

A NEW REFERENCE POINT IN WORLD POLITICS: THE SHANGHAI COOPERATION ORGANISATION¹

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China and Russia, two rapidly developing major powers, and the neighbouring countries of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, as founders, as well as India, Iran, Mongolia and Pakistan as observers – this today is the membership list of the Shanghai Cooperation Organisation (SCO). The analysis below seeks to explain why this political grouping, established at the start of the new millennium, deserves the attention of the European Union and other international organisations, and why there should be no delay in increasing the EU member states' knowledge of the operation, intentions, and growing influence of the SCO.

I. How it started and what went before

On July 15, 2001, the heads of state of Uzbekistan, Kyrgyzstan, Russia, China, Kazakhstan, and Tajikistan – Presidents Karimov, Akayev, Putin, Jiang Zemin, Nazarbayev, and Rahmonov – signed the founding charter of the Shanghai Cooperation Organisation as well as a declaration on the common struggle against terrorism, separatism and extremism. The predecessor organisation, the Shanghai Treaty, was established in 1996 by Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan (the Shanghai Five). Its aim was to demilitarise the common borders of Russia, the Central Asian republics, and China. The first achievement came in 1997 with a reduction in military forces along the border between China and the former Soviet Union.

With their signature, the founders adopted a joint declaration calling upon the United States to set a deadline for vacating the military bases located in member states which had been offered to it in support of the anti-terrorism campaign in Afghanistan. Just five years later, the SCO's political and general functions were expanded when, on March 29, 2006, at

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the sixth joint conference held in Tashkent, the organisation's members decided to take a common stand against terrorism.

The member states obviously take the stated objectives seriously: they are attempting to find common solutions to the most pressing international problems. Two historical factors in particular add to the significance of their cooperation. The first is that Russia has sought and found, in the case of the Central Asian member states, a new kind of alliance with states that once belonged to the former Soviet Union. The other factor is that Russia has pursued active cooperation with China, a country with which, three or four decades ago, war had threatened along a border which is now demilitarised. In 1975, China's constitution (Chapter I, Article 15) still indicated, as a task facing the armed forces, the struggle against "Social Imperialism" – which at the time meant implicitly an intention to destroy the Soviet Union.



*International Finn Ugric Cultural Festival, Saransk, 2007.
Meeting with President Vlagyimir Putyin*

The organisation, which, together with the observer states, has a membership of ten, is now one of the largest political, military, economic, and cultural cooperation bodies in Asia. The power represented by the SCO is a significant factor in world politics.

II. A survey of SCO activities and a grey eminence

At a meeting held in Shanghai on April 25, 1996, the leaders of Kazakhstan, China, Kyrgyzstan, Russia, and Tajikistan signed the Treaty on **Deepening Military Trust** in Border Regions. A year later, in Moscow on April 27, 1997, leaders of the Shanghai Five signed the Treaty on **Reduction of Military Forces** in Border Regions. A year later, on July 3, 1998, the Five held their first summit in Almaty (Kazakhstan), where they debated issues of **common security and regional cooperation**. Russian President Yeltsin, who was ill, was represented by Foreign Minister Yevgeny Primakov at the meeting. On August 24-26, 1999, the fourth summit was held in Bishkek, the capital of Kyrgyzstan. At the Bishkek summit, in addition to security and regional cooperation issues, there was also a debate of current issues in international politics. In November 1999, **national security and intelligence** top officials of the member states held their first joint conference – also in Bishkek. In March 2000, the **defence ministers** of the Shanghai Five held their first meeting in Astana, the capital of Kazakhstan. On July 4, 2000, the first meeting of **Foreign Ministers** was held in Tajikistan's capital Dushanbe. A day later – also in Dushanbe – the SCO's fifth summit was held. For the first time, the summit was attended by President Karimov of Uzbekistan – in observer status.

The work and activities of the predecessor organisation are doubtless the subject of investigation by researchers. Adhering to the principle of gradual and orderly progress, member states took one year, after the initial statement of intent (concerning confidence-building measures), to reach a voluntary reduction in military forces, and another year to go from the announcement of measures aimed at enhancing common security to the first joint meeting of national security and intelligence leaders. Finally, the time was ripe for the first meeting of foreign ministers.

The SCO (which has a very informative website) and the articles, studies and reports written about the new organisation, make no mention of the individuals who began seeking a formalisation of cooperation in the late 1990s. Nor is there any information in the public realm about what

motivated them to do so. In line with Russian habits, foreign policy experts in Moscow treat with reserve the supposition that Yevgeny Primakov was the main Russian instigator of the Shanghai Treaty. However, contrary to Russian custom, no one has denied this hypothesis.

Primakov is an important figure in terms of the SCO's present and future, because the organisation's political positioning was a direct hit for several reasons. Primakov – a man who was the last speaker of the Supreme Soviet and who directed the Kremlin's foreign intelligence service – represented President Yeltsin, whose health was failing, as his foreign minister, at the SCO's first summit in July 1998. According to contemporary reports, there was no objection to Primakov's participation from the presidents of the other member states. Two months after the SCO summit, Primakov was appointed as Russia's prime minister.

Thus, in the person of Primakov, regional cooperation had a supporter (if not instigator) who, by means of his political influence, was able to secure Moscow's acceptance of and support for the establishment of an institution of international political significance. Indeed, Russia's decision-makers were presented with arguments in favour of the SCO by a man who had spent years working in the Middle East and who maintained personal contacts with politicians in both Iran and China.

To speak of a political direct hit may, however, be rather inappropriate in this particular case, for the SCO, with its ten member states, was formed in 2001, a year in which the fight against international terrorism took on new dimensions for tragic reasons.

For EU foreign policy experts, it would be interesting to examine the political decision-making mechanisms and personal factors that resulted in, for example, China and India's membership of the SCO. Was there any domestic political opposition to membership? What arguments were made and who made them? How does Iran's observer status relate to the U.S. government's policy of isolating the country? May one speak of global community isolation (exclusion) but regional acceptance (inclusion)? Or does the SCO play some

kind of intermediary role between member states and other international organisations?

III. The SCO moderately interests the European Union

The European Union has acknowledged, at the highest level, the SCO as one of the world's international organisations. According to a document published by the Committee of Permanent Representatives on May 31, 2007, (Chapter 4 of the document), the EU expresses a willingness, in its new partnership strategy for the Central Asian region, to conduct an open and constructive dialogue with Central Asia's regional organisations, and it is also willing to establish ad hoc relations with other organisations including the Shanghai Cooperation Organisation.

This statement was to be welcomed, but in the minds of regional experts it gave rise to two pressing questions. First, why does the EU express its intent only in the context of Central Asia? Second, is it not time for increased attention towards and cooperation with the SCO, rather than merely ad hoc relations?

The first question touches upon geopolitics. In my judgement, the SCO is not a Central Asian regional formation. True, four of its members are located in the region, but the regional approach irrationally and unjustifiably undervalues the roles played by Russia and China, as well as the observer India. Any quiver in the process of cooperation between the two largest founder members, Russia and China, is of too great significance that we should make light of it. As an MEP, a representative of the Party of European Socialists and the Socialist International, I can state, based on my experiences in the two countries – and hopefully I am not being too bold in doing so, that cooperation between Russia and China will result in changes of unforeseeable dimensions in international politics. In this sense, the SCO should not be treated as a regional or, as far as Central Asia is concerned, local organisation. Below, I shall refer to some of the conclusions made in a valuable analysis of the SCO's relationship with the EU, but I note at this point that it would be a mistake to regard this organisation as merely an instrument to smooth out rivalries between the Russians and the Chinese. On the contrary, in my view, the Shanghai Cooperation Organisation

has brought a new quality of relationships between Russia and China, helping to create a new sense of awareness between these two geographical and historical neighbours.

Caution is required when outlining the political future. Nevertheless, as far as the SCO is concerned, it is more than merely a prediction to state that we are talking about a pragmatic alliance of interests between two superpowers seeking to accelerate their social and economic development. And while history indicates one should be beware of accepting the omnipotence of alliance formulas, the geographical and economic parameters of the two major SCO member states clearly inspire further analysis – as well as more attention from the EU. That is to say, the EU's experts should, while preserving their interest in Central Asia, apply a new approach and undertake an analysis of the organisational and practical evolution of the SCO as seen through the prism of Russian values and Chinese values, some of which are shared. This new approach would certainly enhance the development of unique and global positions connecting the EU with Russia and with China.

A possible answer to the second question is – in light of the above – much shorter. The SCO is not to be regarded as just one of a number of Central Asian organisations. The EU's experts should not deal with this organisation as a mere facet in the new partnership. The investigative paradigm could just as well be reversed; that is to say, there needs to be a more profound inquiry into the real nature, or quality, of the SCO member states' alliance with Russia and China – jointly and separately.

By way of summary, it would not be premature to call for the establishment of a fact-finding team concerning the SCO or even to hold an informal EU partnership event concurrently with one of the SCO's foreign ministers' meetings or summits. A partnership event would send an important message to member states of both the EU and the SCO.

IV. NATO is already considering a dialogue

In the autumn of 2006, Richard Weitz published an article titled *Renewing Central Asian Partnerships in NATO Review*: "Since late 2001, NATO has emerged as a major institutional

player in Central Asian security affairs. The launch of Operation Enduring Freedom in Afghanistan resulted in a major increase in NATO's military presence in Central Asia. At their June 2004 Istanbul Summit, NATO leaders affirmed Central Asia's increased importance by designating it, together with the Caucasus, an area of 'special focus' in their communiqué. After the Uzbek government's crackdown in Andijan in May 2005... ..the cooperation programme between NATO and Uzbekistan [was] limited to a dozen minor activities. Despite the collapse of NATO-Uzbek security ties, other Central Asian governments remain interested in cooperating with the Alliance. Establishing a formal dialogue with the Shanghai Cooperation Organization (SCO) might help strengthen NATO's role in Central Asia. A formal NATO-SCO dialogue would also allow for an exchange of views on democratisation, religious extremism and other topics of shared concern, while encouraging concrete projects in the areas of energy security, the proliferation of weapons of mass destruction, counter-terrorism, and narcotics and human trafficking."

The above ideas show that NATO experts consider "the launch of a formal dialogue" with the SCO as necessary. Moreover, reading the passage, one becomes aware that a connection is being drawn between the necessity for dialogue and a series of events in Uzbekistan. Another observation is that the expert implies that NATO has not paid proper attention to the SCO since the formation of the political grouping. Finally, mirroring some of the comments made in Section III above, it seems that NATO's "think-tank" needs to do some more work on analysing the new forms of cooperation between Russia and China.

V. The SCO as an adversary to Japan and NATO

The ideas implicit in this section's title stem from a paper published in NATO Review in the summer of 2007. The author, Dr. Ikegami Masako, is professor and director of the Centre for Pacific Asian Studies at the University of Stockholm. According to Professor Masako: "Since 9/11, China has been consistently upgrading the SCO from a regional conflict prevention organisation into a collective defence bloc. Recent joint military exercises, flows of oil resources and unregistered arms transfers between Shanghai Cooperation Organisation member nations, in combination with the organisation's nuclear

capability suggest that the SCO has the potential to become a major adversary to both Japan and NATO." As an interesting aside to the above ideas expressed in the distinguished publication, in January 2007 Prime Minister Shinzo Abe paid a visit to NATO headquarters, the first visit by a Japanese head of government. The rather convoluted wording used by Professor Masako is not really so difficult to understand, for when she warns against forming "strong partnership with actors that do not share the fundamental values of democracy and human rights", it is quite clear which countries she has in mind. She is cautionary about the future: "In the worst case scenario, such partners could turn out to be Trojan horses that would eventually erode NATO's unity". Of course, anybody has the right to express fears for the future of NATO – as well as to contemplate why a Japanese expert treats the evolution of the SCO as the creation of a Chinese-created "defensive bloc"; nota bene, she even envisions the transfer of nuclear weapons between SCO members, a clear threat to both NATO and Japan. Interestingly, when making her comments about the SCO and China, Masako avoids any reference to Russia.

VI. A nuanced interpretation of the EU position from a Chinese expert

At an event organised by the Sasakawa Peace Foundation, Richard Weixing Hu, visiting fellow at the Brookings Institution's Centre for Northeast Asian Policy Studies, and associate professor at the University of Hong Kong, provided information about the practical operations of the SCO. According to the expert, the SCO maintains a small secretariat in Tashkent. The secretariat has an annual budget of USD 14 million; it organises the regular summits and prepares for bilateral discussions. The SCO has also established a Regional Anti-Terrorism Structure (RATS). Having noted the SCO's original aim of strengthening regional security, the expert sketched an possible outline of the organisation's future. Apparently, the member states wish to create a free trade zone stretching from the Caspian Sea to Shanghai by 2023. Working groups have been established to address areas such e-commerce, customs, economic and technological cooperation, transport, research incentives, and the harmonisation of standards. The SCO already has a Development Fund, banking mechanisms, and a Business Cooperation Forum.

In other words, for Europe's politicians, the SCO is clearly more than just one organisation among many. Evidently, it cannot be treated as some kind of intensive military or security policy formation. Richard Weixing Hu also reflects upon the fact that whereas the Russian emphasis was originally on the security policy alliance, the Chinese have always focussed on long-term and multifaceted cooperation and enhanced economic integration.

One of Weixing Hu's most poignant and timely conclusions also illuminate differences in the Russian and Chinese approach to regional economic cooperation. China seeks an energy cooperation body to exploit the region's energy resources, while Russia would like to maintain its own energy dominance.



Meeting with Hu Jintao, President of the Chinese Communist Party, June 2007.

It is worth pondering over the expert's train of thought, since Sino-Russian energy cooperation has its own distinctive features. Even now there is still no official explanation for the failure (or refusal) of Russia to build oil or gas pipelines supplying China. Evidently, rail supplies of oil and gas hardly constitute the most effective solution. According to some experts, this is a signal of Russia's detachment; it can decide, at any time, to stop the rail transports. Pipeline deliveries can also be disrupted in case of dispute (e.g. the Ukrainian-Russian payment dispute), but then the return on the original investment – the pipeline's costly construction – is jeopardised. As the SCO becomes an established institution, it

would be timely to investigate how the organisation may alter relations between the two countries in the long term.

Another subject for research would be the mass migration of Chinese workers to parts of Russia lying to the east of the Urals. Demographic forecasts suggest that, as the outward migration of Russians from these areas continues, the ethnic balance could be tilted in favour of the Chinese immigrants within a couple of decades. This would be a noteworthy development, even if the Chinese migrants have so far shown considerable willingness to assimilate.

VII. Thinking about the SCO in localised terms

Looking at the map, one may be off put by the dimensions of thinking in localised terms. Nevertheless, in view of the very size of the territories and populations under investigation, the analyst will surely benefit by acknowledging several characteristic features of the SCO, thereby avoiding the temptation towards superficial labelling and generalisation. The first observation is that the treaty was made between a region's states. Through the SCO, these countries are seeking possible responses to challenges that affect them and which come from other regions in the world and from political and economic value systems. The SCO has not established norms of accession; instead, it receives new members following a consensus decision among existing members. As this paper was being drafted, it was reported that Iran's foreign minister had announced his country's intention to become a full member of the SCO, upgrading from its current observer status. A month later, the presidents of Iran and Tajikistan held a meeting.

It will be instructive to watch how the SCO responds to Iran's announcement – particularly in view of the juxtapositioning of Iran's relations with Russia and the United States. Could Iranian membership of the SCO constitute a channel for a new kind of international political dialogue, filling new dimensions with political content?

An important principle of cooperation among SCO member states is non-interference in domestic affairs. At the time of the Tibetan events during preparations for the Beijing Olympics, member states made no criticism of China. This

could be attributed to a democratic deficit, which many people regard as a feature the region. Perhaps it is closer to the truth to state that the members of the SCO take their alliance seriously, placing the emphasis on reciprocal support.

As we investigate actual power relations within the SCO, we, the European Parliament's experts, are very likely to be influenced by our own views on social, military, and human rights developments in the region. Nevertheless, we must consistently adhere to the task of ascertaining the real historical and social values of the various member states and to a balanced analysis of the organisation as a whole. In this area I consider it important to repeat the fact that several of the member states once stood in a relationship of domination and subordination – a relationship referred to as a union (the Soviet Union), and that the Russians and the Chinese were diametrically opposed to each other as recently as several decades ago.

Observing the SCO through the prism of both history and current affairs, one recognises that the organisation is an important grouping – one that deserves study and analysis. Indeed, the level of knowledge and understanding required is such that the watchful eye of just one EU staff member (concerned with just some of the member states) will become increasingly inadequate. In my view, we now need a permanent group of experts, who would prepare quarterly bulletins and annual summary reports on "local" and global developments in the SCO. This body of experts would monitor the positions and publications of international organisations relating to the SCO and it would also draft recommendations for the major institutions of the EU concerning opportunities for greater cooperation.

In lieu of a conclusion, I would like to cite a European politician's thoughts on neighbourly relations and what they should and can mean. I greatly admire the politician in question, and his message is important because the SCO is a grouping of several neighbouring states and the whole organisation is a neighbour to several groups of countries; indeed, by way of Russia, it is a neighbour to the European Union.

Toomas Hendrik Ilves, the current President of Estonia and a former MEP, caused some surprise when, at a session to celebrate the European Parliament's fiftieth anniversary, he noted that Russia's policy towards its neighbours sets an example to the European Union. Transcending the historical grievances of his country, he spoke objectively of today's Russia: "Contrary to what many in Europe think, Russia's neighbourhood policy is better developed, better coordinated and better implemented than the EU's. Russia devotes more political, economic and even military resources to influencing its neighbourhood than the EU does."