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## Shanghai Cooperation Organization as a Counterbalance against the United States

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**SHANGHAI COOPERATION ORGANIZATION AS A COUNTERBALANCE TO  
THE UNITED STATES**

A thesis submitted in partial fulfillment  
of the requirements for the degree of  
Master of Arts

By

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2011  
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I HEREBY RECOMMEND THAT THE THESIS PREPARED UNDER MY SUPERVISION BY BAKHTIYAR DAUEKEEV ENTITLED "SHANGHAI COOPERATION ORGANIZATION AS A COUNTERBALANCE AGAINST THE UNITED STATES" BE ACCEPTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF Master of Arts.

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## **ABSTRACT**

Dauekeev, Bakhtiyar Temirkhanovich. M.A., International and Comparative Politics M.A. Program, Wright State University, 2011. Shanghai Cooperation Organization as a Counterbalance to the United States.

According to the balance of power concept, nations tend to unite for opposing a hegemon with an equal force. Therefore, for the leading position of the US and its ability to project power globally, there should be an opposite and equal reaction from the other emerging power centers.

Since the collapse of the USSR, the hegemonic position of the United States has been unchallenged. However, there is a possibility that it might be counterbalanced in future by the growing political influence of emerging powers like Russia and China, which have already succeeded in countering the US influence in some parts of Eurasia through the mechanism known as the Shanghai Cooperation Organization (SCO).

This study analyzes whether the SCO is an alliance directed against the United States and whether it has a potential to become a counterweight to the hegemony of the US. The results of this thesis research will show that the SCO is a regional alliance intended to restrain the political and economic influence of the United States in the post-soviet space. In other words, this study will demonstrate that the SCO exists as a form of “soft” counterbalance against the US on a regional level.

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## LIST OF ACRONYMS

**ASEAN** Association of Southeast Asian Nations

**CSTO** Collective Security Treaty Organization

**CIS** Commonwealth of Independent States

**EU** European Union

**EURASEC** Eurasian Economic Community

**NATO** North Atlantic Treaty Organization

**NSS** National Security Strategy

**OSCE** Organization for Security and Cooperation in Europe

**SCO** Shanghai Cooperation Organization

**SCO RATS** Regional Antiterrorist Structures of Shanghai Cooperation Organization

**UN** United Nations

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## DEDICATION

This thesis is dedicated to my parents, Temirkhan Daukeev and Vafira Daukeeva. I will never forget what they have sacrificed for their son's happiness.

## I. INTRODUCTION AND STATEMENT OF PROBLEM

*“Potentially, the most dangerous scenario [for the US] would be a grand coalition of China, Russia, and perhaps Iran”*

*Zbigniew Brzezinski: The Grand Chessboard<sup>1</sup>*

According to the balance of power concept, nations tend to unite for opposing a hegemon with equal force. Therefore, for the leading position of the US and its ability to project power globally, there should be an opposite and equal reaction from the other emerging power centers.

From world history, we know that a number of major Eurasian powers used to change allies numerous times in order to prevent the hegemony of one state, and the weaker states attempted to create a coalition against the strongest. During the cold war, the might of the United States was balanced by the Soviet Union. Since the collapse of the USSR, the hegemonic position of the United States has been unchallenged. However, there is a possibility that it might be counterbalanced in the future by the growing political influence of emerging powers like Russia and China, which have already succeeded in countering the US influence in some parts of Eurasia through the mechanism known as the Shanghai Cooperation Organization (SCO).

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<sup>1</sup> Zbigniew Brzezinski, “Grand Chess Board”, *Mezhdunarodnie Otnosheniya (International Relations Press)*, (Summer 2005): 256

Thus, the main question of this thesis research is *whether the SCO can emerge as a counterbalance to the hegemony of the United States.*

The SCO was initially established as “Shanghai Five”, which was, first of all, a structure for solving the problems of the regional security. The willingness of Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan to resolve territorial disputes and to strengthen regional stability and mutual trust led to the establishment of the “Shanghai Five” in April 1996, which was later renamed as Shanghai Cooperation Organization when Uzbekistan was granted membership.

The Shanghai Cooperation Organization (SCO) is a regional intergovernmental organization that includes six states: Russia, China, Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan. The total size of the territory of the SCO states constitutes approximately 61% of the territory of Eurasia. The population of the member-states is almost ¼ of the world population, and the organization includes two key players: Russia and China.

The organization was founded first in 1996 as the ‘Shanghai Five’, whose main purpose was to resolve the common border issues between its members, to promote cooperation in the sphere of security, and to establish a mechanism that would allow Russia, China and Central Asian states to reach a consensus on disputed issues. Since then, the agenda of the SCO has been expanding to cooperation in the sphere of economy, foreign policy, energy, transportation, ecology, and cultural and scientific exchange. The emphasis on the resolution of territorial disputes later shifted towards the struggle against the so called “three evils”--terrorism, extremism, and separatism.

**Table 1 *SCO Membership***

<b>Member States</b>	<b>Observer States</b>	<b>Guests</b>	<b>Dialogue Partners</b>
Russia	Iran	Afghanistan	Belarus
China	India	Turkmenistan	Sri Lanka
Kazakhstan	Pakistan	CIS (Commonwealth	
Uzbekistan	Mongolia	of Independent	
Tajikistan		States)	
Kyrgyzstan		ASEAN (Association	
		of Southeast Asian	
		Nations)	

The SCO includes two possible future superpowers, Russia and China, and the states of Central Asia, a region that has been acquiring strategic significance since the collapse of the Soviet Union. Some analysts tend to view the current situation in Central Asia as a new round of the famous ‘Great Game’. The interests of the most influential power centers intersect in this region.

The security problems in Central Asia have attracted the attention of the international community. Such international organizations as UN, EU, NATO, OSCE, SCO, and others are operating in Central Asia. But one of the organizations that is of concern for the political elites of Central Asia is the Shanghai Cooperation Organization.

For the Central Asian states, the willingness to cooperate through the SCO mechanism is determined by several factors.

First of all, the Central Asian region is vulnerable to such common sources of tension as international terrorism, extremism in all its forms, drug and arms trafficking, transnational organized crime, illegal migration, and ethnic separatism.

Second, the possibility of crucial situations and political instability caused by the competition between various power centers for influence in the region might become a serious threat to the countries of Central Asia. Besides that, the possibility of a sharp conflict among the Central Asian states still remains. This category of problems includes the unresolved issues with interstate borders, water consumption, and hydro-energetic problems.

Scholars, politicians, and journalists are debating the future prospects of this organization. So are the citizens of Central Asia. They would like to know how the SCO can contribute to the social-economic and political development of their region. Therefore, there is no doubt in the relevance and topicality of this thesis.

Within a short term of its existence, the SCO was able to demonstrate its serious potential. Although its capability was observed more in declarations, official statements and intents than in actual deeds, the SCO is demonstrating that a common political will of all of its members can resolve almost any economic, political, or security issue *without the assistance of the Western world*.

Some journalists have already labeled the SCO as the “NATO of the East”. Although the SCO members officially declared that the organization is not directed towards any state or regional alliance, scholars like Ariel Cohen and Roy Alison view the

SCO as an “anti-Western” military bloc. “The anti-American rhetoric that has dominated Russian-Chinese summits [SCO] in the past, and Russia's military technology transfers to China, are causes of concern for U.S. defense planners” (Ariel Cohen 2001:11).

## **II. THE PLAN OF RESEARCH**

The purpose of this thesis is to research the SCO from the standpoint of its potential as a counterbalance to the United States. Although the SCO is not an official military bloc, there is a possibility that the organization might gradually grow to the level of a political alliance capable of countering the political and economic influence of the United States in Eurasia. Therefore, the goal of this research is 1) to examine whether the SCO is an organization aimed against the US and its allies 2) to evaluate the potential of the SCO to counter the Western world, and 3) to explore the reasons and motives for the close cooperation between the SCO members and their strategic turnaround against the United States and its allies.

Determining whether the SCO is an anti-Western bloc requires identifying the political interests of the organization that clash with the interests of the United States, the objectives that contradict US foreign policy, and the ideological views of the SCO that do not overlap with the conception of the US security strategy.

As the organization is not an official military bloc and it was not considered as a threat at the time of its establishment, it is necessary to start with researching the brief history of the SCO, finding the time period when the SCO started transforming into an anti-Western bloc, and to look at what caused the change in the SCO's mission.

Determining whether the SCO has a real potential of countering the Western world requires assessing the progress the member-states made within thirteen years of the SCO's existence and its achievements, evaluating the military, economic and geopolitical capabilities of the organization, and finding whether the SCO is creating favorable conditions for political rapprochement between Russia, China and Central Asia.

Within the frames of these goals, the following tasks are to be completed in this thesis:

- 1) An analysis of the strategic changes in the mission of the SCO.
- 2) An investigation of the "Great Game" in Central Asia for the evaluation of the tension between the SCO and the United States on the regional level.
- 3) An analysis to clarify the causes of the disagreements within the organization in order to assess the level of cohesion among the SCO members, their commitment to the principles and objectives of the organization, and to estimate the 'collective spirit' of the SCO.
- 4) To research the conceptual and ideological aspects of the "East-West" division. This will help us understand contradictions between the interests of the SCO

5) and the US-led world, whether they have chosen opposite directions in terms of security, foreign policy, and a political system in general or not.

6) Finally, to evaluate the potential of the SCO in becoming an alternative to NATO.

In the course of this thesis work, various American, Chinese, Central Asian, and Russian publications were used. This allowed for the obtainment of diverse and valuable information on the researched topic. The investigation on the views of Russian and American scholars and politicians, combined with the analysis of the events related to the SCO, helped to give quite a few objective answers to the main thesis questions.

### **III. LITERATURE REVIEW**

#### **Sources of research**

Since the 2005 summit of the SCO in Astana, the volume of research on the role of Shanghai Cooperation Organization has been expanding. Various scholars have attempted to investigate the reviving of the Great Game in Central Asia, the US-SCO rivalry in the region, the Russian and Chinese strategy in the SCO, the geopolitical interests of each SCO member and observer, and the possibility of the SCO's transformation into a military bloc hostile to NATO.

From the analysis of the existing literature on the SCO, we can note that there are many articles on the history of Shanghai Cooperation Organization, its future prospects, its role in the world's political map, and its relations with the United States. But there are extremely few scientific publications focusing on the concrete aspects of the SCO's activity, such as its structure and functional elements, and its internal organization (political and financial).

This thesis is not only based on the scholarly literature, but also on an extensive amount of documents, which can be divided into two groups.

The first group of sources includes the documents issued by Shanghai Cooperation Organization. The main documents of the SCO are the following: annual declarations of the heads of the SCO member states, SCO Charter, "Shanghai Convention

on Combating Terrorism, Extremism, and Separatism”, reports of Council of RATS, and many other documents established by the Shanghai club.

The other group of sources includes the reports, speeches, official messages of heads of states, ministers, diplomats, and other representatives from Russia, China, and the countries of Central Asia<sup>2</sup>.

The major part of the existing literature on Shanghai Cooperation Organization is devoted to the problematic of Central Asia, the US engagement in that region, and the SCO’s resistance to the United States on the Central Asian level. Therefore, it is necessary to stress that the interest in the Shanghai Cooperation Organization as a military bloc arises because of the political events that took place in such Central Asian countries as Kyrgyzstan, Uzbekistan, and Afghanistan.

### **The Existing literature on the SCO**

The Shanghai Cooperation Organization has been analyzed in the context of the national interests of the United States, Russia, China, and Central Asian states. Thus, the research of American, Chinese, as well as Russian and Central Asian scholars, journalists, and observers was used in this thesis for the purpose of objectivity.

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<sup>2</sup> Most of the documents issued by the SCO are available now on the internet. The information on the permanent organs of the SCO, the official documents of the SCO, and the speeches of important politicians from the SCO can be found on the official website of Shanghai Cooperation Organization. It is also worth mentioning that useful information on the SCO is available on the website of the SCO Summit and SCO RATS (Regional Antiterrorist Structure of the SCO).

The relevant official documents that were not uploaded on the SCO’s website can be found on the website of the Ministry of Foreign Affairs of the Russian Federation and the website of the President of the Russian Federation.

Chinese scholars like Sun Zhuangzhi, Zhao Huasheng, Li Lifang, and Chien-Peng Chung made a serious contribution to the research on the Chinese interests in Shanghai Cooperation Organization and its role in Central Asia in particular.

From his research on the role of the SCO in Chinese foreign policy, Sun Zhuangzhi concludes that Shanghai Cooperation Organization is important for China as a vehicle for promoting its security and economic interests. For Central Asian countries, the SCO is necessary for balancing the presence of the United States via China and Russia, and for the development of stronger economic relations with China<sup>3</sup>. Zhuangzhi, together with all the Chinese scholars mentioned above, agrees that the economic and security relationship between China and Central Asia expanded due to the SCO.

Li Lifang, in the context of the Chinese interests in Shanghai Cooperation Organization, believes that China's politics towards Central Asia fully relies on the SCO. That includes the exploration of natural resources, the issues of Uyghur separatism, economic projects, and security interests. Along with the other Chinese experts, Zhao Huasheng does not exclude the possibility of the SCO's expansion to South Asia and Caucasus. He views the US presence in Central Asia as a "new security mechanism" and states that the SCO has to be in charge of the security issues of that region<sup>4</sup>.

Some American scholars (Stephen Blank, Eugene Rumor, and Ariel Cohen) emphasize that Shanghai Cooperation members should cooperate with the United States and the Western world. The common ground for partnership includes the threat of

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<sup>3</sup> Sun Zhuangzhi, "New and Old Regionalism: The Shanghai Cooperation Organization and Sino-Central Asian Relations", *The Review of International Affairs*, 3/4: 600-612

<sup>4</sup> Zhao Huasheng, "SCO and the Great powers in Central Asia", *Analitik*, 1 (2003)

terrorism in Afghanistan, the energy projects, and the global process of democratization. Along with Stephen Blank and Ariel Cohen, Eugene Rumor is critical of the authoritarian regimes in Central Asia; therefore, he argues that the presence of the US in Central Asia is crucial for the political and economic modernization of the region.

Ariel Cohen also sees more benefit in cooperation between the SCO and the Western states rather than in rivalry<sup>5</sup>. Stephen Blank, in the context of the US interests in the region, suggests that the US government should develop security projects to combat terror and narcotics trafficking in Central Asia, alternative to the Russo-Chinese projects existing in the region<sup>6</sup>. Eugene Rumor believes that given the interests of Russia, in particular, to fight radical terrorism, the US security projects in Central Asia may even benefit the Russian security interests.

Roy Alison, Stephen Blank, and Ariel Cohen stress the concern of Washington about Shanghai Cooperation Organization as a challenge to the US presence in Central Asia. And they all agree on the geopolitical and strategic importance of the Central Asian region. For instance, Eugene Rumor says that “the world cares about Central Asia now for two reasons: its proximity to the South Asian tinderbox and the belated realization by Western political establishments that state failure anywhere in post-soviet Central Asia carries significant risks for the West in its efforts to root out al Qaeda style terrorist networks”.<sup>7</sup>

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<sup>5</sup> Ariel Cohen, “Are the US and Russia on a collision course?”, The Heritage Foundation, 901 (September 2005)

<sup>6</sup> Stephen Blank, “US interests in Central Asia and challenges to them”, Strategic studies Institute, (March 2007)

<sup>7</sup> Eugene Rumor, “Flashman's Revenge: Central Asia after September 11,” *Strategic Forum*, 195 (December 2002):1

First of all, the importance of Central Asia is directly related to its proximity to all future superpowers of the Oriental world: India, China, Iran, and Russia. The US presence in Central Asia could prevent the coalition of Russia, China, and Iran. Second, Central Asia borders on Afghanistan, the area where the US is waging a war against terrorism and extremism. Third, the region is rich in natural resources.

From the research of the American scholars on the Shanghai Cooperation Organization, the following conclusion can be made: the anti-Western spirit of the SCO club, the US-SCO competition for Central Asia, and a possible military bloc of Russia, China, and Iran are the three main causes for concern in Washington.

The Russian observers of the SCO's evolution have been investigating the Shanghai club in the same direction as the American and Chinese experts. The SCO's intent to oust the US from Central Asia, its chances of becoming a military bloc against NATO, the US's engagement in the Central Asian revolutions, and all other aspects of the SCO are discussed in the Russian literature on Shanghai Cooperation Organization.

However, analysis of the available Russian scholarly literature on the SCO shows that there are very few 'analytical' publications on the security aspects of Shanghai Cooperation Organization. The existing literature on this topic mostly comes from the assessments of journalists, observers, and politicians.

How do the Russian politicians assess the role of the SCO in the international arena?

Prominent Russian politicians have no doubt about the bright future of the SCO. According to Vladimir Zhirinovskiy, leader of the Russian Liberal Democratic Party, the SCO "will become the citadel of peace and stability on the whole Asian and European

continent”.<sup>8</sup> Others agree that the existence of the Shanghai Cooperation Organization is crucial for the stability and peace in the post-soviet region.

The SCO’s intent to become a military bloc has not yet been officially declared by the Russian political elite. However, the Russian government has always stressed the necessity in a multilateral way of conflict resolution and in respect for cultural diversity of nations and international law. “We are convinced that any attempt to resolve global and regional problems unilaterally has no prospect”<sup>9</sup>, says Vladimir Putin, current Russian Prime-Minister. The ruling elitists of Russia are convinced that the Shanghai Cooperation Organization is the basic factor of the multipolar construction of the world.<sup>10</sup>

Further analysis of the Russian, Chinese and American scholarly literature on the SCO and its relationship with the West can be found in all other sections of this thesis.

## Balance of Power and the Realist School

This thesis is intended to research the SCO as an alliance attempting to balance the power of the United States. Thus, the author believes that it is necessary to review not only the existing scholarly literature focusing on Shanghai Cooperation Organization as a security alliance, but also to review the classical literature of International Relations devoted to the balance-of-power theory. *This theory of the realist school of International Relations will be used as a starting point, as a conceptual framework, as a theoretical foundation, and even as an ending point for this thesis.*

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<sup>8</sup> V. Zhirinovskiy, Interview with ChinaPro, available from <http://www.chinapro.ru/rubrics/5/1020/>

<sup>9</sup> “Prezident Rossii prevoznosit silu Central’no-aziatskogo alyansa”, *Inosmi*, 17 August 2007, available from [www.insomi.ru](http://www.insomi.ru)

<sup>10</sup> “The Russian-Chinese Joint Declaration”, 2 December 2002, available from [www.sectsc.org](http://www.sectsc.org)

The balance-of-power theory is the core of the realist paradigm. The essence of this theory is the idea that states should ally together against the hegemon in order to prevent it from dominating them. Stability in the international system, according to realists, is achieved mainly through balancing.

It is important to show the distinction between balancing and 'bandwagoning'. The scholars of realism believe that when states encounter an external threat, they may either balance or bandwagon. "Balancing is defined as allying with others against the prevailing threat; bandwagoning refers to alignment with the source of danger."<sup>11</sup>

Kenneth Waltz, the founder of the neorealist approach to International Relations, outlined the four main premises of the balance of power theory:

- 1) The system of international relations is anarchic. There is no central superstate authority that can regulate the relations between nations.
- 2) States exist as independent (sovereign) actors.
- 3) All states tend to compete for more power as that provides more safety.
- 4) When one state grows to a level where it starts posing threat, other states tend to create defensive alliances to counterbalance the power of the rising hegemon. If the hegemon is not constrained, the resulting disbalance may cause a major war. Therefore, the purpose of balancing is to prevent the preponderance of any state.

Stephen Walt, Professor of International Relations at Harvard University, outlines the two main reasons why states choose to balance against the strongest:

- 1) The survival of weak states may be jeopardized if the potential hegemon becomes too strong.

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<sup>11</sup> Stephen Walt, *The origins of Alliances* (Ithaca: Cornell University Press, 1987), 17

- 2) Joining the weak gives the alliance member a chance to be influential, whereas allying with the hegemon gives a very little influence.

And the weaker a state is, the more likely it is to bandwagon, according to Walt. “This situation occurs because weak states add little to the strength of a defensive coalition but incur the wrath of the more threatening states nonetheless.”<sup>12</sup> However, balancing appears to be more common than bandwagoning. Traditional realists argue that states balance against the concentration of power to maintain their security in the anarchical world as “the most powerful state will always appear threatening because weaker states can never be certain that it will not use its power to violate their sovereignty or threaten their survival.”<sup>13</sup>

The current system of international relations can be characterized as a unipolar system where no state is powerful enough to resist the might of the United States, or the hegemon. It resembles the imperial system of Ancient Rome where there was only one superpower and all other states were called satrapies.<sup>14</sup> In this world order, the US is able to control and manipulate any state or actor of international relations. Since the collapse of the Soviet Union, the United States has kept its hegemonic status. Therefore, the following is one of the main thesis questions: are there any emerging power centers attempting to balance the global influence of the United States? How did the famous scholars of International Relations answer this question?

According to Robert Pape, Professor of Political Science at the University of Chicago, states may counter the hegemon "through either “internal” balancing (i.e.,

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<sup>12</sup> Ibid, 21

<sup>13</sup> Lieber Keir, “Waiting for balancing: why the world is not pushing back?”, *International Security*, 30/1 (Summer 2005): 111

<sup>14</sup> William Wohlforth, “Stability of a Unipolar World”, *International Security*, 24/1:38

rearmament or accelerated economic growth to support eventual rearmament) or “external” balancing (i.e., organization of counterbalancing alliances)”.<sup>15</sup> Internal balancing is not an effective option in a unipolar system, as pointed by Robert Pape, because that contradicts the nature of the unipolar system. If the system consisted of players capable of balancing the hegemon individually, then that system would be considered multipolar. This means that in a unipolar system of international relations "balancing is a game of coordination...In this situation, each member of a potential balancing coalition is best off cooperating with others to balance the unipolar leader".<sup>16</sup> Can we observe this form of balancing against the United States today?

Pape believes that the national security strategy of the United States and the recent military campaigns of the United States in Central Asia and the Middle East are likely to cause other major states to eventually balance against it. He argues that soft balancing against the United States has already started. Unlike hard balancing, which involves a potential military conflict between the hegemon and the alliance of states resisting it, "the mechanisms of soft balancing include territorial denial, entangling diplomacy, economic strengthening, and signaling of resolve to participate in a balancing coalition".<sup>17</sup> In other words, states may resist the superpower by denying it access to their territories, using diplomatic maneuvers through international institutions, creating regional trade blocs, and increasing mutual trust among each other. Soft balancing also

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<sup>15</sup> Robert Pape, “Soft balancing against the United States”, *International Security*, 30 (Summer 2005): 15

<sup>16</sup> Ibid

<sup>17</sup> Robert Pape, “Soft balancing against the United States”, *International Security*, 30 (Summer 2005): 36

“has to do with ‘agenda setting’, with ‘ideology’, and ‘institutions’, and holding out big prizes for cooperation, such as the vastness and sophistication of one’s market.”<sup>18</sup>

T.V. Paul believes that since the end of the Cold War, states like Russia, India, and China "have mostly abandoned traditional “hard balancing”—based on countervailing alliances and arms buildups—at the systemic level".<sup>19</sup> Paul explains the absence of hard balancing against the United States by the liberal-democratic nature of the United States. Thus, European nations like Germany and France do not perceive the United States as a source of danger.

Paul also formulated three reasons that explain why the existing major powers like Russia, India, and China are not engaged in "hard balancing" against the United States and why they are not afraid of "direct conquest" by the US:

- 1) The major powers possess nuclear weapons, "which allow them to worry less about the fluctuations in relative advantages in military capability and about the submerged imperial tendencies of the hegemon. Nuclear possession—even in small numbers—offers assurance to second-tier major powers that the hegemon will not directly threaten their existence as independent actors".<sup>20</sup>
- 2) The United States did not interfere in the secessionist movements in India, China, and Russia. That convinces the major powers that the United States is not trying to challenge the sovereignty and the territorial wholeness of those countries.

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<sup>18</sup> Joseph Joffe: “Gulliver unbound: can America rule the world?”, *Sydney Center for Independent Studies* (August 2003): 3

<sup>19</sup> T.V. Paul: “Soft balancing in the age of US primacy”, *International Security*, 30 (Summer 2005): 47

<sup>20</sup>T.V. Paul, “Soft balancing in the age of US primacy”, *International Security*, 30 (Summer 2005): 56

3) Permanent occupation of a state is impossible given the powerful nature of nationalism and local opposition to invaders. The soviet occupation of Afghanistan and Vietnam are excellent examples in support of this argument.

Paul emphasizes that in the post-Cold War era, the major powers are pursuing indirect balancing strategies against the United States through institutional alliances that lack military elements and through diplomatic negotiations. These strategies constitute a soft form of balancing.<sup>21</sup> This type of balancing allows the major powers to counterbalance the United States without breaking their economic ties to it (considering the growing economic interdependence of states resulting from the current process of globalization). And Paul concludes that soft balancing will remain as the dominant strategy of the major powers (unless the United States takes aggressive actions against their sovereignty).

Stephen Walt has the same position as Paul. Walt argues that there will be efforts to constrain the power of the United States but not in the form of formal coalitions unless the United States takes an extremely aggressive approach. And if states decide to counter the United States, “they will do so through internal effort (such as the acquisition of WMD) or through various forms of soft balancing or leash-slipping”.<sup>22</sup>

From the above review of the balance of power theory, it can be concluded that if Shanghai Cooperation Organization is truly an alliance directed against the Western world and established as a counterweight to the United States, then, it seems more plausible that it falls under the category of a ‘soft’ balance.

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<sup>21</sup> Ibid, 56

<sup>22</sup> Stephen Walt, “Alliances in the Unipolar World”, *World Politics*, 61/1 (February 2009): 119

In their analytical work on soft balancing, William Wohlforth and Stephen Brooks briefly review the SCO and its capability to become a 'soft' counterbalance against the United States. Wohlforth believes that there has not been any case of hard or even soft balancing against the United States after the demise of the Soviet Union

For Wohlforth and Brooks, the Russian-Chinese treaty on Good-Neighborliness, Friendship, and Cooperation, signed in 2001, does not resemble a defense agreement as neither of the sides have any commitment to counter the US<sup>23</sup>, but they both stress such regional security goals as fighting weapons proliferation and terrorism, which overlap with the security goals of the United States. According to the authors, the fact that China and Russia cooperated with the United States in Afghanistan in 2001 is a sign showing that there is no soft balancing against the United States within the SCO; and that "the real core of Russia's relationship with India and China, however, is not the diplomatic partnerships but extensive military coproduction arrangements and major arms sales"<sup>24</sup>. Russia's interest in arms sales is not explained as a counterbalance against the US, but rather by "a desperate need to slow the inexorable decline of its military industrial complex".<sup>25</sup> Wohlforth emphasizes that Russia's desire to sell weaponry to China and India cannot be related to the problem of the US hegemony and soft balancing against it.

Wohlforth finds the unipolar system to be stable, durable, and peaceful. "Given that unipolarity is safe and cheaper than bipolarity and multipolarity, it pays to invest in its prolongation".<sup>26</sup> Therefore, he concludes that no state would involve in a hegemonic rivalry against the United States, given that the US enjoys a high margin of superiority

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<sup>23</sup> William Wohlforth and Stephen Brooks, "Hard times for soft balancing", *International Security*, 30/1: 84

<sup>24</sup> *Ibid*, 86

<sup>25</sup> William Wohlforth and Stephen Brooks, "Hard times for soft balancing", *International Security* 30/1: 86

<sup>26</sup> William Wohlforth, "Stability of a Unipolar World", *International Security*, 24/1:9

over other states, and its economic, military, and geopolitical potential is so high that no state will dare to counter the United States.

Wohlforth also notes that balancing is costly and not frictionless. Thus, alliances are not structural. "Alliances are far less effective than states in producing and deploying power internationally...A glance at international history shows how difficult it is coordinate counterhegemonic alliances. States are tempted to free ride, pass the buck, or bandwagon in search of favors from the aspiring hegemon".<sup>27</sup>

Scholars of International Relations explain the absence of hard balancing against the United States by the restricted military capabilities of states. For instance, in 2005, the United States represented 50% of the world's expenditures on defense<sup>28</sup>. But despite the tremendous military, economic, and geopolitical advantage the United States has, Keir Lieber believes that Wohlforth's argument is empirically unconvincing. "Whether considered by population, economic strength, or military strength, various combinations of Britain, China, France, Germany, Japan, and Russia-to name only a relatively small number of major powers-would have more than enough actual and latent power to check the United States".<sup>29</sup> For Lieber, the absence of balancing is explained by the lack of motivation to compete with the United States, because most states are not threatened by the US.

Joseph Joffe says that the balancing game against the United States did not start yet because the US did not 'conquer' any country. "It [US] tries to call the shots and bend

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<sup>27</sup> Ibid, 29

<sup>28</sup> Lieber Keir, "Waiting for balancing: why the world is not pushing back?", *International Security*, 30/1 (Summer 2005): 116

<sup>29</sup> Ibid

the rules, but it does not go to war for land and glory...And when the US attacked Afghanistan and Iraq, it was not exactly invading an innocent like Belgium”.<sup>30</sup>

From the statements of the aforementioned scholars of International Relations, we can conclude that the existing literature on the balance-of-power theory explains the absence of a counterbalance against the United States by the following four important factors:

- 1) A huge gap between the economic and military potential of the US and the rest of the world
- 2) Inability for any state to bear the costs of competition with the US (i.e. competition is irrational)
- 3) Lack of motivation (as the US foreign policy is safe for most of the countries),
- 4) Inefficiency of external balancing (i.e. weak ties among alliance members, lack of trust, and difficulties of coordination).

A similar explanation for the absence of counterbalance is also found in the power transition theory formulated by Organski. He believed that a peaceful international order exists when the dominant nation has a huge power advantage. Therefore, the world order tends to be stable during the periods of preponderance<sup>31</sup>.

From the scholarly literature on the balance-of-power theory we can also clearly see that ‘hard’ balancing against the United States has not emerged yet (since the end of the Cold War). However, scholars, except for experts like Brooks and Wohlforth, agree

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<sup>30</sup> Joseph Joffe, “Gulliver unbound: can America rule the world?”, *Sydney Center for Independent Studies* (August 2003): 2

<sup>31</sup> Ronald Tammen, “Power transitions: strategies for the 21<sup>st</sup> Century” (New York: Steven Bridges Press, 2000)

that there is a possibility of a counterweight appearing against the United States in the form of a 'soft' balance. Therefore, in this thesis research, the SCO will be viewed as a possible 'soft' counterbalance against the United States. And the results of the thesis research will show that *the SCO exists as a regional alliance intended to restrain the political and economic influence of the United States in the post-soviet space.*

#### IV. THE SCO'S INSTITUTIONAL DEVELOPMENT

To answer the main research question, it is necessary to review the SCO's documents, statements, declarations, and officially stated goals to determine whether the SCO has a real intent on serving as a security bloc against the United States. Comparing the officially stated mission of the SCO to its actual deeds, or what the SCO has accomplished in practice, will help us assess the real potential of the SCO, or its capability, to become a serious and effective counterbalance against the US hegemony.

This section of the thesis will analyze the official documents of the SCO, its judicial and institutional development, the structure of the Shanghai mechanism, and the functions of its organs. This analysis will show if the SCO has a serious institutional structure inherent to all effective security alliances.

The research on the SCO's development will show how the Shanghai states' field of collaboration evolved from the level of border dispute resolution to a level of military, political, and economic partnership. From this section we will also see the change in the attitude of the SCO towards the United States with the end of its institutional growth.

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The end of the Cold War was followed by important changes under the new international and regional conditions. The new global order caused China, Russia, and Central Asian states to develop an agenda for strengthening good neighborhood, mutual trust, friendship and cooperation. In 1996 and 1997, the heads of those states met in Shanghai and Moscow to discuss the prospects of strengthening trust in the border areas and to resolve the issues related to the armed forces in the border areas. Those meetings opened an important historical stage which started the mechanism of the “Shanghai five”<sup>32</sup>, the prototype of Shanghai Cooperation Organization.

The Shanghai cooperation process started with the reduction of military forces in the area of the borders among Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan.

In 1996 and 1997, the leaders of the five states met in Shanghai and Moscow respectively to sign a treaty on strengthening trust in the military sphere and to make a treaty on the reduction of military forces in the border regions. After those events, the Shanghai club members launched the mechanism of regular meetings, and the sphere of the revised issues, which was initially restricted to territorial disputes gradually extended, shifting to a new dimension of cooperation.

In the period from 1998 until 2000, the “Shanghai five” held summits in Almaty, Bishkek, and Dushanbe. The scope of the discussed topics gradually extended from the discussion of questions on strengthening trust in border areas to the questions of mutually beneficial cooperation in the spheres of policy, security, diplomacy, as well as trade and economy. Besides the meetings of the heads of the member-states, the SCO club gradually set up the mechanisms of regular meetings of the ministers of foreign affairs,

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<sup>32</sup> See the official website of the SCO// URL: [http://www.scosummit2007.org/about\\_sco/](http://www.scosummit2007.org/about_sco/)

ministers of defense, law enforcement bodies, ministers of economy, culture, transport, and border services<sup>33</sup>.

As a result of cooperation within the framework of the “Shanghai five”, the member-states were able to achieve the following results:

-Central Asian states and China were able to come to consensus regarding the disputed borders.

- Relative safety and stability in the Central Asian region.
- Promotion of trade and regional economic cooperation between member-states.
- Strengthening coordination among the member-states in the international arena<sup>34</sup>.

The effects of the process of globalization, the new trends of regional development, and the pressing issues of terrorism, extremism, and separatism further strengthened the relationship between the member-states. Within five years of partnership, the “Shanghai five” participants were able to change the format of collaboration and to upgrade it to a higher level, which laid the foundation for the establishment of Shanghai Cooperation Organization right after Uzbekistan declared its intention to join the Shanghai club.

The inclusion of Uzbekistan as a member played an essential role in the transformation of “Shanghai Five” into an organization of wide-range cooperation. In June 2001, the political leaders of Uzbekistan, Russia, China, Kazakhstan, Tajikistan, and Kyrgyzstan ratified the ‘Declaration on the Establishment of Shanghai Cooperation

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<sup>33</sup> Ibid.

<sup>34</sup> “Shanghai Cooperation Organization Summit 2007”, available from [http://www.scosummit2007.org/about\\_sco/](http://www.scosummit2007.org/about_sco/)

Organization'<sup>35</sup> together with the convention to combat terrorism, extremism, and separatism<sup>36</sup> during the summit held in Shanghai. A full-rate juridical status was given to this organization after the ratification of the SCO Charter in 2002.

The first meeting of the heads of the governments of the SCO member-states took place in September 2001 in Almaty where six member-states signed the memorandum on the main objectives and directions of regional economic cooperation, trade and investment.

The second meeting of the Shanghai members was held in Saint Petersburg, where the members adopted the Charter of Shanghai Cooperation Organization. The charter described all the objectives and principles of the SCO. During the summit in Saint Petersburg, members also signed an agreement on antiterrorist structures of the SCO.

According to the Charter of the Shanghai Cooperation Organization, the main objectives are:

- strengthening mutual trust, friendship and good neighborhood;
- development of multi-field cooperation and strengthening of peace, security and stability in the region, assistance to construction of a new democratic, fair and rational political and economic international order;
- joint counteraction to terrorism, separatism and extremism in all of their forms, struggle against drug trafficking and other kinds of transnational criminal activity as well as illegal migration;

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<sup>35</sup> Ibid

<sup>36</sup> “SCO Charter”, available from <http://www.scosummit2007.org/docs/7/>

- encouragement of effective regional cooperation in political, trade-economic, law-enforcement, environmental, cultural, scientific and technical, educational, and credit-financial areas of interest;
- assistance to balanced economic growth, social and cultural development in region by means of joint actions
- coordination of approaches in integration to the world economy;
- protection of human rights and freedoms
- maintenance and development of relations with other states and international organizations;
- interaction in prevention of the international conflicts and their peaceful settlement;
- joint search for solution to the problems arising in the 21<sup>st</sup> century<sup>37</sup>.

Member-states of the Shanghai cooperation organization adhere to certain principles, like the following:

- respect for the sovereignty, independence, territorial integrity of the states, non-interference in internal affairs, and denial of the unilateral military superiority in contiguous areas;
- equality of all member states, search for the common ground on the basis of mutual understanding;
- stage-by-stage realization of joint actions in the spheres of interest;

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<sup>37</sup> Ibid

- peaceful settlement of disagreements between member-states
- SCO is not directed against other international organizations;
- non-acceptance of illegal actions directed against the SCO's interests;
- diligent performance of the obligations, following the Charter and the other documents accepted within the SCO<sup>38</sup>.

For the effective realization of the SCO's charter, the following structural divisions were created:

- SCO Heads of State Council
- Council of Heads of Government
- Ministerial Council on Foreign Affairs;
- Council of heads of the ministries and/or departments;
- Council of National Coordinators;
- Regional Antiterrorist Structure;
- Secretariat (with headquarters in Beijing)<sup>39</sup>.
- SCO Business Council and SCO Interbank Consortium

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<sup>38</sup> "Shanghai Cooperation Organization Summit 2007", available from <http://www.scosummit2007.org/docs/7/>

<sup>39</sup> Ibid.

The SCO Secretariat and the Regional Antiterrorist Structure (RATS) were founded as a result of the SCO's meeting held in Moscow in 2003. During this summit, the member-states defined the main functions of the SCO's departments, such as the heads of State Council and the Ministerial Council.

The first budget of the SCO was accepted in 2004, during the summit in Beijing, where the SCO members gathered to set up new priorities of multilateral trade, economic cooperation, and long-term plans, and specified the course of cooperation towards the free movement of goods, capital, and technologies.

In January 2004, the SCO declared the establishment of the Secretariat of Shanghai Cooperation Organization in Beijing, where the heads of the member-states, ministers of foreign affairs, national coordinators of six SCO member-states, and the representatives of some international organizations participated in this ceremony. This event marked the new stage in the history of the SCO<sup>40</sup>.

In 2006, the SCO member-states adopted the Fifth Anniversary Declaration in which they formulated the basic achievements of the organization. The declaration stressed the SCO's aspiration to provide stability in the region and to fight global threats (such as terrorism, separatism, and extremism). Thus, the SCO members agreed to strengthen the Regional Antiterrorist Structure and to interact with corresponding international organizations in this matter.<sup>41</sup>

The document also addresses the current problems stemming out of globalization and economic integration. It stresses the increasing role of the SCO member-states in the formation of the new world order and multipolar system of international relations.

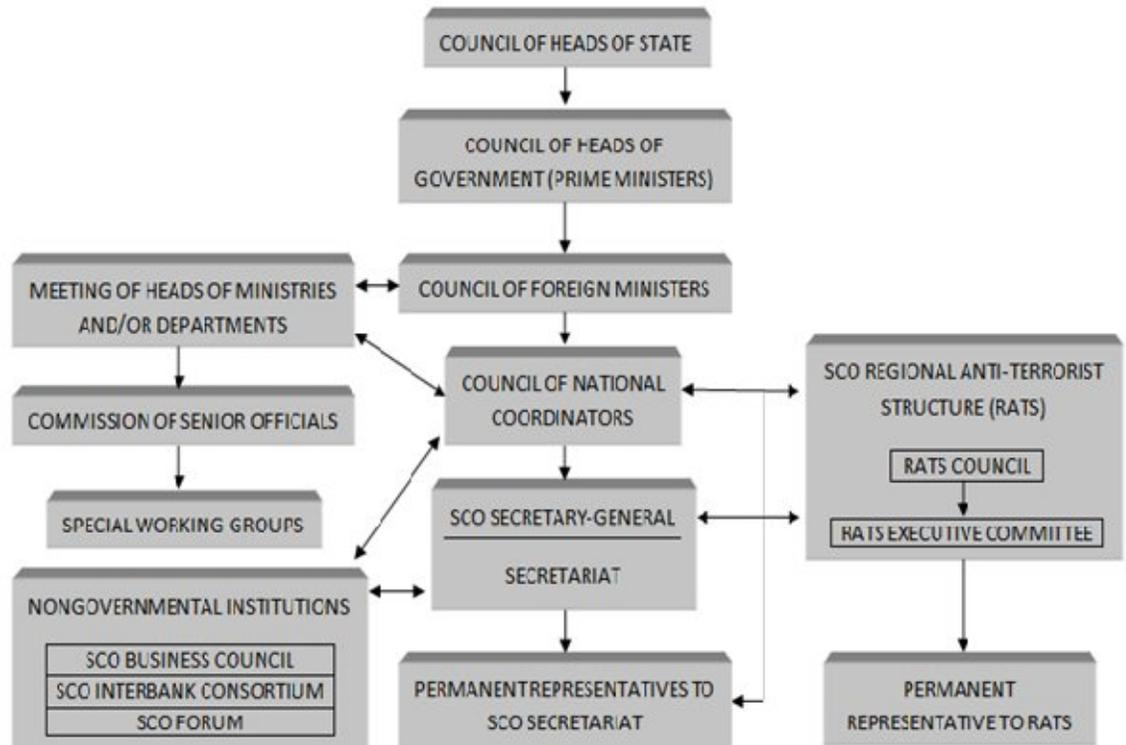
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<sup>40</sup> "Shanghai cooperation Organization Summit 2007", available from [http://www.scosummit2007.org/about\\_sco/](http://www.scosummit2007.org/about_sco/)

<sup>41</sup> "SCO's Fifth Anniversary Declaration", available from <http://www.scosummit2007.org/docs/8/>

**SCO Structure** (Source: Otebig, structure of the SCO.png)

**THE STRUCTURE OF THE SHANGHAI COOPERATION ORGANISATION**



According to the Fifth Anniversary Declaration, Russia and China, as well as the other members of Shanghai Cooperation Organization, believe that it is necessary to strengthen the United Nations' role in the world as a universal mechanism of interstate regulation. In the Fifth Anniversary Declaration the SCO recognizes the United Nations as the most authoritative and prestigious organization. The UN is urged to play the leading role in world affairs, to become the center of development for the basic norms of international law, to carry out reforms in the UN Security Council which would observe the principle of fair geographical representation of the countries, and not to carry out reforms which may cause considerable disagreements among nations.

The Fifth Anniversary Declaration also includes statements that are indirectly addressed against the United States: “It is necessary to respect the variety of civilizations in the world and diverse ways of development. Historically developed distinctions in culture and traditions, political and social systems, in systems of values and ways of development should not be used as a pretext for intervention in the internal affairs of other states”<sup>42</sup>.

This declaration clearly stresses the importance of ‘sovereignty’. The document shows the SCO’s position against the intervention in the domestic social-political lives of states, its full support for multilateral diplomacy and the multipolar system of interstate relations.

Although the priority is given to the cooperation in political and economic areas, the declarations of the SCO also mention the current problems of cultural cooperation. The Fifth Anniversary Declaration outlined the following: “One of the major factors guaranteeing the viability of the organization is the expansion of the social basis for friendship and mutual understanding. For this purpose, the SCO will give a systemic character to the cooperation existing on bilateral and multilateral levels, in such areas as culture and art, education, sports, tourism, mass media. Considering the original and rich heritage of the people of the countries entering the SCO, the organization can quite play the role of a catalyst of an inter-civilizational dialogue”<sup>43</sup>.

In August 2007, the SCO Heads of State Council adopted a whole package of documents such as the Joint Communiqué following the results of the session<sup>44</sup>, the

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<sup>42</sup> Ibid

<sup>43</sup> “SCO Fifth Anniversary Declaration”, available from <http://www.scosummit2007.org/docs/8/>

<sup>44</sup> “The Report of the SCO Heads of State Council”, available from <http://www.scosummit2007.org/docs/68/>

Agreement on long-term good neighborhood, friendship and cooperation of the member-states of Shanghai Cooperation Organization<sup>45</sup>, and the Bishkek Declaration<sup>46</sup>.

The Agreement on long-term good neighborhood, friendship and cooperation of the SCO member-states contains a section devoted to the maintenance of international safety—one of the key purposes of the Organization: “The contracting parties will make efforts within the SCO to maintain and strengthen international peace and security, strengthen coordination and cooperation in increasing the role of the United Nations Organization, maintaining the global and regional stability, promoting the international process of arms control, preventing the distribution of weapons of mass destruction and the means of its delivery, as well as conducting regular consultations on these questions”<sup>47</sup>.

The Agreement concerns such important problems for the SCO member-states as crime and illegal migration: “Contracting parties strengthen interaction in search, detention, delivery and transfer of the persons suspected of crimes related to terrorist, separatist, and extremist activities...Contracting parties develop cooperation in the areas of border protection and customs control, regulation of labor migration, maintenance of information security”<sup>48</sup>.

From the above description of the documents and summits of Shanghai Cooperation Organization, it can be concluded that the SCO’s scope of priority tasks and

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<sup>45</sup> “SCO Agreement on long-term good neighborhood, friendship and cooperation”, available from <http://www.scosummit2007.org/docs/70/>

<sup>46</sup> “SCO Bishkek Declaration”, available from <http://www.scosummit2007.org/docs/67/>

<sup>47</sup> “SCO Agreement on long-term good neighborhood, friendship and cooperation”, available from <http://www.scosummit2007.org/docs/70/>

<sup>48</sup> Ibid

objectives has been gradually expanding on all levels, starting from the political-military partnership and ending with cultural and educational exchange.

Below is a brief description of the SCO's structural elements and their functions.

**The Heads of State Council.** The SCO Heads of State Council is the supreme body of the SCO. The council members gather once a year in the territory of one of the member-states. It defines priorities and the basic directions of the organization. It also sets up the tasks for the rest of the internal bodies of the SCO, takes decisions regarding the establishment of new organs, and it is responsible for the interaction with other states and international organizations.

**The Heads of Government Council.** The SCO Heads of Government Council is the one to adopt the budget which is formed on the basis of an individual share principle, considers and solves the basic questions concerning the concrete, in particular economic, spheres of interaction within the framework of the organization. The council gathers once a year.

**The Council of Ministers of Foreign Affairs.** The Council of Ministers of Foreign Affairs considers the current activity of the organization, including the preparation of sessions for the SCO heads of State Council. It takes measures for implementing the decisions of the organization and provides consultation on international issues within the frames of the organization. The council represents Shanghai cooperation Organization in its external contracts with other states and international organizations.

The meetings of the heads of the ministries and departments are held for considering concrete questions of development and interaction in corresponding areas within the SCO. The organization has already set up a mechanism for regular meetings of

general public prosecutors, ministers of defense, ministers of economy and trade, ministers of communications, ministers of culture, and also meetings for heads of law enforcement bodies.

**The Secretariat.** The SCO Secretariat is constantly operating as the administrative body of the SCO. Its functions are formulated in the following ways: organizational and technical maintenance of the SCO, participation in implementing the decisions of all bodies within the limits of the Organization, and preparing proposals for the annual budget. The Secretariat is headed by the Secretary General who has to be approved by the SCO head of the State Council. The Secretary General is appointed from among the citizens of the SCO member-states on a rotation basis in the Russian alphabetic order of the names of the member-states for a period of three years without the right to be selected for an additional term.

**The Council of National Coordinators.** The Council of National Coordinators (CNC) is responsible for the coordination and management of the SCO's activity. It prepares the sessions of the SCO's councils. CNC members gather at least three times a year. Chairman of CNC can represent the organization as a whole in its external contracts with other organizations and states on the approval of the Council of Ministers of Foreign Affairs.

**The Regional Antiterrorist Structure.** The Regional Antiterrorist Structure (RATS) is a constantly operating SCO body with its headquarters in Tashkent, Uzbekistan, created for the purpose of assisting the coordination and interaction of the parties in their struggle against terrorism, extremism and separatism. It has the status of a legal entity and the right to conclude contracts, to acquire a real estate and to dispose of

it, to open and conduct bank accounts, and to file claims in courts and participate in judicial proceedings. RATS is managed by the director of the Executive Committee of RATS.

The main functions of RATS can be summarized as the coordination of efforts of all the SCO member states in the fight against terrorism, separatism, and extremism. That includes working out proposals, intelligence gathering, information analysis, managing databases on individuals, and organizations involved in criminal activity. The SCO's Regional Antiterrorist Structure consists of the Council and the Executive committee (a constantly operating body). The Council, which includes the heads of competent bodies of the member-states, operates as a supervising body. The chairman of the Executive Committee of RATS is appointed by the SCO Heads of State Council.

All the decisions within the SCO are made by consensus. The operating procedure of all bodies of Shanghai Cooperation Organization was formulated and accepted in 2003 during the Moscow summit. All the fundamental structures of the organization have been officially functioning since January 2004.

From the analysis of the institutional aspects of the SCO, it can be inferred that the institutional growth of Shanghai Cooperation Organization was complete by the end of 2003. From that period of time, the SCO started functioning as a mature international structure possessing its own working mechanism, headquarters, and budget.

Table 2 List of Summits

Heads of State 		
Date	Country	Location
2001	 <a href="#">China</a>	<a href="#">Shanghai</a>
2002	 <a href="#">Russia</a>	<a href="#">Saint Petersburg</a>
2003	 <a href="#">Russia</a>	<a href="#">Moscow</a>
2004	 <a href="#">Uzbekistan</a>	<a href="#">Tashkent</a>
2005	 <a href="#">Kazakhstan</a>	<a href="#">Astana</a>
2006	 <a href="#">China</a>	<a href="#">Shanghai</a>
2007	 <a href="#">Kyrgyzstan</a>	<a href="#">Bishkek</a>
2008	 <a href="#">Tajikistan</a>	<a href="#">Dushanbe</a>
2009	 <a href="#">Russia</a>	<a href="#">Yekaterinburg</a>
2010	 <a href="#">Uzbekistan</a>	<a href="#">Tashkent</a>
2011	 <a href="#">Kazakhstan</a>	<a href="#">Astana</a>

## V. STRATEGIC CHANGE IN THE SCO'S MISSION

At the time when the SCO was established, the struggle against the “three evils”- terrorism, national separatism, and religious extremism- was chosen as the main security task of the organization. This politics seemed to have a point of tangency with the foreign policy of the United States. For instance, in 2001, all the SCO members, including Russia and China, were willing to support the American initiatives in Afghanistan and its war on terror. And it is important to note that in that period, the SCO and the United States had common security concerns. In other words, the SCO preferred to cooperate with the Western coalition.

The SCO 2002 summit in Saint Petersburg laid the foundation for the development of the main line of the SCO: resistance to international terrorism, national separatism, and religious extremism. In this regard, the readiness of the SCO to combat a terrorist threat was declared as the priority goal.

In October 2002, China and Kyrgyzstan organized a bilateral antiterrorist military exercise as part of the SCO mechanism. Since August 2003, when the SCO conducted an antiterrorist operation “Interaction-2003”, the members of the SCO have been annually undertaking joint military exercises within the framework of their ‘antiterror’ program in Central Asia.

In the course of the summit held in Tashkent in June 2004, the SCO members made an agreement on cooperation in the struggle against the illegal trafficking of narcotics and psychotropic substances. In addition to that, the members organized a ceremony on the establishment of the Executive Committee of the Regional Anti-Terrorist Structure of Shanghai Cooperation Organization with its center in Tashkent. This SCO structure has been functioning since January 2004.<sup>49</sup>

The joint military exercise “Peace Mission-2005” conducted by the key SCO players-Russia and China, seriously alarmed the international community. This military presentation of China and Russia obviously demonstrated their claims for regional dominance as that “antiterrorist” operation involved serious forces, starting with bomber aircrafts TU-22M3 and ending with submarines. One must also note that this was the first joint military training of Russia and China since the 1950s, not counting the antiterrorist operation held in 2003<sup>50</sup>. Thus, this ceremony indicates improvement in trust between Russia and China in the sphere of security. Iran, India, Pakistan, and Mongolia-states granted observer statuses in the SCO-were also invited to the “Peace Mission-2005” campaign.

In June 2001, on the SCO’s day of establishment, the members signed the “Shanghai Convention on combating terrorism, separatism, and extremism”, in which, for the first time in history, they formulated an exact definition for the concepts of extremism, separatism, and terrorism<sup>51</sup>. The convention also described the concrete direction, forms and principles of combat on the “three evils”.

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<sup>49</sup> “Tashkent Summit marks new phase for SCO”, *China Daily*, 06/18/2004// [www.chinadaily.com](http://www.chinadaily.com)

<sup>50</sup> Based on the material of RIA “Novosti” of June 23 2008 [www.rian.ru](http://www.rian.ru)

<sup>51</sup> See the official website of the SCO. [http://www.scosummit2007.org/about\\_sco/](http://www.scosummit2007.org/about_sco/)

In such a manner, a solid legal platform for the partnership in the areas of security within the framework of the SCO was walled up. Nevertheless, one should note that the SCO was late in preparing a coordinated policy of antiterrorist operations in the region. This kind of policy could have prevented the growth of the US influence in the region after its campaign in Afghanistan.

The SCO was able to reactivate its regional influence in the 2005 summit where it demanded for the withdrawal of the US military bases from the territories of Uzbekistan and Kyrgyzstan due to the absence of the need in the US presence. In the same year, Russia and China organized a joint military exercise.

This type of anti-US direction in the SCO's politics continued in the 2006 summit, where President of Uzbekistan Islam Karimov stated that "all members of the SCO agree to resist any external attempt to impose Western standards of democratization and social development"<sup>52</sup>. Former Russian President Vladimir Putin argued for prohibiting the SCO states from participating in any organization that "duplicates" the SCO for "intercepting the expansion of the US influence and acknowledging the SCO as the only regional organization"<sup>53</sup>. In the same year, the SCO granted observer statuses to Iran, India, and Pakistan.

Chinese experts like Zhao Huasheng, Lee Lifang, and Din Shiu devoted a significant amount of their research to the Central Asian problematic, traditionally focusing on the importance of the SCO's struggle against the "three evils". The dominant topic in the Chinese research on the SCO was the issue of Uyghur separatism. After the

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<sup>52</sup> RIA "Novosti", 23 June 2008, [www.rian.ru](http://www.rian.ru)

<sup>53</sup> Ibid

arrival of the US military structures in Central Asia, the Chinese scholars shifted the emphasis onto three more problems<sup>54</sup>.

First, it is the anti-American direction of the SCO's existence. A Chinese scholar Zhao Huasheng noted that "the military presence of the United States in Central Asia is viewed as a new security mechanism. This is not necessarily an alternative to the SCO, but still raises questions about coordinating the relationship between them"<sup>55</sup>.

Second, there have been several discussions about extending the SCO's zone of responsibilities. Zhen Huasheng notes that the SCO has to be in charge of the stability and security in a wider geographical range, including such regions as Afghanistan, South Asia, and Caucasus.

Third, it is the long term strategy of the SCO in the context of the Chinese national interests. Some Chinese scholars think that "after a long quest and precise preparation, Beijing finally determined its Central Asian strategy. Beijing's politics in Central Asia relies on the SCO, and it is directed towards active participation in the region, development of a relationship with the states of the region, promotion of stability and prosperity, and also realization of China's strategic interests in the sphere of exploration of natural resources of Central Asia"<sup>56</sup>

The "Peace Mission-2007" was the most massive military event in the history of the organization. It involved 4.7 thousand Russian soldiers and 1.7 thousand soldiers from China. Kazakhstan and Tajikistan were represented by their assault combat groups, and Kyrgyzstan sent an assault platoon. The Uzbek military officers participated in the

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<sup>54</sup> Zhao Huasheng, "SCO and the Great Powers in Central Asia", *Analitic*, 1 (August 2003)

<sup>55</sup> *Ibid*, 3

<sup>56</sup> Lee Lifang and Din Shiu, "Geopolitical interests of Russia, China, and the USA in Central Asia", *Central Asia and Caucasus*, 3(march 2004): 164-165

staff exercise and in the maneuver coordination. The military exercise exploited more than 2 thousand units of military equipment. Almost all the expenses for the event were covered by Russia (more than 2 billion rubles)<sup>57</sup>.

The plan of the military exercise was based on the 2005 Andijan event, when the Uzbek president suppressed the anti-government movement in Andijan, the Eastern region of Uzbekistan. This kind of military exercise must have cheered on the Uzbek government (that spoiled its relationship with the United States because of the the Andijani revolution) by inviting Uzbekistan to the military structures of the SCO.

In 2007, all the SCO members participated in another military exercise that was held in the territory of Russia (city Chebarkul). Considering the number of military exercises, it is important to emphasize the SCO's tendency towards militarization.

However, despite its militarized nature, according to all of the official SCO documents, the SCO is not a military-political bloc or a military union of nations. According to the SCO documents, the official mission includes a joint combat on international terrorism, religious extremism, organized crime, illegal trafficking of narcotics, and massive illegal migration. Besides that, the SCO's official goal is 'effective cooperation in politics, trade, economy, energy, science, technology, culture, education, transportation, tourism, and environmental protection'. All the decisions in the SCO are made through a consensus of the six state-members.

Considering all the aforementioned facts, we can conclude that the SCO has gone through a quality evolution. It transformed from a structure created for resolving territorial disputes into an organization that reviews the whole complex of problems of its

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<sup>57</sup> Based on the materials of the Chinese Embassy in Russia for December 2007, available from <http://ru.china-embassy.org/rus/sgxw/t353702.htm>

member-states. At the present moment, the SCO, aside from its traditional security trend, is utilizing programs focused on cooperation in trade, energy, and transportation. In this regard, the SCO founded special institutions such as Interbank Association, the SCO Business Council, the SCO Development Fund, and fifteen various agencies.

Up until now, a sizable legal and conceptual basis of documents has been shaped. The most significant are the results of the summits in Bishkek (2007), Shanghai (2006), Astana (2005), Tashkent (2004), and other official conferences and meetings of the SCO Council of Ministers of Foreign Affairs, of the national security councils of member states, and others.

It is especially important to point to the following documents:

1. The SCO Charter.
2. The Bishkek Agreement on good-neighborliness, friendship, and cooperation of the SCO member states (issued in August 2007).
3. The Agreement on cutting off the infiltration channels of terrorists, separatists and extremists (2006), an agreement on joint anti-terrorism actions among member countries (2006), a resolution on fighting terrorism, separatism and extremism from 2007 to 2009, statement on information security of the SCO RATS (2006)
4. “The Convention on privileges and immunities of the SCO”
5. “The Agreement on cooperation in the fight against the illegal circulation of narcotics”

An important document that caused a resonance among politicians and experts is the Declaration of the SCO Summit in Astana of July 5 2005. The following is an excerpt from that document:

“A number of the SCO member states provided their ground infrastructure for temporary stationing of military contingents of some states, members of the coalition, as well as their territory and air space for military transit in the interest of the antiterrorist operation.

Considering the completion of the active military stage of antiterrorist operation in Afghanistan, the member states of the Shanghai Cooperation Organization consider it necessary, that respective members of the antiterrorist coalition set a final timeline for their temporary use of the above-mentioned objects of infrastructure and stay of their military contingents on the territories of the SCO member states”<sup>58</sup>.

The Astana summit, held in 2005, was a sign of the SCO’s transformation into a security structure resisting the United States. In support for this argument, it is necessary to investigate whether there was a change in the United State’s policy towards the SCO members parallel to the transformation of the SCO’s mission.

### **The Change in US Foreign Policy**

According to the National Security Strategy (NSS) of the United States published in 2002, the goal of the US is to protect the American nation, combat terrorism, and promote democracy across the world, for which it chose preventive methods. Based on the principles of self-defense, the US is ready to attack its enemy even in cases when the time and place of the enemy’s attack is unknown. The highest values for the US are the democratic principles and human rights.

The 2006 version of the US NSS repeats the strategy of 2002. It relies on two main principles: protection of freedom, justice, and human dignity and the role of the US as a leader in the struggle against the global terror. In that edition of the NSS, Iran, an

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<sup>58</sup> “Declaration of Heads of Member States of SCO”, 5 July 2005, available from [www.sectSCO.org](http://www.sectSCO.org)

SCO observer, is announced as an enemy of the United States. It is accused in nuclear proliferation and harboring terrorists.

From the SCO members' policy on combating terrorism it can be concluded that the SCO must have a common ground with the United States in terms of security. In 2001, all the SCO members, including China and Russia, were willing to support the US initiatives in Afghanistan and its war on terrorism. The SCO members and the United States had common security concerns during the US-led war in Afghanistan. In other words, the SCO members preferred to cooperate with the Western coalition.

After the end of the cold war, Russia, China, and the Central Asian states chose to follow the Western model of development, accepted democracy and free market economy, and cooperated with NATO in security issues. At the time when the SCO was officially established, the key SCO players, Russia and China, were considered as partners of the United States. But one can observe the gradual change of the US attitude towards these two key players of the SCO by comparing the US National Security Strategy (NSS) issued in 2002 and the one issued in 2006.

The US NSS of 2002 edition stresses the progress the United States made in its partnership with changing Russia and China:

“With Russia we are already building a new strategic relationship based on a central reality of the twenty first century: the United States and Russia are no longer strategic adversaries...Russia's top leaders have a realistic assessment of their country's current weakness and the policies-external and internal-needed to reverse those weaknesses. They understand, increasingly, that Cold War approaches do not serve their national interests and that Russian and American strategic interests overlap in many areas” (pp. 26-27, NSS:2002)

The US National Security Strategy issued in 2002 notes the importance of developing partnership between the United States and China, and it illustrates China as one of the key partners of the United States in the war on terror:

“The United States seeks a constructive relationship with a changing China. We already cooperate well where our interests overlap, including the current war on terrorism and in promoting stability on the Korean peninsula. Likewise, we have coordinated on the future of Afghanistan and have initiated a comprehensive dialogue on counterterrorism and similar transitional concerns” (p. 27, NSS:2002)

The strategic turnaround of China and Russia was mentioned in the US National Security Strategy issued in 2006. In the US NSS released in 2002, Russia and China were mentioned as important strategic allies of the United States, in the 2006 edition of the US NSS, both states were no longer counted as partners, but viewed as growing threats to the US national security.

“Strengthening our relationship [with Russia] will depend on the policies, foreign and domestic, that Russia adopts. Recent trends regrettably point toward a diminishing commitment to democratic freedoms and institutions [in Russia]... Efforts to prevent the democratic development at home and abroad will hamper the development of Russia’s relationship with the United States, Europe and its neighbors” (p. 39, NSS:2006).

The NSS of 2006 edition is much more critical in the rising of China. It demands openness and transparency from China, even in its military programs, and condemns the Chinese leaders for being old-fashioned:

“China’s leaders must realize, however, that they cannot stay on this peaceful path while holding on to old ways of thinking and acting that exacerbate concerns throughout the region and the world. These old ways include:

- continuing China’s military expansion in a non-transparent way
- Expanding trade, but acting as if they can somehow “lock up” energy supplies around the world or seek to direct the market rather than opening them up...
- Supporting resource-rich countries without regard to the misrule at home or behavior abroad of these regimes” (pp. 41-42, NSS:2006)

Analyzing the change in the national security strategy of the United States is important when comparing the 2006 edition of the NSS to the one established in 2002 as the change in the US NSS shows the reaction of Washington to the behavior of the new centers of power like Russia and China. The change in the US NSS implies that the SCO key players have been gradually transforming from ‘friends’ to ‘threats’.

The strategy change in the US foreign policy also implies that the security priorities of the key SCO players (Russia and China) must have changed in the mid-2000s, the time when the SCO refused to review the candidacy of the United States for an observer status, but instead welcomed Iran, or the enemy of the US, as an observer. The US's request to obtain an observer status in the SCO was not reviewed.

The 2005 Declaration of the Astana Summit contains an important paragraph. It declares that the SCO members will continue supporting the efforts of the world coalition in conducting antiterrorist operations in Afghanistan. However, they note the positive dynamics in political stabilization of Afghanistan and ask the participants of the campaign in Afghanistan to abandon the territories of the SCO members. In a word, they asked the United States to leave the region.

This request may have been initiated by Uzbekistan. President of Uzbekistan Islam Karimov, emphasizing that the cause for international terrorism in the Central Asian region lies in the illegal circulation of narcotics and the existence of drug routes, claimed that “the presence of foreign military forces in Afghanistan has no practical impact on these processes”.<sup>59</sup>

Perhaps, it is not that important whether Uzbekistan was the initiator for the removal of the US bases from Central Asia. Both SCO key players with their concealed anti-US approach would feel comfortable with the fact that the request for the removal of the US military forces from the region does not have an author, except for the “SCO” in general, or in the worst case, it would be treated as a concern for the president of Uzbekistan.

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<sup>59</sup> P. Akapov, “What happened to SCO?”, *Politicheskii Zhurnal*, 25/76 (2005).

Considering that after the revolution in Kyrgyzstan and an uprising in Andijan, the Uzbek government fell under the pressure of the West, the president of Uzbekistan must have had serious reasons to be concerned enough to initiate a timeline for the removal of the US military bases from the territories of the Central Asian states. Hence, the ruling elites of Russia and China acted as if they had no connection to the US military base issue and boldly visited the G-8 summit in the same year. And the statement of the Russian foreign minister Sergei Lavrov that “the structures of the SCO and OSCE are capable of carrying out the tasks of localization and elimination of the remaining extremists in the region of Afghanistan” sounds politically correct too.

There are some more unpleasant surprises for Washington in the Astana Summit Declaration (2005) of the SCO. First, the document emphasizes the diversity of cultures and civilizations and the right of every nation to choose its own path:

“Diversity of cultures and civilizations in the world is a common human value. At a time of fast developing information technologies and communications it must stimulate mutual interest, tolerance, abandonment of extreme approaches and assessments, development of dialogue. Every people must be properly guaranteed to have the right to choose its own way of development.”

In the Astana Summit, the member states of the SCO de-facto agreed to resist the standards of democratization set up by the United States. As the SCO Secretary-General Zang Deguang noted in the Astana summit, “the export of a prepared model of social development cannot lead to progress, but it would rather create a chaos, destroy the normal balance of political and social development, and drive the society backward”<sup>60</sup>

Second, the member states are critical of the hegemonic ambitions of the United States:

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<sup>60</sup> “SCO Astana Summit”, 5 July 2005. Source: [www.iwpr.net](http://www.iwpr.net)

“The heads of the member states are convinced that a rational and just world order must be based upon consolidation of mutual trust and good-neighborly relations, upon the establishment of true partnership with no pretence to monopoly and domination in international affairs. Such order will become more stable and secure, if it comes to consider the supremacy of principles and standards of international law, before all, the UN Charter. In the area of human rights it is necessary to respect strictly and consecutively historical traditions and national features of every people, sovereign equality of all states”.

The conclusion is that the SCO is against the main US foreign policy course set up in the National Security Strategy of the United States. Further, the unilateral dominance of the United States in international affairs is not welcomed by the SCO.

The SCO members and observer-states repeated their warning to the United States during the Bishkek summit of the SCO held in August 2007, where the heads of Russia, China, and Iran officially declared that Central Asia should be left alone to manage its stability and security. The summit participants also critiqued Washington’s intentions to deploy anti-missile systems in Eastern Europe (Poland and the Czech Republic). “These intentions go beyond just one country. They are of concern for much of the continent, Asia, and SCO members”<sup>61</sup>, said the Iranian President Mahmoud Ahmadinejad during the summit.

The following statement of the SCO leaders was the conclusion for the summit held in Bishkek: “Stability and security in Central Asia are best ensured primarily through efforts taken by the nations of the region on the basis of the existing regional associations.”<sup>62</sup>

It is obvious that such a position of the SCO would not satisfy Washington, which, according to Ariel Cohen, has important strategic interests in the Eurasian continent such as support for the US presence in Afghanistan, neutralization of the

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<sup>61</sup> “Russia, China, Iran warn US at summit”, Washington Post, 16 august 2007

<sup>62</sup> Ibid

growing influence of Islamic extremists in Central Asia, and prevention of Russian-Chinese-Iranian condominium<sup>63</sup>.

The Astana and Bishkek Summits are almost nothing but the failure of democracy in Central Asia. They showed that the Central Asian leaders, concerned about the colored revolutions, prefer “Authoritarian Russia and China” to the “Democratic United States”

As can be seen from the above, the SCO supports the war on terror, but on the other side, it is friendlier to Iran than it is to the United States. This type of position is quite strange. What could be the reason?

On the one hand, Iran has huge energy potential, which cannot be ignored by China and India. A massive Iranian-Indian energy project related to the export of Iranian gas to India has been initiated. The Russian interest is conditioned by the cooperation in the area of peaceful nuclear energy and development of beneficial North-South transport corridors.

On the other hand, the rapprochement of the leading SCO players with Iran threatens their relationship with the United States. First of all, it should concern India, Pakistan, and Russia. The SCO, as an alternative structure for American projects, is interested in a closer relationship with Iran, but only to a certain degree. Moscow, Beijing, and Delhi are afraid that the president of Iran might get out of control not only with the SCO, but with the whole world community. Further confrontation with the West might inevitably end with “military nuclearization” of Teheran and a violent reaction of the US and NATO.

### **Summary**

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<sup>63</sup> Ariel Cohen, “Are the US and Russia on a collision course?”, The Heritage Foundation, 901 (September 2005)

Below is the summary for the strategic change in the SCO's mission.

The SCO as an organization that was initially founded as a mechanism for strengthening trust among its members in the area of territorial disputes has gradually grown into a dynamic and influential international organization. India, Pakistan, Iran, and Mongolia are the observers of the SCO, and Sri-Lanka, Japan as well as ASEAN and EU express an interest in observing the SCO's activity.

The cumulative economic capacity of the organization exceeded 1.5 trillion US dollars. Almost a quarter of the world GDP is produced in the SCO. Today the SCO is close to the creation of its own trade zone. The volume of trade among the member states for the year 2008 is 50 billion US dollars.<sup>64</sup>

For the recent years, the economic growth of the SCO members has been in the range of 6-8%, and that promises significant economic prospects to the organization. Quite profitable is the cooperation of the members in the energetic sphere and in transportation. The military and strategic potential of the SCO is determined by the fact that it contains 4 nuclear states: Russia and China-de-jure, India and Pakistan-de-facto.

With the increase in its economic and political strength and reputation, the SCO started moving away from the rapprochement with the US-led coalition in Central Asia and finally took a position that opposes the US presence in the region. The following processes occurred in the same period of time: a riot in Uzbekistan (2005), the anti-US statements in the SCO's summits in 2005, ratification of the official SCO documents that critique the Western foreign policy and reject the US model of social-political

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<sup>64</sup> J.M. Jamankulov, "Shanghai Cooperation Organization: Aspects of Education", *Information Analysis Centre of Kyrgyzstan*, 3 may 2007

development (2005), the change in the US attitude towards Russia and China (US NSS 2006), and the SCO's largest military exercise ("Peace Mission-2005").

If in 2001, the SCO members supported the US campaign in Afghanistan and preferred to move in the direction of the force (i.e. US) instead of opposing it; after the colored revolutions and the 2005 summit in Astana, the SCO decided to move against that direction.

Despite the dynamic institutional development, the question about the SCO's achievements (aside from the ratified declarations) still exists. Despite the ratification of a range of legal documents, including the SCO Charter, *there is still no clarity in the character of the SCO's activity, its priority tasks and ways of their accomplishment.*

The activity of the SCO is overloaded with functions in such areas as economy, energy, culture, and education. At the same time, there is a growing need in the decisiveness and clarity within the organization under the conditions of serious political and economic changes in the region. Uncertainty remains in the future regional security tasks of the SCO besides those directed against international terrorism, ethnic separatism, religious extremism, organized crime, and illegal drug and arms trafficking. *Therefore, the main ailment of the SCO is in the absence of a concretely and exactly formulated mission that would be accepted by all its members.*

## VI. DISAREEMENTS WITHIN THE SCO

The disagreements between the members of the SCO can be categorized in the following way:

1. Disagreements between China and Russia
2. Disagreements among China, Russia, and the Central Asian states
3. Disagreements among the Central Asian states<sup>65</sup>

Among the aforementioned groups, the disagreements between China and Russia should be counted as the most essential as they have the biggest impact on the prospects of security cooperation within the framework of the SCO mechanism.

China is interested in using the SCO as a regional zone of economic cooperation as China's main interests in the SCO contain the following components:

- Trade and investment: the desire of China to enter the local Central Asian markets and strengthen its position there.
- Transportation: China's aspiration to link the region with its Western provinces with a system of transport corridors.
- Transit: construction of a new version of the Silk Road through the territory of Central Asia.

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<sup>65</sup> Zhao Huasheng, "SCO: Prospect and Challenges", *SCO in search for a new security concept* (October 4 2007), page 144

- Energy: utilization of the oil and gas potential of the region<sup>66</sup>.

China is far behind Russia in its cultural and military ties with the states of Central Asia. Thus, Beijing resists the transformation of the SCO into a military bloc. The SCO's movement into a military dimension might enhance Russia's strength and prestige in the organization. Therefore, Beijing must be intentionally hampering the development of the military component of the SCO<sup>67</sup>.

In addition to that, as a leader of the Collective Security Treaty Organization (CSTO) and Eurasian Economic Community (EurAsEC), the Russian Federation is encountering a dilemma concerning the future of the SCO. Russia is to decide whether the SCO should concentrate on the economic or on the military-strategic dimension<sup>68</sup>. In case of an intense development in the economic component of the SCO, China, by virtue of its financial potential, would definitely dominate in this organization.

In the second case, the CSTO might cease functioning in the region as both organizations are involved in the same geographical zone and the same functional area. *Russia must be concerned about the SCO's ability to absorb the functions of both EurAsEc and CSTO.*

In this regard, Russia aspires to take the initiative in the regional business. In that manner, during the process of the preparation for the "Peace Mission-2007" military exercise, Moscow suggested the Chinese side to undertake joint SCO-CSTO exercises, to which Beijing gave a negative response.<sup>69</sup>

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<sup>66</sup> Akapov P.: "What happened to SCO?", *Politicheskij Zhurnal* ("Political Magazine"), 25/76 (2005)

<sup>67</sup> Ibid

<sup>68</sup> Ibid

<sup>69</sup> Ibid

At the present moment, the Russian government perceives the SCO as an organization with a growing political weight which welcomes other states who would like to resist the US influence. Nevertheless, there is a range of factors that limit the capability of the Russian government to realize its ambitious plans regarding the SCO.

From the statements of the former Russian president and his advocates, we can infer that the SCO is viewed not only as a promising alliance, but also as an alternative to what Moscow considers as a world order governed by the US. Besides that, the Russian government must be hoping to play a leading role in international affairs through the SCO mechanism.

The bedrock of the alliance, according to the Russian Prime Minister Vladimir Putin, is the SCO's philosophy of respect for the diversity of cultures, religious beliefs and traditions, and sovereignty of states, implicitly including the tradition of authoritarian governance. Moscow is trying to ally with the states that respect the principle of noninterference in the internal affairs of sovereign states. *As more states recognize this principle and start joining the SCO club as members or observers, the Russian government might expect the US either to recognize the legitimacy of the SCO's authoritarian regimes or to be left in international isolation for not acknowledging such legitimacy.*

If such are the goals of Russia regarding the SCO, they must be truly ambitious. Is Russia able to achieve these goals?

The following are the factors that can prevent Russia from realizing its ambitions:

- 1) The Chinese administration does not share Moscow's views about the objectives and the predestination of the SCO. Instead of transforming the SCO

into a military bloc, Beijing wants to assign it a role in the zone of economic cooperation<sup>70</sup>.

- 2) Kazakhstan, Kyrgyzstan, and China now obviously have a better relationship with the United States than Russia and Uzbekistan. Although, the first group of states fears the US's efforts to promote democracy, it still should prefer to keep a good relationship with Washington. China, Kazakhstan, and Kyrgyzstan are highly unlikely to spoil their relations with the United States just because of Russia, considering the growing economic interdependence of China and the United States due to the current process of globalization.
- 3) Although Moscow prefers to see the SCO as a military alliance, given the absence of such intents in Beijing, some Russian observers are concerned about the growing power of China. Such a concern might also exist in the Kremlin.
- 4) Uzbekistan has border tensions with the neighboring member-states of the SCO, such as Kyrgyzstan, Kazakhstan, and Tajikistan. Furthermore, neither Moscow nor the SCO was able to ease this tension. As Tajikistan, Kazakhstan, and Kyrgyzstan fear Uzbekistan in Central Asia and do not get enough support from Moscow and the SCO in restraining this country, they might decide to gain support from the Western states, including the United States, in strengthening their own security.
- 5) The inclusion of new members to the SCO might have negative consequences. There are now four observer-states in the organization. Mongolia, Iran, and Pakistan applied for the SCO membership. Sri-Lanka, Belarus, and Nepal

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<sup>70</sup> Zhao Huasheng, "SCO and the Great powers in Central Asia", *Analitic*, 1(2003)

expressed an interest in participating in the organization in any status. But the expansion of the SCO membership does not mean that the members would become more compliant with Russia than now. In reality, Russia might discover that with the growth of the number of members, its influence in the organization may decrease. Besides that, Russia and other SCO states might fear that the acceptance of new members would be viewed as a support in their disagreements with other nations. And those nations, in their turn, may rapproche with the United States in response to that. On the other hand, not granting membership to the candidates might kill their interest in joining the club due to the absence of enthusiasm in the SCO accepting new members.

The realization of the Russian plan to transform the SCO not only into a powerful military alliance but also into the basis of the alternative world order that would resist the United States can be prevented in the future by the five aforementioned problems. *The given problems are quite serious. Thus, the potential of the SCO to become a military-political bloc seems to be quite limited.*

The desire of the Russian Federation to enhance the military cooperation is understandable. The advantage of Russia over China in this sphere is significant. The CSTO, which does not include China, is structured on the Russian military platform (preparation of the military staff, provision of military technology, joint exercises). Also, the CSTO has taken concrete actions in resolving the internal conflict in Tajikistan, in organizing the defense of the Tajik-Afghan borders, and eliminating the band of terrorists in the Batken region of Kyrgyzstan<sup>71</sup>.

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<sup>71</sup> Based on the materials of RIA Novosti on the CSTO, 11 June 2010

The disagreements between China and the Central Asian states are primarily related to the traditional problem of the “Chinese threat”. Doubts about the possibility of close relations between them exist because of the cultural and civilizational differences<sup>72</sup>. Added to everything else, the enormous difference in the potential of China and Central Asian states might create objective reasons for the proliferation of anti-Chinese ideas. All these factors generate mistrust between Central Asia and its giant member, and therefore, any attempt of the Chinese government to expand its influence in the region might arouse a counteraction from the side of the Central Asian states. This kind of counteraction may be intended to balance the power of China at the expense of Russia.<sup>73</sup>

*The Central Asian republics can use China as a counterbalance against the influence of Russia in the region.* This intent is seen in the aspiration of the Central Asian states to diversify their trade-economic relations, transport and communication routes.<sup>74</sup>

The disagreements among the Central Asian states are reflected not only in the interstate relations but also in the clash of opinions of the ruling elites regarding the SCO. Distinct elements of competition can be observed in the relationship between Kazakhstan and Uzbekistan. The decision of the Uzbek government to join the SCO may have been conditioned by Tashkent’s desire to decrease the risk of Kazakhstan’s regional dominance which was provided by the SCO. In other words, by joining the organization, Tashkent was able to increase its chances of indirectly influencing the course of events in Central Asia and participating in the regional affairs.

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<sup>72</sup> Sun Zhongzhi, “New and Old Regionalism: The Shanghai Cooperation Organization and Sino-Central Asian Relations”, *The Review of International Affairs*, 3/4

<sup>73</sup> Zhao Huasheng, “Theoretical and practical bases of Chinese diplomacy in Central Asia”, *Resource Database of the Almaty Center for Chinese studies*, 1 March 2003

<sup>74</sup> Sun Zhongzhi: “New and Old Regionalism: The Shanghai Cooperation Organization and Sino-Central Asian Relations”, *The Review of International Affairs*, 3/4: 600-612

After the revolution in Kyrgyzstan, the Uzbek government carefully critiqued the SCO for being mild in its politics towards the colored revolutions that destabilized the situation in the region. The observers have different views on the tragic events in Andijan of May 2005. The official version of the Uzbek government was that it was an attempt to seize power by the “Akramiya” terrorist movement in Ferghana to establish an Islamic Caliphate in that region. Other observers think that the cause for the Andijan event lies in poverty and social tensions in Uzbekistan and that the real reasons were concealed<sup>75</sup>.

After the Andijan event, the Uzbek government stated that the terrorists from Andijan trained for their attack in the territory of Kyrgyzstan. The Uzbek-Kyrgyz disagreements on this issue might be further reviewed by the SCO.

It would also be relevant to note that one of the main reasons for the SCO membership of Kyrgyzstan and Tajikistan could be their intention to weaken the growing influence of Uzbekistan on them<sup>76</sup>.

It is necessary to review the problem of the Chinese threat in the territory of Central Asia. This problem is the consequence of Russian politics in the post-soviet region of the 1990s. According to Cohen, “the SCO is an instrument that China uses to increase its influence in Central Asia. China, Russia, and Iran will probably try to oust the United States from Central Asia or at least will try to prevent the United States from extending its presence in the region”<sup>77</sup>.

Furthermore, the Western states are concerned with the following aspects of the situation in Central Asia:

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<sup>75</sup> Based on the materials of the Uzbek information agency Ferghana for 28 June 2005, [www.ferghana.ru](http://www.ferghana.ru)

<sup>76</sup> K.B. Sheryazdanova, “SCO in Central Asia”, *SCO in search for new security concepts* (4 October 2007), 46 (published in Russian)

<sup>77</sup> Ariel Cohen. “Great Game in Central Asia”, *Washington ProFile*, 16 July 2005

1. A new strategic alliance directed against the West is about to emerge in Central Asia;
2. Beijing, not Moscow, might be the true leader of this alliance. In a few years, Central Asian states might start turning towards Beijing, but not Moscow<sup>78</sup>;
3. This alliance is now indirectly supported by Iran, India, and Pakistan;
4. China uses the SCO not only as a platform for strengthening its position in Central Asia, but also as an instrument for resisting the existing US-led alliance in the Asian-Pacific region, and for extending its influence in South-Western Asia, Middle East, Eastern Africa, and in the region of the Indian ocean<sup>79</sup>.

However, *the most significant aspect of the Chinese problem is brought about by the SCO; China obtained a legitimate right to directly engage in the politico-economic affairs of the post-soviet region without the objection of Russia and Central Asia.* In other words, China gets a chance to play on the contradictions between the post-soviet states, as well as the various groups within those states without the risk of being accused of expansionism or subversion<sup>80</sup>.

Chinese experts do not reject the possibility of this kind of scenario. That way, according to some of those experts, “the SCO allows China not only to be an external observer of all processes in the region, but also to become an active player capable to

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<sup>78</sup> K.B. Sheryazdanova, “SCO in Central Asia”, *SCO in search for new security concepts* (4 October 2007)

<sup>79</sup> Zhao Huasheng: “Theoretical and practical bases of Chinese diplomacy in Central Asia”, *Resource Database of the Almaty Center for Chinese studie*, 1 March 2003

<sup>80</sup> G. Kunadze, “Shanghai Cooperation Organization-myths and reality”, *SCO: Establishment and Prospects of Development* (July 2005): 139

influence the formation of the future security system of Central Asia. Beijing is interested in tracking the political processes in the region to enable itself to adequately react to the regional events that are against its interests”<sup>81</sup>.

How could Chinese expansionism reach Central Asia, the region of traditional Russian influence?

In the early 1990s, Russia released the geopolitical space of Central Asia, and China started using these favorable conditions. In the late 1990s, the region experienced a geopolitical collision, but Russia was more interested in building a friendly relationship with the West first and then resisting it in the international arena than with its problems in Central Asia. When it became obvious that the situation in Central Asia had a direct impact on the Russian security and when Moscow decided to strengthen its presence in Central Asia, the imperial ambitions of Russia revived<sup>82</sup>. By that time, Beijing had already settled down in the region as an alternative for Russia; and Moscow had no other option but to compete with China. In the early 2000s, *after the United States and NATO included Central Asia into their own zone of interests, the Russian-Chinese competition was followed by partnership*<sup>83</sup>.

In October 2005, while the heads of the member states of the SCO were meeting in Moscow, Beijing officially demonstrated its geopolitical ambitions in the region and its desire to become a Central Asian leader by offering a 900 million export credit to the SCO members with a low interest rate of 2% for up to 20 years<sup>84</sup>. The Chinese representatives also specified the priorities of economic partnership that would set

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<sup>81</sup> Li Lifang: “Geopolitical Interests of Russia, China, and US in Central Asia”, *Central Asia and Caucasus*, 3 (March 2004): 162

<sup>82</sup> A. Katranis, “The Role of NATO in Central Asia”, *Central Asia and Caucasus*, 42 (2005): 42-52

<sup>83</sup> See the fourth thesis section “Strategic Change in the SCO’s Mission”

<sup>84</sup> Based on the materials of “Nezavisimaya Gazeta” for October 2005

conditions for the realization of the Chinese initiative to establish a free trade zone in the SCO space, and they also noted that Beijing was planning to increase the amount of credit in the future.

However, the paradox is in the complexity of the Russian-Chinese relationship, uncertainty in the relationship of both Russia and China with the West, or the United States in particular, and also in the potential conflict between the Chinese ambitions in Central Asia and the Russian historical zone of influence in the region. *As long as Russia and China have a common goal-to restrain US expansion in Central Asia, the Russian-Chinese partnership, as well as the SCO mechanism itself, should remain effective.* But what will happen if the common goal disappears and China becomes more powerful than before? It is not known yet. Hence, the future prospects of the SCO must be unclear too.

There are some objective obstacles to the successful formation of the SCO related to the bilateral relationship among its members. First of all, territorial disputes among Central Asian states still exist. Another significant factor is the uncertain status of trans-border rivers. Kazakhstan suggested assigning the task of solving this status issue to the SCO, but the Kazakh initiative was vetoed by the other SCO members, China and Uzbekistan in particular<sup>85</sup>. They claimed that this problem should be solved through the process of bilateral negotiations, and by that, *they demonstrated the inability of the SCO to function as an institution always capable of resolving disputed issues emerging among its members.*

The “energy thirst” of China cannot be ignored in the analysis of the interstate relations within the SCO. China imported 70 million tons of oil in 2000, about 80 million tons in 2003, and around 127.1 million tons of oil in 2005. According to the current

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<sup>85</sup> K.B. Sheryazdanova, “SCO in Central Asia”, *SCO in search for new security concepts* (4 October 2007)

prognosis, the foreign import of oil to China will double in 2010, and China will consume more than 400 million tons of oil by 2030 (see table 3)<sup>86</sup>.

**Table 3 An estimate of the Chinese demand for oil (million tons of oil a year)**

	2010	2020
Institute of Energy Research of PRC (2004)	296	380
Institute of Energy Research of PRC (March 2005)	360-390	420-500
Institute of Energy Research of PRC (September 2005)		560
US DOE Energy Information Administration (2005)	460	615

Considering the various geographical locations from which China has imported oil (see table 4), we can see that the volume of import cannot increase without the provision of oil from Russia and Central Asian states, primarily Kazakhstan.

**Table 4 Sources of the oil import to China (million tons)**

Year	Middle East	Africa	Asian Pacific Region	Russia and others	Total
1998	16,37	2,19	5,47	3,00	27,32
1999	16,90	7,25	6,83	5,63	36,61
2000	37,65	16,95	10,61	5,05	70,27
2001	33,86	13,55	8,68	4,17	60,26
2002	34,39	15,80	11,85	7,37	69,41
2003	46,37	22,18	13,85	8,73	91,13
2004	55,79	35,30	14,14	17,57	122,82
2005	59,99	38,47	9,68	18,94	127,08

<sup>86</sup> Mihail Krutihin, "Chinese Demand for Russian Oil", *RusEnergy*, 1 (12 April 2006)

Kazakhstan mostly uses the Russian pipeline system, and it has to pay for the transit. Therefore, cooperation of Kazakhstan with China in the energy sphere is a chance for Kazakhstan to diversify the direction of the Kazakh oil transportation, and to weaken its dependence on the Russian routes and Russian companies.

However, it is not clear how China would behave if the share of Chinese companies in the oil and gas sectors of Kazakhstan significantly increases. Historically, there have been cases when the dominance of foreign companies in the budget sector of a state turned into a serious threat to the national security of a state. It is also necessary to consider that Russia and Kazakhstan are competitors in the market of oil and gas imports to China. This kind of situation in the energy market should definitely have a decisive impact on the nature of the relationship among the SCO members.

### **Summary**

The following is a short summary for this section of the research.

There are problems related to the character of the bilateral relations of Central Asian states with Russia and China and their relations among each other. There is a complex of problems in the first block as well as in the second block. The SCO members would have to determine if they are going to resolve these issues through the SCO mechanism or whether they will negotiate in a bilateral format.

The analysis of disagreements within the organization shows that, first of all, the broad and declarative interpretation of the SCO's mission allows each of its members to find its own interest. However, all the aforementioned differences in interests explain why the SCO members are having difficulties in specifying the functions and tasks of the

organization, and why they have problems in determining the vector of its further development.

Second, the bias of the Central Asian states against China, the persisting tensions among the countries of Central Asia, China's opposition to further militarization of the SCO, and the disagreements between Russia and China on the SCO's priority goals show that the SCO members have a weak sense of community and weak ties to each other. This type of relationship among the alliance members lowers the SCO's potential to be an effective counterbalance against the United States.

## VII. GREAT GAME IN CENTRAL ASIA

Central Asia is a region of rich energy resources. Its large energy supplies and convenient geographical location is important for the United States and its energy projects in the Middle East. Central Asia is located in the center of rising powers like Russia, China, Iran, India and Pakistan. In case of rivalry with any of these states, Central Asia could be an indispensable base for the United States. “Central Asia’s importance to the United States exceeds its value as a stepping stone to Afghanistan and a neighbor of China and Russia”.<sup>87</sup>

The proximity of Central Asian states to Afghanistan, where the United States is trying to establish a democratic government and fight terrorist groups, has been important for the US campaign on terror. Stephen Blank points at the strategic role of Central Asia in the US foreign policy: “its significance is, first, strategic due to its proximity to the war on terrorism and major actors like Russia, China, Iran, Pakistan and India. Only secondarily is it important by virtue of its energy”.<sup>88</sup>

The current situation in Central Asia reminds us of the struggle of Russia and the British Empire for the control of the region at the beginning of the XIX century. Rudyard Kipling named it a “Great Game”, comparing it to a chess game where opponents seek to

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<sup>87</sup> Eugene Rumer, “The U.S. Interests and Role in Central Asia after K2”, *The Washington Quarterly*, 29/3 (Summer 2006): 151

<sup>88</sup> Stephen Blank, “US Interests in Central Asia and Challenges to Them”, *Strategic Studies Institute* (March 2007): 5

avoid open confrontation. In 1907, Saint Petersburg and London agreed to leave the territory under the control of Russia.

The modern “Great Game” in Central Asia includes more players than before: the United States, Russia, China, India, and, to some extent, Iran, Turkey, and the European Union. The game has clear geopolitical and geo-economic elements as it involves natural resources including sources of energy. A high rate of Chinese economic development has intensified the competition for the Central Asian resources in general.

After 9/11 and the American campaign in Afghanistan, the geopolitical conflict in the region revived. The new game in Central Asia inherited some elements of the old “Great Game”, but it is quite different from the previous one because within the last 100 years Central Asia and the world in general have changed. We should also distinguish the main players of the current competition in Central Asia: Russia, US, China, and Iran.

After the end of the Cold War, the United States established close relations with the Central Asian leaders and significantly diminished the role of Russia in the region. During the war in Afghanistan, the US started leasing military bases in Central Asia: one in Karshi, Uzbekistan, and the other in Manas, Kyrgyzstan.

Moscow was concerned about the growing network of the United States in Central Asia, in the region viewed by Russia as its historical and cultural space, as a zone of its own geostrategic interests. Roy Alison summarizes Russian strategic interests in Central Asia in five points:

- 1) Stability in Central Asia through a close partnership with the regional states.
- 2) Free transit through Central Asia to keep partnership with China, India and Iran

- 3) Common economic space between Russia and the regional states, which is beneficial to Russia. It can help Russia to modernize its economy.
- 4) Use of geostrategic potential of Central Asia for preserving the status of Russia as a regional power.
- 5) International recognition of Russia's hegemonic role in the region<sup>89</sup>.

Russia started accomplishing the aforementioned objectives through the mechanisms of the SCO after the end of the long rapprochement between the US and Central Asian states. After the revolts in Georgia and Ukraine, Central Asian governments feared the domino effect of the “colored revolutions”, which, as they assumed, were backed by Washington. The US politics of democracy promotion did not overlap with their objectives; therefore, Washington was viewed as a threat to the incumbent authoritarian regimes of Central Asia. Consequently, after the Orange revolution in the Ukraine, the Central Asian leaders, concerned with the “domino effect” of the revolutions backed by the United States, started developing closer relations with Russia and China.

The democratic wave, driven by the United States spread to Kyrgyzstan and the national leaders of Central Asia, agreed to accept the patronage of Moscow and Beijing. The Central Asian ruling elites have probably concluded that the close cooperation with the United States was dangerous for the stability of the region and preservation of their ‘sovereignty’.

The SCO members believe that the United States instigated and supported the “colored revolutions” in the post-soviet region, including Central Asia. They warned about the chain reaction of the revolutions in Georgia and Ukraine and their

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<sup>89</sup> Roy Alison, *Central Asian Security: The New International Context*, (Washington: Brookings Institution Press, 2001): 219-246

consequences for the rest of the post-soviet world<sup>90</sup>. The regional authorities viewed the endless demands of the United States for liberal reforms in Central Asia as a policy directed towards the establishment of pro-American government networks in the region. Therefore, the wave of revolutions in the post-soviet region, which had a connection to the US politics of democracy promotion, encouraged the SCO members to reconsider their policy towards the United States and its Western partners.

One more event pushed Central Asian states towards the rapprochement with Russia. In May 2005, Uzbek President Islam Karimov was condemned by the Western states for massacring the Uzbek civilians protesting against the incumbent regime. In November 2005, the SCO set up an agenda for the removal of the US military base from Karshi, Uzbekistan. This event can be counted as a turning point in the foreign policy of Central Asian states: they turned around towards China and Russia. Moscow and Beijing offered the states of the Central Asian region an alternative agenda, which supported the existing political regimes, promised military support and the patronage of Russia and China. The agenda also included in itself several energy projects beneficial for SCO members. Common security concerns strengthened the close relationship between Russia, China, and Central Asian states. The SCO mechanism unified and directed them against the Western states and NGOs.

Almost none of the experts, such as Allison, Blanc, or Zhao Huasheng, deny that the antiterrorist campaign in Afghanistan was necessary for the United States not only for eliminating threats from Afghanistan, but also for strengthening its position in Central Asia in order to restrain China.

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<sup>90</sup> O. Turgunova, "Colored Revolutions", *Moscow Center of Conservative Research*, February 2006

After 9/11, the US interest in Central Asia considerably changed. The reason is in the range of aspects that are important for the United States. In the short term, Washington needs support for the military operations in Afghanistan in preventing the proliferation of radical Islamic movements which, in Washington's view, cause a terrorist threat. The United States is interested in the democratization of the region, in the partnership of the local states, and in the prevention of ethnic conflicts. The United States considers it necessary to see Russia as a peaceful neighbor to Central Asia. Washington is also interested in the development of the energy infrastructure of the region.

Before the antiterrorist campaign in Afghanistan, China succeeded in its strategic diplomacy with its northern neighbors and in its attempt to become one of the main components of the regional security system. Beijing was able to keep a good relationship with NATO, Iran, Pakistan, and even with the Taliban. With the beginning of the US campaign in Afghanistan, this fragile balance was destroyed.

The presence of the US military in Central Asia irritated China.. According to Ge Zhi De, a Chinese political analyst, Beijing is concerned about the presence of the American military units close to the Western borders of China<sup>91</sup>. Their presence eases the expansion of NATO to the East. Ge Zhi De also thinks that the United States will have enough power to conduct operative control over the certain zones and objects of China through its military bases in Afghanistan and Central Asia<sup>92</sup>. Another Chinese scholar,

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<sup>91</sup> Zhao Huasheng, "SCO and the Great Powers in Central Asia", *Analitic*, 1 (2003)

<sup>92</sup> A. Klimenko, "Strategic Partnership between Russia and China within the framework of the SCO", *Central Asia and Caucasus*, 1 (2005): 65-66

Zheng Huasheng, says that “PRC is not interested in the US presence in Central Asia close to its borders. It threatens the interests of China”<sup>93</sup>.

Not having any channel of political influence on the local states of Central Asia, in the purpose of providing security, China activated the process of the establishment of the antiterrorist structures of the SCO and strengthened its contacts with the SCO members for restraining the US expansion in the region and for keeping its own position in the regional security structure. Although the US military presence in Central Asia might have undermined the role of the SCO in providing security for Central Asia and slowed the process of the Chinese expansion in the region, the Chinese authors have a different view on this problem.

One of the leading American experts on Central Asia, Eugene Rumer, said that “a regional power broker prior to September 11, China found itself marginalized, displaced, and virtually alone, pondering an unenviable (for Beijing) option of playing second fiddle to the United States and a host of its newfound best friends. No matter how much China gains from the US military campaign-and there can be little doubt that it has been beneficiary of the campaign against the Taliban and the ensuing blow to operations of its own Uighur militants-Us preponderance in Central Asia must be a serious setback to the government that aspires to the role of the Asian”<sup>94</sup>.

The Director of the Shanghai Institute of Russian and Central Asian Studies, Zhao Huasheng, thinks that despite the geopolitical changes in Central Asia after September

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<sup>93</sup> Sin Guacheng, “Shanghai Cooperation Organization and the combat on terrorism, extremism, and separatism”, *Central Asia and Caucasus*, 4 (2002): 21

<sup>94</sup> Eugene Rumer, “Flashman’s Revenge: Central Asia after September 11”, *Strategic Forum*, 195 (December 2002): 3.

11, their impact on Beijing's position in the region is not as strong as the Western analysts would think<sup>95</sup>.

The Chinese scholars see the problems arising from the presence of the US in four aspects:

1. Before 9/11, the SCO was a Central Asian leader in strengthening partnership in security and in the combat on terrorism, but after 9/11 Washington was able to lead the antiterrorist campaign notwithstanding the US-SCO partnership in this sphere.
2. The cohesion within the SCO was undermined, and the members of the organization focused on their own independent partnership with the United States and other antiterrorist structures.

The war in Iraq showed that there was no common position within the SCO. Russia was absolutely against the war. China was more reserved than Russia. Kazakhstan, Kyrgyzstan, and Tajikistan announced their neutrality, but Uzbekistan fully supported the military campaign of the United States.

3. The economic cooperation of the SCO members became more inert. If the situation does not change within the near future, the SCO might turn into a structure with an unclear prospect of economic cooperation of its members.
4. The cultural ties of the SCO members weakened. Central Asia is a region which contains three civilizations: Islam, Confucianism, and the Slavic culture.

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<sup>95</sup> Zhao Huasheng, "China, Russia, USA: interests and relations in Central Asia", *Central Asia and Caucasus*, 5 (2004):137

The decrease of the influence of Russia in Central Asia allowed China to increase its own (primarily economic) influence in the region<sup>96</sup>. As Beijing cannot rely on the oil supply from the Middle East because of the lasting Iraqi crisis, it must now be counting on the expansion of the Central Asian import of oil.

The following possible scenarios of the political processes in Central Asia can be outlined:

1. Observation of the balance of interests and conservation of the status-quo provided that the United States counts with the UN, international law, and the concerns of Beijing and Moscow.
2. Confrontation between the power centers provided that the US influence in the region grows to the level where Russia does not yield.
3. Unwillingness of the regional players to keep the balance of power, when each player acts as it wishes if Russia refuses to keep its own priority status in the region.

The possible scenarios, according to Zhao Huasheng, are listed below:

1. The US enters the SCO as an observer
2. China becomes an observer in the NATO's "Partnership for Peace" program and participates together with Russia.
3. All three power centers find a common ground for cooperation within the framework of the SCO and NATO's "Partnership for Peace" program.

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<sup>96</sup> Li Lifang, "Geopolitical interests of Russia, China, and US in Central Asia", *Central Asia and Caucasus*, 3 (March 2004): 162

The Chinese government must have been troubled by the fact that the Central Asian governments perceived the US presence as a guarantee of security alternative to Russia and China. This kind of danger truly existed not only because the generous promises of the United States to invest in the region convinced the local governments, who were ready to believe that the US had altered its policy towards the incumbent regimes and changed its strategic goals; but also because the US government proved that the American war on terror was much more effective than the SCO's antiterrorist capabilities. On the other hand, the expansion of the US influence in the region was not opposed by the Russian side. Moscow was interested in improving its relationship with the Western world in that period of time.

Finally, despite the diversity of the approaches in the research on the role and prospects of the SCO, the Chinese scholars do not doubt the importance of the SCO's existence as it is "the most convenient and legal channel of communication and a reliable tool of strategic coordination in Central Asia"<sup>97</sup>. The mechanism of collective security established within the SCO allows China to track the political processes in the region and guarantees the prevention of an anti-Chinese alliance in Central Asia. Besides that, this mechanism called for the transformation of the SCO space into a zone of multilateral economic cooperation. Realizing its privilege over Russia, China counted on its capability to become a leader in the SCO through the activation of the economic component of the organization.

The events in Georgia, Ukraine, and Kyrgyzstan brought in new elements into the security system of the post-soviet space. The role of the United States in those events made China revise the character of its relationship with Russia and the US in the context

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<sup>97</sup>V. Mikheev, "China and the SCO: problems and prospects of the organization", *Analitic*, 2 (2005): 31-44

of its Central Asian strategy. As V. Mikheev, a Kazakh observer, noted, China encountered a new dilemma-Beijing had to choose if it was going to follow Russian politics, or play its “own game”, or count on the American factor.

The dilemma truly existed, and it was predetermined not only by the aggregate of regional threats, but also by the regional politics of the three strong political actors. Whereas China, Russia, and the US had common interests in the sphere of the strategy of fighting terror, extremism, and narcotics trafficking, there was a significant difference in tactics, or methods of solving those issues.

China intended to support the incumbent political regimes and strengthen its influence in the region through participation in economic projects. The United States, in its turn, counted on the change of the authoritarian regimes and expansion of its influence at the expense of the export of democracy. Russia was in an intermediate position: on the one hand, Moscow did not resist the attempts of the United States to bring in democracy to the region, and on the other hand, it tried to strengthen its own military and political presence in the region through the combat on objectively existing threats in Central Asia.

Another problem was related to the necessity of coming to an agreement on the use of the SCO mechanism in case of another conflict situation in the region. After the revolution in Kyrgyzstan, it became obvious that neither CSTO nor SCO is ready for taking collective actions in case of a political crisis in the territory of its member states. The main problem for Beijing was what China could offer as a leading member of the SCO for resolving those conflicts without being accused of interference in the internal affairs and without encountering the wave of the anti-Chinese mood caused by the problem of the “Chinese expansion”. But it was clear for Beijing that the continuous

presence of the United States in the region is a destabilizing factor. “Military presence and political influence of the United States in Central Asia sharpens the social-political crisis in the region and poses a potential destabilizing threat for the incumbent regimes”.<sup>98</sup>

But China is not able to resolve this issue on its own. Moreover, open confrontation with the United States because of the Central Asian problematic was not in the interest of Beijing.

All the aforementioned predetermined the Chinese tactics in Central Asia and the SCO, in particular. Beijing followed the following strategy:

1. Considering the interests of Russia and its possible concerns about the expansion of the Chinese influence in the region.
2. Restricting the ability of the United States to influence the political situation in Central Asia but, at the same time, trying not to irritate Washington.
3. Gaining access to the natural resources of Central Asia and reinforcing its position in the Asian Pacific region, which is more geopolitically significant for China<sup>99</sup>.

This strategy fits the foreign policy doctrine of China, in which there have been a range of changes with a new generation of political leaders<sup>100</sup>. The essence of the new

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<sup>98</sup> Zhu Zhenhung: “Regional Security: Central Asia and Russia after 9/11”, *Problems of the Far East*, 1 (2005): 7

<sup>99</sup> Zhu Zhenhung: “Regional Security: Russia and Central Asia after 9/11”, *Problems of the Far East*, 1 (2005)

doctrine was seen in the following: transition from a passive line of behavior intended to create favorable conditions for internal reforms to an active line which would turn China into a real actor of global transformation; transition from the politics of bilateral politics to a line of multilateral diplomacy; active protection of Chinese interests abroad.

Chinese and Indian interests in Central Asia are primarily associated with energy resources. China has been constructing oil and gas pipelines through the territory of Kazakhstan. In the future, China may also construct pipelines reaching Uzbekistan. Thus, China must be interested in the political stability of Central Asia, even in the stability of the existing authoritarian regimes. That is where we can see the ideological disagreement between the values of the Chinese state, oriented towards authoritarian methods of governance, and the United States, which supports democratic methods and sources of power.

The difference in the approaches of the United States and China was revealed during the Andijan events, when the United States condemned the actions of President Karimov, but China, in its turn, fully supported the president of Uzbekistan and even made a treaty with the Uzbek government on the export of natural gas<sup>101</sup>.

China has strong ties to the incumbent authoritarian governments of Central Asia. These ties help China to regulate the problem of Uyghur separatism. The Uyghurs of China are trying to gain support from their Turkic brothers in Central Asia, but Beijing has been successfully preventing this from happening through its ties to the existing regimes in Central Asia.

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<sup>100</sup> Ibid

<sup>101</sup> Based on the materials of RIA Novosti for 2 August 2005

One of the other emerging problems for the Chinese elite is the growth of radical Islam, which is directly related to the Uyghur separatism. Preventing this process is especially difficult as Islam is a global integrating factor for Muslim countries, including the Central Asian states. Central Asia is going through a period of transition from the Soviet system to a new system of values. In this period of transition, the Islamic ideology is one of the competing paradigms. It is impossible to deny that the Islamic global politics is one of the ideological systems that compete with the Western system of democratic values.

It is relevant to note that neither China nor Russia represents such a global system of values as they both embody a sort of “synthetic civilizations”. Like Russia, China has its own unique culture, but both of these countries have to borrow ideas from the Western values in such fields as economics, jurisprudence, and state institutionalization. But the paradox is that they both try to resist the Western system.

In summary, it is important to formulate what could be the consequences of the new “Great game” in Central Asia.

Authors have various points of view. Blanc believes that the current situation in Central Asia may cause a sharp competition between the US and China<sup>102</sup>. It is also necessary to remember that the main field of the US-Chinese competition would probably remain in Eastern Asia (around Taiwan) rather than in Central Asia.

As can be seen from the analysis in this chapter, Beijing and Moscow, to some extent, need the Shanghai Cooperation Organization as an instrument required for the

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<sup>102</sup> Stephen Blank, “US interests in Central Asia and challenges to them”, *Strategic Studies Institute*, 2007

increase of their political and economic influence in Central Asia. And the United States is still viewed as an alien in the eyes of the SCO community. Thus, the SCO will either try ousting the United States from the Central Asian territory *or at least try to limit the political presence of the United States in the region by serving as an alternative to NATO in Central Asia.*

## VIII. SCO AS AN ALTERNATIVE TO NATO AND OPEC

### NATO of the East

Until now, the Western information space contained negative comments about the SCO and its predestination: some viewed the SCO as a direct threat to their national interests; others viewed the SCO as a relatively weak and inefficient organization.

The most popular opinion in the military environment is that the SCO is a military bloc created as a counterbalance against NATO. A range of American political scientists illustrate the SCO as an anti-American bloc challenging the US presence in the post-soviet region. The essence of those statements is that the SCO is counted as a dangerous organization which is not only an economic treaty, but also a new potential “Warsaw Pact”.

Other analysts illustrate the Shanghai Cooperation Organization as an “autocratic club”, pointing at the character of the political regimes of its members, critiquing the lack of liberal principles and procedures within that organization. This kind of illustration of the SCO can be found in Tisdall’s article “*Irresistible rise of the dictator’s club*” from “*Guardian*”, a daily British newspaper. The author stresses the disinterest of the SCO members in liberty, democracy, and justice.<sup>103</sup>

One more opinion popular among some Western political scholars is that the SCO cannot be taken as a serious organization and that it will not turn into something more

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<sup>103</sup> Simon Tisdall, “Irresistible rise of the dictator’s club”, *Guardian*, June 6 2006

than just a “discussion club”. The most frequent argument about the insufficient capabilities of the SCO is that the SCO has a weak reaction to the events occurring in the region. American scholar Yom suggests that the war in Afghanistan undermined the efficiency of the SCO’s security mechanism and the ability of the organization to handle the growing American influence in the region<sup>104</sup>.

At one point, the US Congress devoted a separate session on the issues of the US-SCO relationship. As a result of the session, some of the initiatives of the Shanghai Cooperation Organization were recognized as intents to weaken the American position in Central Asia<sup>105</sup>. The Congressmen were especially alarmed by the statement of the former Russian President Vladimir Putin who claimed that the world economic activity started shifting from the aquatorium of the Atlantic Ocean to the aquatorium of the Pacific Ocean. Apparently, Russia has an advantageous position as it is located between the aforementioned poles, and this type of order is not convenient for Washington. Nevertheless, American senators believe that permanent contacts between the United States and NATO and the Shanghai Cooperation Organization could be the best way of restraining the growing power of this organization. According to a Russian analyst, Oleg Gorupai, the senators agreed that gaining an observer status for the US in the SCO would help to control the situation within the SCO.

American political observers are concerned with the following aspects: they believe that in the center of Asia there emerged a new strategic alliance directed against

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<sup>104</sup> “SCO through the prism of the British and American scholarly research”, *Politicheskiy vestnik*, 3 (2007):19

<sup>105</sup> G. Kunadze, “Shanghai Cooperation Organization-myths and reality”, *SCO: Establishment and Prospects of Development* (July 2005)

the West; this alliance indirectly attracted India, Pakistan, and Iran; and it is used by China not only as a platform for controlling Central Asia, but also as an instrument for resisting the US-led regional alliance in the Asian-Pacific region.

Moreover, the SCO's 2005 Astana declaration, where the SCO members recommended that the US remove the NATO contingent from the territory of Central Asia, was assessed by the White House as a transformation of the SCO into sort of a military and political alliance against NATO. As a result, the SCO members and the whole organization in general aroused a negative reaction in the United States. In addition to that, the reluctance of the SCO to grant an observer status to the United States and its willingness to accept Iran deteriorated the SCO-US relations.

The results of the analysis conducted show that the SCO will continue playing a significant role in Central Asia, and will continue broadening the spectrum of its activity in the international arena.

The SCO succeeded in devising a mechanism of self-regulating development and strengthened its influence in the neighboring states. It also serves as an example of the best successful integration process in its own region. This level has not been reached by other organizations in the post-soviet space (for example, by CSTE). Together with the growing interest to the organization, the Western community's understanding about the efficiency of cooperation with the SCO is developing in parallel.

### **SCO-EU relations in the context of globalization**

It must be in the best interest of the European Union to work together with the SCO. If the European Union (EU) wants to enhance its role in the Central Asian region, it

is necessary for it to build direct contacts not only with Central Asian states in particular, but also with the existing regional alliances like the Shanghai Cooperation Organization.

Below is the analysis of the prerequisites leading to mutually beneficial partnership between the two giant organizations: the European Union and the Shanghai Cooperation Organization.

The European Union has strong relations with each member of the SCO, even with Uzbekistan (after the divorce in 2005). The EU plays an important role in the internal life of Central Asia. According to the new strategy, the EU will invest around 700 million dollars in the Central Asian region within the period of 2007-2013. In Kazakhstan, Kyrgyzstan, and Uzbekistan a network of educational and economic programs has been activated due to the contribution of the European Union.

The SCO membership did not prevent Kyrgyzstan and Uzbekistan from hosting the US-led coalition against Afghanistan. In addition to that, the Central Asian states are still receiving a Western aid and consultation in the field of military reformation and border defense.

Among the practical examples of the European and Central Asian partnership are the joint frontier college projects (colleges preparing the administrative groups of the frontier army) of the CSTO in Tajikistan and a learning center of the CSTO in Bishkek which trains custom specialists.

The SCO members also realize that the republics of Central Asia are encountering difficulties in frontier management. Therefore, during the SCO conference held in Moscow in spring 2009, Kazakhstan declared its readiness to provide technical and financial support for resolving the aforementioned issues and its willingness to call for

active cooperation in resolving the problems of Afghanistan. Hence, the interests of the European Union and the SCO should intersect, and the ways of resolving these issues should be similar.

Both organizations are interested in stabilizing the situation in Afghanistan. For the SCO members, Afghanistan is not a safe neighbor, and some of the EU countries have their military groups deployed in Afghanistan under the aegis of NATO. In the international SCO conference, held in Berlin in 2007, Pierre Morel, the EU Special representative to Central Asia, mentioned that the common ground between the EU and the SCO is in the combat on international terror and narcotics transit. According to the President of Afghanistan, H. Karzai, such security threats as terrorism and narcotics trafficking not only slow the development of his country, but also undermine stability and progress in the region. The current difficult situation in Afghanistan generated problems that concern not only Central Asia and Russia, but also the European Union.

Afghanistan is the world's leading narcotics producer. According to the data of Baltic Information Center, Afghanistan produces 90% of the world's opium. Around 40% of the Afghan narcotics settle in the territory of Russia, and a significant part of it reaches the European Union.

One of the basic priorities of the Shanghai Cooperation Organization is combating narcotics trafficking. The observer-states Iran, India, Pakistan, and the current administration of Afghanistan agreed to provide active support for the SCO's endeavors. In the forum of the European Union and the Central Asian states held in Paris, the SCO General Secretary, B. Nurgaliev, noted that the Shanghai Cooperation Organization was

ready to interact with the international organizations and other interested countries for the purpose of the establishment of a network against narcotics trafficking.

The EU and other international organizations were invited to a special SCO conference devoted to the problem of Afghanistan, where the Russian foreign minister Sergei Lavrov reported about the readiness of the SCO to support the international coalition in terms of security, and to discuss additional measures for supporting international efforts in the combat on narcotics. In that conference, they discussed the ways of joint neutralization of threats of extremism, terrorism, and organized crime emerging in the territory of Afghanistan. The current crucial situation in Afghanistan as a result of the US-led antiterrorist operation is showing that the unilateral approach in counteracting the aforementioned threats is not effective enough.

Currently, the European Union's efforts in Afghanistan are not limited to political reconstruction through military presence. Europeans have been providing the political regime of Afghanistan with financial means, assisting the Afghan military in training, and helping the government in building modern legal institutions. The SCO, in its turn, has a rich experience in communicating with the Afghan government, extensive opportunities of "direct contact" with Kabul, and qualified specialists in the field of security. By joining efforts, the SCO and the EU could ease the combat on terrorism and extremism emerging from Afghanistan, create an "antiterrorist security belt" around that country, and by that, they would be able to secure the Central Asian republics.

Within the frames of the security promotion in the region, the SCO is planning to create an arc of economic stability. In connection to that, the EU and the SCO should work on elaborating a common vision and conception of economic problems in Central

Asia. Weak economic development and low living standards in Central Asia may also threaten the security of the region like terrorism and extremism. Sometimes, as commonly accepted, poverty causes terrorism and extremism.

The stability of Central Asia concerns all countries, including the Western states. Therefore, the SCO, the EU, and NATO have a serious ground for cooperation. The search for a common ground between the Western alliances and the SCO can also be favorable not only in terms of security of Central Asia, but also in using the European experience of integration in the SCO region.

The European experience cannot be embraced in full. However, most fragments of integration may be adapted to the local conditions. The problem is in the significant differences in the level of economic and political development of Central Asia and the EU. The utilization of some patterns of the European integration in the territory of Central Asia may be eased by the cultural and religious unity of its people, close historical ties, and economic interdependence of the republics (especially, in hydro energy). In the case of integration between the Central Asian countries, there would emerge a union in the region with an exclusive geographical location with more simple solutions to regional ecological and economic problems which have slowed the development of the republics.

So far, the political efforts in accelerating the integration of Central Asia did not give expected results because of the existing contradictions and disagreements among the republics. Perhaps, more concrete projects in such fields as transportation, trade volume, agriculture, electricity, cultural exchange, construction of joint infrastructure and communication network, which can unite the economic systems of the republics, may

facilitate the integration process. Both the EU and the SCO expressed their interests in such projects.

The possibility of a new so-called “Eurasian transcontinental railroad” linking China and the South-East Asian states with Europe through the territory of Central Asia is discussed among the SCO members. The SCO states call this transcontinental railroad the “Great Silk Road”, which is able to link 40 countries with a total population of 2 billion people. According to the Asian Bank of Development, whereas the marine road from China to Europe takes from 20 to 40 days, the railroad stretching from a Chinese city called Lianyungang to Rotterdam through Central Asia is able to reduce the time of freight delivery to an incredible extent—it takes only 11 days. This version of transportation is not only profitable for Europe and China, but it also bears significant prospects for the economic progress of the Central Asian republics. Presence of an appropriate infrastructure would allow the Central Asian republics to benefit from the transit and also allow them to use the communication for their own consumption.

The prerequisites for the aforementioned project have already been set up. For the purpose of increasing the cargo traffic in the direction of China-Russia-Europe, a memorandum on transcontinental cargo trafficking among Germany, Russia, and China was ratified in 2006. The project of construction of auto-roads linking Western Europe to Western China aroused interests of many countries. Kazakhstan has been working on the technical and economic sides of this project in its own territory. Kyrgyzstan, Kazakhstan, and Turkmenistan might join this project in the future. We cannot ignore the possibility that Afghanistan may also join this Central Asian transcontinental road project.

This list of fruitful projects requiring political stability in Central Asia and joint efforts of the SCO and the EU is quite long. The conference on “The Shanghai Cooperation Organization and the European Union: Possibilities of Partnership”, held in Berlin in 2007, has played an important role in the partnership between the European Union and the Shanghai Cooperation Organization. During that conference, the participants expressed their mutual interest in close cooperation and even discussed the EU’s status as a “dialogue partner of the SCO”.

In summary, it appears that *the European Union and the Shanghai Cooperation Organization have significant common interests to work together as economic partners.* The current process of globalization seems to be leaving no choice for the EU and the SCO but to cooperate. The range of their joint problems is quite extensive. Intersection of the SCO’s and the EU’s interests can be observed in the field of security promotion as well as in trade. Perhaps, both sides will have to abandon their ideological biases inherited from the period of the “Cold War” for the sake of effective partnership in the era of globalization.

*If the SCO and the EU can productively cooperate with each other, can the SCO collaborate with NATO?* Perhaps, the problem is in the biased perception: the SCO does not want NATO to settle in Central Asia, and NATO views the SCO as a military bloc threatening the interests and security of the United States and its allies.

## SCO as an energy club

In December 2006, Vladimir Putin suggested the idea of establishing an energy club for the SCO members. The following three dimensions of this project have to be outlined:

- a) global
- b) regional( Russia, China, four Central Asian countries, and the SCO observers)
- c) subregional (Central Asian states only)

Currently, the SCO states are working on the regional dimension of the aforementioned project. The global dimension of the energy project is discussed in the Russia-EU format.

The establishment of the energy club will allow the SCO states to construct a self-sufficient structure consisting of energy producers, consumers, and mediators. It should enrich the overall developmental strategy of the SCO, and strengthen the economic and security partnership. A more flexible version of this kind of an energy project, free from harsh political terms, can even involve such energy-rich countries as Turkmenistan and Azerbaijan.

The "energy club" principle suggests a broad partnership not only for its members, but also for the SCO observers. The President of Iran, Mahmoud Ahmadinejad, suggested to the SCO that Iran be used as a 'platform' for the meetings of the SCO's energy ministers for researching the possibilities of regional partnership in extraction and transportation of oil and gas.

The following features characterize the real potential of the SCO for becoming an energy club:

1. Absence of nonmember-states in the SCO's area of energy transportation.

2. Organic geo-economic harmony of the group of producers (Russia, Kazakhstan, Uzbekistan) and the group of energy consumers (Kyrgyzstan, China, Tajikistan). Counting the observer-states, we can outline the interaction of the axis of energy producers (Russia-Kazakhstan-Uzbekistan-Iran) and the axis of consumers (China-Tajikistan-Kyrgyzstan-India-Pakistan-Mongolia). The former and the latter models both can turn the SCO into a self-sufficient energy system on both regional and global levels.

Besides the aforementioned two axes, there is also an axis of transporter-countries. The interaction of the three axes should encourage the SCO to construct a unified policy on price-setting, route-selection, and volume of sales. Unlike OPEC, the SCO's energy club includes in itself the producers, consumers, and transporters, which allows this organization to realize a grand energy strategy at early stages.

3. The SCO's energy project and economic integration project are two complements. In fact, *the SCO's energy-oriented politics should develop faster than the strategy of political unification and economic integration due to the objectively existing mutual interests of the members.*

The difficulties in establishing the energy club project stem from the multi-scale economic systems of the SCO members. There is competition within both of the groups. For instance, Russia, Kazakhstan, and Iran have been competing for the oil and gas market. India and China have been competing for the sources and routes of energy

resources. However, this kind of tendency can be neutralized within the frames of the energy club agreement. The enormous Chinese market, in particular, should be able to consume any amount of gas and oil offered by such countries as Russia, Iran, and Kazakhstan.

The SCO's whole energy club project, devised to elaborate a common energy policy for all members of the Shanghai Cooperation Organization, has all chances for success. From the above-conducted analysis, it is important to conclude that *the SCO is in a kind of transition from political to economic interaction*. This line taken by the SCO is dictated by the situation in the global market of energy resources and by the problems accumulated in the member-states. China, Kazakhstan, Russia, and other member-states must realize that a fast solution to the socio-economic problems may provide security and stability in the whole SCO region.

The necessary basis for the economic integration of the SCO members has been established. "The process of organizational formation of the SCO has been completed",- said Bolat Nurgaliev, the General Secretary of the SCO, during his official trip to Germany.

According to Nurgaliev, the activation of the Shanghai economic partnership will mostly depend on the interaction of the secretariat, business council, and the interbank union of the Shanghai Cooperation Organization. However, the SCO Secretariat is not that optimistic about the future prospects of the SCO as the accomplishment of the SCO's program on the trade of goods and services might take a long time. "The program of multilateral economic cooperation approved by the member-states is oriented for 20

years. The way to the common trade zone will be long"<sup>106</sup>, said the SCO General Secretary during the SCO's conference in Moscow.

Will the energy club become one of these projects? Yes, if Russia, China, and Kazakhstan take the leading role. Each member of the SCO has an interest and necessary capability for that. For instance, China, whose main interest is in extraction of natural resources, does not conceal its intention to spread its influence to the whole Central Asian region. Evidence for that is China's active exploration of oil in Kazakhstan and its attempts to gain access to the natural gas of Turkmenistan. Beijing is the one initiating the acceleration of economic integrative processes due to China's desire to access the energy resources of Central Asia and to construct transit corridors for transporting its products to Europe through the SCO's space. This fact probably explains why, in 2009, China allocated a 920 million grant to Kazakhstan, Kyrgyzstan, and Tajikistan for the import of Chinese products.

For Kazakhstan, the energy club membership is a sign of progress as the President of Kazakhstan, Nursultan Nazarbaev, is planning to turn Kazakhstan into one of the 50 most developed states of the world within the next 10 years. Even today, Kazakhstan with its advanced construction, transportation, and oil extracting industry has all chances to become the regional hegemon of Central Asia. And as a leader, Kazakhstan is able to push the other countries of Central Asia towards integration.

In its partnership with Russia, Kazakhstan does not have major political disagreements. It demonstrated its readiness to join the energy club with Russia when it signed a five-year agreement on the transportation of energy resources through its

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<sup>106</sup> Saharov E.V., "SCO Energy Club: Asian strategy of victors", *Vremya Vostoka*, 6 (2007): 29

territory. By that, Kazakhstan assaulted Europe's dream to diversify the world energy routes. This step shows Kazakhstan's willingness to support Russia's politics in the energy market. No matter how hard Astana officially tried to diversify the oil routes, the current infrastructure did not change after the collapse of the Soviet Union and almost 80% of the oil export from Kazakhstan still flows through the territory of its northern neighbor.

The principal transformation of the current situation in the Central Asian republics may cost time and billions of dollars to invest in the oil and transportation sphere. It is convenient for the Russian side to transport the Kazakh oil and gas, as it keeps the Kazakhs dependent on the Russian Federation. Besides that, the Russian companies are successfully working in the Kazakh minefields. An example for such partnership is "Lucoil, which is", according to Nazarbaev, "working on 10 minefields and has invested more than 4 billion dollars". Therefore, Moscow and Astana are tied together and predestined to follow a joint energy policy. Moreover, the neighborhood of the two countries may allow them to regulate their oil interests in the mutually beneficial direction.

For the purpose of avoiding route conflicts, Russia might even construct pipelines reaching China through the territory of Kazakhstan. This positive tendency may be reinforced by the joint investment within the framework of the SCO's energy club. The energy factor is officially recognized by Russia as the priority element of its diplomacy. In one of the sections of Russia's conceptual document called "Energy strategy of Russia for the period until 2020", the following was mentioned: "Formation of one energy-transport infrastructure and provision of free energy transit in the regions of Europe and

Asia reflect the strategic interests of Russia". Another important point is that Russia is not only stressing the oil and gas aspects of diplomacy, but also supporting the provision of energy transportation using necessary political instruments.

During the Caspian conference held in 2007, Russia, Kazakhstan, and Turkmenistan discussed the possibilities of their future natural gas alliance under the egide of the Shanghai Cooperation Organization. Who is planning to join the alliance? Russia, Uzbekistan, Kazakhstan, and Turkmenistan, a future possible SCO-observer, will be the alliance members.

The observer states are interested in the energy club no less than the SCO members. For instance, Iran has been calling for a union of oil producers since 2002. Mahmoud Ahmadinejad, President of Iran, was the one who offered Russia to create a "Gas OPEC". The interests of India, a state with a high demand in energy resources and with an economy slightly lagging behind China, should also be counted. The post-conflict economy of Afghanistan is also in need of oil, gas, and electro-energy. Mongolia, as a developing state, started monitoring the situation in the Central Asian energy market. Pakistan, in its turn, desires additional energy sources for its enormous population. Thus, the competition for the minerals, oil, gas, and even water supplies of Central Asia will continue.

If the SCO rationally utilizes its natural wealth, it will have a chance to turn into one of the economic and political centers of the globe. The energetic potential of the organization attracts the European Union and requires further diversification of oil and gas distribution routes. The EU is also attracted by the market of high-tech products in the space of the 'Shanghai'-oriented countries. However, the EU will probably try to

avoid the scenario in which the SCO transforms into a "gas cartel" as the energy club emerging within the SCO might become a real alternative to OPEC.

They say that oil has always been the blood of the economy. The SCO-members own 1/4 of the world's reserves of oil and 1/3 of gas and uranium. According to Vladimir Zaharov, the SCO General Secretary Assistant, the SCO should profitably arrange its resources for becoming one of the economic centers of partnership. As the SCO's speed of economic growth is now above the world's average (the annual economic growth of Kazakhstan is close to 10%, 11% in China, and around 7% in Russia), the energy component of such progress and partnership will only continue growing.

Russia, Kazakhstan, and Uzbekistan have enormous reserves of oil and gas, and Kyrgyzstan and Tajikistan have a serious hydro-energy potential. Intense interstate cooperation within the SCO can improve the energetic security of the organization. If all the SCO members, including the observers, join their efforts to create an energy club within the SCO, then this organization may become the most powerful energy alliance in the world.

Thus, the Shanghai Cooperation Organization has to be counted as a possible alternative to OPEC. This means that unlike any other alliance, the SCO is an organization that includes in itself a resource market and a product market, an axis of energy producers and mediators and an axis of energy consumers. The SCO's self-sufficient system of energy resources may increase its bargaining power; give it more flexibility and more independence from the Western world in the current period of globalization and economic interdependence of nations. And this self-sufficiency is a determining factor in the SCO's counterbalancing games against the United States.

## IX. SCO AS A REGIONAL SECURITY SYSTEM

The end of the Cold War was followed by a vacuum of political influence in Central Asia and destabilization of the system of global and regional ties which caused new conflicts in the region. The stability of the Central Asian countries was threatened by the new movements of separatism and extremism.

The terrorist activity and the growth of narcotics trafficking in the region required new decisions, and the SCO was first to initiate the war on terror, extremism, and narcotics trafficking in Central Asia. Besides combating terrorism, the SCO, as a security mechanism, also had as its priority tasks to undertake collective actions against the proliferation of narcotics, weapons, and trans-border crime, and resolving environmental and socio-economic problems in the region.

*But can the SCO accomplish its security tasks successfully? If the SCO is an alternative to NATO in Central Asia, then how effective is it as a regional security mechanism? Does the SCO have a sufficient potential to manage with the regional problems without the support from the West?*

To answer these questions, it is necessary to evaluate the efficiency of the SCO as a security organization and identify whether the SCO was able to achieve its security goals in practice.

## The SCO and the war on “three evils”

The Shanghai Cooperation Organization has accumulated complex mechanisms and agreements for the purpose of regulating the security processes in the region. After identifying the combat on three evils (extremism, separatism, and terrorism) as its priority goal, the organization experienced structural and institutional changes.

In the “Convention on combating terrorism, extremism, and separatism” issued in 2001, the SCO states introduced exact definitions of the relevant security terms necessary for effective cooperation with the member states. Later, in 2002, during the summit held in Saint Petersburg, the SCO heads of states officially declared the establishment of the Regional Antiterrorist Structure (RATS) which started functioning in January 2004.

The priority goal of the SCO RATS was to collect and analyze information provided by the member states on the issues of terrorism, separatism, and extremism, to construct a database of the antiterrorist structure and to promote cooperation with the war on terror.

According to the chairman of the executive committee of the RATS, Vyacheslav Kasimov, the organization was able to neutralize at least 15 regional terrorist organizations<sup>107</sup>. Within one year, the RATS was able to prevent around 250 terrorist acts.<sup>108</sup>

The antiterrorist structure of the SCO prepared a list of the terrorist, extremist, and separatist organizations operating in the territory of the SCO. The list includes 400 people

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<sup>107</sup> “The report of the RATS Council to the SCO Council of Heads of States on the activity of the regional Antiterrorist structure of Shanghai Cooperation Organization”, 5 July 2005, available from <http://www.mid.ru/ns-rasia.nsf/3a0108443c964002432569e7004199c0/432569d80021985fc32570350039ead2?OpenDocument>

<sup>108</sup> Ibid

involved in terrorist acts and 15 organizations that were officially recognized as terrorists.<sup>109</sup>

Besides processing information for the purpose of eliminating terrorist groups in the region, the RATS also collects information on the new trends of terrorism, new forms of extremist, and separatist organizations posing a threat to the security of the SCO members and even prepares annual and quarterly reports and other analytical documents on the developing trends of terrorism, extremism, and separatism in the SCO's territory which are addressed to the competent organs of the SCO member states.<sup>110</sup>

In the Astana summit, the SCO member states came to an agreement on the common database of the RATS and an agreement on the protection of secret information within the frames of the Regional Antiterrorist Structure of the SCO. The summit participants believe that "these agreements will provide a mutually beneficial exchange of secret information and ensure its safety".<sup>111</sup>

In addition to that, in the 2006 summit held in Shanghai, the SCO states ratified an agreement on the order of conducting antiterrorist events in the territory of the SCO countries which anticipates not only partnership in antiterrorist struggle, but also the establishment of structural organs for the coordination of antiterrorist trainings within the SCO.<sup>112</sup> This decision should increase the efficiency of the antiterrorist exercises and strengthen the antiterrorist structures of the SCO in general.

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<sup>109</sup> Based on the materials of Lenta, Russian information agency, for 3 march 2006, available from [http://www.lenta.ru/news/2006/04/03/list/\\_Printed.htm](http://www.lenta.ru/news/2006/04/03/list/_Printed.htm)

<sup>110</sup> "The report of the RATS Council to the SCO Council of Heads of States on the activity of the regional Antiterrorist structure of Shanghai Cooperation Organization", 5 July 2005, available from <http://www.mid.ru/ns-rasia.nsf/3a0108443c964002432569e7004199c0/432569d80021985fc32570350039ead2?OpenDocument>

<sup>111</sup> Vladimir Bozhko: "Majlis members approved the bill on the RATS database", *Kazakhstan Today*, April 2006

<sup>112</sup> Ibid

The above description of the practical steps taken by the SCO RATS shows that *the Shanghai Cooperation Organization, unlike the CIS or CSTO, was able to create a serious and effective antiterrorist structure with a real intent to eradicate extremist and terrorist organizations in the region.*

For assisting the RATS, the SCO created a mechanism of regular meetings with the ministers of defense and foreign affairs, heads of law enforcement agencies, and others. Besides that, for coordinating the RATS's activity, the heads of the SCO member states' security councils meet regularly within the framework of the RATS. Also, the RATS Executive Committee developed information exchange with the antiterrorist centers of the CIS and CSTO, and the Counterterrorist Committee of the United Nations.

In general, it can be concluded that the fight against terrorism within the SCO framework is the combat of the states-participants but not the SCO itself. The Shanghai Cooperation Organization unifies the efforts of the six member states in their struggle against the "three evils" and it is, so far, one of the most successful directions of partnership within the Shanghai Cooperation Organization.

### **The SCO and the future of its security mechanism**

The Shanghai Cooperation Organization aspires to become a multitask organization. However, the only security sphere in which the SCO was able to achieve effective results and to realize the declared tasks is the war against the "three evils". So far, the SCO was not able to build effective legal or institutional mechanisms for realizing all of its other important goals. Also, *the SCO's intent to realize multiple tasks in various spheres, such as security, economy, international trade, foreign policy, energy,*

*education and science, might lead to the inefficiency of the organization as a whole, non-proportional development of its partnership programs or the dominance of one aspect of partnership over the other.*

At the current moment, the dominance of an economic trend in partnership within the SCO is observed more than any other type of cooperation. If the economic aspect remains dominant, then later on, the SCO members may have disagreements on budget distribution.

The economic content of the organization is gradually acquiring an institutional and practical character. The Shanghai club has established the Business Council and Interbank Union, devised 120 economic programs in 11 fields of cooperation. China contributed \$900 million for their realization. All the contracts are estimated at \$2 billion<sup>113</sup>. Considering that the budget of the SCO RATS is only \$1.33 million, the priority of security tasks does not look as obvious as the tasks of economic partnership. In addition to that, the SCO does not have any security project directed at conflict resolution, conflict prevention, or combating narcotics trafficking, although those tasks were mentioned in its declarations. But as can be seen from the statistics mentioned above, the SCO has more than enough economic projects.

So far, the SCO has two priority tasks—economy and security. In one of the SCO's conferences, Gennadiy Chufrin, Director of the Institute of World Economy and

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<sup>113</sup>Based on the materials of *Kazakhstan Today* for June 2006

International Relations, stated that “the SCO should now focus more on the economic aspects for achieving both economic and political goals”.<sup>114</sup>

The desire for a high quality of both economic and security cooperation may cause problems within the organization for two reasons. First, in case of a budget deficit, the SCO may encounter a conflict among its members. Second, the SCO will gain progress in one sphere at the expense of the other. In other words, *the economic partnership may grow at the expense of the declining security partnership*. That will eventually turn the membership of the SCO states to a sort of ‘formalism’. Minister of Foreign Affairs of Kazakhstan Tokaev noted that as well: “We cannot accomplish one task at the expense of the other”<sup>115</sup>.

When choosing between economy and security, not all members will choose one facet. For instance, the relationship between Kazakhstan and China has not been stable because of the border issues. The relationships between Kazakhstan, Uzbekistan, and Kyrgyzstan are not stable because of the existing customs barriers. The reaction of the Kyrgyz government to the Andijan event in Uzbekistan was negative, although China and Russia fully supported the Uzbek government. Also, there has not been coherence in accepting new members. Russia is ready to accept new members into the SCO, whereas Kazakhstan is absolutely against it. So, the SCO lacks stability within itself and lacks coherence in developing its priority tasks.

Now it is important to stress that the SCO’s Fifth Anniversary Declaration stresses that the SCO has a potential to play an independent role in sustaining stability

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<sup>114</sup> “SCO Summit 2006”, available from <http://www.scosummit2006.org>

<sup>115</sup> Based on the materials of KAZINFORM for April 2006

and safety in its own zone. The Shanghai Cooperation Organization has taken the responsibility for the stability in Central Asia acknowledging its role as a sole security mechanism of the region. The multitask-oriented nature of the Shanghai club will cause a concern for the financial provision of the security and economic portion of the partnership to be raised. This task will become harder in the case of a budget deficit.

The SCO's independent role in sustaining security, first of all, shows the reluctance of the Shanghai club to cooperate with the United States. This logic is confirmed by Page who says that the Shanghai Cooperation Organization is a military bloc similar to the Warsaw Pact, created as a counterbalance to NATO. The absence of the United States in the list of observers and the SCO's rejection to grant an observer status to the United States is de-facto an anti-American direction of the SCO.

The SCO's "independent role" will force the SCO to replace the NATO forces with its own. The SCO's own military structures and peacekeeping forces will have to take the sole responsibility for resolving crises and conflicts. Director of the Center of Research on the SCO and East Asia, A. Lukin, believes that the presence of the American and Russian antiterrorist military groups in the states of Central Asia is perceived as an attempt on behalf of the superpowers to restore their influence. And the presence of the Chinese military forces will also arouse the same reaction. But, according to Lukin, the presence of both Russian and Chinese troops in the region as part of the peacekeeping mission of the new dynamic mechanism of the SCO, where there is no dominant superpower, would be perceived in an absolutely different manner.<sup>116</sup> It can be added that the military forces of Kazakhstan and Uzbekistan also have good chances to join the future peacekeeping forces of the SCO as they have an impressive military budget.

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<sup>116</sup> A. Kulin, "SCO: problems and prospects", *International Life (Mezhdunarodnaya Zhizn)*, 3 (2004): 122

Thus, the problems related to the “independent role” intended by the SCO are quite resolvable. It is necessary for the SCO to find a balance in its tasks and priorities, to adopt corresponding pacts and agreements that would control the SCO’s activity and the whole process of its priority tasks accomplishment. *And at the current moment, in order for the SCO to become an effective military bloc, it has to establish permanent institutional structures with concrete and exact functions for realizing various security goals. Without those organs, the efficiency of the SCO as a security bloc is impossible.*

It is now clear that Shanghai Cooperation Organization is only on its early stages of development. It obviously has problematic areas, but it also has quite significant achievements. It has been conducting quite effective operations in the sphere of the combat on terrorism, extremism, and separatism, and in the sphere of economic cooperation as well. The institutional basis of the SCO is still developing, and therefore, the organization has to accomplish and realize a lot in order to become a cohesive and strong security bloc. But it is already obvious to us now that the organization is turning into quite an influential political instrument of international politics and security. And this fact cannot be ignored.

## Summary

The antiterrorist nature of the SCO’s institutional development in the security field is clear. In comparison with all other aspects of the SCO, this security component is the most developed and exact. The other security tasks of the SCO require special permanent organs like RATS which already demonstrated effective struggle and coordination of the SCO members.

The other types of security partnership have been declared on paper, but have not been realized in special projects. All practical achievements of the SCO are restricted to the struggle against the three evils and economic projects.

Therefore, for the SCO to become an effective political-security mechanism in its own region, the following needs to be accomplished:

- 1) The SCO has to create a permanent organ for combating non-priority security threats, such as proliferation of infectious illnesses, human trafficking, ecological problems, the distribution of water resources, proliferation of nuclear weapons, and others. Cooperation with the United Nations in this sphere is also important.
- 2) The SCO has to strengthen its struggle against the narcotics proliferation, organize its own permanent structures of combating narcotics trafficking (and possibly locate its office in the area of the narcotics transit) and devise its own special projects for solving this problem.
- 3) Developing closer economic cooperation is also important as the crucial economic situation in the countries of Central Asia has been the main reason for the revolutions in Uzbekistan and Kyrgyzstan. However, it is important that the SCO does not promote economic cooperation in counterbalance to the political and security cooperation with its members. The ability to develop in two directions (economy and security) without damaging any will play a crucial role in the organization's future role in global politics.
- 4) In realizing all the aforementioned tasks and for playing an "independent role" in sustaining security and safety in the SCO's zone of influence, it is

necessary to increase the budget of RATS and the SCO as a whole for being able to finance the required security projects.

The Shanghai Cooperation Organization has declared all its intents, but did not facilitate their accomplishment. No practical steps, except for the combat on terrorism, have been taken yet. At the same time, the SCO was not able to provide security in the rest of the spheres mentioned above. All these problems can be explained only as *a lack of financial resources*. Most of the SCO states are not rich, and therefore, the budget of the SCO cannot match the scale of the stated goals and tasks. Currently, the budget of the Shanghai Cooperation Organization is estimated at 3.5 million dollars.<sup>117</sup>

Can the SCO find enough financial resources to realize its goals and move from its declarations further to something more practical? Or is the Shanghai club going to split in two parts: RATS as an antiterrorist structure and the SCO as an economic organization?

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<sup>117</sup> M. V. Starchak , *SHOS v Central'noy Azii*, ( Nizhegorodsk: Nizhegorodskiy Gosudarstvenniy Universitet, 2008), 7

## X. CONCEPTUAL AND IDEOLOGICAL ASPECTS OF THE EAST-WEST DIVISION

Way before the dramatic event on September 11, 2001, the founders of the Shanghai Cooperation Organization started calling for solidarity in the war on terrorism. In June 2001, the SCO members agreed to form a regional antiterrorist structure. In October 2001, China and Kyrgyzstan organized joint antiterrorist military training within the SCO's framework.

In 2003, the military forces of the SCO members conducted joint antiterrorist exercises called "Union-2003" in Kazakhstan and China. This was the first multilateral antiterrorist training which included all official members of the Shanghai Cooperation Organization except for Uzbekistan. Since that time, the SCO states annually conduct joint military exercises directed against terrorism in the territory of Central Asia. In 2005, for the first time, China and Russia organized a military exercise coded as "Peace Mission-2005". This mission activated around 10 thousand Chinese and Russian soldiers.

However, the common security problems between the SCO and the US, such as terrorism and extremism, do not guarantee that they will cooperate in future. The divergence of views between the United States and the SCO on security issues plays an essential role in the priorities of the SCO and its policy towards the Western world. The SCO chose to protect the concepts of "sovereignty, statehood and national interests" as

opposed to the concepts of “human rights, freedom, democracy, and humanitarian intervention” promoted by the Western states. In other words, the SCO has taken an opposite approach to security issues.

The political elites of Central Asia, Russia, and China are concerned about protecting their sovereignty from the US democracy promotion policy that symbolized humanitarian intervention and interference in domestic affairs of sovereign states. The US policy of promoting democracy across the globe, which constitutes the basis of the American foreign policy, supported the protest movements in Georgia, Ukraine, Kyrgyzstan and Uzbekistan causing instability in the post-soviet region. Eventually, the SCO members had to choose between democracy and stability, and they chose the latter for the sake of the incumbent authoritarian regimes.

One of the problems of double standards in definition is in the way the concepts of terrorism and extremism are perceived by the United States and the way they are perceived by the SCO members. The SCO members’ interpretation of terrorism and extremism is opposite of the American understanding of those concepts. While the revolutions in Kyrgyzstan and Uzbekistan were viewed in the West as a sign of democratic transition, the SCO states labeled them as acts of “extremism”, one of the three evils identified by the SCO. We can conclude that the problem is in the way the SCO states react to the US actions on both conceptual and ideological levels. The SCO interprets the security issues and problems of the current situation in the post-soviet region in codes that are conceptually opposite to those used by the United States. Therefore, in the famous dilemma of “sovereignty versus humanitarian intervention”, the Shanghai cooperation prefers sovereignty, whereas the United States prefers the latter.

Among the main goals of the US foreign policy is to promote democracy, free trade, and free market. In other words, the systemic ideology behind the goal of democracy and free market promotion is obviously the conceptual model of liberalism which directed and predetermined the US foreign policy. The SCO's goal of security promotion, combat on extremism, and the critique of pro-democracy movements in Georgia, Ukraine, Kyrgyzstan, and China can be viewed as signs of its affiliation with the ideology of 'reactionary conservatism', where the role of a 'state' and 'traditions' is viewed as more important than the idea of an 'individual' and 'human rights'.

The ideological model of the SCO explains why the countries of Central Asia are more inclined to stay with the SCO and its security mechanism rather than relying on the United States and its allies. The political elites of Central Asia, Russia, and China who still use authoritarian methods of governance are, perhaps, convenient more with the standards and objectives set up by the Oriental mechanisms like the Shanghai Cooperation Organization than the goals pursued by the United States. Same can be said about the security objectives and principles of the SCO. They contradict those of the Western organizations like NATO and the EU when it comes to the problems of extremism, terrorism, and separatism. They also differ in the methods of resolving security issues. The repression of the revolution in Uzbekistan approved by the SCO and condemned by the United States also shows that the SCO has a different approach to resolving the regional security problems of Central Asia.

From the analysis of the situation in the post-soviet region and intense cooperation of the SCO members in the fields of security and economy, the following conclusions can be made:

\*The Shanghai Cooperation Organization is a security model that is more suitable for the specifics of the cultural and political life in Central Asia, Russia, and China than the model promoted by the United States. Hence, the SCO was definitely established as an organization which unified China and post-soviet countries based on their need for a mechanism with a specific conceptual and ideological position essentially different from the approach of the United States.

\*Hence, the discord in the perception of security problems might be a serious obstacle for the cooperation of the SCO and the United States or any dialogue in the SCO-NATO format.

## XI. CONCLUSION

The main purpose of this thesis was to examine the role of the SCO as a potential balancing force to the United States. The working assumption was that the SCO lacks the capacity and will to either balance the power of the U.S. on a global scale, or to balance the U.S. militarily. My assumption, therefore, was that if balancing is occurring, it is “soft balancing” on a regional scale. To test the hypothesis that the SCO is evolving as a balancing force to the U.S. in the Central Asian region, I examined:

- whether, and in what ways the SCO has evolved institutionally over time; the assumption here was that if the SCO’s strategic goal is to balance the U.S., then this should be reflected in an increasingly institutionalized SCO over time. Moreover, the priority areas of the SCO should be shifting from purely economic matters to military concerns. The evidence suggests both that the SCO has become more institutionally sophisticated over time, and that there is evidence of increasing military cooperation. As yet, however, military cooperation is not as institutionalized as other aspects of the SCO.

- whether there was a chronological correlation between the institutional strengthening of the SCO and the state of relations between the U.S. and SCO members; the assumption was that if the SCO views itself as a potential balance, its evolution should take place in response to, and reaction against, U.S. involvement in the region. The evidence suggests that the SCO’s institutional strengthening and the expansion of its

areas of concern have occurred at the same time as the U.S. has become more assertive in the Central Asian region and more hostile to both China and Russia, at least at the rhetorical level (as shown by the content of successive NSSs)

- the nature of disagreements (actual or potential) among SCO members, and whether these were likely to preclude the emergence of the SCO as a coherent balance against the U.S. The evidence suggests that while SCO member share certain common goals (the fight against extremism, for example), they do not all perceive the SCO's role in the same way. China is interested primarily in an economic institution, Russia places emphasis on security issues. These divergences among members are likely to constrain institutionalized cooperation in the immediate future.

The relevance of this issue to contemporary events is clear. The events in Georgia, Ukraine, and Kyrgyzstan brought uncertainty to the security system of the post-soviet space. The role that the United States played in those events encouraged China to revisit its views on the character of threats emerging in Central Asia and the character of its relationship with the United States and Russia in the context of its Central Asian strategy. However, the most important question is whether Russia and Central Asia are interested in seeing a geopolitical counterweight to the hegemony of the United States in the region or not. Although Russia must be the one who is concerned most, it is still worried about the problem of the Chinese expansion in Central Asia. It is also important to stress that the political elites of Central Asia, despite the increased anti-American mood, view the presence of the United States in the region as a guarantee of a stable balance of power and the main hindrance to the unilateral regional dominance of Russia or China. As a global hegemon, the United States still has an economic and political influence on any

and all members of the SCO, and in case if the SCO turns into an anti-Western military alliance, the US would likely have the capacity to disrupt the organization.

The SCO emerged as an organization whose purpose was to strengthen trust among the member-states and to resolve border issues, and then transformed into quite a dynamic and influential international organization. The results of this thesis research indicate that the SCO has a serious economic potential. Trade partnership and energy projects within the SCO's framework are favorable for all the SCO members, including the observers; and this economic self-sufficiency of the organization significantly diminished the dependence of Central Asian countries on the United States. Therefore, one conclusion of this study is that the SCO has enough economic strength to restrain the US's influence in the former soviet region.

There is quite an intense geopolitical and geo-economic struggle for the resources of Central Asia. The recent discovery of gold, copper, and lithium in the territory of Afghanistan (in July 2010) makes the region even more attractive. That might intensify the competition for the natural wealth of Central Asia. In turn this may increase the demand among SCO members for the SCO to evolve as a security mechanism and as a regional counterbalance to external interference.

However, despite the rapid development of Shanghai Cooperation Organization, its character, priority tasks, and further political goals are still not exact because of the existing disagreements among its members on the SCO's priorities and its role in the international arena in general. For China, the SCO is an instrument of economic expansion and an access to the economic resources of Central Asia. Russia wants the SCO to be a player in the geopolitical games with the West. For Kyrgyzstan and

Tajikistan, the SCO provides an opportunity to obtain financial assistance from countries like China. Thus, the SCO members lack a common foreign policy position, and, hence, they lack a spirit of collectivity.

This conclusion drawn from the research on the SCO partially supports Wohlforth's argument which states that alliances are not structural and can hardly be coordinated, because of weak commitment to the alliance, temptation to free-ride and bandwagon. Wohlforth's argument about the inefficiency of alliances is also confirmed by the divergence of the SCO members' position on the US invasion in Iraq, the limitation of its financial resources, the persisting disagreements among its members, and the absence of significant practical results.

Thus, the results of this thesis research show that the potential of the SCO as a security bloc to resist the United States **on the global level** is low. The reasons are summarized below:

- 1) Existing disagreements among the SCO members on the priority tasks and goals of the organization. Therefore, the SCO lacks a common foreign policy position
- 2) Restriction of its security projects to antiterrorist and anti-separatist operations and the lack of financial resources available for the SCO's security projects
- 3) Absence of practical achievements in the sphere of security

However, the evidence suggests that the SCO can realistically be considered a "soft" counterbalance against the United States on the regional level. For instance,

according to Pape, soft balancing mechanisms should include territorial denial, entangling diplomacy, economic strengthening, and signaling of resolve to participate in a balancing coalition. All these features of a soft counterweight were observed in the SCO's behavior in the post-Soviet space. The signs of the SCO's soft balancing against the United States are summarized below:

- 1) The SCO's opposition to the US presence in the post-Soviet region, the denial of basing rights to U.S. forces, and its cooperation with Iran
- 2) Aspiration for economic self-sufficiency and engagement in economic projects available only for its members
- 3) Development of security projects for resolving regional problems of extremism, terrorism, and secessionism and the SCO's aspiration for independence from Western countries in the sphere of security
- 4) The SCO's decision to choose a path conceptually and ideologically opposite to the US foreign policy goals. This means that the SCO and the United States will always remain on opposite sides.
- 5) Clear tendency towards economic and political isolation from the Western interference

The advocates of the 'balancing theory' warn that soft balancing may become more intense if the United States continues conducting an aggressive unilateralist security policy.<sup>118</sup> They argue that soft balancing will "increase the costs of using US power, reduce the number of countries likely to cooperate with future US military adventures,

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<sup>118</sup> Robert Pape: "Soft balancing against the United States", *International Security*, 30 (Summer 2005):10

and possibly shift the balance of economic power against the United States”.<sup>119</sup> And the SCO’s strategic turnaround against the United States in 2005 demonstrates that this warning is quite serious.

The former Soviet countries and China desire to have their own security system independent from the West in order to prevent the unilateral dominance of the United States in the post-soviet space. The important economic, political, and security projects undertaken by Shanghai Cooperation Organization show its ability to manage with its own internal problems without the interference of the United States.

Nevertheless, the SCO should not be considered as a military bloc threatening the security of the US. Neither has it deserved the names like “NATO of the East” or “Warsaw Pact” because the SCO does not resist the US on the global level. However, it would be fair to conclude that the organization serves as a political alliance that has an ability and willingness to counter the U.S. on the regional level.

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<sup>119</sup> Ibid

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