

Shanghai Cooperation Organization

MAPPING MULTILATERALISM IN TRANSITION NO. 2

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The global architecture of multilateral diplomacy is in transition and a comprehensive understanding of the new dynamics, players, and capacities is needed. The Mapping Multilateralism in Transition series features short briefing papers on established but evolving regional organizations and select cross-regional organizations. The papers aim to: (1) identify the key role and features of the organizations; (2) assess their current dynamics; and (3) analyze their significance for the overall regional and global geopolitical context.

This paper examines the Shanghai Cooperation Organization, a principal Eurasian regional organization comprised of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan.

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In the immediate years following its formation in 2001, the Shanghai Cooperation Organization (SCO) attracted a lot of international attention. During this period, it was often cast as a joint Russian-Chinese attempt to counteract the geopolitical influence of NATO and the US in Eurasia and beyond. Since the late 2000s, however, interpretations of the SCO based solely on this grand geopolitical narrative have become less numerous. This is because it has become evident that there is more to the SCO than simply functioning as an anti-Western balancing alliance. Furthermore, the SCO has not come to exercise the extent of influence over the foreign policy of its member states and the region that such grand narratives afforded it. Although it is now into its second decade, questions remain about its effectiveness, robustness, and future trajectory.

While not progressing as rapidly as many predicted, the SCO has carved out a role for itself as a hub for the coordination of specific aspects of security and economic policy, and it has become one of several important voices shaping regional politics and security in Eurasia. Indeed, an important role it has come to play is in representing its collective membership's viewpoint on international issues, which—given that its membership includes China and Russia—provides it with a significant role within the international community. Indeed, the SCO appears to be placing itself at the center of the ongoing negotiation—or renegotiation—of the relationship between global and regional levels of governance.

History and Structure

FROM BORDER TALKS TO FORMAL ORGANIZATION

During the early 1990's, against the background of a number of unresolved border demarcation issues between China and the Soviet Union and the disintegration of the Soviet Union, the leaders of the newly independent states of Kazakhstan, Kyrgyzstan, and Tajikistan found themselves in the position of having to negotiate the settlement of territorial disputes and border delimitations with China. To this end, a process of negotiations and confidence-building measures were established within a loose multilateral framework. As both the Central Asian leaderships and China were aware of Russia's continued practical role and influence in the region, Moscow was also invited to participate in these negotiations. This process can be seen as an example of China's "good-neighbor" policy aimed at ensuring friendly relations with, and stability within, the states on its borders.

It was also a product of Beijing's desire to demystify and defuse its negative image within Central Asia, with a view to the long-term aim of establishing

itself as an important economic player in the region.¹ Indeed, while arguably in a position to force territorial concessions from the Central Asian republics, China accepted resolutions that could be presented by the Central Asian leaderships as mutually-beneficial agreements, an important consideration for them as they sought to consolidate their new nation states. At the same time, the involvement of Russia was an indication that all sides acknowledged that Moscow still had a significant role to play in the region, and from the Chinese side that it was not seeking to advance its position at the expense of Russia, but rather alongside it.

The relative success of these open multilateral border negotiations was seen by the signing of the *Treaty of Deepening Military Trust in Border Regions* in 1996 and the official bilateral settlements of border demarcation in subsequent years. On the back of these border negotiations, these states sought to regularize their efforts at cooperation by establishing the Shanghai Five. This informal format focused on developing further confidence-building measures and investigating other areas of mutual interest, with an emphasis on transnational security challenges—most notably terrorism—emerging in the late 1990s. In 2001, Uzbekistan joined these five states in the Shanghai Cooperation Organization.

The SCO is designed to facilitate intergovernmental cooperation at a variety of different levels

supported by a permanently functioning bureaucracy made up of representatives from the member states. There are also organs dedicated to specific areas of activity.

The SCO does not seek sovereign control over its member states or have the authority to enforce its decisions and recommendations. There is no formal codified procedure of decision making. The SCO operates on the basis of informal discussion, and consensual approval is needed for a decision to be adopted.

Taking these governing arrangements into account, the SCO's model of a multilateral cooperative framework can be characterized as closer to that of the Association of South East Asian Nations (ASEAN) than that of the European Union (EU). It is governed by a code of interaction similar to that of the "ASEAN way," which emphasizes an approach of informal interaction and consensus building to generate trust and goodwill among its members without a "highly institutionalized legal framework."²

INTERGOVERNMENTAL FORUMS AND MEETINGS

- **The Council of Heads of State:** The Council of Heads of State is composed of the state leaders of the member states and is the main decision-making body of the SCO. In normal circumstances, the council is only convened at the annual summit of the SCO and defines the

MEMBERSHIP AND ASSOCIATION

2001	Formal establishment of the Shanghai Cooperation Organization, comprising China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan.
2004	Mongolia given observer-state status
2005	India, Iran, and Pakistan given observer-state status
2009	Belarus and Sri Lanka given dialogue-partner status
2012	Afghanistan given observer-state status
2013	Turkey given dialogue-partner status

N.B.: The status of an observer or dialogue-partner is not clearly defined by the SCO. Indeed, it is uncertain how engaged either an observer or dialogue partner is in cooperation within the organization. It is usual for the head of state, or another high-level official, from the observers and dialogue-partners to attend the annual SCO Heads of State summit.

1 Marlene Laruelle and Sebastien Peyrouse, *The "Chinese Question" in Central Asia: Domestic Order, Social Changes, and the Chinese Factor* (London: Hurst and Company, 2012).

2 Samuel Sharpe, "An ASEAN Way to Security Cooperation in Southeast Asia?," *The Pacific Review* 16, No. 2 (2003): 231–250.

direction of the organization for the forthcoming year.

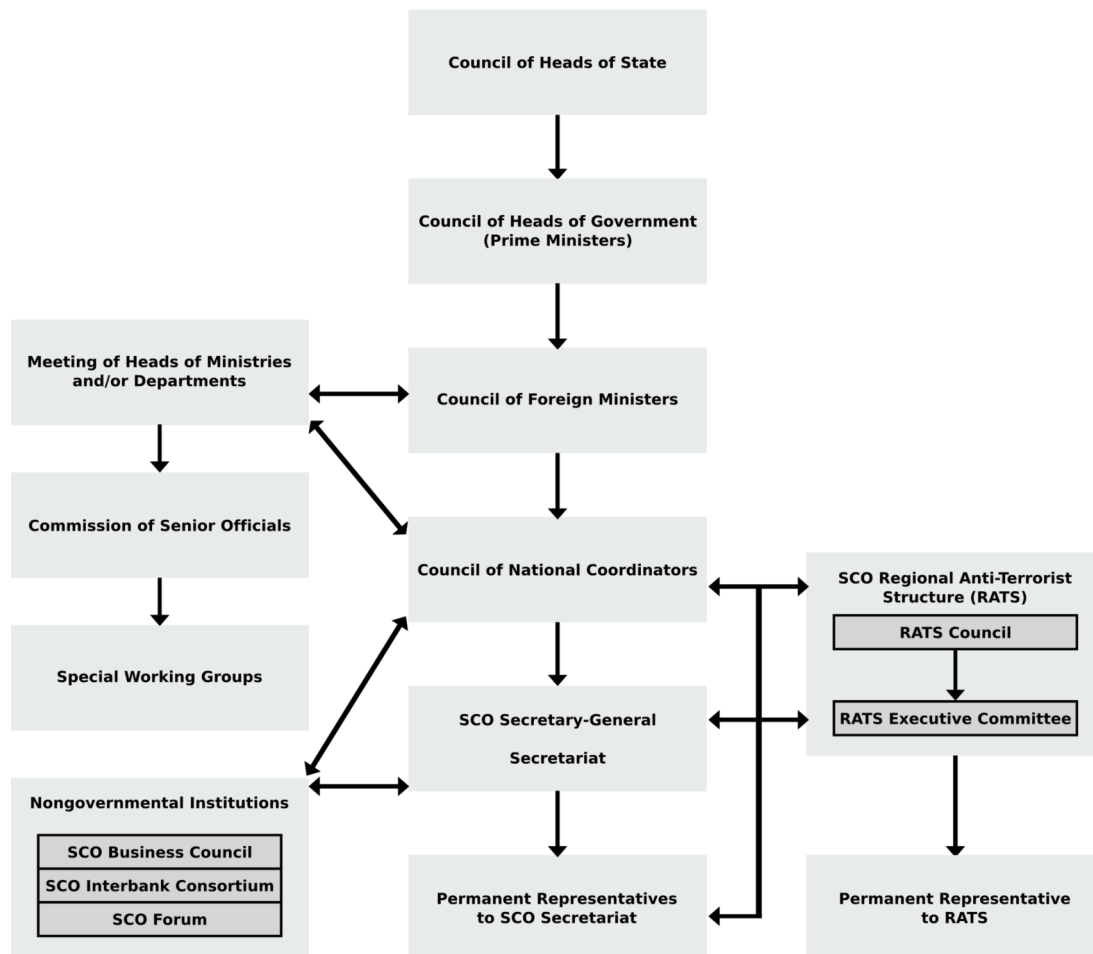
- **Other Intergovernmental Councils:** Below the level of national heads of state, there are regular and routine meetings of national government departments and agencies (e.g., Council of Heads of Government, Council of Ministers of Foreign Affairs, etc.). These meetings are integral to the development of commonly agreed programs for cooperation and arranging the implementation of coordinated approaches and policies across the member states. In addition, the Council of National Coordinators acts as an administrative organ “that coordinates and directs day-to-day activities of the Organization” (Art. 9, *Charter of Shanghai Cooperation Organization*).
- **SCO Forum:** The SCO has in place a discussion forum of nongovernmental experts, academics,

and policy analysts, from designated research centers across the member states. They are tasked with researching and analyzing key issue areas and questions of significance to the SCO.

PERMANENT ORGANS

- **The Secretariat:** Located in Beijing, the Secretariat is the standing administrative organ “responsible for the provision of organization, technical and information assistances to activities supported within the framework of the SCO” (Art. 11, *Charter of Shanghai Cooperation Organization*). It is composed of officials from the member states, who are permanently assigned to the Secretariat to work on a nonpartisan basis. The number from each member is determined by their contributions to the SCO budget.
- **Regional Anti-Terrorist Structure (RATS):**

The Structure of the Shanghai Cooperation Organization



Established in 2004 with its headquarters in Tashkent, RATS is detailed with countering what the SCO has identified as the “three evil forces” of the region: terrorism, extremism, and separatism. It is composed of two bodies. A council made up of the ministers responsible of counterterrorism efforts in the respective member states, which is convened regularly to set the direction and agenda of activities. And a permanently functioning executive committee based at headquarters, which is responsible for the functional implementation of the agenda set by the council.

- **Interbank Association:** Formed in 2005, the Interbank Association is a forum for engagement and coordination between major national banks from each member state. It aims to evaluate and provide credit and funding for joint-investment projects.
- **Business Council:** Created in 2006 with its headquarters in Moscow, the Business Council is a nongovernmental mechanism designed to support the implementation of SCO projects by facilitating interaction and collaboration between the business communities and financial institutions of its member states. It also serves as a source of independent advice on improving the

effectiveness of these projects and helps investors to find funding for the projects.

Main Areas of Cooperation

The SCO facilitates cooperation in the areas of security, economics, and culture. The organization’s budget is limited to the running of the Secretariat and the programmatic organs. Otherwise, the majority of project funding comes from member states and consortiums arranged within the Business Council or Interbank Association to support specific projects on an ad hoc basis. The creation of an SCO Development Fund is currently being discussed, which would see each member state contribute directly to a fund that could then be used for the realization of agreed SCO projects. However, cooperation on common security concerns remains the backbone of the SCO.

SECURITY

Beginning with the talks to resolve tensions over border demarcation in the early 1990s, the SCO’s security agenda has been expanded to focus mainly on transnational issues, which could not be effectively addressed by one member’s efforts alone. Initially, this entailed a concentration on

Map of SCO area



tackling terrorism, but has since been expanded to encompass a range of new issues during the last decade. The security component of the SCO is centered on supporting the primary concerns of its members' political leaderships: the maintenance of their regimes and the stability of their states.

The struggle against what is termed as the “three evil forces” (terrorism, extremism, and separatism), said to be active in the region, has been the mainstay of cooperation within the SCO since its formation. It should be noted that although some have suggested that this focus on counter-acting terrorism was an opportunist reaction to the international climate following the September 11th terrorist attacks in the USA, the *Shanghai Convention on Combating Terrorism, Separatism and Extremism* was signed three months before these attacks. Indeed, this agenda had been developed against the backdrop of instability in Central Asia during the 1990s, such as the civil war in Tajikistan (1992–1997), a series of armed incursions by anti-regime groups (taking and holding sovereign territory of Tajikistan, Uzbekistan, and Kyrgyzstan in 1999 and 2000), and ongoing concerns with internal insecurity in both China and Russia.

To implement the aforementioned *Shanghai Convention*, the SCO established a Regional Anti-Terrorist Structure (RATS) in 2004, tasked with compiling and continually updating a database of terrorist, separatist, and extremist actors across the region, and serving as a hub for sharing intelligence and harmonizing legislation and approaches to counterterrorism among its member states. Over the last decade, the RATS has come to be seen as a valuable and important tool in the fight against transnational terrorism by its members' leaderships. However, it should be noted that the RATS has been criticized by human rights advocates on two fronts. First, the vagueness of its definitions of terrorism, separatism, and extremism is such that these categories could be extended to cover any actors opposing the incumbent regimes. Second, questions have been raised about the secrecy and opaque nature of its activities in developing blacklists and databases, and in particular the practice of mandatory extradition of individuals wanted as terrorist, separatist, or extremist suspects

by other member states.³

While the struggle against the “three evils” remains a central feature of the SCO security agenda, the inclusion of other issues has been ongoing since the mid-2000s. Indeed, the SCO has argued that a holistic approach is required to bring stability to the region, whereby issue-areas that do not represent a direct physical “existential” threat, but have underlying and long-term implications for security also need to be addressed. As such the SCO has developed programs to address organized crime, the illegal narcotics trade, economic and social deprivation, monitoring of elections, and developing structures for the collective response to natural disasters.

The illegal narcotics trade has become a prominent focus since the mid-2000s. This issue has become more pressing in the last five years as greater insecurity in Afghanistan has served to intensify the activity along the trade route for illegal narcotics from the poppy fields of Afghanistan, through Central Asia, Russia, and eventually to Europe. The SCO has adopted an anti-narcotics strategy for 2011–2016, and it is working toward the coordination of its members internal policies to form a region-wide united response. Furthermore, the SCO is working with other regional and global frameworks focused on tackling illegal narcotics. In 2010, the RATS signed a protocol of cooperation with UNODC's Central Asian Regional Information and Coordination Centre, whereby the two bodies collaborate on efforts to tackle the illegal narcotic trade as a source of funding for terrorist organizations in the region.

Although focused on acting as a hub for the coordination of responses to nontraditional security challenges and underpinned by a doctrine of noninterference, the SCO holds regular military exercises. Following a few previous joint-military exercises, in 2007 the SCO laid out an agreement on the holding of regular military exercises, known as the “peace missions.” Since then, exercises of different scales with different levels of participation by different members have been held in 2007, 2009, 2010, 2012, and 2013. These exercises tend to be dominated by Russian and Chinese troops, with Kazakhstan playing a notable role, while Kyrgyzstan and Tajikistan have minor roles.

3 Human Rights in China, *Counter-Terrorism and Human Rights: The Impact of the Shanghai Cooperation Organization* (New York: Human Rights in China, 2011).

Uzbekistan—traditionally against any involvement in multilateral military formats—usually declines to take part.

The scenarios on which these exercises are based tend to revolve around common responses to a security crisis created by the “three evil forces,” such as an armed uprising against an existing regime in Central Asia. The nature of the scenarios has led to a debate about whether the SCO should develop a capacity to act militarily in the face of such security crises, or even play a role as a peacekeeping force (for more information see the section below). However, at the present time, there is little prospect of the SCO establishing a common military unit or force. Instead, the main role of the peace missions is as a confidence-building measure between SCO member states.

Since the mid-2000s, the SCO has increasingly begun to interpret regional stability as under threat from actors conspiring to cause regime change from within by way of “political technology.” Indeed, the use of the Internet by opposition actors, and their perceived proxies, to undermine regimes and organize anti-regime activities are considered to have been an important component in both the “color revolutions” of Georgia, Kyrgyzstan, and the Ukraine and the “Arab Spring.”

In response, the SCO argues that its “information space” must be securitized, in order to prevent the infiltration of politically destabilizing voices from outside the region. As outlined by Alica Kizekova, “the SCO advocates restraining dissemination of information which provokes the ‘three evils’ (terrorism, extremism, separatism) and preventing other nations from using their core technologies to destabilize economic, social, and political stability and security.”⁴ At the 2007 SCO annual summit in Bishkek, the *Action Plan on Ensuring International Information Security* was approved by all member states. While, in 2011 the SCO submitted an International Code of Conduct for Information Security for consideration by the United Nations.

Afghanistan has always been an important issue for security in Central Asia, because of the porous nature of its borders with Afghanistan. In the past the region has been subject to spillover from

insecurity in Afghanistan. These concerns have been magnified by the announcement in 2011 that the US and NATO intend to withdraw, or at least drawdown significantly, their military presence in Afghanistan by the end of 2014.

As a result, the SCO’s elites are increasingly focused on developing a regional approach to Afghanistan. Initially, activity within the SCO-Afghanistan Contact Group was stepped up, and in 2012 Afghanistan was awarded observer status of the SCO. There has been discussion of joint SCO operations against the production of opiates in areas of Afghanistan. In addition, the SCO is seeking to draw on its observer membership to act as a hub for negotiation and coordination between Afghanistan’s neighbors to the end of managing the potential effects of further instability in Afghanistan for the region.

ECONOMICS

Since the mid-2000s, economic cooperation has emerged as a twin-priority for the SCO alongside security. In 2003, the SCO published an ambitious program of multilateral trade and economic cooperation, which set out over 100 projects covering collaboration on finance, trade, transportation infrastructure, telecommunications, agriculture, and energy. A plan for the realization of this program was announced a year later, followed by the creation of the SCO Interbank Association and the SCO Business Council in consecutive years after this. As detailed above, both organs serve as coordination hubs, working to help actors promote, plan, and enact the projects agreed upon by the member states.

To date, economic cooperation has focused overwhelmingly on macroeconomic projects to develop state infrastructure, in particular transportation routes. The SCO has sought to play a central role in the development of projects to build a road between Volgograd (Russia), Astrakhan (Russia), Atyrau (Kazakhstan), Beyneu (Kazakhstan), and Kungrad (Uzbekistan), as well as the on-going discussion about the construction of a railway between Andijan (Uzbekistan), Torugart (Kyrgyzstan), and Kashgar (China). In connection with its work on transportation

⁴ Alica Kizekova, “The Shanghai Cooperation Organisation: Challenges in Cyberspace,” *Rajaratnam School of International Studies Commentaries*, No. 33 (February 22, 2012).

infrastructure, the SCO works collaboratively with the Asian Development Bank and UN Economic and Social Commission for Asia and the Pacific (UNESCAP).⁵

The concentration on large-scale economic infrastructure projects is perhaps unsurprising given that the SCO positions security and economics as heavily interlinked. Some of the Central Asian republics are among the least economically developed states in the international system, and as a result attracting foreign investment in the development of state infrastructure is a priority for their leaderships. Via the framework of the SCO, China has become an important source of such investment, and this dynamic has been a major component of the SCO's economic agenda thus far. Notably, in the wake of the global financial crisis of 2008/9, the SCO—or rather China—offered to provide \$10 billion worth of loans “to member states of the Shanghai Cooperation Organization (SCO) to shore up their economies amid the global financial crisis.”⁶ Coming against the background of another offer by China of \$900 million in loans to SCO members in 2004, this development can be seen as illustrative of Chinese dominance in the economic dimension of the SCO. However, the political implications of accepting these loans are not uncontroversial. Concerns among the other member states remain that by taking this money they are in some ways surrendering political sovereignty over their economic decision making to Beijing (for more on this see section below).⁷

Beyond the aforementioned transportation projects—and some other large state infrastructural projects—the implementation of the multitude of projects set out in 2003 has been very limited. The SCO has recognized that there has been a lack of progress in implementing its economic program, and it has laid out plans to increase the speed and effectiveness of enacting its projects. An important component of this is the long-muted creation of an SCO Development Fund, which was discussed at the 2013 annual summit and seems likely to be established in the near future. Under this arrangement, the member

states would allocate funds directly to the Development Fund for the realization of SCO joint projects. Taking into account its prior provision of loans to the other members, China would presumably make a significantly greater contribution than the other members.

One major economic cooperation initiative that attracted a lot of attention was Vladimir Putin's proposal to create an SCO energy club at the 2006 Summit. The concept of an energy club would likely entail an internal energy market arrangement among SCO members, and possibly observer states, and joint projects to develop energy resources and pipelines. However, the idea has faded from view in recent years, although it appeared to regain currency during the last summit. There are divergent interests among the SCO's membership, which contains both producers and suppliers. There are competing interests between producers over who supplies major new markets and between producers and consumers due to their respective interests in price-maximization and ensuring the security of supply. Thus, at least in the short term, the establishment of a formal energy club seems unlikely.

Until now, cooperation on microeconomic projects has been negligible. This is mainly because of the concerns among the other members that their economies will not be able to compete with the strength of the Chinese economy. The Chinese leadership considers the removal of tariff barriers to open up new markets for its booming consumer industries as one of its primary aims for the SCO. It even proposed an SCO free-trade zone in 2011. To this end, Chinese elites perceive that it is necessary to invest in the development of the Central Asian republics, in order to realize their aim of a customs union in the long term. Thus China regularly provides Central Asian republics with extensive loans for state infrastructural development.

While the other members support the agenda of developing the economic base of the weaker members, they are less enthusiastic about reducing trade barriers. Moscow considers that with unrestricted access to the Central Asian market

5 Julie Boland, “Ten Years of the Shanghai Cooperation Organization: A Lost Decade? A Partner for the US?,” 21st Century Defense Initiative Policy Paper, June 20, 2011.

6 “China to Provide 10-Billion-dollar loan to SCo Members,” *Xinhua*, June 16, 2009.

7 Laruelle and Peyrouse, *The “Chinese Question” in Central Asia*.

place, China will come to threaten Russia's prominent place in the regional economy. And the Central Asian leaderships take the view that if cheap Chinese goods were to flood their economies, there would likely be a loss of sovereign control over economic stability. They are also concerned that such a scenario would result in socioeconomic problems because their own population would be unable to compete with the prices offered by Chinese traders.⁸ Therefore, the other members have moved to block Chinese initiatives aimed toward free trade.

CULTURE

Security and economics are the main areas of cooperation, but in recent years several other areas are beginning to be developed. In part, this is driven by a desire to become a multifunctional framework, with the aim of forging a collaborative regional unit out of its member states, including a common cultural space. To this end, a number of SCO initiatives and projects have been undertaken to establish greater connections between the populations of its member states. In so doing it is hoped that greater understanding, trust, and common interest would emerge in the region.

Programs have been announced that aim at creating common education standards recognized across its member states as well as creating a joint SCO university. There is also a Chinese-sponsored program providing other SCO member states' students a number of scholarships to study in China. A joint SCO exhibition was held at the World Expo in Shanghai in 2010. And an SCO sponsored art exhibition "Fairy Tales Drawn by Children"—in which children from each member state drew pictures of how they imagined the other SCO member states—has toured the region.

The Geopolitics of the SCO

INTERNAL DYNAMICS: THE WEIGHT OF TWO REGIONAL POWERS

The SCO actively notes the diversity of its membership in terms of their political and economic systems, scales of diplomatic and economic prowess, religions, cultures, and geography. In

noting this diversity, the SCO claims to represent a new model of inclusive regional cooperation capable of encompassing all its members, sometimes referred to as the "Shanghai Spirit." Indeed, an implicit, but very important role played by the SCO is as a mechanism for improving and managing the relationships between its member states, stemming from its roots as a mechanism for confidence building. Nonetheless, its capacity and success in managing some of these tensions in practice has been questioned.

The most significant of the relationships between the SCO members for the long-term viability and effectiveness of the organization is the Russian-Chinese relationship. The SCO has evolved in parallel with the steady improvement in the Russian-Chinese relationship over the last two decades. In spite of this upward trajectory, some analysts consider that in the long term the Russian-Chinese relationship is likely to deteriorate due to conflicts of interest and competition.⁹ Against this background, the SCO is an important mechanism for managing any divergence in interest and competitive dynamic both bilaterally and regionally in Central Asia. To date it has done this quite successfully by binding the two sides into a cooperative framework.

However, certain analysts have noted a divergence between Chinese and Russian approaches to the SCO. According to this view, Russia is cooling its interests in the SCO, seeing it as overly dominated by a Chinese agenda not in keeping with its own interests. In particular Moscow wishes to restrict Chinese efforts to advance a free-trade agenda, preferring to keep such cooperation within regional frameworks of which China is not a member.¹⁰ Taking this into account, the SCO will have to work to keep both actors engaged in the organization and to facilitate continued cooperation with one another.

From the perspective of the Central Asian republics, the SCO represents a unique forum within which they can engage with two regional powers simultaneously. The presence of both Russia and China is seen as a positive dynamic ensuring that the agenda will not be dominated by

8 Alyson Bailes and Pal Dunay, "The Shanghai Cooperation Organisation as a Regional Security Institution," in *The Shanghai Cooperation Organisation*, edited by Alyson Bailes, Pal Dunay, Pan Guang, and Mikhail Troitskii (Stockholm International Peace Research Institute, Policy Paper No. 17, 2007), pp. 1–29.

9 Bobo Lo, *Axis of Convenience Moscow, Beijing, and The New Geopolitics* (Washington, DC: Brookings Institution Press, 2008).

10 Joshua Kucera, "Russia 'Increasingly Distrustful' of SCO," Eurasianet, March 4, 2013.

a single dominant external sponsor. In other words, it has been suggested that the Central Asian leaders have more opportunities to pursue their interests within the SCO, than they would in a framework containing only Russia or only China.¹¹ This dynamic perhaps explains Uzbekistan's continuous membership of the SCO as compared with its approach to Russian-led regional organizations. Although established in the early 2000s, Uzbekistan declined to join both the Collective Security Treaty Organization (CSTO) and Eurasian Economic Community (EurAsEC) until the mid-2000s and has subsequently withdrawn from both (in 2012 and 2008 respectively), citing excessive Russian influence over these frameworks as a prime reason for their decision to withdraw.

Although it is commonplace to characterize Central Asia as a single entity, there has been a marked lack of political and economic engagement between the post-Soviet Central Asian republics since the collapse of the Soviet Union. Indeed, the dominant theme in relations between some of these states has been more competitive than cooperative.

Due to the vagaries of Stalin's division of ethnic and linguistic groups in the Central Asian space into five Soviet republics, there are significant disagreements over border demarcation and tensions regarding minority populations. This tension is most pronounced among the three states that have territory within the Ferghana Valley, which at times has led to border skirmishes, between Uzbekistan and both Tajikistan and Kyrgyzstan.

Another source of tension concerns control over water resources. The main sources of water in the arid Central Asian region flow down from the mountainous areas of Kyrgyzstan and Tajikistan and through the rivers of Kazakhstan, Turkmenistan, and Uzbekistan. Due to a lack of other natural resources for generating energy, the upstream states focus on building dams for hydro-electric power generation. This comes into frequent conflict with the interests of downstream states, who rely on a strong flow of water for the irrigation of crops, in particular of cotton, that are a major source of national income. Tensions in this regard are particularly acute between Uzbekistan

and Tajikistan. Currently, Dushanbe is seeking to push ahead with the Rogun Dam project, with Tashkent responding in turn by cutting off gas supplies that Tajik industry is reliant upon.

The SCO will need to play an important role in managing these tensions between its Central Asian members to ensure that these bilateral disputes do not disrupt the wider functionality of the organization.

RELATIONSHIP TO THE BROADER INTERNATIONAL SYSTEM

Ever since its formation, the SCO has been seen as a potential global actor, as well as a regional one. This is a consequence of having China and Russia as members. Indeed, the SCO has often been discussed in relation to a number of statistics about the combined size and significance of its membership, which represents one-quarter of the world's population and three-fifths of the territory of the Eurasian continent, and includes two nuclear powers with permanent seats on the UN Security Council (and this is excluding its observer members).

However, as noted above, the SCO has not developed into the externally-focused behemoth that such statistics may tend to imply. Instead, its focus has primarily been on developing a limited role for itself within its region. At the same time, it has increasingly been used as an important staging post for collective statements on both regional and global affairs, particularly between China and Russia.

Aside from developing programs and mechanisms for countering the "three evils," the SCO plays an important legitimizing role for its member states' security policies. In this regard, Roy Allison has outlined that an important political function of the SCO "is that of protective integration—the solidarity it offers provides symbolic political legitimacy and equality to Central Asian regimes that struggle to assert this on the broader international stage."¹² The role of the SCO in defending its member's regimes from external criticism was most evident in the SCO's public support for the Karimov regime in Uzbekistan at its annual summit in 2005, following heavy criticism

¹¹ Bailes and Dunay, "The Shanghai Cooperation Organisation as a Regional Security Institution."

¹² Roy Allison, "Virtual Regionalism, Regional Structures and Regime Security in Central Asia," *Central Asian Survey* 27, No. 2 (2008): 185–202.

from the West for its actions in putting down an uprising in its Andijan province.

In this way, the SCO functions as a mechanism for resisting “efforts by others to impose external values on their member states,” which uses “language that tends to assert the relativity rather than universality of human rights.”¹³ In other words, the SCO seeks to stand up for what it considers as the sanctity of the principles of national sovereignty and territorial integrity against what it sees as attempts by mainly Western actors to rewrite the fundamental rules of the international system. In particular it strives to defend the right of its members’ governments to pursue whatever security policy they see fit. This stance of asserting regional relativity over universality has led to criticism of the SCO as a defender of repressive practices in its region.¹⁴

The SCO is often depicted as a counterbalance to NATO and the West in general. Indeed, the SCO’s geopolitical discourse on many issues—both international and regional—does contrast its positions with those of the West. Yet, in practice, the SCO’s relationship to the West is more multifaceted than a straight forward binary opposition. In spite of tensions and disagreements over the norms that shape and drive contemporary international relations, and criticism of what it characterizes as the West’s antagonistic interference in Eurasia, the SCO has also identified areas of common interest. Most notably it highlights the potential for greater collaboration with the West in the global fight against terrorism and to manage ongoing insecurity and drug trafficking in and around Afghanistan.

Hence, the SCO has a two-pronged approach to its geopolitical relationship to the West:

- It seeks to close, or limit, the space available to the West within what it considers its own regional jurisdiction; but
- at the same time it seeks to open space for collaboration with the West on issues beyond Eurasia.

The SCO has consistently noted that it considers that the international system is becoming increasingly regionalized and interdependent, and that the UN should play a central role in this changing

international system. At the same time, the SCO has noted that elements of the existing structures of global governance set up after WWII should be reformed in line with the contemporary context.

In line with this interpretation of the international system, the SCO has highlighted the need for it to build up a broad coalition of regional and global partners. Beyond its relationship with the West, the SCO is actively seeking to develop relationships with a range of actors. This has manifested itself in establishing diplomatic connections and partnerships with other multilateral institutions and structures (e.g., memorandums of understanding with ASEAN, the Commonwealth of Independent States [CIS], CSTO, EurAsEC, Economic and Social Commission for Asia and the Pacific [ESCAP], and Economic Cooperation Organization [ECO]), and developing a working relationship and cooperation with the UN (e.g., *Joint Declaration on SCO/UN Secretariat Cooperation*, signed in 2010). Within an increasingly complex network of relationships across the international system, the SCO is seeking to play the role of representing Eurasia at a global level.

Looking Forward

LIMITATIONS TO THE SCO’S DEVELOPMENT

The SCO has not become the dominant regional powerhouse that some in the West had feared. Instead, it has carved out a significant role for itself as a forum for regional cooperation on specific issues and as a platform for common geopolitical viewpoints. Nonetheless, the SCO’s development has not been without difficulty. Several factors have limited its effectiveness and current role. Indeed, SCO officials have acknowledged some of the challenges that it will have to address to develop further and establish itself as a significant regional and global actor.

The major challenge facing the SCO is whether it can ever effectively implement its declared programs of cooperation. The SCO has been characterized by some as little more than a “talking shop,” highlighting a lack of conversion of political rhetoric and program announcements into

¹³ Ibid.

¹⁴ Human Rights in China, *Counter-Terrorism and Human Rights*.

practice. While this verdict is a little unfair, as concrete steps and developments have been taken in some areas (e.g., the RATS and joint transportation projects), there is certainly a gap between discourse and practice. Explanations for this vary.

One interpretation emphasizes that this is a consequence of the SCO's strict interstate system of governance, whereby the members' national political leaderships set the agenda and oversee the implementation of agreements. In other words, the SCO as an institution has very limited means to ensure that its member states put common agreements into practice. According to some, this lack of supranational authority restricts the speed and effectiveness of the SCO as an implementing actor. Such perspectives are generally based on unfavorable comparisons to the EU and its record of implementation. In addition, it has been highlighted that a number of essentially bilateral or trilateral agreements between its member states have been labeled as SCO projects, although the SCO has had very little role in their development.

Another consideration is the divergence of viewpoints and interests between its members on certain issues, in particular on economic cooperation. Progress in economic cooperation remains some way behind that in security. The economic interests of the SCO members are not immediately compatible in certain sectors. There are also substantial differences in economic capacity, from the powerhouse of China to the struggling economies of Kyrgyzstan and Tajikistan. Furthermore, while China is an advocate of free trade in the region, several of the other members are unwilling to relinquish tight political control of their economies. And, as outlined above, China's provision of significant loans to the other member states to fund large infrastructural development projects is a politically contentious issue. As such, lingering concerns about loss of political control restrict the degree to which the SCO is able to utilize the financial spending power of having China as a member, and has led to uneven and very slow implementation of agreed projects.¹⁵

As detailed already, an integral dimension to the SCO is its role as a security actor. However, the

nature of this role is the subject of both confusion and disagreement. The primary question is whether the SCO should and/or is able to intervene in security crises on the ground. Until now, the SCO has always referred to its nonintervention doctrine to suggest that its role is as a hub for the long-term gathering of intelligence, identification of threats, and harmonization of practices and not as a direct security enforcer or peacekeeper.

The SCO's inaction during the Osh riots (June 2010) led to widespread criticism of its utility as a security provider. The SCO declined to intervene in spite of a request from the Kyrgyz interim government for external assistance to bring the violent situation in the city and its environs under control. As the Osh riots did not represent an immediate existential challenge to the incumbent regime, the SCO's nonresponse "was consistent with its nonintervention policy, as well as its emphasis on state/regime security."¹⁶ In this respect, the SCO's values and *raison d'être* seem to collide. It remains unsure of how it should respond to situations within its member states that represent a threat to regime-state security.¹⁷ It has yet to answer this question definitively, but by its inaction over Osh, it would appear in practice that noninterference currently takes precedence.

Another important factor shaping the development of the SCO is that many of its members are also part of other regional organizations that cover similar geographic contours and areas of cooperation. The CSTO is primarily focused on military and security cooperation, the EurAsEC is centered on economic cooperation, and the Single Economic Space (SES)—which from 2015 will become the Eurasian Union—is a customs union. Both the CSTO and EurAsEC contain four SCO member states, plus Armenia and Belarus, and the SES/Eurasian Union includes two SCO members, Russia and Kazakhstan, plus Belarus.

The SCO's scope to expand its activities in both of its main areas of cooperation is restricted by these other frameworks. The CSTO is more likely to play an active role as a security provider on the ground than the SCO, owing to its development of the permanently-operative Collective Operational

¹⁵ Stephen Aris, *Eurasian Regionalism: Shanghai Cooperation Organisation* (Basingstoke: Palgrave Macmillan, 2011).

¹⁶ Stephen Aris, "The Response of the Shanghai Cooperation Organisation to the Crisis in Kyrgyzstan," *Civil Wars* 14, No. 3 (2012): 451–476.

¹⁷ Richard Weitz, "What's Happened to the SCO?," *The Diplomat*, May 17, 2010.

Reaction Force. While, the progression of the SES/Eurasian Union project represents a more active and advanced structure for trade and customs integration than the SCO.

The parallel existence of the SCO, CSTO, EurAsEC and SES/Eurasian Union is, to a large extent, a reflection of the concerns among Russia and the Central Asian members of the SCO about undertaking military and free-trade cooperation with China. As already discussed, Moscow is wary of the SCO becoming a format in which it will lose its influence in Central Asia to China. It has thus invested resources and political will into multilateral integration on key areas within exclusively post-Soviet frameworks, over which it leverages greater influence.

Similarly, the Central Asian members consider military and trade cooperation as highly sensitive areas, and are more accustomed to, and arguably more comfortable, working collaboratively in these areas with Russia than with China. At the same time, however, they view excessive dependence on Russian-led regional mechanisms as detrimental to their interests and policy options. From a Central Asian perspective, the parallel existence of these organizations acts as a form of network of regional balances against the concentration of excessive power in any single organization.¹⁸

Until now, the Chinese leadership appears unperturbed by the existence of these regional organizations of which they are not a member. However, in the long term it would seem inevitable that clashes of jurisdiction and agenda-development will occur between the SCO and these post-Soviet organizations.

THE EXPANSION QUESTION

As highlighted by the above summary, the SCO has established itself as an important mechanism for cooperation in certain areas of security and economic policy, but other aspects of its agenda and its capacity to play other roles remains uncertain. Several important issues and questions will need to be resolved in the years ahead, which, in turn, will have a significant influence on determining its future trajectory.

Ever since the allocation of observer status to

India, Iran, and Pakistan in 2005, the question about a possible expansion of membership has hung over every SCO annual summit. Within the SCO, divergent views on the value of an expansion of membership exist. Those that are enthusiastic tend to be so because they envision the creation of a huge economic framework, bringing together large and small states, suppliers and consumers of energy, manufacturers and customers, and modern and traditional trading partners. According to this view, massive transportation projects could be undertaken to better connect Central and South Asia, opening up huge new markets for trade and other economic cooperation, including potentially a pan-Eurasian energy network.

Alongside these voices of optimism, doubters point to the geopolitical and technical challenges that expansion would bring. They raise concerns about the geopolitical effects of omitting observer states that have problematic relations with the US, such as Iran and Pakistan, on both its members' bilateral relationships with the West and also the perception of the SCO among the international community. The clarification of a draft criterion for membership at the 2010 summit that excluded states under UN sanctions from joining, neatly allowed the SCO to avoid the issue of omitting Iran, until such time as these sanctions have been removed. Beyond the concerns about geopolitical perception, there are doubts raised about the impact of exporting external political conflicts into the SCO. A major challenge to cohesion would be the inclusion of both India and Pakistan, and their tense bilateral relationship. According to this viewpoint, the granting of full membership status to the current observers could introduce a number of new political dividing lines into the existing environment, leaving the SCO hamstrung by internal division.

In essence, the debate around an expansion of membership is centered on a fundamental question: what is the scope and aim of the SCO? Is it geographically limited to a focus on Central Asia with a specifically defined agenda? Or is it a wider pan-Asian framework, embracing a wide-ranging and loose agenda?¹⁹ There are differences between the existing member states on the issue. The

¹⁸ Bailes and Dunay, "The Shanghai Cooperation Organisation as a Regional Security Institution."

¹⁹ Aris, *Eurasian Regionalism*.

Central Asian leaderships are perhaps more ardently against expansion than Russia and China. They consider that an expansion would shift the SCO's focus from Central Asia and their primary concerns to South Asia. A further difference is evident between China and Russia. The Chinese leadership is the most enthusiastic about expanding membership, as part of a wider foreign policy goal of increasing its influence in Asia and opening up market opportunities in South Asia. As opposed to China, neither the Russian nor the Central Asian regimes consider that they have the capacity to develop large-scale economic exchanges and linkages with the rest of Asia.

In recent years, those arguing in favor of expansion have made up a lot of ground, and with the official establishment of regulations on accepting new members in 2010, many consider that it is only a matter of time until the SCO is expanded. However, as these regulations are closed to the public, and the issue continues to be effectively muted largely by the SCO, it remains difficult to judge the likelihood of an expansion at the present time.

Conclusion: Challenges Ahead

The SCO is still a relatively young organization, and as such its future trajectory is not entirely certain, and it faces a number of challenges in the years ahead. Indeed, the strength, vitality, and endurance of the SCO will likely depend on two main considerations: the effective implementation of its cooperative agenda, and a clarification of its identity and role as a multilateral framework.

The SCO acknowledges that it needs to prove it can implement its already agreed upon programs more effectively and comprehensively, and thus become a trusted and valued mechanism for security and economic cooperation for its member states. To achieve this, it will have to enhance its capacity to move from agreement to implementation, and a vital step in this regard would be the creation of the proposed SCO Development Fund to give the SCO access to its own resources for implementing its agenda. At the same time, by its

very nature as an intergovernmental framework of multilateralism, the SCO will continue to rely on the goodwill of, and the investment of resources by, its members. It is thus important for the SCO to maintain a relative degree of harmony among its membership. To this end, it will need to manage sources of tension between Russia and China about the direction of the organization and between Tajikistan and Uzbekistan over water resources.

The future evolution of the SCO will in large part be determined by how it comes to define its role within the political landscape of Eurasia. A number of dimensions to this are yet to be firmly established:

- Is the SCO working toward the development of a free-trade zone among its membership?
- Does its role as a security actor include intervention on the ground during security crises?
- What is its relationship to the CSTO and Eurasian Union, and how will their respective agendas interact with those of the SCO?
- Does it intend to expand its membership and focus so that it becomes a pan-Asian framework covering Northeast, Central, and South Asia?

The resolution of these questions will go a long way to clarifying and establishing the boundaries of its role in Eurasia and beyond.

The factors noted above are complex and will not be resolved in the short term, but what does seem likely is that the formulas offered by the SCO will endure in at least the medium term. It also seems likely that its role in negotiating the relationship between its region and the international system is durable and may perhaps grow even further. It has established itself as a forum for discussion and representation of common issues on international issues, as illustrated recently by the 2013 summit's detailing of a common position on the ongoing Syria crisis. Furthermore, by virtue of its recognition and engagement with other regional organizations, its emerging role as a hub for discussion of post-2014 Afghanistan and its attempts to play a role in setting global norms and standards on cyber/information security, the voice of the SCO will likely be heard on the global stage for some time to come.

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