

# THE SHANGHAI COOPERATION ORGANIZATION:

## A NEW REGIONAL MECHANISM FOR COMBATING TERRORISM, ETHNIC SEPARATISM, AND RELIGIOUS EXTREMISM

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The Shanghai Cooperation Organization is a new type of international organization that has provided unprecedented mechanisms and channels for dialogue and communication among countries with different backgrounds of religions, cultures, social systems, and ideologies, thus minimizing misunderstanding and possible conflicts among them. The grouping, which primary purpose is curbing international terrorism, ethnic separatism and religious extremism was established five years before the September 11, 2001 terrorist attacks. It was the Shanghai Cooperation Organization, which arose out of the Shanghai Five, that encompassed two of the great nuclear powers (Russia and China) and the territories of Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan) i.e. the broader region, where the first stage of the war against terrorism took place and where Afghanistan (pointed out by the United States as the main source of terrorist support) is located.

### INTRODUCTION

Traditionally, Central Asia is a crossing point of diverse interests of regional and non-regional powers such as Russia, China, Great Britain, Turkey, Iran, among others. The dissolution of the Soviet Union in 1991 created five independent states in Central Asia, which fundamentally changed the strategic configuration of the wider Central Asian region. Central Asia has started regaining its status of the “pivot of Asia”<sup>1</sup>. Competition for access to the vast gas and oil resources of the region has brought new pow-

ers into the play – the United States, the European Union, Japan, South Korea. Thus, during their 10 years of independence Central Asian states have witnessed great attention on behalf of the major international actors.

Two of the interested countries – namely, Russia and China, succeeded in institutionalizing and, in some way, fitting their competing interests in the region through the establishment of an organization including the four of the Central Asian republics (except Turkmenistan). Based on the recognition of the common threat on behalf of the member states, the Shanghai Cooperation Organization was designed as a regional security framework among nations, between which there hardly was any interaction for a long period of time.

The terrorist attacks on the United States on September 11, 2001, however, caused significant changes in the geo-strategic situation in Central Asia. Provided the global terrorist challenge, the importance of Central Asia has further increased. The region - neighboring the Caucasus, the Middle East and Afghanistan, turned into a focal point of global attention and gained much more importance.

Logically, the group of the parties interested in Central Asia has openly and actively been joined by the United States. Washington has gained foothold in the region, thus altering the regional balance of power and seriously challenging the cohesion and the very existence of the SCO.

This paper seeks to study the evolution of the SCO, its philosophy, level of cohesion among the member states, their underlying reasons for participating in this grouping as well as to outline possible scenarios for future development of the organization as a mechanism for multilateral cooperation.

## **GEOPOLITICAL AND GEO-ECONOMIC SIGNIFICANCE OF CENTRAL ASIAN SPACE**

### *LOCATION*

Located at the center of Eurasia on the intersection of critical transport routes, Central Asia represents a strategic component of Eurasian space. Central Asian republics cover a total area of about four million sq. km. This geographic area has no access to the great oceans, and its com-

munications with world markets relate to inland transport and energy routes. The southern Siberian plain occupies the northern part of the region. In the south and in the east, the region is bounded by mountains – Hindu Kush, and Pamir and Tien Shan range, respectively.

Its strategic geographic location (close to areas, where significant amount of weapons is stationed), its status of a land corridor to the Persian Gulf and the Indian Ocean as well as the profitability of the future Central Asian energy projects provoke the interests of the major players within the system of international relations.

### *ETHNOCULTURAL DIVERSITY*

The total population of the region is about 55 million. On the one hand, the ethno-linguistic and ethno-religious map of the region is quite homogeneous. Turkic language as well as the Sunni Islam is predominant among the population in this region. *Islam* became a dominant religion in the region in the seventh and eighth centuries, introduced by the Arabs. During the Soviet period authorities took serious measures in order to weaken the influence of Islam among the local people. After the collapse of the Soviet Union, a newfound interest in religion was observed in Central Asian states. The region has started to be considered as a part of the Muslim world despite different degrees of Islamization and religiosity of the population.

On the other hand side, the ethnic situation is extraordinary complex because of the plethora of ethnic sub-groups, clans, lineage, tribes, and immigrant groups that play an important role in the political game in Central Asian republics. The common religion, however, is not a significant uniting factor for the Central Asian societies. National interests clearly prevail over Islamic solidarity.

Despite the frequent shifts of the population, there was little interaction between the indigenous population and the newcomers. This diversity provides for the great conflict potential that threatens not only regional stability but the stability of the peripheral states as well. It makes the region quite vulnerable as any outside or inside actor could easily take advantage of the situation and trigger a conflict all over the region for satisfying its own needs and interests.

Another vulnerable point is the strengthening of radical Islam within the region. The establishment of radical Islamic regime in neighboring

Afghanistan in 1996 gave an impetus to the radical Islamic groups (Islamic Movement of Uzbekistan, Hizb-ut- Tahrir, etc.) in Central Asia and made the threat of ‘radical Islam’ a common regional concern. The Islamic factor also promotes mutual understanding between the Central Asian states and their powerful neighbors – Russia and China that are also interested in opposing Islamic radicalism.

### *ENERGY DIMENSION*

Central Asia possesses enormous energy and mineral wealth, which significantly increases its importance and attractiveness. There are significant inconsistencies in the current assessments of the available resources in the region. In 1999 *National Geographic*’ pointed out the following data:

Kazakhstan:	Crude oil reserves:	5.4 billion
	Natural gas reserves:	65 trillion
Kyrgyzstan:	Crude oil reserves:	40 million
	Natural gas reserves:	0.2 trillion
Tajikistan:	Crude oil reserves:	12 million
	Natural gas reserves:	0.2 trillion
Uzbekistan:	Crude oil reserves:	594 million
	Natural gas reserves:	66 trillion
Turkmenistan:	Crude oil reserves:	546 million
	Natural gas reserves:	101 trillion

The independence of the Central Asian republics created prerequisites for the promotion of their energy resources on the world markets and immediately attracted the attention of the Great Powers. The region has turned into a focus of a multitude of competitive interests, which soon launched the process, called by analysts ‘the last great rush for oil deposits’<sup>2</sup>.

For Russia, which is the world's second greatest energy consumer, it is of supreme importance to recover the influence it had in Central Asia. For China, which suffers from energy deficit, the influence in this neighboring region is a guarantee for future economic growth. For the United States, securing the unimpeded flow of energy resources from the region to world markets is a critical US interest.

## THE EVOLUTION OF THE SHANGHAI COOPERATION ORGANIZATION

Despite the common religious, cultural, and linguistic proximity, there hardly was any interaction between the five Central Asian republics for a long period of time. The republics neither had relations with the neighboring countries and regions i.e. China, Middle East, Western Asian countries. There was no mutual trust among the Central Asian states themselves. Some attempts for developing and institutionalizing formal cooperation within the region have been made after the dissolution of the Soviet Union - for example, Conference on Interaction and Confident-Building Measures in Asia (initiated in 1992), Central Asian Economic Community (created in 1994), Eurasian Economic Union (agreed in 1999), the Turkic states grouping (initiated in 1992), the Economic Cooperation Organization (including Iran and Pakistan).

Most of these multilateral structures, however, could not overcome the existing rivalries, tensions and imbalances between the states in the region and could not achieve the initially set goals. It was difficult for them to agree on effective cooperation and interaction. The Shanghai Cooperation Organization is the one that has partly succeeded in establishing some cooperation among its member states. It significantly differs from the rest because of its way of establishment, its evolution and members.

Shanghai Cooperation Organization began as a forum to resolve the border disputes between China and the Central Asian countries. In 1993 regional leaders began meeting to discuss the normalization of their West Asian borders, where during the Cold War period Russia and China stationed heavily armed troops. Since mid 1990s, Russia and China have joined their efforts for normalization of relations and developing the regional cooperation with their Central Asian neighboring countries. Firstly, the presidents of the two countries signed a Joint Statement for the purpose of further developing "long-term, stable, good-neighborly, friendly, and mutually ben-

eficial relations". They also stated their determination to speed up the formulation of an agreement on the mutual reduction of military forces along their mutual border and on confidence-building in the military field.

In a time when Central Asia held low-priority status within the broader foreign policy framework of the western countries, the leaders of Russia, Kazakhstan, Kyrgyzstan and Tajikistan met in Shanghai and signed an "*Agreement on Strengthening Military Confidence in Border Areas*". The agreement, signed on April 26, 1996, confirmed the borderline and agreed on a set of confidence-building measures in the border area. The 'originator' of the forum, which came to be known as the Shanghai Five, was China, whose border with the other four countries total more than 7,000 kilometers. In fact, the meeting of the presidents of the five countries went beyond the initially set goals and expectations related primarily to the development of security confidence-building measures in the border areas before the final peaceful resolution of the border problems. Specifically, the heads of the five countries stated that their military forces would not be used to attack each other; that their countries would restrict the scale, geographical scope and the frequency of military exercises in the border areas and invite observers to the planned ones; that their forces would not conduct military exercises against each others; that they would inform each other for any major military activities in the areas within 100 km from the borders; that they would strengthen relations between the military forces and border guard units along the border areas.<sup>3</sup>

Rather than disband after signing the treaty, the parties reconstituted themselves as the Shanghai Five, an institutionalized summitry arrangement. At the second summit, held in Moscow on April 24, 1997 the five countries further expanded forum's scope. Reaching a common view on building up good-neighborly relations and peaceful cooperation, they enriched the confidence building process with a component of military force reduction in the border area. The leaders of the five countries signed an "*Agreement on Mutual Reduction of Military Forces in the Border Areas*". The agreement stipulated that China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan would reduce their military forces in the border areas to the minimum level compatible with their friendly and good-neighborly relations, a level that should not go beyond their defense needs. It was declared that the geographical limits for the agreement's application were a 100-kilometer zone on both sides of the border. The parties agreed on non-use of force,

not to threaten to use force against the other party or parties, neither to seek unilateral military superiority. They reiterated their responsibility to exchange relevant information and data on the military forces in the border areas as well as to exchange regularly relevant military information about the areas, which will be kept secret to any third party.

The agreements signed in 1996 and 1997 were practical steps in easing the tensions in the region and created a precedent of peaceful settlement of territorial disputes. As a result of the Shanghai dialogue the borders between China and the four former Soviet states are clearly demarcated for the first time in history. Having in mind the complexity of the relations, this was a significant achievement that provided for the further strengthening of the cooperation and for focusing on other pressing issues and serious common problems.

After resolving the security problems between them along the borders and as the cooperation between them deepened, the five countries stepped up efforts to enhance partnership in other areas, especially economic cooperation. While the first two summits aimed primarily at strengthening confidence-building process, reducing the number of the armed forces in the border areas, promoting transparency and predictability of military activities, the third one that was held on July 3, 1998 in Almaty, Kazakhstan, added new contents to the security partnership among the five nations. It focused on the necessity of a large-scale economic cooperation as a vitally important premise for “the consolidation of the regional peace and stability”. It seemed that the leaders were well aware of the significance of the economic cooperation for the consolidation and strengthening of the new organization. The parties pointed out particularly the need of intensifying and encouraging the cooperation in such strategically important fields as “the construction of oil and gas pipelines, in the railway, highway, water and air transport, and in the field of energy on an equal and mutually beneficial basis”.<sup>4</sup>

The second new element of the Shanghai forum was the emphasis put on the need of combating illegal trafficking in drugs and weapons, international terrorism, organized crime, religious extremism and separatism that are perceived as the main threats for the regional stability and security. Both China and Russia share a common interest in deterring ethnonationalism and resurgent Islam and collaborate to maintain political stability in the region. The governments of Kazakhstan, Kyrgyzstan and Tajikistan also feel threatened by Islamic fundamentalists who wish to establish theocracies in the region. So, they welcomed deals with Beijing and Moscow that tapped their economic potential and lent political sup-

port. The common threat and enemies were a strong impetus for designing a cooperative mechanism for maintaining regional security and promoting regional stability and development.

At the Almaty Summit the five countries agreed also on the necessity of mutual respect for national sovereignty and territorial integrity, equality, and non-intervention in each other's internal affairs as the basic principles for managing international relations – a position supported by Russia and strictly advocated by China's leadership at the international scene for a long period of time and a reference to US-led intervention in Kosovo and criticism of Russia's actions in Chechnya.

The fourth summit of the Shanghai Five was held in Bishkek, Kyrgyzstan on August 25, 1999. It happened in a time of deteriorated security situation in Central Asia and increased activity of Islamic militants in the region. This made the group coordinate its efforts to put down "international terrorism." The five countries reaffirmed their strong opposition to national separatism and religious extremism and pointed out the importance of combating international terrorism, illegal drug trafficking, arms smuggling, illegal immigration and other forms of cross-border crimes. This resulted in the decision to set up an anti-terrorist center in Bishkek that would coordinate activities in this field.

Participants agreed also to start reviving the ancient Silk Road as well as to establish a permanent mechanism for high-level meetings on security issues in order to discuss these items but also the prospects for transport and economic cooperation. Although the countries did not accept a clause providing for solving intra-state conflicts, they pledged "not to allow anyone to use their territories to engage in actions harmful to the sovereignty, security or social order of any of the five countries"<sup>5</sup>. This clause significantly diminishes the possibility that the internal conflicts of a country would involve in or spill over to the neighboring countries.

Some experts are prone to see the resulting joint Bishkek declaration as a warning to the United States and NATO as it spoke of the need for a multipolar world and stronger United Nations, and opposed the use of force on the international scene unless it was sanctioned by the UN Security Council.<sup>6</sup> The statement issued after the end of the fifth regular summits, held in Dushanbe on July 5, 2000, however, was even more alarming to Washington as it endorsed Sino-Russian position on multipolar world, the Anti-Ballistic Missile Treaty and the US plan for National Missile Defense System. Moreover, the five countries condemned the "the attempt of any

nation or group of nations to monopolize global and regional affairs out of their own interest.” They also reasserted “their legitimate rights to choose the roads to political, economic and social development in light of their own national conditions” and contesting the US policy, they reiterated their opposition to the “interference in other countries internal affairs under the pretext of ‘humanitarianism’ and ‘protection of human rights’”.<sup>7</sup>

The five countries (the president of Uzbekistan Islam Karimov was invited to attend the meeting as an observer) expressed their support for China’s efforts for national reunification on the “one China” principle as well as for the position of the Russian federation on the Chechnya issue. The countries further expanded Shanghai cooperation mechanism by declaring their willingness to enhance cooperation on such non-military issues as culture, environmental protection, and in the field of foreign policy. Once again the leaders of the five countries placed an emphasis on the economic cooperation as a key premise for strengthening regional security. Thus, the Shanghai grouping, applying the step by step approach developed from a structure of bilateral nature to an institution for multilateral cooperation in concrete areas of policy.

What is important is that the Shanghai Five grouping was not based on any assumption about a common heritage or outlook.<sup>8</sup> Unlike the majority of the organizations that start with the establishment of institutions and bodies and then, focus on filling them with essence, the Shanghai forum chose the gradualist approach and philosophy followed by Chinese leadership in reforming the country i.e. firstly, the five countries focused on a limited issue, that is, the real functional need to address unresolved traditional security issue in the Chinese border regions. Gradually, they started enriching the forum’s agenda, agreed on an increasing number of issues and common concerns to reach to the next logical stage of development of the Shanghai mechanism – its institutionalization.

In 2001 Uzbek President made significant efforts in convincing his colleagues from the Shanghai Five that this grouping could not achieve its goals without the participation of Uzbekistan. He openly declared that SCO values and objectives corresponded with the national interests of his country. It was then clear that the Uzbek leader was looking for support in dealing with the Islamic Movement of Uzbekistan. During the Forum summit held on June 14-15, 2001 the grouping was joined by Uzbekistan, and it was renamed Shanghai Cooperation Organization. The inclusion of Uzbekistan was of strategic im-

portance as it is in the heart of Central Asia, it borders Afghanistan and as its radical Islamic elements are the most active in the region.

As it was put down in the Declaration on the establishment of the Shanghai Cooperation Organization, the new organization “marks the beginning of a new stage in the development of cooperation among the member States and is keeping with the trends of the modern era, the realities of the region, and the fundamental interests of the peoples of all the member states.”<sup>9</sup> It was established as a permanent mechanism for high-level meetings on security and economic issues. A Council of national coordinators of the member states was created in order to coordinate cooperation and interaction between the different state institutions. The Declaration stipulates also “further development and diversification of cooperation among the member States at the bilateral and multilateral level.” It explicitly appeals for the encouragement of effective cooperation in the political, trade and economic, scientific and technical, cultural, educational, energy, transport, environment spheres, going beyond and further enriching the limited agenda of the Shanghai forum.<sup>10</sup> The Shanghai June 2001 declaration kept open the possibility of admitting new members on the basis of consensus.

The countries signed the Shanghai Convention on Combating Terrorism, Separatism and Extremism, thus further strengthening their military cooperation and confirming their decision to establish an anti-terrorist structure located in Bishkek. This structure would coordinate its activities with the ‘Bishkek group’ involving the heads of the police and security services of the member states. Starting as a loose international cooperation mechanism with a modest agenda, the Shanghai forum has gradually grown into a well-structured international forum for multilateral dialogue and cooperation.

## THE UNDERLYING INTERESTS OF RUSSIA AND CHINA

Both global centers of power, in their own way, seek to promote stability within Central Asia while expanding their own regional influence.

### *THE RUSSIAN FEDERATION*

The region is a field of traditional Russian strategic interest. During the Soviet period, Moscow invested significant sums in Central Asia to make it a

well-defended southern frontier. After the Soviet Union broke up, Russia disengaged from the region and lost influence in the economic, political and security spheres. Vladimir Putin's coming into power, however, was followed by the adoption of a more active and determined policy of reversing the trend and strengthening Russian influence in Central Asia and the Caucasus.

Despite the different scope of relations and involvement in the five Central Asian republics, Russia still considers the region its own backyard and unique sphere of interest and does not seem prone to lose its geostrategic influence in that part of the world. It is strongly believed that keeping its control over Central Asia, Russia will enjoy stronger border security and easy access to the rich energy resources of the region.

### *Security and Geopolitical Stability*

Russia's geographical location, its long transparent border, and various shared security problems make it try to establish partnership relations with the Central Asian republic. Despite its internal instability and economic difficulties, Russia succeeds in these efforts and remains the core player with regard to security in the region. The region remains military tied to Russia through the Commonwealth of Independent States and the 1992 Tashkent Treaty, which created a formal collective security agreement. Russia has treaty obligations to respond militarily to an act of aggression launched against one of these CIS member states. Moscow supplies 25,000 peacekeeping forces in Tajikistan and provides border troops along the CIS' external borders. More than 10,000 Russian troops are in Tajikistan to guard the Afghan border.

It is well perceived by Kremlin that any serious destabilization of the region and/or the establishment of unfriendly regimes could pose serious threat to Russian national security. Russian concerns in Central Asia derive also from the presence and the policy of the Central Asian governments towards the Russian population living within their boundaries. For example, 33.9 % of the population in Kazakhstan and 15.5 % of the population in Kyrgyzstan is ethnic Russian.

### *Economy*

Presently, the state of the Russian economy, the dynamics of the new Russian elite and the outcome of the country's transition are related pri-

marily to Russia's vast oil and gas resources. Energy is also a key factor in President Putin's diplomacy with the former Soviet republics, Iran, Iraq. In terms of Central Asia, Russia is in a favorable position as the Central Asian republics are landlocked and almost all transportation and pipeline routes abroad must pass through Russian territory.

Moscow is interested also in the preservation of the overall economic ties with the Central Asian republics and in retaining the control over their markets and economic activities. Russia seeks to protect and expand its economic position in Central Asia as part of a larger effort to revive its regional economic, and hence, political influence. The problem is that Russia still lacks the investment capital or technology to put such plans in action and to implement many of the bilateral agreements with the Central Asian states.

### *Threat of Militant Islam*

Russia fears that Radical Islam and any instability caused by it in Central Asia could spill over into the Muslim regions of Russia. The threat of militant Islam was referred to in the declaration signed by Russia and three of the Central Asian states in September 1993 to set up a CIS Collective Peacekeeping Force in Tajikistan. In the 1994 report worked out by the Foreign Intelligence Service, 'Islamic extremism' was mentioned as a serious threat emanating from Central Asia and Afghanistan.

The Islamic attacks in August 1999 in southern Kyrgyzstan and Dagestan, and the war in Chechnya led to the redefinition of the 'Islamic threat' as a threat of 'international terrorism' in the National Security Concept, published in 2000.<sup>11</sup>

Kremlin seeks for greater flexibility toward involvement in the region and support of Central Asian states. It seeks not only to maintain regional stability and stop the spread of Islamic fundamentalism but also to prevent other regional powers from establishing hegemony, to consolidate Russia as the leading force in formulating a new system of interstate relations, and boost integration processes within the Commonwealth of Independent States. The SCO is seen as an instrument for consolidating its position in the region but also for balancing the increasing Chinese influence there.

## *PEOPLE'S REPUBLIC OF CHINA*

For a long period of time, China's policy in the international system has been dominated by the non-alliance approach. China's fundamental interests have been lying in its domestic development and stability, peace and prosperity of its surrounding regions, and the establishment and maintenance of a new regional security order.<sup>12</sup> In other words, in order to achieve economic modernization and prosperity, China has needed a peaceful international environment.

The end of the Cold War, however, has significantly changed China's borders bringing about new security challenges. The five Central Asian republics that have reappeared on the international scene after the dissolution of the Soviet Union were among the sources of these new concerns to China's security and stability. Because of Russia's declining influence, a power vacuum emerged in this region. The appearance of five unstable, nominally-Islamic neighbors, open to influence by China's "rivals", the growing unrest in the Fergana valley (that leads into China's ethnically Muslim province, Xinjiang), all support a bad scenario in which unrest in Central Asia spills over into China. Beijing was afraid that terrorism, ethnic separatism and religious extremism were gaining dominance and threatened the security of China's western border.<sup>13</sup>

In this context, Chinese policy in Central Asia, perceived as a bridge between East and West, has aimed primarily at maintaining political stability in the region through economic development. China hopes to gain access to Central Asian energy resources, revive the Silk Route for international trade, and use Central Asian markets as a catalyst to fuel a new prosperity zone in Xinjiang-Uigher Autonomous Region, which is of considerable strategic importance. Therefore, Chinese leadership considers important the development of bilateral and cross-border relations with the Central Asian states and the establishment of an alternative regional security approach in Asia.

The Shanghai Cooperation Organization is perceived as the means that could provide for achieving that goal. It is an important turning point for China's national security strategy and a diplomatic innovation for China, traditionally isolationist and wary of multilateral alliances<sup>14</sup> as the SCO is the first international organization initiated by Beijing. The new Asian grouping is seen as an important means for China to maintain regional stability and to influence the processes within broader Central Asia.

### *The Islamic Threat*

Central Asia is where China and the Islamic world meet. The border area on the Chinese side includes 16.6 million population composed of ethnic minorities, who typically have far more cultural and ethnic affinity for the Islamic Turkic population in Central Asia than they do for ethnic Han Chinese. The largest ethnic minority of the Xinjiang Uighur Autonomous Region (that borders Central Asia), the Uighurs, who are ethnic Turks and Muslims, constitute 7 million out of a population of 16.6 million. Xinjiang is also a home to about 1 million Kazakhs and smaller numbers of Kyrgyz and Tajiks.

The Chinese leadership is afraid that ethno-nationalism could destabilize China's northwest provinces (Gansu and Qinghai) and autonomous regions (Xinjiang, Ningxia, and Tibet). These areas are of significant strategic importance as they house China's principal nuclear testing and missile launching.<sup>15</sup> The northwestern region of Xinjiang is of particular strategic importance for Beijing. Strategically, Xinjiang has long been seen as the "pivot of Asia". It is a very important domestic source of natural resources necessary to fuel China's modernization. These resources include 1.5 billion tons of petroleum (the unexploited petroleum reserves of the Tarim Basin are sufficient to free Beijing from future dependence on Middle East petroleum), 370 billion cubic meters of natural gas, 4 billion tons of coal, 120 tons of gold, as well as almost a half-million tons of cotton per year.<sup>16</sup>

Therefore, China's major interest in Central Asia is to prevent Islamic unrest from spilling over into and destabilizing Xinjiang, where ethnic radicals from the Uighur ethnic minority are already struggling to establish an independent state. One of the key elements in China's strategy to deal with these problems is to develop its vast impoverished Western regions. The development of closer economic ties with Central Asia is a top priority component in the implementation of this strategy.

Furthermore, by drawing parallels between its Uighur problem and the militants fighting Central Asian governments, Beijing hopes to reassert itself in the strategically important region. And the SCO provided important institutional framework and strategic leverage for China to achieve this goal.

### *Stable Energy Resources: Prerequisite for Continued Economic Growth*

Preserving its political system that openly contradicts to the Western standards of human rights and liberal democracy, while at the time aban-

doing any ideological prejudices, Chinese leadership successfully and steadily accomplishes overall economic reforms. In the end of 2000 the media in Western Europe pointed out that China turned to be the first power in Asia. The underlying arguments were as follows: China is the world's largest developing country with enormous capital accumulated in the Chinese banks, with 8% annual increase in GDP and with a per capita GDP of about \$6,900 at the end of 2000.<sup>17</sup>

Over the course of the 1990s China's economy attained an annual growth rate of 10-15 %, which means that it doubles its production every 5-7 years. Such enormous growth would lead to a multiple rise in energy and raw materials consumption, while in the middle of the 1990s the domestic energy resources of China were able to meet the demands of only 80 % of existing industrial capacity. In order to solve this problem, China has to find enough external resources by establishing allied relations with countries that could provide secure access to the main regions of raw materials and energy deposits. In other words, economic growth presupposes the expansion of the geopolitical influence of China. Central Asia with its enormous energy and mineral wealth and big market with genuine prospects presents such globally significant opportunity for supporting China's economic growth.

### *Relations with Russia*

Over the past decade, China has constantly courted its northern neighbor and instituted a regularized channel of Moscow – Beijing summitry. Under President Vladimir Putin, the relations between the two powers have improved based on the mutual distrust of US hegemony and their support for a multipolar world.

China has steadily worked to institutionalize and strengthen relations with Moscow: settling and demilitarizing borders, fashioning a “strategic partnership”, establishing the SCO, and concluding a bilateral “Treaty of Good Neighborly Friendship and Cooperation” signed in Moscow on July 16, 2001. This treaty was the first such agreement since Mao Tse-Tung signed a treaty with Stalin in 1950. It is the first formal treaty of friendship between the two states since the beginning of the Cold War. China has seen in its warming relationship with Moscow an opportunity to counterbalance its concerns over growing American power and unilateralism and a partner with

which to rail against such issues as US missile defense plans. The Shanghai Cooperation Organization (SCO) is part of this strategy, as it is the ground where the interests of the two countries cross and coincide.

## CHALLENGING THE UNITED STATES

The organization that covers three-fifths of the Eurasian continent and one-fifth of the world's population, with its strategic political and economic location, with its vast area and enormous natural resources, and its sustainable development is in itself a serious challenge for the US policy and influence in broader Central Asia.

In most of the SCO declarations, the six countries exercised views on the developments within the international system that indirectly challenge and contest both U.S. regional and global policy and intentions. Thus, declaring, for instance, that they firmly adhere to the purposes and principles of the Charter of the United Nations, the member states announced that one of the goals of the Shanghai Cooperation Organization is “to undertake joint efforts for the maintenance of peace, security and stability in the region, and the building of a new, democratic, just and rational international political and economic order.” It was also pointed out that “the preservation of global strategic balance and stability in the current international situation is of particular importance.”<sup>18</sup>

These statements as well as the ambition of the new Asian forum to influence the regional security system and the processes of cooperation in Asia inevitably has confronted SCO with the United States as the only one superpower and an important factor in the region. Although the SCO member states have explicitly stated that the organization is not directed at any third country or bloc of countries, Washington is prone to believe that the two dominant SCO members, Russia and China, have a hidden agenda and estimates the process started in Shanghai in 1996 as an attempt for countering US influence in Central Asia that is a strategically important region for the United States. Washington assesses the SCO as Chinese and Russian attempt for defining the rules of the game, which the United States, the European Union, Iran and Turkey should consider if they want to participate in this strategically important region. The Shanghai forum is also perceived as an evidence for

China's efforts to enhance its influence and create a balance in its relations with the United States.

In fact, SCO countries and the United States differ over the same issues that mainly cause tensions in the Sino-American relations, and to some extent, in the Russian-American ones. Firstly, the organization defends the goal and principles enshrined in the UN Charter. The six countries put a new emphasis to the right of each country to choose its way of political, economic and social development and oppose intervention in other countries' internal affairs on the pretext of humanitarianism and protecting human rights. Secondly, these states openly oppose some of the main principles of the U.S. policy and set as their aim the establishment of a multipolarized world. After the SCO meeting in Shanghai in June 2001, Kyrgyzstan President Askar Akayev said that SCO would "nurture the establishment of a fair and reasonable international order."<sup>19</sup> Thirdly, at the Shanghai meeting the leaders of the six countries signed a joint communiqué declaring their support for the 1972 Anti-Ballistic Missile Treaty. In addition, the SCO Ministers of Defense criticized the United States missile-defense plans as harmful to world security. Fourthly, all SCO member states supported the efforts for a peaceful reunification of China.

## SCO IN THE NEW SECURITY CONTEXT

The terrorist attacks of September 11, 2001 have turned the world's attention to the areas of the Central Asian region. Adjacent to Afghanistan, the five Central Asian republics have come to play an essential strategic role in the following war on terrorism. Central Asia has regained its strategic importance of the "geopolitical pivot" of Eurasia. The new dynamics have radically altered the equations of power in this fragile region<sup>20</sup> and have challenged the relevance and the future of the SCO in several aspects:

*First*, the war in Afghanistan has significantly altered the balance of power in the region. Over the course of the antiterrorist campaign, the United States have gained foothold in Central Asia.

Washington has been interested in the rich oil and gas resources in the region for a long period of time and American companies eagerly wish to

develop these energy resources. Since the Central Asian states became independent, the United States uses all instruments of power to establish itself as a major player in the region. Strategic interests, energy access as well as the aspiration to promote democracy underlie this US policy. Despite denying that they see the region in terms of competition vis-à-vis Russia, the United States strongly opposes any monopoly and an exclusive sphere of influence over conflict resolution, economics, politics, military agendas and energy supplies in the Caucasus and Central Asia.<sup>21</sup> Up to the events of September 11, however, Washington lacked enough “leverage” to directly influence events or push its foreign policy agenda on Central Asian states. The war against terrorism has provided good opportunity for the United States to achieve this goal and expand their influence in Central Asia.

In the aftermath of the September 11 attacks, U.S. security relationships with Central Asian republics evolve in important ways, which has caused a significant change of the strategic scene. The five Central Asian states found themselves on the battle’s front lines in the US-led antiterrorist coalition waging war against the Taliban in Afghanistan and Al-Qaeda. The region was opened to the US and its allies and Uzbekistan, Tajikistan and Kyrgyzstan did even offer to the international coalition access to military bases. According to the information in the press, between 1,500 and 3,000 US soldiers are stationed in Uzbekistan. The US Air Forces base in Kyrgyzstan is a home for about 3,000 U.S. personnel. There is also some U.S. soldiers in Tajikistan. Senior US defense officials say that the major commitment is not just to maintain air operations over Afghanistan, but to establish a robust American military presence in the region.<sup>22</sup> And if we presume that there was a tacit agreement between Moscow and Washington for the deployment of US troops in the region, it is hard to believe that Beijing is happy with the US troops that are only 200 miles from its border.

The deployment of American forces eastward from the Persian Gulf is assessed by many experts as a significant shift in the Bush administration’s thinking about the role of the military in projecting American power. In this context, the establishment of U.S. military bases in the region of Central Asia is seen as a proof of this policy of using the military as a specific means for engaging and maintaining sustainable relations with separate states.

The US administration has also essentially risen the economic assistance to these states. Washington has granted military aid worth millions of dollars to Kazakhstan, Kyrgyzstan and Uzbekistan. Moreover, the State

Department has toned down its criticism of the poor treatment of human rights, while just recommending some economic and political reforms.<sup>23</sup> Washington even included the Islamic Movement of Uzbekistan in the list of the terrorist organizations.

The republics of Central Asia have been placed in a difficult position – caught between China, Russia and the United States, while facing serious internal problems related to economic stagnation and growing political unrest. On the one hand side, Central Asian states were happy to welcome US troops on their territories. Most of them perceive this as a new opportunity to obtain political and economic aid from the West. So, they seemed to be more interested in individually courting US favor than in acting collectively in the war on terror.<sup>24</sup> On the other hand side, Russia and China insisted on the further strengthening of the SCO identity, including in the antiterrorist campaign. This double pressure has additionally caused some tensions and discrepancies within the SCO, which has to adapt to the new security environment.

*Second*, before and particularly after September 11, 2001 Bush administration has led a policy of rapprochement with Russia. On its turn, Russia supported the U.S. military operation in Afghanistan. Moreover, Russian President Vladimir Putin positioned his country in the center of the anti-terrorist operation led by the United States<sup>25</sup>. In general, the two great powers moved in a rather pragmatic and concrete ways to deal with terrorist problems. Russia's speedy support for the anti-terror coalition, the improved NATO-Russia relations, and Moscow's low-profile reaction to the US withdrawal from the ABM Treaty, however, clearly annoyed Beijing and additionally challenged Sino-Russian relation. Hence, Chinese leadership is looking for mechanisms for balancing this new alliance of Russia.

China's role in the post-September 11 security environment has been largely positive and forward-looking. China reacted in a pragmatic way and backed the relevant UN Security Council resolutions for the use of force against terrorism by the United States, sent a delegation of counterterror and intelligence experts to consult with counterparts in Washington, beefed up security along its border with Afghanistan to keep Taliban and Al Qaeda supporters from slipping into China, and took steps to freeze assets associated with terrorist organizations that may have been sitting in Chinese and Hong Kong banks.

China has its own interest in fostering this cooperative approach with the United States. Beijing certainly recognizes the opportunity to build a more constructive and positive relationship with Washington. China has

had a big stake in the right outcome in Afghanistan – a country with which it shares a border and which funded, trained and armed the Uighurs in Xinjiang. In this sense, it shared an interest with the United States in assuring the stability in Central and South Asia. Beijing even gripped the opportunity and associated the fight against terrorism to the fight against the separatism of the ethnic minorities within China, including Xinjiang.

However, the American intervention in Afghanistan disrupted China's regional environment. Chinese leadership has its preoccupations related to the US activities in the region and it is increasingly troubled about its security situation vis-à-vis the United States. Sources of concern are the revitalized relations between the United States and Japan and Australia as well as the renewed defense ties between Washington, on the one hand, and Manila, Singapore, Kuala Lumpur and Jakarta, on the other.

Beijing is afraid that the growing US military presence after the September 11 attacks may reverse years of Chinese diplomatic efforts to extend its influence in another region – that of Central Asia. As Chinese analyst Youkang Du pointed out, the U.S. and NATO penetration in Central Asia provokes unfavorable for Beijing changes that even threaten the Far West part of the country<sup>26</sup>. The presence of U.S. military bases close to the frontiers of the Xinjiang Autonomous Region is alarming for the Chinese leadership. The increased U.S. military presence in the region is seen also as a factor that narrows the global strategic position of China vis-à-vis Washington. The prevailing impression in Beijing is that the U.S. plans in Central, South, and Southwest Asia are ultimately aimed at China.

China's concerns related to the reappearance of the United States in the center of Eurasia were transmitted into the joint communiqué signed between the SCO member states after their summit in Beijing on January 7, 2002. Contrary to the previous declarations, this document did not condemn the American hegemonism. However, it insisted on the leading role of the United Nations in all diplomatic and military operations in the international struggle against terrorism. It was also stated that *'any attempts to impose on Afghanistan some or other forms of government, and the drawing of the country into the sphere of somebody's influence may lead to a new crisis in and around Afghanistan'*.<sup>27</sup>

It seems that despite Moscow's rapprochement with the White House, both Russia and China would keep on investing in the SCO framework as an instrument for influencing the developments in Central Asia. The two powers still share common interests and concerns. Russia's trade turnover is greater

with China than with the United States, and the Chinese military buys more than USD 1 billion in Russian arms annually.<sup>28</sup> Moscow and Beijing share the threat of Islamic separatist movements. Russia has explicitly stressed that its closer cooperation with the United States during the antiterrorist campaign has not diminished the importance of the relations with China. It was pointed out that “the positions of Russia and China on the matter of strategic stability and strategic offensive arms are practically identical.”<sup>29</sup>

Hence, it could be concluded that Russia and China could still use the SCO to build a new regional security architecture that reinforces each other’s territorial integrity, while retrenching Western influence.<sup>30</sup> This is made evident by the fact that two years after the beginning of the war against terrorism, the SCO keeps on further developing and expanding as it will be seen further on in this text.

## NEW DYNAMICS WITHIN THE SCO

Despite the changed geostrategic situation in the region after September 11, 2001, the Shanghai Cooperation Organization has continued gathering pace around concrete areas of policy and an expanding framework of agreements. Building on the achievements of the Shanghai Five, the new organization is gradually increasing its cohesion and purposefulness.

Abiding by the text of the Shanghai June 2001 Declaration for coordinate action on regional issues and international problems, the SCO was one of the first international organizations to react to the events of September 11. The six countries issued a joint statement condemning the terrorist attacks of September 11 and actively participated in the antiterrorist coalition.

This initial statement was followed by a Joint Statement by the Ministers of Foreign Affairs of the Member States of the SCO signed in Beijing on January 7, 2002, where the member states rejected any unilateral approach in combating terrorism.

On April 19, 2002 the emergency ministers of the SCO met in St. Petersburg and signed a cooperation agreement. On May 23, 2002, law enforcement ministers and heads of secret services of the Shanghai Cooperation Organization met in Alma-Ata and approved an agreement that

provides for the establishment of a regional anti-terrorist structure, already agreed by the leaders of the member states. The structure is seen as basis for practical measures against terrorism, separatism, and extremism in the SCO states. The agreement states that the territories of the respective countries will not be used for carrying out any kind of activity causing damage to each other's sovereignty, territorial integrity, or public security. The political declaration and an arrangement for the formal establishment of a regional anti-terrorist structure were signed by the SCO heads of states at the beginning of June. That was the first treaty to regulate a permanent functioning institution of SCO.

The SCO trade ministers met in Shanghai from May 28-29, 2002 to discuss the launch of economic and trade cooperation.

The SCO summit held in Saint Petersburg, Russia on June 7, 2002 turned out to be a pivotal event. The SCO heads of states agreed to dramatically speed up the process of establishing the legal infrastructure of the organization that would provide for the SCO effective functioning. They signed the SCO Charter, which lays the foundations for future development of the six-nation organization. The SCO leaders adopted also a legal framework for setting up SCO Secretariat in Beijing and Regional Anti-Terrorist structure in Bishkek that is the first permanent SCO structure. The basis of SCO financial system was created.

China appears to come out a big diplomatic winner as the finalization of the SCO Charter validates Beijing's 'new security concept' of promoting multilateral approaches to regional security, as opposed to U.S.-led bilateral alliances or other security relationships. The SCO headquarters will be situated in Beijing, and the organization's first secretary general will be Chinese.

The next regular meeting of the SCO heads of state was aimed at moving the organization one more step closer to becoming a fully functioning international body by regulating the work of the SCO main bodies and the main aspects of its financial mechanism. The summit was held in Moscow on May 28-29, 2003. The approved Moscow Declaration provided precisely for the intensification of SCO institutional and organizational construction. First, it was officially stipulated that SCO Secretariat would be established and located in Beijing and the headquarters of the SCO Regional Anti-Terrorist Center in Bishkek, Kyrgyzstan. These SCO bodies will start functioning in the beginning of 2004. SCO leaders went further and discussed the modalities for funding the main SCO structures. It was decided that new members would

not be accepted until sufficient level of organizational development would have been achieved. Second, Chinese Ambassador to Russian Federation Zhang Deguang was appointed as the first SCO Secretary-General. Third, the six leaders approved the SCO emblem and flag. Fourth, a memorandum was signed on organizing the first joint anti-terrorist exercise within the SCO in August 2003. It was decided that the first stage of the exercise would be held in South East Kazakhstan and the second one on the territory of China, near the border with Kazakhstan. The SCO has entered the most active period of establishing the SCO legal basis.

## THE FUTURE OF THE SCO: SCENARIOS

### *OPTIMISTIC SCENARIO*

The optimistic scenario sees the SCO as the most prominent multilateral structure for cooperation in the Eurasian heartland functioning in compliance with the UN Charter. Member states will assess their shared concerns and shared interests as much more important than the existing contradictions and rivalries. Hence, the Shanghai organization will be able to develop as an effective regional organization incorporating the main Asian countries and able to guarantee regional and sub-regional security and prosperity.

Proceeding from the assumption that successful regionalism does not depend necessarily on shared political systems, political rights or economic policy settings,<sup>31</sup> the organization will provide that sort of structure that is a prerequisite for effective regional integration. Achieving this level of consolidation and organizational development, the SCO will be transformed into a separate pole within the international system that will not confront the United States but balance and contain it.<sup>32</sup>

### *PESSIMISTIC SCENARIO*

According to the SCO pessimists, in the war against terrorism the SCO has already failed as a security provider. Furthermore, the increased US political and military presence into the heart of Central Asia will make the SCO largely irrelevant. Central Asian republics, which up to September 11, 2001 accepted the SCO Sino-Russian domination because of the need of

support for their harsh domestic policy, will now lose their interests in spending efforts and resources for developing any regional structure. The increased Western attention to the region will make Central Asian republics rely primarily on the United States and other Western countries in combating internal and regional threats. They will grasp the opportunity for obtaining from Washington the so needed political and economic aid as well as for diminishing their dependence on Russia and China.

Hence, the Shanghai forum will not be able to overcome the arising internal discrepancies and problems. Gradually, the organization's diversity will turn to be an obstacle rather than a benefit, which will ultimately sabotage the organization.

### *REALISTIC SCENARIO*

The development of the SCO as a vital multilateral institution will be guided by the developments along the following vectors:

*First*, a close cooperative relationship between China and Russia as SCO driving engines is essential for the organization in order to prove itself as an important mechanism for multilateral cooperation. To great extent, the future of the SCO depends on how well Russia and China will coexist with each other as well as with the newly present United States. It is important how Moscow and Beijing will succeed in balancing their interests, thus providing more security for the smaller states and reassuring them that none will be able to dominate and impose its will to the others.

Presently, it seems that both countries recognize that their strategic position and security environment will significantly deteriorate if they cannot reach an accommodation or *modus vivendi* with each other.<sup>33</sup> They are continuing a tight relationship with each other despite Russia's rapprochement with Washington and, sometimes, are even joining forces against the U.S. policy in *ad hoc* basis. Although being competitors within the Asian space and despite the still existing mutual mistrust, both countries oppose to great power influence, confront separatism and are interested in the maintenance of peaceful and stable environment in this part of the world.

For the foreseeable future, the Sino-Russian relationship will endure. Kremlin will try to maintain its ties with its eastern neighbor, which buys more than USD 1 billion in Russian arms annually.<sup>34</sup> Furthermore, some of the most pressing Russia's domestic issues – such as Islamic radicalism, separatist move-

ments, are shared by Beijing but not by the United States or Europe.

In the long term, China may try to gradually displace Moscow as the dominant outside power in Central Asia. Currently, however, China favors Russia's maintaining a presence and a measure of influence in the region. Hence, it is likely that both countries will keep on investing in and developing the SCO framework.

*Second*, the lack of internal unity will undermine the organization. Therefore, strong political will on behalf of the other SCO member states is also necessary in order to consolidate the organization as a real mechanism providing for regional security and stability. The future of the SCO framework depends on the way the Central Asian states will tackle with their own interstate struggles related to water disputes, border policies toward neighbors, Uzbekistan's hegemonic pretensions, ethnic minority issues, among others. If the dominant perception is the one that estimates the advantages of a potential cooperation as exceeding the importance of the disputed issues, then the SCO role will be consolidated.

Recently, Central Asian republics seem to be tempted to neglect the SCO development and give priority to the relations with Washington. Because what neither Russia nor China could provide, the United States could easily bring it to the table. And that is money. However, it is still to be assessed whether the United States are willing enough to commit enough resources and military forces to Central Asia in order to counter other Great Powers' dominance and increase their own influence in the region.

SCO effectiveness will also depend in large part on the resources member states (Russia and China, in particular) devote to the organization and on the degree at which the two dominant countries take into consideration the interests and concerns of the other SCO members. By virtue of their much larger geographical size, economic strength, and military power, Russia and China have dominated the group, so far. They have a larger international agenda on strategic issues. This causes some resentment within the Central Asian republics that under Russian and Chinese influence are called upon to exercise views on issues that do not directly concern them and which tend to antagonize the Western powers (USA and, to some extent, the EU) that happen to be their major sources of aid.<sup>35</sup> In order to be successful, SCO has to find the right way for operating as a legitimate advocate of the collective interests of its members rather than as an institution dominated by one or two states.

*Third*, close economic cooperation among the member states is another premise for the stability and effective functioning of the organization and the region's long-term prosperity. If the organization succeeds in addressing and encompassing not only security issues but also the economic and social concerns of the member states (especially, those of the Central Asian societies), then it could be a powerful regional factor.

The economic interdependence among Central Asian republics and Russia is a solid foundation for achieving this goal. The enlarged economic expansionism of Beijing could also contribute to the process of regional economic cooperation and integration.

*Fourth*: The ability to constructively engage other states. One of the circumstances that reduce the skepticism concerning SCO future is the interest in SCO membership expressed by third parties. Pakistan has already declared its interest in observer status, and Mongolia and India are considering future membership as well. According to the Pakistani newspaper *Dawn*, Iran and Turkmenistan have also expressed an interest in the organization's activities. At the session of the ASEAN Regional Forum that was held in Brunei in August 2002, ASEAN member states also declared their intention to strengthen the cooperation with the SCO in different spheres. According to Russian Defense Minister Sergei Ivanov, even "the USA would like to join the Shanghai group".

The most important prerequisite for SCO expansion, however, is its enduring attractiveness, primarily in the field of economy – something that the Shanghai forum still has not proved. It has to demonstrate its ability to contribute not only to the stability and security of the region but also to the overall economic and social development of the countries within its framework. If so, the expansion of the organization will further enhance its international influence. For example, if Pakistan would be invited to do it, SCO will increase its significance and importance on the international scene because of Pakistan's size, its military power (especially nuclear), and its geopolitical position relative to both India and the rest of the Muslim world.<sup>36</sup> The SCO could also be the structure, within which India and Pakistan could interact, debate and resolve the existing problems in the bilateral relations. Should Pakistan, India and Mongolia enlarge the organization, more than half of the population of Eurasia, from the Baltics to the Pacific will be arrayed in a loose political, economic and military alliance.<sup>37</sup> Thus, SCO may turn into a leading re-

gional organization in Asia like ASEAN. It could even include the United States as one of its principal dialogue partners.

However, in order to be effective and beneficial, the SCO expansion should not be inconsiderate and precipitate but well planned and prepared. As it was in the case of Uzbekistan, an agreement on a number of details has to precede the incorporation of any new state. Any serious contradictions and confrontation should be neutralized beforehand. And what is more important, in order to be a stabilizing factor within the region, the expansion of the organization should not be symbolic but related to the achievement of the initially set goals and to the solution of the real problems before the countries in the region.

*Fifth*, US interests and policy in the region. Washington lacks well-defined long-term policy towards Central Asia. It is quite unclear whether the present US economic and strategic interests will be preserved in a long-term perspective. Washington may decide to withdraw completely or to leave an enduring military presence in the region and engage in deeper political and economic ties with the Central Asian states. It is neither certain that Washington will be willing enough to support in the future these states in their fight against Islamist groups.

If a new administration comes to power after the Presidential elections in 2004, a shift in the way US foreign policy is led could be expected, which could in some way influence the Central Asian policy of Washington. Presently, it seems sure that Washington will preserve its base at Manas international airport – 30 km away from the capital of Bishkek, where they have already built significant military facilities.

It is exaggerated to state that the greater any future US presence in the region, the greater the chances that the SCO will continue to lose credibility as a regional security forum.<sup>38</sup> The best move for the SCO member states is to follow the consensus option that is to find appropriate forms for involving the United States in the work of the SCO structures. Moreover, none of the power centers – Russia and China, is interested in openly confronting Washington, basically because of economic reasons.

The development of partnership relations with the United States will guarantee the sustainable development of the organization as a viable and important regional institution. On the contrary, any confrontation could undermine the internal unity of the SCO framework and question the very existence of the grouping.

*Sixth:* SCO ability to successfully combat Islamic militancy. The potential danger of Islamist militants (frequently, purposefully overestimated by the leaders in the region) is the main threat that binds the regional security policies of the SCO countries together and that underlies the very establishment of the organization. The war in Afghanistan could not eliminate Islamic radicalism. So, it is a legal responsibility of the Shanghai grouping to deal with this problem. The efforts, however, should be focused mainly on eradicating primarily the internal causes that nourish radical Islam. In general, the overall social and economic situation, high level of unemployment, endemic poverty, corruption, bad governance and political repression constitute a quite favorable ground for the Islamists movements. Serious measures have to be take for solving these problems as well as for combating drug trafficking that is the main sources of finance for the radical Islamic movements.

The maintenance of close partnership relationship between the SCO member states is an important prerequisite for the successful fight against radical Islam as none of them alone is able to effectively contain and combat Islamist militancy.

## CONCLUSION

The Shanghai Cooperation Organization successfully created a regional security framework among nations that have different backgrounds of religions, cultures, social systems, and ideologies and once had even military confrontations between each other. The development of the organization is regarded as an important practice in international relations, which initiated a new type of security conception featuring mutual trust, disarmament and cooperative security. The pragmatic and incremental approach the SCO has adhered to in resolving problems and in promoting cooperation has underlined the success of the organization, so far. The applied strategy in developing the organization, which limited the initial objectives of the grouping, played a positive role in establishing the SCO as a promising regional multilateral mechanism for interaction and dialogue. It helped the member states avoid a situation in which they would begin with ambitious goals and high expectations but only to become frustrated

and discontent with one another when they failed to attain the goals and meet the expectations.<sup>39</sup>

Basically formed to resolve border issues, the Shanghai Five / SCO has naturally evolved to provide a framework for successful mechanism for multilateral cooperation. Member countries were enabled to intensify the dialogue, to effectively communicate with each other, identify and discuss issues of common concern and coordinate their activities in resolving the existing problems. Provided opportunities for exchange of information, communication and dialogue have resulted in the adoption of a series of agreements in concrete areas of policy.

SCO could not be quite effective in projecting comprehensive political influence in the region, but anyway it is a positive example of how a regional multilateral forum can enhance security. There is a broad consensus that regional organizations have a vital role to play in confidence-building measures, conflict prevention and conflict resolution by actively organizing dialogue and reconciliation among the conflicting parties, by promoting economic and political integration. In this sense, the establishment of the SCO could also be assessed as a successful preventive measure. Besides, given the fact that the SCO includes countries belonging to different civilizations and with different cultural traditions, potential conflict areas and given the complexity and the scale of the problems confronting these countries, the achievements of the SCO cannot be neglected.

Some experts point out that the SCO mechanism did not exercise a single military or political response to any terrorism-related issue, beyond offering condolence to the United States after the September 11 attacks. This argument, however, is not quite precisely used in estimating the effectiveness of the organization. Firstly, the newly independent Central Asian states have weak and still bad functioning institutions guaranteeing their national security. Secondly, established in June 2001, at the time of the terrorist attacks the SCO still did not possess any permanent structure. So, it is hard to believe that the organization planned as a multilateral mechanism for cooperation could prevent the attacks. Thirdly, there is a significant difference in the approaches applied by Russia and China, on the one hand side, and the United States, on the other hand side, in dealing with terrorist activities. The declaration signed by the presidents of the SCO member states on June 7, 2002 has made evident that in the first case, terrorism is seen not as an isolated problem. The declaration says

that the global war on terrorism should focus on abolishing the social basis of terrorism i.e. on combating the underlying causes of terrorism - poverty, unemployment, illiteracy, discrimination on race, religion or ethnicity.<sup>40</sup> The developments after September 11 has proven that the US policy is dominated by a rather different approach. It focuses primarily on power politics, on the military approach, thus dealing with the symptoms and not the underlying causes of the problem.

In short- and medium term the SCO states will keep on enhancing the social and economic cooperation but the efforts will be focused primarily on dealing with military and soft security issues. United and consolidated efforts in combating terrorism, religious extremism, separatism, organized crime, arms and drugs trafficking will not only be possible but also indispensable. The organization will play positive role in maintaining regional stability but it is too early to expect any joint SCO military operations.

SCO future prospect as a major regional player depends on the ability to become a well-coordinated policy institution, the ability to adapt to the changing international and regional environment and on the way the organization would cope with the challenges ahead. The SCO, as a regional grouping that includes two Great Powers - Russia and China, providing them mechanisms for consultations and cooperation, has the potential to be an important nexus and a key element in the new global security equation. In order to unfold this potential, all member states, but Russia and China, in particular, have to demonstrate their political will and prove that the organization can effectively police Central Asia and guarantee its security. Real practical steps for implementing the provisions set down in the already adopted legal framework of the organization have to be made. Shared interests and concerns in the field of security, domestic political stability, and economic development are a premise and an additional advantage in making this progress. Otherwise, the Shanghai grouping will be converted into a hollow shell – with a lot of ambitious intentions and no real contents or any practical results. And it is for the future prosperity of the region this scenario to be avoided as two years after the September 11, 2001 attacks on the United States and the subsequent war on terrorism, no effective alternative for regional economic and social development of the region has appeared.

## Notes

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<sup>34</sup> *Russia-China Trade Turnover Amounts to \$11 Billion*, ITAR-TASS News Agency, June 6, 2002.

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<sup>36</sup> Greg Austin, *European Union Policy Responses to the Shanghai Cooperation Organization* (European Institute for Asian Studies, Brussels: December 2002), p. 3.

<sup>37</sup> John Daly, *Shanghai Five Expands to Combat Islamic Radicals*, Jane's Security, July 19, 2001.

<sup>38</sup> Sean L. Yom, *Power Politics in Central Asia*, Harvard Asia Quarterly at <http://www.fas.harvard.edu/~asiactr/haq/200204/0204a003.htm>

<sup>39</sup> Qingguo Jia, The Success of the Shanghai Five: Interests, Norms and Pragmatism, National Defense University, Institute for National Strategic Studies at <http://www.ndu.edu/inss/symposia/pacific2001/jiafinal.htm>

<sup>40</sup> The Text of the Declaration of the Head of States of the SCO Member States, June 7, 2002 in "Diplomateskii vestnik", July 2002.