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What will Iran bring to the SCO Table?

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Amidst the growing concerns of the regional repercussions of Taliban's takeover of Afghanistan, the 21st meeting of Shanghai Cooperation Organisation (SCO) took place in Dushanbe, Tajikistan on 16-17 September, 2021. Inclusion of Iran as a 'full member' was one of the major agendas of this meeting and during the proceedings all the eight permanent members gave their consent to officially initiate the process of admitting Iran as a permanent member of the organisation. However, Iran will become a permanent member once the legal/technical procedure for the same is complete, and that may take some time. It needs to be noted, here, that Iran has been an Observer State of the SCO since 2005 and was seeking its permanent membership since 2008. Nonetheless, as per SCO regulations, countries facing United Nations' sanctions cannot join the organisation¹, therefore, Iran's application was not considered for the permanent membership till 2015. After 2015, delay persisted even when the sanctions were removed following the signing of Joint Comprehensive Plan of Action (JCPOA). Reportedly, the relations between Tehran and Tajikistan took a downturn over Iran's outreach to the leader of the Islamic Renaissance Party of Tajikistan (IRPT), to attend the "International Islamic Unity Conference" in December, 2015. IRPT was banned in Tajikistan as its leader Muhiddin Kabiri was accused of masterminding a failed coup in the country². Consequently, strained relations between the two countries became an impediment to Tehran's full membership of SCO. Furthermore, the resumption of US-Iran tensions during President Donald Trump's leadership and re-imposition of US sanctions, also stalled the momentum of Iran being accepted as a full member of SCO.

In the light of recent global developments, this seems to be changing. Relations between Iran and Tajikistan have improved over the past two years. Due to the leadership change in the United States and President Biden's consideration of lifting the sanctions and reopening the negotiation on the Iranian nuclear programme³, two of the powerful stakeholders in the SCO- Russia and China started regenerating their economic cooperation with Iran⁴. Hence, with past objections ceasing to exist, the decision was taken by the SCO member countries to grant Iran full membership of the SCO during the Dushanbe summit, 2021. Iranian President Ebrahim Raeisi termed it as a 'Diplomatic Success' and considered it in line with Iran's shifting foreign policy orientation towards the East, thus, focussing on economic-multilateralism and strengthening its economic connection with the countries of Central and South Asia⁵.

Significance of Iran's full membership

Iran's permanent membership has come at a time when the region is caught in a geo-political churn. The withdrawal of US forces and the formation of an 'interim government' in Afghanistan by the Taliban and the resultant politico-security situation in the country is a matter of concern for the all SCO members. Therefore, stabilizing Afghanistan and minimizing the spill over effects of the conflict in the region is SCO's topmost priority. Against this background, Iran's full membership seems to be significant, as it conjoins all the regions i.e. Central Asia, West Asia, South Asia, Russia and China linking them together. In all of this, Iran becomes the puzzle piece to complete this picture of SCO forum. Iran has a long history of

strong religious, cultural and political relations and a shared border with Afghanistan. According to the UN estimates, there are 780,000 registered and 2,250,000 undocumented Afghan refugees present in Iran⁶. Therefore, instability and security threats emanating from Afghanistan is one of the key concern for Tehran, thus, its inclusion in SCO could provide a holistic approach to deal with the emerging challenges in the region.

Besides, Iran's membership brings to the region its own advantageous geographic location and its role as a major partner in energy security and trade and transport connectivity. Iran could become an important trading partner with the member countries because of its abundant hydrocarbon resources. SCO platform provides an opportunity for Iran to work closely with other member states for promoting cooperation in the energy sector. Integration with big energy consumers and markets could bring economic benefits to Iran and help in its economic growth and stability. Nonetheless, SCO is considered as world's largest regional organisation in terms of its geography and population, covering 60 percent of Eurasian landmass, almost half of the world's population and more than 20 percent of world's GDP. This, combined with energy capacity and reserves of hydrocarbon resources provides an ideal opportunity for all the SCO members to strengthen their economic convergences and mutual development⁷.

Geographically, it is the only nation that abuts both the Persian Gulf and the Caspian Sea and further connects with the countries of Central Asia and the Caucasus. Moreover, Iran also sees itself as a bridge between Europe and Asia. For instance, Iran is an important component of some of the key connectivity projects like International North-South Transport Corridor (INSTC) project. With the completion of this project, Tehran will become a connecting link between North and South Eurasia and will connect India to Central Asia, Russia and Europe. Nonetheless, INSTC also connects Iran's Chabahar Port to the Caspian Sea and Turkmenistan's Ports, which could be further connected to Uzbekistan and Tajikistan.

India has invested in the development of Chabahar port that has become an important gateway for India to reach out to Afghanistan and Central Asia. Now with the Taliban takeover, the port could face a more difficult operating environment as trade with Afghanistan may not be a viable preposition in the near future. The Taliban government has yet to get financial and political acceptance from the world community to enable any trade to transpire. Consequently, it will enhance Iran's collaborative relationship with other SCO members regionally as well as bilaterally.

Despite all these considerable advantages, the continued US sanctions still pose a challenge for Iran. These sanctions still form a significant barrier that prevents Iran from expanding its trade relations even with its eastern neighbours. Although Iran's strategic partnership with China and Russia- the two major players in the SCO is noteworthy, however, the extent of these partnerships will be defined by their own interests in the West Asian region. Russia and China have tried to balance Iranian full membership of SCO by making

Saudi Arabia, UAE and Egypt as Observer States of the organisation. While Iran's full membership in SCO is a step forward, one will have to wait and watch whether Iran's obvious advantages could truly add value to the forum.

Implications for India

Close engagement with Central Asian republics was one of the key objectives of India to join SCO. India, to a large extent, has relied on its relations with Iran to reach out to Central Asian countries and Afghanistan, since India does not share its borders with these countries. Therefore, Iranian full membership in the SCO, coupled with good relations with Tehran, is a logical way to boost India's presence in the region. Connectivity through INSTC and Chabahar Port is a lynchpin for India's trans-regional trade and transit strategy. Although, in the context of Chabahar Port, the Indo-Iranian relationship can be likened to a rollercoaster ride due to its many upheavals and downfalls. The United States (US)- Iran confrontation under Trump administration and imposition of economic sanctions by the US on Iran has slowed down the port's development and India has struggled to safeguard its long-standing and generally positive relationship with Iran. Therefore, in the current geo-political environment after Taliban's swift takeover of Afghanistan, SCO provides an important platform to both the countries to reinvigorate their relations.

Notes

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⁴ For details see, "Trade turnover between Iran and Russia up by 15% yoy in 1H 2021- trade representative", 27 July, 2021, <http://www.tass.com/economy/1318349>, accessed on 30 September, 2021, Paul Goble, "Moscow and Tehran Dramatically Expanding Economic and Security Cooperation", *Eurasia Daily Monitor*, vol. 18, issue 88, 03 June, 2021, <http://www.jamestown.org/program/moscow-and-tehran-dramatically-expanding-economic-and-security-cooperation/>, accessed on 23 September, 2021, "China and Iran: Bilateral Trade Relationship and Future Outlook", *China Briefing*, 20 August, 2021, <http://www.china-briefing.com/news/china-and-iran-bilateral-trade-relationship-and-future-outlook/>, accessed on 23 September, 2021, also see, Farnaaz Fassihi and Steven Lee Myers, "Defying U.S., China and Iran Near Trade and Military Partnership", *The New York Times*, updated 24 September, 2021, <http://www.nytimes.com/2020/07/11/world/asia/china-iran-trade-military-deal.html>, accessed on 27 September, 2021

⁵ "Permanent membership in SCO will break economic bans on Iran: MP", *Tehran Times*, 18 September, 2021, <http://www.tehrantimes.com/news/465207/Permanent-membership-in-SCO-will-break-economic-bans-on-Iran>, accessed on 24 September, 2021

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⁷ "Iran's membership in SCO promises close political and economic cooperation in a wide geography", *Tehran Times*, 19 September, 2021, <https://www.tehrantimes.com/news/465250/iran-s-membership-in-sco-promises-close-political-and-economic>, accessed on 30 September, 2021