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The Role of BRICS and the SCO in India–China Relations: Cooperation Amid Strategic Differences

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Abstract:
India and China sit, alongside Russia, at the core of both BRICS and the Shanghai Cooperation Organisation (SCO), yet they are strategic rivals divided by an unsettled 3,488-km boundary, a widening trade imbalance and competing visions of Asian order. This paper examines what role these two non-Western multilateral forums play in India–China relations. Drawing on a wide review of scholarship on BRICS, the SCO, Sino-Indian rivalry and Indian foreign policy, together with official documents, development-bank data, trade statistics and contemporary reporting up to October 2026, it traces the forums' institutional evolution and their part in a sequence of crises and thaws, from Doklam (2017) and Galwan (2020) to the Kazan patrolling arrangement (2024), the Tianjin meeting (2025) and Xi Jinping's attendance at the New Delhi BRICS Summit (2026). The paper argues that BRICS and the SCO function for the two countries as arenas of managed coexistence rather than instruments of reconciliation. They supply recurring high-level contact, deadlines that encourage incremental deals, and shared positions on global-governance reform, development finance and, under Indian pressure, terrorism. At the same time, they have become sites of contestation over expansion, anti-Western orientation, the Belt and Road Initiative, Pakistan and status. India's engagement is best understood as "cooperative hedging": it uses the forums to stabilise ties with China and to signal strategic autonomy, while blocking their conversion into Chinese-led platforms. The paper concludes with recommendations for Indian policy during China's 2027 BRICS chairship and beyond.

Keywords: BRICS; Shanghai Cooperation Organisation; India–China relations; strategic autonomy; multi-alignment; New Development Bank; Belt and Road Initiative; global governance; hedging

1. Introduction

Few bilateral relationships combine cooperation and rivalry as visibly as that between India and China. The two most populous states share civilisational histories, a commitment to multipolarity and a common interest in reforming Western-dominated institutions. They also fought a war in 1962, face each other across a disputed Line of Actual Control (LAC), and compete for influence in South Asia, the Indian Ocean and the Global South (Garver, 2001; Mohan, 2012). Since June 2020, when twenty Indian and four

Chinese soldiers died in the Galwan Valley clash, the relationship has passed through its most serious crisis in decades (AsiaNews, 2024).

One striking feature of this period is that the most consequential India–China contacts have often taken place on the margins of two multilateral forums: BRICS (Brazil, Russia, India, China, South Africa and, since 2024, several new members) and the Shanghai Cooperation Organisation (SCO). The five-point consensus for disengagement in eastern Ladakh was reached at an SCO foreign ministers' meeting in Moscow in September 2020 (Ministry of External Affairs [MEA], 2020). The patrolling arrangement that ended the standoff was announced on 21 October 2024, on the eve of the Kazan BRICS Summit, where Narendra Modi and Xi Jinping held their first formal bilateral meeting in five years (AsiaNews, 2024; Bajpaee & Yu, 2025). Their meeting at the Tianjin SCO Summit in August 2025 produced the formula that the two countries are "development partners and not rivals" (Prime Minister's Office [PMO], 2025), and in September 2026 Xi made his first visit to India in seven years to attend the BRICS Summit hosted by New Delhi (Business Standard, 2026).

Yet these same forums are also arenas of friction. India has refused at every SCO summit since 2018 to endorse China's Belt and Road Initiative (BRI) (Pant, 2018; The Week, 2025a); it declined in June 2025 to sign an SCO defence ministers' statement that omitted the Pahalgam terror attack (The Tribune, 2025); and it has resisted rapid BRICS expansion, a BRICS currency and any drift towards an anti-Western bloc (Bajpaee & Yu, 2025; The Week, 2024). This paper therefore asks four questions. How have BRICS and the SCO evolved as institutions in which India and China interact? What does the scholarly literature say about the capacity of such forums to moderate great-power rivalry? In which issue areas do the two countries cooperate within the forums, and where do their strategic differences surface? Finally, what strategy should India pursue as China assumes the BRICS chairship in 2027? The central argument is that the forums perform a *stabilising but not transformative* role: they create regular opportunities for managed coexistence, but they neither resolve the structural sources of rivalry nor prevent each side from using them to pursue competing visions of order.

2. Theoretical Framework and Methodology

Three theoretical traditions frame the analysis. *Neoliberal institutionalism* holds that institutions lower transaction costs, lengthen the "shadow of the future" and make cooperation more likely even among rivals (Keohane, 1984). Applied to BRICS and the SCO, this predicts that repeated summitry and permanent bodies such as the New Development Bank (NDB) or the SCO's Regional Anti-Terrorist Structure (RATS) should generate habits of cooperation that spill over into bilateral ties. *Realist* accounts are more sceptical. For them, institutions reflect the distribution of power; rising states join them to balance or hedge against stronger powers, and rivals use them to constrain each other (Mearsheimer, 1994/95). From this perspective India's membership of Chinese-anchored forums is less about cooperation with China than about keeping watch on it, preventing exclusion and retaining room for manoeuvre with Russia and the United States.

A third tradition emphasises *status and recognition*. Rising powers value multilateral clubs because membership confers standing as shapers of global order (Hurrell, 2006; Kahler, 2013). Larson and Shevchenko (2010) describe "social creativity" strategies by which rising states seek prestige in alternative arenas when established hierarchies remain closed. This lens explains why India and China can agree on demands for a larger voice in global institutions while competing intensely over leadership of the Global

South and over each other's status claims, such as India's bid for a permanent seat on the UN Security Council.

These perspectives are combined with the concept that best captures contemporary Indian strategy: *strategic autonomy* pursued through *multi-alignment*, or simultaneous engagement with partners whose interests diverge (Hall, 2019; Jaishankar, 2020). The paper suggests the term "cooperative hedging" for India's behaviour in BRICS and the SCO: participating constructively enough to obtain stabilisation, voice and access, while hedging against Chinese dominance through selective non-endorsement and coalition-building inside the forums. Methodologically, the study combines qualitative analysis of primary documents (summit declarations, treaties, ministry statements and NDB fact sheets) with a synthesis of secondary literature in books, journals and think-tank studies, and process-tracing of key episodes using contemporary reporting up to 22 October 2026. Some recent developments rely on press accounts of declarations and meetings; where accounts diverge, this is noted.

3. The Two Forums: Origins, Architecture and Stakes

BRICS began as an investment-banking acronym. Jim O'Neill's 2001 paper identified Brazil, Russia, India and China as economies whose weight would require changes in global economic governance (O'Neill, 2001). The four countries' leaders met on the margins of the G8 in St Petersburg in July 2006, and the grouping was formalised by their foreign ministers in September 2006. The first BRIC summit was held at Yekaterinburg in June 2009, and South Africa joined in time for the Sanya summit in April 2011 (Manorama Yearbook, 2026). At Fortaleza in 2014 the members created the New Development Bank and the Contingent Reserve Arrangement (CRA), giving the club its first permanent institutions (Treaty for the Establishment of a BRICS Contingent Reserve Arrangement, 2014). An Indian banker, K. V. Kamath, became the NDB's first president, and India holds an equal one-fifth share among the founding members (Bajpaee & Yu, 2025). Expansion was agreed at Johannesburg in 2023, with Egypt, Ethiopia, Iran and the United Arab Emirates joining in 2024 and Indonesia in 2025; Argentina withdrew and Saudi Arabia's status remains ambiguous. At Kazan in 2024 a category of "partner countries" was created (Manorama Yearbook, 2026). The expanded group accounts for about 49.5 per cent of the world's population, 40 per cent of global GDP and 26 per cent of world trade (Manorama Yearbook, 2026).

The SCO has a different lineage. It grew out of the "Shanghai Five" process of 1996, which built confidence along the former Sino-Soviet frontier, and was established in 2001 with a security focus on the "three evils" of terrorism, separatism and extremism (Aris, 2011; Bailes et al., 2007). India became an observer in 2005 and, together with Pakistan, a full member at the Astana summit in 2017; Iran joined in 2023 and Belarus in 2024 (Pant, 2018; StudyIQ, 2026). The SCO's ten members account for about 42 per cent of the world's population, 24 per cent of its land area and roughly a quarter of global GDP (Anadolu Agency, 2025). Its institutions include a secretariat in Beijing and RATS in Tashkent. Whereas BRICS has no founding treaty and operates by consensus among states distant from one another, the SCO is a treaty-based regional organisation in which China and Russia are the dominant powers and Pakistan sits as a full member. These differences shape how India approaches each forum.

Table 1. BRICS and the SCO: a comparative profile from India's vantage point

Feature	BRICS	SCO
Origin	Goldman Sachs acronym (2001); first summit 2009	Shanghai Five (1996); founded 2001
Legal basis	No charter; consensus-based summitry	Charter (2002); treaty-based organisation
Members (2026)	Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, UAE, Indonesia (Saudi status ambiguous); 10 partners	China, Russia, India, Pakistan, Iran, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan
India's entry	Founding member	Observer 2005; full member 2017
Core institutions	New Development Bank; Contingent Reserve Arrangement	Secretariat (Beijing); RATS (Tashkent)
Weight	About 49.5% of world population; 40% of GDP; 26% of trade	About 42% of world population; 24% of land area; about 25% of GDP
Principal friction for India	Expansion, anti-Western drift, de-dollarisation	BRI/CPEC endorsement, Pakistan, terrorism language
Chair, 2026–27	India (2026); China (2027)	Kyrgyzstan (2025–26 cycle)

Sources: Compiled from Manorama Yearbook (2026); Anadolu Agency (2025); Pant (2018); StudyIQ (2026); Aris (2011).

4. Review of Literature

4.1 BRICS as an analytical category and as a club

Early scholarship questioned whether BRICS was anything more than an acronym. Armijo (2007) called the category a "mirage" analytically, since the four economies differed in regime type, growth model and geopolitical alignment. Laïdi (2012) argued that what united them was a defensive commitment to sovereignty rather than a shared positive programme. A second wave of work treats BRICS as an institution in its own right. Stuenkel (2020) traces how annual summitry generated a "social" identity and concrete institutions, while Cooper (2016) characterises it as an informal club whose value lies in flexibility. Kahler (2013) shows that rising powers have generally sought to reform rather than overturn existing institutions, and that differences among them limit collective action. Hurrell (2006) and Acharya (2014) place BRICS within a broader shift towards a "multiplex" or post-hegemonic order. A recurring theme is that the India–China relationship is the group's central fault line: the two are its largest economies, its only Asian founding members and its most important bilateral rivals (Verma & Papa, 2021).

4.2 The SCO in the scholarly literature

The SCO literature is divided between those who see it as a mechanism of regional order-building and those who emphasise authoritarian norm diffusion. Bailes et al. (2007) offer an early institutional survey;

Aris (2011) analyses it as an example of Eurasian regionalism suited to its members' preference for regime security. Ambrosio (2008) argues that the "Shanghai spirit" legitimises authoritarian practices, and Cooley (2012) shows how Central Asian governments exploit great-power competition for their own ends. Indian writing has evaluated New Delhi's accession with growing ambivalence. Pant (2018) saw the first summit after accession as an opportunity for India in Central Asia and in counter-terrorism; by 2023, Mohan (2023) concluded that "all is not well", arguing that the SCO had become a political headache for India as Russia drew closer to China and the United States became India's most important strategic partner.

4.3 The India–China rivalry

The foundational study of the rivalry is Garver's (2001) *Protracted Contest*, which identifies territorial, Tibetan, South Asian and status dimensions that persist into the present. Mohan (2012) extends the analysis to maritime competition in the Indo-Pacific. Practitioner accounts by Menon (2016) and Jaishankar (2020) stress the need to manage the relationship through a mix of firmness and engagement. The *Routledge Handbook of China–India Relations* (Bajpai et al., 2020) brings together scholarship on the border, trade and multilateral interaction; in it, Gu and Renwick (2020) argue that the two countries' partnership within BRICS has shown "remarkable durability" despite bilateral tensions. The Chatham House study by Bajpaee and Yu (2025) offers the most recent comprehensive assessment. It finds that the two states often share goals on global governance reform but pursue them "in parallel rather than together", that China is the only permanent member of the Security Council not to endorse India's bid for a permanent seat, and that India is uneasy about Chinese efforts to steer BRICS towards expansion and a more pronounced anti-Western orientation.

4.4 Indian strategy: from non-alignment to multi-alignment

A large literature examines how India reconciles membership of China-anchored forums with its deepening partnership with the United States, Japan and Australia in the Quad. Hall (2019) describes multi-alignment under Modi as an effort to maximise options across competing partners. Jaishankar (2020) frames the strategy as "engaging America, managing China, cultivating Europe, reassuring Russia". Critics argue that hedging has limits: Rajagopalan (2020) contends that India's Indo-Pacific strategy amounts to "evasive balancing" that avoids hard commitments, and Narlikar (2013) questions to whom a rising India is responsible. Within this debate, BRICS and the SCO appear as instruments of autonomy: they signal that India is not a junior partner of the West, while giving it a seat at tables where China would otherwise set the agenda alone.

4.5 Studies of India and China within the forums

A smaller body of work deals specifically with the two countries inside BRICS and the SCO. The *Global Policy* special section edited by Verma and Papa (2021) asked whether the Galwan crisis would render BRICS dysfunctional, and whether the group might instead act as a pacifying force. Contributions to that debate and to subsequent analysis tend to converge on a middle position: BRICS survived the crisis, but its cohesion and ambition were reduced (Verma & Papa, 2021; Gu & Renwick, 2020). Commentators note that India has used the forums to secure language on terrorism that China resists in other settings. The 2017 Xiamen Declaration, adopted days after the Doklam standoff ended, was the first BRICS statement endorsed by China that named Pakistan-based groups such as Lashkar-e-Taiba and Jaish-e-Mohammad

(Pandey, 2017). In the SCO context, analyses emphasise India's repeated refusal to endorse the BRI and its non-signature of the SCO Economic Development Strategy 2030 (Mohan, 2023; The Week, 2025a).

4.6 Gaps in the literature

Four gaps are evident. First, BRICS and the SCO are usually studied separately, although India and China experience them as complementary venues. Second, the literature on the forums' *crisis-management* function, their role as meeting places and as deadlines that encourage agreements, remains largely descriptive. Third, the consequences of BRICS expansion for India–China dynamics are only beginning to be studied. Fourth, the 2025–26 phase of rapprochement, shaped by United States tariff policy and by India's BRICS chairship, has not yet been analysed systematically. This paper addresses these gaps by examining both forums together and by tracing their role through the most recent period.

5. The Forums in Crisis and Thaw: A Chronology, 2017–2026

The record since 2017 reveals a consistent pattern: multilateral meetings have repeatedly served as the setting, and often the deadline, for steps to stabilise the bilateral relationship. Table 2 summarises the principal episodes.

Table 2. BRICS and SCO meetings as settings for India–China crisis management, 2017–2026

Date	Forum / venue	India–China significance
Sept 2017	BRICS Summit, Xiamen	Held a week after the 73-day Doklam standoff ended (28 Aug); declaration named LeT and JeM; first Modi–Xi meeting after the standoff.
June 2018	SCO Summit, Qingdao	First summit after India's accession; "Wuhan spirit" carried forward; India alone did not endorse the BRI.
Sept 2020	SCO Foreign Ministers, Moscow	Jaishankar–Wang Yi five-point consensus on disengagement after Galwan.
July 2023	SCO Summit (virtual), New Delhi	India's chairship scaled down; India declined to endorse the BRI and the Economic Development Strategy 2030.
Aug 2023	BRICS Summit, Johannesburg	Expansion agreed; Modi–Xi informal conversation on the LAC.
July 2024	SCO Summit, Astana	Modi absent; External Affairs Minister represented India.
Oct 2024	BRICS Summit, Kazan	Patrolling arrangement announced 21 Oct; first formal Modi–Xi bilateral in five years (23 Oct).
June 2025	SCO Defence Ministers, Qingdao	India refused to sign a draft that omitted Pahalgam and referred to Balochistan; no joint statement issued.
July 2025	BRICS Summit, Rio de Janeiro	Xi absent for the first time; declaration condemned the Pahalgam attack.
Aug–Sept 2025	SCO Summit, Tianjin	Modi–Xi: "development partners, not rivals"; Pahalgam condemned; India again outside the BRI paragraph.
Aug–Sept 2026	SCO Summit, Bishkek	India signed the declaration; Modi warned that terrorism cannot be a "strategic asset".
Sept 2026	BRICS Summit, New Delhi	Xi's first visit to India in seven years; Modi–Xi bilateral; Pahalgam condemned with Chinese consent.

Sources: Pandey (2017); Pant (2018); MEA (2020); Mohan (2023); Outlook (2024); AsiaNews (2024); The Tribune (2025, 2026); Agence France-Presse (2025); The Week (2025a, 2025b); PMO (2025); Business Standard (2026).

Three observations follow from the chronology. First, the forums lower the *political cost of meeting*. After Galwan, a stand-alone bilateral summit would have been domestically difficult for both leaders; meetings "on the sidelines" of BRICS or the SCO allowed contact without the appearance of concession. Second, summits act as *focal deadlines*. The October 2024 patrolling arrangement, covering friction points including Depsang and Demchok, was concluded just before Kazan, and Bajpaee and Yu (2025) link its

timing to Russian interest in showcasing unity among the founding members. The Special Representatives' talks between Ajit Doval and Wang Yi in Beijing in late August 2026 similarly preceded Xi's visit to New Delhi (Business Standard, 2026). Third, the forums do not themselves negotiate bilateral issues: substantive work on the boundary remains with bilateral mechanisms such as the Special Representatives, established in 2003. The forums create the occasion; they do not supply the content.

The 2025–26 thaw also had an external driver. In July 2025 President Donald Trump threatened an additional 10 per cent tariff on any country "aligning themselves with the Anti-American policies of BRICS" (Agence France-Presse, 2025), and in August 2025 Washington imposed steep tariffs on Indian goods, partly linked to India's purchases of Russian oil, before a bilateral arrangement in early 2026 reduced the tariff burden (Morgan Lewis, 2026). The Tianjin meeting, at which Modi insisted that India–China relations "should not be seen through a third country lens" (PMO, 2025), must be read against this background: uncertainty in relations with the United States increased the value to India of a stable relationship with China, and the forums provided the setting in which to signal it.

6. Domains of Cooperation

6.1 Reform of global governance

The most durable area of convergence is the demand for a more representative international order. Both countries support reform of IMF quotas, a stronger WTO with a restored two-tier dispute settlement system, and greater voice for developing countries in multilateral bodies. India's voting record in the UN General Assembly in 2022–23 aligned with China's 81 per cent of the time, compared with 38 per cent for the United States (Bajpaee & Yu, 2025). BRICS declarations since 2023 have repeated China's and Russia's support for the "aspirations" of Brazil and India to play a greater role in the United Nations, including the Security Council; the 2026 New Delhi Declaration reproduced the Johannesburg formula without an explicit endorsement (Dhital, 2026). That this is the furthest China will go illustrates both the reach and the limits of cooperation.

6.2 Development finance: the New Development Bank and the CRA

The NDB and the CRA are the clearest examples of institutionalised India–China cooperation. Both countries hold equal shares in the NDB, and India has been one of its largest borrowers. Table 3 sets out the key figures. India's portfolio of about US$9.5 billion across 32 projects represents roughly 22 per cent of the bank's cumulative approvals (New Development Bank, 2026). The CRA, by contrast, reflects China's financial weight: its US$41 billion commitment is more than twice India's US$18 billion, and access beyond 30 per cent of a member's maximum is linked to an IMF programme, a design that India and Brazil favoured as a safeguard (tralac, 2015; Treaty for the Establishment of a BRICS Contingent Reserve Arrangement, 2014). The NDB's equal-shareholding model is significant for India. Unlike the China-led Asian Infrastructure Investment Bank, in which China holds a dominant vote, it denies any single member a veto, so India can participate without accepting Chinese primacy.

Table 3. BRICS financial institutions: India and China compared

Indicator	India	China
NDB subscribed capital share (founding members)	20% (equal)	20% (equal)
NDB projects approved (to 31 Dec 2025)	32 projects; US$9.5 bn	—
India's share of NDB cumulative approvals (US$43 bn, 139 projects)	About 22%	—
CRA commitment (total US$100 bn)	US$18 bn	US$41 bn
First NDB president	K. V. Kamath (2015–20)	—
NDB headquarters	Regional office (GIFT City)	Shanghai (headquarters)

Sources: New Development Bank (2026); tralac (2015); Bajpaee & Yu (2025). India's share is calculated by the author from NDB data.

6.3 Counter-terrorism

Terrorism is an area of both cooperation and contestation. Both countries face militancy and support SCO and BRICS counter-terrorism frameworks, and RATS provides a standing mechanism for information exchange. India has used the consensus rule to secure language that China resists elsewhere, notably at the UN Sanctions Committee, where China has repeatedly blocked the listing of Pakistan-based terrorists. The Xiamen Declaration (2017) named Pakistan-based groups (Pandey, 2017). After the Pahalgam attack of 22 April 2025, in which 26 people were killed, the Rio Declaration (July 2025), the Tianjin Declaration (September 2025) and the New Delhi Declaration (September 2026) all condemned the attack; the last called for "zero tolerance towards state-sponsored cross-border terrorism" (Business Standard/PTI, 2026; ClearIAS, 2025; The Week, 2025b). None, however, named Pakistan, which shows the limits of what consensus can deliver.

6.4 Trade multilateralism, payments and development agendas

Both states oppose unilateral tariffs and carbon border adjustment mechanisms, and both have an interest in diversifying payment channels. The New Delhi Declaration criticised unilateral tariffs and non-tariff measures without naming the United States and asked the BRICS Payment Task Force to continue work on interoperability and local-currency settlement, while stating that "no single approach fits all members" (Dhital, 2026). Cooperation also extends to agriculture, through work on a proposed BRICS Grain Exchange, to health, digital public infrastructure and start-up networks, which were priorities of India's 2026 chairship, with more than 350 meetings held in over 25 Indian cities (Manorama Yearbook, 2026). In the SCO, the Development Strategy to 2035 adopted at Tianjin and China's offer of loans for SCO projects create opportunities for connectivity that India can use selectively (Anadolu Agency, 2025; ClearIAS, 2025).

7. Domains of Strategic Difference

7.1 Expansion and the character of BRICS

China has championed rapid enlargement, which increases its influence among members that depend on Chinese trade and finance. India accepted expansion in 2023 but insisted on agreed criteria and consensus, and favoured the "partner country" model to slow full membership. Indian officials worry that expansion undermines cohesion and that BRICS could become, in the words of a former Indian diplomat quoted by Chatham House, "a platform for geopolitical rivalry targeting the West" (Bajpaee & Yu, 2025). Expansion has also imported new divisions: the sharply divergent positions of Iran and the United Arab Emirates on the 2026 Middle East conflict prevented a joint communiqué at the BRICS foreign ministers' meeting in May 2026 (Wikipedia contributors, 2026).

7.2 The Belt and Road Initiative and connectivity

In the SCO, the most visible difference is over the BRI. India objects to the China–Pakistan Economic Corridor (CPEC), which passes through Pakistan-occupied Kashmir, and has refused to endorse the BRI at every SCO summit since Qingdao in 2018. At Tianjin in 2025, every other member reaffirmed support for the BRI while India alone stood aside; Modi argued that connectivity which bypasses sovereignty loses both trust and meaning (The Week, 2025a). India promotes alternatives, including the Chabahar port and the International North–South Transport Corridor. Its refusal in 2023 to sign the SCO Economic Development Strategy 2030 reflected concern that the document bore too strong a Chinese imprint (Mohan, 2023).

7.3 Pakistan and the terrorism agenda

Pakistan's full membership of the SCO, and its close strategic ties with China, make the SCO structurally less favourable to India than BRICS. China accounts for more than 70 per cent of Pakistan's external bilateral debt and took more than half of China's arms exports in 2019–23 (Bajpaee & Yu, 2025). The June 2025 episode at Qingdao, when the draft statement of SCO defence ministers omitted Pahalgam but referred to the Jaffar Express hijacking in Balochistan, showed how the chair can shape documents against Indian interests; India's refusal to sign meant that no joint statement was issued (The Tribune, 2025). At Bishkek in 2026, Modi called for dismantling "the entire ecosystem of terrorism" and warned that terrorism cannot be a "strategic asset" for anyone (The Tribune, 2026).

7.4 Status and global governance

The status dimension divides the two countries even where their reform rhetoric converges. China is the only permanent member of the Security Council that has not endorsed India's bid for a permanent seat, and it blocked India's membership of the Nuclear Suppliers Group (Bajpaee & Yu, 2025). The two compete for leadership of the Global South: India's successful push for African Union membership of the G20 in 2023 and its "Voice of the Global South" summits stand alongside China's position as Africa's dominant lender. In status terms, BRICS gives both countries prestige as Southern leaders, but neither is willing to concede primacy to the other.

7.5 De-dollarisation and the Russia factor

Russia and, more cautiously, China have promoted alternatives to the dollar. India has opposed a common BRICS currency. External Affairs Minister S. Jaishankar stated in December 2024 that India has no interest in weakening the dollar, after President-elect Trump threatened 100 per cent tariffs on BRICS states that pursued a new currency (Kitco News, 2024; The Week, 2024). India's preference is for practical local-currency settlement rather than geopolitical de-dollarisation, which the New Delhi Declaration reflects (Dhital, 2026). Russia's growing dependence on China since 2022 also unsettles India, because the SCO's original value for New Delhi as a forum for close cooperation with Moscow is diminished when Russia is aligned with Beijing (Mohan, 2023).

7.6 Economic asymmetry

Economic dependence sits beneath all these disputes. Table 4 shows the scale of India's trade deficit with China, which has grown even as political relations have improved.

Table 4. India's merchandise trade with China, FY2023–24 to FY2025–26 (US$ billion)

Indicator	FY2023–24	FY2024–25	FY2025–26
Exports to China	16.67	14.25	19.47
Imports from China	101.74	113.46	131.63
Trade deficit	85.07	99.20	112.16

Sources: Business Today (2025), based on Ministry of Commerce and Industry data; NewsBytes (2026). FY2023–24 deficit calculated by the author.

China's GDP is roughly five times India's and its defence budget about three times larger (Bajpaee & Yu, 2025). More than 40 per cent of India's pharmaceutical imports come from China, and India launched more than 30 anti-dumping investigations against Chinese goods in 2024 alone. Since 2020, about 40 per cent of Chinese investment applications to India have been rejected (Bajpaee & Yu, 2025). The forums cannot resolve these asymmetries; at most, they allow India to press for market access and fair-trade language in multilateral texts, as the Tianjin bilateral readout envisaged (PMO, 2025).

8. Analysis: What Role Do the Forums Play?

The evidence supports an assessment that differs from both the optimistic institutionalist expectation and the dismissive realist view. Four functions can be distinguished.

First, the forums are platforms for crisis management. They supply recurring, face-saving occasions for leader-level and ministerial contact. The Moscow five-point consensus (2020), the pre-Kazan patrolling arrangement (2024), the Tianjin formula (2025) and the New Delhi bilateral (2026) all depended on multilateral settings. Institutionalist theory is partly vindicated: repeated interaction lengthened the shadow of the future and created deadlines for incremental deals. The more ambitious institutionalist prediction of spillover into a resolution of the dispute, however, has not been realised.

Second, the forums are vehicles for limited norm convergence. On global governance reform, development finance and, under Indian pressure, terrorism, they have produced common texts that China might otherwise not endorse. The repeated condemnation of Pahalgam, culminating in the New Delhi

Declaration with Chinese consent, shows that consensus rules give India leverage. The NDB shows that an equal-share institution can host cooperation without hierarchy.

Third, the forums are arenas of contestation. Expansion, the BRI, de-dollarisation and the handling of Pakistan reveal competing visions of order. China seeks to scale the forums into instruments of a Sino-centric multipolarity; India seeks to keep them as non-Western but not anti-Western clubs. Realist expectations are borne out here: each side uses the institutions to constrain the other. India's selective non-endorsement and its use of the consensus rule are classic instruments of institutional balancing.

Fourth, the forums are instruments of hedging. For India they serve as signals of strategic autonomy to Washington, especially when US trade policy turns punitive; for China they provide evidence that India cannot be fully drawn into a US-led coalition. Both sides therefore have an interest in keeping India inside the forums, which explains their resilience despite Galwan. This is "cooperative hedging" in practice: India cooperates enough to stabilise the relationship and claim leadership, while hedging against both Chinese dominance and US unpredictability.

The balance between these functions has shifted over time. Between 2017 and 2019, the forums mainly facilitated informal summitry, from Xiamen to the Wuhan and Mamallapuram meetings. Between 2020 and 2023, contestation and crisis management dominated. Since late 2024, stabilisation has prevailed, helped by US tariff policy and by India's interest in a successful BRICS chairship. The asymmetry of the two forums matters: BRICS, where India is a founder, has no Pakistani member and has an equal-share bank, is a more congenial venue for India than the SCO. India's prioritisation of BRICS over the SCO, seen in its scaled-down virtual SCO chairship in 2023 and Modi's absence from Astana in 2024 (Outlook, 2024; Mohan, 2023), reflects this asymmetry.

9. Policy Implications for India

China's 2027 BRICS chairship and the continuing SCO cycle create both risks and opportunities. The analysis suggests the following priorities.

1. **Use the forums for stabilisation, but keep substance bilateral.** BRICS and SCO meetings should continue to serve as occasions for leader-level contact, while boundary delimitation, de-escalation and confidence-building remain in the Special Representatives and Working Mechanism for Consultation and Coordination channels.
2. **Institutionalise the gains of the 2026 chairship.** India should seek continuity for its deliverables, including the BRICS Grain Exchange, digital public infrastructure and the start-up and innovation networks, so that they are not displaced by China's priorities in 2027.
3. **Defend consensus and criteria in expansion.** India should insist on agreed membership criteria, on the partner-country model as a waiting stage, and on consensus decision-making, and build issue-based coalitions with Brazil, South Africa, Indonesia and the UAE that share its preference for a non-Western but not anti-Western BRICS.
4. **Deepen the NDB as an equal-share alternative.** India should expand its use of NDB local-currency lending and support for the GIFT City regional office, demonstrating a model of Southern finance that contrasts with China-dominated institutions.
5. **Hold the line on terrorism and sovereignty, flexibly.** India should continue to refuse texts that omit attacks on it or endorse the BRI, while offering alternative connectivity proposals (Chabahar, the

North–South Corridor, digital connectivity) so that its objections appear constructive rather than obstructive.

6. **Re-engage the SCO selectively.** Rather than disengage, India should focus on RATS, Afghanistan, narcotics and Central Asian connectivity, issues on which it shares interests with Central Asian members, and use bilateral ties with Russia and Central Asia to offset the China–Pakistan axis.

7. **Pursue economic rebalancing with China.** India should use the improved political climate to seek market access for pharmaceuticals, agricultural products and services and to attract carefully screened Chinese investment in manufacturing, while reducing critical dependencies in active pharmaceutical ingredients, electronics and solar supply chains.

8. **Maintain multi-alignment.** India's membership of BRICS and the SCO should continue alongside the Quad and partnerships with Europe; the credibility of its autonomy depends on its not becoming captive to any single bloc.

10. Conclusion

BRICS and the SCO occupy an unusual place in India–China relations. They are neither the cause of the rivalry nor its cure. The structural sources of competition, including the unresolved boundary, China's partnership with Pakistan, the trade imbalance and competing claims to leadership in Asia and the Global South, lie outside the forums' reach. Yet the forums have repeatedly provided the meeting places, deadlines and shared vocabulary through which the two countries have pulled back from crisis, from Doklam to Galwan and through the thaw of 2024–26. Their contribution lies in managed coexistence: regular contact, incremental agreements, and common positions where interests genuinely overlap.

For India, the lesson is that participation in China-anchored multilateralism is compatible with, and even necessary for, strategic autonomy, provided it is pursued with clarity about red lines. India's experience suggests that a rising middle power can use consensus-based forums to secure gains, such as the condemnation of terrorism and an equal-share development bank, while preventing these forums from becoming instruments of a rival's hegemony. Whether this balance can be sustained under China's BRICS chairship in 2027, as expansion continues and great-power competition intensifies, will be a significant test of Indian diplomacy and of the forums themselves.

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