

INDIA'S MEMBERSHIP IN THE SHANGHAI COOPERATION ORGANISATION: OPPORTUNITIES AND CHALLENGES

POONAM MANN

Our summit today has opened a new page in the history of SCO development. For the first time since its establishment, we have launched a procedure for admitting new members – India and Pakistan...

— Vladimir Putin¹

Over the past decade, India has been articulating its desire consistently to get full membership in the Shanghai Cooperation Organisation (SCO). This aspiration is largely based on India's quest for playing an active role in its extended neighbourhood, on the one hand, and a pivotal role in

Dr. **Poonam Mann** is a Research Intern at the Centre for Air Power Studies, New Delhi.

1. "SCO Heads of State Council Meeting", July 10, 2015 at <http://en.sco-russia.ru/transcripts/20150710/1013634475.html>. Accessed on April 13, 2016.

“If India was offered full membership, it would bring its rich experience of multilateral diplomacy into the SCO”. India has played a very productive role in organisations like the Non-Aligned Movement (NAM) of which it was a founder member. Similarly, the Indian experience in combating religious extremism and terrorism can be a valuable input for the SCO.

maintaining the Asian balance of power, on the other.² Finally, the Ufa Summit of the SCO, in Russia, on July 10, 2015, approved India's candidature as a full member. On completion of certain procedural formalities, its membership would come into effect from June 2016.³ It has taken a long ten years for India to traverse the path from observer status to full membership. In the present study, an attempt has been made to critically evaluate the space that India may get in both manoeuvring and easing the possible obstacles.

BACKGROUND

The Shanghai Cooperation Organisation (SCO), grew out of the “Shanghai Five” mechanism, following the admission of Uzbekistan in 2001. The Shanghai Five was founded in 1996 by China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan to demarcate and demilitarise the borders between China and the new post-Soviet republics, as well as to introduce confidence-building measures. The first summit of heads of states in 1996 initiated the talks about the peaceful resolution of border disputes that culminated in an

2. “In the period since the collapse of the cold war bipolar world, there has been a trend towards consolidation and expansion of the existing regional groupings and the formation of several new ones. Examples include the emergence of the European Union (EU) from the former European Communities, the creation of the North American Free Trade Area (NAFTA), the activation and expansion of the Asia-Pacific Economic Cooperation (APEC) Group, the expansion of the Association of Southeast Asian Nations (ASEAN) and moves to further develop the ASEAN Regional Forum (ARF) and the ASEAN Free Trade Area (AFTA), the Shanghai Cooperation Organization (SCO), the Conference on Interaction and Confidence building in Asia (CICA), etc. India is seeking new partnerships with these regional organizations in its extended neighborhood as a part of its vision of a larger role in Asia.” See Swaran Singh, “India and Regionalism,” in Alyson J.K.Bailes, et.al., *Regionalism in South Asian Diplomacy*, SIPRI Policy Paper No. 15, February 2007, pp. 33-34..
3. “India, Pakistan Membership in SCO to be Finalised in 2016: Russia,” www.dnaindia.com/world/report-India-Pakistan-membership-in-sco-to-be-finalised-in-2016-russia-2102491. Accessed on April 13, 2016.

agreement that helped prevent potential conflicts along the borders among the five countries and introduced security and stability in the relationship between China and other member countries. This, in 1997, was followed by the Agreement on Mutual Reduction of Military Forces in the border areas. These documents laid out a comprehensive and meaningful initiative concerning military restraint and transparency along the shared borders of the five states.⁴

Economic cooperation has been an integral component of the SCO's agenda. The 2003 Multilateral Trade and Economic Cooperation Programme defined the basic goals and objectives for economic cooperation within the SCO framework.

It was not until 2001, however, with the formation of the SCO, that this initiative was transformed into something more substantial. Uzbekistan became a full member,⁵ and the organisation assumed broader and more extensive functions. The signing of the Founding Declaration of the SCO on June 15, 2001, provided the first formal institutionalisation of the organisation,⁶ as the declaration stated,

...the goals of the Shanghai Cooperation Organisation are: to strengthen mutual trust, friendship and good neighbourliness between the member-states; to encourage effective cooperation between them in the political, trade and economic, scientific and technical, cultural and educational, energy transport, environmental and other spheres; and to undertake joint efforts for the maintenance of peace, security and stability in the region, and

4. Qinggo Jia, "The Success of the Shanghai Five: Interests, Norms and Pragmatism," <http://www.comw.org/cmp/fulltext/0110jia.htm>. Accessed on April 18, 2016.

5. It is believed that the Tashkent bombings in 1999 and other attacks by the Islamic Movement of Uzbekistan (IMU), in Uzbekistan, and increased activities of the Taliban in neighbouring Afghanistan, gave an impetus to Uzbekistan to secure its position by joining the five and, thus, establishing the Shanghai Cooperation Organisation in June 2001. See, Marina Sorkina, "Shanghai Cooperation Organisation – Geopolitics at the Crossroads of Eurasia," lib.ugent.be/fulltext/RUGOI/001/458/358/RUGOI-001458-385-2011-001-AC.pdf. Accessed on April 18, 2016.

6. For details, see Stephen Aris, *Eurasian Regionalism: The Shanghai Cooperation Organisation*, (Palgrave, MacMillan, 2011).

the building of a new, democratic, just and rational international political and economic order.⁷

Besides, a formal charter was signed in 2002, which set out the organisation's purpose, ethos and formal structure. It spelt out that the SCO forum would adhere to mutual respect for independence, sovereignty and territorial integrity; non-interference in each other's domestic affairs, not to use any force against each other; and, equality and consensus among members.⁸

The SCO does not seek sovereign control over its member states nor intends to impose its authority to enforce its decisions and recommendations. There is no formal codified procedure of decision-making. It works on the basis of informal discussion, and relies mainly on consensus as a decision-making mechanism.⁹ Its membership is open only to regional states, though the charter provides for cooperation with other states and international bodies too. The SCO was given observer status at the UN General Assembly and got engaged actively with other UN-related agencies. It has signed Memorandas of Understanding (MoUs) with the Secretariats of the Association of Southeast Asian Nations (ASEAN) and Eurasian Economic Community (EURASEC), and established contacts with the European Union (EU), Organisation of the Islamic Conference (OIC), and Commonwealth of Independent States (CIS).¹⁰ Further, to broaden cooperation on issues of security, crime and drug-trafficking, it has also signed an agreement with the Collective Security Treaty Organisation (CSTO).¹¹

7. "Declaration on the Establishment of the Shanghai Cooperation Organisation," at www.ehu.eu/ceinik/tratados/5C14TRATADOSDEALIANZASPOLITICOMILITARES%5CTAPM14101NG.pdf. Accessed on April 19, 2016.

8. For details, see "Charter of the Shanghai Cooperation Organisation," at <http://en.sco-russia.ru/load/1013181846>. Accessed on April 19, 2016

9. Stephen Aris, "Shanghai Cooperation Organisation: Mapping-Multilateralism in Transition No.2," at http://www.ipinst.org/wp-content/uploads/publications/ipi_e_pub_shanghai_cooperation.pdf. Accessed on April 30, 2016.

10. Jianwei Wang, "China and SCO-Towards a New Type of Interstate Relations," in Guoguang Wu and Helen Landsdowne, eds., *China Turns to Multilateralism: Foreign Policy and Regional Security* (London: Routledge, 2008), p.113.

11. P.Krishna Mohan Reddy, "Afghanistan's Political Future and the Shanghai Cooperation Organisation", in Arpita Basu and Srimanti Sarkar, eds., *The Political Future of Afghanistan: Issues and Perspectives* (New Delhi: KW Publishers Pvt. Ltd. 2016), pp. 133-134.

The Secretariat, with its headquarters in Beijing, and the Regional Anti-Terrorist Structure (RATS), headquartered in Tashkent, are the most important permanent bodies of the SCO. The Secretariat is the standing SCO administrative body that provides organisational and technical support to the activities carried out in the framework of the SCO. It provides the bureaucratic backbone to the organisation.¹² On the other hand, the primary function of RATS is to coordinate the fight against the three evils (terrorism, separatism and extremism) in a more effective way. The main functions of RATS include maintaining working contacts with the main administrative bodies of the member states, to strengthen coordination with the international organisations on matters of combating the three evil forces, draft international legal documents, gather and analyse information provided by the member-states, to create a data bank for the anti-terrorist structure and hold research conferences to exchange experiences on combating the three evil forces.¹³

To impart more substance to the SCO anti-terrorism cooperation, the member states have been engaged in military cooperation, exchange, training and joint operations since 2003.¹⁴ Since then, this has become a regular feature. Initially, these were termed as “anti-terror” exercises, but lately, military-to-military activities involving large scale war games were termed as peace missions. These exercises depict joint efforts at disrupting and defeating simulated “three evils” behaviour, such as killing or capturing hostage takers and rescuing hostages, storming buildings and surrounding places or forcing down hijacked airlines.¹⁵

These activities have helped as the military and security services of the member countries practise tactics and weapon handling, and also gain useful experience after working with other countries on planning, command and control, logistics and manoeuvres.¹⁶ However, the level of the participation of the members has been varied. Mostly, these are dominated by Russian and

12. Aris, n.6, p.24.

13. Wang, n.10, p.112

14. At the Moscow Summit in May 2003, the SCO defence ministers signed a memorandum on joint military exercises to be carried out in autumn 2003. Ibid

15. Julie Boland, *Ten Years of the Shanghai Cooperation Organisation: A Lost Decade? A Partner for the U.S?*, 21st Century Defence Initiative Policy Paper, Brookings, June 2011, p.11

16. Ibid.

Chinese troops, with Kazakhstan playing a notable role, while Kyrgyzstan and Tajikistan have minor roles. Uzbekistan—traditionally against any involvement in multilateral military formats—usually declines to take part.¹⁷

Economic cooperation has been an integral component of the SCO's agenda. The 2003 Multilateral Trade and Economic Cooperation Programme defined the basic goals and objectives for economic cooperation within the SCO framework. This included working toward the free movement of goods, services, capital and technology by 2020.¹⁸ A follow-up plan with 100 specific actions was signed in 2004 and the evolution from security to trade was further enhanced in 2005, when the SCO agreed to prioritise joint energy projects, including in the oil and gas sectors, the exploration of new hydrocarbon reserves and joint use of water resources.¹⁹ With an aim to foster direct contact between the institutions and businessmen of its member states, and contribute to the implementation of the SCO projects, the SCO Business Council was created in 2006.²⁰ Also, the SCO-Interbank Association was established, which is a banking institution of six countries that, at its own discretion, determines the feasibility of projects based on the generally accepted banking standards.²¹

Further, transport is a crucial factor for the development of regional economic cooperation. Therefore, transport corridors – air, rail and road—are being developed. Projected routes (some already under construction) include motorways from China to the Persian Gulf and from Russia to India. The most ambitious project is the E-40 highway, connecting Western Europe through Russia and Central Asia to China. Trans-continental high speed rail links are also planned. The financing for these enterprises is being provided by China, the SCO Inter-Bank Consortium and international financial institutions like the Asian Development Bank (ADB), European Bank for Reconstruction and

17. Aris, n.6.

18. "Shanghai Cooperation Organisation," <https://aric.adb.org/initiative/shanghai-cooperation-organisation>. Accessed on May 5, 2016.

19. Chris Devonshire-Ellis, "The Shanghai Cooperation Organisation's Growing Trade Influence," <http://www.2point6billion.com/news/2010/11/10/the-shanghai-cooperation-organisations-growing-trade-influence-7957.html>. Accessed on May 3, 2016.

20. Aris, n.6, p.30.

21. *Ibid.*

Development (EBRD) and Russo-Kazakh Eurasian Development Bank.²²

Cooperation in the energy sector is another important area for the SCO countries. The SCO comprises both countries that are big energy producers and importers. Therefore, it makes them internally dependent on each other, and also creates the basis for multilateral interaction. Thus, the idea of creating the SCO "Energy Club", was put forward by Russian President Vladimir Putin in 2006. The objective behind this proposal was to improve energy security, streamline energy strategies, coordinate efforts and comprehensive discussions on the prospects of cooperation in different sectors of the energy industry in the interests of the SCO member states.²³ After long deliberations over the years, it was on December 6, 2013, that the SCO members signed a memorandum on the creation of the SCO Energy Club in Moscow.²⁴

All these initiatives were seen as steps forward towards economic cooperation. These economic bodies served as organisational and coordinating hubs, working towards projects agreed upon by the member states through the main SCO framework. However, it is believed that the coordination and harmonisation of economic programmes and interests among the SCO members is not an easy task, because the domestic economic and political situations of the member countries are very different.²⁵ The framework of the SCO also encompasses social and cultural activities. In April 2002, the culture ministers of the six member states met for the first time and signed a joint statement to boost cultural exchanges and cooperation.²⁶ Besides, a number of initiatives and projects have been undertaken to encourage exchanges and people-to-people contacts. For example, the creation of the SCO University, scholarships for SCO member states' students to study in China, joint SCO exhibition at the World Expo, SCO-sponsored art exhibitions, etc. In doing

22. Shirin Akiner, "The Shanghai Cooperation Organisation: A Networking Organisation for a Networking World," www.globalstrategyforum.org/wp-content/uploads/The-Shanghai-cooperation-organisation.pdf. Accessed on May 6, 2016.

23. "SCO Energy Club: Structure Ready for International Interaction, not Shanghai Six's Elite Club," <http://infoshos.ru/en/?iden=13913>. Accessed on May 6, 2016.

24. "SCO Members Ink Memo on Creation of Energy Club," at <http://www.news.tj/en/news/sco-members-ink-memo-creation-energy-club>. Accessed on May 6, 2016.

25. Aris, n.6, pp.30-31.

26. "Culture Ministers of SCO Member States Meet in Beijing," at en.people.cn/200204/13/eng20020413_93954.shtml. Accessed on May 7, 2016.

The SCO membership shall be open for other states in the region that undertake to respect the objectives and principles of this charter and to comply with the provisions of other international treaties and instruments adopted in the framework of the SCO.

so, it is hoped that greater understanding, trust and common interest would emerge in the region.²⁷

On the issue of SCO membership, Article 13 of the SCO Charter declares that “the SCO membership shall be open for other states in the region that undertake to respect the objectives and principles of this charter and to comply with the provisions of other international treaties and instruments adopted in the framework of the SCO”.²⁸ However, the organisation did not show any enthusiasm for the addition of new members

for a long time. It was believed that the enlargement of the organisation would inevitably lead to complications of management and decision-making. However, during the Tashkent Summit in 2004, Mongolia was accepted as the first “observer,”²⁹ followed by India, Pakistan and Iran in 2005.

So far, a number of countries have been given “observer” as well as “dialogue partner” status. The list includes Afghanistan (observer, 2012), and Sri Lanka, Belarus and Turkey as dialogue partners in 2009, 2010 and 2013 respectively.³⁰ Belarus’ status was raised from a dialogue partner to an observer state in July 2015, while Azerbaijan, Armenia, Cambodia and Nepal became new dialogue partners at the same time.³¹ That observer status automatically would translate into full membership was not the case. The procedure for granting the status of an SCO member state was adopted by the SCO Heads of State Council in Tashkent in 2010. As per the statute, any state wanting to join the SCO must be located in the Eurasian region, have diplomatic relations with all the SCO member states, and have the status of an

27. Aris, n.6.

28. n.8.

29. Wang, n.10, pp.112-113.

30. Thomas Wallace, “China and the Regional Counter Terrorism Structure: An Organizational Analysis, *Asian Survey*, vol. 10, no.3, 2014, p.202.

31. Sergei Blagov, “Shanghai Cooperation Organisation turns Pan Asian,” at <http://atimes.com/2015/07/shanghai-cooperation-turns-pan-asian/>. Accessed on April 13, 2016.

observer state or a dialogue partner. It must also maintain active trade, economic and humanitarian ties with the SCO members, should not be involved in armed conflict with other states, and also should not be under the UN Security Council sanctions. An official application for SCO membership is to be submitted to the chairman of the SCO Heads of State Council by the head of state of the applying country through the chairman of the council of foreign ministers of the organisation.³²

Finally, the key documents that set out procedures for accepting new members, including the requirements that applicant states need to fulfil in order to achieve full SCO member status, were signed in the September 2014 SCO Summit in Dushanbe, Tajikistan. India, Pakistan and Iran were the probable entrants. However, Iran was under UN sanctions, hence, could not be considered for full membership. In fact, the discussions relating to SCO membership expansion and India's and Pakistan's potential entry, had been on the SCO leaders' table for a long time. They came closer to agreeing on the admission process for new members in the Dushanbe Summit in 2014. Russian President Vladimir Putin, in particular, supported the SCO expansion. He emphasised that concerted efforts would be made to ensure that the organisation maintains momentum behind SCO expansion, when Russia takes over chairmanship of the SCO in 2015.³³ The Ufa Summit in 2015, launched the procedure for admitting India and Pakistan as full members of the SCO.³⁴

India can be welcomed as the third pillar of the SCO. Basically, China and Russia jointly play a leading and active role in the organisation – both are leveraging the SCO as a tool to strengthen their position in Central Asia. Therefore, an element of competitiveness and cooperation is inherent in the relationship.

32. D. Litskay, "Shanghai Cooperation Organisation Looking Toward Enlargement," *International Affairs*, vol.61, no.3, 2015, pp.59-60.

33. Diana Gapak, "Motivations and Implications of SCO Expansion: A Look at India and Pakistan," <http://chinaincentralasia.com/2014/12/17/motivations-and-implications-of-sco-expansion-a-look-at-india-and-pakistan/>. Accessed on April 13, 2016.

34. "SCO Heads of State Council Meeting," at <http://en.sco-russia-ru/transcripts/20150710/1013634475.html>. Accessed on April 13, 2016.

INDIA AND SHANGHAI COOPERATION ORGANISATION

India was admitted to the Shanghai Cooperation Organisation as an observer at the 2005 Astana Summit. Since then, India has been regularly and enthusiastically participating in all SCO activities as an observer, often represented by its foreign minister. India seriously believes that there are many stakes, especially in the security and economic spheres of the Eurasian space, and the SCO serves as an appropriate platform to discuss its areas of concern in the region. Therefore, India had evinced keen interest in becoming a full member so as to contribute effectively, from the very beginning. India's Minister of State for External Affairs Natwar Singh had observed in 2005, that "If India was offered full membership, it would bring its rich experience of multilateral diplomacy into the SCO". India has played a very productive role in organisations like the Non-Aligned Movement (NAM) of which it was a founder member. Similarly, the Indian experience in combating religious extremism and terrorism can be a valuable input for the SCO.³⁵ India submitted its formal application for full membership of the SCO at the SCO Heads of State Summit in Dushanbe, Tajikistan, in September 2014.³⁶ Speaking on the occasion, India's External Affairs Minister Sushma Swaraj said, "We have today imparted a new energy and momentum to our ties with our immediate and extended neighbourhood. Our government is ready to step up its engagement with the SCO and contribute more meaningfully to its activities."³⁷ She further added, "In keeping with this objective, we have submitted our formal application for the full membership of the SCO to the current SCO chair. We hope to lay the foundation of a new relationship with the SCO region which will draw strength from our ancient links while preparing together to address the opportunities and challenges of the 21st century."³⁸ Since the procedure of India's inclusion as a full member of the SCO has been initiated, a number

35. Nirmala Joshi, "The Shanghai Cooperation Organisation: An Assessment," *Issue Brief*, Vivekananda International Foundation, New Delhi, pp. 18-19.

36. "Annual Report 2014-15, Ministry of External Affairs," at www.mea.gov.in/uploads/publicationsdocs/25009_External-Affairs_2014-2015_English_Pdf. Accessed on April 13, 2016.

37. "India's Membership in Shanghai Cooperation Organisation Initiated," at http://articles.economictimes.indiatimes.com/2014-09-12/news/53851166_1_sco_membership_the_SCO_shanghai_cooperation_organisation. Accessed on May 6, 2016.

38. *Ibid.*

of concerns have been raised, as Pakistan is another country which is getting a similar status along with India. Both are nuclear powers that are in rivalry with one another and have a set of territorial problems.³⁹

Nevertheless, Russia has been on the whole supportive of India's candidature, and its position stems from the Joint Russian-Indian Declaration on Deepening the Strategic Partnership, signed by the leaders of the two countries during an official visit to Russia by Indian Prime Minister Manmohan Singh in December 2009. It was stated that "admitting such a large and successfully developing country as India would make the SCO the second largest international organisation in the world after the United Nations in terms of the aggregate population of its members. India's admission would significantly increase the SCO's political weight and economic attractiveness among the developing countries."⁴⁰ The Central Asian Republics have also been supportive of India's inclusion into the SCO. They had viewed India as a soft balancer against the two leading powers (China and Russia), as it would strengthen their multi-vector foreign policies.⁴¹ The main reluctance for India's membership into the SCO was from China. Beijing argued that admission of such a large country would change the face of the relatively young organisation and that the already complicated decision-making process would become more difficult.⁴² Now, the entry of Pakistan to the SCO as a full member is seen as China's counter-balancing strategy.

INDIA'S INTERESTS IN THE SCO

First and foremost, India's interests are geo-political and geo-strategic. The SCO platform can help bring India closer to the Central Asian Republics

39. As quoted by "Russian Foreign Minister Sergey Lavrov in an interview to the Xinhua Chinese News Agency," see Joshi, n.35, p.19

40. Alexander Lukin, "Should the Shanghai Cooperation Organisation be Enlarged?," at eng.globalaffairs.ru/number/should-the-shanghai-cooperation-organisation-be-enlarged-15245. Accessed on May 9, 2016.

41. "India in SCO: India will be of Great Significance to the Regional Security," at <http://armediam.am/eng/news/30675/India-in-sco-india-will-be-of-great-significance-to-the-regional-security-exclusive.html>. Accessed on April 29, 2016.

42. Lukin, n.40.

(CARs),⁴³ which India considers as its extended neighbourhood. India lays great emphasis on the development of its relations with the CARs, with which it has age-old traditional linkages. However, despite close historical and cultural linkages, the relationship has not progressed to the desired extent. The major constraint has been lack of direct access to Central Asia. India's transit to the region lies through Pakistan and Afghanistan, thus, limiting India's reach in a pure physical sense.

The CARs possess vast natural resources. Its three states – Kazakhstan, Turkmenistan and Uzbekistan—hold some of world's largest oil and natural gas fields. Besides, Kazakhstan possesses a quarter of the world's known uranium reserves whereas Uzbekistan holds the largest gold mines on earth. It is also the fourth largest cotton producer country. Tajikistan, apart from holding the world's largest deposits of silver, possesses enormous gold and aluminium deposits. Turkmenistan is the world's fourth largest producer of natural gas.⁴⁴ Geographically, the strategic location of these countries makes them a bridge between regions of Asia and between Europe and Asia. Hence, the significance of the region in India's economic energy security scenario is quite apparent.

Indian Prime Minister Narendra Modi's visit to five the Central Asian Republics in July 2015 was aimed to give a fresh impetus to India's relations with each of these nations. The outcome of the visit was:

- A joint agreement with Kazakhstan for the supply of 5,000 tons of uranium to India in the next five years, starting from 2015. This was the second such agreement between the two countries since 2009.⁴⁵ The importance of this agreement lies in the fact that it is a critical input into India's energy requirements and energy security. Besides signing agreements on defence, railways, cultural exchanges, etc., the two countries agreed

43. Central Asian Republics include the republics of Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan. It is important to mention here that Turkmenistan is not a member of the SCO.

44. P. Stobdan, "Central Asia: India's Strategic Approach", *Strategic Analysis*, vol. XVIII, no.6, 1995, pp.750-751.

45. Dipanjan Roy Chaudhury, "PM Modi's Visit to Central Asia ; India and Kazakhstan Ink Deals on Uranium Supply, Defence "at <http://economictimes.indiatimes.com/news/defence/pm-modis-visit-to-Central-asia-India-and-Kazakhstan-ink-deals-on-uranium-supply-defence/articleshow/47996585.cms>. Accessed on May 12, 2016.

on increased collaboration in the framework of the International North South Transport Corridor (INSTC) and agreed that the Kazakhstan–Turkmenistan–Iran rail link, operationalised in December 2014, become a linked corridor of the INSTC. These initiatives will serve as the basis for enhanced economic and commercial interaction between the two countries in the future.⁴⁶ Another path breaking development was that India’s ONGC–Videsh Ltd. (OVL) finally made its first breakthrough with Prime Minister Modi launching the drilling operations for oil exploration in the Satpayev block on July 7, 2015.⁴⁷

- In Uzbekistan, the leaders of both countries discussed ways to enhance defence, economic and energy ties, and shared concerns over the growing influence of extremism and terrorism, including the situation in Afghanistan. Significantly, Prime Minister Modi sought Uzbekistan’s support for joining the Ashgabat Agreement – a transit pact established in 2011 by Iran, Oman, Uzbekistan and Turkmenistan.⁴⁸ Accession to the agreement would enable India to utilise this existing transport and transit corridor to facilitate trade and commercial interaction with the Eurasian region.⁴⁹
- Besides discussion on deepening cooperation on various issues, the leaders of India and Tajikistan also agreed on consultations over India’s inclusion in the existing Pakistan–Afghanistan–Tajikistan Trilateral Transit Trade Agreement (PATTTTA), an arrangement aimed at facilitating trade between Tajikistan and the countries of the South Asian region.⁵⁰

46. Tej Kadam, “India-Kazakhstan Joint Statement,” at mea.gov.in/outgoing-visit-detail.htm?25437/Tej+Kadam+india++Kazakhstan+Joint+Statement. Accessed on May 12, 2016

47. “PM Narendra Modi Launches OVL Oil Block Project in Kazakhstan,” *The Economic Times*, July 7, 2015, at <http://articles.economictimes.indiatimes.com/2015-07-07/news/64178283-1-satpayev-oil-block-ovl-satpayev-vostochn>. Accessed on May 12, 2016.

48. “India, Uzbekistan Ink Pacts to Boost Cooperation”, *The Hindu*, July 7, 2015, www.the.hindu.com/news/national/prime-minister-narendra-modi-visit-to-uzbekistan/article/7392482.ece. Accessed on May 12, 2016.

49. “India to Accede to the Ashgabat Agreement,” at <http://pib.nic.in/newsite/printrelease.aspx?rclid=138309>. Accessed on May 12, 2016.

50. “Joint Statement between the Republic of Tajikistan and the Republic of India,” at pmindia.gov.in/en/news-updates/joint-statement-between-the-republic-of-tajikistan-and-the-republic-of-india/. Accessed on May 12, 2016

- A peaceful and secure neighbourhood amidst the threat of terrorism and extremism was the common concern of discussions between India and Kyrgyzstan. Discussions on broadening the defence cooperation were held and the defence agreement signed between the two countries included security, military education and training, conduct of a joint military exercise or an annual basis, exchange of experience and information, and exchange on military observers and instructors, etc.⁵¹
- In Ashgabat (Turkmenistan), Prime Minister Modi displayed India's interest in long-term investment in the energy sector and vowed to jointly combat terrorism in the region. Seven agreements in the fields of counter-terrorism, defence, connectivity, energy, tourism and the fertiliser sector, were signed. The agreement on defence cooperation was the most significant as it would provide a framework for intensifying bilateral defence and security cooperation through exchange of high and mid-level visits, training and dialogue between the ministers of defence of the two countries and other relevant organisations.⁵² In addition, both leaders emphasised on the need for the speedy completion of the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, as the TAPI project forms a "key pillar" of economic engagement between India and Turkmenistan.⁵³ During the visit, Prime Minister Modi also hinted at the possibility of exploring the sub-sea route through Iran for the pipeline. Clubbing the two issues – lack of progress on the TAPI pipeline and lifting of sanctions on Iran—the above said option could be considered as more conceivable.⁵⁴

51. "PM Modi Signs Four Key Agreements with Kyrgyzstan", at www.dnaindia.com/india/report-pm-modi-signs-four-key-agreements-with-kyrgyzstan-2103867. Accessed on May 12, 2016.

52. "Joint Statement between Turkmenistan and India during the Prime Minister's Visit to Turkmenistan", at <http://www.mea.gov.in/bilateral-documents.htm?dtl/25456/joint-statement-between-turkmenistan-and-india-during-the-prime-ministers-visit-to-turkmenistan>. Accessed on May 10, 2016.

53. *Ibid.*

54. "With Iran Nuclear Deal, an Undersea Gas Pipeline to India Holds Promise", *The Economic Times*, July 20, 2015 at <http://economictimes.indiatimes.com/industry/energy/oil-gas/with-iran-nuclear-deal-an-undersea-gas-pipeline-to-india-holds-promise/articleshow/4814612>. Accessed on May 12, 2016.

Clearly, the prime minister's visit was focussed on security concerns, especially energy needs and connectivity requirements. Further, with the US drawdown from Afghanistan, the vulnerability to Islamic terrorism from the resurgent Taliban, and the emergence and spread of the Islamic State of Iraq and Syria (ISIS) is a common cause of concern for both India as well as the CARs.⁵⁵ Considering Central Asia's location next to the world's most unstable region—Af-Pak—the extremely porous borders provide easy access to militants as well as those engaged in drug-trafficking and weapons proliferation. Therefore, reaching an agreement on counter-terrorism operations was a priority during the prime minister's visit to the CARs.

This new beginning on a more secure footing with a clearer set of objectives would serve better if the existing projects could be brought to fruition. Therefore, an effective display of leadership on India's part in forging greater coordination and sustained diplomatic efforts are vital for the advancement of its interests.

This new beginning on a more secure footing with a clearer set of objectives would serve better if the existing projects could be brought to fruition. Therefore, an effective display of leadership on India's part in forging greater coordination and sustained diplomatic efforts are vital for the advancement of its interests. Here, the SCO would be an appropriate platform to engage the Central Asian Republics, regionally as well as bilaterally. This will provide an opportunity to Indian representatives to meet and interact with all their counterparts of Central Asia on a regular basis every year. One of the reasons for it not having been able to fully realise the potential of our relations with the CARs was that there have been few occasions for India to meet and interact with the leaders of these countries. Now, the annual SCO Summits will provide this opportunity to meet with the leaders of the CARs

55. India and the Central Asian Republics, both are victims of cross-border terrorism. See, Poonam Mann, "Fighting Terrorism: India and Central Asia", *Strategic Analysis*, vol.XXIV, no.11, pp.2035-2050.

The Central Asian Republics have raised concerns about two nuclear powers, which are in permanent conflict, joining the organisation. They fear that these nuclear powers may inject their bilateral issues and disputes into the organisation and divert the attention of the grouping from finding a solution to their issues.

on the side lines of the SCO meetings, and discuss issues of mutual interest in order to advance and promote bilateral relations.

Secondly, the SCO would be a useful platform for India to discuss challenges related to Afghanistan. Afghanistan lies in the heart of Asia and acts as a bridge, connecting not just Central and South Asia but also Eurasia and the Middle East. Most of the SCO members and observers are Afghanistan's neighbours. Hence, like India, SCO member states also have important stakes in peace and stability in Afghanistan.

The engagement between the SCO and Afghanistan started in 2005, when the SCO and the Afghanistan Contact Group protocol was signed. The main focus of this group was to enhance cooperation and to discuss peace related issues. In June 2012, Afghanistan was granted observer status in the organisation. However, the SCO has not made any substantial contribution to Afghanistan's security so far because of the divergent and contrasting geo-political interests of its member states.⁵⁶ But given the present turbulent regional security scenario, i.e. the resurgence of the Taliban and their increasing activities, and the rise and spread of the ISIS, the solution lies in regional cooperation. Therefore, the best option for the SCO is to energise its regional cooperation activities and work towards common projects and financial commitments. In this endeavour, India cannot be a mute spectator, watching from the sidelines—it has to be an active partner. Besides, India could gain from engagement with the SCO's Regional Anti-Terrorist Structure (RATS). On the issues of the fight against the three evils (terrorism, separatism, extremism), RATS assists its members in

56. Dr. Bawa Singh, "Geopolitics of Counter-Terrorism in Afghanistan: SCO's Strategy is in Question", *World Focus*, vol.XXXVII, no.2, February 2016, pp.97-99.

sharing information during conference preparations, summit meetings, VIP visits, public meetings, sports events, etc.⁵⁷

Thirdly, it is been argued that India's pursuit of full SCO membership would add to its diplomatic weight in the Chinese-led organisation. Though the Indian leadership is aware that it cannot reverse China-dominated multilateral initiatives, including Beijing's 'One Belt One Road' regional development plan, which probably would increasingly influence the SCO's internal discourse, for India, the best way to influence decision-making processes is by negotiating from as important stakeholder positions as it can attain within this organisation.⁵⁸

Fourthly, India can be welcomed as the third pillar of the SCO. Basically, China and Russia jointly play a leading and active role in the organisation – both are leveraging the SCO as a tool to strengthen their position in Central Asia. Therefore, an element of competitiveness and cooperation is inherent in the relationship. Moscow has traditionally been sceptical of Beijing's expanding influence in an area that it considers its own backyard. Its economic activities in Central Asia have helped increase China's presence in the region, while Russia maintains the advantage of having shared linguistic, historical and cultural ties with the Central Asian countries. However, it is believed that these traditional linkages are eroding as the younger generations are looking towards Beijing, not Moscow for opportunities.⁵⁹ Also, Russia is more interested in promoting the security aspects of the SCO, whereas China emphasises on economic issues. Further, while becoming increasingly isolated amidst stiff political tensions with the West and Middle East, Moscow has made a pivot to Beijing as sinking oil prices, a crumbling ruble and extended sanctions are damaging its crisis-hit economy. In turn, China

57. P. Stobdan, "Shanghai Cooperation Organisation", *Policy Brief*, July 14, 2014 at www.idsa.in/policybrief/shanghaicooperationorganisationandindia-pstobdan-140714. Accessed on May 13, 2016.

58. Jan Zalewski, "India In The SCO – Safeguarding Its Interests In Central Asia", at http://www.forbes.com/sites/riskmap/2015/06/12/india_in_the_SCO_safeguarding_its_interests_in_central_asia/. Accessed on May 9, 2016.

59. Jeffrey Reeves, *The Shanghai Cooperation Organisation: A Tenable Provider of Security in Post-2014 Central Asia?* (Asia Pacific Centre for Security Studies, June 2014), p.8.

is interested in accessing Russian energy and military research.⁶⁰ This fact raises questions on the role of the weaker Central Asian partners of the SCO. Although the Central Asian Republics are trying to use the SCO because of their political and economic interests, the possibility of transformation of the SCO to promote mutual control of the Russian-Chinese tandem over the Central Asian region will not benefit the Central Asian countries.⁶¹ Therefore, this inclusion of India into the SCO would act as a soft balancer against the two leading powers, as it would strengthen their multi-vector foreign policy.

CHALLENGES FOR INDIA

Although there are significant benefits for India in becoming a full member of the SCO, it has many concerns also, such as: firstly, since China, and Russia are the co-founders of the SCO, India will have to play second fiddle and its ability to assert itself in the SCO will be limited. One of the major reasons for this is that India has so far failed to invest the diplomatic capital that the Central Asian region demands.⁶² For example, India suffered a strategic setback in 2010 when it lost use of the Tajikistan Ayni air base to Russia. This happened despite India having spent around \$70 million between 2002 and 2010 to renovate the Ayni air base, extending the Ayni runway to 3,200 metres as well as installing state-of-the-art navigational and air defence equipment there.⁶³ Besides, in 2013, India's goal of developing long-term partnerships in energy development with the Central Asian Republics got a major blow, when it lost 8.4 percent stake in Kazakhstan's Kashagan oil field to the Chinese National Petroleum Company (CNPL), and again China prevailed over India in the Dauletabad gas field in Turkmenistan.⁶⁴

60. Nyshka Chandran, "Can China and Russia Co-operate in Central Asia?", at www.cnbc.com/2015/12/14/china-russia-ties-in-focus-as-shanghai-cooperation-organisation-kicks-off.html. Accessed on May 10, 2016.

61. Marat Nurgaliyev, *Development of the Shanghai Cooperation Organisation and Diplomacy of Japan Towards the Central Asia* (Tokyo: Japan Institute of International Affairs, 2008), pp.21-22

62. Harsh V. Pant, "Reality Check: India Needs to Take Central Asia Seriously," at <http://diplomat.com/2015/07/reality-check-india-needs-to-take-central-asia-seriously/>. Accessed on May10, 2016.

63. Ibid.

64. Ibid.

Besides China, has successfully strengthened its national security, geopolitical and economic interests in the Central Asian region ever since the inception of the SCO. It has made considerable inroads into the Central Asian markets through a mixture of trade, investment and loans.⁶⁵ Chinese companies have funded and built roads, bridges and tunnels across the region. A number of new projects like the Khorgos “dry port” on the Kazakh-Chinese border and the railway link connecting Kazakhstan with Iran, is helping trade across Central Asia. China’s ‘One Belt One Road’ project aims to make Central Asia more connected to the world.⁶⁶ Against this backdrop, India has to give much more attention to the region.

The second challenge would be Pakistan’s inclusion as a full member into the SCO, along with India, since China can use Pakistan as a counterweight to India in the SCO. Moreover, China and Pakistan have a long standing relationship and the former has also given overwhelming support to Pakistan which has posed a greater threat to India’s interest.⁶⁷ Further, some of the Central Asian Republics have raised concerns about two nuclear powers, which are in permanent conflict, joining the organisation. They fear that these nuclear powers may inject their bilateral issues and disputes into the organisation and divert the attention of the grouping from finding a solution to their issues.⁶⁸ Therefore, India needs to follow a very cautious approach in order to maintain its image as a friendly country.

Last but not the least, India’s entry into the SCO could be more demanding. Not only has India grown closer to the United States at a time when relations between Russia and the United States are souring, Russia’s decision to lift its arms embargo on Pakistan has compromised India’s security interests in the region.

65. See, “China’s Leading Role in the Shanghai Cooperation Organisation,” at [www.europarl.europa.eu/RegData/etudes/BRIE/2015/564367/EPRS_BRI\(2015\)564367-EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/564367/EPRS_BRI(2015)564367-EN.pdf). Accessed on May 5, 2016

66. Jack Farchy and James Kyngé, “Map: Connecting Central Asia,” *Financial Times*, May 9, 2016, at <http://www.ft.com/intl/cms/s/o/ee5cf40a-15e5-11e6-9d98-00386a18e39d.html#9x2248DhwevEo>. Accessed on May 10, 2016.

67. S.Y.Surendra Kumar, “India and the Shanghai Cooperation Organisation: Issues and Concerns”, *International Journal of China Studies*, vol.4, no.3, December 2013, pp. 353-354.

68. Dadan Upadhyay, “Importance of India Joining as a Full Member to the SCO,” at <http://in.rbth.com/articles/2012/05/29/importance-of-india-joining-as-a-full-member-of-the-sco-15870>. Accessed on May 13, 2013.

Despite these reservations, however, India clearly understands that its membership in the SCO represents a crucial chapter in its quest for forging closer links with the resource and energy-rich republics of Central Asia. Therefore, there is a serious need for India to display leadership in forging greater cooperation by developing new initiatives and the vision to work closely with the member countries in shaping a multilateral regional structure and incorporating Afghanistan in the broader framework. India needs to gear up its diplomatic channels more aggressively and show its physical presence in the region.

Even within multilateral cooperative structures, one may find several bilateral initiatives, which India can undertake with respect to the Central Asian Republics. Further, a lesson to be learnt from the history of the SCO: *“It is wiser to cooperate and have open relations with the adversary than find oneself in confrontation or competition with it”*, can be imbibed by India *in toto*.