

15
YEARS

GCSP

Geneva Centre for Security Policy
Centre de Politique de Sécurité, Genève
Genfer Zentrum für Sicherheitspolitik

Impartial, Inclusive, Influential



GCSP Policy Paper n°5

August 2010

Not Beyond Limits: The Prospects of the Shanghai Cooperation Organization (SCO)

By Pál Dunay

Key Points

- Expectations and concerns have been running high concerning the ten year old Shanghai Cooperation Organization (SCO). Those who sympathize with it have hoped for a new substantial regional cooperation framework while those who do not feared its potential.
- There are three main cases that have demonstrated the weakness of the SCO as a security-political institution:
 - The stalemate concerning foreign troop stationing in Central Asia. Due to the conflict between the aspirations of China and Russia, and the political and economic interests of the Central Asian member-states, compromise has given way to the sweeping of the matter under the carpet.
 - The reluctance of five of the six SCO members to recognize the statehood of Abkhazia and South Ossetia, demonstrating a lack of compromise.
 - The lukewarm reaction to the change of the governmental and constitutional structures in Kyrgyzstan in June 2010 indicated that the SCO is based on similarity not only as far as values but also as far as governance.
- These signalled that the SCO has not become a vehicle of multilateral decision-making based on compromise, and there is a long way to go before it becomes one. It may have reached the limit of its growth and should be regarded a vehicle of classical inter-governmental cooperation in a regional setting.

1

The Geneva Centre for Security Policy (GCSP) is an international training centre for security policy based in Geneva. An international foundation with 42 member states, it offers courses for civil servants, diplomats and military officers from all over the world. Through research, workshops and conferences it provides an internationally recognized forum for dialogue on issues of topical interest relating to security and peace policy.

Introduction

The Shanghai Cooperation Organization (SCO) was created in 2001, and it is the first regional integration attempt in the post-Soviet space that has spread beyond the boundaries of the former Soviet Union, and has included the People's Republic of China. Since its inception the organization has gone through breathtaking developments, simultaneously broadening and deepening its agenda. Its international surrounding has also changed fundamentally. Following the terrorist attacks of 11 September 2001 the strategic importance of the area where the SCO has been operating increased enormously, with particular reference to Afghanistan, Turkmenistan, Tajikistan and Uzbekistan, the last two being SCO members. The organization's special relationship with Afghanistan is another factor that has contributed to the SCO's increasing stature. The importance of natural resources (primarily oil and gas) has steadily increased, and this is likely to be a prolonged point of contention between all the major powers, among others, in Central Asia.

The makeup of the SCO is also impressive. The group of members and observers entail ten states, 2.8 billion people, 34 million square kilometres, the control of 47 percent of the world's gas reserves and half of the world's nuclear weapon states. Given this strategic political and economic weight, the key question is whether the SCO is an actor of international politics, able to act unanimously or not. It should also be noted that the SCO is portrayed very differently in foreign medias than in the member-states themselves. In the West it has been regarded an anti-Western entity, while the member-states regard it a factor of multilateral cooperation and stability¹.

Fundamentally, the SCO is an organization for the alleviation and resolution of security problems. It dates back to border demarcation between China and its post-Soviet neighbours, as well as confidence-building between China, Russia, Kazakhstan, Kyrgyzstan and

Tajikistan. The SCO has focused on two main objectives: regional security (with a declared emphasis on fighting terrorism, extremism and separatism); and economic cooperation. Overall, the priority has remained with security.

The objective of this paper is to analyze whether the SCO could further increase its international weight and whether member-states, particularly the largest and most influential, have sufficient determination to take action in order to achieve this.



Map: The Shanghai Cooperation Organization

Note: Member states (Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan and Uzbekistan) are shown in dark green, whereas the observer states (India, Iran, Mongolia and Pakistan) are shown in light green.

Table: Pros and Cons of the SCO

Pros:	Cons:
<ul style="list-style-type: none"> • Contributes to training in multilateralism in an area where most states have not been exposed to it • Breaks the post-Soviet geographical barriers of regional integration • Brings together two powerful states in the security of an area threatened by instability • Engages China while it is ascending to a global leadership role • Counters the prevalence of unipolarity in Central Asia, both as far as the domination of one extra-regional power and the dominance of either Russia or China • Has a broad complementary agenda • Provides a flexible structure • Puts member-states in charge, while the bureaucracy is confined to serving the institution • Contributes to capital transfer from China to those Central Asian states that suffer from capital shortage. 	<ul style="list-style-type: none"> • Agenda largely dominated by the two large member states' interests • Brings together non-democratic countries, which may contribute to the continuation of the authoritarian regimes • Cohesion is based on opposition to external influence • Declaratory agenda, no implementation or enforcement mechanism • Power balance shift between China and Russia with the fast ascendancy of the former since the inception of the SCO that has contributed to the change of its agenda • Both China and Russia have increased their influence in the region on a bilateral basis with Central Asian SCO member-states and hence they are less interested in multilateral cooperation • Russia attributes increasing importance to another organization dedicated to security in Central Asia (the Collective Security Treaty Organization (CSTO)) that further weakens its interest in the SCO as a security institution • US policy of differentiation among the members has weakened internal cohesion • Cohesion in the organization is based on similarity as far as shared "values" of the member-states, while its system of governance does not provide a solid ground for the future.

There are three fundamental changes that may have significant bearing upon the future of the SCO: the policy of the current US administration; the changing power balance between China and Russia; and the internal processes of the member-states.

The Role of International Political Factors in the Evolution of the SCO

Most of the history of the SCO has coincided with the George W. Bush administration. That administration made a sustained effort to put into practice its ideals of concentration of power in the international system. However, the main players of the system were understandably opposed to such concentration of power. US policy resulted in unlikely coalitions. It suffices to mention the coalition of France, Germany and Russia against the Iraq war or the Chinese-Russian coalition in their shared sustained claim to multilateralism. This raises the question of whether the deepening of the SCO could be attributed to the self-alienation of the United States and China and Russia's mutual interests.

Though the Obama administration does not have a comprehensive, new international policy, there are both functional areas and select regions where the United States has clearly changed its course. The SCO area is directly affected by the shift in US policy. First, the United States has offered an "individualized" approach to China, regarding it the most important other actor of the international system. Second, the

"reset button" was offered to Russia. Third, the Obama government has taken a more pragmatic stance towards countries whose non-democratic record has not threatened international stability. 3

These three factors may result in a situation where US aspirations would no longer contribute to regional cohesion around the SCO. In the absence of hardly hidden hegemonic aspirations of the United States there will not be unlikely coalitions pushed together by such external factors. While both China and Russia aspire to achieve global political stature, the Eurasian region does not have the same importance. Indeed, it is less important for China than for Russia, for which the post-Soviet space plays a decisive role in asserting Russian leadership. The zero sum game thinking that sometimes appeared to balance US interests resulted in disproportionate attention from the world at large to the region. This may change if the United States decides to regard Central Asia as its strategic backwater in connection with the stabilization of Afghanistan. Yet, no clear line has been taken on the US policy towards Central Asia. A good part of Central Asia represents a collision between the insistence upon democratic values and the strategic interests of the United States and other Western powers. For strategic reasons, they have to be cooperative in order to create an inclusive international structure and to make deals with authoritarian regimes.

Troop stationing in Central Asia, 2005-2010

It was in the common interest of both China and Russia to remove military forces of other states from Central Asia. In 2005 the SCO issued an appeal which

required “respective members of the antiterrorist coalition set a final timeline for their temporary use of the above-mentioned objects of infrastructure and stay off their military contingents on the territories of the SCO member states.”² That was the moment when the SCO was perceived as an anti-Western coalition. No similar statement has been made since.

Is this policy change explained by the SCO members’ revision of their position on Western presence in Central Asia? First of all, the assumption underlying the above appeal was that the operation in Afghanistan could be terminated as there was no need to continue it. Since then the security situation has deteriorated, and it has therefore become apparent that an appeal to withdraw Western forces from Central Asia was unfounded. For Russia and China, Western presence was a strategic concern as it would increase the regional influence of the United States.

As for the Central Asian states, they have pragmatically reconsidered their support of the United States in relation to Afghanistan. Russia has a similarly split view. It cooperates with NATO in the transit and resupply of the forces of the Alliance through the territory of the Russian Federation and knows that a failure of NATO in Afghanistan would increase Moscow’s burden to provide for security.

Foreign troop stationing was the first major divisive issue of high politics on the SCO agenda. It has illustrated that the cross-section of national security interests, as well as existential ones may represent an insurmountable problem for the members. It is apparent that it remains a lastingly divisive issue due to the complexity of the underlying interests.

The (Non) Recognition of Abkhazia and South Ossetia since 2008

In 2008, the SCO member-states faced a second test of the depth of their political cohesion. Following the August 2008 war between Georgia and Russia the latter turned to the SCO to gain support for the recognition of Abkhazia and South Ossetia. However, the Russian administration did not demonstrate full unity on this issue. Top political circles pushed through the recognition in the Duma practically two weeks after the Georgia-Russia war. The Russian MFA already then expressed its doubt about whether the necessary international support could be generated. Russia then tried to convince China to recognize the two pseudo-states. Beijing, however, is allergic to state formation on the basis of ethnicity, if for no other reason than due to its own Tibetan and Uighur problems. When China did not support the idea, the Central Asian states (or at least some of them that could have been persuaded easier) shared Beijing’s position and the entire initiative collapsed.

Within the SCO, disagreements were reflected in the declaration of the heads of the member-states: “The

member states of the SCO express their deep concern in connection with the recent tension around the issue of South Ossetia, and call on the relevant parties to resolve existing problems in a peaceful way through dialogue, to make efforts for reconciliation and facilitation of negotiations. The member-states of the SCO welcome the signing on 13 August 2008 in Moscow of the six principles settling the conflict in South Ossetia, and support the active role of Russia in promoting peace and cooperation in the region.”³ Interestingly enough, the fact that Russia recognized Abkhazia and South Ossetia two days before is not reflected in the document – which illustrates the limits of multilateral cooperation on strategic matters in the SCO.

The Repercussions of Regime Change(s) in Kyrgyzstan (2005-2010)

The third case that revealed the limits of cooperation in the SCO was the unconstitutional regime change in Kyrgyzstan⁴. In 2005, during the so-called “Tulip Revolution”, the SCO did not face any particular challenge, as the change was fully confined to Kyrgyzstan.

The situation was different in 2010. In April when the security services had used force against demonstrators in Bishkek, and President Kurmanbek Bakiyev was subsequently removed from office, the political developments were not strictly confined to 4 Kyrgyzstan.

At their first meeting following the April 2010 events the foreign ministers expressed their “solidarity with the people of Kyrgyzstan in the current difficult situation” and emphasized that “security and stability on the SCO territory is closely linked to security and stability in each member-state”. However, they also emphasized that “SCO member-states, while being committed to the independence, sovereignty and territorial integrity of Kyrgyzstan, confirmed readiness to provide required assistance and support to the country.”⁵ The text clearly demonstrates the effort of the foreign ministers to create balance between the respect for independence and sovereignty on the one hand, and external support and assistance on the other.

The situation changed with the inter-ethnic conflict in the south of Kyrgyzstan and the departure of more than 100,000 Uzbek people from the Osh and Jalalabad areas for neighbouring Uzbekistan. It could not be denied any longer that the domestic destabilization had international repercussions. The directly affected neighbour, Uzbekistan, was interested in the urgent return of those Uzbeks who originated from Kyrgyzstan, rather than eventually causing problems for their temporary host country. Uzbekistan has been very successful in its endeavour, and the overwhelming majority of those temporarily displaced persons rapidly returned to Kyrgyzstan.

The heads of SCO member-states remained quite reserved and returned to the foundations of the SCO by declaring that they “oppose the interference in the internal affairs of sovereign states, as well as actions that could cause tensions in the region, and support the resolution of any disagreements exclusively by political and diplomatic means, through dialogue and negotiation.”⁶ This was regarded as an adequate reaction, as the spread of instability seemed to have been contained by the date of the issued declaration. A few days later, the SCO issued a statement specifically devoted to the events in southern Kyrgyzstan. The Kyrgyz leadership could only find an SCO statement helpful if it highlighted the provoked nature of inter-ethnic tensions (apparently by the forces supportive of former president Bakiyev) and did not attribute them to the weakness of the new government: “The SCO member-states are appealing for an end to rampant crime, chaos and lawless actions being instigated by the forces that aim to provoke a confrontation between nationalities and ethnicities who have for centuries been living side by side in Kyrgyzstan in a spirit of friendship and understanding.”⁷

The new Kyrgyz government reacting to the April, rather than the June 2010 events, acted on the constitutional foundations of the political system. It started with the recognition that a presidential system means extensive concentration of power and carries more the danger of power monopoly than a parliamentary regime. The referendum approved a change that meant the move from a presidential to a parliamentary regime. This change was not without international repercussions. President Medvedev was quite vocal in his assessment and was of the view that a change to a parliamentary system may not be wise when the country needs unity and a strong leader who could lead Kyrgyzstan out of the ongoing crisis.

Presidential systems tend to result in more power concentration, corruption and other forms of abuse of power than parliamentary ones. Nevertheless, Russia and other powers that are eager to continue to make deals with Kyrgyzstan do not want to have a strong leader only to lead the country out of its highly problematic situation but also to have somebody in charge with whom they can make agreements. Consequently, the genuine concerns about the country's stability have coexisted with national interests of partners to more effectively realize their narrowly defined self-interests. The SCO member-states, under the correct impression that the constitutional order of another member-state is fully its domestic competence did not want to interfere with it (particularly because most member-states found the change of the Kyrgyz constitutional system doubtful at least and objectionable at most). At the same time, the Kyrgyz government was very much interested to hear from the SCO words of reassurance concerning its revised constitutional order and its introduction by referendum. It is a reflection of the organization's

compromise that the reaction came from the SCO Secretariat. Bearing in mind that the SCO is *stricto sensu* an intergovernmental organization this reflects an interesting solution⁸. Indeed, the Kyrgyz government received reassuring sentences from an SCO organ that does not have much weight in international politics.

Conclusion

The SCO has been the organization that has raised the highest hopes to become the core of regional cooperation in the post-Soviet space with the involvement of Russia, China and four of the five Central Asian former Soviet republics. The nearly one decade that has passed since its inception has underlined the potential and the dangers it might carry. It is undeniable, however, that the concerns of the West were more pronounced during the early years of the organization than more recently. Analysts' hopes were also higher during the early years.

Three recent factors have affected the future prospects of the SCO. First, the increasing sophistication of US policy towards the member-states of the organization. It includes both the treatment of Russia and China that offers a privileged position to the two countries on Washington's agenda, and more tolerance to the non-democratic smaller member-states. Second, “Cracks are starting to appear between Moscow and Beijing” as the organization takes on “an ever more ambitious 5 agenda.”⁹ Third, the rivalry and deep disagreements between various member-states may acquire a new dimension with the diversity of the political course among the smaller members. It should also be noted that the SCO is a “value-based” community even if Western democracies deny it (on the basis of rejecting the positive association with the word ‘value’) and regard it instead as a “league of dictators” as an extreme¹⁰.

At first glance, three events have demonstrated the limits of cooperation among the members: the stationing of extra-regional military forces in Central Asia; the recognition of new “ethno”-states; and the diversification of the political course and thus the underlying constitutional order in Central Asia. These three cases have illustrated that the high expectations towards the SCO have not been fully met. Moreover, there are other matters where internal and external factors coexist on the agenda of the organization. Three conclusions can be drawn. First, a US policy that is more cooperative with Moscow and Beijing and more pragmatic towards the Central Asian states, is less likely to lead China and Russia to form a coalition. The strategic interests of Russia and China are neither lasting, nor deep enough to exist irrespective of the change of external conditions. Second, beyond geostrategic considerations, geo-economics is also high on the SCO agenda. As the Central Asian market is tiny, for major external actors this can be narrowed down to the single most important economic matter:

access to the natural resources of Central Asia, particularly gas and oil. Here one can see a clear rivalry between the two large regional players and external ones. Third, in a few other areas, such as the rivalry for water resources, the political atmosphere of some Central Asian states imposes itself upon the

concrete matter. As a result, it is primarily some of the smaller member-states that pose a challenge to Central Asian cooperation, in close conjunction with Russia's interests. Therefore, it remains to be seen if the SCO will be able to meet the expectations of the member-states and observers of the region.

NB: The views expressed in this paper are entirely and solely those of the author and do not necessarily reflect the views of the GCSP.

¹ See for example S. Hanova, "Perspectives of the SCO: Images and Discourses", *China and Eurasia Forum Quarterly*, 2009, pp. 63-81.

² "Declaration of Heads of Member States of the Shanghai Cooperation Organization", Astana, 6 July 2005. The document (interestingly) has been removed from the SCO website.

³ "Dushanbe Declaration of the Heads of the Member States of the Shanghai Cooperation Organization", 28 August 2008; <http://www.sectSCO.org/EN/show.asp?id=90>

⁴ Among the four Central Asian member-states of the SCO there has been no change of government either in Kazakhstan or in Uzbekistan where the presidents have been in office since independence. In Tajikistan, the change of political structure predates the SCO's inception. Consequently, it is only Kyrgyzstan that offers a relevant example for the contribution of the SCO to internal regime changes and eventual internationalized conflicts.

⁵ "Joint Communiqué of Meeting of the Council of Ministers of Foreign Affairs of the SCO Member States", 22 May 2010; <http://www.sectSCO.org/EN/show.asp?id=221>

⁶ "Declaration of the Tenth Meeting of the Council of the Heads of the Member States of the Shanghai Cooperation Organization", 11 June 2010; <http://www.sectSCO.org/EN/show.asp?id=225>

⁷ "Statement of the SCO in connection with events in Southern Kyrgyzstan", 20 June 2010; <http://www.sectSCO.org/EN/show.asp?id=219>

⁸ See "Statement by SCO Secretariat on constitutional referendum and formation of new government in Kyrgyzstan", 21 July 2010; <http://www.sectSCO.org/EN/show.asp?id=229>

⁹ B. Lo, *Axis of Convenience: Moscow, Beijing, and the New Geopolitics*, Chatham House – Brookings Institution Press, 2008, p.104.

¹⁰ R. Kagan, "League of Dictators? Why China and Russia will continue to support autocracies", *The Washington Post*, 30 April 2006; <http://www.washingtonpost.com/wp-dyn/content/article/2006/04/28/AR2006042801987.html>

About the author

Dr Pal Dunay (p.dunay@gcsp.ch) has been a Faculty member since 1996 and was course director of the International Training Course in Security Policy (ITC) between 1996-2004 and since 2007. He also teaches at the Institute of Political and International Studies of Lorand Eötvös University, Budapest and at the OSCE Academy in Bishkek. His research focuses on European security with an emphasis on the post-Soviet space and arms control. His recent publications include (with A.J.K. Bailes, P. Guang and M. Troitsky), *The Shanghai Cooperation Organization*, SIPRI Policy Paper 17, 2007; *The OSCE in Crisis*, Chaillot Paper 88, EU Institute for Security Studies, Paris, 2006.

Contact information

The Geneva Centre for Security Policy
Avenue de la Paix 7bis
P.O. Box 1295
CH – 1211 Geneva 1
T +41 22 906 16 00
F +41 22 906 16 49
www.gcsp.ch
info@gcsp.ch

GCSP Policy Papers are available at www.gcsp.ch