn from the project and even its concrete steps have expedited. The pipe laying shows that these friendly countries, at any cost, have seemed determined to accomplish the pipeline project for mutual interests despite the U.S. pressure to deter Pakistan from the project. Last, the president of Iran, Ahmadinejad, told especially the U.S. and also the world in an inaugural ceremony, “There are people who are against the progress of Iran, Pakistan and other countries. They have found an excuse – called the nuclear issue – to exert pressure on Iran and to prevent its progress ... I want to tell them the gas pipeline has nothing to do with nuclear energy; you can’t make an atomic bomb with natural gas.”⁸⁷

⁸⁶ Arslan, Ali. The Peace Pipeline Project: “Balancing the Geopolitical and Legal Seesaw” Law and Policy Review, December 2010, Volume:1, p.201.

⁸⁷ BBC News Asia, Pakistan-Iran Gas Pipeline defies US. <http://www.bbc.co.uk/news/world-asia-21736725>



*** Source: Centre for Research on Globalization, <http://www.globalresearch.ca/us-threatens-pakistan-with-sanctions-over-gas-pipeline-deal-with-iran/5326318>

In addition to the U.S. pressure, political violence in Baluchistan is another important obstacle for the pipeline project in the sense of energy security. The Balochi problem regarding predominantly Pakistan, Iran and India is one of the most complicated issues in the region because Baluchistan is in the southeast of Iran, southwest of Pakistan, and at the border of the Indian Ocean in the south. Both Iran and Pakistan have been fraught with an ethnic problem in Baluchistan for 50 years, intermittently. Iran, India and Pakistan have been concerned in relation to the IPI pipeline because energy security cannot be ensured in Baluchistan. Baluchistan is of a strategic importance for Iran, Pakistan, India, as well as the US and even UK due to energy resources.⁸⁸ The Baluch

⁸⁸ Roul, Aminesh. "The IP Pipeline: More Than a Dream," International Security Watch, www.isn.ethz.ch. August 6, 2007.

people have desired independence.⁸⁹ These people have declared self-determination with the U.S. support. Even if this problem seems as an ethnic conflict, domestic and foreign policies of both countries have been substantially affected. A political solution to the Baluchistan problem is crucial to protect the pipelines for security reasons. In spite of these problems, Iran and Pakistan have believed in the IPI pipeline project, which ensures cooperation, as the project will develop the countries economically and politically.

IRAN-INDIA RELATIONS WITHIN THE PROCESS OF THE IPI PIPELINE PROJECT

Since pre-Islamic Persia, Iran and India have bilateral ties even as far back as 2000 BC.⁹⁰ Due to economic, political, cultural and geographical conditions, the two countries reciprocally interacted. After the Cold War, Iran-India relations concentrated on political stance. Moreover, India was much more interested in geopolitics of Iran alongside economic interest.⁹¹ In the period before the Islamic Revolution, Indo-Iranian relations weakened because of several reasons, such as the British rule. The declaration of independence between India and Pakistan in 1947 altered absolutely their relations with Iran. Thereafter, Iran started to get in touch with both countries differently. Pakistan was recognized first by Iran and when it came to March 15, 1950, Iran officially declared ties with India via diplomatic contact by signing the agreement called the Treaty of Friendship after Pakistan.⁹² However, between the years of 1947 and 1979, Indo-Iranian

⁸⁹ Fitzgerald, Erin; Vira Varun. U.S. and Iranian Strategic Competition: Competition in Afghanistan, Central Asia and Pakistan. Washington: CSIS, September 12, 2011, pp.9-11.

⁹⁰Hussain, Mushtaq. Indo-Iranian Relations during the Cold War. Strategic Analysis; 2012, 36:6, p.859. <http://dx.doi.org/10.1080/09700161.2012.728868>

⁹¹Ibid. p:860.

⁹²Ibid. pp:860-861.

relations were not close since Iran supported Pakistan in the Kashmir conflict.⁹³ With 1979 Revolution, the regime in Iran dramatically changed and Iran's route shifted from the West to East but not to Eastern socialism and Iran's new profile, thus, altered the relations with the neighbors at the same time.

Since the beginning of the 1990s, Iran has got closer to India for economic and political reasons. Furthermore, both Iran and India stood up to Pakistan, which was supporting the Taliban in Afghanistan. Pakistan's support for the Taliban was a particular risk regarding Iran-Pakistan relations. Therefore, Iran and India agreed with the Northern Alliance and both countries supported cooperatively the reconstruction activities in Afghanistan.⁹⁴ After this cooperation, Iran and India gradually improved their economic relations. Cooperating with India was essential for Iran so as to penetrate the Asian market and the route being followed by Iran thus changed in this direction. Thanks to India, which is Iran's new partner in Asia, Iran has focused much on its own target, which is to meet both India's and China's energy need.⁹⁵ The purpose is also to inhibit the isolation policy of America against Iran. With the New Delhi Declaration, the ties between Iran and India became increasingly deeper.⁹⁶ Iran thus associated with India as a new collaborator in Asia in the field of energy, commerce, military and also development.⁹⁷

⁹³Kashmir conflict between India and Pakistan is related to territorial issue. Both two countries have combated to each other three times since 1947 due to Kashmir conflict.

⁹⁴Lall, Marie; Lodhi, Iftikhar A. Political Economy of Iran-Pakistan-India (IPI) Gas Pipeline. Institute of South Asian Studies: National University of Singapore, 2007, No:26. pp.20.

⁹⁵Ibid., p.21.

⁹⁶CRS Report for Congress; India-Iran Relations and U.S. Interests ; Foreign Affairs, Defence, and Trade Division; August 2, 2006.

⁹⁷Maleki, Abbas. Iran-Pakistan-India Pipeline: "Is it a Peace Pipeline?" Cambridge: Massachusetts Institute of Technology -Tehran: International Institute for Caspian Studies, 2007.

Within this direction, the government of Iran conceptualized the gas pipeline project within 1989 and 1990 with the intent to be a supplier for both India and Pakistan, which need natural gas on a large scale. When it came to February 1999, the government of Iran declared that it requisitioned to extend the pipeline from Pakistan into New Delhi, India, and subsequently, Iran and India signed a preliminary agreement⁹⁸. From that time, India was waiting anxiously one step forward, two steps back. Besides, the price of gas is a crucial issue in respect of the IPI pipeline. Even though India proposed to pay a fixed price for gas, Iran has been insistent on its price policy, which has been fluctuating with the energy prices internationally. There is a conflict about the price tariff in the bilateral deal. However, Hadi Nejad Hossein who is a former Iranian deputy oil minister declared that India buys gas from Iran at a more reduced price than the value of the gas sold to Turkey.⁹⁹ They could not yet come to agreements to the price of gas but they have carried on the meeting to determine their best interest jointly. At this stage, although Iran is the ultimate decision maker because the government would like to sell its products to buyers, the price of gas has not been approved by India with ease. With the addition of India's suspicions to the project, the IPI construction was interrupted at the border of India.

In January 2003, the decision of reinforcement of Indo-Iranian ties was made with the New Delhi Declaration, and the IPI pipeline project was discussed again and an agreement on liquefied natural gas (LNG) was signed at that time. However, since 2007, talks on the IPI pipeline have been boycotted pursuant to Iran's nuclear programme by

⁹⁸ Haq, Dr. Noor ul; Khan, Mohammad Nawaz. Iran-Pakistan Peace Pipeline. Pakistan: Islamabad Policy Research Institute, July 31, 2010, p.8.

⁹⁹ Maleki, Abbas. Iran-Pakistan-India Pipeline: "Is it a Peace Pipeline?" Cambridge: Massachusetts Institute of Technology -Tehran: International Institute for Caspian Studies, 2007, p.2.

India.¹⁰⁰ In 2009, the government of India announced that it withdrew from the project based upon high price, transit fees and security concerns, while Iran was welcoming China's interest about joining the pipeline project in 2008¹⁰¹. Concretely, the main reason behind the high price and energy concerns was the civil nuclear deal with the U.S. stemming from American pressure. In spite of the disengagements from the project, the IPI pipeline did not stray from its intended path. In Tehran in 2009, the government of Iran, again, parleyed with India about the project. However, the pipeline project could not take yet another twist. In 2010, India, this time, discussed in detail the project with Iran as to the obstacles; even more so, "India has proposed a meeting of India-Iran Joint Working Group between May 23-28 in New Delhi but Tehran has not yet confirmed the dates."¹⁰²

To examine in detail is important in terms of understanding what the presence of the Iran-Pakistan-India pipeline project is since the project has been perceived as a counter-hegemonic movement. Like this project, Asian movements, the Shanghai Cooperation Organization and Islamic movements have seemed as the attributes of counter-hegemony. In fact, Gramsci states that if something is against the capitalist system, it seems as a threat for capitalism; government, religion, non-governmental organization and any ideologies can be perceived as such. For Cox, thanks to institutions and rule of hegemonic powers, counter-hegemonic movements have been thwarted. The IPI pipeline project may be called one of these movements. "It is clear that the achievement of hegemony within a particular social formation is a complex and

¹⁰⁰ Gulf Oil and Gas <http://www.gulfoilandgas.com/webpro1/MAIN/Mainnews.asp?id=27099>

¹⁰¹ Haq, Dr. Noor ul; Khan, Mohammad Nawaz. Iran-Pakistan Peace Pipeline. Pakistan: Islamabad Policy Research Institute, July 31, 2010, p.5.

¹⁰² Gulf Oil and Gas <http://www.gulfoilandgas.com/webpro1/MAIN/Mainnews.asp?id=27099>

contradictory process, since counter-hegemonic forces will come to challenge the prevailing institutional and political arrangements.”¹⁰³

As is known to all, historical bloc was shaped by American hegemony after the Second World War and the role of the state within this context is essential. For Gramsci, state is both a civil and also political organization. This state, via coercion, controls its interests and at the same time, the same state provides happiness of the civil society via the consent factor. In a sense, state for Gramsci cannot come down to just militaristic form, as realists argue. Therefore, state in a victorious hegemonic process is a chief player. Institutions incident to this hegemonic state play a significant role to decrease the effects of counter-hegemonic movements in the civil society as well; for example, the International Monetary Fund, IMF, has not supported Iran’s gas project due to this project being called a counter-hegemonic movement. Iran’s position in the world has already seemed as counter-hegemony. Cox, then, says that Islam is a counter-hegemonic movement. Much as Islam and the IPI pipeline project are on the same point, it is ambiguous whether the pipeline project is in favor of Islam and Muslims in that region or Islam is not a primary target. However, the Islamic Republic of Iran and Iran’s stance and policies are, obviously, on the side of counter-hegemony. The IPI pipeline, like other pipelines, is vital for economic growth and also sustainable development. In short, realization of the IPI pipeline can achieve success for the region in the long time and thanks to the IPI pipeline, Iran, India and especially Pakistan will get opportunities for development. With this project, Iran, Pakistan and India have been engaged regionally. Furthermore, there is ongoing a process of integration for the IPI pipeline project.

¹⁰³ Gill, Stephen (ed.) “Gramsci, Historical Materialism and International Relations.” Cambridge: Cambridge University Press; 1993, Cambridge Studies in International Relations: 26, p:41.

Despite all, to describe IPI pipeline project as an exact counter-hegemonic movement within the scope of Gramscian and neo-Gramscian theoretical framework can make complicated Iran's stance, especially after the nuclear deal with world powers. Therefore, there is need to mention some formal speeches briefly beginning from the process of IPI pipeline. One thing is certain that the US does not want realization of the project in the region for continuing nuclear proliferation. Because of this, the US stated perpetually Pakistan should not get involved in the project ¹⁰⁴ and "avoid any sanctionable activity."¹⁰⁵ Furthermore, the state department spokesperson said "If this deal is finalised for a proposed Iran-Pakistan pipeline, it would raise serious concerns under our Iran Sanctions Act. We've made that absolutely clear to our Pakistani counterparts."¹⁰⁶ Neither Iran nor Pakistan did not go back on the deal in spite of the US' warning and hard quotes in connection with the project. Pakistani Foreign Minister Hina Rabbani Khar against any dictation of the US on Pakistani government stated that "We are a sovereign country and we will do whatever is in the interest of Pakistan. All of these projects are in Pakistan's national interest, and will be pursued and completed irrespective of any extraneous considerations."¹⁰⁷ Moreover, Islamabad believes "Gas from Iran is in the country's best interest."¹⁰⁸ On the other hand, owner of the IPI pipeline project, Iran, declared to the world what the aim of the Project is. For Iran, "The Iran-Pakistan pipeline is economical and operational."¹⁰⁹ The Iranian President, Ahmadinejad said "'I'm confident that no

¹⁰⁴ <http://www.thenews.com.pk/Todays-News-13-20587-US-warns-Pakistan-of-sanctions-over-Iran-gas-pipeline-deal>

¹⁰⁵ <http://www.bbc.com/news/world-asia-21628143>

¹⁰⁶ <http://www.theguardian.com/world/2013/mar/28/iran-pakistan-gas-pipeline-zardari-ahmadinejad>

¹⁰⁷ <http://foreignpolicy.com/2012/04/05/drilling-down-on-the-iran-pakistan-pipeline/>

¹⁰⁸ Ibid.

¹⁰⁹ <http://english.farsnews.com/newstext.aspx?nn=13940522000589>

foreign element will be able to affect our historic and brotherly relations."¹¹⁰ The reason of the US opposition to the IPI pipeline was expressed clearly by President Ahmadinejad *"There are people who are against the progress of Iran, Pakistan and other countries. They have found an excuse - called the nuclear issue - to exert pressure on Iran and to prevent its progress, ... I want to tell them the gas pipeline has nothing to do with nuclear energy; you can't make an atomic bomb with natural gas."*¹¹¹

Considering these quotes, it cannot be claimed that both Iran and Pakistan aim a counter-hegemonic movement with the IPI pipeline Project. Because, Iran states insistently that association on the project is related to economic, politic and historic issue. However, it is clear that the US does not give credence to Iran's quotes in connection with the project. Due to this, the US regards the energy corridor based on Iran as a threat. But, the international balance of power will arguably change with the latest deal on nuclear energy.

¹¹⁰ <http://www.theguardian.com/world/2013/mar/28/iran-pakistan-gas-pipeline-zardari-ahmadinejad>

¹¹¹ <http://www.bbc.com/news/world-asia-17224906>

CHAPTER III

IRAN'S STANCE AND THE ROLE OF THE UNITED STATES OF AMERICA IN THE IRAN- PAKISTAN-INDIA PIPELINE PROJECT

Iran, which has a long history, stands at a strategic point in the world. In every period, the presence of Iran has kept on its importance more or less. In the aftermath of the beginning of the Cold War, the new order had started to be more complicated. In order to get a better insight into the events, we have to look into different players from a different perspective. Energy sector had been shaping the economic and political outcomes of the world and its conflicts in the last century. The territories that are rich in energy sources by nature have been in the center of the world's political and economic interests. Iran, in terms of oil and gas reserves, attracts the world hegemonic powers' attention. In fact, this case is a nightmare for Iran because the great powers in this order restrain Iran in several ways. The reason behind this nightmare is notably related to oil industry's fate, the nuclear weapons, and also the sanctions on Iran in international arena. Therefore, Iran's role and stand are an incontrovertible issue of energy dependence for the whole world. That is to say, to capture energy resources is a new worship of the hegemonic power, and for this cause, every way is permissible to the hegemon. Churchill's lyric about this understanding revealed that "a drop of oil is more valuable than a drop of blood."¹¹² Due to this, the last chapter will first explain why Iran is a focal point and what Iran gets via the proposed project. The final chapter summarily explores the efficacy of the presence of the IPI pipeline on trilateral cooperation of the countries, which are linked to each other geographically, as was discussed in the previous chapter. It then presents the U.S. sanctions on Iran pursuant to the U.S. strategy that is imposed against Iran's nuclear or chemical weapons. At last, this chapter will be interpreted within this direction.

¹¹² National Security Priorities of Russian Federation in the Context of Energy Security. 07/09/2012
<https://energycorridors.wordpress.com/2012/09/07/national-security-priorities-of-russian-federation-in-the-context-of-energy-security/>

IRAN'S VIEW ON THE IRAN-PAKISTAN-INDIA PIPELINE PROJECT

In Islam, there is a thought that if the intent is good, the outcome will be good. Especially, Islamic states are responsible for walking in the righteous path quintessentially with regard to salvation of both the Islamic community, umma, and all people in the world. The base of the conflict between Islam and the Western world rests on that mindset, since Islam has presented its moral imperatives against the existing world order. However, that is not to say that the administrators of Muslim countries have made each step on behalf of peace for Muslims and the world. Unfortunately, most of the Muslim states are in a position to leave their responsibilities concerning this matter. Therefore, those countries, such as the Middle East countries, have given support to imposing tyranny indirectly in step with the running of the order. As opposed to that, Islam by mindset and commands has a counter-hegemonic stance and some Muslim countries can be argued to be in support of counter-hegemonic movements. Iran has been the most significant. However, Iran's counter-hegemonic motivation cannot be understood solely in connection to its Muslim political identity, as regional interests and relations have become like a tangled skein; for instance, the balance of power in the Syrian war and the position of states had softened in terms of religious principles, interests and sense of justice.

A radical Islamic regime was brought to power in Iran by the 1979 revolution. This transition had been perceived as an oppressive polity. Therefore, numerous arguments at that point had been set forth, such as women's rights and the so-called by the West Islamic terrorism. Moreover, the counter-hegemonic stance of the present Iranian regime cannot be explained solely with religion. There is a conflict of interest

within this order, where each state has played its game, and Iran, like the U.S., Israel and China, has looked out for its own interests, too. In other words, Iran, which has the largest energy reserves in the world after Russia, has strived, like any state, to turn the odds in its favour. However, for a country like Iran, which has been targeted to be isolated via several sanctions—economic, political and military, being dominant has seemed quite difficult in this game. Yet already, Iran, which is endowed with notable reserves, is in search of various ways concerning the oil and gas industry to exit from this situation. Due to this, since the 1990s, the Islamic Republic of Iran has made its own gas reserves a current issue in the context of the project called the IPI pipeline, which has been proposed to enable efficient gas production and supply, exporting initially to Iran's close neighbours, Pakistan and India, and further away to countries such as China.

In the previous chapter, the content of this project was sufficiently addressed. To sum up briefly will be beneficial as a reminder since Iran's economic, political, military and strategic importance has become prominent one more time with this project. The main purpose is to start exporting Iran's huge natural gas reserves. The priority of this export is Pakistan and then India. In fact, the energy crisis, which has been lived recently, is an indicator of the increasing energy need of the world in the near future. Thereby, both hegemonic states and also the subordinate class have been deeply worried about finding necessary supplies for their energy needs. Hegemonic states have aimed to take the heat out of the shortfall of energy by controlling the natural gas reserves in Central Asia, Caucasian countries and the Middle East. This goal may be assumed as a condition of being hegemon. As a matter of fact, hegemonic ideology is in contrast to the idea of equality in the world order by nature.

The territories of the Middle East, which are lucky and fertile by nature, have, as if through a curse, failed to reach a state of comfort and harmony. The only reason for this case is non-intervention of the hegemonic bloc; many problems have triggered a nightmare via civil wars, difficult ethnic relations, tyranny, corruption, drugs, etc. Furthermore, this region has not recovered due to numerous sanctions. Thus, the states of this region have succumbed to the hegemonic power incurably or they have taken a counter-hegemonic line against the hegemonic power. Iran is one of the countries that launch its position in foreign policy in the counter-hegemonic line, too.

At this point, the completion of the IPI project, called the “peace pipeline”, on behalf of reducing the existing and potential problems in terms of both regional cooperation and also regional relations, has been deemed significant. In other words, the project is vital as “a resolution to regional geopolitical disputes”.¹¹³ This project might establish intimacy between India and Pakistan, which have had problems since their separation and further, some states such as China and Russia might give support to the project for regional cooperation. Iran’s ultimate intent is that Iran’s huge natural gas resources will reach first Pakistan, then India, and this project will end up reaching China, which is one of the growing markets, via the Indian Ocean. Although Pakistan’s part of the pipeline project got to the first base officially, Indian administration has been making one step forward, two steps back for India’s part of the project since the project was first discussed. For Iran, it is clear that the project with regards to both economic and diplomatic peace and also meeting the energy needs has contributed to all three states and

¹¹³Zweiri, Mahjoob and Staffell, Simon. “Talking with a Region: Lessons from Iran, Turkey and Pakistan” Middle East Poliy, Vol. XVI, No.1, Spring 2009, p. 67.

will continue to contribute, too for importing gas to India rather than using dirty coal and meeting natural gas needs of Pakistan.¹¹⁴

Besides, China has seemed willing about the involvement in the project in contrast to India's concern and reservations as to the project. Due to this, China has given voice to its support for the project on behalf of improving Iranian gas field.¹¹⁵ At this point, Iran has been faced with disinvestment and furthermore, this country has not been supported economically in foreign policy because of the imposed sanctions. However, Iran has not given up on the proposed project since Iran can be an alternative to satisfy Europeans' energy needs if the project reaches China successfully. Because Iran, like the U.S, is also aware of this, it persisted with the project. The realization of the project will not be easy, but it is not impossible for Iran. Iran, with the realization of the project, will put signature to positive development for both itself and also its neighbors in the region; but economic development can seem difficult if Iran's project cannot be completed as scheduled. Both the operation and function of the pipeline project will show whether the project will be a locomotive or a rail car when diplomatic crisis is happened. However, there is the fact that the U.S. and U.S.-influenced institutions such as the EU, IMF, and Security Council have precluded Iran's project. Iran's nuclear weapon production and its support to terrorism have been propounded as the reason.

The U.S. administration's concerns have increased gradually due to Iran's ongoing attempts of producing nuclear weapons. In 2002, the U.S. claimed that Iran had uranium and extracted plutonium for nuclear weapons production. Moreover, Iran declared patently that it did not deny those claims, and this state has also been interested

¹¹⁴Zweiri, Mahjoob and Staffell, Simon. "Talking with a Region: Lessons from Iran, Turkey and Pakistan", *Middle East Poliy*, Vol. XVI, No.1, Spring 2009, p: 67-68.

¹¹⁵ *Ibid.* p:68.

in enriched uranium.¹¹⁶ In 1979, Iran was a member of the Nuclear Non-Proliferation Treaty with the Shah's decision and signature. This case demonstrates that Iran has to obey the rules of the International Atomic Energy Agency (IAEA). Due to this, several claims were reported to IAEA in regard to Iran's nuclear weapons system. In contrast to the claims, IAEA confirmed Iran has a right to use nuclear weapons for security reasons and peaceful purposes¹¹⁷; however, this has not been reflected the world public opinion, as it was determined.¹¹⁸ Because of the pressure, Iran looked for a way out for itself. Nuclear weapons production could be conducted in secret like route to Iraq, such as using lying, circumlocution and further postponement of the inspections. However, NPI has confronted with Iran in this road map. The other way is to retain the system openly; but this could trigger the U.S. and Israel's military attack. Despite everything, Iran chose this route, or pretended to. That is to say, a small part of the nuclear program such as the fuel cycle has been made transparent, and route to Iraq has been chosen by Iran's administration for the rest of the program. The reason is that can be explained as avoiding sanctions. On the other hand, the produced fuel cycle was perceived as a threat by Israel in terms of self-sufficiency and the Israeli administration also announced that. Therefore, Iran's self-sufficiency in the nuclear program is one of the reasons for the sanctions. If Iran declares that we have no nuclear programme, the report which is prepared by the US

¹¹⁶ Pollack, Kenneth M. "The Persian Puzzle: The Conflict between Iran and America." New York: Random House Trade Paperback Edition, 2005, pp.361-362.

¹¹⁷ Press TV. "Sanctions made Iran self-sufficient in nuclear program: Analyst"
<http://www.presstv.com/detail/2013/02/16/289280/sanctions-made-iran-selfsufficient/>

¹¹⁸ Pollack, Kenneth M. "The Persian Puzzle: The Conflict between Iran and America." New York: Random House Trade Paperback Edition, 2005, p.363.

institutions will be likely negative. They will not think as well that the sanctions imposed on Iran are unjust.¹¹⁹

THE IRANIAN FOREIGN POLICY

Iranian Foreign Policy has started to change in a different way since Islamic Revolution in 1979. Especially, Iran had corporated with western regimes in a way after World War II, even if the government was not willing to. The national interests are definitely one of the indicative factors in foreign policy of a country. Iran who reflects Islamic ideology to its own foreign policy gave priority to several parameters. The first one of these parameters is establishing a global Islamic management and export of revolution.¹²⁰ The opinion of the radicals became determinative in foreign policy and therefore, the attitude against the West became harsh even though Iran aimed to have closer relations with western nations because of the economic crisis in 1990. Decision-making authorities on its foreign policy could be underlined as below; National Security Council which is ruled by state president that determines the foreign policy. Supreme leader who tells about his observations and gives advices about the ministry of foreign affairs and foreign policy.

90% of the population in Iran is Shia. The Shiah has a role to play in determining foreign policy. These policies are approved by aforesaid Supreme leader. As known, Iran is the only representative of Shia in world wide. Iran has intended to become confederate

¹¹⁹Pollack, Kenneth M. "The Persian Puzzle: The Conflict between Iran and America." New York: Random House Trade Paperback Edition, 2005, p.366-369.

¹²⁰ Firoozabadi, Seyed Jalal Dehghani and Assadi, Ali Akbar. " Revolution and Foreign Policy of Iran: The First Decade Revised" **Iranian Review of Foreign Affairs, Vol. 4, No. 1, Spring 2013, pp. 157-184. &** <http://www.nytimes.com/1981/10/15/world/around-the-world-khomeini-urges-export-of-iranian-revolution.html>

with the Shia groups in the region. Furthermore, Iran seems the country as a vital player in the Middle East because of oil and gas reserves and its geopolitical importance. In the light of the above mentioned patterns, the government attempt to keep western system away from the region and strengthen the country's military services.

Another parameter of foreign policy is the conversation of territorial integrity. In terms of balancing the regional relations, ethnicity and sectarianism are distressing points for seeking hegemony of Iran in the region. For example, the case of Baluchistan is accepted as a threat.

The nuclear energy generation issue should be the most important parameter which has impact on Iranian foreign policy as well as international policy. The generation of nuclear energy is extremely significant international policy argument in terms of the economical and strategically aspects. Iran has been subjected to embargo and sanctions by Western countries and the USA for years due to producing nuclear weapons. The country has distressed by economical and political sanctions. Iran could not make international community believe that the researches on nuclear energy resources are peaceful; such as electricity generation. The possibility of using various ballistic rockets by producing mass destruction weapons has extremely scared international community. However, Iran has kept claiming that researches on nuclear weapons and nuclear energy are not harmful and a threat for the others.

Nowadays this hot topic is still concerning point for the USA and Western Countries. The diplomatic relations seems to make Iranian foreign policy acceptable for foreign community. Iran, which is straight on nuclear energy issues, agreed with six world

powers, P5+1- the UK, China, France, Russia, the US and Germany- on 14th July 2015. The agreement was declared as historic deal with Iran by current president of the United States, Barack Obama. As a result of this commitment, every pathway to a nuclear weapon was shut down for Iran.¹²¹ This commitment as known the Joint Comprehensive Plan of Action (JCPOA) is the most restrictive agreement for Iran in history.¹²² Iran will not enrich uranium for at least ten years. As a consequence of this progress, Iran has become reliable and trusted player in international area. Additionally, economic and political relations may develop due to lifting of international sanctions on Iran.

THE ROLE OF THE UNITED STATES IN THE IPI PIPELINE PROJECT

The United States of America has looked after its own interests since the Second World War, especially in various regions such as Central Asia and the Middle East. When the Soviet Union, which seemed as a threat in Middle East in the Cold War era, lost its efficacy, the American administration strengthened its policies in that region. One of the policies is over the oil industry because the U.S. is a dependent country in terms of energy. Many countries that are close to the Middle East are dependent on this region's oil. Japan, which has associated with the U.S. in trade, is one of the countries dependent on oil. In other words, some of the U.S. partners in the field of trade depend on the Middle East oil reserves. Thereby, the American administration sought to maximize its interests in the oil industry and in parallel with the Middle East region. At this point, the concept of hegemony has become meaningful since a powerful nation intervenes for its

¹²¹ <http://www.theguardian.com/us-news/2015/apr/04/obama-iran-deal-nuclear-weapon>

¹²² <http://apps.washingtonpost.com/g/documents/world/full-text-of-the-iran-nuclear-deal/1651/>

utility in another nation's resources using diplomatic relations, imposing sanctions economically and militarily with the help of other members of the dominant class.

In the time from the 1950s to the Islamic Revolution, the Republic of Iran tried to meet American interests within this context; in other words, policy on oil supply, diplomatic, military and economic relations between the two countries had been formed considering the U.S. interests. In return, the American administration helped Iran economically and militarily at that time; however, the order was pulled down with the Shah's fall in 1979. As a result, the U.S. lost its efficacy in every sense in Iran with the religious revolution. Because of this alteration in the order, the U.S. policy changed dramatically against Iran. Imposing sanctions by the U.S. and the West as well became a routine issue for the Islamic Republic of Iran. In general terms, the following sanctions on Iran can be mentioned: the Ban on Dual-use Exports, October 1987; Prohibition of Goods and Technology Relating to Advanced Conventional Weaponry, October 1992; Embargo on Exports of Nuclear Equipment and Materials, March 1993; Prohibited Transactions Related to Petroleum Resources, March 1995; Prohibition of Imports, Exports, Re-exports, New Investments, Prohibition of Transfers of Goods and Technology Related to Chemical, Biological, and Nuclear Weapons, February 1996.¹²³ The sanctions had broken Iran's balance in terms of economic advantages. For example, the Iranian rial devaluated against the U.S. dollar in August 2012 due to the economic embargo. There are many negative effects of imposing sanctions on Iran. One of them is related to oil and gas projects associated with Central Asia and Iran. On the one hand, Iran has been precluded with regard to oil and gas projects in foreign policy by the U.S.

¹²³Miglietta, John P. "From Ally to Adversary: American –Iranian Relations since the Revolution" Montreal, Canada:International Studies Association Meeting , March 18, 2004, pp.1-25.

and Western countries. American presence in Iran's domestic policy has, on the other hand, weakened. As a result, the engagement of Iran and the U.S. has seemed quite difficult.

As was mentioned above, with the overthrowing of Shah Reza's government in 1979, the U.S. began imposing sanctions in the oil industry on Iran's new government, which prioritized the Islamic law. In 2009, U.S. President Barack Obama talked about the U.S. relations as to the Middle East and Iran in Cairo in terms of setting up new, positive relations with the region. However, the United States continued to apply sanctions to Iran concerning the nuclear weapons program. In fact, the main purpose is to contravene Iran's oil industry. From the Reagan administration to Clinton's period, the U.S. sanctions were applied to Iran systematically.¹²⁴ When it came to 1996, the Iran-Libya Sanctions Act came into force. Clinton's policy on Iran's oil industry was maintained by the Bush administration. The U.S. administration still claimed that "terrorist organizations"¹²⁵ were supported by Iran. Due to this assertion, the U.S. administration has encouraged some groups, like the Baluchi, which take a stand against the regime in Iran. Iran has been presented to the world by the U.S. government with what they called "Iran's support of terrorism" concerning weapons of mass destruction, WMDs.¹²⁶ With the Comprehensive Iran Sanctions Act in 1995, Clinton declared that the U.S. government broke trade relations with Iran. When it came to the 2000s, on the other hand, Hadi Nejad Hossein told the world public that these claims are not realistic and in contrary to the claims, the U.S. administration should tag the

¹²⁴Robicheau, Daniel. "Sanctions on Iran: What's Missing from Obama's New Dialogue" Monthly Review, March 2010, p:31.

¹²⁵Ibid. p:34.

¹²⁶Mouzahem, Haytham. "The Future of US-Iran Relations."
http://www.oocities.org/hmzahem/Ir_US.PDFEriřimtarihi: 20.04.2013.

accusation to Israel due to the same concerning ideas as it was applied to Iran. The ties between the governments of the United States of America and Israel and the doubled standard applied to Israeli administration against Iran and Middle Eastern countries are also in sight. Moreover, in 2001, Iranian Foreign Ministry made a statement that stated that the U.S. displayed an antagonistic behaviour and the U.S. government should give up this position.¹²⁷

Iran's development has economically been based on the oil industry since Iran, like Iraq, exports gas and sells crude oil. For this reason, in 2009 the new government of Obama imposed a sanction on Iran, called the Iran Refined Petroleum Sanctions Act, with a readjustment to Clinton's sanction policy in 1996. "If we can impose the kinds of sanctions that, say, for example, Iran right now imports gasoline, even though it's an oil producer, because its oil infrastructure has broken down, if we can prevent them from importing the gasoline that they need and the refined petroleum products, that starts changing their cost-benefit analysis. That starts putting the squeeze on them."¹²⁸ Iran-Israel-U.S. relations are open to question. Yet, the regional power balance is hot and variable because of the Syrian war. Overtly and covertly, both the U.S. and EU have not been against production of nuclear weapons by Israel, stemming from their economic, political, strategic and military interests. In any case, Israel has refused to sign the Nuclear Nonproliferation Treaty and has bombed Lebanon and Gaza repeatedly. Seemingly, there is a double standard applied to Israel versus Iran. Consequently, Iran believes that it has to develop its nuclear capacity to ensure its security in the region.

¹²⁷Mouzahem, Haytham. "The Future of US-Iran Relations." http://www.oocities.org/hmzahem/Ir_US.PDFEriřimtarihi: 20.04.2013.

¹²⁸ Second Presidential Debate, Belmont University, Nashville, Tennessee, October 7, 2008, <http://cnn.com>.

India and Pakistan, on the other hand, not only have relations with Iran but both of them are also in cooperation with the USA. Therefore, both countries have been exposed to pressure by foreign policy of the U.S. on Iran. The U.S. sanctions would seemingly damage the trilateral deal. As stated in the National Security Strategy of the United States of America, September 2002, “U.S. interests require a strong relationship with India.”¹²⁹ Due to the fact that India was called as emerging markets which has grown unceasingly, the USA announced within its national security strategy report that India is an ally for the U.S. in terms of both economic and political cooperation. That is to say, the U.S. would like to strive against terrorism with India’s support.

Although the World Bank and other international institutions have financed the emerging advancements in developing countries, the institutions have not funded the IPI pipeline based on the U.S. sanctions on Iran.¹³⁰ The USA denounced Iran for seeking to develop nuclear weapons; therefore the USA has called for the world so as to increase the sanctions on Iran. Furthermore, Pakistan was warned sternly in 2005 and 2006 by the administration of the United States of America regarding its collaboration with Iran on the IPI pipeline. Following this call, in 2009, the Obama administration pushed forward the sanctions on Iran.¹³¹ At this stage, there are some intricacies in the context of agreement on the sanctions on Iran among the states; for instance, Europe did not agree with the U.S. since the sanctions are not adequate to prohibit terrorism activities in the field of international security. Because, the USA imposes sanctions on Iran and wants the other states to support the sanctions, it can properly succeed in that via U.S. companies—

¹²⁹ The National Security Strategy of the United States of America, The White House; September 17, 2002, p.27.

¹³⁰ Arslan, Ali. The Peace Pipeline Project: “Balancing the Geopolitical and Legal Seesaw” Law and Policy Review, December 2010, Volume:1, p.200.

¹³¹ Ibid. p.201.

in other words, multinational corporations (MNCs). Russia, China and India, on the other hand, have not acknowledged the U.S. sanctions and pursuant to the sanctions, these states have kept on economic collaboration with Iran.¹³² Russia and China abstained in the sanction decision on Iran in the United Nations Security Council, and the sanction decision that was taken against Iran's nuclear or chemical weapons program was approved. Although the sanction decisions were ultimately approved by China and Russia, both countries ensured to mitigate the sanctions on Iran. The United Nations in its report has charged Iran with production of nuclear or chemical weapons and furthermore, the report of an atomic energy commission in 2011 declared that Iran's aim is to develop a system to prompt a thermonuclear bomb. Conversely, Iran rejected the claims and Ahmadinejad repeated that Iran's nuclear programme was only a civil energy project.

China and Iran, on the other hand, signed a major treaty that was valued at \$4 billion in fields of energy, water, industry, weapon and environment in the same period. That is to say, China can be Iran's new economic partner in the region although the UN sanction decisions are applied to Iran. Moreover, China increased its efficacy in the oil and gas sector to benefit from these conditions as Western companies were backing away from Iran based upon the embargo on Iran.¹³³ In addition to this, China and Russia have strongly criticized the United Nations sanction decisions on Iran. The Chinese economy has grown expeditiously for 10 years and has embarked upon an enterprise in the region to strengthen the partnership and its image as well. Nonetheless, the USA has not welcomed the fact that China has considerably bought oil and natural gas from Iran. The relations between China and Iran rely on their mutual interests. These relations are

¹³²Arslan, Ali. The Peace Pipeline Project: "Balancing the Geopolitical and Legal Seesaw" Law and Policy Review, December 2010, Volume:1, p.201.

¹³³ <http://iranprimer.usip.org/resource/iran-and-china>

predominantly based on economic cooperation. Moreover, Iran has been taking part as an observer in the Shanghai Cooperation Organization since 2005¹³⁴ and as a consequence, Iran has gained the upper hand economically. Because China, which is a member of the United Nations Security Council, is a powerful country, it could provide a massive market to sell energy imported from Iran. Energy resources in Iran also have strategic importance, and China has thus sought to ensure the flow of energy through Central Asia and India. That is to say, for Iran and China, both bilateral trade volume and regional or international trade volume would extend through the IPI pipeline project.¹³⁵ Therefore, the relations of both countries cannot remain limited only to the field of economy but they might also be allies. Apparently, China has been an alternative power in the Middle East as opposed to the U.S. hegemony.

Moreover, China has conceded to this regional cooperation for two reasons: since economic cooperation, i.e. flow of energy, will extend from Iran to China thanks to the IPI pipeline project and secondly, the regional cooperation will preclude Islamic militancy with India's support. Although Pakistan has experienced a difficulty due to Islamic militancy, such as there is a line called Durand between Afghanistan and Pakistan and that is to say, Islamic militant movements are always available in these borders, the pipeline project will maintain peace and security. The regional integration inclusive of Central Asia and China in the long term has terrified the USA with regards to the collapse of its hegemonic power in the world, i.e. breakdown of the unipolar system. The USA, in order to escape the danger, would do absolutely anything; for instance, the gas pipeline project called TAPI was realized in cooperation with Turkmenistan, Afghanistan,

¹³⁴ <http://iranprimer.usip.org/resource/iran-and-china>

¹³⁵ Aneja, Atul. "Pipeline Should Extend to China," Chennai, The Hindu Internet Version, in English, FBIS SOV, May 7, 2007.

Pakistan and India, and the project at the same time was conceived by the USA against the IPI pipeline project. In addition, TAPI was delineated as the 21st century version of the Silk Road. Thereupon, the USA has kept on applying sanctions on Iran and nearby states to isolate Iran from the region as an economic, political and social rival.

Furthermore, the USA has targeted to stay permanently in Afghanistan so as to own and manage the energy resources that are in Central Asia. NATO and the U.S. have thus aimed for interdependence in the field of economics and politics. Regional competition is thus vital around Afghanistan. On the other hand, even though military power has been applied in Afghanistan since 2001 by the U.S., it is obvious that the U.S. has not yet accomplished their own targets. There are several opinions as to how to achieve success in Afghanistan. One of them is to keep on the military power; the other view is that, in addition to the military power, regions around Afghanistan have to be incorporated into the process. In short, unless the U.S and NATO share common interests and utility with Afghanistan and the countries in the region, they cannot convincingly solve Afghanistan's problem through only military power. Therefore, the powers in the region and their relations or competition with each other have to be carefully considered. Furthermore, the policy over Afghanistan and Central Asia of the U.S. is shaped by three cornerstones: to continue to take the lead with globalization of production and also technology, to prevent Eurasia from being controlled by just one power, and to pave the way for the developing of third world countries and further prohibit the use of nuclear or chemical weapons, which conduces mass devastation, by these countries.

Energy lay behind the target of economic and technological leadership of the U.S. It is thus clear why the U.S. has sought command over Central Asia and countries in the

region. Additionally, the price of energy and routes of energy are essential for the hegemony of the U.S. The U.S. has been compromised by three competitors: Russia, China and the EU.¹³⁶ Iran's policy and its effects on the periphery are the threat factors as well as. Iran has nuclear energy, and thus it is not wrong to say that the USA. has occupied Afghanistan as a convenient location using for that the excuse of the September 11, 2001 attacks. The visible and rightful reason for this occupation has seemed the Taliban and certainly terrorism. According to G. Friedman, the Taliban have led conventional guerrilla warfare.¹³⁷ America has raised the mailed fist naturally since it has not yet declared its sovereignty over the Taliban. Therefore, it has used its sources, almost all, in order to raise military supplies. The arms industry is essential, like the energy industry. However, it cannot be skipped that the morale of resistance in Afghanistan is perpetual. The situation demonstrates that the United States of America is notably stalemated.

In this chapter, the relations between Iran and the U.S. were examined within the context of hegemony. First, it is clear that Iran has a strategic importance in a few issues such as being an old civilization, having close ties with the Middle East, and especially possessing energy reserves. Iran has proposed a peaceful cooperation with the neighbors considering its energy reserves and hence, the IPI pipeline project has been followed tightly by Iran's administration. This is because Iran wanted to export its vast natural gas resources to overseas countries and territories such as China and Europe thanks to this project. The second major conclusion of the chapter is that Iran has seemed insecure with

¹³⁶Gökırmak, Mert. Afganistan: "Bölgesel Rekabet ve Yeni Açılımlar" Stratejik Araştırmalar Enstitüsü: Güvenlik Stratejileri Dergisi, Haziran, 2011, vol:13, p.11.

¹³⁷ Friedman, George. "Strategic Divergence: The War against the Taliban and the War against Al Qaeda". Stratford, January 26, 2009.

regards to using its energy sources. That is to say, Iran produced nuclear weapons and therefore, this country has been perceived as a threat for the U.S., EU and Israel as well, although Iran declared that the Iranian administration has produced its nuclear weapons for the purpose of ensuring security and peace. However, neither the U.S. nor Israel believed Iran. Due to this, several sanctions have been imposed on Iran economically and politically.

Finally, the main message of this chapter as a whole is that Iran has not dissented from the existing order, which was monopolized by hegemonic powers. Thereby, Iran has appeared as leading a counter-hegemonic movement and, furthermore, this country is one of the radical Islamic movements for the U.S. and West. American decision makers have attested to Iran's support of terrorism, especially since the September 11 attacks. The source of concern is based on supporting terrorism on a large scale. Normalization of relations between the hegemonic powers and the present Iranian regime might be difficult or will take time owing to them not having a common interest. The U.S. advocated for imposing sanctions on the Islamic Republic of Iran and the U.S. appealed to the world in order to oppose the policy of the present Iranian regime as well. The U.S. moves, which presume Iran to be problematic, have importance regarding the fate of America's leadership in this era.¹³⁸

¹³⁸ Pollack, Kenneth M. "The Persian Puzzle: The Conflict between Iran and America." New York: Random House Trade Paperback Edition, 2005, p.424.

CONCLUSION

Hegemony is an important concept in defining the new world order. There are numerous ways for a country to be hegemonic, in the view of philosophers, one being the expansion of financial capital and production capabilities, another being able to take under influence a piece of land. It has been underlined in this study in a reference to Gramsci by Robert Cox, that hegemony can be achieved with both will and pressure, although free will is generally sought after. Despite the face-off with the Soviet Union during the Cold War, it is safe to say that after the Soviet demise, the U.S. is the hegemonic power of this century. The basic paradigm of the US had been the construction and maintenance of its hegemony all along. In addition to the preponderance of material resources, it had supported ideologically its hegemony. The US integrates the ideological opinion with liberalism. Cox states the US hegemony based on consent seeks to spread and promote democratic values. This hegemonic structure is the shape of power based on consent.¹³⁹ That is the difference of hegemonic power from imperial power. Therefore, the interest of hegemon is perceived as public interest via consent.¹⁴⁰

In this century which is impressed by the struggle for being hegemonic power, the Middle East has lived the hottest period of regional disorder. The Syrian war since 2011, the ISIS crisis, the Saudi-led intervention in Yemen and crisis in Iraq and Libya are important lines of regional disorder. There is also the Iran factor in the region. Although the Shia factor in Iran's foreign policy is significant, to say "Iran, totally, has done

¹³⁹ Cox, Robert W. "Social Forces, States, and World Orders: Beyond International Relations Theory", in Robert O. Keohane (ed.), *Neorealism and Its Critics*. Cambridge: Columbia University Press, 1986, p.47.

¹⁴⁰ Cox, Robert W. "Gramsci, Hegemony and International Relations: An Essay in Method." Stephen Gill (ed.) *Gramsci, Historical Materialism and International Relations.* Cambridge: Cambridge University Press; 1993, pp.49-66.

politics on sectarianism and religion” is wrong. In other words, all these problems could not be explained on sectarianism. For example; in spite of Iran is supporting Shia Houthi fighters in Yemen, Iran desired to have a good relationship based on strategic alliances with Central Asia by 1990s in order to establish its hegemony. After the Soviet fall, Iran adopted a policy as common culture in Tajikistan while it was following a policy based on Shi’ism in Azerbaijan. Tajikistan is one of the Sunni countries in Central Asia. However, it awakened Iran’s interest because of the close Persian cultural connection between Tajiks and Iranians. In spite of Iran had both the same religion and also culture with Tajikistan, it did not support Islamic coalition in the Tajik Civil War in 1992-1997 on behalf of maintaining relationships with Russia.¹⁴¹ Moreover, Russia is neither Shia nor Muslim. It seems that Iran, exactly, did not adopt to export revolution in foreign policy. It aimed to be politically exposed state in the region by maximizing its interests. So, it could be stated that Iran has a geostrategic, geopolitical and pragmatist foreign policy.

The regional states or countries that want to share interests and geopolitical interests are of significance. The United States’ permanent occupation strategy in Afghanistan, aiming for the removal or decreased effectiveness of Russia, China and Iran, disturbs the recovering Russia (through uncovering energy resources of the Soviet Union) as well as growing competitor China and Iran. The latter is the owner of the world’s second largest natural gas reserves, despite lacking infrastructure and installations. The underlying rationale of this conflict is dominated by potential control rights to the rich energy resources of Central Asia, together with the influx of investments

¹⁴¹ Menashri, David. “Iran and Central Asia: Radical Regime and Pragmatic Politics”, David Menashri (ed.), *Central Asia Meets the Middle East*. London: Frank Cass, 1998, pp.73-97.

e.g. gas to international markets. This strategy resulted in resistance to the occupation of Afghanistan, as the most important gate opening to the south of Central Asia is Afghanistan.

Avoiding this threat lies within gaining control over Middle East and Central Asia's energy resources and routes. Therefore, co-operation with countries in the region is an important factor in ensuring the success of the new order. India is an important trade partner to both China and the U.S.; therefore, India's position and support regarding continuing the relationship with Iran will be decisive. On the other hand, Pakistan has an indisputable effect from a geo-strategic point of view. In this context, hegemonic powers carefully observe Iran, which wants to take advantage of its own resources, and engage in creating the necessary infrastructure. This is why the international political economy approach can provide the corresponding broader framework to understand and analyze interstate and regional relations.

The Iran-Pakistan-India pipeline project, led by Iran, basically intends to ensure regional co-operation. While Iran's gaining 'strategic value' from such a co-operation is anxiously watched by the United States and Western states, China and Russia are much more cooperative. The likelihood of these nations becoming allied in the name of regional interests, as mentioned throughout this study, drives the United States to emphasize the sanctions on Iran. For example, the American administration is working on pulling India away from the project, subject to Iran's development of nuclear weapons. China seized the opportunity and took over the management of Pakistan's Gwadar port in 2005. This rapprochement has disturbed India, due to the expansionist Chinese economic policies.

On the other hand, Iran and Pakistan, in spite of everything, underline their faith in the success and necessity of the project. India extends the flirting period, as they seem to not trust Iran. If this project is accepted by India, Iran will raise the bar in both economic and political sense. Attention must also be paid to the establishment of certain institutions. Development of supportive institutions such as Tadbir Energy Company will improve the potential of success for Iran, which represents a counter-hegemonic movement, since we know that international organizations are the most important mechanisms of hegemonic power. For example, the financial institutions of the international hegemony; such as IMF and WB have not given support to Iran for the project, as these organizations are against counter-hegemonic purposes. This lack of financial support for the IPI is an indication thereof. Counter-hegemonic movements are to create their own institutions to support their own ideas and take the necessary steps. Policies, such as sanctions against Iran likely to be prevented in this way, and the U.S. hegemony in the region can be curbed.

Iran has a hegemonic struggle for power between radicals and reformists in itself. During the period of the sixth president Mahmoud Ahmadinejad, the state made no concessions on the purpose of refining uranium and radical policies. The harsh statements against Israel of Ahmadinejad's government increased the tension with international community. After Iran's 11th presidential election, the election winner was Hassan Rouhani known as 'diplomat sheikh'. The most important issue was foreign policy for his presidency after the election. Rouhani's strategy about conciliation abroad showed itself in foreign policy. The historic consequence of this is the Iran nuclear deal with the P5+1. With the latest commitment, a new process is to begin in Iran for both the region and the

US policies as well as. Even though the results of nuclear deal is unknown as yet, the obstacles on IPI pipeline project could be removed and finish. Iran states insistently that association on the project is related to economic, politic and historic issue. The project has not intended a counter-hegemonic movement according to Iranian statements. It may be stated that Iran, apparently, took a concrete step with the latest commitment on behalf of current hegemonic power's stability. However, this does not mean that the US will break the sanctions on Iran's project. Because, the US seems the energy corridor called IPI pipeline in association with China as a geostrategic ally even if India does not take place. Therefore, to control both Iran and also China is to get hard for the US. On the other hand, India which prefers the balance policy with the US in foreign policy, may come to table for signing the project. Iran may sustain cooperation and influence in the region. Consequently, the probability of association with China and Russia base on the project is enough for the US even if the IPI pipeline project is not called a counter-hegemonic movement for now. Iran's intents are not important for the US, it is important that how is perceived by the hegemon.

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April 1, 1979

The First Day of God's Government

This declaration was issued in Qum on the occasion of the formal proclamation of the Islamic Republic of Iran. Source: Majmu' a-yi Kamil, pp. 135-136.

“We desired to grant Our favor to those that were oppressed in the land, and to make of them leaders and the inheritors” (Qur' an, 28:4).

I OFFER MY SINCERE CONGRATULATIONS to the great people of Iran, who were despised and oppressed by arrogant kings throughout the history of the monarchy. God Almighty has granted us His favor and destroyed the regime of arrogance by His powerful hand, which has shown itself as the power of the oppressed. He has made our great people into leaders and exemplars for all the world's oppressed, and He has granted them their just heritage by the establishment of this Islamic Republic.

On this blessed day, the day the Islamic community assumes leadership, the day of the victory and triumph of our people, I declare the Islamic Republic of Iran.

I declare to the whole world that never has the history of Iran witnessed such a referendum, where the whole country rushed to the polls with ardor, enthusiasm, and love in order to cast their affirmative votes and bury the tyrannical regime forever in the garbage heap of history. I value highly this unparalleled solidarity by virtue of which the entire population—with the exception of a handful of adventurers and godless individuals—responded to the heavenly call of “Hold firm to the rope of God, all together” (Qur' an, 3:103) and cast a virtually unanimous vote in favor of the Islamic Republic, thus demonstrating its political and social maturity to both the East and the West.

Blessed for you be the day on which, after the martyrdom of your upright young people, the sorrow of their grieving mothers and fathers, and the suffering of the whole nation, you have overthrown your ghoulish enemy, the pharaoh of the age. By casting a decisive vote in favor of the Islamic Republic, you have established

a government of divine justice, a government in which all segments of the population shall enjoy equal consideration, the light of divine justice shall shine uniformly on all, and the divine mercy of the Qur'an and the Sunna shall embrace all, like life-giving rain. Blessed for you be this government that knows no difference of race, whether between black and white, or between Turk, Persian, Kurd, and Bahch. All are brothers and equal; nobility lies only in the fear of God, and superiority may be attained only by acquiring virtues and performing good deeds. Blessed for you be the day on which all segments of the population have attained their legitimate rights; in the implementation of justice, there will be no difference between women and men, or between the religious minorities and the Muslims. Tyranny has been buried, and all forms of transgression will be buried along with it.

The country has been delivered from the clutches of domestic and foreign enemies, from the thieves and plunderers, and you, courageous people, are now the guardians of the Islamic Republic. It is you who must preserve this divine legacy with strength and determination and must not permit the remnants of the putrid regime of the Shah who now lie in wait, or the supporters of the international thieves and oil-bandits, to penetrate your serried ranks. You must now assume control of your own destiny and not give the opportunists any occasion to assert themselves. Relying on the divine power that is manifested in communal solidarity, take the next steps by sending virtuous, trustworthy representatives to the Constituent Assembly, so that they may revise the Constitution of the Islamic Republic.⁸⁹ Just as you voted with ardor and enthusiasm for the Islamic Republic, vote, too, for your representatives, so that the malevolent will have no excuse to object.

This day of Farvardin 12, the first day of God's government, is to be one of our foremost religious and national festivals; the people must celebrate this day and keep its remembrance alive, for it is the day on which the battlements of the twenty-five hundred-year-old fortress of tyrannical government crumbled, a satanic power departed forever, and the government of the oppressed—which is the government of God—was established in its place.

Beloved people! Cherish and protect the rights you have attained through the blood of your young people and help to enact Islamic justice under the banner of Islam and the flag of the Quran. I stand ready to serve you and Islam with all the strength at my disposal during these last days of my life, and I expect the nation to devote itself similarly to guarding Islam and the Islamic Republic.

I ask the government that, fearing neither East nor West and cultivating an independent outlook and will, it purge all remnants of the tyrannical regime, which left deep traces upon all the affairs of our country. It should transform our educational and judicial systems, as well as all the ministries and government offices that are now run on Western lines or in slavish imitation of Western models, and make them compatible to Islam, thus demonstrating to the world true social justice and true cultural, economic, and political independence.

I ask God Almighty that He grant dignity and independence to our country and the nation of Islam.

Peace be upon you, and also the blessings and mercy of God.

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