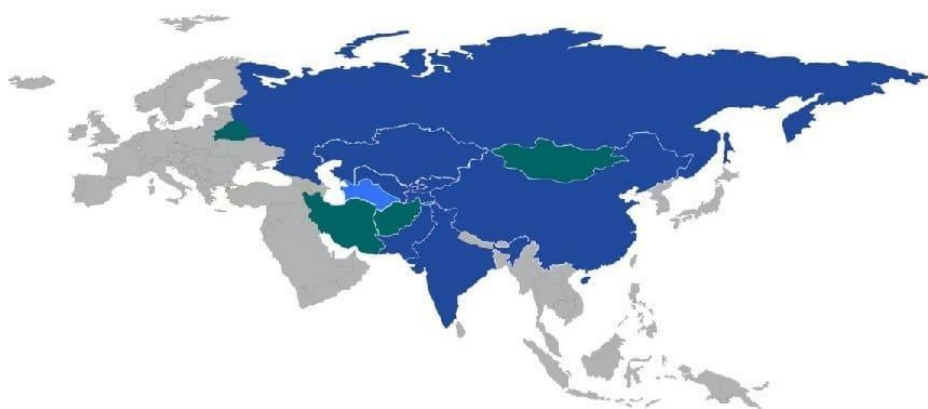


India & SCO

Why in News?

Context: The Shanghai Cooperation Organisation-Council of Heads of State meeting, hosted by Prime Minister Narendra Modi on Tuesday, marked the first time India chaired the summit of regional countries. India became a full SCO member in 2017, along with Pakistan.



Diminishing returns

India benefited as a member of the SCO, but the future is not bright

The Shanghai Cooperation Organisation-Council of Heads of State meeting, hosted by Prime Minister Narendra Modi on Tuesday, marked the first time India chaired the summit of regional countries. India became a full SCO member in 2017, along with Pakistan. The government has held that joining the originally Eurasian group was important as member-countries make up a third of the global GDP, a fifth of global trade, a fifth of global oil reserves and about 44% of natural gas reserves. Also important is its focus on regional security and connectivity – areas key to India's growth and making up its challenges, such as terrorism in Pakistan, and Chinese aggressions as well as the Belt and Road Initiative. Being “inside the tent” is important, especially as Pakistan is a member, even if that means conducting joint exercises under the SCO Regional Anti-Terrorist Structure. The SCO also gives India an interface with Central Asian markets and resources. Finally, joining the SCO was a key part of India's stated ambitions on “multi-alignment” and “strategic autonomy” while becoming a “balancing power” in the world, and it seems no coincidence that the Modi government joined the revived Quad with the U.S., Japan and Australia in the same year that it took up the full SCO membership. Over the past year, this has become an economic necessity as India has chosen to be neutral on the Ukraine war, benefiting from fuel and fertilizer purchases from Russia.

Therefore, it was expected that India's turn to chair the SCO this year would be a major event, rivalling the expected pomp around the G-20 meet in September. In addition, given Russia's and China's blocks on the G-20 joint communiqué that India is keen to find consensus on, the SCO summit would have been a convenient venue for Mr. Modi to negotiate a resolution with his counterparts. However, India's decision to postpone the SCO summit due to the Prime Minister's U.S. State visit, and then to turn it into a virtual summit may have been a dampener on the SCO outcomes. India's concerns with hosting Xi Jinping given the LAC hostilities, or Pakistan Prime Minister Sharif's possible 'grandstanding', or even the optics of welcoming Russian President Vladimir Putin may have been factors. Whatever the reason, while the members hammered out a New Delhi declaration and joint statements on radicalisation and digital transformation, the government was unable to forge consensus on other agreements including one on making English a formal SCO language, while India, despite being Chair, did not endorse a road map on economic cooperation, presumably due to concerns over China's imprint. With its SCO chairpersonship ending, the government may now be feeling the law of diminishing returns over its SCO engagement – one that might make its task of hosting the G-20 even more difficult.

Central asian member states of SCO

- Kazakhstan
- Kyrgyzstan
- Tajikistan
- Uzbekistan

Other member states of SCO

- China
- India
- Pakistan
- Russia

Observer states of SCO

- Afghanistan
- Belarus
- Iran
- Mongolia

Key Highlights

- The government has held that joining the originally Eurasian group was important as member-countries make up a third of the global GDP, a fifth of global trade, a fifth of global oil reserves and about 44% of natural gas reserves.
- Its focus on regional security and connectivity — areas key to India's growth and making up its challenges, such as terrorism in Pakistan, and Chinese aggressions as well as the Belt and Road Initiative.
- Being “inside the tent” is important, especially as Pakistan is a member, even if that means conducting joint exercises under the SCO Regional Anti-Terrorist Structure.
- The SCO also gives India an interface with Central Asian markets and resources. Finally, joining the SCO was a key part of India's stated ambitions on “multi-alignment” and “strategic autonomy” while becoming a “balancing power” in the world.

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About Shanghai Cooperation Organization

Topic	Details
Name	Shanghai Cooperation Organization (SCO)
Formation	Established on June 15, 2001
Founding Members	China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan
Current Member States	China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Pakistan, India, Iran
Headquarters	Beijing, China
Observers	Afghanistan, Belarus, Iran, Mongolia
Dialogue Partners	Armenia, Azerbaijan, Cambodia, Nepal, Sri Lanka, Turkey
Aims and Objectives	Promote regional stability, security, and economic cooperation; combat terrorism, separatism, and extremism; foster cultural and educational ties

Topic	Details
Decision-Making Body	Council of Heads of State (Summit)
Primary Working Bodies	Council of Ministers of Foreign Affairs, Council of National Coordinators, Regional Anti-Terrorist Structure
Areas of Cooperation	Security, counter-terrorism, economic cooperation, trade, investment, transportation, energy, cultural exchanges, joint military exercises
Key Agreements	Shanghai Cooperation Organization Charter, Treaty on Long-Term Good-Neighborliness, Friendship, and Cooperation
Regional Security Cooperation	Joint military exercises (e.g., Peace Mission, Tsentr), information sharing, intelligence cooperation, border control, anti-drug operations
Economic Cooperation	Trade facilitation, investment promotion, infrastructure development, connectivity projects, energy cooperation, joint economic initiatives
Interactions with Other Organizations	Cooperation with the United Nations, Association of Southeast Asian Nations (ASEAN), Collective Security Treaty Organization (CSTO)
Expansion Efforts	Consideration of new membership applications, engagement with observer and dialogue partners
Major Achievements	Enhanced security cooperation, regional stability, joint efforts against terrorism, economic integration, cultural exchanges
Significance to India	Provides a platform for India to engage with Central Asian countries and major powers in the region; enhances India's connectivity and trade opportunities; strengthens regional security cooperation; facilitates counter-terrorism efforts; promotes cultural and educational exchanges with SCO member states.

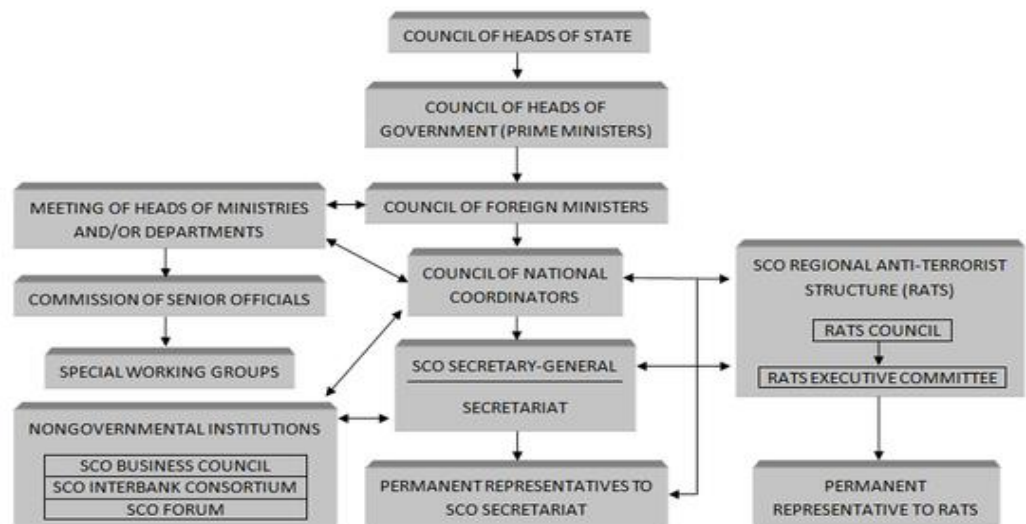
Main Objective of SCO

- Promoting mutual trust and neighborly relations among member states.
- Encouraging effective cooperation in areas such as trade, politics, research, the economy, technology, and culture.
- Fostering collaboration in education, transportation, energy, environmental protection, tourism, and other relevant sectors.
- Working together to maintain security, stability, and peace in the region.
- Striving towards the establishment of a new international economic and political order that is democratic, rational, and fair.
- Guiding internal policies based on principles like mutual benefit, trust, consultations, equality, respect for cultural diversity, and a shared desire for development.
- Conducting external policies based on non-targeting and non-alignment principles.

Structure and Operations of SCO

- The supreme decision-making body is the Heads of State Council (HSC), which convenes annually to discuss and make decisions on important matters.
- The Heads of Government Council (HGC) meets once a year to formulate the organization's multilateral cooperation strategy and address significant economic and other cooperation issues.

THE STRUCTURE OF THE SHANGHAI COOPERATION ORGANISATION



- The SCO has two permanent bodies: the Executive Committee of the Regional Anti-Terrorist Structure (RATS) located in Tashkent and the SCO Secretariat based in Beijing.
- The Director of the Executive Committee of SCO RATS and SCO Secretary-General are appointed by the Council of Heads of State for a term of three years.

Strengths of the Shanghai Cooperation Organization

- The SCO represents approximately 40% of the global population, nearly 20% of the global GDP, and covers 22% of the world's landmass.
- Its strategic geographical location gives it control over Central Asia and allows it to limit American influence in the region.

- The SCO is viewed as a counterweight to the North Atlantic Treaty Organization (NATO).

Challenges for SCO

- Security challenges faced by the SCO include combating terrorism, extremism, and separatism, as well as addressing issues such as drug and weapons trafficking and illegal immigration.
- Decision-making within the SCO can be challenging due to the diverse histories, backgrounds, languages, national interests, forms of government, wealth, and cultures of its member states, despite their geographical proximity.

Iran Becomes Full Member of SCO

Iran has formally joined the Shanghai Cooperation Organisation (SCO) as a full member during a virtual summit hosted by India. Prime Minister Narendra Modi extended his congratulations to Iranian President Ebrahim Raisi and the people of Iran on this significant development.

India's Role as the Summit Host

India, currently holding the chairmanship of the SCO, hosted the summit. Prime Minister Modi presided over the virtual meeting, which included the participation of leaders such as Chinese President Xi Jinping, Russian President Vladimir Putin, Pakistani Prime Minister Shehbaz Sharif, and other representatives from SCO member states.

Importance of Iran's Membership

Iran's inclusion in the SCO carries strategic significance. The SCO's recent focus has shifted towards regional connectivity, aligning with India's plans for connectivity through Iran's Chabahar port and the International North-South Transport Corridor. Iran's presence in the SCO ensures support for India's endeavors to bypass Pakistan and strengthens trade links with Central Asian countries. Moreover, Iran's participation allows India to engage with the region without becoming entangled in China's Belt and Road Initiative. Additionally, Iran's historical ties with India and mutual concerns regarding terrorism originating from Pakistan and Afghanistan will bolster India's call for action against terrorist safe havens.

Balancing Act for India

India faces the challenge of maintaining a delicate balance as the dynamics of the SCO evolve. India and the United States have significantly enhanced their partnership, establishing unprecedented levels of cooperation and trust. Recently, Prime Minister Narendra Modi concluded an official state visit to the US, during which the two countries signed significant technology and defense agreements. India also maintains historical ties with Iran. Traditionally, commercial relations between India and Iran have been dominated by Indian imports of Iranian crude oil. Iran used to be among India's major energy suppliers until May 2019. Following the expiration of the US waiver on sanctions on May 2, 2019, India suspended the import of crude oil from Iran.

India and SCO

India has a long history of connections with the SCO region, spanning thousands of years and involving civilization, culture, and spirituality. From Buddhist monks and spice traders to explorers and Sufi saints, people from India and SCO Member States have interacted, exchanging goods, ideas, and introducing new cuisines and art forms.

- India joined the SCO in 2017 to strengthen its historic ties with the region.
- In September 2022, India assumed the Chairmanship of the SCO Council of Heads of State for the first time, which will last for one year. During this period, the Indian Prime Minister will lead the SCO Summit.
- India has implemented initiatives announced by the Prime Minister at the 2019 Bishkek Summit, such as hosting the first-ever SCO Digital Exhibition on Shared Buddhist Heritage and translating Indian regional literary classics into Russian and Chinese languages.
- India has organized significant events like the first-ever SCO Young Scientists Conclave, the Consortium of SCO Economic Think Tanks, and the SCO Start-up Forum (held virtually). The SCO Business Conclave, focused on cooperation between MSMEs of the SCO region, was also convened by FICCI. India aims to strengthen trade, economic, and cultural cooperation within the SCO, prioritizing the well-being of individuals and promoting peace and prosperity in the region.
- The Ministry of External Affairs (MEA) has launched the official website of the Shanghai Cooperation Organisation (SCO) under the theme of SECURE SCO.
- The website aims to highlight the upcoming events and activities during India's chairmanship of the SCO.
- India assumed the rotating presidency of the SCO during the 22nd Head of State summit meeting in September 2022 in Samarkand, Uzbekistan.
- Prime Minister Narendra Modi introduced the concept of SECURE at the SCO summit in China in 2018.
- SECURE stands for:
 - 'S' for security of citizens
 - 'E' for economic development
 - 'C' for connectivity within the region
 - 'U' for unity among member states
 - 'R' for respect for sovereignty and integrity
 - 'E' for environmental protection
- The Shanghai Cooperation Organization consists of eight countries: Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, India, and Pakistan.

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India launches official website of SCO 2023 with a theme of 'For a SECURE SCO'

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Background SCO and India

- **India's as an observer in 2005:** In 2005, India became an observer at the Shanghai Cooperation Organization (SCO). The SCO is a regional intergovernmental organization comprising eight member states, namely China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, India, and Pakistan. As an observer, India was granted the opportunity to participate in SCO meetings, contribute to discussions, and engage with member states on various issues.
 - Motivations for seeking observer status: India's decision to seek observer status in the SCO was driven by several factors.

- Firstly, India recognized the growing importance of regional cooperation in addressing common challenges such as terrorism, separatism, and extremism. By engaging with the SCO, India aimed to enhance its regional security and counter-terrorism efforts.
- Secondly, India saw the SCO as a platform to expand its economic opportunities by promoting trade, investment, and connectivity within the region. Lastly, India sought to strengthen its diplomatic ties with SCO member states and foster closer relations in areas of mutual interest.

What is the Significance of the SCO?



The objectives of the India-SCO relationship revolve around enhancing regional security, promoting economic cooperation, fostering cultural exchanges, engaging in multilateral initiatives, strengthening bilateral relations, and contributing to regional peace and stability. These objectives reflect India's commitment to regional integration, collaboration, and mutual development within the SCO framework.

Strengthening Regional Security

- **Collaborating with SCO member states:** India aims to work closely with other SCO member states to address common security challenges such as terrorism, extremism, separatism, and transnational crime. By pooling resources and expertise, the objective is to enhance regional security collectively.
- **Sharing intelligence and conducting joint exercises:** India seeks to share intelligence and engage in joint military exercises with SCO member states to improve coordination and readiness in countering

security threats. This collaborative approach helps build trust and strengthens the regional security architecture.

- **Supporting regional stability:** By actively participating in the SCO, India contributes to the organization's efforts in maintaining peace and resolving conflicts in the region. The objective is to promote stability and create an environment conducive to development and prosperity.

Promoting Economic Cooperation

- **Expanding trade and investment opportunities:** India aims to tap into the economic potential of the SCO region by increasing market access and reducing trade barriers. The objective is to enhance bilateral and multilateral trade relations, which can lead to mutual economic growth and development.
- **Facilitating connectivity initiatives:** India seeks to participate in connectivity initiatives led by the SCO, such as transport infrastructure development, energy cooperation, and digital connectivity. By improving regional connectivity, the objective is to enhance economic integration and promote the flow of goods, services, and investments.
- **Exploring synergies with India's "Act East" policy:** India aims to explore synergies between its "Act East" policy and the SCO's regional economic initiatives. This alignment can lead to greater cooperation in areas such as trade, investment, technology transfer, and infrastructure development.

Cultivating Cultural Exchanges and People-to-People Ties

- **Promoting cultural diversity and mutual understanding:** India seeks to promote cultural exchanges, festivals, and exhibitions to foster appreciation for the diverse cultures of the SCO member states. The objective is to enhance mutual understanding and respect among the people of the region.
- **Encouraging tourism and educational exchanges:** India aims to promote tourism and educational exchanges between SCO member states to facilitate people-to-people connections. These interactions help foster cultural diplomacy, build personal relationships, and strengthen ties at a societal level.
- **Strengthening ties between academic and cultural institutions:** By fostering collaboration between academic and cultural institutions, India aims to promote knowledge sharing, research collaboration, and cultural cooperation. This contributes to the exchange of ideas, enhances academic excellence, and deepens cultural ties between member states.

Participating in Multilateral Initiatives

- **Actively engaging in SCO summits and meetings:** India actively participates in SCO summits, ministerial meetings, and working groups to address regional challenges. The objective is to contribute to discussions, share perspectives, and work collectively towards finding solutions to common issues.
- **Collaborating on security and other issues:** India supports and engages in multilateral initiatives within the SCO framework, such as the Regional Anti-Terrorist Structure (RATS). These collaborations aim to enhance cooperation on counter-terrorism, cybersecurity, disaster management, and other regional security concerns.
- **Supporting the SCO's regional initiatives:** India actively supports and contributes to the SCO's regional initiatives aimed at promoting peace, stability, and development. By aligning with these initiatives, India aims to strengthen collective security efforts within the SCO framework.

Bilateral Engagement with SCO Member States

- **Strengthening bilateral relations:** India aims to strengthen bilateral relations with individual SCO member states through regular high-level visits and diplomatic dialogues. The objective is to deepen political, economic, and cultural ties with each member state and foster mutual cooperation.
- **Expanding cooperation in various areas:** India seeks to expand cooperation with SCO member states in areas of mutual interest, such as defense, science and technology, agriculture, healthcare, and education. The objective is to leverage the strengths of each country and promote mutually beneficial collaborations.
- **Promoting people-centric initiatives:** India emphasizes people-to-people interactions by promoting cultural exchanges, business collaborations, and technological partnerships. The objective is to enhance understanding and goodwill among the people of SCO member states.

Contributing to Regional Peace and Stability

- **Working towards peaceful resolution of conflicts:** India aims to work diplomatically and through peaceful means to resolve regional conflicts and disputes. The objective is to contribute to the stability and security of the SCO region by fostering dialogue and understanding among member states.
- **Supporting confidence-building measures:** India supports initiatives that build trust and confidence among SCO member states. These efforts include confidence-building measures, conflict prevention mechanisms, and reconciliation initiatives.
- **Upholding principles of sovereignty and non-interference:** India is committed to upholding the principles of sovereignty, territorial integrity, and non-interference in the internal affairs of member states. The objective is to promote mutual respect, trust, and adherence to international norms within the SCO framework.

SCO Members	Conflict Details
China	India and China have had ongoing conflicts, particularly regarding border disputes, such as the recent clashes in the Galwan Valley. Economic competition and strategic rivalries also contribute to the tensions.
Pakistan	India and Pakistan, both SCO members, have a long-standing conflict over various issues, including cross-border terrorism and the disputed territory of Kashmir. This conflict often strains their relationship within the SCO.
Tajikistan	India's relations with Tajikistan have generally been positive, without any significant conflicts reported within the SCO framework. However, geopolitical dynamics in the region, including India's relations with Pakistan and China, may indirectly affect the bilateral relationship.
Uzbekistan	India and Uzbekistan have maintained friendly relations, focusing on economic cooperation, cultural exchanges, and counterterrorism efforts. No major conflicts have been reported between India and Uzbekistan within the SCO.



Kazakhstan	India and Kazakhstan enjoy warm relations, focusing on economic cooperation, energy partnerships, and cultural exchanges. No significant conflicts have been reported between the two countries within the SCO framework.
Kyrgyzstan	India and Kyrgyzstan maintain cordial relations, emphasizing cooperation in trade, education, and cultural exchanges. No major conflicts have been reported between India and Kyrgyzstan within the SCO.
Russia	India and Russia have a strong strategic partnership, and their relations within the SCO are generally cooperative. While there may be occasional divergences in their approaches to regional issues, no significant conflicts have been reported within the SCO framework.
Iran	While Iran is an SCO observer and not a member, it has close ties with both India and Pakistan. India's relations with Iran have faced challenges due to geopolitical dynamics and Iran's regional engagements, but these conflicts are not exclusive to the SCO platform.

Importance of SCO for India

Economic Cooperation

- For India, the SCO serves as a platform to bolster economic collaboration with Central Asian countries, which possess abundant reserves of natural resources. India aims to expand trade and investment ties with SCO nations to diversify its economic partnerships.

Energy Security

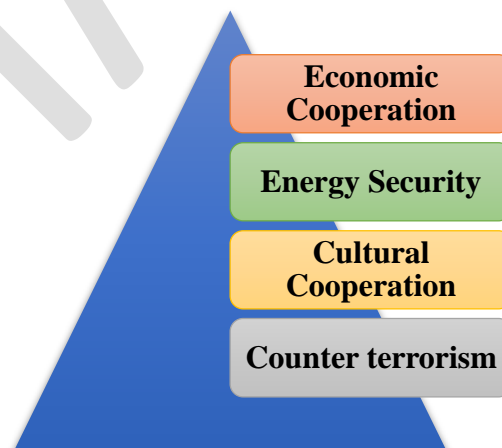
- Central Asia boasts significant reserves of oil and gas, and India seeks to tap into these resources to enhance its energy security. The SCO provides a valuable avenue for India to engage with energy-rich countries in Central Asia and explore cooperation opportunities in the energy sector. The recently signed Samarkand Declaration at the 22nd Summit emphasizes connectivity, energy security, and food security—priorities aligning with India's interests.

Cultural Cooperation

- The SCO encompasses a wealth of cultural heritage, including 207 UNESCO World Heritage Sites across member states, observers, and partners. As part of a rotating initiative, the SCO member countries have designated Varanasi (Kas
- hi) as the first cultural capital of the organization, showcasing India's rich cultural heritage.

Counter terrorism

- Given India's unfortunate experience with terrorism, it stands to benefit from the SCO's strong emphasis on counterterrorism cooperation. The organization's collective efforts to combat terrorism in the region provide India with a valuable opportunity to address this pressing issue.



What are the Challenges?

China's Rise and External Pressures

- China's ascent in inner Asia is paving the way for its dominance in the region. However, this has sparked concerns from other regional powers, notably the United States, which aims to curb China's rise and limit its influence. They seek to contain China's growing power.

Limited Institutional Mechanisms

- Although the SCO possesses several bodies such as the Council of Heads of State, the Council of Ministers of Foreign Affairs, and the Council of National Coordinators, these entities lack the necessary decision-making and enforcement powers required for effective governance. Consequently, the absence of a formal mechanism to resolve disputes among member states becomes a significant shortcoming.

Divergent Interests and Disagreements

- The SCO accommodates member states with differing political systems, economic models, and strategic priorities, including projects like CPEC and border infrastructure initiatives. Consequently, this diversity can give rise to internal conflicts and disagreements on matters such as economic cooperation and security.

Limited Geographical Scope

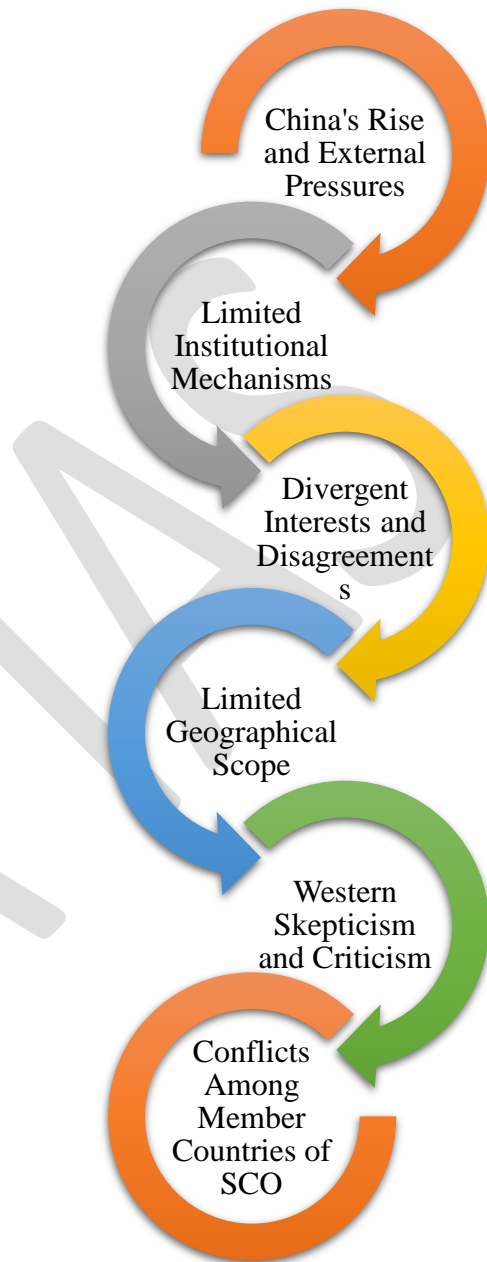
- The SCO's focus is primarily on Eurasia and neighboring regions, thereby limiting its capacity to engage with global issues and challenges that extend beyond these areas.

Western Skepticism and Criticism

- The SCO faces criticism from Western nations due to its perceived lack of democratic credentials, support for authoritarian regimes, and internal conflicts and border disputes among its member states.

Conflicts Among Member Countries of SCO

- **Kyrgyzstan and Tajikistan Regarding Border Issues:** The escalating conflict between Kyrgyzstan and Tajikistan, witnessed in September and November 2022, poses a significant concern for the stability of Central Asia and neighbouring regions.
- **Taliban-led Afghanistan and Pakistan:** The border area between Taliban-led Afghanistan and Pakistan experiences several conflicts, contributing to its instability.



Way Forward for India at SCO

India should prioritize the following actions to advance its interests within the SCO:

Enhancing
Connectivity

Diversifying
Cooperation

Broadening
Agenda

Balancing
Political and
Economic
Diplomacy

Industry
Engagement

Strengthening
Institutional
Relationships

- **Enhancing Connectivity:** India should focus on strengthening connectivity initiatives with SCO member countries. Leveraging projects like the Chabahar Port can facilitate trade and economic relations with Central Asian republics.
- **Diversifying Cooperation:** Besides economic ties, India can explore cooperation in sectors such as education, tourism, and medical tourism to deepen engagement within the SCO framework.
- **Broadening Agenda:** India should actively engage in discussions and initiatives related to economic cooperation, energy, connectivity, education, tourism, agriculture, trade, investment, security, and counterterrorism during SCO summits.
- **Balancing Political and Economic Diplomacy:** India's interest in SCO membership reflects a shift towards a more balanced approach, combining political necessities with economic diplomacy. India should continue to prioritize economic interests while engaging with the SCO.
- **Industry Engagement:** Indian industry plays a crucial role in guiding the country's engagement with SCO member countries. Strong partnerships and collaborations can contribute to the development of a robust ecosystem within the SCO.
- **Strengthening Institutional Relationships:** Building strong institutional relationships within the region is vital. Strengthening bilateral ties with SCO member countries can lay the foundation for meaningful economic partnerships and foster regional stability and prosperity.