

India and Iran: Prospects and Challenges within the SCO

Rahana Sherin KV *

Academy of International Studies, Jamia Millia Islamia, New Delhi, India.

Article Info	Abstract
Review Article Main Object: Economics Scope: Iran & India Received: 24 July 2025 Revised: 01 August 2025 Accepted: 03 August 2025 Published online: 17 August 2025 Keywords: counterterrorism, energy security, geopolitical strategy, India-Iran relations, SCO.	The Shanghai Cooperation Organisation (SCO) presents both opportunities and challenges for India and Iran as they pursue divergent strategic objectives within the Eurasian geopolitical landscape. While India views the SCO as a platform for economic connectivity and counterbalancing China's influence, Iran primarily leverages its membership to mitigate Western sanctions and strengthen ties with Russia and China. This study examines their engagement through three lenses: (1) the SCO's strategic value for each nation, (2) historical bilateral relations shaping current cooperation, and (3) prospects and challenges amid regional dynamics, including the roles of Turkey, Egypt, the U.S., and Israel. Key findings reveal convergences in regional connectivity and counterterrorism but stark divergences in geopolitical alignment. India's balancing act between SCO and Western alliances (e.g., QUAD) contrasts with Iran's anti-Western posture, complicating unified positions. External pressures like U.S. sanctions on Iran and India's defense ties with Israel further strain collaboration. The inclusion of Turkey and Egypt as dialogue partners dilutes Iran's centrality while introducing competitive economic agendas. Major policy implications include, India must diversify SCO energy partnerships while hedging via QUAD and accelerating INSTC to reduce BRI dependence, Iran should avoid over-reliance on China/Russia and leverage SCO for sanction relief without compromising autonomy, SCO reforms are needed to accommodate divergent interests, particularly India-Pakistan tensions. The study concludes that strategic autonomy for India and economic sovereignty for Iran are critical to harnessing the SCO's potential amid great-power rivalry.

Cite this article: Sherin KV R. (2026). "India and Iran: Prospects and Challenges within the SCO". *Countries Studies*. 4(2): 55-80. doi: <https://doi.org/10.22059/jcountst.2025.399341.1322>.



Creative Commons Attribution-NonCommercial 4.0 International License

Website: <https://jcountst.ut.ac.ir/> | Email: jcountst@ut.ac.ir |

EISSN: 2980-9193

Publisher: University of Tehran

1. Introduction

The Shanghai Cooperation Organisation (SCO) has emerged as a crucial platform for regional cooperation, providing opportunities for economic, security, and political collaboration among its member states. For India and Iran, both principal players in their respective regions, the SCO represents an opportunity for strategic engagement to enhance their influence and address common challenges within a multipolar global order. The (SCO), recognised as the world's largest regional organisation in terms of geographic coverage and population, has evolved into a legitimate forum for political and economic interactions among its members, free from direct Western involvement. After the dissolution of the Soviet Union, newly independent Central Asian states sought to establish a new regional order. In 1996, China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan launched the Shanghai Five grouping. In 2001, after joining the Shanghai Five in 2001, Uzbekistan became the only SCO member without a border with China. Turkmenistan, maintaining a neutral stance, has opted not to join the group (The International Institute for Strategic Studies, 2018).

This study examines India and Iran's engagement in the SCO through three key objectives: (1) analyzing how SCO membership serves their strategic interests, (2) assessing how historical relations shape current cooperation, and (3) evaluating prospects and challenges amid regional dynamics. The research tests three hypotheses: (1) India prioritizes economic over political engagement in SCO, while Iran seeks strategic-security benefits; (2) Historical ties facilitate connectivity projects despite geopolitical differences; and (3) U.S. sanctions disproportionately constrain Iran's SCO benefits compared to India. These hypotheses guide the comparative analysis of their divergent SCO approaches.

The organisation's objective was to enhance coordination among its member states and decrease military border deployments. The Shanghai Five and Uzbekistan signed the Shanghai Convention on Combating Terrorism, Separatism, and Extremism on June 15, 2001, thereby establishing the SCO. Subsequently, India, Mongolia, and Pakistan were granted observer status, and the Islamic Republic of Iran (IRI) became an observer in 2005. Some balance of power theorists argue that the SCO, as a militarily powerful entity, places restrictions on American influence and interests in Central Asia (Beehner & Bhattacharji, 2008). This assertion is supported by the SCO's rejection of the United States' application for observer status, limiting Washington's ability to impact the organisation's decision-making processes. The organisation is characterised as "not a normative organisation", with its appeal lying in its explicit focus on non-interference in domestic issues, particularly appealing to predominantly authoritarian member states (White, 2005: 31). The SCO Charter, adopted in June 2002, outlines several fundamental principles of

international law as the organisation's foundations. These principles include sovereign equality and rejecting international hegemony and coercion. Importantly, the charter says that the SCO does not target other governments or international organisations.¹ The SCO is a vital platform for member states to (i) strengthen relations; (ii) promote collaboration across diverse domains such as politics, economics, trade, science, technology, culture, education, energy, transportation, tourism, and environmental protection; (iii) maintain regional peace, security, and stability; and (iv) contributes to a democratic and equitable international political and economic order.

The significance of the SCO is underscored by collaborative efforts facilitated by the Asian Development Bank and the United Nations Economic and Social Commission for Asia and the Pacific. Notably, member states have successfully formulated an intergovernmental agreement on enhancing international road transport, emphasising the organisation's crucial role in regional cooperation and development (Asia Regional Integration Center, 2024). The top decision-making group in the SCO is the Council of Heads of States, which meets once a year to make important decisions for the organisation. Another important group is the Council of Heads of Government (Prime Ministers), which also meets annually to discuss cooperation strategies and key areas, approve budgets, and decide on important economic matters. The SCO has two main permanent bodies: The Secretariat in Beijing and the Executive Committee of the Regional Anti-Terrorist Structure (RATS) in Tashkent. For three years, the SCO Secretary General and the Director of the RATS Executive Committee are chosen by the Council of Heads of States (The Shanghai Cooperation Organisation, 2017).

Building and maintaining mutual trust is crucial for regional security, and the SCO has successfully fostered such trust over more than two decades. The SCO's "Shanghai Spirit" emphasises trust, benefit, equality, consultation, cultural variety, and shared growth. The SCO Regional Anti-Terrorist Structure (RATS) was established following the "Agreement on Regional-Terrorist Structure between the Member States of the Shanghai Cooperation Organisation" on June 7, 2002, particularly in the aftermath of the 9/11 attacks. RATS, based in Tashkent with its secretariat in Beijing, aims to create a practical framework for effective cooperation among member states, incorporating relevant legal acts into their practices and national legislation. Its primary role is to maintain a database and facilitate information sharing on terrorist organisations and individuals, aiding efforts to combat terror activities within member states. The SCO

1. The Shanghai Cooperation organisation Charter was signed on 7 June 2002 at St Petersburg. An English translation of the charter is available at <https://cis-legislation.com/document.fwx?rgn=3851>. The principles are listed in Article 2.

RATS has become the primary coordination center for the organisation's efforts to combat terrorism, separatism, and religious extremism since its inception in 2004. It engages in joint exercises, exchanges information, and formulates strategies to combat terrorist and extremist organisations and address drug trafficking in the region. In 2023, RATS officially recognised the internet as a distinct area of its activity, intending to guarantee information security and respond to challenges and threats. RATS actively collaborate with various international organisations, such as the United Nations, Interpol, the International Drug Control Agency, the Collective Security Treaty Organisation, and the Centre for Internet Security. Furthermore, it establishes partnerships with other countries and regions to jointly confront security challenges and hazards in the region (Norov, 2024).

Since its establishment in 2001, the primary focus of SCO has been addressing regional security concerns, combating regional terrorism, ethnic separatism, and religious extremism. Over time, the SCO has broadened its focus to include regional development. The organisation has maintained the status of an observer in the UN General Assembly since 2005. Membership in the SCO has opened avenues for the country to engage in diverse forms of cooperation. This includes efforts to enhance regional security and stability, collaboration in trade and investment, as well as joint initiatives in energy, telecommunications, and agriculture. The SCO has also played a role in facilitating direct contacts between small and medium-sized businesses. Additionally, the organisation fosters interaction on legal and customs matters, contributing to a comprehensive framework for cooperation among its member states.

2. India-Iran relations: History, Cooperation, and Problems

Both Iran and India have historical connections to British domination, although Persia, officially recognized as a sovereign state, and India, a British colony, experienced different forms of control. The aftermath of World War Two witnessed significant ideological shifts and the establishment of a new international order. In 1947, both Pakistan and India declared their independence from British rule, reshaping the regional balance of power and necessitating Iran's adjustment to the altered geopolitical landscape.

Christine Fair categorises Iran-India relations into three distinct phases. The initial phase spans the Cold War era, followed by the period from the dissolution of the Soviet Union to the 9/11 attacks, and the third phase encompasses the time after 2001 (Fair, 2004: 6). Diplomatic relations between the Imperial State of Iran and India were established in 1950, coinciding with India's initiation of the Non-Aligned Movement (NAM). While India, as a non-aligned nation, forged robust military ties with the Soviet Union, Iran maintained close relations with the United States. Notably, Iran's support for Pakistan during this phase

did not align with India's expectations and regional power projection. Initially optimistic about radical political changes in Iran, India encountered differences due to Iran's revolutionary rhetoric and support for insurgency in Kashmir. Despite Iran's alignment with the Non-Aligned Movement, complexities arose. The Iranian government's critical stance on the Soviet invasion of Afghanistan in 1979, in contrast to India's softer response, added to the challenges. The situation evolved after Ayatollah Khomeini's death, leading to a shift in Iran's ideological approach and an acknowledgment of Kashmir as an integral part of India (Ashwarya, 2017). The Iran-Iraq war further complicated relations, acting as a spoiler for developing ties between India and Iran. The conflict, coupled with the Soviet Union's invasion of Afghanistan, created external impediments, hindering the maturation of Indo-Iranian political relations. Economic ties also suffered, remaining limited and far from substantive due to these external factors (Hussain, 2012: 859).

As a result, the bilateral relationship between India and Iran faced challenges during the Iran-Iraq war in the 1980s. When Saddam Hussein assumed power in Iraq in 1979, he strengthened cooperation with India, leading to significant contracts in irrigation, agriculture, and the petrochemical industry. Despite India's efforts to maintain neutrality during the conflict, the provision of Iraqi oil and economic cooperation drew New Delhi closer to Baghdad. Nevertheless, bilateral relations did not experience significant gains until the early 1990s.

The Iran-Iraq war and the end of the Cold War have created new opportunities for collaboration between India and Iran. Post-war Afghanistan's political landscape was viewed similarly by both nations. During this period, Delhi and Tehran supported the Northern Alliance and opposed the Taliban forces. Iran played a crucial role by frequently blocking anti-India resolutions proposed by Pakistani representatives in international organisations like the organisation of the Islamic Conference. Iran also offered to mediate between India and Pakistan due to its amicable relations with both states (Przemyslaw, 2021: 133). A significant milestone in Iran-India security cooperation occurred in 2001 with the signing of the Tehran Declaration, a memorandum of understanding on defence cooperation. This agreement set the stage for further discussions on tangible aspects of security collaboration. In 2002, President Khatami's visit to India resulted in the New Delhi Declaration, emphasising the exploration of opportunities for cooperation in defence, including training and exchange of visits (Ministry of External Affairs of India, 2003). The declaration laid the foundation for more concrete discussions on diplomatic and economic matters in the Middle East, Central Asia, and the Indian subcontinent. India actively participated in Khatami's concept of the Dialogue among Civilisations, fostering a deeper understanding between the two nations. This period marked a shift towards a more comprehensive and cooperative relationship between India and Iran (Wastnidge, 2016: 83).

India and Iran share a complex and multifaceted relationship, rooted in a long history of cultural ties. Their ties are influenced by geopolitical and economic priorities, encompassing energy trade, infrastructure development, and security cooperation. However, challenges arise from conflicting partnerships, sanctions, unstable negotiations, and bureaucratic hurdles. At the beginning of the 21st century, India and Iran had divergent interests. While India supported NATO forces in Afghanistan, Iran openly opposed their presence, perceiving it as a threat to national security. Iran's concerns stemmed from the fear of becoming a potential target with U.S. forces stationed in Iraq and Afghanistan. Tensions also arose over Iran's interference in India's internal affairs through a speech by Ali Khamenei in support of the freedom struggle in Kashmir, leading to a diplomatic crisis in 2010 (Osiewicz, 2021: 135). India's relationship with Iran is further complicated by its interests in developing ties with Iran's adversaries, including the United States, Israel, and some Persian Gulf states. This balance is complicated by sanctions and diplomatic moves against Tehran. Despite Delhi's voting alignment with Washington on Iran's nuclear program, it is driven by its own interest in preventing nuclear proliferation. As India ascends to great power status, challenges in balancing various relationships will likely increase. Iran's balancing act between India and these partners is further complicated by its friendly relationships with China and Pakistan. India's economic interests in Iran are also affected by these challenges, in addition to its geopolitical aspirations. Iran is a significant energy exporter to India and a prospective entry point to markets in Central Asia and Afghanistan, which are landlocked. Delhi was compelled to relinquish certain interests during the sanctions against Iran that were headed by the U.S. and the EU. In particular, the processing of energy transaction payments presented a significant obstacle to efforts to navigate these sanctions. The subsequent decline in commerce was followed by a recovery only after the Joint Comprehensive Plan of Action (JCPOA) was implemented, which ended the sanctions. The India-Iran relationship is marked by a delicate balance between shared interests and conflicting priorities, influenced by geopolitical shifts, sanctions, and regional dynamics. Overcoming these challenges is crucial for realising the full potential of their multifaceted partners.

3. India and Iran in the SCO: Comparative analysis

3.1. India and the Shanghai Cooperation Organisation (SCO)

In 2005, at the Astana Summit, India, Iran, and Pakistan were admitted as Observers to the SCO. As a result, on June 9, 2017, the President of Kazakhstan, Nursultan Nazarbayev, announced that India and Pakistan had become complete members of the SCO. He extended his warmest greetings to both nations upon their admission to the organisation. Analysts believed that India's inclusion in this Eurasian body would

elevate its international standing and provide increased access to regional markets, influencing its politico-strategic dynamics (Hashmi, 2017). The permanent membership in the SCO provided India with unique opportunities to actively engage with Eurasia (*The Hindu*, 2021). Participation in existing SCO processes, notably the Regional Anti-Terrorist Structure (RATS), facilitated the sharing of crucial information and intelligence on terrorist movements and drug trafficking. In addition, the Indian armed forces were able to acquire a deeper understanding of the operational strategies of other militaries through their participation in the SCO's annual military operations and counterterrorism exercises. Additionally, India's permanent membership promoted closer cooperation with Central Asian nations. India, one of the world's largest energy consumers, depended on imports to satisfy half of its natural gas requirements.

The Central Asia region boasted abundant reserves of natural resources and minerals, with Kazakhstan, Turkmenistan, and Uzbekistan holding significant hydrocarbon fields. This area represented about 4% of the world's natural gas reserves and approximately 3% of oil reserves. India recognised the potential of the region and viewed it as a critical source of oil, gas, and other natural resources in order to meet its energy requirements. Moreover, the SCO facilitated the construction of initiatives such as the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline. Kazakhstan and Tajikistan, nations with substantial bilateral relations with India, also supported Russia's decision to provide assistance to India. India's closer ties to Russia, Kyrgyzstan, and Tajikistan have facilitated the development of robust diplomatic relations and increased trade. India was well-positioned to develop effective policies in response to China's ambitious initiatives, including the "China Pakistan Economic Corridor" (CPEC) and "One Belt, One Road", after becoming a complete member of the SCO. The development of the International North-South Transportation Corridor (INSTC) became crucial for India, offering a significant route for shipping freight between India, Russia, Iran, Europe, and Central Asia through ships, railways, and roads. Membership in the SCO not only strengthened India's stance as a supporter of a multilateral global order (Kumar, 2016), but also presented more opportunities than constraints. Collaboration on security, energy, economic, and connectivity issues became key benefits for India. In the realm of security, the SCO addressed common challenges faced by its members, such as terrorism, drug trafficking, and small arms smuggling. The SCO's RATS mechanism played a crucial role in developing a multipronged approach to counter these threats, emphasising cooperation to combat terrorism, separatism, extremism, and transnational criminal activities (Upadhyay, 2016). Joining the SCO's energy club allowed India to benefit from the supply of energy from one of the world's largest energy-producing groups.

Approximately 25% of global oil reserves, over 50% of gas reserves, 35% of coal, and half of the world's known uranium reserves are located in the territories of SCO member states. This collaboration aimed to achieve mutually beneficial long-term energy security for buyers and ensure financial commitments for sellers, considering the significant oil and gas pipelines in the region (*InfoSCO*, 2015).

3.2. Iran and Shanghai Cooperation Organisation (SCO)

Following the establishment of the Islamic regime in 1979, Iran adopted a foreign policy of non-alignment with both Western and Eastern powers. This stance led to a reluctance to join regional security organisations or sign multinational security treaties. However, a shift occurred after three decades for two key reasons. First, as Iran fostered closer ties with China and Russia, unsuccessful reconciliation attempts with the US during President Mohammad Khatami's tenure (1997–2005) and the "Axis of Evil" speech by former President George W Bush contributed to the rise of neoconservatives in Iran. Secondly, the opposition to Washington from Beijing and Moscow provided Tehran with an alternative route to fulfil its security needs through the SCO and evade US sanctions related to its nuclear program. Enhanced economic and political connections between Iran and SCO member states, particularly China and Russia, have established mutual interests. Iran anticipates support from its SCO partners in case its stability and security face threats, countering the possibility of a neutral stance (Brummer, 2007: 193). Moreover, Iran's full integration into the SCO could potentially reshape the global energy balance of power. The SCO zone, which includes Iran, would account for half of the world's total reserves of natural gas, and its crude share would increase to 18%. This change has the potential to reduce the Organisation of the Petroleum Exporting Countries (OPEC)'s influence on the global energy market, including the determination of prices, production targets, and overall stability. In addition to their military collaboration, China and Russia have substantial economic ties to Iran, particularly in the energy sector. Sinopec and Zhuhai Zhenrong Corporation, two Chinese companies, have executed 25-year contracts to develop Iranian oil and gas fields. Iran's eastward pivot is indicative of a proactive strategy to secure permanent membership in SCO, which will grant it greater bargaining power in negotiations with the United States and the European Union (Vakil, 2006: 5).

3.2.1. India and Iran in the SCO: Converging and Diverging interests

India and Iran share overlapping goals within SCO, particularly concerning regional connectivity and energy security, but their broader geopolitical strategies differ significantly, reflecting both convergence and divergence in their interests.

a) Regional connectivity and Energy security: Convergence

Both India and Iran recognise the strategic importance of Central Asia, which serves as a critical junction for securing energy resources and enhancing connectivity. For India, access to the energy-rich Central Asian region is significant to diversifying its energy sources and reducing dependence on volatile Middle Eastern markets.

India has found a strategic advantage in Iran's geographic location, especially through the Chabahar port complex. Despite facing US sanctions in 2018, India managed to maintain good relations with both Iran and the United States. While India had to stop importing oil from Iran, progress continued at the Chabahar Port (Bhaumik, 2019). Chabahar Port holds great potential for India's geopolitical interests. It allows India to establish stronger ties with Central Asia, providing an alternative to Pakistan. The port also enhances India's monitoring capabilities on Pakistan, potentially aiding subversive operations. In case of conflicts blocking the Strait of Hormuz, Chabahar offers direct access to Iranian energy (Mukhtar, 2016). Economically, Chabahar benefits India by reducing transportation costs for oil trade with Iran and fostering long-term trade connectivity. By investing in Chabahar, India aims to become a key player in Central Asia's economy. India has already invested significantly in infrastructure, such as the Zaranj to Delaram road and plans for a railway link. A trilateral agreement between India, Iran, and Afghanistan further facilitates the transport and transit of goods, contributing to regional development and stability (Behuria, 2015). However, challenges may arise due to Iranian concerns about over-dependence on India and potential misalignment of long-term interests. Iran emphasises that Chabahar is not aimed against other powers, welcoming investment from Pakistan and China (Taneja, 2016). Despite challenges, economic cooperation remains a crucial aspect of Iran-India relations, providing India access to Central Asia and Afghanistan. India regards Chabahar Port as a valuable asset as a result of its strategic location in Iran. It helps India bypass Pakistan, strengthens regional ties, and offers economic benefits through trade and connectivity. Despite challenges, the Chabahar Agreement underscores the importance of this port for India, Iran, and Afghanistan.

The calculations of New Delhi were relatively straightforward, as Nikolay Kozhanov notes: "There would be no alternative to the Iranian safe route to Afghanistan and post-Soviet Central Asia as long as Pakistan remained one of the main opponents of India" (Kozhanov, 2018: 124). Indian enterprises are able to export their products to these states by bypassing Pakistan through the Iranian route. The International North-South Transport Corridor (INSTC), another key initiative involving both India and Iran, exemplifies their mutual interest in developing alternative trade routes that bypass geopolitical chokepoints and reduce transport costs. This corridor not only enhances India's connectivity with Central Asia but also strengthens Iran's role

as a crucial transit hub linking Eurasia to the Middle East. By investing in Chabahar, India aims to become a key player in Central Asia's economy, accessing the International North-South Transport Corridor and establishing political proximity with Iran, Russia, and Central Asian nations (Blank, 2003: 149).

For Iran, Central Asia represents not just a source of energy and economic partnerships, but also an opportunity to assert itself as a pivotal transit country in Eurasian trade networks. Iran's geographical location allows it to act as a conduit between the Caspian Sea, the Persian Gulf, and further into South Asia, offering it significant leverage in regional trade. Both nations, thus, see the SCO as a platform to enhance these connectivity projects, aiming to foster regional economic growth and secure energy routes that align with their long-term strategic goals.

b) Security cooperation and Counterterrorism: Alignment with diverging interests

On security issues, India and Iran also find some common ground, particularly in combating terrorism, extremism, and drug trafficking, all of which remain major concerns for both countries, particularly in addressing extremist groups based in Pakistan. Tehran has expressed frustration with Islamabad for not effectively controlling anti-Iran militants operating within Pakistani territory (Jahanbegloo, 2016). There have been accusations of Pakistani intelligence supporting Baloch separatists in Iran, leading to occasional cross-border raids by Iran into Pakistani territory (Vatanka, 2014). To address these shared security challenges, Tehran and Delhi have established working groups to collaborate on counterterrorism activities.

The SCO provides a platform for member countries, including Iran and India, to strengthen regional security cooperation. By leveraging the SCO-RATS framework, both nations can work together more closely in combating terrorism. They can share intelligence, coordinate strategies, and engage in joint initiatives to counter the common threat of extremist groups. Mutual collaboration within the SCO not only reinforces the bilateral efforts already in place, but also allows Iran and India to benefit from the collective expertise and resources of other member states. This synergy can lead to a more effective and comprehensive approach to counterterrorism activities in the region. In summary, Iran and India can capitalise on the SCO-RATS framework to further develop and enhance their cooperation in combating terrorism. By leveraging the collective strength of the SCO, both nations can contribute to a more secure and stable regional environment.

However, the geopolitical dynamics within the SCO present challenges for both countries, especially when it comes to their participation in security cooperation. India's security priorities are often at odds with Pakistan's, a major player within the SCO, especially with

regard to cross-border terrorism. This rivalry with Pakistan complicates India's ability to fully integrate into SCO security initiatives, as Islamabad frequently aligns with China on regional security matters. On the other hand, Iran, although facing its own set of security challenges in the region, enjoys relatively smoother relations within the SCO and has stronger ties with key players like Russia and China. This allows Iran to more effectively utilise the SCO for its security cooperation objectives.

c) Energy security: Shared interests with differing approaches

Energy security represents both a point of convergence and divergence for India and Iran. Both nations see the SCO as a platform to secure long-term energy partnerships and enhance their energy goals. For India, energy security is paramount, and the SCO offers a pathway to diversify its energy sources by deepening ties with energy-rich Central Asian countries like Kazakhstan and Uzbekistan. India's energy policy also emphasises reducing dependence on Middle Eastern oil, and its involvement in the SCO is partly motivated by the potential to gain access to alternative energy supplies, particularly through partnerships with Russia and Central Asian states.

India's economic ties with Iran, particularly in the energy sector, have gained momentum since the opening of India's economy in the early 1990s. Energy and connectivity to the Central Asian region form the core of India's economic interests in Iran (Roy, 2016). Iran holds significant importance in India's efforts to address energy poverty, aligning with its overarching goal of development. Providing 11.2% of India's crude oil imports in 2017, Iran has been a critical partner, ranking as the third-largest source after Saudi Arabia and Iraq (Workman, 2018). Energy commerce is the foundation of the Indo-Iranian relationship, which guarantees that both nations consider the interests of the other. India continues to depend on Iran and other significant suppliers, despite its efforts to diversify its energy sources. Iran was the second-largest crude supplier to India before the imposition of sanctions. The lifting of sanctions in 2016, following the Joint Comprehensive Plan of Action (JCPOA), revitalised economic ties. An arrangement between Delhi and Tehran facilitated the processing of India's pending oil payments to Iran, unlocking significant funds. In 2016, India's crude oil imports from Iran amounted to \$6.68 billion, constituting 11% of total crude oil imports (Busvine & Verma, 2016). India's membership in the SCO provides a strategic opportunity for enhancing energy cooperation with Iran. The SCO serves as a platform for member nations to strengthen economic ties, including energy partnerships. With Iran as an SCO member, India can leverage the organisation's framework to deepen its collaboration on energy security. The SCO can facilitate long-term arrangements and strategic investments in the energy sector between India and Iran. Membership

in this organisation opens avenues for more stable and secure energy supplies, ensuring that India's growing energy needs are met through collaborative efforts with reliable partners like Iran. In the end, India stands to benefit significantly from Iran's membership in the SCO, particularly in addressing its energy needs. This partnership within the SCO framework can enhance India's energy security, allowing for more stable, long-term agreements and strategic investments with Iran, contributing to the overall economic development of both nations.

Another major development is related to the IPI project. The Standing Committee of Parliament on Natural Gas and Petroleum has recommended the government to reconsider the long-delayed Iran-Pakistan-India (IPI) gas pipeline. This suggestion comes in the wake of Iran's recent transition from an observer to a permanent member in the upcoming Summit. The IPI pipeline had been abandoned by India previously as a result of sanctions imposed on Iran in relation to its putative nuclear program. The objective of the IPI pipeline initiative was to convey natural gas from Iran to Pakistan and India (Lok Sabha, 2025).

For Iran, energy security is framed differently. As a major energy exporter, Iran's primary objective within the SCO is to expand its energy exports and circumvent U.S. sanctions. Iran seeks to enhance its energy partnerships with China, Russia, and other SCO members to stabilise its economy and maintain its role as a key supplier of oil and gas. Iran's inclusion in the SCO also offers the opportunity to counter Western influence in global energy markets, particularly by promoting energy trade in non-dollar currencies and fostering closer energy ties with China through initiatives like the Belt and Road Initiative (BRI).

Where the divergence becomes most evident is in their stance towards China's BRI. India has been vocal in its opposition to the BRI, particularly due to the China-Pakistan Economic Corridor (CPEC), which passes through contested territories in Kashmir. This has made India wary of fully engaging with Chinese-led initiatives within the SCO. In contrast, Iran has embraced the BRI, seeing it as an opportunity to boost its own infrastructure, enhance connectivity with China, and increase energy exports through new trade routes.

d) Strategic autonomy vs. Dependence on partnerships

A fundamental difference in the strategic outlook of India and Iran within the SCO is the concept of strategic autonomy. The capacity of a state to autonomously decide on its own, particularly in matters of foreign policy, and to take the chosen course of action without external influence is known as "strategic autonomy" (Think Tank European Parliament, 2022). India strives to maintain its strategic autonomy by engaging in multiple geopolitical platforms while avoiding over-reliance on any single bloc. This is evident in India's dual involvement

in both the SCO and the QUAD¹, where it seeks to assert it as an independent power capable of navigating both Eastern and Western alliances. India became a member of the U.S.-led QUAD, which was initially established as a humanitarian partnership in response to the 2004 Indian Ocean tsunami. The partnership was revived in 2017 to counter China's increasing influence, particularly in the wake of the military standoff at Doklam. At the same time, India joined the SCO and RIC under the leadership of China and Russia, respectively. This move demonstrated India's capacity to engage with a variety of global powers and increased its strategic flexibility. India has maintained its autonomy, as seen by its decision to continue importing Russian oil during the Ukraine conflict, despite criticism from the U.S. and EU, despite being a member of QUAD and the Indo-Pacific strategy. External Affairs Minister S. Jaishankar defended India's independent decisions, citing Europe's reliance on Russian energy and accusing them of applying double standards. At the same time, India did not wholly align with Russia, as Prime Minister Modi called for peace at the SCO Summit in 2022. This multifaceted diplomacy is a fundamental component of the Modi government's overarching foreign policy strategy, which prioritises make in India, Indo-Pacific maritime cooperation, and Act East. India aims to maintain a balanced, flexible posture in an evolving global order and enhance its strategic autonomy by participating in the SCO and QUAD (Farwa, 2024: 4-6).

Iran, on the other hand, operates from a position of economic and diplomatic isolation due to Western sanctions, making its reliance on SCO partners like China and Russia far more pronounced. Iran's participation in the SCO is thus driven more by necessity than by strategic autonomy, as it seeks to leverage the organisation to overcome its isolation and strengthen its position in the global energy market. For past years, Tehran has been steadily enhancing its relationships with Russia and China, guided by the "Look to the East" narrative. Recent developments, such as the twenty-five-year cooperation agreement with China, China's role in mediating Saudi normalisation, and closer ties with Russia following the Ukraine invasion, mark a significant shift in Iran's foreign relations. Both China and Russia, key players in the SCO, have moved past their earlier reservations about Iran, establishing more comprehensive ties. The change in Tajikistan's stance regarding Iran's SCO membership and the inability of U.S. sanctions to impede this membership further underscore Iran's growing role in the organization (Uygur, 2025).

a) India-Iran trade relations and future opportunities

Historically, India has been among Iran's five largest trade partners (Embassy of India, 2025). India's main exports to Iran include rice, tea,

1. Quadrilateral Security Dialogue

sugar, pharmaceuticals, man-made staple fibres, electrical machinery, and artificial jewellery. Conversely, key Indian imports from Iran primarily consist of dry fruits, inorganic/ organic chemicals, and glassware (ibid). Crude oil has been a historically significant import for India (Hafeez, 2019: 24), though recent years have seen shifts due to geopolitical pressures, with Iraq and Saudi Arabia becoming larger suppliers (ibid).

The relationship between India and Iran has been consistently challenged by the US's suspicion over Iran's nuclear program and the imposition of sanctions (ibid: 22). Following the 1979 Iranian revolution, the US banned its companies from doing business with Iran and later enacted the "Iran Sanctions Act" (ISA) in 1996, pressuring international companies against investing in Iran's energy sector (ibid: 42). These sanctions have had a profound negative impact on Iran's economy, leading to a reduction in per capita income by an average of \$3,600 per year between 2012 and 2019, causing a significant gap between Iran and countries with similar governance conditions (Farzanegan, 2025). Despite initial efforts by India to continue importing oil from Iran, even offering state-backed insurance for tankers when European companies refused, US pressure led to a significant reduction in India's oil imports from Iran. India's oil imports from Iran dramatically reduced during 2009-2016, being lowest in 2013-14 (Hafeez, 2019: 26).

The US pressured India to discontinue the Asian Clearing Union (ACU) currency swap mechanism in December 2010, holding up substantial payments to Iran. Alternative banks in Germany and Turkey subsequently refused to process payments, forcing countries like India and China to resort to barter trade, which was insufficient for large oil import payments (ibid: 29).

India's interest in the Iran-Pakistan-India (IPI) gas pipeline project, intended to meet its energy needs, was significantly impacted by US pressure, particularly during negotiations for a civil nuclear agreement with the US (ibid: 28). India subsequently pursued the US-backed Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline instead (ibid: 31).

India, aspiring to be a global economic power and seeking US support for its role in global affairs (e.g., permanent membership in the UNSC and civil nuclear cooperation), has found itself "walking a tightrope" between energy-rich Iran and the dominant US power (ibid: 36). India has, at times, voted against Iran in the International Atomic Energy Agency (IAEA) due to US pressure, despite otherwise cordial relations (ibid: 25). The Trump administration's withdrawal from the Joint Comprehensive Plan of Action (JCPOA) in 2018 and the re-imposition of sanctions further complicated India's ability to import Iranian oil, compelling India to reduce imports despite initial waivers (ibid: 33). The US subsequently announced in April 2019 that no further

waivers would be given, demanding countries cut oil imports from Iran to zero by May 2, 2019 (ibid: 35).

Prime Minister Narendra Modi's government has sought to revitalise relations with Iran as part of its "Look West" policy (ibid: 31). Modi's visit to Iran in May 2016 (the first by an Indian PM in 15 years) led to the signing of 12 bilateral agreements, including those related to Chabahar Port (ibid: 32). India also released over US\$700 million in payments due to Iran prior to this visit to foster goodwill (ibid: 31). Despite these efforts, the relationship faces hurdles, notably due to India's deepening ties with the US and Israel (ibid: 32). For instance, Modi's visit to Israel in July 2017, the first by an Indian Prime Minister, was not viewed favourably by Tehran, and Iran's Supreme Leader, Ayatollah Ali Khamenei, subsequently raised the issue of Jammu and Kashmir (ibid: 33).

In conclusion, while the SCO provides a platform for India and Iran to discuss and potentially enhance their trade and energy relations, the future of these ties remains complex and heavily influenced by external geopolitical dynamics, particularly US sanctions and broader regional rivalries (Boland, 2011: 36). India's strategic imperative to balance its energy needs with its relations with the US and its internal tensions with other SCO members like China and Pakistan will continue to shape the scope and pace of its economic engagement with Iran within the SCO framework (Awan, 2023).

3.2.2. Turkey and Egypt in the SCO: Balancing acts and their implications for India and Iran

The deepening engagement and potential full membership of Turkey and Egypt within the SCO are set to introduce multifaceted impacts on the future roles and strategic positions of both Iran and India within the organisation. Turkey currently holds the status of a Dialogue Partner within the SCO, a position it acquired in 2012, with the ratification process concluding in May 2017 (Republic of Türkiye Ministry of Foreign Affairs, 2022). This status allows Turkey limited cooperation in specific fields and participation in meetings, albeit without involvement in decision-making or signing authority (ibid). Turkey views this engagement as an effort to elevate its foreign policy from a regional to a global level and to adapt to the new geopolitical landscape rooted in great power competition (Duran, 2022).

Egypt officially became a Dialogue Partner of the SCO on 14 September 2022, signing a memorandum of accession in Tashkent (State Information Service, 2023). The Egyptian Ministry of Foreign Affairs highlighted this as a crucial step for strengthening relations with SCO countries across various sectors, including trade, investment, energy, transport, and tourism, as well as supporting regional security and stability (ibid).

a) Impact on Iran's future in the SCO

Iran will experience a significant shift in its dynamics with the potential inclusion of Turkey and Egypt as full members.

Iran, now a full member from the Middle East/ North Africa region, initially gained prominence as a significant regional player within the SCO (Khan et al., 2023: 35). However, the inclusion of other major Middle Eastern/ North African states like Turkey and Egypt would inherently diffuse Iran's unique regional centrality within the SCO (Gill & Freeman, 2024).

Iran has historically viewed the SCO as a platform to secure its nuclear program, gain protection against airstrikes, exert pressure on Russia for advanced weapons, and attract capital investment due to Western sanctions (Khan et al., 2023: 35). Iran's full membership could lead the SCO to be "seen as a wholly anti-Western group" and raise questions about China and Russia promoting nuclear proliferation (ibid). The inclusion of a NATO member like Turkey, or other countries with strong Western ties such as Egypt (Duran, 2022), could potentially mitigate this perception by adding diverse geopolitical alignments. This could make it more challenging for Iran to leverage the SCO solely as an anti-Western platform, potentially diluting its specific strategic objectives within the organization (Khan et al., 2023: 35).

Iran seeks SCO membership for economic benefits, especially attracting capital investment given Western sanctions (ibid). The SCO also aims to foster economic cooperation and regional development. While new members like Turkey and Egypt could contribute to the SCO's overall economic heft, they would also introduce new competition for projects and influence within the economic agenda.

b) Impact on India's future in the SCO

SCO has provided India a "unique opportunity" to engage with Central Asia, as it has no other regional organization focused on that area (Boland, 2011: 22, 49). The potential full membership of Turkey and Egypt could further complicate India's strategic calculus.

Turkey's long-standing membership in NATO introduces a complex dynamic, as NATO views Russia as "the most critical and direct threat" and China as a "challenge" (*Turkish Minute*, 2022). Turkey's deeper engagement or potential full membership in the SCO, an organization sometimes perceived as a "counterweight to NATO" or "anti-Western" (Boland, 2011: 7), could be seen as a "severe loss of credibility for NATO". This highlights the inherent tension of simultaneous membership for Turkey and complicates the broader geopolitical landscape within SCO (*Turkish Minute*, 2022). This increased diversity of alignments would make India's existing "balancing act" more precarious, as it tries to maintain good relations with both Western powers and SCO members (Norling & Swanström, 2007: 437).

India, despite being a full member, notably chose not to sign the Economic Development Strategy 2030 and refrained from endorsing the Belt and Road Initiative (BRI), citing concerns over its potential to lead to a debt trap (Awan, 2023). The SCO aims to foster economic cooperation (State Information Service, 2023). The entry of additional economically significant players like Turkey and Egypt, each with their own economic interests, could intensify competition for projects or influence within the SCO's economic agenda. This could further complicate India's selective engagement with SCO economic initiatives and potentially reduce the focus on projects that align more directly with India's specific goals. India perceives itself as a rival to China in the emerging global order and is hesitant to endorse any strategy involving China (Awan, 2023), a rivalry that could be intensified by new economic players.

3.2.3. The West's invisible hand: U.S. and Israeli influence on India- Iran SCO collaboration

The SCO has experienced a complex relationship with the United States and has recently taken a strong stance regarding attacks on its member, Iran, which has notable implications for countries like India and Iran within the organization.

Historically, Washington has maintained a cautious and inconsistent approach to the SCO (Boland, 2011: 5, 26). The Bush Administration experienced a "nadir in relations" around 2005, particularly after the SCO called for the U.S. to set a withdrawal timeline for its forces in the region (ibid: 28). This period was marked by the U.S. eviction from the Karshi-Khanabad (K2) airbase in Uzbekistan, which was linked in many minds to the SCO's call for withdrawal and Tashkent's unhappiness with perceived U.S. criticism of its crackdown on public unrest. Despite an earlier offer in 2004 to take up observer status with the SCO to work on issues like counterterrorism, the Bush Administration's trust was likely "soured" by the K2 incident (ibid: 27, 28). By 2007, U.S. officials publicly stated that the U.S. did not "seek to become a member or observer" of the SCO (ibid: 28).

In contrast, the Obama Administration adopted a more open policy of outreach to regional partners. This included sending Deputy Assistant Secretary of State for South and Central Asian Affairs Patrick Moon to a SCO-sponsored conference on Afghanistan in Moscow in March 2009, marking the first participation in a SCO event by a U.S. government official (ibid: 5).

The Trump Administration has a distinct ideological approach, emphasizing nationalism and selective engagement in global affairs, prioritizing the maximization of U.S. economic, military, and geopolitical influence in specific areas (Eurasian Research Institute, 2025). This approach moves away from multilateral commitments

towards a pragmatic, transaction-based strategy (ibid). The Trump administration views China as its primary geopolitical rival and aims to strengthen alliances like the QUAD while intensifying economic and military pressure on Beijing (ibid). Regarding the Russia-Ukraine conflict, the administration prioritizes diplomatic solutions to reduce U.S. financial commitments and refocus on other strategic priorities, initiating direct negotiations with President Putin (ibid). These policy shifts are seen as strategic steps to allow the administration to concentrate fully on its new priorities, and they are expected to have significant effects on the balance of power, with implications for Central Asia (ibid).

Potential benefits for the U.S. from engaging with the SCO include increasing U.S. awareness of Beijing's regional activity, complementing the "reset" approach with Russia, and better understanding and addressing instability in regimes like Afghanistan and Pakistan (Boland, 2011: 33). The SCO's central focus on combating the "three evils" of terrorism, separatism, and extremism aligns with U.S. counterterrorism objectives. However, risks exist for the U.S., such as unintentionally endorsing repressive regimes, being rejected by SCO members, or being sidelined within the organization (ibid: 5). Full membership for Washington is generally seen as neither preferred nor attainable due to lingering suspicions between the parties (ibid: 5, 40). The SCO itself was partly founded as a vehicle to limit U.S. influence in the region, with China and Russia often influencing key decisions, such as the 2005 demand for U.S. military withdrawal (Khan et al., 2023: 31). Nevertheless, some argue that the U.S. could exploit internal divisions within the SCO, particularly the rivalry between China and Russia, to strengthen its position (ibid: 34).

3.2.4. Israel-Iran rivalry and SCO's response

The sources indicate a significant escalation in the Israel-Iran rivalry in June 2025. Israel launched "Operation Rising Lion", striking Iranian nuclear facilities at Natanz, Isfahan, and Fordow, and also killed high-ranking Iranian military officials and nuclear scientists. Iran retaliated with "Operation True Promise 3", launching over a hundred ballistic missiles at Israel (Padmanabhan, 2025).

The SCO strongly condemned these military strikes by Israel on the territory of the Islamic Republic of Iran (*Dawn*, 2025). The SCO viewed these actions as a "gross violation of international law" and the United Nations Charter, and an "infringement" on Iran's sovereignty, causing damage to regional and international security and posing serious risks to global peace and stability (Padmanabhan, 2025). The SCO stated that such "unlawful actions directed against SCO member states are unacceptable" and reaffirmed its commitment to strengthening international peace and security (ibid). The organization firmly advocates for resolving the situation surrounding Iran's nuclear

program exclusively through peaceful, political, and diplomatic means (ibid).

a) Impact on India in SCO

Regarding the Israel-Iran conflict, India distanced itself from the SCO's statement condemning Israel's airstrikes (Padmanabhan, 2025). The Ministry of External Affairs clarified that "India's own position" had been articulated separately on June 13, 2025, emphasizing the need for dialogue and diplomacy to de-escalate the situation (ibid). India explicitly stated that it "did not participate in the discussions" on the SCO statement critical of Israel (ibid). This highlights India's balancing act and its perceived role as a rival to China in the emerging global order, leading to hesitation in endorsing strategies involving China despite its SCO membership. Concerns exist about India's credibility and trustworthiness among other SCO and BRICS members due to these actions (Awan, 2023).

India is a full member of the SCO, having joined in 2017. However, its role has shown complexities, particularly during its 2023 SCO presidency, which was held virtually and at a "low profile," raising questions about India's commitment. India notably chose not to sign the Economic Development Strategy 2030 and refrained from endorsing the Belt and Road Initiative (BRI), citing concerns over potential debt traps (ibid). Historically, animosity between India and China has complicated cooperation, and India's caution regarding the SCO has been influenced by its relations with the U.S. The long-standing conflict between India and Pakistan, both SCO members, also presents a "serious obstacle" to greater regional dialogue within the organization (Norling & Swanström, 2007: 436-7).

b) Impact on Iran in SCO

Iran became the ninth full member of the SCO in 2023 (Dawn, 2025), after previously holding observer status. Its accession followed a long-standing desire for full membership (Khan et al., 2023: 35). The international sanctions imposed on Iran between 2012 and 2019 had a "profound and pervasive impact on the country's economy". These sanctions reduced Iranians' per capita income by an average of \$3,600 per year and caused an average annual decline of 11% points in the share of the middle class, pushing many into low-income groups or leading to migration. Other indicators like gross fixed capital formation, foreign trade volume, and industrial value added were also negatively affected (Farzanegan, 2025: 171-2).

From Iran's perspective, lifting sanctions through international negotiations is crucial for economic recovery, enabling the return of investment in key sectors like energy and industry, facilitating scientific and technological interactions, boosting tourism, and containing brain drain (ibid: 171). Iran's reintegration into the global economy would

necessitate compliance with international standards such as financial transparency and property rights, which sanctions have weakened incentives for (ibid: 173).

Iran views its SCO membership as a potential source of protection against military strikes from adversaries like the U.S. or Israel on its nuclear facilities. It also believes membership could help it exert pressure on Russia to provide more sophisticated weapons. Economically, Iran sees China and Russia as significant sources of capital investment, especially given the departure of most Western corporations due to U.S. and EU sanctions (Khan et al., 2023: 35).

The SCO is also seen as a vehicle for Iran to increase its influence in the Central Asian region, which it considers culturally close. SCO members, including China, Russia, and Iran, actively seek to integrate economically to "violate the embargo imposed on them by the United States" and attract Asian investments (State Information Service, 2023).

4. Conclusion: Challenges and Policy recommendations

India and Iran's roles in the SCO have significant effects on both the organisation and global politics. For the SCO, India's effort to balance relations with Eurasian powers and the West sometimes causes friction, especially when it comes to making unanimous decisions. In contrast, Iran's presence in the SCO brings a stronger anti-US stance to the group, particularly in its interactions with the US and European nations.

On a large scale, the SCO is a key platform for the ongoing power struggle between East and West. India uses its membership to influence Central Asia while maintaining its independence from major global powers. Iran, on the other hand, leverages its role in the SCO to push back against Western influence and to increase its influence over regional energy and security matters. How India and Iran handle their relationships with China, Russia, and the West will play a major role in shaping the future of the SCO and the balance of power in Eurasia.

India's involvement in the SCO presents significant strategic opportunities but also several hurdles. A primary obstacle is contending with China's dominance in the organisation. The conflicting relationship between India and China regarding border tensions and China's support for the China-Pakistan Economic Corridor (CPEC), limits India's ability to influence key decisions within the SCO. Furthermore, India's deepening ties with the West, particularly the United States, occasionally clash with the anti-Western posture of leading SCO members like Russia and China.

India also grapples with challenges in securing its energy interests through the SCO due to infrastructural delays, including the slow progress of the International North-South Transport Corridor (INSTC). Additionally, India's historically adversarial relationship with Pakistan complicates its participation in SCO security initiatives, where Islamabad has a notable role. In essence, India's main obstacles within

the SCO arise from balancing its geopolitical ambitions with the dominance of China and Pakistan, while maintaining cooperative relations with the West.

Iran's journey within the SCO has been largely shaped by its need to offset Western sanctions and diplomatic marginalisation. One of the primary challenges for Iran has been its extended observer status within the SCO. Despite being a key regional player, Iran's ability to fully engage in decision-making processes was hindered until its recent elevation to full membership. This prolonged limbo reflected the cautious approach taken by Russia and China, especially regarding Iran's controversial nuclear program and the global sanctions regime.

Another major challenge for Iran is its dependency on China and Russia to circumvent sanctions, which places Tehran in a delicate position. While these partnerships are essential for Iran's economy, particularly in energy, they are often one-sided, driven more by Beijing and Moscow's strategic calculations. This dynamic limits Iran's leverage within the SCO when it comes to shaping collective agendas, particularly in the areas of security and counterterrorism. Furthermore, while Iran is eager to align with the SCO's anti-Western sentiment, it is cautious about fully integrating into China's Belt and Road Initiative (BRI), which intersects with regions where Iran has key strategic interests. Iran's challenge is to balance its autonomy with its economic and security ties to SCO members.

Along with these challenges, India and Iran's relationship is also crucial, especially within the context of the SCO. For India, Iran is an important gateway to Central Asia, offering opportunities for collaboration in counterterrorism and helping India balance China's growing influence and counter Pakistan's impact. The development of Iran's Chabahar Port is a strategic move for India, allowing it to access Afghanistan and Central Asia bypassing Pakistan. India's position as both a long-time friend of Iran and Gulf states and a strategic partner of the US and Israel makes it a key player in Middle Eastern security discussions involving Iran.

India's approach to Iran is driven by both strategic and economic interests. Iran helps India extend its influence beyond its immediate region, aligning with India's ambitions on the global stage. Projects like the Chabahar Port are part of India's strategy to reduce Pakistani influence in Afghanistan, fight extremism, and address strategic challenges posed by China. Meanwhile, India and China are competing for influence in Iran.

While Iran hopes to gain economic benefits from its membership in the SCO amid Western sanctions, the reality is more complex. The SCO primarily focuses on addressing security threats rather than promoting trade and economic cooperation. Although the organisation has gained importance with the involvement of major powers like China and India, expecting immediate economic improvements for Iran is

unrealistic, especially given the lack of a "free trade area" among its members.

Moreover, Western countries are generally opposed to Iran's SCO membership. Iran's shift towards a stronger military and political alignment with the Eastern bloc raises concerns not only for Israel and Europe but also for the United States. Its military activities in regions like Ukraine, Syria, and Iraq, along with incidents involving tanker seizures, suggest a closer alignment with the interests of China and Russia. These factors make it difficult for Iran to reach any potential agreements, despite progress in nuclear negotiations.

As India and Iran continue to navigate their roles within the SCO, their partnership could significantly impact regional dynamics, improve connectivity, and advance both nations' strategic and economic goals. Their evolving relationship highlights the importance of their collaboration within the SCO and their role in shaping the region's geopolitical landscape.

4.1. Policy implications of the study on India and Iran in the SCO

The research findings carry significant policy implications for India, Iran, and the SCO as an institution. India needs to maintain a delicate equilibrium between its SCO engagement and Western alliances. While leveraging SCO for Eurasian connectivity, it should continue developing alternative platforms like QUAD to prevent over-dependence on any single bloc. The study suggests India should use SCO mechanisms to secure energy partnerships with Central Asian states while developing INSTC as a sanctions-proof corridor. This requires accelerating infrastructure investments and multilateral energy agreements. India could push for greater institutionalization of counterterrorism efforts through SCO-RATS while developing bilateral mechanisms with Iran and Central Asian states to bypass Pakistan-related obstacles.

Iran should utilize SCO platforms to develop alternative financial mechanisms (e.g., local currency trade) and attract non-Western investments, particularly in energy infrastructure. However, it must avoid replacing Western dependence with over-reliance on China. The study recommends Iran cultivate middle-power alliances within SCO (e.g., with India, Kazakhstan) to balance the Russia-China axis and gain negotiating leverage in energy markets. Iran could position itself as the crucial Eurasian transit hub by expediting connectivity projects like Chabahar-INSTC integration while maintaining multilateral participation to prevent dominance by any single power.

For SCO Institutional Development, the organization needs mechanisms to manage intra-member conflicts (especially India-Pakistan tensions) through sectoral cooperation and consensus-building in non-political areas like counterterrorism and energy. As Turkey and Egypt deepen engagement, SCO requires frameworks to integrate

diverse strategic orientations without diluting core security functions or becoming an anti-Western bloc. The study suggests prioritizing practical cooperation in areas like energy grids, transport corridors, and counterterrorism over geopolitical positioning to maintain relevance for all members. These policy recommendations aim to develop cooperation and competition within the SCO framework while advancing their national interests in the evolving world order.

Conflict of interest

The author declared no conflicts of interest.

Ethical considerations

The author has completely considered ethical issues, including informed consent, plagiarism, data fabrication, misconduct, and/or falsification, double publication and/or redundancy, submission, etc. This article was not authored by artificial intelligence.

Data availability

The dataset generated and analyzed during the current study is available from the author on reasonable request.

References

- Ashwarya S. (2017). *India-Iran Relations: Progress, Problems and Prospects*. Abingdon: Routledge.
- Asia Regional Integration Center. (2024). "Cross-border Infrastructure Shanghai Cooperation organisation". 2 February. <https://aric.adb.org/initiative/shanghai-cooperation-organisation>.
- Awan ZA. (2023). "Indian role in SCO/BRICS and the region". *Modern Diplomacy*. July 14. <https://moderndiplomacy.eu/2023/07/14/indian-role-in-sco-brics-and-the-region/>. [Accessed on July 31, 2025]
- Beehner L, Bhattacharji P. (2008). "Shanghai Cooperation Organisation". *Council on Foreign Relations*. April.
- Behuria A. (2015). "India's renewed interest in Chabahar: Need to stay the course". Institute for Defense Studies and Analyses. May 13. <https://idsa.in/issuebrief/>.
- Bhaumik A. (2019). "Iran goes to Pakistan with the Chabahar link plan". *Deccan Herald*. May 27. <https://www.deccanherald.com/national/iran-goes-to-pakistan-with-chabahar-linkplan-736492.html>.
- Blank S. (2003). "India's rising profile in Central Asia". *Comparative Strategy*. 22(2): 139-157. <http://dx.doi.org/10.1080/01495930390202607>.
- Boland J. (2011). "Ten Years of the Shanghai Cooperation Organization: A Lost Decade? A Partner for the U.S.?". Washington, DC: 21st Century Defense Initiative. June 20: 1-49. <https://www.brookings.edu/articles/ten-years-of-the-shanghai-cooperation-organization-a-lost-decade-a-partner-for-the-united-states/>.
- Brummer M. (2007). "The Shanghai Cooperation Organisation and Iran: A power-full union". *International Affairs*. 60(2): 185-198.
- Busvine D, Verma N. (2016). "India, Iran Agree to clear \$6.4 Billion in oil payments via European banks: Minister". *Reuters*. May 6. <https://www.reuters.com/article/us-india-iran-payment-idUSKCN0XX0P5>.
- Charter of the Shanghai Cooperation Organization. (2002). 7 June. <https://cis-legislation.com/document.fwx?rgn=3851>. [in English]

- Daily News Egypt*. "SCO Partnership Supports Egypt's Modernization, Regional Stability: Chinese Ambassador." Last updated July 20, 2025. Accessed July 31, 2025. <https://www.dailynewsegypt.com/2025/07/20/sco-partnership-supports-egypts-modernization-regional-stability-chinese-ambassador/>.
- Dawn. (2025). "Dar Slams Israel, US attacks against SCO member". July 16. https://epaper.dawn.com/DetailNews.php?StoryText=16_07_2025_001_004. [Accessed on July 31, 2025]
- Duran B. (2022). "Shanghai summit, Türkiye and the rise of Non-Western world". *Daily Sabah*. September 13. <https://www.dailysabah.com/opinion/columns/shanghai-summit-turkiye-and-the-rise-of-non-western-world>. [Accessed on July 31, 2025]
- Embassy of India. (2025). "India-Iran relations". Tehran. https://www.indianembassytehran.gov.in/eoithr_pages/MTY%2C. [Accessed July 31, 2025]
- Eurasian Research Institute. (2025). "The global repercussions of Trump's future policy: Exploring effects on Central Asia and key global players". <https://www.eurasian-research.org/publication/the-global-repercussions-of-trumps-future-policy-exploring-effects-on-central-asia-and-key-global-players/>.
- Fair C. (2004). "Indo-Iranian relations: Prospects for bilateral cooperation post 9/11". *Wilson Center: Asia Program Special Report*. no. 120: 6-14.
- Farwa U. (2024). "India's 'Strategic Autonomy': A Reality Check". Khurram Abbas (ed.). Islamabad: Institute of Strategic Studies. https://issi.org.pk/wp-content/uploads/2024/01/IB_Ume-Farwa_Jan_31_2024.pdf.
- Farzanegan MR. (2025). "The necessity of international negotiations to contain the consequences of sanctions and achieve economic prosperity". *Countries Studies*. 3(4): 171-174. <https://doi.org/10.22059/jcountst.2025.394015.1278>.
- Gill B, Freeman C. (2024). "What does further expansion mean for the Shanghai Cooperation Organization?". *United States Institute of Peace*. May 30. <https://www.usip.org/publications/2024/05/what-does-further-expansion-mean-shanghai-cooperation-organization>. [Accessed on July 31, 2025]
- Hafeez M. (2019). "India-Iran relations: Challenges and Opportunities". *Strategic Studies*. 39(3): 22-36. <https://www.jstor.org/stable/48544308>.
- Hashmi S. (2017). "What's in SCO for India?". *Rediff.com*. May 29 <http://www.rediff.com/news/column/whats-in-sco-for-india/20170529.htm>.
- The Hindu*. (2021). "What does Shanghai Cooperation Organisation membership mean for India?". December 03. <https://www.thehindu.com/news/national/what-does-shanghai-cooperation-organisation-membership-mean-for-india/article62067951.ece>.
- Hussain M. "Indo-Iranian relations during the Cold War". *Strategic Analysis*. November 12. 36(6): 859-870. <http://dx.doi.org/10.1080/09700161.2012.728868>.
- InfoSCO*. (2015). "SCO Energy Club: structure ready for international interaction, not Shanghai Six's elite club". March 26. <http://infoshos.ru/en/?idn=13913>.
- The International Institute for Strategic Studies. (2018). "The Evolution of the Shanghai Cooperation Organisation". June. <https://www.iiss.org/publications/strategic-comments/2018/shanghai-cooperation-organisation>.
- Jahanbegloo R. (2016). "Renewing the India-Iran relationship". *Indian Express*. June 2. <http://indianexpress.com/article/opinion/columns/india-iran-chababar-port-deal-narendramodi-2829537/>.
- Khan MI, Ullah K, Jamal F. (2023). "SCO and the US: Convergence and Divergence of interests". *Global International Relations Review*. 6(2). [http://dx.doi.org/10.31703/girr.2023\(VI-II\).04](http://dx.doi.org/10.31703/girr.2023(VI-II).04).
- Kozhanov N. (2018). *Iran's Strategic Thinking: The Evolution of Iran's Foreign Policy 1979–2018*. Berlin: Gerlach Press.
- Kumar S. (2016). "The significance of the SCO's full membership for India". *Centre for Land and Warfare Studies*. July 12. <https://archive.claws.in/1606/the->

- significance-of-the-scos-full-membership-for-india-sumit-kumar.html.
- Lok Sabha. (2025). "The Shanghai Cooperation organisation (SCO) and India". https://loksabhadocs.nic.in/Refinput/New_Reference_Notes/English/The_Shanghai_Cooperation_organisation.pdf.
- Ministry of External Affairs of India. (2003). "The New Delhi Declaration 2003". January 25.
- Mukhtar I. (2016). "Iran Has 'No Hand' in RAW's Chabahar Network". *The Nation*. April 3. <https://nation.com.pk/03-Apr-2016/iran-has-no-hand-in-raw-s-chabahar-network>.
- Norling N, Swanström N. (2007). "The Shanghai Cooperation Organization, trade, and the roles of Iran, India and Pakistan". *Central Asian Survey*. 26(3): 429-444. <https://doi.org/10.1080/02634930701702779>.
- Norov V. (2024). "Shanghai Cooperation Organisation is playing an important role in ensuring regional security and stability." *China Daily*. January 25. <https://eng.sectesco.org/20240125/1244550.html>.
- Osiewicz P. (2021). *Foreign Policy of Islamic Republic of Iran: Between Ideology and Pragmatism*. New York: Routledge.
- Padmanabhan K. (2025). "Israel-Iran conflict: India distances itself from SCO statement critical of Tel Aviv". *The Print*. June 14. <https://theprint.in/diplomacy/israel-iran-conflict-india-distances-itself-from-sco-statement-critical-of-tel-aviv/2658112/>.
- Republic of Türkiye Ministry of Foreign Affairs. (2022). "Shanghai Cooperation Organization". <https://www.mfa.gov.tr/shanghai-cooperation-organization.en.mfa>. [Accessed on July 31, 2025]
- Roy MS. (2016). "Modi's visit to Iran: Will it provide a new momentum to bilateral relations?". *Institute for Defense Studies and Analyses*. May 16. https://www.idsa.in/%20issue%20brief/modi-visit-to-iran_msroy_160516.
- Shanghai Cooperation Organization. (2025). "Statement of the Shanghai Cooperation Organization Regarding Military Strikes on the Territory of the Islamic Republic of Iran". June 14. <https://eng.sectesco.org/20250614/1861649.html>. [Accessed on July 31, 2025]
- (2017). "General information". January 9. <https://eng.sectesco.org/20170109/192193.html>.
- State Information Service. (2023). *Egypt and the Shanghai Cooperation Organization*. January 13. <https://www.sis.gov.eg/Story/174984/Egypt-and-the-Shanghai-Cooperation-Organization>. [Accessed on July 31, 2025]
- Taneja K. (2016). "The reality of India-Iran ties". *The Diplomat*. July 11. <http://thediplomat.com/2016/07/the-reality-of-india-iran-ties/>.
- Think Tank European Parliament. (2022). "EU strategic autonomy 2013-2023: From concept to capacity". July 8. [https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2022\)733589](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2022)733589).
- Turkish Minute*. (2022). "Can Turkey be a member of NATO and the SCO at the same time?". August 19. <https://www.turkishminute.com/2022/08/19/mber-of-nato-and-the-sco-at-the-same-time/>. [Accessed on July 30, 2025]
- Upadhyay B. (2016). "India's SCO membership: Prospects & Constraints". *Indian Council of World Affairs*. August 12. https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=603&lid=545.
- Uygur H. (2025). "The meaning of Iran's membership in the Shanghai cooperation organisation". *Iran Center*. 30 July. <https://iramcenter.org/en/the-meaning-of-irans-membership-in-the-shanghai-cooperation-organisation-en-2398>.
- Vakil S. (2006). "Iran: Balancing East against West". *The Washington Quarterly*. 29(4): 51-65. https://ciaotest.cc.columbia.edu/olj/twq/aut2006/06autumn_vakil.pdf.
- Vatanka A. (2014). "Iran-Pakistan: Will Border Tensions Boil Over?". *BBC News*. October 24. <https://www.bbc.com/news/world-middle-east-29752647>.
- Wani, Suadat Hussain, Mohd Afzal Mir, and Imtiyaz Ahmad Shah. "India-Iran Trade

- Relations Under the Shadow of USA Sanctions.” *Foreign Trade Review* 54, no. 4 (2019): 399-407.
- Wastnidge E. (2016). *Diplomacy and Reform in Iran: Foreign Policy under Khatami*. London: I.B. Tauris.
- White, A. (2005). “Guiding the ‘Near Abroad’: Russia and the SCO”. *China and Eurasia Forum Quarterly*. July: 29-33.
- Workman D. (2018). “Crude oil imports by country”. *World’s Top Exports*. May 11. <http://www.worldstopexports.com/crude-oil-imports-by-country/>.