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## *Policy Brief*

# The SCO: India enters Eurasia

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## **S***ummary*

There is little prospect of the SCO helping India get out of its existing tight geopolitical spot – wedged between a wall of hostility with Pakistan and distrust with China. However, India should use the forum to intensify convergences with China and Russia and to ensure that the process minimizes the intensity of China-Pakistan alignment which has so far successfully undercut India's direct access to Eurasia.

The Foreign Ministers of the Shanghai Cooperation Organization (SCO) have recently finalised the draft agenda for the next Summit of the grouping to be held in Tashkent on June 23-24. Among other things, they adopted a procedure document for accession of India (and Pakistan) into the SCO.

Originated in 1996 as “Shanghai-5” to build confidence building measures along the Sino-Central Asian frontier, the SCO became a full-fledged grouping in 2011 with a broader charter for anchoring Eurasian political, economic and military affairs. While SCO was initially an exclusive club comprising of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan, other countries – India, Mongolia, Iran, and Pakistan – joined in 2005 as Observer states.

The expansion of SCO to include other contiguous states has been a subject of immense debate since 2010. While some members were inclined towards widening the grouping, the failure to set criteria, procedures and timeline prevented the admission of new entrants.

Russia traditionally pushed India’s case for full-membership. Kazakhstan and Tajikistan also firmly back India's inclusion. But China wanted Pakistan’s entry as well. Only Mongolia was welcomed as a member, but it was beset by hesitation about joining the SCO. UN sanctions obstructed Iran’s entry.

The statutory requirements seemed only a pretext for China to keep SCO as its exclusive domain and not admit a country like India. Beijing had other windows open to deal with countries like Pakistan and Iran. It, therefore, favoured a “process-bound” enlargement, which conditioned the entry of new members to location factor, cordial ties among prospective members, adherence to UN (sanction) obligation, signing the NPT, among a host of others.

At track-II SCO forums, regional experts expressed misgivings about admitting India (and Pakistan) on the ground that their inclusion would change the organization’s character and get it mired in South Asian conflict.<sup>1</sup> Some cited SAARC’s failure as an alibi, others wished not to include English-speaking nations. India was viewed as having greater proclivities towards the West and East than towards Eurasia. But the actual reason for not opening up membership appeared to be underpinned by ‘regime security’ concerns. In fact, the frequently held anti-terror drills of the SCO were tied to curbing potential domestic upsurge as much as against external threats.

## **Compelling Factors**

Evidently, in spite of its high visibility, the SCO’s progress remained elusive in terms of its efficacy and profile. Achievements on the ground remained only an

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1 Even Islam Karimov said at the 2015 Ufa summit that the inclusion of India and Pakistan would change the very character of SCO. See, <http://www.ft.com/cms/s/0/b51a6ae2-2716-11e5-9c4e-a775d2b173ca.html#axzz4BNHJc9tp>

index of China's bilateral initiatives. Its external image was that of a paper tiger or a 'club of autocrats' – maintained afloat by Chinese funding.

But things seemingly changed after President Xi Jinping assumed power. He envisioned a new concept for Eurasia under the Silk Route Economic Belt, which he first announced at Nazarbayev University in Kazakhstan in September 2013. Xi suggested greater China-Central Asia cooperation under China's "One-Road, One-Belt" (OBOR) initiative.<sup>2</sup>

The need to push China's connectivity project for market integration thus seemingly propelled the SCO's enlargement to include the South Asian countries. India, therefore, featured high in Xi Jinping's calculus. He stated that improving India-China relations would be his "historic mission". Of course, the ties are far from normal, but a climate of normalcy and a sense of calmness along the long border have prevailed.

Essentially, Xi believed that India's inclusion would help keep Eurasia free of trouble. Pakistan fell in a separate basket. In 2013, the SCO created a "6+2" format of interaction to discuss its long term strategy until 2025 and since then the expansion issue has loomed large at its Summit meetings.

SCO has suffered from a deep undercurrent of competition between Russia and China that only got narrowed following the understanding reached between Putin and Xi in 2015 for complete synergy between Russia's EAEU and China's OBOR scheme.

The Ukraine crisis and its ensuing fall out of Western sections on Russia and a whopping fall in oil prices have caused Eurasia to look for an outlet. This, along with anxiety over growing Sino-Russian proximity, may have compelled regional states such as Kazakhstan and Uzbekistan to seek diversification beyond their immediate neighbours.

Further, the region is facing serious security challenges since the US drawdown from Afghanistan in 2014. The rising trend of ISIS footprints and the spate of terrorist incidents in China's Xinjiang province may have led to fresh thinking with regard to SCO's enlargement.

Quite clearly, Russia still views the SCO's utility in ideological terms as a counterpoise against Western domination. But SCO's key driver, China, treats the grouping as a vehicle for expanding both its geopolitical and geo-economic interests. At the Tashkent ministerial meeting, Chinese Foreign Minister Wang Yi described the SCO as a paradigm of global and regional cooperation and as a model for economic and security cooperation.<sup>3</sup>

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2 The Silk Road Economic Belt focuses on bringing together China, Central Asia, Russia and Europe (the Baltic), linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and the Indian Ocean. See, "Chronology of China's Belt and Road Initiative," Xinhua, 28 March 2015, [http://news.xinhuanet.com/english/2015-03/28/c\\_134105435.htm](http://news.xinhuanet.com/english/2015-03/28/c_134105435.htm)

3 "SCO paradigm of global, regional cooperation: Chinese FM", Xinhua, 25 May 2016, [http://news.xinhuanet.com/english/2016-05/25/c\\_135385291.htm](http://news.xinhuanet.com/english/2016-05/25/c_135385291.htm)

Roping in India adds fresh vitality, provides greater voice and status to the grouping, which has hitherto remained China-centric. The world's largest democracy joining the SCO lends greater legitimacy to the grouping, which moreover thus far has been dominated exclusively by former Communist states. India's geographical size, its 1.2 billion population with USD 2 trillion economy makes the SCO one of the biggest organizations in the world. With the UN sanctions being eased, Iran is next to be roped in. But for now, Beijing seems more focussed on getting India and Pakistan into the SCO.<sup>4</sup> For a change, even the fraught Indo-Pak relations seem no longer a problem but an opportunity to boost the SCO's profile and value.

Political considerations also underscored the importance of including other non-Eurasians states such as Belarus as an Observer. Further, Armenia, Azerbaijan, Cambodia, Nepal, Turkey and Sri Lanka are Dialogue Partners. All this has considerably changed the SCO's organizational texture.

### **Would India Gain Membership at the Tashkent Summit?**

After a ten year wait, India applied for full membership in 2014 when SCO cleared the legal procedure for new entrants. In 2015, during Prime Minister Modi's visit to China, the Chinese leadership formally welcomed India's accession to the SCO. In fact, the expectation was that the membership would come through at the Ufa Summit in July 2015, which was attended by Prime Minister Modi. However, it turned out that the forum only took an in-principle decision to set procedures for admitting India (and Pakistan).

With the procedure documents now being cleared, it appears more or less certain that India's and Pakistan's membership will be ratified at the Tashkent Summit. Yet, nothing seems like a done thing even now. Possibly, new members may still have to ratify mandatory relevant conventions and draft documents – supposedly 28 of them that exist within the SCO framework. The details of these conventions and documents are not available in the public domain, but it is assumed that are mostly benign in nature – pertaining to international norms and protocols. However, it is not clear whether the final seal of membership will ensue without certain caveats being attached. It is doubtful that the rights of new members will be at par with those of the founder-members. It is also plausible that membership would be subject to signing a set of obligatory documents including a pre-requisite 'Peace Treaty' between India and Pakistan.

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4 Wang Yi endorsed the idea of Iranian membership, but also urged focus on the accession of India and Pakistan. "SCO to consider Iran's accession after India, Pakistan," Sputnik, [https://in.rbth.com/world/2016/05/25/sco-to-consider-irans-accession-after-india-pakistan\\_597107](https://in.rbth.com/world/2016/05/25/sco-to-consider-irans-accession-after-india-pakistan_597107) (25 May 2016)

## Geopolitical Challenges

The coming prospects at SCO cannot be delinked from the ongoing global rebalancing game. The forum is certain to draw in complex geopolitical undercurrents of China-US tensions, US-Russia standoff, Sino-Russian congruity and India-US realignment. But to be sure, the SCO is mainly welded on Sino-Russian entente – underscored more firmly by Chinese Foreign Minister Wang Yi in Tashkent recently.

India's entry into the forum comes at the time when New Delhi is more decidedly aligning itself with the US strategic vision of pivoting to the Asia Pacific and Indian Ocean Region – now no longer an euphemism for a China containment strategy.<sup>5</sup>

Indo-US ties have deepened further since the SCO's Ufa Summit last year. Any ambiguity that may have existed so far stands removed after the Prime Minister's recent visit to Washington. With the range of military and technological cooperation agreements that have been signed, coordination between the two militaries at the operational level will grow to an unprecedented level.

With US lawmakers pressing for NATO ally status for India, the effects such a move might have for India's engagement in the SCO remains a question. Such a status though may not be meant for targeting others. Quite frankly, the non-NATO status to Pakistan never came in the way of Sino-Pakistan military ties.

Similarly, India's closer ties with Washington cannot prevent cooperative efforts with others. In fact, India, Russia and China are operating in a number of multilateral initiatives such as BRICS and SCO. India joined the China-led Asian Infrastructure Investment Bank. Bilateral economic ties are unstoppably growing between India and China. Similarly, India and Russia are committed to strengthening the strategic partnership agreements. India intends to sign a Free Trade Agreement with the Russia-led Eurasian Economic Union (EAEU).

However, to be clear, Indo-US entente is likely to grow beyond the military sphere to committing themselves for the promotion of shared values and interests. This will make India's task of navigating through the geopolitical space of SCO more challenging.

Washington's exhortations apart, New Delhi has its own reasons to harbour grudges against China's constant provocation along the border and making serious strategic moves to encircle India by enticing its neighbours. These are sufficient reasons for India to build up its capabilities and counter moves. India's decision to sell the BrahMos supersonic cruise missile to Vietnam needs to be viewed in this context.

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5 The Modi government has indicated the outlines of strategic cooperation with the US in the Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region, agreed in January 2015. See, [http://www.mea.gov.in/bilateral-documents.htm?dtl/24728/USIndia\\_Joint\\_Strategic\\_Vision\\_for\\_the\\_AsiaPacific\\_and\\_Indian\\_Ocean\\_Region](http://www.mea.gov.in/bilateral-documents.htm?dtl/24728/USIndia_Joint_Strategic_Vision_for_the_AsiaPacific_and_Indian_Ocean_Region)

Notwithstanding all that, India's role in SCO should be to play the balancer role in the global strategic arena. Once Iran joins the SCO as a full member, New Delhi should be in a better position to play that role. India's objective lies not in offsetting the interests of either the US or China but to walk towards its own destiny of serving humanity and global peace.

That said, SCO is likely to face a host of conflicting interests ranging from regional and global issues to combating international terrorism. Certainly, India's position is likely to be at odds with that of other SCO members.

The irony has been that China by its own assertions stands committed to fight against the "three evils" through SCO. It promised not to make use of internal conflicts among SCO member states as a tool to sabotage the national security of others. It also firmly opposed applying double standards on terrorism. However, in practice, Beijing's double-speak on terrorism has been quite evident.

It pressed the SCO to fight only those cases of terrorism that fit its definition. On the one hand, China describes Uyghur activism in Xinjiang as terrorism and wants others to support its fight against the East Turkestan Islamic Movement (ETIM). But, on the other, it openly supports terrorist groups which attack other countries. In fact, led by China, terrorism in SCO is described in a narrow sense of actions by forces which are opposed to state authority. Therefore, terrorism is more about regime security rather than about taking action against terrorists who unleash death and destruction against humanity.

Beijing has been using Pakistan and its instruments of terror for expanding its own geopolitical interests. Such double-speak on terrorism by China may have prompted India to quietly up the ante by allowing a group of Uyghur political activists to participate in a gathering in India.

The Indian attempt at needling China came in the wake of China's move to block India's bid to get the Jaish-e-Mohammed (JeM) chief Masood Azhar banned by the UN. Despite several pleas by India at all levels, Beijing adamantly asked the UN to put the matter on a "technical hold". Beijing has been repeatedly blocking UN action against known terrorist like Lashkar-e-Taiba (LeT) commander Zaki-ur-Rehman Lakhvi.

The issue surrounding the granting of visa to a Uyghur leader Dolkun Isa by India was a clear message to Beijing that India too can play around with the definition of terrorism and it can also hit where it hurts China. The Dolkun Isa visa episode may have already exposed China's double standards on terrorism. China probably felt the pinch as it strongly reacted to New Delhi's position on Isa.

China is already facing considerable flak for its double-speak in other world forums. Recently, China had to publicly acknowledge the role of Pakistan in the 26/11 Mumbai attack. China's policy reversal on the 26/11 mastermind testifies to a fundamental rethink about its blind support to Pakistan. It is also borne out of the realisation that China can no longer clean up the mess created by Pakistan all the time at the risk of China losing its own credibility in the eyes of the world.

China has been playing this dirty game even under the SCO auspices for a long time. So far, China has been coercing weaker Central Asian states in SCO to toe its line on major regional security issues. It remains to be seen how China-India differences on terrorism will play out in the SCO forum. While others have long chosen to hide their heads in the sand and never challenge China's double-dealings, India should avail the SCO forum to press the point that Beijing can no longer run with the hares and hunt with the hound on terror. The challenge for India would lie in exposing China's duplicitous role.

China's intention seems clear. Before India even joined the grouping, Beijing has started using the regional body to push its case on the South China Sea dispute. In Tashkent, SCO members sided with the Chinese stance. Given this, China would certainly expect India to be in consonance with the SCO's position. Not doing so would be surely dubbed as an unconstructive role on India's part.

Quite obviously, the grouping would compel India to shed its strategic ambivalence, but the challenge for our policymakers is to apply their skills for harmonizing multiple contradictory stands to find common solutions to difficult problems.

By all indicators, Pakistan is seeking a closer alignment with the Eurasian dynamics and SCO membership will only enhance its stake henceforth. Even Russia and others seem to be keen to draw Pakistan into the Eurasian integration process – as long as Afghanistan does not remain a thorn. Pakistan has backed the OBOR initiative and the China-Pakistan Economic Corridor (which India resents).

The bigger question is what the entry of India and Pakistan portends for SCO and for India-Pakistan ties. It is hard to predict how the interests of India and Pakistan would be reconciled under the SCO. Pakistan is certain to carry its anti-India rhetoric to the platform. So far, the contours of the Pakistan-Eurasia axis are unclear, but the SCO forum could also become a mask for anti-India activities. India needs to be watchful about Pakistan and China continuously playing their duplicitous moves in SCO.

Yet, member states also contemplate the SCO becoming a pivoting point to beget a gradual thawing of Indo-Pak tensions. Russia and even Kazakhstan relish the idea of facilitating large scale diplomatic and security interactions at different levels to bring about positive change in the regional climate. The grouping, in fact, does provide a rare opportunity for the militaries of member states to engage in joint military drills where they coordinate on operational details and share intelligence.

Exactly 50 years ago, the Soviet Union mediated a 'peace treaty' between India and Pakistan. The resulting peace under the famous Tashkent Declaration did not last long, but Tashkent sowed the seeds that SCO wishes to reap finally. But for China to be a stakeholder in peace-making requires a radical change in its thinking. However, no signs are visible in this regard even distantly.

There is little prospect of the SCO helping India get out of its existing tight geopolitical spot – wedged between a wall of hostility with Pakistan and distrust with China. However, India should use the forum to intensify convergences with China and Russia and to ensure that the process minimizes the intensity of China-

Pakistan alignment which has so far successfully undercut India's direct access to Eurasia.

To be sure, SCO will inherently remain a fragile regional grouping. The Central Asian states are sensitive to ties with Russia and China, but their positions fluctuate frequently in line with their interests. They ably play the suitors off one another and even tend to opt for strong bilateralism with US. India needs to build its own leverages with them to be an effective member of the SCO. But more importantly, India would do well by not becoming a focal point of criticism. Other countries are likely to compare India with China in terms of delivery and performance in SCO.

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