

SHANGHAI COOPERATION ORGANIZATION (1996-2003)

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CERTIFICATE

Certified that the dissertation entitled “SHANGHAI COOPERATION ORGANIZATION (1996-2003)” submitted by me is in partial fulfillment of the requirements for the award of the degree of Master of Philosophy has not been submitted for the award of this or any other degree in this University or any other University and is my own work.

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Preface

A multilateral forum founded by China, Russia, Kyrgyzstan and Tajikistan on April 26, 1996, the Shanghai Cooperation Organization (SCO) has emerged as an important organization for regional cooperation. Initially known as Shanghai 5, it started as a low profile international cooperation mechanism with a simple agenda but, over the years, has developed into an influential international forum with an impressive program for multilateral cooperation. Despite problems and impediments, it has done considerable progress and has made its future look promising so much so, several other countries of Central and South Asia have shown keenness to join the Organization.

The study seeks to examine and investigate the consistent evolution of SCO, over a short time, as a forum that has a regional multilateral mechanism for cooperation. It analyses the achievements of SCO in bringing about CBMs, sorting out border disputes, enhancing coordination to deal with cross-border terrorism, drug trafficking, religious extremism etc. It also examines the role of SCO in promoting bilateral and multilateral cooperation in fields of communication, rail and road transport, energy, agriculture, industry etc.

The first chapter briefly discusses the geo-economic and geo-strategic significance of the Central Asian region. It tries to give an idea of ethno-cultural diversity and resulting centrifugal forces in the backdrop of which the organization has taken shape.

It is in this context that the circumstances leading to the formation of Shanghai Five and its evolution to an organizational status, with a Permanent Secretariat and a Charter, are discussed.

The second chapter acquaints us with the objectives and policies of the SCO as enshrined in the 'Declaration' of the Organization, signed by the heads of States of the People's Republic of China, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan on 15 June 2001 in Shanghai. National Interests being supreme in the conduct of international relations, the regional objectives, as reflected in the 'Declaration', are tested against the individual national interests of the member states. Only an overlapping of national interests of member states can ensure success of a regional organization like the SCO. Different trajectories of national interests have to be resolved ultimately to ensure success. It is in this background that the objectives of the SCO are discussed and analyzed.

The third chapter has been devoted to stocktaking of the SCO. It tries to draw a balance sheet of the SCO critically looking at its success and failures. Initially formed to sort out border disputes and bring about CBMs, the organization has slowly improved its institutional set-up to coordinate on issues of cross-border terrorism, drug trafficking, religious terrorism etc. Over the years it has shown slow but steady diversification to economic issues where it is likely to concentrate substantial amount of energy in the

coming years. The chapter also looks into the impact of September 11 attack on Central Asian region in general and SCO in particular, especially in the context of growing US presence in the region and its war on terror. It is exactly in this backdrop that the US war on Iraq has been discussed. The reaction of the SCO and its ability to challenge the growing influence of the sole superpower has been critically examined as well. An effort has also been made to spot future trends and prospects which underline the need for adjustment, both in short and long run, if the organization wishes to keep itself relevant.

The next chapter comments on the likely future of the SCO. It discusses at length the three most important trajectories that are going to decide the future: a) Sino-Russian relations; b) US presence; c) Islamist militancy, based on which it tries to paint the possible future scenarios.

The fifth and the last chapter summarizes the conclusions arrived from each of these chapters.

CHAPTER I

Introduction

Shanghai Cooperation Organization (SCO) is an international organization that has provided mechanisms and channels for dialogue and communication among countries with different backgrounds of religions, cultures, social systems, and ideologies, thus minimizing misunderstanding and possible conflicts among them. It has taken shape in a complex background, which requires understanding of the geo-strategic and geo-economic significance of the Central Asian region.

Traditionally, Central Asia is a crossing point of diverse interests of regional and non-regional powers such as Russia, China, Great Britain, Turkey, Iran, and Pakistan among others. The dissolution of the Soviet Union in 1991 led to the independence of five states in Central Asia, which fundamentally changed the strategic configuration of the wider Central Asian region. Central Asia has started regaining its status of the “pivot of Asia”.¹ Competition for access to the vast gas and oil resources of the region has brought new powers into play – the United States, the European Union, China, Japan, etc. As a result, during their twelve years of independence Central Asian states have attracted great attention on behalf of the major international actors. Two of the interested countries – namely, Russia and China, succeeded in institutionalizing and, in some way, fitting their competing interests in the region through the establishment of an organization including the four of the Central Asian republics (except Turkmenistan).

¹ Owen Lattimore, *Pivot of Asia: Sinkings and the Inner Asian Frontiers of China and Russia* (Boston: Little Brown, 1950), p. 32.

Based on the cognition of the common threat, the SCO was designed as a regional security framework among nations, between which there hardly was any interaction for a long period of time. The terrorist attacks on the United States on September 11, 2001, however, caused significant changes in the geo-strategic situation in Central Asia. Against the global terrorist challenge, the importance of Central Asia further increased.² The region neighboring the Caucasus, the Middle East and Afghanistan, turned into a focal point of global attention and gained much more importance. Washington has gained foot-hold in the region, thus altering the regional balance of power and seriously challenging the cohesion and the very existence of the SCO.³

1. **Geo-strategic and Geo-economic Significance of Central Asia**

Located at the center of Eurasia on the intersection of critical transport routes, Central Asia represents a strategic component of Eurasian space. Central Asian republics cover a total area of about four million sq.km. This geographic area has no access to the great oceans, and its communications with world markets relate to inland transport and energy routes. The southern Siberian plain occupies the northern part of the region. In the south and in the east, the region is bounded by mountains –Hindu Kush , Pamir and Tien Shan range, respectively. Its strategic geographic location (close to areas, where significant amount of weapons is stationed), its status of a land corridor to the Persian Gulf and the Indian Ocean as

² Marina Brower, Shanghai Six Toughen up on Terrorism, January 8, 2001, available at <<http://www.rnw.nl/hotspot/html/shanghaisix020108.html>>

³ Whatever Happened to the Shanghai Co-operation Organisation, available at <<http://www.jamestown./index.php>>

well as the profitability of the future Central Asian energy projects provoke the interests of the major players within the system of international relations.

2. Ethno-Cultural Diversity

The total population of the region is about 55 million. While, the ethnic situation is extraordinary complex, the ethno-linguistic and ethno-religious map of the region is quite homogeneous. Turkic language as well as the Sunni Islam is predominant among the population in this region.⁴ Islam became a dominant religion in the region in the seventh and eighth centuries, introduced by the Arabs. During the Soviet period, authorities took serious measures in order to weaken the influence of Islam among the local people. After the collapse of the Soviet Union, a newfound interest in religion was observed in Central Asian states. The region has started to be considered as a part of the Muslim world despite different degrees of Islamization and religiosity of the population.

The ethnic situation is extraordinary complex because of the plethora of ethnic sub-groups, clans, lineage, tribes, and immigrant groups that play an important role in the political game in Central Asian republics. The common religion, however, is not a significant uniting factor for the Central Asian societies. National interests clearly prevail over Islamic solidarity. Despite the frequent shifts of the population, there was little interaction between the indigenous population and the newcomers. This diversity provides for the great conflict potential that threatens not only regional stability but the stability of the peripheral states as well. It makes

⁴ Shams-ud-din, "The New Great Game in Central Asia", *International Studies*, vol. 34, no. 3, 1997, pp. 329-341; Gulshan Sachdeva, "Economic Transformation in Central Asia", *International Studies*, vol. 34, no. 3, 1997, pp. 313-327.

the region quite vulnerable as any outside or inside actor could easily take advantage of the situation and trigger a conflict all over the region for satisfying its own needs and interests. Another vulnerable point is the strengthening of radical Islam within the region.

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

3. Energy Prospects

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

Kazakhstan:

Crude oil reserves: 5.4 billion barrels

Natural gas reserves: 65 trillion cubic meters

Kyrgyzstan:

Crude oil reserves: 40 million barrels

Natural gas reserves: 0.2 trillion cubic meters

Tajikistan:

Crude oil reserves: 12 million barrels

Natural gas reserves: 0.2 trillion cubic meters

Uzbekistan:

Crude oil reserves: 594 million barrels

Natural gas reserves: 66 trillion cubic meters

Turkmenistan:

Crude oil reserves: 546 million barrels

Natural gas reserves: 101 trillion cubic meters

The independence of the Central Asian republics created prerequisites for the promotion of their energy resources on the world markets and immediately attracted the attention of Great Powers. The region has turned into a focus of a multitude of competitive interests, which soon launched the process, called by analysts 'the last great rush for oil deposits'.⁵ For Russia, which is the world's second greatest energy consumer, it is of supreme importance to recover the influence it had in Central Asia. For China, which suffers from energy deficit, the influence in this neighboring region is a guarantee for future economic growth. For the United States, securing the unimpeded flow of energy resources from the region to world markets is a critical US interest.

⁵ Elena Triffonova and Vanya Kashoukeeva, (ed.), *Regional Infrastructure Projects in South-Eastern Europe* (Institute for Regional and International Studies, 1999), p. 86.

4. Circumstances Leading to the Formation of Shanghai Five

Despite the common religious, cultural, and linguistic proximity, there hardly was any interaction between the five Central Asian republics for a long period. The republics neither had relations with the neighboring countries or regions i.e. China, Middle East, Western Asian countries. There was no mutual trust among the Central Asian states themselves. Some attempts for developing and institutionalizing formal cooperation within the region were made after the dissolution of the Soviet Union - for example, Conference on Interaction and Confident-Building Measures in Asia (initiated in 1992), Central Asian Economic Community (created in 1994), Eurasian Economic Union (agreed in 1999), the Turkic states grouping (initiated in 1992), the Economic Cooperation Organization (including Iran and Pakistan). Most of these multilateral structures, however, could not overcome the existing rivalries, tensions and imbalances between the states in the region and could not achieve the initially set goals. It was difficult for them to agree on effective cooperation and interaction.

In 1993 regional leaders began meeting to discuss the normalization of their West Asian borders, where during the Cold War period Russia and China stationed heavily armed troops. Since mid-1990s, Russia and China have joined their efforts for normalization of relations and developing regional cooperation with their Central Asian neighboring countries. Firstly, the presidents of the two countries signed a Joint Statement for further developing "long-term, stable, good-neighborly, friendly, and mutually beneficial relations". They also stated their determination to speed up the formulation of an agreement on the mutual reduction

of military forces along their mutual border, confidence building in the military field and settlement of border problems.⁶

. The border issue is a historic one, dating back centuries. The Soviet-Chinese border, consisting of a 4300-kilometer eastern section from the eastern edge of Mongolia to the Tumen river of North Korea and a 3200-kilometer western section from the western edge of Mongolia to the Tajik-Afghanistan border junction, was delineated mainly by the Russian empire and the Qing dynasty in the late 19th century.

The Chinese claimed a loss of over one and a half million square kilometers of its “own territories” on the basis of “unequal treaties” between Russia and China in the 19th century, which later caused Soviet-Chinese military conflicts such as the Damanskii Incident in 1969. In the late 1980s, when Soviet-Chinese reconciliation was brought about by Gorbachev’s “new thinking” initiatives, both sides agreed to take measures to prevent would be military conflicts and resolve territorial issues in the border area.⁷ The former led to an agreement on the leading principles of arms reduction and confidence- building in the military field on the border in April 1990,⁸ the latter to an agreement between the Soviet Union and China on the eastern sector of their state border on May 16, 1991.⁹

⁶ Gregory Gleason, “Inter-State Cooperation in Central Asia from the CIS to the Shanghai Forum”, *Europe Asia Studies*, vol. 53, no. 7, 2001, pp. 1077-1095.

⁷ Both sides firmly adhered to the new principles of mutual relations set out in May 18, 1989 in the Joint Communiqué and intend to follow them unswervingly:

⁸ “Soviet-Chinese Relations”, *Summary of World Broadcast*, Special Supplement, April 28, 1990, SU/0748/C2/1.

⁹ “Jiang Zemin’s Visit to the Soviet Union: Border Agreement Signed”, *Summary of World Broadcast*, May 17, 1991, SU/1074 I Also See Liu et al., 1996, pp. 52, 161-162; available at <http://www.clingendael.nl/ciep/pdf/CIEP_04_2003.pdf>

The Soviet-Chinese border changed when the Soviet Union collapsed at the end of 1991. The western part was divided into four sections – the 50-kilometer Russo-Chinese border, the 1700- kilometer Kazakh-Chinese border, the 1000-kilometer Kyrgyz- Chinese border, and the 430-kilometer Tajik-Chinese border, while the eastern part was totally succeeded by the Russo-Chinese border. At that time, these newly independent Central Asian states that had not until then recognized the existence of the territorial issue and had rejected its negotiation with China, agreed to sit at one table to discuss it through the mediation of Russia.¹⁰ The “4 (Russia+ three Central Asian states of Kazakhstan, Kyrgyzstan and Tajikistan) + 1 (China)” negotiation formula was created by the Russo-Chinese “partnership” in due observance of the Russo-Chinese border agreements. After 1993, the “4+1” formula served for two regular committees, for confidence-building and arms reduction and for joint boundary demarcation, which later became the bodies of the so-called “Shanghai Five”¹¹

5. From Shanghai Five to the SCO

At a time when Central Asia held low-priority status within the broader foreign policy framework of the western countries, the leaders of Russia, Kazakhstan, Kyrgyzstan and Tajikistan met in Shanghai and signed an “Agreement on Strengthening Military Confidence in Border Areas”. The agreement, signed on April 26, 1996,¹² confirmed the borderline and agreed on a set of confidence-building measures in the border area.

¹⁰ Ibid, p. 180.

¹¹ Sun, 1999, pp. 204-206; available at <http://www.clingendael.nl/ciep/pdf/CIEP_04_2003.pdf>.

¹² “Five-Nation Border Agreement Signed in Shanghai: Text of Report by Xinhua News Agency”, China, *Summary of World Broadcast.*, April 27, 1996, FE/2597/G/1

The 'originator' of the forum, which came to be known as the Shanghai Five, was China, whose border with the other four countries totals more than 7,000 kilometers. Infact, the meeting of the presidents of the five countries went beyond the initially set goals and expectations related primarily to the development of security confidence-building measures in the border areas before the final peaceful resolution of the border problems. Specifically, the heads of the five countries stated that their military forces would not be used to attack each other; that their countries would restrict the scale, geographical scope and the frequency of military exercises in the border areas and invite observers to the planned ones; that their forces would not conduct military exercises against each other; that they would inform each other for any major military activities in the areas within 100 km from the borders; that they would strengthen relations between the military forces and border guard units along the border areas.¹³

At the second summit, held in Moscow on April 24, 1997 the five countries further expanded forum's scope. Reaching a common view on building up good-neighborly relations and peaceful cooperation, they enriched the confidence building process with a component of military force reduction in the border area. The leaders of the five countries signed an "Agreement on Mutual Reduction of Military Forces in the Border Areas". The agreement stipulated that China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan would reduce their military forces in the border areas to the minimum level compatible with their friendly and good-neighborly relations, a level that should not go beyond their defense needs. It was

¹³ *The Text of Russian Federation, Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan and People's Republic of China on Confidence Building in the Military Field in the Border Area* available at <http://russia.shaps.hawaii.edu/fp/russia/shanghai_19960426.html>

declared that the geographical limits for the agreement's application were a 100-kilometer zone on both sides of the border. The parties agreed on non-use of force, not to threaten to use force against the other party or parties, neither to seek unilateral military superiority. They reiterated their responsibility to exchange relevant information and data on the military forces in the border areas as well as to exchange regularly relevant military information about the areas, which will be kept secret to any third party.

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

After resolving the security problems between them along the borders and as cooperation between them deepened, the five countries stepped up efforts to enhance partnership in other areas, especially economic cooperation. While the first two summits aimed primarily at strengthening confidence-building process, reducing the number of the armed forces in the border areas, promoting transparency and predictability of military activities, the third one that was held on July 3, 1998¹⁴ in Almaty, Kazakhstan, added new contents to the security partnership among the five nations. It focused on the necessity of a large-scale

¹⁴ "China and Kazakhstan to sign Supplementary Border Accord", Xinhua News Agency Beijing, *Summary of World Broadcast*, July 4, 1998.

economic cooperation as a vitally important premise for “the consolidation of the regional peace and stability”. It seemed that the leaders were well aware of the significance of the economic cooperation for the consolidation and strengthening of the new organization. The parties pointed out particularly the need of intensifying and encouraging the cooperation in such strategically important fields as “the construction of oil and gas pipelines, in the railway, highway, water and air transport, and in the field of energy on an equal and mutually beneficial basis”.¹⁵

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

At the Almaty Summit the five countries also agreed on the necessity of mutual respect for national sovereignty and territorial integrity, equality, and non-intervention in each other’s internal affairs as the basic principles for managing

¹⁵ *The Text of Joint Statement of China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan on the Alma-Ata Meeting* available at <<http://russia.shaps.hawaii.edu/fp/russia/joint-statement980703.html>>

international relations – a position supported by Russia and strictly advocated by China's leadership at the international scene for a long period of time. This assumes significance in the light of US-led intervention in Kosovo and western criticism of Russia's actions in Chechnya or China's policy in Xingxiang and Tibet.

The fourth summit of the Shanghai Five was held in Bishkek, Kyrgyzstan on August 25, 1999. It happened at a time of deteriorated security situation in Central Asia and increased activity of Islamic militants in the region. This made the group coordinate its efforts to put down "international terrorism." The five countries reaffirmed their strong opposition to national separatism and religious extremism and pointed out the importance of combating international terrorism, illegal drug trafficking, arms smuggling, illegal immigration and other forms of cross-border crimes. This resulted in the decision to set up an anti-terrorist center in Bishkek that would coordinate activities in this field. Participants also agreed to start reviving the ancient Silk Road as well as to establish a permanent mechanism for high-level meetings on security issues in order to discuss these items but also the prospects for transport and economic cooperation. Although the countries did not accept a clause providing for solving intra-state conflicts, they pledged "not to allow anyone to use their territories to engage in actions harmful to the sovereignty, security or social order of any of the five countries".¹⁶ This clause significantly diminishes the possibility that the internal conflicts of a country would involve in or spill over to the neighboring countries. Some experts are prone to see the resulting joint Bishkek declaration as a warning to the United States and NATO as it spoke of the need for a multi-polar world and stronger United Nations, and opposed the

¹⁶ Editor Note, *Beijing Review*, vol. 42 no. 37, September 13, 1999.

use of force on the international scene unless it was sanctioned by the UN Security Council.

The statement issued after the end of the fifth regular summit, held in Dushanbe on July 5, 2000,¹⁷ however, was even more alarming to Washington as it endorsed Sino-Russian position on multi-polar world, the Anti-Ballistic Missile Treaty and the US plan for National Missile Defense System.¹⁸ Moreover, the five countries condemned the “attempt by any nation or group of nations to monopolize global and regional affairs out of their own interest.”¹⁹ They also reasserted “their legitimate rights to choose the roads to political, economic and social development in light of their own national conditions” and contesting the US policy, they reiterated their opposition to the “interference in other countries internal affairs under the pretext of ‘humanitarianism’ and ‘protection of human rights’.”²⁰ The five countries (the president of Uzbekistan, Islam Karimov was invited to attend the meeting as an Observer) expressed their support for China’s efforts for national reunification on the “one China” principle as well as for the position of the Russian federation on the Chechnya issue. The countries further expanded Shanghai cooperation mechanism by declaring their willingness to enhance cooperation on such non-military issues as culture, environmental protection, and in the field of

¹⁷ “Foreign Ministers Support preservation of ABM Treaty”, *Text of Report in English by Russian News Agency ITAR-TASS, Summary of World Broadcast*, July 6, 2000.

¹⁸ *Inside Central Asia*, Issue 289, August 23-29, 1999 available at <http://www.isris-bg.org/publications/War_on_terror/Iris>

¹⁹ “Shanghai Five Favours Strengthening of UN Role”, *Text of Report in English by Russian News Agency ITAR-TASS, Summary of World Broadcast*, July 6, 2000, SU/3885/G/1

²⁰ *The Text of Dushanbe Statement of the Heads of State of the Republic of Kazakhstan, The People's Republic of China, the Republic of Kyrgyzstan, the Russian Federation and the Republic of Tajikistani*, July 5, 2000 available at

<http://www.russia.shaps.hawaii.edu/tp/russia/dushanbe_20000705.html>.

foreign policy. Once again the leaders of the five countries placed an emphasis on the economic cooperation as a key premise for strengthening regional security.

In 2001 Uzbek President made significant efforts in convincing his colleagues from the Shanghai Five that this grouping could not achieve its goals without the participation of Uzbekistan. He openly declared that SCO values and objectives corresponded with the national interests of his country. It was then clear that the Uzbek leader was looking for support in dealing with the *Islamic Movement of Uzbekistan*. During the Forum summit held on June 14-15, 2001 the grouping was joined by Uzbekistan, and it was renamed 'Shanghai Cooperation Organization (SCO)'. The inclusion of Uzbekistan was of strategic importance as it is in the heart of Central Asia; it borders Afghanistan and its radical Islamic elements are the most active in the region.

As it was put down in the Declaration on the establishment of the SCO, the new organization "marks the beginning of a new stage in the development of cooperation among the member States and is keeping with the trends of the modern era, the realities of the region, and the fundamental interests of the peoples of all the member states."²¹ It was established as a permanent mechanism for high-level meetings on security and economic issues. A Council of national coordinators of the member states was created in order to coordinate cooperation and interaction between the different state institutions. The Declaration stipulates also "further development and diversification of cooperation among the member States at the bilateral and multilateral level." It explicitly appeals for the encouragement of

²¹ *The Text of the Declaration on the Establishment of the Shanghai Cooperation Organization*, Shanghai, June 15, 2001, *China Report*, vol. 37, no. 4, 2001, pp 553-556.

effective cooperation in the political, trade and economic, scientific and technical, cultural, educational, energy, transport, environment spheres, going beyond and further enriching the limited agenda of the Shanghai forum.²² The June 2001 declaration at Shanghai kept open the possibility of admitting new members on the basis of consensus. The countries signed the Shanghai Convention on Combating Terrorism, Separatism and Extremism, thus further strengthening their military cooperation and confirming their decision to establish an anti-terrorist structure located in Bishkek. This structure would coordinate its activities with the “Bishkek group” involving the heads of the police and security services of the member-states.

Despite the changed geo-strategic situation in the region after September 11, 2001, the SCO has continued gathering pace around concrete areas of policy and an expanding framework of agreements. Building on the achievements of the Shanghai Five, the new organization is gradually increasing its cohesion and purposefulness. Abiding by the text of the Shanghai June 2001 Declaration for coordinated action on regional issues and international problems, the SCO was one of the first international organizations to react to the events of September 11. The six countries issued a joint statement condemning the terrorist attacks of September 11 and actively participated in the anti-terrorist coalition. This initial statement was followed by a Joint Statement by the Ministers of Foreign Affairs of the Member States of the SCO signed in Beijing on January 7, 2002, where the member states rejected any unilateral approach in combating terrorism. On April 19, 2002 the emergency ministers of the SCO met in St. Petersburg and signed a cooperation agreement.

²² Ibid.

On May 23, 2002, law enforcement ministers and heads of secret services of the SCO met in Alma-Ata and approved an agreement that provides for the establishment of a regional anti-terrorist structure, already agreed by the leaders of the member states.²³ The structure is seen as basis for practical measures against terrorism, separatism, and extremism in the SCO states. The agreement states that the territories of the respective countries will not be used for carrying out any kind of activity causing damage to each other's sovereignty, territorial integrity, or public security. The political declaration and an arrangement for the formal establishment of a regional anti-terrorist structure were signed by the SCO heads of states at the beginning of June. That was the first treaty to regulate a permanent functioning institution of SCO. The SCO trade ministers met in Shanghai on May 28-29, 2002 to discuss the launch of economic and trade cooperation.

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

²³ Shanghai Cooperation Organisation Seeks to Strengthen Anti-terrorism Component, available at <<http://www.eurasianet.org/index.shtml>>.

approaches to regional security, as opposed to US-led bilateral alliances or other security relationships. The SCO headquarter will be situated in Beijing, and the organization's first secretary general will be Chinese.

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

SCO leaders went further and discussed the modalities for funding the main SCO structures. It was decided that new members would not be accepted until sufficient level of organizational development would have been achieved. Second, Chinese Ambassador to Russian Federation Zhang Deguang was appointed as the first SCO Secretary-General. Third, the six leaders approved the SCO emblem and flag. Fourth, a memorandum was signed on organizing the first joint anti-terrorist exercise within the SCO in August 2003. It was decided that the first stage of the exercise would be held in South East Kazakhstan and the second one on the

territory of China, near the border with Kazakhstan.²⁴ The SCO has entered the most active period of establishing the SCO legal basis.

The Shanghai grouping, applying the step by step approach developed from a structure of bilateral nature to an institution for multilateral cooperation in concrete areas of policy. What is important is that the Shanghai Five grouping was not based on any assumption about a common heritage or outlook. Unlike the majority of the organizations that start with the establishment of institutions and bodies and then, focus on filling them with essence, the Shanghai forum chose the gradualist approach and philosophy followed by Chinese leadership in reforming the country i.e. firstly, the five countries focused on a limited issue, that is, the real functional need to address unresolved traditional security issue in the Chinese border regions. Gradually, they started enriching the forum's agenda, agreed on an increasing number of issues and common concerns to reach to the next logical stage of development of the Shanghai mechanism – its institutionalization.²⁵

Starting as a loose international cooperation mechanism with a modest agenda, the Shanghai forum has gradually grown into a well-structured international forum for multilateral dialogue and cooperation. The grouping, with a primary purpose of curbing international terrorism, ethnic separatism and religious

²⁴ The overall goal of the two stages of the Interaction 2003 exercises is to implement the provisions of the 2001 Shanghai Convention on the joint struggle against terrorism, separatism, and religious extremism. Charles Carlson, "Central Asia: Shanghai Cooperation Organisation Makes Military Debut", Available at <<http://www.rferl.org> >

²⁵ SCO Enters Principally New Stage, 22 April 2004, available at <<http://www.cdf.gov.kg/eu/use/publicaiton/?id=345>>

extremism with a pragmatic and incremental approach has been successful largely so much so that it is increasingly finding support from word bodies like the UN.²⁶

²⁶ Mr. Geir O. Pedersen, Secretary-General's Message to the Inauguration Ceremony of the Secretariat of the Shanghai Cooperation Organization Delivered at UN Department of Political Affairs, Beijing, China, 15 January 2004, available at <http://www.un.org/apps/sg/sgstats.asp?nid=738#> >

CHAPTER II

Objectives And Policies of the Shanghai Cooperation Organization

1. Objectives and Policies of the SCO

The SCO has partly succeeded in establishing cooperation among its member states. It significantly differs from the rest because of its way of establishment, its evolution and members. It began as a forum to resolve the border disputes between China and the Central Asian countries. Its predecessor, the so-called “Shanghai Five,” was born as a forum to discuss CBMs and the demarcation issue in the former Soviet-Chinese border region under a Russo-Chinese co initiative but in the following years the organization diversified its objectives to trade and economic cooperation without diluting its primary objective of regional security.

The objectives and policies of the SCO are enshrined in the ‘Declaration’ of the Organization, which was signed by the heads of States of the People’s Republic of China, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan on 15 June 2001 in Shanghai. The ‘Declaration’ states:

*“The goals of the Shanghai Cooperation Organization are:
to strengthen mutual trust, friendship and good-neighborliness
between the member States; to encourage effective cooperation
between them in the political, trade and economic, scientific and
technical, cultural, educational, energy, transport, environmental*

and other spheres; and to undertake joint efforts for the maintenance of peace, security and stability in the region, for building of a new, democratic, just and rational international political and economic order".²⁷

The SCO has been established on the basis of the agreements on confidence building in the military field and on the mutual reduction of armed forces in the border area signed in Shanghai and Moscow in 1996 and 1997 respectively. Cooperation within its framework is already under way in political, trade and economic, cultural, scientific, technical and other spheres. The principles embodied in the aforementioned agreements define the basis for relations between the member States of the SCO

1.1 Adherence to the 'Principle of Openness'

According to the Declaration:

"The Shanghai Cooperation Organization is not an alliance directed against other States and regions and it adheres to the principle of openness. It declares its willingness to develop dialogue, contacts and cooperation of all kinds with other States and appropriate international and regional organizations and, on the basis of consensus, to admit as new members States which share the objectives and goals of cooperation within the framework of the organization and the principles set forth in paragraph 6 and also

²⁷ Declaration on the Creation of the Shanghai Cooperation Organisation, Shanghai, 15 June 2001, *China Report*, vol.37, no. 4, 2001, pp. 553-556.



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*other provisions of the Declaration and whose admission may help achieve that cooperation”.*²⁸

1.2 Regional Security as Top Priority

Top priority of the ‘Organisation’ is “Regional Security”. The Declaration attaches great importance to:

*“Regional security and shall make all necessary efforts to maintain it. The member States shall engage in close cooperation with a view to the implementation of the Shanghai Convention on combating terrorism, separatism and extremism, including the establishment of a regional anti-terrorist structure of the Shanghai Cooperation Organization with headquarters in Bishkek. In addition, appropriate multilateral documents shall be drawn up on cooperation in curbing illicit trafficking in arms and narcotic drugs, illegal migration and other types of criminal activities”.*²⁹

1.3 Resolve to Work in the Shanghai Spirit

Putting great value on the positive role of the Shanghai Five over the years of its existence in promoting and intensifying relations of good-neighborliness, mutual trust and friendship among the member States, strengthening peace and stability in the region and facilitating joint development, the ‘Declaration’ reflects the resolve of the leadership to work:

²⁸ Ibid.

²⁹ Ibid.

“In the Shanghai spirit, formed in the process of the development of the Shanghai Five, characterized by mutual trust, mutual advantage, equality, joint consultations, respect for cultural diversity and the desire for joint development, an invaluable asset gained by the countries of the region over the years of cooperation.”³⁰

1.4 Firm Adherence to the Purposes and Principles of the United Nations Charter

Unanimously believing that the establishment and development of the Shanghai Five was in keeping with the needs of mankind and the historic trend towards peace and development in the conditions which prevailed after the end of the cold war which opened enormous potential for good-neighborliness, unity and cooperation through mutual respect and mutual trust among States belonging to different civilizations and having different cultural traditions, the organization, learning from its own experience, has strongly felt the need to:

“Firmly adhere to the purposes and principles of the Charter of the United Nations, the principles of mutual respect for independence, sovereignty and territorial integrity, equal rights and mutual advantage, resolution of all issues through joint consultations, non-interference in internal affairs, non-use or threat of use of military force, and renunciation of unilateral military advantage in contiguous areas”.³¹

³⁰ *ibid.*

³¹ *ibid.*

1.5 Resolution of Conflicts through Consultation and Coordination

The 'Declaration' further points that:

"The States members of the Shanghai Cooperation Organization shall strengthen the consultation mechanism and coordinate action on regional issues and international problems, provide mutual support and develop close cooperation on major international and regional issues, and jointly facilitate the consolidation of peace and stability in the region and throughout the world, believing that the preservation of global strategic balance and stability in the current international situation is of particular importance".³²

1.6 Constitution of Expert Working Groups to Study Plans and Proposals for Further Development of Cooperation

Particularly noting that the agreements on confidence-building in the military field and on the mutual reduction of armed forces in the border area signed in Shanghai and Moscow in 1996 and 1997 respectively by the heads of the People's Republic of China, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan, and also the final documents signed during the meetings at Alma Ata (1998), Bishkek (1999) and Dushanbe (2000), which made an important contribution to the maintenance of peace, security

³² *ibid.*

and stability in the region and throughout the world,³³ significantly enriching the practice of modern diplomacy and regional cooperation having a broad and positive influence on the international community, the organization has decided to hold: -

*“Within the framework of the Shanghai Cooperation Organization, annual official meetings of the heads of State and regular meetings of the heads of Government of the member States alternately in each of the member States. In order to expand and intensify cooperation in all spheres, new mechanisms may be established, as necessary, in addition to the existing mechanisms for meetings of the heads of the relevant departments, and also permanent and temporary expert working groups may be convened to study plans and proposals on the further development of cooperation”.*³⁴

1.7 Establishment of Favorable Conditions for Trade and Investments

Being firmly convinced that in the context of the dynamic development of the processes of political multi-polarity and of globalization in the economic and information spheres in the twenty-first century, the progression of the Shanghai Five mechanism to a higher level of cooperation will help in making more effective joint use of the possibilities which are opening out and in withstanding new challenges and threats. The Organisation believes:

³³ Kajari Sahai, “Declaration of the Shanghai Cooperation Organisation”, *China Report*, vol. 38, no. 1, 2002, pp. 129-132.

³⁴ Declaration on the Creation of the Shanghai Cooperation Organisation, Shanghai, *China Report*, vol.37, no. 4, 2001, pp. 553-556.

“The Shanghai Cooperation Organization has enormous potential and broad possibilities for mutually advantageous cooperation of the member States in the trade and economic sphere and shall make efforts to promote the further development and diversification of cooperation among member States at the bilateral and multilateral levels. To this end, within the framework of the Shanghai Cooperation Organization, a negotiating process shall be undertaken on the establishment of favorable conditions for trade and investments, a long-term program of multilateral trade and economic cooperation shall be drawn up, and also the relevant documents shall be signed.”³⁵

1.8 Increased Institutionalization for Better Cooperation

Keeping in mind the above objectives and in order to coordinate cooperation and organize interaction between the competent ministries and departments of the member States of the SCO, a council of national coordinators of the member States of this organization is established. The activities of this council shall be determined by the provisional statute approved by the Ministers for Foreign Affairs of the member States.

The council of national coordinators has, on the basis of this Declaration and the documents adopted earlier by the heads of State in the framework of the Shanghai Five, formulated a draft Charter of the SCO, which contains a clear set of provisions on the goals, objectives and directions of future cooperation of the

³⁵ Ibid.

Shanghai Cooperation Organization, the principles and procedure for the admission of new members, the legal force of the decisions adopted by it and means of cooperation with other international organizations, and was submitted for signature during the meeting of heads of State in 2002.

In analyzing the experience of the past and assessing future prospects, the heads of the member States firmly believe that the establishment of the SCO marks the beginning of a new stage in the development of cooperation among the member States and is in keeping with the trends of the modern era, the realities of this region, and the fundamental interests of the peoples of all the member states.³⁶

The Objectives of the SCO were further clarified in the Moscow Summit. On May 28-29, 2003 the Heads of State of the member nations of the SCO met in Moscow to discuss the next steps in making the SCO a “full fledged” international organization by 2004.³⁷ While many new initiatives were taken, many unresolved issues remain like the scope and function of the SCO secretariat and the Bishkek counterterrorism center; a finalized budgetary mechanism; and how the organization will handle requests for membership or observer status. On the political side, the SCO summit declaration considerably toned down its anti-hegemony/anti-U.S. language from previous summits, but it still maintains support for a “multi-polar” and “democratic” world order, as well as the primacy of the United Nations.³⁸

³⁶ Kajari Sahai, “Declaration of the Shanghai Cooperation Organisation”, *China Report*, vol. 38, no. 1, 2002, pp. 129-132.

³⁷ The summit was originally scheduled to be held in Kazakhstan, but was moved to Moscow to coincide with the celebrations surrounding the 300th Anniversary of St. Petersburg.

³⁸ Summit Update, available at <http://www.csis.org/china/0305_SCOsummit.pdf>

The following goals were also highlighted in the Summit³⁹ :

- Goal of complete institutionalization of the SCO by January 2004 making the SCO a “full fledged” international organization, moving it away from its “provisional” legal status.
- Adoption of the formally approved “Charter of the SCO”, though this document has not been publicly disseminated.
- Establishment of the “Provisions of Heads of State Council, Heads of Government Council, Council of Ministers of Foreign Affairs, National Coordinators Council, and Conference of Ministry and Department Heads” to govern meeting mechanisms and steering rules.
- Agreement on “building up and executing” an annual budget worth \$4 million to be finalized at the fall 2003 Heads of Government (Premiers) meeting in Shanghai.
- Establishment of a new SCO Secretariat located in Beijing with Zhang Deguang, current ambassador to Moscow and former ambassador to Kazakhstan, as the first Secretary General.
- Approval of the “SCO agreement on the Regional Anti-Terrorism Organization” and creation of an executive council to govern this center whose initial task will be to construct data bank and establish information sharing mechanisms.
- Plans to combat drug trafficking, possibly using the Bishkek counterterrorism center

³⁹Summit Update, available at <http://www.csis.org/china/0305_SCOsummit.pdf>

- Mutual assistance in emergency situations
- Joint transport ministry projects
- Working on migration issues at the request of Uzbek President Karimov

Overall, member States have taken promising steps in building the SCO and generated new hope for the long-term viability of this organization. Still, many doubts remain. The member nations will have to commit even more resources, energy, and political capital to make this organization survive, a nearly unheard of feat in the short history of Central Asian multilateral endeavors.

There are three early tests for the SCO. First is the formation of the Bishkek counterterrorism center. To be useful, this center will have to effectively coordinate a response to a new terrorist insurgency, with special attention to de-conflicting the role of China, Russia, and the United States. This task becomes even more difficult if Uzbekistan opts out of the exercise, since the Ferghana Valley is the most likely location for an insurgency flare up. This center should not be expected to house a new rapid reaction force, but it has to be more than an information clearinghouse if the SCO expects to be respected as a player on regional security issues.

Secondly, the establishment of a permanent secretariat and budget mechanism by January 2004 will demonstrate the political and material commitment that members are willing to provide. A functioning budget and empowered international bureaucracy are central to the success of any international organization; particularly one bringing together such diverse players. Lastly, the SCO needs to prove that it can accomplish (initially) limited economic cooperation,

a point stressed with unusual frequency and detail at this last summit. If the SCO can commit to a transportation pact by next year's summit, it will have proved that it is more than a talk shop and can achieve practical integration in a troubled region.

This all unfolds against a challenging geopolitical backdrop. Great power rivalry remains a salient factor in Central Asia. Considering the SCO's position supporting a multi-polar world order, the group can be seen as an attempt by Russia and, in particular, China to maintain their influence in Central Asia in the face of a growing U.S. role. Additionally, Russia has recently reinvigorated the Collective Security Treaty Organization (formerly the CST) and deployed forces to Kant Airbase outside Bishkek, just across town from the U.S.-led forces at Manas, a move more political than practical in nature. However, there is a convergence of vital interest in Central Asia for China, Russia, and the United States as each nation seeks to eliminate the continuing threat of terrorism. But while there is room for further cooperation in the region, China, Russia, and the United States will continue to watch each other's actions warily.

2. The Objectives and stakes of the SCO Members: Regionalism vs. National Interests

Irrespective of the overarching policies contained in the Declaration, broad realistic and potential common interests constitute the foundation of the SCO. The formation of such common interests relates directly to geopolitics and the geoeconomics of each member state, particularly in the fields of security and economic cooperation. Nevertheless, their interests often differ, even when countries share a common organizational background.

2.1 Russia

For Russia, it was a natural choice to join the SCO because of peaceful talks on the Sino-Russian border and regional military confidence. Joining the SCO was a natural outcome of the development of the Sino-Russian strategic partnership. The foremost significance of the SCO to Russia is national security. Evaluations of national security have concluded that the southern regions are among the most important.⁴⁰ These regions pose a threat to Russia's national security in many complex ways. Riots in the Caucasus have integrated with religious extremism in Central Asia. One reason why the Chechnya War has been so long and drawn-out is that foreign terrorists and extremists have been providing various types of support to this area, materially, financially and spiritually. Moreover, large quantities of drugs, produced in Taliban-controlled Afghanistan, have been smuggled into Russia through Central Asia, making Russia a link of the chain of the narcotics trade leading to Europe. At the same time, trafficking and illegal sales of weapons also had a connection with the Taliban. Russia will have no meaningful and sustainable national and social security without effective control over these problems.⁴¹

Realistically, these problems cannot be completely solved overnight and Russia has no such capability. It is true that there are various institutions in Central Asia such as the Commonwealth of Independent States (CIS) and the Collective Security Treaty but they did not have a genuine influence on the overall security

⁴⁰ Zhao Huasheng, Security Building in Central Asia and the Shanghai Cooperation Organization cited in Concept of National Security, 2000 available at <http://www.sjis.org.cn/english/journal/hszhao.htm#_ftn1>.

⁴¹ Oumirserik Kasenov, Central Asia: National, Regional and Global Aspects of Security, *Himalayan and Central Studies*, vol. 1, no. 1, April -June 1997, pp. 30-50.

situation. As a broad regional cooperative institution, the SCO has a role to play in combating terrorists, separatists, extremists, drug trafficking and smuggling.

As Russia's "backyard," Central Asia is directly influenced by Russia. After the collapse of the Soviet Union, Russia has continued to influence this area but its ability to control Central Asia is waning. To varying extents, the countries of Central Asia wish to be independent from Russia. In the long run, Russia's control over Central Asia is worrisome. The SCO links the Central Asian countries and remains attractive for this reason. Therefore, the SCO may be conducive to the exertion of Russian influence and domination. In particular, Russia may cement its broad and general existence in this region with the help of China's influence and the Central Asian countries' confidence in China. The newly-born SCO has the potential to develop into the most influential regional organization in this part of the world. Joining the SCO is an important way for Russia to take part in Asian affairs; otherwise, Russia's potential is greatly diminished.⁴² Furthermore, healthy Sino-Russian relations are essential to Russia's regional stability. The SCO is important to Sino-Russian cooperation, particularly in Central Asia. Cooperation between China and Russia within this mechanism may consolidate bilateral relations, avoid possible collision in Central Asia, and bring relations with the Sino-Central Asian countries into a multilateral framework.

2.2 Kazakhstan

Security is Kazakhstan's main interest in this organization and border security is its top concern. A large country with little military capability to protect

⁴² Perhaps if there were no China in the SCO, Uzbekistan would not have joined.

itself, Kazakhstan boasts a population of less than 15 million and armed forces of about 66,000.⁴³ Their gross domestic product (GDP) in 2002 was about \$24.4 billion.⁴⁴

Kazakhstan is a country with two strong neighbors, Russia in the north and China in the south. Clamped between these two, Kazakhstan should attach greater value to its national security. Seeking security guarantees from China and Russia, and establishing security mechanisms in Central Asia are among the main concerns of Kazakhstan's security strategy.

Kazakhstan and China are two countries with a great disparity in national forces. The common border between them is 1,700 kilometers. Though the border problem has now been solved, Kazakhstan still has active concerns dating back to the complex history of the border dispute in the 19th century. At that time, China was forced to cede areas of large territories to Tsarist Russia. A part of that territory now belongs to Kazakhstan. Furthermore, some of the Sino-Soviet armed conflicts in 1969 took place on the border between today's China and Kazakhstan. The shadow of history has not vanished in current politics and the so-called "China Threat" exists in Kazakhstan to a certain extent.⁴⁵ The border and territory issue is one issue of the "China Threat." Some Kazakhstan elites hold that China has claims to territory and that China may regain territory that was previously under its control. The reason why Kazakhstan attaches such importance to the SCO is that it assists in

⁴³ Oumirserik Kasenov, Central Asia: National, Regional and Global Aspects of Security, *Himalayan and Central Studies*, vol. 1, no. 1, April June 1997, pp. 30-50.

⁴⁴ Gulshan Sachdeva, "Economic Transformation in Central Asia", *International Studies*, vol 34, no. 3, 1997, pp. 313-327.

⁴⁵ Ahmed Rashid, The Year in Central Asia: 1997 – I, *Strategic Digest*, March 1998, pp. 373-383.

resolving border and territory disputes with China and in maintaining regional stability, which is crucial to Kazakhstan.⁴⁶

Security interests of Kazakhstan in the SCO also include measures to combat terrorists, separatists and extremists. Kazakhstan's direct suffering from terrorism, separatism and extremism is not as heavy as other countries in Central Asia because it has no common border with Afghanistan, which is the base of terrorism in Central Asia. However, the threat to Kazakhstan from these three forces is by no means unrealistic. For the integral security of Central Asia, instability and insecurity in neighboring countries will definitely influence the tranquility and development of Kazakhstan.

Kazakhstan is a multi-national country where Kazaks account for only half of the population and national solidarity and harmony is naturally the foremost task of this country. Ethnic separatism and religious extremism pose severe threats to the stability of domestic politics. Thus, the SCO is regarded by Kazakhstan as a defense against terrorism, separatism and extremism. At the same time, Kazakhstan holds a strong desire to be a regional power and it has been secretly fostering rivalry with Uzbekistan, another geographically large country in Central Asia. Kazakhstan is one of the initial member countries of the SCO.⁴⁷ Active participation in the

⁴⁶ *Country Profile, Kazakhstan*, 2003, p. 20, 28, cited in ZHAO HUASHENG, Security Building in Central Asia and the Shanghai Cooperation Organization, available at <http://www.sis.org.cn/english/journal/hszhao.htm#_ftn1>

⁴⁷ About one third of the territory which was ceded to Russia in the 19th century by a series of treaties between China and Russia is located in today's Kazakhstan. Historically, China believes that these treaties are unfair. This problem caused hot disputes during the "Cultural Revolution" in China. Actually, China takes these treaties as the basis of order negotiations between China and the Soviet Union/Russia. This factor also has some psychological effects on Kazakhstan. Thus, being an independent country, Kazakhstan is very concerned about border security. There is also a special version of the "China threat" in Kazakhstan, especially in the first years of the 1990s. This is mainly related to the border problem with China. Territorial problems between China and Kazakhstan are

Shanghai Five and SCO, and the advantages of the SCO gained in the political arena, favor the representation of Kazakhstan's role and the expansion of its influence.

Although it accepts the dominant status of China and Russia, Kazakhstan expects the formation of a nucleus of China, Russia and Kazakhstan. Kazakhstan has pursued a foreign policy of "balance," kept cooperative relations with other powers, equilibrated relations between and among them, and maximized its benefits in politics, economics and foreign affairs. To Kazakhstan, the SCO is not only a channel for its cooperation with China and Russia, but also a means to balance relations among the two dominant powers.

Kazakhstan also boasts abundant resources of oil and natural gas. Most of the oil resources in Central Asia and the Caspian Sea are in Kazakhstan. Geographically, Kazakhstan is perched in the upper half of Central Asia and controls the traffic points of Eurasia. The only way for the other Central Asian countries to get to Europe by land is through Kazakhstan. Mere transportation fees would realize huge gains to Kazakhstan and this may play a greater role in regional economic cooperation.⁴⁸ In short, Kazakhstan attaches great expectations to the SCO.

currently settled. The two states signed a great treaty on good neighbors, friendship and cooperation on 23 Dec., 2002. M. Ashimbaev, Director of the Kazakhstan Institute for Strategic Studies under the President, insists that the two agreements, namely the agreement on confidence building in the military field in the border area and the agreement on mutual reduction of armed forces in the border area should remain the basic documents of the SCO. This once again demonstrates Kazakhstan's concern about border security. See Ashimbaev, 2003, p. 237.

⁴⁸ Shams-ud-din, The New Great Game in Central Asia, *International Studies*, vol. 34, no. 3, 1997, pp. 329-341; Devendra Kaushik, Regional Cooperation: The Central Asian Experience, *Contemporary Central Asia*, vol. 4, no. 1-2, 2000, pp. 32-42.

2.3 Kyrgyzstan and Tajikistan

Kyrgyzstan and Tajikistan share some similarities. Both are relatively small with a population of about 5 million and have a backward economy with low standards of living. In 2002, the GDP of Kyrgyzstan was \$1.6 billion with a per capita GDP of \$325, while the GDP of Tajikistan was \$1.1 billion with a per capita GDP of \$173.8.⁴⁹ The military forces of these two countries are very limited and their capability for defense is extremely weak. Kyrgyzstan has only about 9,000 troops and Tajikistan even less, about 6,000.⁵⁰ Tajikistan shares a common border of about 1,000 km with Afghanistan, and it cannot safeguard itself against potential threats. Accordingly, following the bilateral conventions with Russia, border defense forces and the 201st Mobilized Forces Division of Russia are stationed in Tajikistan to protect its border.⁵¹

Owing to inadequacies in their national forces, Kyrgyzstan and Tajikistan are confronted with direct threats from terrorism, separatism and extremism, which are not traditionally security threats, but a severe menace to the whole country and its sovereignty. Although Kyrgyzstan does not have a common border with Afghanistan directly, the Ferghana Valley of Kyrgyzstan is a breeding ground of the above three threats. Some foreign terrorists use this valley as an important training base to agitate, finance and arm local people against the local government

⁴⁹ Shams-ud-din, The New Great Game in Central Asia, *International Studies*, vol. 34, no. 3, 1997, pp. 329-341; Gulshan Sachdeva, "Economic Transformation in Central Asia", *International Studies*, vol 34, no. 3, 1997, pp. 313-327.

⁵⁰ Oumirserik Kasenov, Central Asia: National, Regional and Global Aspects of Security, *Himalayan and Central Studies*, vol. 1, no. 1, April -June 1997, pp. 30-50.

⁵¹ Country Profile, Kyrgyz Republic, 2003, p. 24 cited in Zhao Hasheng, Security Building in Central Asia and the Shanghai Cooperation Organization, available at <http://www.siiis.org.cn/english/journal/hszhao.htm#_ftn1>

and carry out other terrorist activities. The threat of terrorist forces from this region is constant. The aim of these threats is to establish an Islamic state, which would surely menace the independence and territorial integrity of Kyrgyzstan.

After independence, Tajikistan did not realize domestic peace until the end of its civil war in 1997, and that peace remains feeble. Since it borders Afghanistan, the threat from the outside, particularly before the collapse of the Taliban regime, was direct and its border with Afghanistan has become the hotspot for drug trafficking and smuggling.

The SCO may provide effective protection to these two countries, and provides them with a security framework. As a part of collective security, the SCO is liable to help them combat the three threats and safeguard their security.

Kyrgyzstan was one of the first countries to put forward the concept of a Joint Counter-Terrorism Center. It is not by chance that Kyrgyzstan demanded that this Joint Counter-Terrorism Center be located in Bishkek. This can be interpreted as meaning that Kyrgyzstan needs the protection of the SCO. As weak countries with complicated relations with neighboring countries, especially with respect to ethnic conflicts, territory and water resources with Uzbekistan, Kyrgyzstan and Tajikistan are in a difficult position while competing with powerful neighbors. It is true that the SCO will not be entangled in bilateral relations. It will, however, be a platform for both sides to elaborate their grievances to other countries, which may bring about a sense of security to Kyrgyzstan and Tajikistan.⁵²

⁵² Yasmin Melet, "China's Political and Economic Relations with Kazakhstan and Kyrgyzstan", *Central Asian survey*, vol. 17, no. 2, 1998, pp. 229-252.

Both Kyrgyzstan and Tajikistan are countries with a weak industrial infrastructure and are economically backward. They do not boast resources such as oil and natural gas that attract foreign capital. As a result, they value the economic cooperation of the SCO. They hope that regional economic cooperation will bring about real economic benefits. Economic cooperation, they hold, includes construction of railway and highway networks that link China and other members, and increase the traffic of people and foodstuffs through their countries to facilitate local economic development. Kyrgyzstan and Tajikistan would like other members of the SCO to invest in minerals and other resources found in their countries, increase imports in their industrial goods, and reconstruct bankrupt local enterprises that are short of capital and markets as a way of promoting the recovery and development of their respective economies.

2.4 Uzbekistan

Uzbekistan is the youngest member of this organization. It joined in 2000 as an observer. Because there is no common border between China and Uzbekistan, Uzbekistan did not take part in the multilateral negotiations after the disintegration of the Soviet Union.⁵³ Uzbekistan officially joined the SCO on June 14, 2001 and participated in its activities the following day.

Compared with Kazakhstan, Kyrgyzstan, and Tajikistan, the external policy of Uzbekistan is somewhat particular. During a relatively long term after independence, its external policy focused primarily on the United States and stood distant from Russia. Its security policy also valued its relations with the United

⁵³ The Meeting of the Head of States of SCO, available at <<http://www.press.service.uz>>.

States and NATO.⁵⁴ Uzbekistan had been unwilling to take part in Russian-oriented regional organizations in Central Asia. At one-time, Uzbekistan was a member of the Collective Security Treaty, but later quit. Uzbekistan is not a member of the Eurasia Economic Community that consists of Russia and other Central Asian countries. However, it did participate actively in GUUAM⁵⁵, but also withdrew from it later.⁵⁶

Uzbekistan's foreign policy started to adjust itself delicately in 2000. It started to improve its relations with Russia and even expressed great interest in joining the SCO. In the background, President Karimov took part in the summit meeting as an observer. Uzbekistan became an official member in 2001.

Among the incentives to join the SCO was Uzbekistan's search for more reliable security protection. It had relied on the United States for its security, but was totally shocked by the assassination attempt against President Karimov in February 1999 and the sudden invasion of armed militants in the spring and summer of 2000. Uzbekistan started to feel an imminent threat and realized its insufficient capability in self-defense. Uzbekistan considered the Uzbek Islamic Movement stationed in foreign countries and the Ferghana Valley region and the Afghan Taliban regime to be its biggest threats. It could not handle these problems by itself. The SCO, with its tenet of anti-terrorism, is useful in this respect.⁵⁷

⁵⁴ Ahmed Rashid, *The Year in Central Asia: 1997 - I*, *Strategic Digest*, March 1998, pp. 373-383.

⁵⁵ A moribund economic and security group of five former Soviet States, Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova set up four years ago a counterweight to Russian influence.

⁵⁶ The Meeting of the Head of States of SCO, available at <<http://www.press.service.uz>>.

⁵⁷ *ibid.*

With a population about the same size of all the other Central Asian countries, Uzbekistan has a relatively advanced industrial foundation. It strongly desires to hold a leading position in Central Asia, believing that no security problems could be adequately solved without its participation.⁵⁸ After several years of development, the SCO has shown a trend of playing an increased role in the fields of security, politics and economic development in this region. This may turn into the most important mechanism in this region. Isolated from the SCO, Uzbekistan will probably be excluded from the resolution of major issues in Central Asia, being helpless to raise its status and influence. Uzbekistan hopes that the SCO may play a useful role in maintaining the strategic balance and stability of Central Asia. The goal of Uzbekistan's foreign policy is to seek a relative balance between and among China, Russia and the US in Central Asia.⁵⁹ It is perceived by Uzbekistan that, the SCO, with the presence of China, is different from the CIS. In view of this, Uzbekistan has no misgivings about being enslaved to or being elbowed out by Russia. Since the members of the SCO include China, Russia, and other major countries of Central Asia, the balance of power within the SCO equates with the balance of power of the whole Central Asia region. Thus, Uzbekistan endeavors to maximize the possibility of balance between the SCO and other powers. Uzbekistan is also confronted with the imminent tasks of restoring and developing its economy. Nevertheless, as an inland country surrounded by other inland countries, Uzbekistan has to rely on traffic as a lifeline, and considers its economic benefits as one of the main reasons for participation. Thus, the value it

⁵⁸ Shams-ud-din, *The New Great Game in Central Asia*, *International Studies*, vol. 34, no. 3, 1997, pp. 329-341; Gulshan Sachdeva, "Economic Transformation in Central Asia", *International Studies*, vol. 34, no. 3, 1997, pp. 313-327.

⁵⁹ The Meeting of the Head of States of SCO, available at <<http://www.press.service.uz>>.

places on regional economic cooperation with the SCO framework cannot be overstated.

2.5 *China*

The SCO is a regional cooperation framework oriented towards Central Asia. It not only represents an essential direction but also a major component of China's foreign strategy. The orientation of China's interests in the SCO depends heavily upon what it may provide, and at the same time, on the goals and tasks of China's foreign policy. The main interests of China in the SCO may be listed as follows:

1) Presently and in the foreseeable future, security should be the core of China's interests in the SCO. Security interests that China may procure from participation in the SCO may be categorized into three levels: protecting the territorial integrity and national unity of China; combating transnational crimes and stabilizing the northwest of China; and safeguarding border security.

Protecting the territorial integrity and national unity of China refers to combating terrorism, separatism and extremism. Specifically, these "isms" are represented by the Eastern Turkistan Movement. The SCO furnishes China with a relatively active and open channel to attack national separatist activities in Xinjiang Province.⁶⁰ Eastern Turkistan separatist activities have become an international phenomenon and have integrated with other terrorist forces in the region. Traditional ways of handling these problems through a closed-door policy will not

⁶⁰ S. S. Mishra, "Chinese Perspectives on Central Asia: Threat of Uighur Separatism", *Journal of Peace Studies*, vol. 8, Issue 3, May-June, 2001, pp. 29-40.

suffice. Cooperation between China and other members relates to combating these three forces, including combating separatism, and protecting the Xinjiang Province and the territorial integrity and national unity of China. The primary security interest of China is based on this concept.⁶¹

Combating transnational crimes indicates that joint attacks on illegal drug trafficking, smuggling, weapon sales, illegal immigration, etc. in those regions are connected with the northwest region of China. These illegal activities are characterized by their transnational nature and pose severe threats to the social peace and security of the northwest regions of China. Joint attacks from the SCO on transnational crimes, which often originate from abroad, are conducive to combating such activities. Maintaining border and regional security is the most fundamental function of the SCO. The Treaty of Confidence-Building in the Military Field in the Border Areas signed in 1996 and the Agreement of Mutual Reduction of Armed Forces in the Border Areas signed in 1997 are the basis of the border security that the SCO provides.

China has a common border stretching over 7,300 km with the other members of the SCO, and China may protect its border through the SCO whose importance in this respect is clear. At the same time, border stability constitutes an important factor in constructing a sound neighborly environment in China.

2) The SCO also represents a number of strategic economic interests to China. Oil and natural gas are the principal strategic interests. Since becoming a net oil import country in 1993, China has been increasingly relying on imported oil. Presently,

⁶¹ Witt Raczka, "Xinjiang and its Central Asian Borderlands", *Central Asian Survey*, vol. 17, no. 3, 1998, pp. 373-407.

China imports about 70 million tons of oil annually, and this trend will surely deepen as China's economy continues to boom. It is estimated by various institutes that about half of the oil that will be required in 2010 must be imported from abroad, reaching some 150 to 200 million tons.

As China's own output of oil has not increased substantially, having access to a stable source of oil affects not only the future of China's economic security, but also the realization of the strategy of sustainable economic development. Central Asia is said to have the third biggest energy reserves, next only to the Middle East and Russia. Moreover, Central Asia is adjacent to the Russian energy bases in Siberia, and thus China is in an exceptionally advantageous position in this respect. Central Asian countries hope to diversify their energy exports, and they are interested in exporting oil and gas to China and other East Asian countries.⁶² China's interests in energy in Central Asia have three aspects: to obtain energy from this region; to diversify energy sources; and, perhaps in the future, to construct an East Asian oil and natural gas transportation network through China by extending China's domestic pipelines.

3) The SCO should be upgraded to the main channel between China and the Central Asian countries. Owing to the importance of Central Asia to China's national security and energy security, China needs to maintain its position and broaden and consolidate her presence in this region gradually and continuously.

Despite the geographical vicinity and close historical ties between the two sides, the SCO represents a new beginning for mutual contacts and exchanges

⁶² Ajay Patnaik, "Central Asia in Global Setting", *World Focus*, June 2002, pp. 3-9.

between China and the Central Asian countries since the declaration of their independence 12 years ago from the Soviet Union. The SCO is a unique framework that allows China to work with the Central Asian countries. Within this framework, broad, long-term and full cooperation in politics, security, economics and culture between China and other countries may be carried out, so that historically close ties can be restored.

4) The SCO may still play a role in promoting cooperation between China and Russia, both of which have direct interests in Central Asia. For Russia, the Central Asia region, whose countries are all member states of the former Soviet Union, is its own backyard. Russia has special interests and influence in this region and takes a primary position in Russia's foreign strategy. Since the advent of President Putin, Russia has shown an enhanced desire to restore its prominent status in Central Asia and has made more efforts toward implementing this desire. For China, it is not possible to stand aloof from Central Asia, whose countries are all her neighbors and share a common border of over 3000 km. Therefore, encounters between China and Russia in Central Asia are inevitable and some western analysts hold that this region would be the "poison apple" that leads to friction between the two countries, and that conflicts of interest would definitely arise. Perceived from a geopolitical perspective, these two countries do have potentially conflicting factors. But there is also one reason why China and Russia must collaborate with each other to avoid any possible negative competition in Central Asia.⁶³ The SCO may act as a balance between various interests for China and Russia, and possibilities of conflict can be

⁶³ Tang Shiping, The Future of Shanghai Co-operation Organization, available at <http://www.ntu.edu.sg/idss.Perspective/research_050233.htm.com>

lowered through cooperation within the SCO. Such cooperation should lead to the realization of interests on both sides, and thus a “win-win” situation becomes attainable.

One of the landmark achievements of the SCO has been finding solutions to the border problems. This assumes significance because border problems are the most difficult to solve in the international arena. There are historical evidences to corroborate the fact that unresolved border disputes have more often than not led to military confrontations resulting in even wars. The SCO has facilitated creation of congenial atmosphere for sorting out border disputes. Meaningful deliberations have enabled the member states to resolve their problems, which has made it possible for them to work for a bright future. The role of border negotiations in the evolution of the SCO therefore cannot but be emphasized.

It is clear that the problems of Central Asia are region-wide and cannot be solved by any state alone, though Central Asian states seem reluctant to embrace the promise of multilateral collaboration. SCO has held out some hope that the region can pursue concrete and practical cooperative projects, an important step in the direction of tempering interstate conflict, great power rivalries, and nationalist tendencies.

CHAPTER III

Balance Sheet Of the Shanghai Cooperation Organization

Owing to its recent origin, consolidation and development are the primary tasks confronting the Shanghai Cooperation Organization. As a matter of fact, the SCO faces more challenges after its development into a regional cooperation organization. With its formation, people have come to attach greater meaning and expectations to the promotion and maintenance of a formal organization. The SCO possesses great potential for further development, but some real and underlying restraining factors should be taken into consideration as well, though they may not turn out to be so insurmountable.

1. SCO and Resolution of Border Problems

The first fruit borne by the committee for confidence building and arms reduction was the Shanghai agreement on confidence building in the military field in the border area during 1996. All concerned states agreed to stabilize their border areas by establishing non-military zones and promising the exchange of military information. This was an effective symbol of peace on the former Soviet-Chinese border, which had been historically plagued by severe military conflicts and deep-rooted mutual distrust. Since then, "Shanghai" has acquired the special meaning of "stability and trust" for the five countries. In February 1997, when the leaders of Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan joined Moscow and signed the agreement on mutual reduction of armed forces in the border area, the level of "stability and trust" between the concerned parties was upgraded by the agreement for the limitation of arms and personnel within the 100-kilometer zone of the

former Soviet-Chinese border and its mutual inspection. The name “Shanghai Five” became popular just after this second summit.

The “4+1” formula advanced the progress of border demarcation on the western border. In 1994, the Russo-Chinese 50- kilometer border and the Kazakh-Chinese border were agreed upon, with two small sectors of the latter border undecided. In 1998, when the third “Shanghai Five” summit was held in Almaty, the Kazakh-Chinese supplemental agreement was finally reached. Kyrgyz-Chinese border negotiations had begun in 1992, and at that time, it had five disputed sectors, four of which were resolved in the 1996 agreement. The remaining one, the western point near Mt. Khantengri, was demarcated in 1999, when the Kyrgyz-Chinese supplemental agreement was signed at the time of the fourth summit of the “Shanghai Five” held in Bishkek.

In contrast, Tajik-Chinese border negotiations had been in deadlock for a long time. Because the disputed area claimed by China is more than twenty thousand square kilometers, or one-seventh of all Tajikistan territory, both governments seemed to have little room to compromise. The only section they agreed on at the Dushanbe summit of the “Shanghai Five” in 2000 was the Kyrgyz-Tajik-Chinese joint border point. However, Zhang Zemin and Rakhmonov signed a supplementary agreement on the border issues between China and Tajikistan on May 17 2002. According to the *People's Daily*, “China and Tajikistan both highly appreciate the agreement reached on border issues, saying this signifies the comprehensive resolution of border issues between the two countries left.” The Tajikistan Central News Agency reported that Tajikistan agreed to turn about 3.5% of the disputed territory back to

China, which amounts to approximately 1,000 square kilometers, in order to end the border dispute between China and Tajikistan. It is difficult to confirm the actual content of the agreement because none of the Tajik and Chinese media reported it. There are even a few Chinese and Tajik specialists who suggest that the territory handed over to China was not 1,000 but 4,000-square kilometers. Nevertheless, all concerned specialists tend to conclude that the territorial issue between Tajikistan and China has been resolved.

2. SCO and Afghanistan Crisis

Afghanistan has remained a sore spot for Russia and the Central Asian states. Afghanistan has common borders with Tajikistan, Uzbekistan and Turkmenistan. Among them Tajikistan has been the country most affected by the turbulence in Kabul. There were approximately 25,000, Peacekeeping forces of the Common Wealth of Independent States (CIS) stationed in Tajikistan including the 201st Motor Rifle Division of Russia. Peacekeeping forces were primarily deployed for the maintenance of peace in the civil war situation in Tajikistan but they have also been guarding its 1,200 Kms. border with Afghanistan. No doubt, the seizure of Kabul by the Taliban was considered as destabilizing political development in the region.

Taliban's ideology and its efforts to establish an Islamic Ummah were anathema to the Central Asian leaders. This becomes evident from their willingness to seek help from every quarter, including Russia, China and the US against cross-border territory from Afghaistan. Their seeking outside help is understandable, as these countries have no capacity to challenge cross-border terrorism. The Central

Asian leadership was alarmed at the bomb blast in early 1999 in Tashkent and the proposed assault on Ferghana valley by the *Islamic Movement of Uzbekistan* activist.⁶⁴ In fact, some reports even suggested that there was a threat posed by 1200 Uzbek militants in northern Afghanistan and another 600 based in Tajikistan to topple Uzbek President Karimov, which started ringing alarm bells all around Central Asia. These militants who were regularly supplied arms by the Taliban officials and funded by Osama Bin Laden and the narcotic trade mafia, have enlisted Tajiks, Arabs, Uighurs, Chechens and Pakistanis in their ranks.⁶⁵

Infact, the Afghanistan crisis has been a constant problem for the Central Asian region right since its inception. The leadership of the region has expressed its concern from time to time on the issue. There was hardly any summit under the ambit of Shanghai forum or otherwise when it was not expressed. The geographical proximity of the region with Afghanistan and overlapping of ethnicities across borders has made the problem even more alarming.

In the Joint Statement signed by the heads of the member states in the Shanghai Summit held in Alma-Ata, the signatories expressed their concern over the tensions in Afghanistan. They called for a greater effort, peaceful settlement of the conflict under the auspices of the United Nations. Parties welcomed the initiative put forward and supported by the United Nations for the settlement of the conflicts in Afghanistan, including the convening of a Peace Conference on Afghanistan in Bishkek.⁶⁶

⁶⁴ Shreedhar, "Can the Taliban be Disciplined?" *Aakrosh*, vol. 3, no. 8, July, 2000, 83-84.

⁶⁵ Shreedhar, "Can the Taliban be Disciplined?" *Aakrosh*, vol. 3, no. 8, July, 2000, 84.

⁶⁶ "Five Nation summit issues joint statement in Alma-Ata", Central Asia, *Summary of World Broadcast*, July 2, 1998, SU/3272/G/1

Again in the next summit, in Bishkek, Kyrgyzstan held in August 1999, the declaration made by the member states expressed deep concern over the continued confrontation in Afghanistan and declared it as a danger to regional and international peace and security. The Kyrgyz President Askar Akayev said, "The situation in South Asia and the continuing conflict in Afghanistan pose a threat to stability and security in the region."⁶⁷ Kyrgyzstan also whole-heartedly supported the efforts of the UN, of the six-Plus-two Group (of states bordering on Afghanistan, plus Russia and the US) aimed at achieving peace in Afghanistan and confirmed its readiness to further the solution of this task.

Special attention to the problem of regional security, and the build up of tension in Afghanistan were again expressed in the next Shanghai Forum declaration held in Dushanbe, the following year. The same was expressed by the Tajik- Chinese leadership in the Joint Statement issued in the Tajik-Chinese Summit held on the sidelines of Shanghai Five meet. The two sides expressed concern over the continued tension in Afghanistan and its adverse effects on regional stability. They suggested six plus two mechanism for peacefully resolving the Afghanistan issue and also emphasized the role of international community to promote peace process in Afghanistan. The two Presidents clearly said no to the use of force to achieve the final settlement of the Afghan crisis. The Afghan issue, they declared, should be resolved by the Afghan nation through peaceful talks and without foreign interference.⁶⁸

⁶⁷ "Five Nation summit issues joint statement in Bishkek", Central Asia, *Summary of World Broadcast*, August 27, 1999, SU/3624/G/1 & 2

⁶⁸ "Tajik-Chinese Summit Joint statement in Dushanbe", Central Asia, *Summary of World Broadcast*, July 6, 2000, SU/3885/G/2.

After the September 11 attacks and ouster of Taliban from Afghanistan, profound changes have taken place in the political, security, diplomatic and the geo-strategic situation of Central Asia. Central Asia has got linked up with the Grand Central Asian region (referring to Central Asia and some of its peripheral states and regions) and has been connected to South Asia and West Asia in space and politics. Before September 11, the existence of the Taliban had made the geographically linked Central Asia, South Asia and West Asia regions politically fragmented and mutually hostile not only in terms of geography but also in areas of politics and security. In geography, Afghanistan is located between Central Asia, South Asia and West Asia, separating the three sub-regions. In politics and security, the differences in policy of the various countries towards the Taliban regime had caused or aggravated estrangement, splits and hostility among the countries in the region. This includes relations between Central Asian countries and Afghanistan, Central Asian countries and Pakistan, Russia and Pakistan, as well as the Central Asian countries and Turkmenistan. The overthrow (collapse) of the Taliban regime has eliminated the separation of the Grand Central Asian region. Strategically this change means the possibility of forming an extensive political and security cooperation mechanism, developing a new pattern of Central Asian economy, especially energy development, and adjusting state-to-state relations there.⁶⁹

Three months after the creation of the SCO, it faced both a fair wind and a challenge caused by the events of “9.11” in the United States. Russia and China

⁶⁹ Ashimbaev, A., “Situation in Central Asia after September 11th and SCO,” in *Selection of Essays on Situation in Central Asia and SCO* (Shanghai Institute for International Studies, 2003) cited in Zhao Huasheng, *Security Building in Central Asia and the Shanghai Cooperation Organization* available at <http://www.sjis.org.cn/english/journal/hszhao.htm#_ftn1>

immediately criticized the “terrorist attack” and expressed their support for the American position, although it was not clear at that point how the US would react against it. The four Central Asian member-states of the SCO followed and the six premiers of the SCO issued an urgent statement that they were prepared to cooperate with any state and international organization to combat global terrorism.⁷⁰ The SCO became one of the front-runner “anti-terrorist” organizations. Under the charter of the SCO, the six leaders agreed to set up a joint regional anti-terrorism structure headquartered in Kyrgyzstan on July 7, 2002.⁷¹ Putin described it as a “contribution to global anti-terrorist efforts.” The leaders also urged India and Pakistan to “resume political dialogue in order to ease tension.” The six declared their satisfaction at the SCO’s major role in anti-terrorist activities.⁷²

However, aside from the mutual guarantee for the border areas and state integrity for the SCO member states, the national interests of each were clearly different. It is easy to point out potential contradictions between Russia and China in international issues.⁷³ Chinese experts have admitted that Russo-Chinese relations were a second axis that was easily influenced by Russo-US or Sino-US ones. The better the latter become, the worse the former, and vice versa.⁷⁴

America’s harsh revenge and concrete operations against Afghanistan brought about a problem, which have led member states’ interests to become more

⁷⁰ Kazakhstanskaia pravda, 15 September 2001, available at <http://www.clingendael.nl/ciep/pdf/CIEP_04_2003.pdf>

⁷¹ See Moskovskii zhurnal mezhdunarodnogo prava, 2003, pp. 272-284. However, a SCO Foreign Minister meeting suddenly decided to set it not in Bishkek but in Tashkent on September 5 (RFE/RL NEWSLINE, 8 September 2003); *ibid.*

⁷² The Japan Times, 8 July 2002; Xinhua Online (Chinese), June 7, 2002; *ibid.*

⁷³ Iwashita, 2001, pp. 1-2, *ibid.*

⁷⁴ Dongou Zhongya Yanjiu, 1Q, 2000, pp. 86-87; *ibid.*

differentiated. Russian President Putin did not miss this chance to improve Russo-US relations. He accepted the US military presence in Central Asia and expressed his desire that the US understand Russian battles against “terrorist” action in Chechnya. Putin diligently conducted his reconciliation policy towards the West, i.e., the setting up of the NATO-Russian Council on May 28 1999 and the signing of the treaty for the Reduction of Weapons of Mass Destruction with the US. But some politicians, such as Russian Duma Speaker Seleznev, began to criticize Putin’s “pro-American” policy implicitly. Thus it seems unclear how long the Russo-US cooperation can be prolonged.⁷⁵ It is true that when the US one-sidedly developed its Missile Defense Plan, keeping its military presence for a long time, suspending Russian entry into the WTO, etc., few could be convinced of its future.⁷⁶ Nevertheless, the Russo-Chinese “partnership” for international issues is less interesting for the world since “9.11.”⁷⁷

In contrast with Russia, China faces a more serious situation: the US has not changed its position of expressing concern over China’s policy towards the Uigurs. The US presence in Central Asia and the possible eastward enlargement of NATO directly presses west China (the Xinjiang Uigur Autonomous region), and a

⁷⁵ “Take first the Russo-Chinese reaction to the NATO bombing of Yugoslavia 1999 – Russia and China cooperated to criticize NATO’s action and appealed to the world to prevent a ‘polar world order’ dominated by the U.S., but in fact, Russia left China alone in the end, taking a positive role in the Köln summit in June and achieving financial assistance from the West, thus leaving China feeling isolated and powerless at a global level. Another clear example is the Anti-Ballistic Missile system. Russia and China jointly ‘protested’ against the U.S. initiatives of TMD and NMD. It is clear that Russia is mainly concerned with NMD while China with TMD. If START II’s ratification by Russia leads to a compromise on the modification of the ABM treaty between Russia and the U.S., inconsistencies in the common front China and Russia have taken against this issue may arise. Of course, Russia is somewhat concerned about TMD, which would be deployed in Japan and Taiwan. But this was a level of ‘understanding’ in a diplomatic sense, as quoted by Prof. E. P. Bazhanov, Vice President of the Diplomatic Academy in Moscow. Who believes Russia would back up China with anything more than words if a military conflict occurred in the Taiwan straits?”

⁷⁶ *BBC Monitoring*, 24 January 2002; *ibid*.

⁷⁷ Some Chinese specialists reject a view of less important Russo-Chinese relations after 9.11. They see the formation of a new Russo-Sino-US triangle of interaction. See Ni, 2003, pp. 6-15; *ibid*.

Russian compromise in the Missile Defense negotiations would do devastating damage to China's nuclear deterrence against a supposed US first nuclear attack. After "9.11," Russian and Chinese coordination in foreign policy has become more difficult than before.⁷⁸

Differentiation of the Central Asian states of the SCO should also be noted, particularly Uzbekistan's passive attitude regarding further cooperation in the SCO framework. This was mainly caused by "9.11" and the following American proposal to deploy its military presence in Central Asia. Uzbekistan immediately welcomed this and lessened its commitment to the SCO. Uzbekistan sent its deputy minister to the meeting of Foreign Ministers in Moscow on April 26-30, 2002 but did not send a delegation to the meeting of chief border guards of the SCO member states and explained its absence with its lack of a shared border with Russia or China.⁷⁹ It also did not participate at the Moscow meeting of the Defense Military on May 15 2002, or at the Astana meeting of heads of law enforcement agencies and special services of the SCO member states.⁸⁰ One Chinese specialist was worried about the possibility that Uzbekistan might not even join the Charter of the SCO, though Karimov finally signed and agreed to its regional anti-terrorist structure.⁸¹ Even Tajikistan and Kyrgyzstan agreed to the American presence in their own territories. Russia understood Tajikistan's position as being close to Afghanistan but seemed shocked to hear that Kyrgyzstan unilaterally accepted the

⁷⁸ See Ching, 2002; Zheng, 2002; *ibid.*

⁷⁹ Xinhua Online (Chinese), 1 June 2002; *ibid.*

⁸⁰ Kommersant, 24 May 2002. This tendency continues. Uzbekistan ignored maneuvers conducted by other SCO members twice on June and July of 2003; *ibid.*

⁸¹ Interviews with a senior staff member of the Russian Foreign Ministry, Moscow, 8 February 2002.

US proposal. Russia then felt uneasy about the next domino of Kazakhstan favoring the US.⁸²

Such pro-American policy, conducted by supposedly Russian dominated states in Central Asia, illustrates how deeply the national interests of countries within the SCO collide with each other. This is a serious problem that could lead the SCO into an inferior position as a nominal organization like the CIS, i.e. the Commonwealth of the former Soviet Republics except the three Baltic States. In short, "9.11" has weakened the internal need for the security of the SCO itself, and the "anti-terrorist" orientation of the SCO has been greatly influenced by "environmental" factors mainly caused by the US.

2. SCO and Cross-Border Terrorism

One of the biggest problems faced by all the members of the organization is terrorism, cross-border or otherwise. Kidnappings of representatives of international organizations, government officials and correspondents specially in the newly independent Central Asian countries have been relatively frequent. The countries have been plagued by quite a few hostage crises. Such acts damage the authority of the state and are a threat to these fledgling republics. Tajikistan and Kyrgyzstan are the worst affected by the scourge.

In one of the documents signed during the two day talks between Tajik President, Rahmonov and the leader of the Islamic dominated United Tajik opposition on 20th-21st February 1997 in the Iranian city of Mashhad was a joint

⁸² *BBC Monitoring*, 23 February 2002; *ibid.*

statement condemning various acts of hostage taking. It is owing to such problems that the Tajik government set up a new 3000 strong rapidly deployment military unit to counter terrorism vested with the task of struggle against illegal armed detachments and terrorism.⁸³ The joint statement issued after the five-nation summit on 7 July 1998 also highlighted the need to fight religious extremism and international terrorism. The parties resolved to take steps for fighting international terrorism, organized crimes, arms smuggling, drug trafficking and other transnational criminal activities.⁸⁴ In the same summit the Chinese President made a statement against cross-border terrorism and emphasized the need for diplomatic, police, security, customs and other related departments of the five countries to strengthen their consultation and cooperation. Again, the two Presidents of China and Kyrgyzstan in their meeting on the sidelines vowed to “take tough measures to jointly crack down all separatist activities, specially criminal engaging in terrorist attacks, to maintain peace and stability in the border areas between the two countries“.⁸⁵ In the joint declaration on security signed in the Bishkek summit in August 1999 the Shanghai forum participants agreed to develop practical cooperation through competent departments of the five states including consultative meetings and orchestration of appropriate measure (in 1999-2000) on the struggle against international terrorism, illegal drug trafficking and arms smuggling, as well as illegal immigration and other forms of across-the-border criminal activities.⁸⁶

⁸³ “Tajikistan set up new anti-terrorist unit”, Central Asia, *Summary of World Broadcast*, 25 February 1997, SU/2852/G/2.

⁸⁴ “Five nation summit issues joint statement in Alma-Ata”, Central Asia, *Summary of World Broadcast*, 7 July 1998, SU/3272/G/2.

⁸⁵ “Chinese President meets Tajik, Krygz leaders in Alma-Ata”, Central Asia, *Summary of World Broadcast*, 7 July 1998, SU/3272/G/4.

⁸⁶ “Joint declaration of security signed”, Central Asia, *Summary of World Broadcast*, August 26, 1999, SU/3623/G/1.

Kyrgyzstan is one of the most affected member country. A hostage crisis took grip the country on 25th August 1999. Over thousand Islamists in the South West of Kyrgyzstan held the Commander of the Republic's internal troops and four Japanese geologists hostage in Batken District. The Commander later died in captivity by the gunmen. Kyrgyzstan in the end had to take the help of Russia and also had to pay ransom to get the hostages released. Such incidents are not far and in between.⁸⁷ Tajikistan too has suffered from such incidents.

The meeting of the foreign ministers of Tajikistan, Kazakhstan, Kyrgyzstan, China and Russia took place in Dushanbe within the framework of Shanghai Five summit in July 2000 where a joint communiqué was signed by the ministers. The session paid special attention to the problems of regional security, the build up of tension in Afghanistan and the struggle against terrorism, drug trafficking and separatism.⁸⁸

While the US led war in Afghanistan restrained violent Islamic radicalism, it did not eliminate it, and in fact it multiplied the threat by dispersing the various Islamist groups operating out of Afghanistan into hiding across Central and South Asia. In addition, relatively moderate Islamist groups, such as *Hizb-ut-Tahrir* (Islamist Freedom Party), have actually grown more radical and violent since the inception of the Afghan conflict due to increased enmity towards the US as well as

⁸⁷ "20 government troops taken hostage", Central Asia, *Summary of World Broadcast*, August 27, 1999, SU/3624/G/3.

⁸⁸ "Foreign ministers sign joint communiqué", Central Asia, *Summary of World Broadcast*, July 6, 2000, SU/3885/G/1.

the procurement of new arms and equipment left by fleeing Taliban and *Al Qaeda* units.⁸⁹

Notably, the perceived potential danger of Islamist militants is the main threat that binds the regional security policies of the SCO countries together. All its members share growing unease with Islamist-styled militancy or separatist movements, and that disquiet helped fuel the formation of the SCO. China faces its perennial Uighur separatist problem in Xinjiang; Russia wages its costly war in Chechnya while also uneasily observing public sentiment in its predominantly Muslim provinces, such as Tatarstan and Dagestan. Tajikistan, Kyrgyzstan and Uzbekistan all struggle with violent Islamist movements, like *Hizb-ut-Tahrir* and the *Islamic Movement of Uzbekistan* (IMU), fermenting in the volatile Ferghana Valley.⁹⁰

3. SCO and Drug/Arms Smuggling

Drug/arms smuggling has been a constant source of worry for the members of SCO. The alarming nature of the problem can be gauged from the fact that it found expression in almost all declarations of Shanghai Five summits signed by the heads of the member states. After the summit meeting in Alma-Ata held in 1998, Kazak President Nur-Sultan-Nazarbayev and Tajik President Emomali Rahmonov expressed “profound concern“ over the conflict in Afghanistan, saying that it had “seriously aggravated“ the situation in the Asian region because of Afghanistan

⁸⁹ Pannier and Blua, “Central Asia: Six Months Later – Security Still Top Interregional Issue (Part 2),” *RFE/RL*, March 12, 2002.

⁹⁰ “Central Asia: Islamist Mobilization and Regional Security,” *International Crisis Group*, Asia Report No. 14, March 1, 2001.

becoming a major supplier of drugs. They also expressed concern about a large number of weapons being smuggled from Afghanistan into CIS countries.⁹¹

It is in the same vein that the Kyrgyz President Askar Akayev expressed his concern in the next summit held in Bishkek the following year. He underscored number of factors like religious extremism, smuggling of drugs and weapons etc.⁹² which threaten the stability and security of the countries. The Dushanbe summit in the year 2000 called for a crackdown on terror by taking more measures to fight international terrorism, drug-pushing, separatism and religious extremism. On the sidelines of the same summit in the joint statement issued by Tajikistan and China, the need for seriously implementing the 13th August 1999 “Agreement between the governments of the PRC and the Republic of Tajikistan on Cooperation in Putting a Stop to Illegal Trafficking and Indiscriminate use of Narcotics and Drugs and Controlling Chemical Preparations“, and to take effective steps to crack down on cross border illegal arms trading and drug trafficking.⁹³

4. SCO and Regional Economic Cooperation

Economic cooperation among the member states started on the bilateral level much before the coming of the SCO. Already Russia and China had been cooperating with each other on economic issues of importance. In the Joint Statement signed by the Russian President Yeltsin and the Chinese President Jiang Zemin on 25 April 1996, the two sides promised to pay greater attention to their

⁹¹ “Five nation summit meeting a success“, Central Asia, *Summary of World Broadcast*, July 7, 1998, SU/3272/G/1.

⁹² “Krygz President lauds constructive policy of Russia, China and Central Asia“, Central Asia, *Summary of World Broadcast*, August 27, 1999, SU/3624/G/1.

⁹³ Joint statement issued Tajik-Chinese summit“, Central Asia, *Summary of World Broadcast*, July 6, 2000, SU/3885/G/3.

cooperation on the major products of production. They held that fields such as energy, machine building, aviation, space, agriculture, communications, should be made as priorities in bilateral cooperation of major projects.⁹⁴ The two countries discussed trade with each other on the Chinese President's visit to Russia in April 1997. Talks during the meeting were also held on joint projects like gas supply from Siberia to Shanghai, construction of power stations and training of specialists.

Considering that large scale economic cooperation is of vital significance to the consolidation of regional space and stability, the Chinese President Jiang Zemin offered his country as "a sort of transport bridge" for the four other countries, offering them railway and pipeline routes to Asia.⁹⁵

Parties at the Shanghai Five Summit held in Alma-Ata in July 1998 agreed to the following basic principles to be observed in developing economic cooperation and mutual benefit:

- Provide internationally-accepted trade terms to each other in order to expand their volumes;
- Encourage and support various forms of economic and trade cooperation between large enterprises and large companies of the five countries;

⁹⁴ "Russia and China issue joint statement" Russia, *Summary of World Broadcast*, April 26, 1996.

⁹⁵ "Summit of Shanghai Five in Alma-Ata", Central Asia, *Summary of World Broadcast*, July 7, 1998.

- Improve their respective investment environment to create conditions for boosting investment in the economic projects in their countries.⁹⁶

At the same summit Chinese President Jiang Zemin asked the member countries to start cooperation in the fields of trade, transport, energy, metallurgy, light industry, textile industry and agriculture. He appealed for mutual investment and joint production. He assured that China will continue to take an active part in the construction of the Euro -Asia continental bridge and provide sea-borne transport facilities to the countries concerned.

In the next summit held in August 1999 in the city of Bishkek, the sides in the joint declaration supported the ideas of reviving the “diplomacy of the Silk Road” doctrine, put forth by Kyrgyz President Askar Akayev, at the present level of international cooperation in the interest of economic development and strengthening of peace and stability in the region.⁹⁷ The sides expressed the intention to develop trade and economic cooperation between the five countries on a bilateral basis and to step up at the same time a search for ways of boosting multilateral interaction in this sphere. For this purpose, the governments of the five nations resolved to set up joint consultative groups to draft proposals and recommendations for top-level meetings.

At the same summit, President Yeltsin of Russia proposed to discuss the creation of joint working groups, which would draft concrete proposals and projects

⁹⁶ “Five nation summit issues joint statement in Alma-Ata” *Summary of World Broadcast*, July 7, 1998, SU/3272/G/2.

⁹⁷ “Joint Declaration on Security signed”, Central Asia, *Summary of World Broadcast*, August 26, 1999, SU/3623/G/1.

for the heads of government in order to boost trade and economic cooperation.⁹⁸ The Almaty summit made it possible to determine the main principles and direction of cooperation in trade and commerce between the countries.

In the joint statement issued by Presidents of Tajikistan and China during Tajik-Chinese summit held on the sidelines of 2000 version of Shanghai Five meet declared that the two sides will hold economic and trade cooperation an important part of Sino-Tajik relations. The two sides stated that they will take full advantage of the favorable conditions of the geographical proximity and mutually complimentary economies to further expand bilateral trade and cooperation. On the basis of equality and mutual benefit, the two sides set up the work of the inter governmental economic and trade committee to create favorable conditions for the main players in bilateral, economic and trade cooperation.⁹⁹

4.1 Transport

Due to the landlocked nature of the Central Asian nations, adequate transport facilities and transit routes to the sea are necessary for economic development and trade. It is in this context that the member states at the five nation summit in July 1998 held in Alma-Ata, underscored the necessity to intensify and encourage large scale and long term cooperation, including construction of oil and gas pipelines, railway, highway, water and air transport. The members gave top

⁹⁸ "Yeltsin addresses plannery meeting, calls for nuclear free zone in Asia", Central Asia, *Summary of World Broadcast*, August 26, 1999, SU/3623/G/2.

⁹⁹ "Joint statement issued" Central Asia, *Summary of World Broadcast*, July 6, 2000, SU/3885/G/2.

priority to upgrading and utilizing the existing transport and pipeline facilities between them or leading to other countries.¹⁰⁰

In the speech made by the Tajik President Emomali Rahmanov, at the summit in 1999, the importance of transport facilities was further highlighted. He considered expedient to set up an international transport network for the benefit of all members of the Shanghai Five aimed first of all, at modernizing and utilizing existing transport infrastructure and improving interactions between motor and railway transport.¹⁰¹

On the sidelines of the same summit, talks were held between the Chinese and Kyrgyz leadership where the leaders discussed the prospects of construction of a railway link between Uzbekistan, Kyrgyzstan and China and the opening of a shorter air corridor between the latter two.¹⁰²

During Tajik-Chinese summit held on the sidelines of the next Shanghai Five summit in Dushanbe, the two sides resolved to further strengthen cooperation in road transport, seriously implement the 13 August 1999 "Agreement between the Governments of the PRC and the Republic of Tajikistan on Motor Transport" and afford each other conveniences for passenger and freight transport.¹⁰³ In the press conference after the above summit responding to a question the President of Tajikistan expressed hope that China will continue to support construction of the

¹⁰⁰ "Five nations summit issues joint statement in Alma-Ata" *Summary of World Broadcast*, July 7, 1998, SU/3272/G/2.

¹⁰¹ "Tajik President says Afghan crisis threatens international security", *Summary of World Broadcast*, August 27, 1999, SU/3624/G/2.

¹⁰² "Chinese and Krygz President discuss economic cooperation", Central Asia, *Summary of World Broadcast*, August 27, 1999, SU/3624/G/1.

¹⁰³ "Joint statement issued Tajik-Chinese summit" Central Asia, *Summary of World Broadcast*, July 5, 2000, SU/3885/G/3

Dushanbe-Kulya-Khorogh-Kulma-Karakoram railway (from eastern Tajikistan to China). The President was hopeful that this would give access to the world market through China which will be Tajikistan's main artery in the 21st century.

4.2 *Oil, Gas and Energy*

The importance of cooperation in the field of energy on an equal and mutually beneficial basis including the feasibility studies on the projects supplying electricity to each other and allowing power transmission to pass through their territories was underlined in the joint statement issued in the five nations summit held in Alma-Ata.¹⁰⁴

On a visit to Kazakhstan in 1998, President Jiang Zemin held wide ranging talks with his Kazak counterpart on economic issues. The idea of oil pipeline running from western Kazakhstan to China and an agreement to build a gas pipeline linking the two countries was also mooted. Already the two sides had signed an agreement regarding the oil pipelines, feasibility study of which was carried. The total cost of the project including the development of the Uzen oil field in western Kazakhstan and the pipeline construction on the Chinese territory was estimated around nine billion dollars.¹⁰⁵ The same proposal was also discussed in the next Shanghai Five summit held in Bishkek. Kazakhstan proposed oil pipeline to China stretching 3000 Kms in the Kazak part of the Caspian Sea. The two states also

¹⁰⁴ "Five nation summit issues joint statement in Alma-Ata", Central Asia, *Summary of World Broadcast*, July 7, 1998, SU/3272/G/3.

¹⁰⁵ "President Nazarbayev, Chinese counterpart plan future economic cooperation", Central Asia, *Summary of World Broadcast*, July 7, 1998, SU/3272/G/5.

discussed ways of implementing the project including share of the parties participating.¹⁰⁶

In the same summit Kyrgyz President underscored the importance of hydropower engineering. The President expressed hope that this could be a promising direction of multilateral cooperation for the countries of the Shanghai Five. In this sphere Kyrgyzstan, just as Tajikistan has substantial resources which could be usefully exploited.¹⁰⁷

5. September 11 Attacks and the SCO

Another important change in the Central Asian strategic posture is that the US has entered Central Asia in an all-round way. It militarily began to enter the region after the dissolution of the former Soviet Union.¹⁰⁸ But after the September 11 attacks, the depth and width of US access in this region had been historically unprecedented and the significance that has been given to the region is strategic. The US has improved its relations with all the countries in the region except Iran, including those it showed indifference to and those it criticized on the grounds of their political systems and cultures. On the other hand, the US access in the region is all-round, militarily, politically and economically, and is long term.¹⁰⁹ In view of the substantial strengthening of the US presence in Central Asia and the Caucasus,

¹⁰⁶ "Shanghai Five Summit discusses cooperation, regional security", Central Asia, *Summary of World Broadcast*, August 27, 1999, SU/3624/G/1.

¹⁰⁷ Kyrgyz president lauds, constructive policy" of Russia, China in Central Asia" Central Asia, *Summary of World Broadcast*, August 27, 1999, SU/3624/G/2.

¹⁰⁸ The US has actively taken part in the annual set of Central Asian Battalion military exercises since 1997.

¹⁰⁹ Paul Wolf, Shanghai Cooperation Organization ed. in David Hsieh, "Central Asia Wary of US's Widening Reach", *The Straits Times*, June 14 2003, available at <<http://www.ratical.org/ratville/CAH/ShanghaiCO.pdf>>

the improvement of US relations with India and Pakistan, the US's decisive role in Afghanistan, and the solidification of the US traditional alliance with Turkey after the September 11 attacks, the Grand Central Asian region has become, for the first time, a complete strategic region in US diplomacy and the US has also become the country with the most diplomatic resources and influence in the region.

Since the US has put a lot of political, military and economic resources into this region, its importance and interests to the US have been enhanced.¹¹⁰ The US will not easily make a strategic withdrawal from the region. Moreover, whether to maintain a long-term and direct military presence in Central Asia is not the natural corollary of US strategic withdrawal from this region. Even if the US were later to withdraw its military forces, it would spare no efforts to keep its capability to enter and control this region strategically.

After September 11, a new situation has appeared in major power relations in this region. The main players are China, Russia and the US. Before the attacks, the posture of these three major powers in the region was as follows: Russia's control of and influence in Central Asia had been greatly diminished, but it has remained the country with the most political, economic and security influence on the region. After Putin assumed office in 2000, Russia increased its input in the CIS and Central Asia and its influence in the region has rebounded and picked up momentum. Strategically thinking, Central Asia is still its backyard and the region where it has special interests, so it does not hope that this region will be fully open to other major powers.

¹¹⁰ Ibid.

After establishing diplomatic relations with five Central Asian countries, China began to take an increasingly active attitude to its access to Central Asia. Especially after the formation of the “Shanghai Five” and the SCO, the efforts and expectations of China’s access to Central Asia have been obviously enhanced. The establishment of the SCO in June 2001 have solidified China’s relations with Central Asia and systematized and offered China more room and possibilities to enhance its sphere of influence in the region.

In the early 1990s, the US began to enter Central Asia, but its importance to the region was minimal in US policy to the countries of the former Soviet Union whereas Russia was at the core.¹¹¹ After the mid-1990s, the US began to increase its input in the region. Its investment in and economic and military aid to this region increased and its political and military cooperative relations with Central Asian countries developed rapidly. However, against the background of positive cooperation between China and Russia in Central Asia, the momentum of US expansion in this region slowed down in the late 1990s. This was manifested in the positive adjustments made to the focus of political and military cooperation between Central Asian countries towards Russia, China and the SCO, and in the improvements made in the political and economic relations between Uzbekistan and Turkmenistan and Russia, as well as in the deepening military cooperation among the members of the CIS Collective Security Treaty. It was also manifested in the Central Asian countries showing their displeasure with the US owing to

¹¹¹ The US did not have a clear-cut strategy and policy with respect to Central Asia and the Caucasus until 1997 See *The Security of the Caspian Sea Region*, 2001, p. 19.

interference in their internal affairs and the US's control of Central Asian energy resulting in super-profits in its energy and economic cooperation with them.

During the period from the independence of the Central Asian countries and September 11, 2001, the basic posture of trilateral relations among Russia, the US and China in Central Asia was a fragile balance of power. The three countries set up their respective bases and areas of domination in the region. Russia had military and political influence in Central Asia, the US strong point was energy investment, and China took root in the region through trade.¹¹² After September 11, this basic approach was reversed. The development momentum of the Russia-dominated CIS Collective Security Treaty has been held back. The SCO push led by China and Russia has been fraught with challenges, and the position of Russia and China in Central Asia has been weakened. Moreover, the focus of security and political cooperation among Central Asian countries has been transferred to the US. Thus the distance between Uzbekistan and Russia has been increased and Kazakhstan, Tajikistan and Kyrgyzstan, which had close relations with Russia, have started to turn to the US influence one after another. This situation has changed the fragile balance of power among the three countries in Central Asia. The basis of the US influence in the region has expanded from energy to the military and political areas, replacing Russia.

The trilateral relations among China, Russia and the US have undergone subtle but meaningful changes. US direct military presence in Central Asia

¹¹² Ashimbaev, A., "Situation in Central Asia after Sept.11th and SCO," in *Selection of Essays on Situation in Central Asia and SCO*. (Shanghai Institute for International Studies, 2003) cited in Zhao Huasheng, *Security Building in Central Asia and the Shanghai Cooperation Organization* available at <http://www.sjis.org.cn/english/journal/hszhao.htm#_ftn1 >

represents a serious geopolitical challenge to China and Russia. In contrast to the response they should make in this kind of situation, they have not resisted the direct US military presence in Central Asia. Furthermore, they have expressed a willingness to cooperate with the US in varying degrees.¹¹³ There are four reasons. First, against the background of the September 11 attacks, US deployment of troops in Central Asia to conduct military operations against terrorism has some basis support. Second, China and Russia both consider US strikes against the Taliban in the region as beneficial. Third, the two countries have no real capabilities to impede the direct US military presence in Central Asia. Finally, neither wants to damage their relations with the US.

The most profound meaning of the situation of the trilateral relations is that the posture of China and Russia in joining hands for keeping the US away from Central Asia has been broken and a state of trilateral overlapping interaction has taken shape. This new situation has provided possibilities of change to the alignment among the three countries and has thus increased the complexity of the interrelations among them in the region.¹¹⁴

After September 11, drastic changes have also taken place in the Central Asian security situation. With the overthrow of the Taliban regime, the most severe source of danger in Central Asia was removed, which has eliminated the Central Asian countries' biggest worry about their own security. Though the remnants of the Taliban still exist, its security threat to Central Asia has been greatly reduced.

¹¹³ Ibid.

¹¹⁴ David Hsieh, Central Asia Wary of US's Widening Reach, *The Straits Times*, June 14, 2003, available at <<http://www.ratical.org/ratville/CAH/ShanghaiCO.html>>

Furthermore, the Taliban is no longer a constant and vital threat to the state power of the Central Asian countries. The security environment of Central Asia has been much improved. The overthrow of the Taliban regime and the improvement of the Central Asian security environment have made it possible for the Central Asian countries to shift their focus and direction of security. This should lead to their reconsideration and reorientation of the emphasis, objectives, direction and method of their security strategies. Meanwhile, with the overthrow of the Taliban regime, the most dangerous common enemy of the Central Asian countries has disappeared, so the conflict between them and the Taliban is no longer the principal one. This may bring to prominence other, originally hidden contradictions, including those that exist between the Central Asian countries.

6. SCO and the Iraq War

After the Afghanistan war was finished, US president G. W. Bush expressed a strong will to tackle the Iraq issue, which his father had left unresolved ten years previously. He proclaimed an “axis of evil” of Iraq as well as Iran and North Korea, and harshly criticized not only Saddam Hussein’s passive attitude toward the UN inspection of weapons of mass destruction but also Iraq’s undemocratic regime, human rights abuses, and even support for the “terrorist” group Al-Qaeda.¹¹⁵ While the possibility of an American unilateral attack on Iraq was enhanced in late 2002, Russia and China, in a joint effort with France and Germany, tried to give as much time as possible to the UN weapons inspectors in Iraq and to prevent the war from beginning in the foreseeable future.

¹¹⁵ Washington Times, 28 January 2003.

At the first round of negotiations among the great powers, mainly presided over by the UNSC, Russia proposed the most indulgent draft to Iraq while China supported the French “middle” position between Russia and the US. Then, Russia followed the French-Chinese draft and the French-Russo-Chinese “triangle” successfully revised to an extent a US-UK proposed draft that suggested direct and immediate sanctions in the case of Iraq’s breaching its promise to disarm weapons of mass destruction, as required by cease-fire agreements in 1991. The US accepted the revision that the UNSC should receive a report from the inspectors about Iraqi weapons before the next action was put on its agenda, and UN Resolution 1441, which calls for “serious consequences” if Iraq fails to prove that it has disarmed, was finally adopted by all the UNSC members even without absentees on October 8, 2002.¹¹⁶ The US seemed to have failed in taking a free hand in attacking Iraq at that time.

The second round of the Iraq issue faced a different situation in early 2003. With weapons inspectors asking for more time, the Bush administration planned to pressure UNSC member nations to enforce Resolution 1441. The US-UK coalition, using the Resolution in its own favor and cautiously bypassing the UN channels, declared a unilateral decision to attack Iraq.¹¹⁷ While Russia and France reiterated the importance of peaceful resolution of the Iraq issue and announced their preparations for using a veto on the UNSC and, interestingly, China kept its stance calm and adopted a wait-and-see position, the US-UK coalition prudently called

¹¹⁶ UN Doc S/RES/1441 (2002); *UN New Service*, 8 November 2002.

¹¹⁷ See Text of Bush Speech on Iraq, Washington, 17 March 2003.

upon Italy, Japan and other countries to unite and fight against Saddam's "terrorist" regime and annulled the opposition's resistance against the UN military operation.

When the US victory over Saddam was clear without doubt, France and Russia faced severe reactions not only from the US but also from its domestic political rivals and public opinion. Russian president Putin sent a warm message to President Bush and tried to restore Russo-US relations on post-Iraq war affairs quickly. On June 1, 2003 just after the ceremony for the 300th anniversary of St. Petersburg, the two presidents declared that a different approach to the Iraq issue would not have any influence on the Russo-US strategic partnership and signed papers marking the ratification of the treaty for the Reduction of Weapons of Mass Destruction signed in May 2002.¹¹⁸

It is interesting that Russia and China basically criticized the US unilateral action against Iraq though they had a different approach toward it at each round, as mentioned above. Hu Jintao, the new President of China, and Putin called for a central United Nations role in rebuilding Iraq and made customary reference to the "multi-polar world" – the nominal term they use to describe their will to offset US global power – in a joint declaration on strategic partnership on the eve of the 300th St. Petersburg ceremony on May 30, 2003. They also showed concern about the next would-be target of the US – North Korea – and pushed for a peaceful settlement of the standoff between the United States and North Korea, urging Pyongyang not to develop nuclear weapons and calling for the security guarantees sought by North Korea.

¹¹⁸ Yefimova, 2003; *ibid.*

“Any scenarios of forceful pressure or use of force for solving the existing problems are unacceptable,” the two leaders said.¹¹⁹ Meanwhile, the Chinese leader, as well as the Russian, also tried to mend fences with the US and Bush reacted with a warm welcome to Hu Jintao’s presence at the G8 Evian summit.¹²⁰ In contrast, Bush took a cool attitude toward Jacques Chirac and departed from the Summit before the final ceremony. The Russo-Chinese “strategic partnership” has not functioned so well on the Iraq issue, but we can easily trace its interaction from late 2002 to early 2003.

The SCO was silent all this while. Anything was rarely heard about the SCO, besides information on some member meetings at various levels (they sometimes occur, without Uzbekistan, as mentioned before). This is in striking contrast to the previous SCO. Before Uzbekistan joined, the SCO basically echoed Russo-Chinese declarations in international issues, and even after “9.11” the SCO has kept the same line on the “terrorist” issue and, if only officially and nominally, backed up the Russo-Chinese message against (US) unipolar domination. The SCO was almost silent on the Iraq war and could not issue any official statement.

A famous Chinese scholar suggests that Uzbekistan’s resistance stopped any action by the SCO against the US unilateral action against Iraq.¹²¹ The SCO seems no longer as dependent on Russo-Chinese relations than it was before. It is true that the SCO declaration, described as “a landmark event” by the participants themselves, was issued on May 29, 2003 in Moscow just after the Russo-Chinese

¹¹⁹ 39 See Text of Sovmestnaia deklaratsiia RF i KNR, Moscow, 27 May 2003; *ibid.*

¹²⁰ 40 People’s Daily Online, 2 June 2003; *ibid.*

¹²¹ Interviews with a senior researcher of the Institute of Russia, East Europe and Central Asia CASS, Beijing, April 8, 2003; *ibid.*

joint declaration. The declaration states that recognition of the important role of the UN and the UNSC in solving major international problems is of fundamental importance and appraises that, since its foundation, the SCO has actively pursued a policy of cooperation with respect to international affairs. The declaration, however, contains only one paragraph on Iraqi reconstruction (not the war itself) and contains no phrase that might suggest an anti-American orientation except the vague words calling “for democratic world order” in the last paragraph.

Considerable mention was made of the SCO structural issue, the secretary and secretariat in Beijing, the antiterrorist center in Bishkek and its financial problems, as well as its appeal for an anti-terrorist mission to the world.¹²² Interestingly, only China and Tajikistan had finished the declaration before the SCO summit and even the Upper House in Russia only ratified the SCO charter on May 28. The challenges facing the SCO when dealing with international issues have increased since 9.11.

7. Changes in the Central Asian Situation and the SCO

In some respects, changes in the Central Asian situation have provided new opportunities and driving forces for the development of the SCO, while also posing a series of new questions and challenges. The SCO stems from border security. Borders involve national security and a common border often becomes the basis of a special relationship between countries. However, border security is vital to the stability of state-to-state relations, but it does not have the sustained momentum for pushing ahead those relations. Therefore, with the fundamental resolution of the

¹²² See Text of Deklaratsiia glav gosudarstv-chlenov ShOS, May 29, 2003; *ibid.*

border security issue, fighting against terrorism, separatism and extremism was upgraded to the basic driving force for the development of the SCO. The emergence and development of widespread terrorism, separatism and extremism in Central Asia had internal and external reasons. The main external reason was the Taliban.

In the mid 1990s, the Taliban seized state power in Afghanistan. As a result, the security situation in Central Asia sharply deteriorated and terrorism became a severe threat to the security of the Central Asian countries. In these circumstances, those countries, weak in national strength and short of self-protection capabilities, had realistic demands for a regional security mechanism, so the SCO with anti-terrorism as its main objective was just the security guarantee mechanism needed. After the September 11 attacks, two factors encouraged Central Asian countries to change their security guarantee demands to the SCO. One was the overthrow of the Taliban regime. After that, the terrorist threat to Central Asian countries was greatly reduced, though not eliminated. Before September 11, the Taliban was the Sword of Damocles over Central Asian countries. The constant possibility that it would send troops northwards posed a direct danger to the Central Asian countries; its support to terrorist forces in Central Asia was important; and the Taliban regime was also the source of organized crimes such as drug-trafficking and smuggling in the region. With the overthrow of the Taliban, the security situation in Central Asia changed for the better. Terrorism, separatism and extremism still exist, but their threat is no longer vital. Changes in the security situation have resulted in relevant changes in the Central Asian countries' security demands. This is embodied, to some extent, in changes in the extent of their demands for and dependence on the SCO as a security mechanism.

The other factor is US direct military presence in Central Asia. After September 11, the US attained military bases in Uzbekistan, Kyrgyzstan and Tajikistan, and Kazakhstan opened up its air force bases to US logistic activities, thus enabling US armed forces to be directly deployed for the first time in Central Asia. The US military presence in the region offered a new and very strong security guarantee for Central Asian countries.

Before that, the CIS Collective Security Treaty and the SCO were the basic security mechanisms there, besides the NATO Partnership for Peace. The new security guarantee increased Central Asian countries' dependence and expectations on the US in terms of security.¹²³ After September 11, with the enhancement of US political, military and economic influence on Central Asia, its diplomatic influence has also increased. Except Uzbekistan, most Central Asian countries expressed to the outside world that they would still adopt a multidirectional, balanced foreign policy and their military cooperative relations with the US would not damage the interests of other major powers nor impact their relations with China and Russia. Their stance is believable, but their obvious dependence on the US after September 11 is also a fact. More importantly, if the US possesses more and stronger means to exert its influence on Central Asian countries, it will impose, to a greater extent, its intentions on them. Where the US considers it necessary to bring pressure to bear on Central Asian countries on some issue, the latter's stand and attitude on the SCO may be influenced.¹²⁴

¹²³ Abdurazakov, I., "A Difficult Choice in an Uncertain Era: Can the SCO Become a New Cooperation Model?" in *Selection of Essays on Situation in Central Asia and SCO* (Shanghai: Shanghai Institute for International Studies, 2003).

¹²⁴ Ibid.

Going further, the US may place indirect restrictions to some extent on the SCO through them. This is another potential influence of the changes in the Central Asian situation on the SCO. Moreover, as the relations of members of the SCO with the US are at different levels and in different contexts, the perspectives from which they view the US military presence and role in Central Asia may not be identical. This has resulted in new issues needing coordination within the SCO, which, if handled improperly, may cause serious negative effects on the organization. The US has smashed the Taliban regime and is prepared to fight against terrorism in Central Asia for a long time, so there is the possibility to turn the informal anti-terrorism coalition in the region into an informal regional security mechanism that it would dominate overtly or covertly. This mechanism may be composed of the US and Central Asian countries or the US, China, Russia, the Central Asian countries, and Afghanistan as well as South Asian and Caucasian countries. At present, it is only an inference and hypothesis, but under certain conditions, this kind of change may be possible.

Theoretically, a security mechanism aimed at fighting terrorism and safeguarding regional stability should be welcome. Besides, different security mechanisms in Central Asia, as pointed out above, may not be contradictory and can cooperate with one another. But in politics these mechanisms are estranged and separated and in their anti-terrorism function they are duplicated and overlapping. So, the coexistent security mechanisms in Central Asia may offset and restrict one another rather than complement one another in function and enlarge the results of security cooperation.

8. Restraining Factors

8.1 *Disparities of State Members of the SCO in Political, Economical, Historical and Cultural Background*

While sharing common interests in many spheres, the members state of the SCO are characterized by many differences. The six member countries have different political systems, different ideologies and different religions. China and Russia are the biggest countries in terms of population and territory, respectively, while some other members are much smaller in both regards. Disparities between SCO member states are not necessarily going to be serious problems for cooperation, but the contrast should make them see things differently.¹²⁵

8.2 *Instability of the Central Asian Countries' Internal Politics*

The countries of Central Asia are authoritarian regimes with supreme power focusing on a president, which helps to stabilize the regime. However, the current presidencies of the Central Asian countries are based too much on personal might. There is no balance of political forces, and there is no institution or mechanism for a smooth transfer of state power and democracy. As a result, changes in the presidency may result in political and social instability. This is a potential source of instability for the SCO.¹²⁶

¹²⁵ Zhao Huasheng, "Security Building in Central Asia and the Shanghai Cooperation Organization", available at <http://www.siis.org.cn/english/journal/hszhao.htm#_ftn1>

¹²⁶ Ibid.

8.3 *Inconsistency between Central Asian Countries*

Although these countries live together and have close ties between and among them in politics, economics, culture, tradition, religion and ethnicity, their relations that exist between them are complex and at times contradictory. Contradictions involve inconsistencies in politics, security, ethnicity, territory, and energy and water resources. The relatively stable relations between Central Asian countries, and the fact that Kazakhstan, Uzbekistan and Kyrgyzstan signed the 'Permanent Treaty of Friendship', do not eliminate the possibility that contradictions may be aggravated. If that happens, destructive forces may arise.¹²⁷

8.4 *Functional Overlapping of Different Security Mechanisms and the Difficulty of their Coordination*

In Central Asia, there exist at least three or four formal or informal security mechanisms, including the SCO, the Collective Security Treaty Organization, the "Partnership for Peace" program of NATO, and the commitment of the United States to the Central Asian states, especially to Uzbekistan. It is a unique phenomenon that so many security mechanisms exist in one region. Whether this adds to or reduces the security of the region is a question for discussion. Politically, it may be these mechanisms do not necessarily collide, but functionally they overlap. How to coordinate these mechanisms and make their roles and functions complementary rather than overlapping or confrontational is a problem that the SCO must deal with.¹²⁸

¹²⁷ *ibid.*

¹²⁸ *Ibid.*

8.5 *Difficulties in Economic Cooperation*

After the establishment of the SCO, each member raised their hopes for economic cooperation and their expectations for economic benefits. However, owing to the backwardness and flaws of investment, infrastructures, market mechanisms, laws and regulations, purchasing power and economic development level, the SCO, despite its huge developmental potential and great expectations, found it hard to carry out large-scale developments and to make quick achievements.

The SCO is also an organization consisting of poor countries with weak economies. Energy and transportation are the two major areas of economic cooperation, but the development of these areas is not an easy task because of the large investment and long developmental term required, and the relatively weak investment abilities of China and Russia. In other areas, the current economic cooperation is still at a low level on a limited scale, and lucrative returns are not possible to attain in the near future. Thus, difficulty in economic cooperation is one of the hardest problems for the SCO.

8.6 *Challenge of Further Expansion*

The SCO has made it clear that it will not absorb new members quickly and that expansion will be carried out gradually. So far, this is not a prominent problem. Nevertheless, both internal and external pressures are obvious in the long run. Realistically, any expansion may give rise to new problems. The further expansion of the SCO may be characterized by geopolitics, with its sphere of influence

expanding to the neighboring countries. Among its surrounding countries, we may find Mongolia, Turkmenistan, Iran, Afghanistan, Azerbaijan, Georgia, Pakistan, India, and so forth. Theoretically, these countries may join the SCO in the long run. However, their participation will definitely cause problems due to internal and external factors. Comparatively speaking, Mongolia should not cause any bitter disputes. However, its participation should reduce the meaning of security cooperation, because the threat of the three forces to Mongolia is not obvious (this does not mean that this change would be welcomed).

From relevant conditions, Turkmenistan is the closest country to the other SCO members but it maintains its neutral policy and adopts a wait-and-see attitude, showing no intention of joining. Pakistan has already expressed its will to join the SCO, yet its participation should lead to acute conflicts among member states¹²⁹. India, as a South Asian power, has close ties with security affairs in Central Asia, geopolitically and realistically. But its unilateral participation would break the relative balance in South Asia. As a result of this, prior to any substantial improvements of their bilateral relations, the participation of Pakistan and India may make the SCO a victim of India-Pakistan conflicts.¹³⁰

9. Success and Prospects of SCO

The changes in the Central Asian situation after the September 11 attacks were an unexpected development for the SCO. The fact that the SCO did not play a leading role in the drastically changed post-September 11 situation triggered many

¹²⁹ Vijay K. Nair, "America's War on Terrorism Impinges on China's Grand Strategy", available at <<http://www.article01032002.htm>>.

¹³⁰ Ibid.

comments on its prospects, and pessimistic and suspicious comments prevailed in foreign public opinion.¹³¹ However, the results of the St. Petersburg and Moscow Summits of the SCO on June 7, 2002 and May 28, 2003, respectively, indicate that the organization has not only continued to develop according to its own political design but also that its attitude to development is more positive and that followed had accelerated.

The changes in the Central Asian situation after September 11 have encouraged the SCO to accelerate its development and have brought about a series of negative outcomes, making its development more difficult and complex. Nevertheless, there are ample reasons for the continuous existence of the SCO and there is much room for its development. The basic foundations are as follows: In the events of September 11 and the changes in the Central Asian situation, no aim, principle, idea, spirit, objective or task of the SCO have proved to be wrong or outdated. On the contrary, they further prove that the ideas and principles the SCO had relied on were right. The two themes of the SCO -- anti-terrorism and economic cooperation -- remain as long-term needs of the region. Though the Taliban regime has been smashed and the direct threat of a Taliban invasion of Central Asian countries has been basically eliminated, terrorism, separatism and extremism in the region are far from eliminated. Even the Western academia has not denied this.¹³² Thorough destruction of these three evil forces requires long-term and

¹³¹ Even Russian scholars have such pessimistic views. Koldunov, Deputy Chairman of the Russian Foreign Policy Association held that after the September 11 events, the SCO in fact collapsed. Koldunov, "Russian-US Partnership and Challenges in the 21st Century," *International Life*, 4, 2002, p. 69.

¹³² Pauline Jones Luong of Yale University and Erika Weinthal of Tel Aviv University maintain that, over the longer term, even if the military operation against the Taliban ended successfully, the threat of Islamic extremist forces in Uzbekistan could be intensified rather than reduced. See Luong & Weinthal, "New Friends, New Fears in Central Asia," *Foreign Affairs*, March/April 2002, p. 64.

comprehensive measures and concerted cooperation among countries. In this respect, the SCO, as a regional organization composed of countries in this region and engaged in comprehensive cooperation, has its greatest potential.

In terms of economic cooperation, it has yet to bring about any remarkable real interests to all the members, which hope to realize results as soon as possible. However, economic cooperation is a long process and a long-term objective and is still in its initial stages. Economic cooperation in Central Asia is objectively difficult. Producing instant results is rather difficult because the economic cooperation mechanism of the SCO is also in its initial stages. The general trend of economic cooperation in the organization is gradually accelerating and the interest in and demand on it by all members has increased. This shows that economic cooperation in the SCO is a realistic demand and an objective need of all members. In the long- and mid-term perspectives, its potential will be tremendous, especially in the areas of energy and communications.

Safeguarding the security of border areas is one of the important functions of the SCO, which stemmed out of the need to resolve border issues. Other cooperation mechanisms in the region have not and cannot bear such a function. Members of the SCO are neighbors or closely located, so they all pay full attention to the irreplaceable role of the organization in the security and stability of border areas, a role that has not changed because of September 11. Abandoning or damaging the SCO involves indirectly the commitment and respect of members to relevant agreements on border security and also relates to the guarantee of long-term security and stability of their border areas. Meanwhile, the SCO has the

function of mutually assured security. The new security concept of common security, equal security and seeking security by cooperation it advocates is the principle not only for its security relations with other states and state groups, but also for interrelations among its members in the area of security. This principle provides reliable mutual security guarantees for its members. In the new Central Asian situation, the majority of members of the SCO still maintain a positive attitude to its development, of which China and Russia are the two main engines. Their stand is of decisive influence to the destiny of the organization. After the September 11 attacks, both have been identical on the issue of continuing the development of the SCO.

Though Central Asian countries deepened their relations with the US, their foreign policy remains balanced and multidirectional. For most Central Asian countries, foreign policy adjustment is in the nature of showing a partiality for the US within the framework of balanced and multidirectional foreign policy. The Central Asian countries, however, located between China and Russia must give consideration to the wishes and interests of the two major powers in diplomacy. At the core of their diplomatic endeavors is the realization of security guarantees and economic interests. On the issue of relations with the major powers, they have no intention of inciting a conflict between the major powers in Central Asia and hope the latter to maintain a relative balance in the region, which is in their own interests and would help them realize more benefits. Therefore, after September 11, Central Asian countries have still regarded the SCO as an important cooperation mechanism in Central Asia and hope for its continuous development.

The stand of the members of the SCO on the organization is the political guarantee of its development.¹³³ Fundamentally, the SCO as a cooperation mechanism is an objective need for political, economic and security development in the region. It is an embryonic form of regional cooperation, while regional cooperation is a natural process of current world developments and a part of the process of globalization. Central Asia is a newly emerging geopolitical region in the post-Cold War era and has its own political, economic and security features relatively independent from other regions. As region, Central Asian regional features in politics, economy, security and geography are complete and distinct. But as a newly emerging region, its regional political, economic and security systematization and mechanization are wanting and its regional integration is weak. With the gradual formation of regional self consciousness, objectively it needs a regional cooperation mechanism to meet the cooperation demands of all the countries in the region and to reflect on regional demands.

The SCO has satisfied such demands. It links China, Russia and the Central Asian countries, which are close neighbors and meets a need for a mechanized platform for exchange, understanding, communication, and cooperation. That the SCO has developed from a temporary dialogue mechanism for resolving border issues to a regional cooperation organization reflects, in reality, the regional demand for cooperation. It can be said that, without the SCO, this region may have needed another similar cooperation mechanism to meet the regional demand for integration. The political, economic and security cooperation of the SCO is

¹³³ In the first SCO summit after Sept. 11, the St. Petersburg Summit that was held on June 7th 2002, all the leaders of the Central Asian countries spoke positively of the SCO. Available at <http://www.strana.ru> 7 June , 2002

beneficial to all members in the region and for this reason it has a high elasticity of existence

10. Need for Adjustment

After the St. Petersburg and Moscow Summits, the SCO has had its own charter having set up its permanent secretariat and antiterrorism center. The documents passed by the summit have perfected its basis legally and organizationally. This means that the SCO will soon become a regional organization with a capacity for legal transactions.

As a regional organization the SCO should strengthen its group features, which refers to the need of appearing often on international and regional arenas at various levels in a collective capacity to express its attitude and policy. This will enable the SCO to gradually become a player with a recognized capacity for legal transactions accepted by the international community in international relations. At the political level, it should broaden its vision, and especially cast its political eyes on nearby Afghanistan, South Asia, West Asia and the Caucasus, and actively extend its political influence there, including the reconstruction of Afghanistan, mediation of regional crises, regional security and stability guarantees, anti-terror cooperation and anti-drug cooperation.

The SCO needs to treat other countries, especially neighboring ones in this region, in a more open posture. Its enlargement needs to follow the principle of graduation, safety and benefit, but contact, dialogue, consultation and cooperation with other countries should become its important contents, including inviting

relevant countries for special dialogues and as observers or associate members. Meanwhile the SCO needs a more open development concept and image. This means that it should stress its non-antagonism and non-exclusiveness while keeping its regional group features, emphasizing its openness to cooperation with other states and state groups in various fields as well as strengthening its pursuit of regional multilateral cooperation while weakening its “big power colored” politics. Central Asian countries hope the SCO will not be “politicized,” that is, become a political tool of big power competition. Therefore, the “politicization” of the organization may lead to internal slack and even splits, which would not be conducive to strengthening its inner cohesion and policy identity.

The SCO needs timely adjustments to focus its interest structure. It is a cooperation mechanism based on the two wheels of security and economy, of which security is primary. From the perspective of realistic long-term development and change, its interest structure should be adjusted to both security and economic cooperation as the primary foci. The general trend of Central Asia towards gradual stability of the regional security environment, and demands for economic development of all countries in region should increase sharply, which is also a trend seen throughout the world. Economic cooperation has the greatest affinity, and is the most expansive force with the tightest and most lasting adhesive linking the interests of various countries. In the long run, economic cooperation will be the most important and active factor for pushing ahead the SCO and the most important factor for attracting its members, especially Central Asian countries. If the SCO cannot clearly increase its economic cooperation content in a timely fashion, its capacity of functional expansion will be restricted. Thus, it should make up its mind

on whether or not to increase its intensity of economic cooperation and make economic cooperation gradually one of the main foci supporting the organization. This task is very difficult. We cannot spoil things by excessive enthusiasm. We can combine long-term objectives and short-and mid-term projects, conduct multilateral and bilateral cooperation concurrently and carry on multilevel and multifaceted cooperation at the same time.

The SCO should also put forward specific initiatives and projects and implement them in the areas of joint protection of the Central Asian environment, the fight against pollution, the protection of animal and plant resources, and the rational utilization of natural resources. Cooperation in these areas is well received particularly by Central Asian countries, as it benefits all countries and can garnish support and recognition from the international community. It is also conducive to enhancing the cohesion and influence of the SCO. Furthermore, the cultural field should also be an important area where the SCO needs strengthening and sustained development.

The SCO needs a principled consensus and a coordinated stand on its relations with the US. A direct US military presence in Central Asia is a political reality, which cannot but exert pressure on the SCO. Therefore, it is quite important and necessary for the members of the SCO to reach a principled consensus and coordinate policies on relations between the SCO and the US. A principled consensus and coordinated stance should be based on a mutual understanding and respect of all the concerned parties' interests. It should be based on coordination of common interests. Out of the need of security, economy and balance between major

power relations, Central Asian countries welcome a US military presence in the region and hope to forge close relations with the US. However, China and Russia hope the US will withdraw its armed forces from Central Asia after its military operation against the Taliban in Afghanistan, but they do not oppose a constructive US role in the region and have been conducting antiterrorism cooperation with the latter. Therefore, on the issue of cooperation between the SCO and the US in Central Asia, all the members of the organization have no divergence. US military presence in Central Asia is of constructive and positive significance to this region, but it also has the potential of playing a negative role. Its positive role in destroying the Taliban, the largest source of threat to Central Asian security, is beneficial to security and stability in the region and also to improving the macro environment of regional economic and social development. Stability in Central Asia has important and positive impact on the security of all countries in the region, including China and Russia. The possible negative role is the US's double standard on terrorism which might encourage the separatist forces in Russia and China thus, and leading to the intensification of big power competition, damaging both Chinese and Russian interests while intensifying the political instability of the Central Asian countries. This dual meaning of the US military presence in Central Asia is the premise behind the SCO formulating a coordinated policy on the US issue.

The SCO should cooperate in areas where the US can play a constructive role, but oppose areas that may play a destructive role. This conforms to the common interests of the members of the SCO. Political turmoil in Central Asian countries, instability resulting from big power competition in the region, and

damage to relations between Central Asian countries and China and Russia will damage the interests of all these countries, especially the Central Asian countries.

After the September 11 events, there has been increasing evidence that Central Asian countries are politically unstable. In November 2001, a political crisis broke out in Kazakhstan, leading to the government falling from power. In March 2002, a political riot occurred in Kyrgyzstan, causing casualties from conflicts between the police and demonstrators. After that, political demonstrations continued to take place. In Turkmenistan, the political opposition led by former foreign minister Boris Shikmuradov stepped up their anti-government activities abroad. The confrontation between the Uzbekistan government and the political opposition has tended to intensify. The intensifying political instability in Central Asian countries is not accidental; the US factor has played an indirect role. Lynn Pascoe, US Deputy Assistant Secretary for Central Asian Affairs, has stated that the US is forging political and military relations with Central Asian countries, but its policy of demanding them to conduct democracy and market reforms and respect human rights will not change. US political and military cooperation with Central Asian countries and its human rights policy have encouraged not only ruling authorities but also the opposition. Maintaining its constructive role while restricting its destructive influence should be the basic position held on SCO-US relations.

CHAPTER IV

Future of the Shanghai Cooperation Organization

Since the end of the Cold War, Central Asia has acquired a reputation as a volatile, unpredictable region. Economic instability, weak civil societies, and authoritarian political climates have shrouded the post-Soviet states since their independence twelve years ago. Indeed, the World Bank has called the last decade a “triple-transition” for the Central Asian countries: they simultaneously faced the macro-economic shock of the Soviet disintegration, the abrupt shift from centralized state governance to more democratic, market-driven strategies, and the sudden shift in geographic position to being in the middle of two much larger nuclear powers.¹³⁴

Compounding its internal problems, Central Asia held a low-priority status within the broader foreign policy framework of the US. Washington’s primary interests concerned nuclear non-proliferation and energy security rather than intermediate-term political stability or even long-term regional economic development.¹³⁵ As a result, the Central Asian states turned to Moscow and Beijing for their immediate security and economic needs; for example, Russia and China had signed formal trade or friendship treaties with the governments of all of these countries’ prior to the summer of 2001, and Moscow in particular projected its politico-military predominance by stationing troops in Kazakhstan, Kyrgyzstan,

¹³⁴ Johannes Linn, “Central Asia: Ten Years of Transition,” Talking Points for Central Asia Donors’ Consultation Meeting of World Bank, March 1, 2002, available at <<http://www.inweb18worldbank.org/eca/eca.nsf/General/7035BF2B6C6043EB85256BA3005E2A5B?Open Document>> (June 19, 2002).

¹³⁵ Robert Cutler, “The West’s Irreducible Interests in Central Asia,” *Focus* (Newsletter of Center for Post-Soviet Studies), vol. 3, no. 11 (November 1996), p.1-2.

Tajikistan, and Uzbekistan under mutual security arrangements.¹³⁶ Thus, until 2001, Russian and Chinese, rather than Western, interests were assumed to shape the region's future.

9/11 and the consequent war in Afghanistan, however, thrust Central Asia into the international limelight, highlighting its strategic importance to the West as the "geopolitical pivot" and "shatter belt" of the extensive Eurasian landmass.¹³⁷ The Central Asian states now enjoy greater political attention from the West than at any other time in their short existence; as a result, the region is no longer assumed to lie safely within the Sino-Russian sphere of influence. A new constellation of political dynamics has radically altered the balance of power in this fragile region, which finds itself once again in a 'great game' of geopolitics between major powers. With the current American presence in Central Asia, Russian and Chinese influence has been temporarily diluted. New pressures on the normally close Sino-Russian relationship, as well as the ongoing violence of Islamist militants, have cast uncertainty over the future evolution of the region. Given Central Asia's rich strategic and physical resources, "one can expect potential clashes of global interests of great powers for domination of the region."¹³⁸

¹³⁶ Mark Katz, "Central Asian Stability: Under Threat?", *SAIS Review*, vol.17, no. 1 (1997), p.31-46.

¹³⁷ Robert Cutler, "US Intervention in Afghanistan: Implications for Central Asia," *Foreign Policy in Focus*, November 21, 2001, <http://www.foreignpolicy-infocus.org/commentary/0111afghanint_body.html> (July 3, 2002).

¹³⁸ Borys Parakhonsky, "Central Asia: Geostrategic Survey," Central Asia and the Caucasus Information and Analytical Center, June 2000, <<http://www.ca-c.org/dataeng/parakhonsk.shtml>> (June 18, 2002).

1. Sino-Russian Relations

Russia and China were the engines driving the SCO's creation and therefore have the most at stake in its survival. Over the last six years they have engaged in increasingly tight bilateral relations, cooperating on issues like trade and border demilitarization. The June 2001 "Good-Neighborly Treaty on Friendship and Cooperation" was the first formal treaty of friendship between the two since the beginning of the Cold War.¹³⁹ Yet the agreement merely codified ongoing developments that have increasingly linked the geopolitical strategies of these two countries over the last decade. They have exchanged engineers, scientists, and military officers in mutual training programs, engaged in joint military planning exercises, and even pooled technological resources in order to research shared defense threats, such as American stealth technology.¹⁴⁰

At the moment of its formation, the SCO seemed the perfect intersection of these two countries' interests. It fused Moscow's long-standing quest to increase control over the region with Beijing's desire to create a multi-polar world. They envisaged the organization as an instrument to ensure the safety of Central Asia from foreign encroachment by exerting influence over the region. For Russia, the organization seemed like a convenient way to maintain suzerain control over the Central Asian region via the "Byelorussian option" – allowing the preservation of formal national sovereignty of former Soviet states while deeply reintegrating them into the Russian zone of influence via economic, cultural, and diplomatic means.

¹³⁹ Sherman Garnett, "Challenges of the Sino-Russian Strategic Partnership," *The Washington Quarterly*, vol. 24, no. 4, 2001, pp. 41-54.

¹⁴⁰ Willy Wo-lap Lam, "Combating American Hegemony," CNN.com, June 20, 2001, <<http://www/asia.cnn.com/2001/WORLD/asiapcf/east/06/19/china.russia.willy/>> (July 6, 2002).

Such control would bring stronger border security and also easy access to the rich energy reserves of the region.¹⁴¹ For its part, China has long wished to access the energy resources of the region in order to achieve civilian and military production targets over the next two decades; it also needed to safeguard its western flank from intrusion from foreign powers, particularly as it faces US military installations or US-supported military forces on its eastern front via South Korea, Japan, and Taiwan.¹⁴² Mutual support for each other's policies defined much of the Sino-Russian relationship at the close of the 1990s, and the SCO represents a continuation of this trend.

However, the Sino-Russian relationship has faced considerable stress over the last few years. During the war on terrorism, the Bush administration spearheaded an American rapprochement with Russia that clearly troubled Chinese leadership. The May 2002 Treaty of Moscow (which called for the most ambitious Russian arms reductions in a decade) and the creation of the NATO-Russian Council, which allowed Russia a voice in NATO policy for the first time, raised considerable disquiet in Beijing. Chinese leaders got worried that Russia would be pulled into the orbit of the West. President Jiang Zemin feared that this would marginalize China and weaken its relative position vis-à-vis the Beijing-Moscow-Washington strategic triangle.¹⁴³ An uncommitted Russia would force China alone to push the SCO forward and thus bear the burden of dealing with the region's major problems, from the illegal drug and weapons trade to radical Islam.

¹⁴¹ Fiona Hill, "The United States and Russia in Central Asia; Uzbekistan, Tajikistan, Afghanistan, Pakistan, and Iran," Speech Given at Aspen Institute Congressional Program, August 15, 2002

¹⁴² Ravi Prasad Narayanan, "China, Terrorism, and the SCO," *Institute for Peace and Conflict Studies Release*, July 8, 2002.

¹⁴³ Ching Cheong, "US-Russia Summit Worries China," *The Korea Herald*, June 1, 2002.

Despite these recent changes, however, the Sino-Russian relationship will endure. Moscow still maintains strong ties with China, with which it shares a border of 4,600 miles. Putin has strenuously reassured Jiang Zemin at every SCO meeting that he will not abandon the strategic framework of the group.¹⁴⁴ Trade turnover is greater with China than with the US, and the Chinese military buys more than \$1 billion in Russian arms annually.¹⁴⁵ Furthermore, Russian foreign relations do not revolve around zero-sum logic; even as Russia grows closer to its Western allies, it will grow closer still to China since some of its most pressing domestic issues – particularly Islamist-styled separatist movements – are also shared by China. In fact, some analysts have argued that Russia may be simply biding its time in order to measure its strength against the US before assuming its more traditional posture of opposition.¹⁴⁶ Hence, it is highly likely that both countries will continue to invest in the SCO framework despite Moscow's warning to the White House. The SCO will remain a front for Sino-Russian interests to control the Central Asian region's development.

Moscow and Beijing much prefer their Central Asian neighbors to rely upon their economic and military assistance rather than ask for Western aid. This would make certain that the rich physical resources of the region remain untapped by the West, and that the foreign policies of Kazakhstan, Tajikistan, Kyrgyzstan, and Uzbekistan remain congruent with the broader desires of the Russian and Chinese defense ministries.

¹⁴⁴ Philip Bowring, "The Changing Geopolitical Role of Putin's Russia," *International Herald Tribune*, June 7, 2002.

¹⁴⁵ "Russia-China Trade Turnover Amounts to \$11 Billion," *ITAR-TASS News Agency*, June 6, 2002.

¹⁴⁶ Antoaneta Bezlova, "Beijing Plays Down Newfound Russia-US Warmth," *Inter-Press Service*, June 3, 2002.

1.1 *An End to “Friend-Enemy” Relations*

The process of SCO formation was deeply connected with the creation of the “strategic partnership” between Russia and China in the late 1990s, as mentioned above. The signing of the Shanghai agreement in 1996 came just after a declaration of Russo-Chinese “strategic partnership” in Moscow. It is well known that the declaration was born through the troublesome negotiations for demarcating the Russo-Chinese eastern border. The SCO and the Russo-Chinese “strategic partnership” was brought about as a “gift” of the prolonged border negotiations.¹⁴⁷

The concept of a “partnership” necessarily originated from Russo-Chinese relations. In the Russian foreign policy context, it seems to have been first used vis-à-vis NATO as the “partnership for peace” in 1994. This phrase was proposed by the Clinton administration in the US, which was concerned about a negative reaction from a newly independent Russia but was not prepared to invite Eastern Europe into NATO then. It was meant as a “peaceful buffer” between Russia and NATO, but this buffer did not function well because the US had changed its cautious policy toward NATO and Poland, Czech Republic and Hungary rushed to participate in the NATO camp. Russia argued this eastward enlargement would cause a new Cold War in Europe.¹⁴⁸ In short, the formation of the “partnership” between Russia and NATO was part of a power game just as during the Cold War.

¹⁴⁷ Iwashita, A., “The Russo-Chinese ‘Strategic Partnership’ and Border Negotiations: Then and Now,” *Bulletin of the Graduate School (Yamaguchi Prefectural University)*, 2, 2001, pp. 1-10.

¹⁴⁸ Williams, N., “Partnership for Peace: Permanent Fixture or Declining Asset?” in P. H. Gordon, ed., *NATO’s Transformation: The Changing Shape of the Atlantic Alliance*. London: Rowman & Littlefield Publishers, Inc., 1997, pp. 221-232.

Russia found a new target to be used in the concept of “partnership” as its foreign policy shifted from an “Atlantic” to a well-balanced, West-East orientation in the mid-1990s. This new target was China. President Yeltsin initiated a “constructive partnership” in 1994 and developed it into the “strategic partnership” with Zhang Zemin in 1996. Russia and China were the primary foes of each other in Asia during the last part of the Cold War, and thus the concept of a “partnership” as a kind of “buffer” – in a realistic context not an enemy but not a friend – was most applicable to Russo-Chinese relations in Asia as well as Russo-NATO relations in Europe. Then, the two parties declared their “partnership” as non-union and non-bloc against the third.¹⁴⁹

The Russo-Chinese “partnership” has not waned, but has been sustained despite many difficulties. Russo-Chinese relations are not too intimate because of the existence of their long common border areas and the mutual distrust in their history, but those relations are not broken because of both countries’ need for border stability, mutual security guarantees, and, partly, their tactical counteraction against a US-dominant world order. In a sense, the concept of a “partnership” – non-enemy and non-friend has served well for Russo-Chinese relations during the post-Cold War period.

1.2 *A Multilateral Partnership against a “New Threat”*

The partnership as a “peaceful buffer” is notable for Russo- Chinese relations but not necessarily a new concept for the post- Cold War. We have some Cold War experiences of similar attempts such as the Non-Aligned Movement in

¹⁴⁹ See Text of Russo-Chinese Joint Declaration or Statement in Sbornik.

Asian and African countries in the 1950s and the OSCE in the 1970s. These attempts were basically applied to inter-state relations, but the new concept paid much more attention to non-state or trans-state factors which could infringe sovereignty from inside/outside the state, e.g. nuclear smuggling, ecological catastrophe, terrorism, migration, economic weakness, and so on. "New threats" loomed in the late 1990s: many threats were discussed "around," "within" and "over" the state.¹⁵⁰ President Putin admits that the true difficulty for Russian security comes not out of, but within the border.¹⁵¹ Not China's presence but the Russian Far East's weaknesses in demography and economy are considered as the real threats for Russia's territorial integrity.¹⁵² Some Russian specialists suggest that the true challenge for Russia comes not from a gigantic developed China but from a divided and chaotic China.¹⁵³ The Chinese side has also proposed a new security concept that provides an additional item of "neighbor countries," including Russia plus the two Koreas, Japan, Southeast and South Asia, and puts emphasis on stability with these countries for China's state integrity and peaceful development.¹⁵⁴

The SCO, whose core is based on the Russo-Chinese partnership, naturally has turned into a multilateral partnership coping with a "new threat" in the SCO border areas. The SCO is showing openness towards other countries that have a

¹⁵⁰ Concerning the new threat to the Russian Far East, Rozman, G., M. Nosov, and K. Watanane, eds., *Russia and East Asia: The 21st Century Security Environment*. New York, 1999, pp. 179-214.

¹⁵¹ *Rossiiskaia gazeta*, 18 January 2000.

¹⁵² *Rossiiskaia gazeta*, July 22, 2000; *Vladivostok*, July 12, 2000.

¹⁵³ See *Mezhdunarodnaia zhizn'*, 8, 1995, pp. 27-36.

¹⁵⁴ About China's new security concept, see text of Zhang Zemin's speech in Geneva, 26 March 1999 (*People's Daily Online* (Chinese), July 4, 1998).

stake in “common interests” with the SCO.¹⁵⁵ This also originates from the concept of a Russo-Chinese “partnership” for guaranteeing their mutual security. In 1996, Russian diplomacy already appealed for this “strategic partnership” as a model for the 21st century, which could overcome the historic antagonism between countries with a long-shared border and suggested its desire for the enlargement of the “partnership,” for example, between China and India, which share a 2000-kilometer border.¹⁵⁶ At the time, China was very cautious of using the term “partnership.” However, it declared its position with the US in 1997 and has already developed the “partnership” network. In particular, China is acquiring confidence in its role in multilateral organizations such as the ASEAN Regional Forum and the WTO.

In a sense, the SCO is a kind of symbol of Chinese multilateral diplomacy since 1996 and China hopes to appeal to and widen the SCO, whose name originates from a Chinese city. Sino-Indian relations, which hit rock bottom after India’s atomic bomb test in 1998, are much improved with the recent intensive bilateral contacts, and Russia and China naturally look to South Asia in developing the security framework of the SCO.

When the “Shanghai Five” planned to upgrade itself to an international organization at the beginning of 2001, the first to apply to join was not Uzbekistan but Pakistan. Pakistan tried to become a member of the SCO as an observer, but Tajikistan immediately and strongly rejected its proposal due to Pakistan’s responsibility for the Taliban, or “Islamic fundamentalism.”¹⁵⁷ China, an old ally of

¹⁵⁵ See Declaration on the establishment of the SCO, Shanghai, June 15, 2001.

¹⁵⁶ Krasnaia zvezda, April 30, 1996.

¹⁵⁷ RFE/RL NEWSLINE, 8 January 2001; 25 April 2001.

Pakistan, backed up its position, but Russia wanted to invite India simultaneously with Pakistan.¹⁵⁸ In the end, all concerned parties of the “Shanghai Five” did not agree to invite any country other than Uzbekistan and finally decided to widen the forum slowly and cautiously. Their decision was prudent because while hasty enlargement of the SCO might increase the popularity of the organization in the world, it would also bring about more serious contradictions among member states, such as the irreconcilable relations between India and Pakistan. The India-Pakistan problem is beyond SCO handling.¹⁵⁹

President Putin mediated between President Musharraf and Premier Vajpayee at the Conference on Interaction and Confidence Building Measures in Asia in Almaty on June 4, just before the SCO summit in St. Petersburg, but failed to set up direct talks between them.¹⁶⁰

The SCO has already faced difficulties in keeping the consistency of the organizations’ effectiveness and enlargement policy such as with Uzbekistan’s statement about the US war with Iraq. Interestingly, Uzbekistan, in turn, does not hope for the quick enlargement of the SCO because its voice might be offset by an incoming big constituent power.¹⁶¹

Despite challenges to a realistic review, an enlargement policy is unavoidable for an SCO that would be open for any state hoping to guarantee its mutual security and combat “terrorism”. India has not hesitated to join the SCO as

¹⁵⁸ Luzianin, 2001, p. 74; See Askari, M. H., “Emerging Regional Scenario,” DAWN (on line), 19 July 2000.

¹⁵⁹ The St. Petersburg summit in June 2002 reconfirmed the SCO’s future enlargement but did not discuss this issue concretely (Prime-TASS News Wire, 7 June 2002).

¹⁶⁰ Liu et al., 1996, p. 180.

¹⁶¹ *BBC Monitoring*, May 28, 2003.

an observer and the Kazakh President actively invites it.¹⁶² Iran and other countries are stated to have expressed their interest in the SCO. Russia and China agree in substance that the top candidate for the SCO is Mongolia, and Mongolia has de facto joined an SCO working committee as an observer.¹⁶³ The Kazakh President, Nazarbaev, noted that the SCO should work out rules for the admission of new members, including three stages for the integration of new states into the SCO: dialogue partner, observer and fully-fledged member.¹⁶⁴

The SCO Charter, adopted in 2002, gives details about observer status and cooperation with other states and international organizations.¹⁶⁵ The mission of the SCO should be interpreted as a kind of attempt for creating and developing a multilateral “peaceful buffer” in the Eurasian world

2. US Presence

The growing American presence in Central Asia has radically distorted the political topography of the region; it has uncovered the limitations of the SCO and will force Russia and China to alter their strategies vis-à-vis the security and military concerns of the SCO states. The initial appearance of US troops in the region underscored the internal dissension among SCO members: the Central Asian states embraced the arrival of US troops on their military bases, while Moscow and Beijing were dismayed by their arrival.¹⁶⁶ For Kazakhstan, Tajikistan, Kyrgyzstan,

¹⁶² Bakshi, 2001; *Panorama*, February 15, 2002.

¹⁶³ Interviews with a senior researcher of the Institute of Russia, East Europe and Central Asia CASS, Beijing, 13 May 2002.

¹⁶⁴ *BBC Monitoring*, June 7, 2002.

¹⁶⁵ See Articles 13 and 14 of the SCO Charter.

¹⁶⁶ Bruce Pannier and Antoine Blua, “Central Asia: Six Months After – Alliances Shift With West, Russia (Part 1),” *RFE/RL*, March 12, 2002.

and Uzbekistan, positive relationships with the US unlocked new opportunities to obtain political and economic aid from the West. Such relations allow these countries to complement Sino-Russian attempts to court them with newfound Western attention. Reciprocally, the US and its allies have enjoyed the free use of their territory in order to stage military operations into Afghanistan. The current war on terrorism has given the US, which has traditionally been excluded from Central Asia, a key foothold in establishing its influence in the region.

From a long-term vantage point, the US holds two primary interests in the area: first, it has long eyed the region's rich oil and gas reserves, as American companies eagerly wish to develop this energy wealth; second, it desires tactical ground to observe nearby political developments, especially in South Asia. A strong presence in Central Asia could be used as leverage in its political influence in shaping Indian-Pakistani relations, for instance, particularly at a time when the US is building stronger military ties with both countries. Some observers note that these issues are linked: some energy analysts, for example, claim that a US-controlled oil and gas pipeline running from Central Asia through Pakistan and India can bring much-needed revenues to these warring states, giving the US greater influence over the peace process in the subcontinent.¹⁶⁷

The US has laid the foundation for a potential long-term presence by nurturing close partnerships with the Central Asian states. Economic assistance to these states has drastically risen (aid to Uzbekistan has nearly tripled), and the State Department has toned down its usually stringent criticisms of their poor treatment

¹⁶⁷ James Borton, "US's Afghan Aid Package Fuels Pipeline Politics", *The Asia Times*, May 19, 2002.

of human rights while simultaneously recommending key economic and political reforms.¹⁶⁸ However, it is still not clear what lasting imprint any American presence will leave. For example, while its military bases in Kazakhstan, Tajikistan, Kyrgyzstan, and Uzbekistan will not remain open indefinitely (especially as other fronts in the war on terrorism open, such as Yemen, Georgia, and now perhaps Indonesia), plans have been drawn for future military cooperation and training exercises with these countries.¹⁶⁹

The frequency and depth of such confidence-building measures, however, have yet to be determined, leaving open three possibilities: the US may withdraw completely, as the regional theater of military operations winds down in favor of nation-building efforts in Afghanistan; it may decide to leave an enduring military presence in the Central Asian states; or, it might choose to withdraw its armed forces, and instead engage in deeper political and economic relations with the Central Asian states.

Russia and China wish to avoid the scenario of the US forging stronger political and economic ties with the Central Asian states while also leaving a long-term military presence in the region. The greater any future US presence in the region, the greater the chances that the SCO will continue to lose credibility as a regional security forum.

Certainly, a powerful US presence would lure Central Asian states away from Moscow and Beijing, to whom they have traditionally deferred. To some

¹⁶⁸ "Uzbek-US Declaration Kept Secret", *The Washington Post*, p. A11, June 1, 2002.

¹⁶⁹ Sergei Blagov, "SCO Continues to Search for Operational Framework," available at <<http://www.EurasiaNet.org>>, June 11, 2002.

extent, this has already occurred. Uzbekistan, for instance, has begun a new “strategic partnership” with the US that has unsettled President Putin, whose offers to help patrol the Uzbek-Afghan border with Russian frontier guards have been met with only lukewarm responses.¹⁷⁰ The Central Asian leaders feel that “their bargaining power with the West has palpably risen since the start of the war in Afghanistan,” even as a bristling Russia steps up its offers of joint military training and arms sales at concessionary prices, and China attempts to accelerate its lucrative energy development and pipeline projects in Kazakhstan and Uzbekistan.¹⁷¹

The Central Asian states’ rapprochement with the US and increasing inattention to the desires of Moscow and Beijing signal the SCO’s lack of unity. Russia and China, of course, are concerned about losing concrete influence in neighboring states over which they almost always have exerted great authority. The presence of American forces so close to Russia and China – US troops in Bishkek, for instance, are only 200 miles from the Chinese border – and within SCO member states themselves effectively nullifies the security framework of the group, since it conveys the image that the SCO states cannot police Central Asia without Western assistance. If its security components are found deficient, the SCO will essentially be reduced to a mere political forum, a podium for Russia and China to address the world rather than a genuine attempt to forge a new security strategy for Central Asia.

¹⁷⁰ Dmitry Litvinovich, “Why is Karimov on Friendly Terms with the USA?” Pravda.Ru, October 26, 2001.

¹⁷¹ “Americans in a Strange Land,” The Economist, May 2, 2002.

3. Islamist Militancy

The final factor influencing the SCO and Central Asia is the ongoing struggle with Islamist militancy. While the war in Afghanistan has restrained violent Islamic radicalism, it has eliminated it. In fact it has multiplied the threat by disclosing the various Islamists groups operating out of Afghanistan in to hiding across Central and South Asia. In addition, relatively moderate Islamist groups, such *Hizb-ut-Tahrir* (Islamist Freedom Party), have actually grown more radical and violent since the inception of the Afghan conflict due to increased enmity towards the US as well as the procurement of new arms and equipment left by fleeing Taliban and Al-Qaeda units.¹⁷²

Notably, the perceived potential danger of Islamist militants is the main threat that binds the regional security policies of the SCO countries together. All its members share growing unease with Islamist-styled militancy or separatist movements, and that disquiet helped fuel the formation of the SCO. China faces its perennial Uighur separatist problem in Xinjiang; Russia wages its costly war in Chechnya while also uneasily public sentiment in its predominantly Muslims provinces, such Tatarstan and Dagestan. Tajikistan, Kyrgyzstan and Uzbekistan all struggle with violent Islamist movements, like *Hizb-ut-Tahrir* and the *Islamic Movement of Uzbekistan* (IMU), fermenting in the volatile Ferghana Valley.¹⁷³

The SCO finds itself in a precarious position with respect to the issue of Islamist violence. Clearly, none of the SCO states besides Russia and China can

¹⁷² Pannier and Blua, "Central Asia: Six Months Later – Security Still Top Inter Regional Issue (Part 2)," *RFE/RL*, March 12, 2002.

¹⁷³ "Central Asia: Islamist Mobilization and Regional Security," *International Crisis Group*, Asia Report No. 14, March 1, 2001.

contain Islamist militants alone. Kyrgyzstan and Tajikistan in particular lack the domestic resources to permanently sustain any effective military campaigns against them. For example, for years Russian troops have patrolled the Tajik border with Afghanistan at the request of the nervous Tajik government, who feared Islamist incursions from the then-Taliban ruled Afghanistan. Such perception that Russia and China were the only powers that would contribute to the region's security compelled the Central Asian states to support the formation of the SCO in the first place. Moscow and Beijing recognize this, and hence much of the organizational rhetoric of the SCO has often focused on Islamist terrorism and its danger to regional stability. The group has, for this reason started a regional anti-terrorism center in Bishkek, which would pool the intelligence operations of each member country and maintain a standing rapid deployment force comprised of Russian and Chinese troops.¹⁷⁴

Yet, while the SCO proclaims terrorism and religious extremism to be two of its primary targets, the group has not taken a single collective measure against any Islamist movement within its member states. Prior to 9/11, the Central Asian states, for lack of a better option, supported Russia and China's policies within the SCO, gaining promises of regional security in exchange for mutual cooperation in battling the perceived Islamist threat. The new US presence changed this geopolitical situation. Warmer relations with the US have temporarily lessened the Central Asian states' dependence on their two larger neighbors, leading some observers to propose that they will now have to make a permanent choice between

¹⁷⁴ "Shanghai Cooperation Organization Seeks to Strengthen Anti-Terrorism Component," available at <<http://www.EurasiaNet.org>> , January 8, 2002.

the US and the SCO.¹⁷⁵ However, it is unclear whether future American economic and strategic interests will translate into direct support for these states in their fight against Islamist groups over the next five to ten years. Thus, the fact that no Central Asian state has pulled out of the group, well after the initial US entry, signifies that many leaders still believe that Russia and China are the best guarantee for regional security, in light of uncertainty hovering over the future presence of the US in the region.

Possible Scenarios

The optimistic scenario sees the SCO as the most prominent multilateral structure for cooperation in the Eurasian heartland functioning in compliance with the UN Charter. Member states will assess their shared concerns and shared interests as much more important than the existing contradictions and rivalries. Hence, the Shanghai organization will be able to develop as an effective regional organization incorporating the main Asian countries and able to guarantee regional and sub-regional security and prosperity. Proceeding from the assumption that successful regionalism does not depend necessarily on shared political systems, political rights or economic policy settings, the organization will provide that sort of structure that is a prerequisite for effective regional integration.¹⁷⁶ Achieving this level of consolidation and organizational development, the SCO will be

¹⁷⁵ Shahram Akbarzadeh, "Tashkent Caught Between the United States and the Shanghai Cooperation Organization," *Central Asia & Caucasus Analyst*, June 5, 2002.

¹⁷⁶ Greg Austin, European Union Policy Responses to the Shanghai Cooperation Organization (European Institute for Asian Studies: December 2002), p. 6.

transformed into a separate pole within the international system that will not confront the United States but balance and contain it.¹⁷⁷

According to the pessimists, in the war against terrorism the SCO has already failed as a security provider. Furthermore, the increased US political and military presence into the heart of Central Asia will make the SCO largely irrelevant. Central Asian republics, which up to September 11, 2001 accepted the SCO Sino-Russian domination because of the need of support for their harsh domestic policy, will now lose their interests in spending efforts and resources for developing any regional structure. The increased Western attention to the region will make Central Asian republics rely primarily on the United States and other Western countries in combating internal and regional threats. They will grasp the opportunity for obtaining from Washington political and economic aids as well as for diminishing their dependence on Russia and China. Hence, the Shanghai forum will not be able to overcome the arising internal discrepancies and problems. Gradually, the organization's diversity will turn to be an obstacle rather than a benefit, which will ultimately sabotage the organization.

Realistically speaking, the development of the SCO as a vital multilateral institution will be guided by the developments along the following vectors: first, a close cooperative relationship between China and Russia as SCO driving engines is essential for the organization in order to prove itself as an important mechanism for multilateral cooperation. To great extent, the future of the SCO depends on how well Russia and China will coexist with each other as well as with the newly

¹⁷⁷ See <http://www.shanghai.rfn.ru/interviews/doc.html?id=399>

present United States. It is important how Moscow and Beijing will succeed in balancing their interests, thus providing more security for the smaller states and reassuring them that none will be able to dominate and impose its will to the others. Presently, it seems that both countries recognize that their strategic position and security environment will significantly deteriorate if they cannot reach an accommodation or modus-vivendi with each other.¹⁷⁸ They are continuing a close relationship with each other despite Russia's rapprochement with Washington and, sometimes, are even joining forces against the U.S. policy in adhoc basis.

Although being competitors within the Asian space and despite the still existing mutual mistrust, both countries oppose to great power influence, confront separatism and are interested in the maintenance of peaceful and stable environment in this part of the world. For the foreseeable future, the Sino-Russian relationship will endure. Kremlin will try to maintain its ties with its eastern neighbor, which buys more than USD 1 billion in Russian arms annually.¹⁷⁹ Furthermore, some of the most pressing Russia's domestic issues – such as Islamic radicalism, separatist movements, are shared by Beijing but not by the United States or Europe.

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

¹⁷⁸ Tang Shiping, *The Future of the Shanghai Cooperation Organization* (Institute of Defense and Strategic Studies, Nanyang Technological University, Singapore: October 2002) at http://www.ntu.edu.sg/idss/Perspective/research_050223.htm

¹⁷⁹ Russia-China Trade Turnover Amounts to \$11 Billion, *ITAR-TASS News Agency*, June 6, 2002.

Therefore, strong political will on behalf of the other SCO member states is also necessary in order to consolidate the organization as a real mechanism providing for regional security and stability.

The future of the SCO framework depends on the way the Central Asian states will tackle with their own interstate struggles related to water disputes, border policies toward neighbors, Uzbekistan's hegemonic pretensions, ethnic minority issues, among others. If the dominant perception is the one that estimates the advantages of a potential cooperation as exceeding the importance of the disputed issues, then the SCO role will be consolidated.

Recently, Central Asian republics seem to be tempted to neglect the SCO development and give priority to the relations with Washington. Because what neither Russia nor China could provide, the United States could easily bring --- money. However, it is still to be assessed whether the United States is willing enough to commit enough resources and military forces to Central Asia in order to counter other Great Powers' dominance and increase their own influence in the region. SCO effectiveness will also depend in large part on the resources member states (Russia and China, in particular) devote to the organization and on the degree at which the two dominant countries take into consideration the interests and concerns of the other SCO members.

By virtue of their much larger geographical size, economic strength, and military power, Russia and China have dominated the group, so far. They have a larger international agenda on strategic issues. This causes some resentment within the Central Asian republics that under Russian and Chinese influence are called

upon to exercise views on issues that do not directly concern them and which tend to antagonize the Western powers (USA and, to some extent, the EU) which happen to be their major sources of aid.¹⁸⁰ In order to be successful, SCO has to find the right way for operating as a legitimate advocate of the collective interests of its members rather than as an institution dominated by one or two states.

Third, close economic cooperation among the member states is another premise for the stability and effective functioning of the organization and the region's long-term prosperity. If the organization succeeds in addressing and encompassing not only security issues but also the economic and social concerns of the member states (especially, those of the Central Asian societies), then it could be a powerful regional factor. The economic inter-dependence among Central Asian republics and Russia is a solid foundation for achieving this goal. The enlarged economic expansionism of Beijing could also contribute to the process of regional economic cooperation and integration.

Fourth, the ability to constructively engage other states can be an important factor that can reduce the skepticism concerning SCO. Pakistan has already declared its interest in observer status, and Mongolia and India are considering future membership as well. According to the Pakistani newspaper *Dawn*, Iran and Turkmenistan have also expressed an interest in the organization's activities. At the session of the ASEAN Regional Forum that was held in Brunei in August 2002, ASEAN member states also declared their intention to strengthen the cooperation

¹⁸⁰ Jyotsna Bakshi, "Shanghai Cooperation Organization Before and After September 11", available at <[http: www.idsa-india.org/an-apr6.htm](http://www.idsa-india.org/an-apr6.htm)>

with the SCO in different spheres. According to Russian Defense Minister Sergei Ivanov, even “the USA would like to join the Shanghai group”

The most important prerequisite for SCO expansion, however, is its enduring attractiveness, primarily in the field of economy – something that the Shanghai forum still has not proved. It has to demonstrate its ability to contribute not only to the stability and security of the region but also to the overall economic and social development of the countries within its framework. If so, the expansion of the organization will further enhance its international influence. Should Pakistan, India and Mongolia join and enlarge the organization, more than half of the population of Eurasia, from the Baltics to the Pacific will be arrayed in a loose political, economic and military alliance.¹⁸¹ Thus, SCO may turn into a leading regional organization in Asia like ASEAN. It could even include the United States as one of its principal dialogue partners.

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

¹⁸¹ John Daly, ‘Shanghai Five’ Expands to Combat Islamic Radicals, *Jane’s Security*, July 19, 2001.

Fifth, US interests and policy in the region can affect to a great extent the future of SCO. Washington lacks well-defined long-term policy towards Central Asia. It is quite unclear whether the present US economic and strategic interests will be preserved in along-term perspective. Washington may decide to withdraw completely or to leave an enduring military presence in the region and engage in deeper political and economic ties with the Central Asian states. It is neither certain that Washington will be willing enough to support in the future these states in their fight against Islamist groups. If a new administration comes to power after the Presidential elections in 2004, a shift in the way US foreign policy is led could be expected, which could in some way influence the Central Asian policy of Washington. Presently, it seems sure that Washington will preserve its base at Manas international airport – 30 km away from the capital of Bishkek, where they have already built significant military facilities.

It may be an exaggeration to state that the greater any future US presence in the region, the greater the chances that the SCO will continue to lose credibility as a regional security forum.¹⁸² The best move for the SCO member states is to follow the consensus option that is to find appropriate forms for involving the United States in the work of the SCO structures. Moreover, none of the power centers – Russia and China, is interested in openly confronting Washington, basically because of economic reasons. The development of partnership relations with the United States will guarantee the sustainable development of the organization as a viable and important regional institution. On the contrary, any confrontation could

¹⁸² Sean L. Yom, "Power Politics in Central Asia", *Harvard Asia Quarterly*, available at <<http://www.fas.harvard.edu/~asiactr/haq/200204/0204a003.htm>>

undermine the internal unity of the SCO framework and question the very existence of the grouping.

Sixth factor is the SCO's ability to successfully combat Islamic militancy. The potential danger of Islamist militants (frequently, purposefully overestimated by the leaders in the region) is the main threat that binds the regional security policies of the SCO countries together and that underlies the very establishment of the organization. The war in Afghanistan could not eliminate Islamic radicalism. So, it is a legal responsibility of the Shanghai grouping to deal with this problem. The efforts, however, should be focused mainly on eradicating primarily the internal causes that nourish radical Islam. In general, the overall social and economic situation, high level of un-employment, endemic poverty, corruption, bad governance and political repression constitute a quite favorable ground for the Islamists movements. Serious measures have to be taken for solving these problems as well as for combating drug trafficking that is the main sources of finance for the radical Islamic movements. The maintenance of close partnership relationship between the SCO member states is an important prerequisite for the successful fight against radical Islam as none of them alone is able to effectively contain and combat Islamist militancy.

The SCO, and by extension the economic and political evolution of Central Asia, reflects three different dynamics – Sino-Russian relations, the new US presence, and the continued threat of Islamist violence. Moscow and Beijing wish to expand and strengthen the group in order to control the course of the region's political and economic evolution; their attempts have been bolstered by the shared,

perceived threat of Islamist violence and terrorism. The new US presence, however, has underscored the SCO's weakness by drawing the Central Asian states away from Moscow and Beijing, who themselves are continuing a tight relationship with each other despite the diplomatic detente of Russia to the West. How the SCO and its member countries navigate these conflicting trajectories is a litmus test for the geopolitical direction of Central Asia.

The key variable for the future of the SCO is the form and function of the US presence. The Sino-Russian relationship will continue to be strong, and the persistent threat of radical Islam will compel the Central Asian states to maintain friendly relations with Russia and China. Yet if the US intends to keep a long-term military presence in the region and plainly indicates to Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan that its forces are willing to engage violent Islamist groups that threaten the region's security, then Russia and China might find themselves unneeded and perhaps unwanted in a region they long considered their exclusive zone of influence. Accordingly, both Russia and China will intensify their attempts to maintain strong economic, political, and military relations with their smaller SCO neighbors. The US, being the fulcrum upon which the economic and political future of the region swings, must still decide how much it is willing to expend in Central Asia.

CHAPTER V

Conclusion

The SCO, as well as the Russo-Chinese “strategic partnership,” are sometimes described as tools to foster the concept of a “multi-polar world” intended to offset perceived US global domination. It was in this context that the declaration expressing concern regarding the hegemony over Afghanistan and the world at the SCO’s extraordinary Foreign Ministry’s Meeting in Beijing in 2002 was interpreted. Some experts are anxious over the preference for an “anti-American” orientation shown by the SCO and the Russo-Chinese “partnership” However, this viewpoint lacks persuasive reasons and shows an adherence to the stereotype of the “Cold War.” The SCO should be seen in a different angle after a more realistic review.

First, the SCO was formed as a result of prolonged border negotiations between China and the Former Soviet Republics. The basic aim of the SCO was and is even now to maintain its member states’ border stability. One of the main tasks under the SCO Charter is to cooperate against “international terrorism, separatism, and religious extremism” particularly within the member states. All the SCO members face their own serious ethnic challenges against their central governments. The *raison d’ etre* of the SCO should be seen in its internal context and should be defined as a kind of organization that mutually guarantees each member’s security and national integrity.

Second, the SCO has a complex double structure: the great power’s bipolarity (Russia and China) and an asymmetric Central Asian influence (middle

power Uzbekistan versus Kazakhstan, Kyrgyzstan and Tajikistan). The SCO is far from united against the US presence over Central Asia and the world. All of the SCO member states seek only their own interests. Any cooperation of the SCO in itself vis-à-vis surrounding states has been limited to diplomatic words, regardless of “9.11.” In reverse, discrepancy within the SCO has seemed to widen since then, as Uzbekistan has shown a cool attitude towards the SCO.

Nevertheless, the formation of the SCO and its undoubted results in guaranteeing security among the participating states should not be underestimated. With many real difficulties within and around the SCO, it seems to be preparing for a new image of security for Eurasian states after the Cold War. In addition, they have started to pay attention to economic cooperation, such as “the revival of the Silk Road.”

The SCO often declares itself to be a new model of regional cooperation, which aims to produce good neighbor relations, mutual trust, equality and common development and is neither allied with nor antagonistic to third parties. Its basic idea is to preserve the integrity of its member states, which share common interests for combating “separatist” movements within their states and preventing outside interference, mainly by “Islamic fundamentalism.” This also means that the concerned parties never support their own “minorities” in other member states.

Realistically, considering the basic character of and many challenges to the SCO, it is clearly implausible to view the nature of the SCO as “anti-American” and to overestimate the SCO’s presence in regional security.

One major achievement of the SCO, which cannot be ignored is that it has a weight that almost resolved the most challenging issues between the Former Soviet Union and China: CBM and demarcation in the border areas. Concerning the “terrorist issue,” the SCO is doubtlessly one of the organizations, which could coordinate its activities within the member states, and could assist in – or check against – any action for “eliminating terrorism” by other organizations and states. The SCO has served as and will continue to function as a subsistent organ, even if limited to regional security and stability.

We could look for another dimension of the SCO in post-Cold War Eurasia. The multilateral concept that has formed and developed in the SCO experience for more than ten years should be positioned in a more comprehensive and long-term context of the post-Cold War. It is natural that the open character of the SCO presents a dilemma for the SCO and its future from a realist calculation: the effectiveness of the organization is zero-sum regarding increased prestige by its enlargement if Russia and China cannot jointly dominate others. Even now, the existence of Uzbekistan within the SCO blocks rapid and flexible reaction by the SCO. Russia and China could never control great powers such as India, and then the SCO might become a nominal organization.

Nevertheless, from a metaphorical assessment, we should not underestimate the meaning of the SCO and its role for the future of the Eurasian community. The SCO has a goal of creating a multilateral “partnership” between formerly antagonistic countries of the post-Cold War period. Though many challenges can be seen, we could draw some lessons from the experience of the border issue: fix the

status quo of the disputed border, defuse military tension by developing confidence-building measures, and keep up an unbreakable dialogue and interaction. Such ideas have become widespread. On the eve of the SCO summit in St. Petersburg in 2002, the Conference of Interaction and Confidence Building Measures in Asia was held in Almaty. Sixteen states, including not only India and Pakistan, but also Israel and Palestine, got together with ten observers including the US, Japan and South Korea. The SCO proposes its own experience for defusing tension between the two Koreas, in India-Pakistan relations, and in the Middle East. The SCO members also support the creation of nuclear arms free zones in Central Asia and emphasize their respect for Mongolia's non-nuclear status. It is only a first trial for the distant goal of creating a Eurasian version of the OSCE, but nowhere can be reached without taking the first small step.

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

expectations but only to become frustrated and discontent with one another when they failed to attain the goals and meet the expectations.

Basically formed to resolve border issues, the SCO has naturally evolved to provide a framework for successful mechanism for multilateral cooperation. Member countries were enabled to intensify the dialogue, to effectively communicate with each other, identify and discuss issues of common concern and coordinate their activities in resolving the existing problems. It provided opportunities for exchange of information, communication and dialogue and has resulted in the adoption of a series of agreements in concrete areas of policy. SCO could not be quite effective in projecting comprehensive political influence in the region, but anyway it is a positive example of how a regional multilateral forum can enhance security. There is a broad consensus that regional organizations have a vital role to play in confidence-building measures, conflict prevention and conflict resolution by actively organizing dialogue and reconciliation among the conflicting parties, by promoting economic and political integration. In this sense, the establishment of the SCO could also be assessed as a successful preventive measure. Besides, given the fact that the SCO includes countries belonging to different civilizations and with different cultural traditions, potential conflict areas and given the complexity and the scale of the problems confronting these countries, the achievements of the SCO cannot be neglected.

Some experts point out that the SCO mechanism did not exercise a single military or political response to any terrorism-related issue, beyond offering condolence to the United States after the September 11 attacks. This argument, however, is not quite precisely used in estimating the effectiveness of the

organization. Firstly, the newly independent Central Asian states have weak and still bad functioning institutions guaranteeing their national security. Secondly, established in June 2001, at the time of the terrorist attacks, the SCO still did not possess any permanent structure. So, it is hard to believe that the organization planned as a multilateral mechanism for cooperation could prevent the attacks. Thirdly, there is a significant difference in the approaches applied by Russia and China, on the one hand and the United States on the other, in dealing with terrorist activities.

The declaration signed by the presidents of the SCO member states on June 7, 2002 has made evident that in the first case, terrorism is seen not as an isolated problem. The declaration says that the global war on terrorism should focus on abolishing the social basis of terrorism, i.e. on combating the underlying causes of terrorism, poverty, unemployment, illiteracy, discrimination on the basis of race, religion or ethnicity. The developments after September 11 has proven that the US policy is dominated by a rather different approach. It focuses primarily on power politics, on the military approach, thus dealing with the symptoms and not the underlying causes of the problem. In short- and medium term the SCO states will keep on enhancing the social and economic cooperation but the efforts will be focused primarily on dealing with military and soft security issues. United and consolidated efforts in combating terrorism, religious extremism, separatism, organized crime, arms and drugs trafficking will not only be possible but also indispensable. The organization will play positive role in maintaining regional stability but it is too early to expect any joint SCO military operations.

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

The SCO has, nevertheless, made progress notwithstanding its limitations. It has diluted the security concerns in the international relations and promoted security among member countries by initiating confidence building measures and paving way for disarmament in the regions. Such developments at the international level have enabled these countries to focus on creating political stability and working towards economic progress.

The SCO has fostered goodwill and trust among the member countries. The amount of respect for each other among the member countries after the formation of SCO has certainly increased. They have all the while focused on the problems and sought pragmatic solutions to them. The SCO has declared the resolve of member

countries to fight and curb the rise of religious fanaticism, ethnic separatism, organized crime, drug trafficking and cross-border terrorism in the region.

The SCO has, over the period, progressed from a bilateral institution to one that of a multilateral nature. Likewise, from an institution that primarily focused on security questions, it has gradually evolved into a forum that takes up a broad range of questions. The growth of the SCO has significantly contributed to regional cooperation.

Appendix – 1

Declaration on the establishment of the Shanghai Cooperation Organization

15 June 2001, Shanghai

The heads of State of the People's Republic of China, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan,

Attaching great value to the positive role of the Shanghai Five over the five years of its existence in promoting and intensifying relations of good-neighborliness, mutual trust and friendship among the member States, strengthening peace and stability in the region and facilitating joint development,

Unanimously believing that the establishment and development of the Shanghai Five was in keeping with the needs of mankind and the historic trend towards peace and development in the conditions which prevailed after the end of the cold war and opened out enormous potential for good-neighborliness, unity and cooperation through mutual respect and mutual trust among States belonging to different civilizations and having different cultural traditions,

Particularly noting that the agreements on confidence-building in the military field and on the mutual reduction of armed forces in the border area signed in Shanghai and Moscow in 1996 and 1997 respectively by the heads of the People's Republic of China, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan, and also the final documents signed during the meetings at Alma Ata (1998), Bishkek (1999) and Dushanbe (2000), made an important contribution to the maintenance of peace, security and stability in the region and throughout the world, significantly enriched the practice of modern diplomacy and regional cooperation and had a broad and positive influence on the international community,

Being firmly convinced that in the context of the dynamic development of the processes of political multipolarity and of globalization in the economic and information spheres in the twenty-first century, the progression of the Shanghai Five mechanism to a higher level of cooperation will help in making more effective joint use of the possibilities which are opening out and in withstanding new challenges and threats,

Solemnly declare the following:

1. The People's Republic of China, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan hereby establish the Shanghai Cooperation Organization.

2. The goals of the Shanghai Cooperation Organization are: to strengthen mutual trust, friendship and good-neighborliness between the member States; to encourage effective cooperation between them in the political, trade and economic, scientific and technical, cultural, educational, energy, transport, environmental and other spheres; and to undertake joint efforts for the maintenance of peace, security and stability in the region, and the building of a new, democratic, just and rational international political and economic order.
3. Within the framework of the Shanghai Cooperation Organization, annual official meetings of the heads of State and regular meetings of the heads of Government of the member States shall be held alternately in each of the member States. In order to expand and intensify cooperation in all spheres, new mechanisms may be established, as necessary, in addition to the existing mechanisms for meetings of the heads of the relevant departments, and also permanent and temporary expert working groups may be convened to study plans and proposals on the further development of cooperation.
4. The Shanghai spirit;± formed in the process of the development of the Shanghai Five, characterized by mutual trust, mutual advantage, equality, joint consultations, respect for cultural diversity and the desire for joint development, is an invaluable asset gained by the countries of the region over the years of cooperation. It will grow, and in the new century will become the norm in relations among the States members of the Shanghai Cooperation Organization.
5. The States members of the Shanghai Cooperation Organization firmly adhere to the purposes and principles of the Charter of the United Nations, the principles of mutual respect for independence, sovereignty and territorial integrity, equal rights and mutual advantage, resolution of all issues through joint consultations, non-interference in internal affairs, non-use or threat of use of military force, and renunciation of unilateral military advantage in contiguous areas.
6. The Shanghai Cooperation Organization has been established on the basis of the agreements on confidence-building in the military field and on the mutual reduction of armed forces in the border area signed in Shanghai and Moscow in 1996 and 1997 respectively. Cooperation within its framework is already under way in political, trade and economic, cultural, scientific and technical and other spheres. The principles embodied in the aforementioned agreements define the basis for relations between the States members of the Shanghai Cooperation Organization.
7. The Shanghai Cooperation Organization is not an alliance directed against other States and regions and it adheres to the principle of openness. It declares its willingness to develop dialogue, contacts and cooperation of all kinds with other States and appropriate international and regional

organizations and, on the basis of consensus, to admit as new members States which share the objectives and goals of cooperation within the framework of the organization and the principles set forth in paragraph 6 and also other provisions of this Declaration and whose admission may help achieve that cooperation.

8. The Shanghai Cooperation Organization attaches priority to regional security and shall make all necessary efforts to maintain it. The member States shall engage in close cooperation with a view to the implementation of the Shanghai Convention on combating terrorism, separatism and extremism, including the establishment of a regional anti-terrorist structure of the Shanghai Cooperation Organization with headquarters in Bishkek. In addition, appropriate multilateral documents shall be drawn up on cooperation in curbing illicit trafficking in arms and narcotic drugs, illegal migration and other types of criminal activity.
9. The Shanghai Cooperation Organization has enormous potential and broad possibilities for mutually advantageous cooperation of the member States in the trade and economic sphere and shall make efforts to promote the further development and diversification of cooperation among member States at the bilateral and multilateral levels. To this end, within the framework of the Shanghai Cooperation Organization, a negotiating process shall be undertaken on the establishment of favorable conditions for trade and investments, a long-term program of multilateral trade and economic cooperation shall be drawn up, and also the relevant documents shall be signed.
10. The States members of the Shanghai Cooperation Organization shall strengthen the consultation mechanism and coordinate action on regional issues and international problems, provide mutual support and develop close cooperation on major international and regional issues, and jointly facilitate the consolidation of peace and stability in the region and throughout the world, believing that the preservation of global strategic balance and stability in the current international situation is of particular importance.
11. In order to coordinate cooperation and organize interaction between the competent ministries and departments of the States members of the Shanghai Cooperation Organization, a council of national coordinators of the member States of this organization is hereby established.

The activities of this council shall be determined by the provisional statute approved by the Ministers for Foreign Affairs of the member States.

The council of national coordinators shall be instructed, on the basis of this Declaration and the documents adopted earlier by the heads of State in the framework of the Shanghai Five, to formulate a draft Charter of the Shanghai Cooperation Organization, which shall contain a clear set of provisions on the goals, object, objectives and directions of future cooperation of the Shanghai

Cooperation Organization, the principles and procedure for the admission of new members, the legal force of the decisions adopted by it and means of cooperation with other international organizations, and shall submit it for signature during the meeting of heads of State in 2002.

In analysing the experience of the past and assessing future prospects, the heads of the member States firmly believe that the establishment of the Shanghai Cooperation Organization marks the beginning of a new stage in the development of cooperation among the member States and is in keeping with the trends of the modern era, the realities of this region, and the fundamental interests of the peoples of all the member States.

(Signed) Jiang Zemin

President of the People's Republic of China

(Signed) N. A. Nazarbaev

President of the Republic of Kazakhstan

(Signed) A. A. Akayev

President of the Kyrgyz Republic

(Signed) V. V. Putin

President of the Russian Federation

(Signed) E. S. Rakhmonov

President of the Republic of Tajikistan

(Signed) I. Karimov

President of the Republic of Uzbekistan Enditem (CCTV)

Appendix - II

Text of "full text" of "Joint Statement of the People's Republic of China and the Republic of Tajikistan on Developing Relations of Good Neighbourliness and Friendship and Cooperation Geared to the 21st Century," signed in Dushanbe on 4th July 2000" by official Chinese news agency Xinhua.

Dushanbe, 4th July: At the invitation of Republic of Tajikistan President I.S. Rahmonov, People's Republic of China (PRC) President Jiang Zemin paid a state visit to the Tajikistan from 3rd to 4th July 2000.

During the visit, the two heads of state held talks, and in a constructive atmosphere of mutual understanding, discussed the question of further developing the two countries' relations of good neighbourliness, friendship, and cooperation and also exchanged views and reached broad consensus on international and regional issues of common concern.

The PRC and the Republic of Tajikistan (hereafter referred to as "the two sides")

Based on common aspirations for further developing the existing relations of good neighbourliness and friendship and mutually beneficial cooperation;

Firmly believe that they should develop bilateral relations in accordance with the purpose and principles of the "UN Charter" and on the basis of the five principles of peaceful coexistence and other internationally recognized principles and the agreements reached by the two countries;

Reiterate their adherence to the principles and provisions of the 3rd September 1993 "Joint Statement of the PRC and the Republic of Tajikistan on the Basic Principles of Mutual Relations," the 16th September 1996 "Joint Statement of the PRC and the Republic of Tajikistan," and the 13th August 1999 "Joint Statement of the PRC and the Republic of Tajikistan on Further Developing the Two Countries' Relations of Good Neighbourliness and Friendship and Mutually Beneficial Cooperation";

They issue the following statement:

1. The two sides will develop relations of good neighbourliness and friendship and mutually beneficial cooperation on the basis of mutual respect for sovereignty and territorial integrity, mutual nonaggression, mutual non-use of force or the threat of force, mutual non-interference in internal affairs, equality and mutual benefit, and the five principles of peaceful coexistence.
2. The two sides highly evaluate the smooth and sustained development of Sino-Tajik relations of good neighbourliness and friendship and mutually beneficial cooperation in politics, economy, culture, and other areas since the establishment of diplomatic relations between them. They emphasize that further consolidating their bilateral relations is in the fundamental interests of the two peoples. In meeting the challenges of the 21st century,

the two sides are ready to make joint efforts to further enliven their bilateral relations on the basis of steady development.

3. The two sides hold that the “Agreement between the PRC and the Republic of Tajikistan on the Sino-Tajik State Border” signed in Dalian on 13th August 1999, and the “Agreement between the PRC, the Republic of Tajikistan, and the Republic of Kyrgystan on the Common State Boundaries of the Three States” which is about to be signed lay a firm basis for the comprehensive settlement of the border issue between the two countries. The sides agree that based on the existing Sino-Tajik border treaties, in accordance with the norms of international law, and based on the spirit of consultation on an equal basis and mutual understanding and accommodation, they will speed up the negotiating process and make efforts to resolve as soon as possible the border alignment issues in areas where unanimity has not yet been reached through consultation.

The two sides agree to maintain the status quo at the present border line pending a final settlement.

4. The two sides hold that economic and trade cooperation is an important part of Sino-Tajik relations and there are still potentials for economic and trade cooperation between the two countries. The two sides stated that they will take full advantage of the favourable conditions of their geographical proximity and mutually complementary economies to further expand bilateral economic and trade cooperation on the basis of equality and mutual benefit. The two sides will adopt effective measures to seriously implement the accords already agreed on economic and trade cooperation and will continue to perfect and strengthen in law their bilateral ties in this field.
5. The two sides will step up the work of the inter-governmental economic and trade committee to create favourable conditions for the main players in bilateral economic and trade cooperation to promote cooperation, and will provide the necessary support for it.

The two sides will further strengthen cooperation in road transport, seriously implement the 13th August 1999 “Agreement between the Governments of the PRC and the Republic of Tajikistan on Motor Transport,” and afford each other convenience for passenger and freight transport.

6. The two sides are willing to further expand cooperation between their military departments.
7. The two sides hold that national separatism, international terrorism and religious extremism constitute grave threats to regional security and stability. The two sides are resolved to further strengthen cooperation within bilateral and multilateral frameworks to strike together at these activities and preserve regional security and stability.

8. The two sides will seriously implement the 13th August 1999 “Agreement between the Governments of the PRC and the Republic of Tajikistan on Cooperation in Putting a Stop to Illegal Trafficking and Indiscriminate Use of Narcotics and Drugs and Controlling Chemical Preparations,” and to take effective steps to crack down on cross-border illegal arms trading and drug trafficking.
9. The PRC welcomes the completion of the process of national reconciliation in the Republic of Tajikistan and the smooth conduct of presidential and parliamentary elections there. It reiterates that it will continue to support the efforts of the Republic of Tajikistan and its leaders for preserving national independence and sovereignty, maintaining stability, and resolving economic problems during the period of reconstruction following the settlement of the conflict there.

The Republic of Tajikistan reiterates that it will continue to practice a one China policy and support China’s reunification cause; it will not accept the rhetoric describing relations across the Taiwan strait as “state-to-state,” opposes any attempt to create “two China” or “one China, one Taiwan,” opposes Taiwan independence, opposes Taiwan’s membership of any international organization where statehood is required, and reiterates that it will not establish official relations or hold official contacts with Taiwan.

10. The two sides express concern over the continued tension in Afghanistan and its adverse effects on regional stability. They hold that the “6 plus 2” mechanism (China, Tajikistan, Iran, Pakistan, Turkmenistan, and Uzbekistan plus Russia and the United States) is a channel of particular importance for exploring ways of peacefully resolving the Afghanistan issue, and they appeal to all parties involved to actively play a constructive role within the framework. The two sides express support for all the efforts made by relevant countries and international organizations, and emphasize that the international community should create a constructive and favourable external environment for promoting the peace process in Afghanistan.
11. The two sides hold that every country has the right to choose its own political, economic, and social systems that best fit its national conditions and to choose modes for safeguarding and protecting human rights. No country has the right to interfere in the internal affairs of another sovereign state under any pretext, and still less can it use “human rights transcend sovereignty” and “humanitarian intervention” to undermine a country’s sovereignty and independence.
12. The two sides emphasize the importance of exchanging views on global and regional issues of common concern. They are willing to step up bilateral and multilateral cooperation and work to build a just and rational international political and economic new order on the basis of the purpose and principles

of the “UN Charter” and other universally recognized norms of international law.

The representatives of the People’s Republic of China

The representative of the Republic of Tajikistan

Jiang Zemin (signs)

I.S.Rahmonov(signs)

Dushanbe, 4th July 2000.

Appendix - III

Text of joint statement issued by Kazakhstan, China, Kyrgyzstan, Russia and Tajikistan at their meeting in Alma-Ata on 3rd July, carried by Xinhua news agency in English:

The Republic of Kazakhstan, the People's Republic of China, the Republic of Kyrgyzstan, the Russian Federation and the Republic of Tajikistan (hereinafter referred to as "the Parties")

In view of the agreement on the build-up of confidence in the military field in border areas signed in Shanghai in 1996 by the participating countries of this meeting and the agreement on mutual reduction of military forces in border areas signed in Moscow in 1997 by the same participating countries, and the willingness to expand and strengthen their multilateral cooperation on this basis;

Satisfied with the sustained development of the good-neighbourliness, friendship, mutual trust and all-round cooperation among the five countries;

Upholding the universally-accepted norms of mutual respect for sovereignty and territorial integrity, equality and noninterference in each other's internal affairs, and in favour of solving the disputes and differences among the countries through friendly consultation;

Emphasizing that further expanding and strengthening bilateral and multilateral cooperation in a spirit of good-neighbourliness and friendship is in the fundamental interests of the peoples of the five countries and constitutes an important positive factor for the stability, security, development and prosperity in this region and the whole of Asia;

Considering that large-scale economic cooperation is of vital significance to the consolidation to regional peace and stability;

Noticing the global development in establishing multilateral cooperation mechanisms and its growing impact on Central Asia;

And in the light of the results of this meeting;
Hereby make the following statements:

1. The parties will take all necessary measures to ensure the strict implementation of the agreement on the build-up of confidence in the military field in border areas signed on 26th April 1996 and the agreement on mutual reduction of military forces in border areas signed on 24th April 1997 and reaffirm the importance of holding regular consultations on the implementation of the above two agreements.

The parties highly value the important positive impact of the Shanghai and Moscow agreements on security in this region and the world at large, believing that this is a concrete manifestation of the new type security concept that has been shaping and developing since the end of

the Cold War, and also a successful try in consolidating regional and global security and cooperation. The coordination among the five countries is an open one, not directed at any third country.

2. The parties, proceeding from the reality of this region, agree to actively hold bilateral and regional dialogue and consultations on security issues and welcome all the interested countries in this region to participate in this process.

The parties agree to hold meetings, when necessary, at the levels of experts, foreign ministers and heads of state and government to discuss the issues of how to ensure security and expand security and expand cooperation in Central Asia and the entire Asian countries.

3. The parties support the basic ideas of Kazakhstan's proposal on convening the Conference on Interaction and Confidence-Building Measures in Asia, and express their willingness to continue to actively improve them. The parties highly value the initiative of the Central Asian countries on the establishment of a Central Asian nuclear-free zone.

4. The parties express their willingness to continue their in-depth consultation on major international issues and the situation in Asia and, if necessary, to hold consultation via the United Nations, other international and regional organizations and conferences.

5. The parties are unanimous that any form of national splittism ethnic exclusion and religious extremism is unacceptable. The parties will take steps to fight against international terrorism, organized crimes, arms smuggling, the trafficking of drugs and narcotics and other transnational criminal activities, and will not allow their territories to be used for security and social order of any of the five countries.

6. The parties agree that the following basic principles must be observed in developing economic principles must be observed in developing economic cooperation of equality and mutual benefit:

- Provide internationally-accepted trade terms to each other in order to expand their trade volumes;
- Encourage and support various forms of economic and trade cooperation in local and border areas as well as cooperation in local and border areas as well as cooperation in local and border areas as well as cooperation between large enterprises and large companies of the five countries;
- Improve their respective investment environment as to create conditions for boosting investment in the economic projects in their countries.

7. The parties hold that it is necessary to intensify and encourage large-scale and long-term cooperation in all economic fields, including the

construction of oil and gas pipelines and railway, highway, water and air transport.

The parties will give priority to upgrading and utilizing the existing transport and pipeline facilities between them or leading to other countries. While primary attention should be paid to the profitability, reliability and safety of both the on-going and future projects, due consideration should be given to the national and economic interests of the countries along the routes of these projects.

The parties welcome all interested countries and companies to participate in these projects.

The parties attach importance to cooperation in the field of energy on an equal and mutually-beneficial basis, including the feasibility studies on the projects supplying electricity to each other and allowing power transmission to pass through their territories.

The parties attach great importance to the protection of the environment of this region and are willing to cooperate in this field.

8. The parties hold that the international situation is undergoing profound changes, the economic globalizing is accelerating and the trend towards a multipolar world is becoming clearer, which will help promote the stability of the international situation and create conditions for the social and economic development of all countries in the world. Peace and development have become themes of common concern to all people in the world.

Meanwhile, a series of recent events show that the international community is far from achieving the goal of ensuring a lasting peace and stability.

9. The parties are concerned over the tensions in Afghanistan. They note that greater efforts should be made to promote a peaceful settlement of the conflicts in that country under the auspices of the United Nations and with the participation of the countries concerned. At the same time, consideration should be given to the interests of all the national and religious groups and political forces involved in the conflicts.

The parties welcome the initiative put forward and supported by the United Nations for the settlement of the conflicts in Afghanistan, including the convening of a peace conference on Afghanistan in Bishkek.

10. The parties express their grave concern over the growing tension in South Asia following the nuclear tests in that region.

The parties are willing to work with the international community for eliminating the distrust in South Asia, stopping the nuclear arms race there and upholding the international nuclear non-proliferation regime.

In this regard, the parties call for the unconditional entry into the nuclear Non-Proliferation Treaty and the nuclear Comprehensive Test Ban Treaty by all the countries which have failed to do so.

11. The parties reiterate that it is imperative to establish an equitable international political and economic new order for the common peace and prosperity in the 21st century. The parties are determined to turn their relationship of good-neighbourliness, friendship and cooperation into a sustained and effective important factor for the stability, security and development in the entire Eurasia region.

Signed by: Kasymzhomart Tokayev, representative of the Republic of Kazakhstan

Tang Jiaxuan, representative of the People's Republic of China

Muratbek Imanaliyev, representative of the Republic of Kyrgyzstan

Yevgeniy Primakov, representative of the Russian Federation

Talbak Nazarov, representative of the Republic of Tajikistan

Alma-Ata, 3rd July 1998.

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