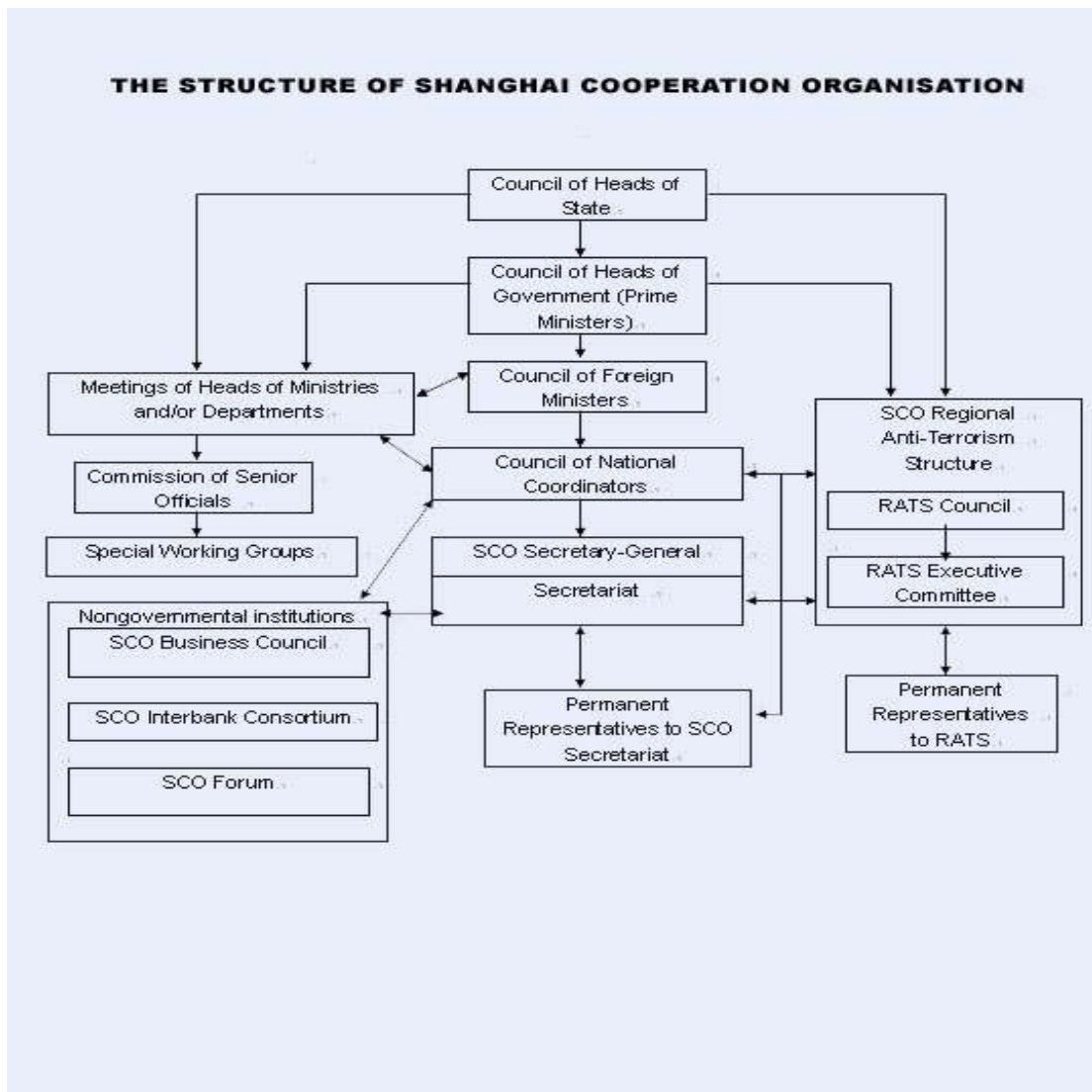


China and Russia
Series of Chinese-Russian Relations (Vol. 1)
The Shanghai Cooperation Organization (SCO)



Emblem of the SCO



Introduction

Relations between Russia and China have taken a really important step forward during the current decade. In these series we will try to decode why the relationship between the two countries has changed, to what degree this change has taken place and what would be the future of such a rapprochement.

The bilateral relations between China and Russia have faced very different and critical stations during the past century. As a result, they have aroused a significant amount of interest.

Instead of creating only one special report concerning this critical for the western world issue, we have chosen to publish a Series of papers, in order to focus on different aspects of the same topic, at a time, and as result to give a more thorough and accurate review on the issue.

During the Cold War relations between the two countries faced a period of tension and disagreement. Mao's "Cultural Revolution" and his introduction of the Chinese way to communism created a bad precedent for cooperation and finally led to the full split of common thought, the Sino-Soviet split in late 1950's- 1960's.

Since the collapse of the Soviet Union, much has changed. First of all, Russia has given a chance to capitalism as a result of globalization, as China had attempted earlier. And, although during the soviet years this economic system was condemned, after the collapse, this certain system pulled the two countries out of their misery and enabled them to introduce to the rest of the world a worth noting grand strategy.

With the coming of Vladimir Putin to power in the Russian Federation on December 31, 1999, Moscow decided to strengthen relations with Washington. This critical moment almost coincided with 9/11 in the USA and the introduction of President George Bush's global "war on terror". Russia decided to become a US ally on the issue.

In 2001 when the US war in Afghanistan broke out and the US troops used bases in the neighboring Uzbekistan (a constant friend of Russia), Moscow started to wonder about the US policy in Central Asia, fact that made Russia "look East". The next step that brought Russia closer to China was Washington's support to color revolutions in Georgia and Ukraine and NATO's expansion into the Baltic States.

The rapprochement was followed by the settlement of major border disputes, booming bilateral trade and a large-scale military exercise, with the worth noting name Peace Mission 2005.

In 2005, the two countries also signed a China-Russia Joint Statement on 21st Century World Order stressing their mutual commonalities, interests, and benign intentions. In March 2006, the two states also adopted the “Russia, China support energy diversification” declaration, aiming at increasing strategic cooperation in this field.

This Series of papers will introduce a variety of topics concerning the relationship between the two countries. First of all, we will discuss the Shanghai Cooperation Treaty and will try to answer the following questions: When and how this Treaty was created? What are the member states? What does each state hope to achieve by joining the Treaty? Is this Treaty really valuable and important or is it just a show of baseless power? What does the USA think about it? What are the purposes of Iran as far as it concerns its joining the Cooperation? What would be the future of this venture?

In the next Series, we will discuss about the really important energy connection between the two countries, the common features of their political thought, their policy vis a vis their common “opponent”, the USA, and their economic systems. Finally, we will provide a paper of conclusive points.

The Shanghai Cooperation Organization (SCO)

General and historic points

In the mid-1990s, military confidence building and border delimitation became the initial focus of regional cooperation among China, Russia, and the Central Asian nations of Kazakhstan, Kyrgyzstan, and Tajikistan. The five nations dubbed themselves the “Shanghai Five,” after the location of their first formal meeting in 1996, and committed themselves to address the “three evils” of “terrorism, extremism, and separatism.”

The Shanghai Cooperation Organization (SCO) is an intergovernmental international Eurasian organization founded in Shanghai on 15 June 2001 on the fifth anniversary of (its predecessor) the Shanghai Five, when the heads of state of its members and the President of Uzbekistan met in Shanghai where they signed a joint

declaration admitting Uzbekistan as member state of this mechanism and they jointly issued the Declaration of the Establishment of the SCO

Its main mission is to build cross-border cooperation among the constituent states and the resolution of border disputes. It is comprised of six countries, which are China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Its member states cover an area of about 3/5 of Eurasia with a population of about a quarter of the world's total. Its working languages are Chinese and Russian.

The SCO emblem is a round symbol composed mainly of a map of the six member states, with olive branches and two ribbons encircling it from both left and right. It symbolizes the impetus the member states give to regional and world peace and development, and implies the magnitude of its cooperation scope and growth potentials. The upper and lower parts of the emblem are marked "Shanghai Cooperation Organization" in Chinese and Russian respectively. The green and blue colours are chosen to embody its purposes of peace, friendship, progress and development.

The SCO was formed for the first time in 1996 named The Shanghai Five with the purpose to demilitarize the border between China and the former Soviet Union. When Uzbekistan was accepted as member state, the organization couldn't be called the "Shanghai Five" anymore and as a result renamed itself "The Shanghai Cooperation organization".

Apart from the member states, there are countries that won observer status such as Mongolia in 2004, India, Iran and Pakistan in 2005.

When the SCO was alleged for the first time to be an anti-US bulwark in the region was in 2005, when the alliance issued a timeline for US forces to pull out of Uzbekistan where they had bases since the beginning of war in Afghanistan against the Taliban regime in 2001. Nevertheless, according to some experts, inherent frictions (due to power imbalance/Russia fears inferiority due to deepening trade between China, Central Asia and Europe and encirclement in its former sphere of influence) between its two most important and powerful member states, China and Russia, prevent the SCO from building a more aggressive/dynamic/dangerous policy against US interests in the area.

Unlike the NATO, the organization is not a mutual defense pact, although a number of military exercises have been held by the SCO, close to the Russia's Ural Mountains in 2007. According to some experts, member states have been proved to

share mutual interests in recent years, including improved relations between China and Russia and the perceived threat posed by U.S. forces in the region¹. Other experts, such as Lieutenant General William E. Odom, senior fellow at the Hudson Institute, say the SCO is being used by Russia and China as a vehicle to assert their influence in Central Asia and curb U.S. access to the region's vast energy supplies.

According to the Declaration of the Establishment of the SCO, in order to upgrade the level of cooperation so that it could seize opportunities and deal with new challenges and threats more effectively, the six states had decided to establish a Shanghai Cooperation Organization on the basis of the Shanghai Five mechanism.

Since 2001, the SCO has developed more rapidly than expected and has begun to institutionalize itself by establishing a secretariat in Beijing and a Counter-Terrorism Center in Tashkent, as well as developing other functional cooperative mechanisms in order to promote regional integration.

In June 2002, the heads of SCO member states met in St. Petersburg and signed the SCO Charter, which clearly expounded the SCO purposes and principles, organizational structure, form of operation, cooperation orientation and external relations, marking the actual establishment of this new organization in the sense of international law².

Purposes

According to the SCO's Charter and the Declaration of Establishment of the SCO, the main purposes of this organization are:

- Strengthening mutual trust and good-neighbourliness and friendship among member states
- Developing their effective cooperation in political affairs, the economy and trade, science and technology, culture, education, energy, transportation, environmental protection and other fields
- Working together to maintain regional peace, security and stability

¹ Even if the USA do not mean to threat these member states interests, there is always a fear factor.

² Obviously, the most important members of the SCO, China and Russia want to declare that they play by the international rules and they have created a modern, successful cooperation following exactly western patterns.

- And promoting the creation of a new international political and economic order featuring democracy, justice and rationality³.

At the conclusion of the SCO's annual summit held on 17 June 2004, the heads of SCO member states signed a document titled the Tashkent Declaration. The declaration summarized the outcome of the SCO's work since it was set up, evaluated the activities of the organization's agencies and set new goals. They also signed agreements on cooperation in fighting drug trafficking and on the protection of secret information in the framework of the SCO anti-terrorist agency, whose headquarters were opened in Tashkent.

Furthermore talks are underway to expand fields of cooperation between the member states, in order to enclose increased military cooperation intelligence sharing and counter terrorism drills

Principles

The SCO abides by the following basic principles:

- Adherence to the purposes and principles of the Charter of the United Nations; respect for each other's independence, sovereignty and territorial integrity, non-interference in each other's internal affairs, mutual non-use or threat of use of force
- Equality among all member states; settlement of all questions through consultations
- Non-alignment and no directing against any other country or organization
- Opening to the outside world and willingness to carry out all forms of dialogues, exchanges and cooperation with other countries and relevant international or regional organizations.

Institutional Set-Up of SCO

The SCO institutions consist of two parts: the meeting mechanism and the permanent organs.

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³ According to our opinion, this purpose should be seen not as an intention to change the world, but the member states want to show that by promoting a new regional economic and political order, they will promote democracy, justice and rationality in an international level.

1. **Council of Heads of State.** It is the highest SCO organ. Its main functions are

- to identify priority areas and basic directions of SCO activities
- to determine matters of principle concerning SCO internal set-up and operation
- to decide on matters of principle of SCO cooperation with other countries and international organizations
- and to study pressing international issues.

Regular sessions of the Council of Heads of State are held once a year in member states alternately according to the Russian alphabetical order of the country names. The host country of the session of the Council of Heads of State assumes the rotating presidency of the organization. Uzbekistan is the current state of presidency.

2. **Council of Heads of Government.** Its main functions are to adopt SCO budgets

- to study and determine the principal matters of cooperation in specific areas within the SCO framework, especially in the economic field.

Regular sessions of the Council of Heads of Government are held once a year.

3. **Council of Ministers of Foreign Affairs.** Its main functions are: to study and resolve major issues of current SCO activities, including preparing for the meeting of the Council of Heads of State, implementing SCO decisions, and holding consultations on international issues. Regular sessions of the Council of Ministers of Foreign Affairs are arranged to take place one month before the regular meeting of the Council of Heads of State. The Minister of Foreign Affairs of the host country of the meeting of the Council of Heads of State serves as chairman of the meeting of the Council of Ministers of Foreign Affairs and may conduct external relations on behalf of the SCO.

4. **Conference of Heads of Agencies.** Its main function is to study and resolve specific questions of cooperation in specialized areas. At present, the meeting mechanism has been established for attorneys general (procurators general), and ministers of defence, the economy, commerce, transportation and culture as well as heads of law-enforcement, security, emergency and disaster-relief agencies.

5. **Council of National Coordinators.** It is a coordinator and management organ of SCO routine activities. It meets at least three times a year. Its chairman is the National Coordinator of the host country of the meeting of the Council of Heads of State and may represent the SCO externally subject to authorization by the chairman of the Council of Ministers of Foreign Affairs.

6. Secretariat. As SCO's standing executive organ, the Secretariat is based in Beijing and will be officially launched in January 2004. Its main functions are: to provide organizational and technical support for SCO activities, to participate in the study and implementation of SCO documents, and to put forward suggestions for SCO annual budget-making. The Executive Secretary is appointed by the Council of Heads of State. Member states take turns according to the Russian alphabetical order of their country names to serve a non-consecutive three-year term. The first Executive Secretary is Mr. Zhang Deguang (Chinese citizen).

7. Regional Anti-Terrorism Structure (RATS). This is a SCO permanent organ based in Tashkent, capital of Uzbekistan. It will be officially launched in January 2004. Its main function is to coordinate SCO member activities against terrorism, separatism and extremism. The RATS is composed of the Council and the Executive Committee. The Council, a decision-making and leading body of RATS, is composed of leading officials of the competent authorities of the member states. Director of the Executive Committee, which is RATS' routine executive body, is appointed by the Council of Heads of State. The first director of the Executive Committee is Casymov. V. T. (Uzbekistani citizen).

SCO Cooperation in Various Areas

At present, SCO cooperation has covered wide-ranging areas such as security, the economy, transportation, culture, disaster relief and law enforcement, with security and economic cooperation being the priorities.

1. Security cooperation. SCO security cooperation focuses on the fight against terrorism, separatism and extremism. The SCO was among the first international organizations to advocate explicitly the fight against the three evil forces. On 15 June 2001, the day when the SCO was founded, the Shanghai Convention Against Terrorism, Separatism and Extremism was signed, clearly defining terrorism, separatism and extremism for the first time on the international arena. It outlined specific directions, modalities and principles of the concerted fight against the three evil forces, thus helping to lay a solid legal foundation for SCO security cooperation. At the June 2002 St. Petersburg Summit, the Agreement of the SCO Member States on Counter-Terrorism Regional Structure was signed. China and Kyrgyzstan conducted a bilateral joint anti-terrorism military exercise within the SCO framework in October 2002, and the SCO member states held a successful multilateral joint anti-terrorism military manoeuvre in August 2003. The SCO has also decided to set up an anti-narcotic drugs cooperative mechanisms soon as possible, and talks on relevant documents are actively under way.

2. Economic cooperation. Economic cooperation is a key area of cooperation for the SCO and serves as the material foundation and guarantee for SCO's smooth development. Heads of government of the six member states held the first meeting in Alma-Ata on 14 September 2001 to discuss regional economic cooperation and signed the Memorandum between the Governments of the Member States of the Shanghai Cooperation Organization on the Basic Objectives and Orientation of Regional Economic Cooperation and the Launching of a Process of Trade and Investment Facilitation. The year 2002 saw

the establishment of mechanisms for economic and trade as well as transportation ministerial meetings successively as initial attempts to explore avenues of substantive cooperation in trade, investment, transportation, energy and other areas. The SCO heads of government met in Beijing for a second time on 23 September 2003 and adopted a plan for multilateral economic and trade cooperation of the SCO member states, in which priority areas, main tasks and implementation mechanism of economic-trade cooperation between the six SCO member states were identified. This laid an important foundation for economic cooperation among the six member states for a fairly long time to come.

What do China and Russia expect from this organisation?

US foreign policy in Central Asia provoked suspicion to China and Russia and instead of overshadowing the SCO, it accelerated its institutional development. China-Russia coordination on Central Asia policy grew as they strove to protect their interests along another vulnerable flank. They found common cause in minimizing U.S. military and intelligence presence in the region and ensuring that their periphery is secure from the prospect of a U.S.-led military bloc next door.

In Central Asia, China and Russia are engaged in a complex mix of cooperation and competition. China's economic expansion, appetite for energy and natural resources, and desire to address cross-border challenges to social and political stability in its northwest province of Xinjiang have led Beijing to focus increasingly on Central Asia as a strategic interest. At the same time, Russia considers Central Asia its traditional sphere of influence.

China's desire to make political, economic and energy inroads into the region has remained difficult to reconcile with Russia's desire to preserve a controlling stake in the region's energy system and infrastructure and maintain a strategic buffer along its eastern periphery. China has gained influence in Central Asia at Russia's expense, a development about which Russia remains wary. Indeed, Russia's interest in the SCO includes keeping an eye on, channeling, and diluting growing Chinese influence in the region, highlighting a continued if latent rivalry that shadows the relationship.

Russia in fact Russia in fact has viewed the SCO as fundamentally a Chinese venture, reflected in the title itself. Moscow would prefer to deal with Central Asian security through the Collective Security Treaty Organization,¹⁶ where Russia holds hegemonic sway—and China is absent. Nonetheless, Russia has recognized the reality of growing Chinese influence and decided to focus on accentuating cooperative rather than competitive aspects of their regional interaction.

China and Russia have explicitly rejected the notion of turning the SCO into a military alliance akin to NATO, as some extreme hardliners in Russia would prefer. Russian defense minister Sergei Ivanov has stated publicly that “We are not going to form any ‘anti-NATO’ bloc in the East. The time of military blocs and camps has gone.” Likewise, China knows its reputation would suffer if it violated its precept against the formation of military alliances. In its current form, the SCO serves China well for promoting its interests in Central Asia, reassuring nations on its western periphery, including Russia, of its benign intent and promoting the creation of a multipolar world. More security, including military, cooperation among member states is likely in coming years for both confidence-building reasons and as a general component of their coordination of responses to common challenges.

External relations

The SCO has attracted a great amount of attention worldwide, due to the purposes, potentials and smooth development of its mechanisms. An increasing number of countries establish contacts and cooperation with the SCO. The organization follows a principle of openness and is ready to conduct dialogue, exchanges and cooperation in all forms with other nations and international organizations.

As far as it concerns SCO’s cooperation with other international organizations The SCO Council of Ministers of Foreign Affairs in November 2002 adopted the Interim Scheme of Relations between the Shanghai Cooperation Organization and Other International Organizations and States, formally initiating SCO external relations. The Scheme provides that other countries and international organizations may be invited to attend as guests the meeting of the SCO Council of Ministers of Foreign Affairs and diplomatic consultations, and the SCO, likewise, may send representatives to attend activities of other international organizations. To date, SCO representatives have attended several meetings such as the Special Session of the Counter-Terrorism Committee of the UN Security Council in March 2003, the Meeting of the OSCE Partners for Cooperation in Vienna in April, the Fifth High-Level Meeting Between the United Nations and Regional Organizations in New York in July, and the OSCE Conference on Preventing and Combating Terrorism in Lisbon in September 2003.

What do Central Asian states expect?

Central Asian nations also have seen the value of preserving a hedge against undue U.S. influence in their affairs and sending a signal to the United States that they have strategic options. Indeed, following U.S. condemnation of a violent crackdown on demonstrators in the Uzbek city of Andijan, the SCO served as a convenient vehicle to demand a timetable for the withdrawal of the U.S. military presence from Central Asia. At the same time, Central Asian nations also view the SCO as a way to maintain leverage in their relations with their huge neighbours.

On the other hand there is a widespread belief for Kyrgyzstan that is preparing to ditch the SCO in favour of a closer strategic partnership with Washington. Especially after the re-orientation of its political priorities since US planes landed in Uzbek airbases.

Even though Uzbekistan has no frontier with China, it has been knocking on the door of the Shanghai bloc insistently in search of allies to help it deal with the Islamic Movement of Uzbekistan, IMU, which operates out of Afghanistan. Over the past three years, Uzbekistan and Kyrgyzstan have both invested heavily in defence because of repeated IMU incursions into their borderland areas. Prior to this Tashkent was sufficiently confident in its military forces that it declined to join the Russian centered Collective Defence Treaty or Customs Union. If the US decides to stay permanently in Uzbekistan then it may attempt to manipulate US power to hammer its neighbours especially Kyrgyzstan. In this case, Bishkek will have to seek protection from its allies. Russia and China will not tolerate the presence of their strategic rival next to them.

Why the rush for Iran?

Iran appeared increasingly interested in joining the Shanghai Cooperation Organization (SCO) and form a powerful axis with its twin pillars, China and Russia, as a counterweight to a US power "unchained". The SCO was initially set up as an open and nonaligned organization and it was not initially targeted at a third party. Chinese Assistant Foreign Minister Li Hui said that the Shanghai Cooperation Organization (SCO) will not take in new members before its six members make serious studies. The organization is still very young and the six SCO members need to have further discussions before deciding whether or not to accept new members, Li said 01 June 2004.

Since Iranian President Mahmoud Ahmadinejad attended the Shanghai summit in 2006, there has been speculated that Iran might join the SCO. In March 2008, Iran's bid was officially announced by the Iranian Foreign Minister Manouchehr Mottaki, saying Tehran had submitted a request for full membership to the SCO Secretariat. Until today, there is no clear planning in place to expand the SCO and offer Iran-or any other possible member-full membership.

Sergey Karaganov, chairman of the Russia-based Foreign and Defense Policy Council, says eventual membership could work therapeutically to the current nuclear crisis with Iran by "being one of the carrots that [is] part of a larger deal". Also, membership "would allow China and Russia to export positive elements of political behavior to Iranian foreign policy this fact begets to stabilization of the Muslim world," writes Kaveh Afrasiabi, an expert on Iran, in the Asia Times. Yet other analysts are more skeptical. "At a certain point it'll become so diluted that China's original interest [in the SCO]-to neutralize its western neighbors-will not have been lost but submerged amid other issues," says S. Frederick Starr, an expert on Central Asia at Johns Hopkins University. The existing fact that nobody will trust the Iranians, as Olcott says is a great problem. "[SCO members] may be cutting off their noses to spite their faces," she says. "If they want to score geopolitical verbal punching points, it's a good move. But the refinement of the operation and the strengthening of inter-statal relationships is not actually promoted by bringing in Iran." RFL/RL reports that China and Russia are wary of making Iran a full member on the grounds that Iranian membership could give the SCO more of an anti-American tone. Iran's intention is thought to hint at the strengthening of a counter-Western alliance in Eurasia, let alone an emerging club of authoritarian states.

Apart from that, it is said that a means for Iran to tighten its contacts with Russia, Iran sees in the members of SCO international actors that think in the same way and states important to its geostrategic interests in Central Asia that secure its prosperity and existence as it goes. The SCO also complements Iran's east-oriented foreign policy, says Mohsen Sazegara, an Iranian dissident, policy activist, and former

professor at Yale University. He says Iran has strong historical, cultural, and economic ties with many of the Central Asian countries. Iran also longs for cultivating a stronger relationship with larger states like India and China. It is more than reasonable if we take into account that Iranian regime has made a lot of enemies once is not what we say synchronized with the vast majority of the rest of the international community "China importations from Iran are in a bonding point ant continue to grow dramatically and in the future wants to get more," Starr says. But some experts question Tehran's "Eastern" orientation. "I think as it becomes exposed and analyzed, [it] will prove to be more of a slogan than a policy," said CFR Senior Fellow Ray Takeyh at a Middle East Policy Council Forum.

"Part of Iran's foreign policy, at least in the mind of the Supreme Leader, is to be anti-U.S.," Sazegara says. Further, Iran views the SCO as a potential guarantor of future security, experts say. Being a member can enable Iran to avoid relinquishing to the pressure that is acted by the international community for giving up its uranium-enrichment program. Similar protection was provided to Uzbekistan after the Andijan massacre in May 2005.

Future expansions with Iran and Turkmenistan

Bringing them to the SCO summit suggests the organization's intention to expand further and while also increasing internal consolidation. The SCO has always provided a useful platform for its member states to promote unilateral interests and develop bilateral and trilateral relations within the organization. Turkmenistan's participation at a status equal to that of Russia, Iran, and China will significantly increase the SCO's international weight, as it is turning into an alliance that facilitates arms and energy trade among these states. Kyrgyzstan, with its current weak government and controversial US military base on its territory, provides a convenient platform for staging such a controversial and visible international gathering.

It still remains doubtful whether both Iran and Turkmenistan will eventually join the SCO as full members. Their decision to attend the SCO summit comes on the heels of recent improvement in both states' cooperation in security issues and their increasingly stable relations with Russia (see EDM, June 26). The SCO may attract

vast international criticism for inviting Iran, especially as a potential member. The status of India and Pakistan (the westward course of these two states is already well known) are controversial issues as well. One of the incentives for Iran and Turkmenistan to increase contacts with the SCO is to assume protection from international interference in their domestic affairs, as the organization claims greater influence on its territories in order to prevent possible external intervention in case of terrorist incidents.

Relations with the USA

As a matter of fact, the SCO's relations with the USA depend on relations between its member states and the USA.

On July 5, when the alliance issued a timeline for US forces to pull out of Uzbekistan -where they had bases since the beginning of war in Afghanistan- a great amount of international interest was aroused. SCO members claimed that U.S. bases established in the region, in the wake of 9/11, in order to enable global "war on terror" were not meant to be permanent and were only installed to assist the US-led war in Afghanistan against the Taliban regime.

But experts say relations between Uzbekistan and Washington were already on the skids. After 9/11, when Uzbekistan became a strategic partner of the United States, cooperating with American forces on counterterrorism issues and allowing use of the Karshi-Khanabad air base, Tashkent received security guarantees and military equipment in return. Yet a May 2005 uprising in Andijan province, followed by a brutal crackdown by the Uzbek authorities, led to sharp criticisms from Washington. The Uzbek government also grew suspicious of U.S. involvement in pro-democracy revolutions in Georgia (November 2003, Rose Revolution), Ukraine (November 2004 to January 2005, Orange Revolution) and Kyrgyzstan (2005, Tulip Revolution). Hence, the Uzbek government ended its military cooperation with the United States and moved to eject U.S. forces from Karshi-Khandabad. The SCO declaration, most experts say, merely accelerated the withdrawal of US forces, which was completed by the end of 2005.

China and Russia have been very reluctant to accept permanent US military presence and bases in Central Asia, an energy-rich region both consider within their sphere of influence. After uprisings in Ukraine, Georgia and Kyrgyzstan (unseated leaders loyal to the Kremlin in a region called post soviet territory), Russia has

viewed the U.S. presence there with increasing suspicion. Many in Moscow argue the so-called color revolutions were the work of US-funded nongovernmental organizations. Beijing sees the U.S. military presence along its western border as part of Washington's strategy to contain China⁴ experts say.

Russia's east course

Around 2003-4, President Vladimir Putin realized that Moscow was receiving little in return of its unpopular reengagement with Washington. Although primarily this rapprochement harmed Chinese interests, Moscow did not hesitate to change its mind and follow a less West-oriented, favourable for US interests, course, when it realized that Beijing might offer more.

As mentioned before, in 2001, when the US war in Afghanistan broke out and the US troops used bases in the neighboring Uzbekistan (a constant friend of Russia) –although Moscow gave its permission in order to help rebuilding close ties with the USA-, Moscow started to wonder about the US policy in Central Asia. The next step that brought Russia closer to China was Washington's support to color revolutions in Georgia and Ukraine and NATO's expansion into the Baltic States.

When the USA launched Operation Iraqi Freedom, China and Russia opposed intensely to this breach of Iraq's sovereignty.

As a result, China and Russia decided the further institutionalisation of the SCO, in order to declare the deepening Sino-Russian ties.

The last summit

The 7th and last, by the time, summit of the leaders of SCO took place in the capital of Kyrgyzstan the August of 2007, where the leaders issued a joint communiqué on multilateral relations and agreed to enhance their attempts intervening more in a more coordinated way were they have common views.

The communiqué referred to further developing their cooperation in all fields regarding the current regional and international issues. In the field of dealing with terrorism they agreed on empowering the cooperation among legislative bodies and supreme courts, so as the member states could actively carry out information exchange. It was pointed out the extreme importance of implementing the SCO's

⁴ That reminds us of the US doctrine of containment against the USSR's ideology and interests during the Cold War.

cooperation deal on combating terrorism, separatism and extremism between 2007 and 2009, the leaders. It was lauded the active role that was played by the regional anti-terrorism institution which in turn helped elevate the body's status. They also pointed out the urgency of taking precautionary measures and establishing relevant mechanisms to tackle threats. Furthermore, the economic cooperation is getting deeper and expanding in more fields like telecommunication, transportation, energy and other projects. The leaders reiterated that the bank combo and the businessmen committee can and should play a more significant role. They made clear that they wish to continue holding a common ground over the energy policy, adding that the energy mechanism should be open to all countries and organizations which agree with the SCO's tenets and tasks.

The leaders commented positively on the international exchanges that the SCO has had with other countries and organizations, noting the importance of further strengthening concrete cooperation with SCO observers in various fields. SCO member countries will continue to work for the completion of SCO legal framework to enable it to explore more international exchanges.

The SCO should deepen concrete cooperation with the Commonwealth of Independent States (CIS), the Eurasian Economic Community (EEC), and the Association of Southeast Asian Nations (ASEAN) on the basis of current memos of understanding, the SCO leaders pledged. They support the SCO to establish relations with other collective security treaty organizations in order to coordinate moves in protecting regional and international security, and facing new threats and challenges together.

The next SCO summit meeting will be held in 2008 in Tajikistan's capital of Dushanbe, with Tajikistan holding presidency of the organization. Also according to the joint communiqué, the ninth SCO summit meeting will be held in 2009 in the Russian city Yekaterinburg.

Conclusions

Many analysts claim that that after 9/11 and the introduction of the global “war on terror”, many things have changed in Asia. A new geo-strategic triangle has come to light including China, Russia and Iran. As a result, the SCO is the institution that materializes this cooperation, fact that many experts fear.

The Shanghai Cooperation Organization is very unlikely to become an alliance against US interests but it seems to be a substantial vehicle for cooperation and coordination of interests among the six constituent powers, including China and the Russian Federation, that could be applied to limit US power and influence in Central Asia in the future.

During the Cold War, the Sino-Soviet split and Nixon's *détente* enabled the USA to establish a successful grand strategy towards USSR and China. If Sino-Russian ties strengthen and turn hostile/ dangerous via the SCO, the USA could possibly use the same strategy to contain them. The likelihood of this is currently limited, and the West's leverage over both Russia and China is also something which works in favour of their ability to navigate between them, especially through China's heavy dependence on western markets. Furthermore, considering China's and Russia's troubled history and use of rhetoric to smoothen this over, bilateral relations should be assessed not in terms of what they say but what they do.

The rapid shifts of power between Russia and China and the current inferiority-complex towards the Chinese⁵ that could be identified among Moscow's policymakers also serve to weaken the foundation of this strategic partnership. Considering the not so western acting in political/ democratic terms, historical swings, excessive use of rhetoric, and reactive nature of this partnership, there are few reasons to believe this to be everlasting⁶ even though few would doubt that Sino-Russian relations have strengthened significantly in recent years.

The SCO stands for and acts on a new security concept anchored on mutual trust, disarmament and cooperative security; a new state-to-state relationship with partnership instead of alignment at its core, and a new model of regional cooperation featuring concerted efforts of countries of all sizes and mutually beneficial cooperation. In the course of development, a Shanghai spirit gradually took shape, a spirit characterized by mutual trust, mutual benefit, equality, cooperation, respect for diversified civilizations and common development.

In other words, even if the SCO's influence in the region is on the rise, this organization was formed in order to promote mutual interests and above all to serve major interests critical for its two most powerful member states. It is interesting to see

⁵ In our opinion, this complex is not that intense as it used to be due to the current Russian entrance in western markets and its successful energy policy.

⁶ Even if it lasts forever, it is doubtful if it will work properly for the above mentioned reasons. China tends to sign agreements and treaties with no intention to apply them.

if this procedure will take a step forward towards standards of western type organisations (more institutionalised for example or even bureaucratic).

It is undoubtful that the fears of Iran joining or the fears of a more hostile policy towards the USA are overblown⁷. For the simple reason that according to the SCO's purposes and principles, there is no intention for building an international policy⁸ but only a regional one. If the SCO invites Iran as a full member, then will have to face US disagreement and hostility and also its members should prepare an international grand strategy. But, even if US policy remains unchangeable, Iran as a member state will drag the organisation to its sphere of influence in the Middle East and it is doubtful if Russia and especially China seek to meddle in Arabic affairs (at least for the time being).

The opinion of Mr. David Wall* (an expert on the region at the University of Cambridge's East Asia Institute who told in the *Washington Times*) seems interesting. "An expanded SCO would control a large part of the world's oil and gas reserves and nuclear arsenal". This would perhaps be the only reason why to accept Iran or to meddle with the Middle East problems. But, as long as Chinese, Russian and in general Asian products (oil and gas are products...) depend on western markets, there is no need to infuriate western clients.

Daniel Kimmage*, an expert on Central Asia said at Radio Free Europe/Radio Liberty that the SCO serves more as a forum to discuss issues of trade and security than a fully-developed counterpoint to NATO. He also claimed that the SCO is not a model of organizational effectiveness. Plus, unlike NATO, there are no mutual_defense pledges. Also holding back the organization's effectiveness are internal divisions and tensions between its member states, particularly China and Russia over issues of energy and the construction of ports in the region. Finally, multilateral institutions historically have a poor track record in the region. "Most countries do serious stuff bilaterally," Kimmage says.

In other words, the SCO was not formed neither to change the world nor to resolve all the problems and disputes between its member states and between its member states and the world. It seems to be more a show of power, strengthened ties and developing Chinese and Russian influence in the region than a powerful anti-American, anti NATO organization.

⁷ Although the SCO's capacity still exists.

⁸ See note 4 .

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