

SHANGHAI COOPERATION ORGANISATION (SCO)

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Abstract

A qualitative change has been observed in the world power structure after the dismemberment of the Soviet Union. In consequence of these changes a paradigm shift has been witnessed in the foreign policy determinants of the nation states including China. Believing in *Panchsheel*—the five principles of peaceful coexistence—as the guiding principle of the foreign policy behaviour, China has not only refused to accept U.S. dominated world order and began striving for the emergence of polycentric world order. In order to achieve these objectives, the Chinese policy-makers initiated the process of confidence building with its neighbouring countries particularly the Central Asian states and Russia by resolving border disputes. These confidence building measures created conducive atmosphere for the creation of regional cooperation to check American and Western influence in the region. The emergence of Shanghai Co-operation Organisation is the manifestation of such moves. This organisation is not only meant to boost cooperation between the member countries in fields of politics, trade-economics, culture, education, energy, transportation, ecology, science and technology but also destined to fight against separatism and extremism, and ensure security and stability in the region.

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Dismemberment of the Soviet Union and subsequently the emergence of the United States of America (U. S. A.) as the sole-superpower of the world, synthesized a qualitative change in the world power structure. The bipolar power structure of the Cold War era transformed into the unipolar World Order with overt intentions of the U.S. policy-makers to perpetuate unipolar power equation for the purpose to maintain U.S. supremacy on the global affairs. However, Chinese leadership seems reluctant to accept U.S. dominated world ordered. Contrary, they began to strive for the polycentric world order based on the equality of the sovereign states. In 1997, the Chinese President Jiang Zemin, addressing the 15th National Congress of the Communist Party of China, had strongly opposed any designs of hegemonism in international affairs. He maintained:

We oppose hegemonism....We do not impose our social system and ideology upon others, nor will we allow other countries to force theirs upon us. We shall work to bring about a just and rational new international political and economic order. This order should be based on the five principles of peaceful coexistence¹, conform to the purpose and principles of the United Nations Charter and reflect the trend of the times to seek peace and development.²

In order to check U. S. hegemonism in the world in general and in the Central Asian region in particular, the Chinese leadership has embarked on the strategy of removing distrust among the neighbouring countries by resolving disputes and forging multilateral cooperation at regional levels. China's engagements in the Central Asian region and its active participation in forming and working of the Shanghai Cooperation Organisation (S.C.O.) is the manifestation of China's above mentioned intentions.

The purpose of this article is to analyse the causes of the establishment of the S.C.O., examine its objectives, understand its organisational structure and evaluate its performance with particular reference to China's perceptions.

Evolution of Shanghai Cooperation Organization

China and the former Soviet Union were at odds during the Cold War era but changed realities of the end of the Cold War drove them to renounce the policies of containment and embark on the strategies of engagement. During the last many decades the Chinese authorities had made territorial claims to the former Soviet Union, on the areas of present Kazakhstan and Kyrgyzstan.³ Despite such claims, China avoided indulging itself into any conflict, instead it followed the path of 'conflict resolution through mutual understanding'. In 1989, in order to create conducive atmosphere for trust and security in the region, China and the former Soviet Union engaged in the process of confidence building. The process began with initiating dialogue between the two countries to resolve their border dispute. Subsequently, both countries demarcated their eastern and western borders and the border agreements were signed between the two countries on May 16, 1991 and September 3, 1991 respectively.⁴

Later on, these bilateral talks, initiated by the then Soviet Union and China, transformed into pentagonal mechanism of confidence building and conflict resolution. In April 1996, five states of the region □ Russia, China, Kazakhstan, Tajikistan and Kyrgyz Republic—signed a multilateral agreement in the Chinese city of Shanghai, called Shanghai Five mechanism. Following the successful suit of the Sino-Russian border agreement, the Shanghai Five mechanism also set for the resolution of the border disputes between the Central Asian states and China. The main objective of

such efforts was to create favourable atmosphere in the region to create a “tension free relationship” among the member countries,⁵ for the purpose to generate better conditions for the broad based regional cooperation.

Initially the border negotiations were held in four plus one framework–Kazakhstan, Tajikistan, Kyrgyzstan and Russia, plus China–in 1991, which were followed by bilateral negotiations. In 1994, China resolved its border dispute with Kazakhstan⁶ and in 1999; the former signed a border agreement with Kyrgyzstan.⁷ The Shanghai Five group countries successfully resolved their border disputes and created a “7400 k. m. belt of peace and stability in the Central Asia.”⁸

This group of the five nations, which established their contacts for the short term task of evolving a mechanism to resolve the border dispute, later on, extended their cooperation for the long term objectives of strategic partnership, ‘fighting against drug trafficking and terrorism’, uphold “current border and to clamp down on separatist groups operating in their territories”, and forge joint venture against “political separatism especially linked to Islam.”⁹

China took concrete steps to build confidence in the military field between the Central Asian states and Russia. In this regard an agreement of Mutual Reduction in Armed Forces in the border areas was signed in Shanghai and Moscow by the head of states of Kazakhstan, China, Kyrgyzstan, Russian Federation and Tajikistan in 1996 and 1997 respectively.¹⁰ They also forged co-operation in the fields of trade and economics. In 1998, 1999 and 2000 three summits were held in Almaty, Bishkek and Dushanbe respectively where appropriate documents were signed in which contracting parties agreed to co-operate in the fields of

transport and communication. They also agreed to simplify the procedures of import and export with in the five countries.¹¹

In 2000, Uzbekistan sought the status of an observer in the Shanghai Five mechanism and on June 15, 2001, it became a full-fledge member of the organisation when the heads of the six states ¹² agreed to transit the Shanghai Five mechanism into a higher level of strategic co-operation. The member countries were of the view that

Dynamic development of the process of the political multipolarity, economic and informal globalization in the 21st century the transition of the Shanghai Five mechanism to a higher level of cooperation will contribute to more effective joint use of the possibilities that are opening up and meeting new challenges and threats.¹³

Evaluating the five year performance of the Shanghai Five all the heads of states appreciated the role played by the forum to

Meet the needs of humanity and the historical trends toward peace and development in the condition that took shape after the end of the Cold War, revealed the vast potential of good neighborliness, unity and cooperation through mutual respect and mutual confidence between states belonging to different civilizations and different cultural traditions.¹⁴

In the light of applaudable performance of the Shanghai Five mechanism, six heads of states agreed to sign a protocol of transforming the Shanghai Five mechanism into a strategic and economic co-operation of Shanghai Co-operation Organisation (S. C. O.). By virtue of the S. C. O.

declaration the contracting parties agreed to embark on the mutual tasks of:

- Strengthening mutual confidence, friendship and good neighbourly relations between the participating states;
- Encouraging effective cooperation between them in the political, trade-economics, science-technical, cultural, educational, energy transportation, ecological and other areas;
- (Forging joint) efforts to maintain and ensure peace, security and stability in the region, to build a new democratic, just and rational political and economic order.¹⁵

Notwithstanding the co-operation in the field of security, the member countries of S. C. O also agreed to use

Vast potential and broad possibilities of mutual beneficial cooperation between the participating states in the trade and economic field, exert effort to promote cooperation and diversify its forms between the participating states on the bilateral and mutual basis. To this end a negotiating process will be started with in the framework of the Shanghai Cooperation Organization on issue of creating favorable conditions for trade and investments, a long-term Program of Mutual Trade-Economic Cooperation will be developed and corresponding documents will be signed.¹⁶

In order to promote trade and economic cooperation among the S. C. O. member countries the Chinese Prime Minister Wen Jiabo, addressing the S. C. O. Prime Ministers' meeting

in 2003, “proposed to set up a free trade zone” between the member countries to “boost economic cooperation” among the member countries.¹⁷

Organisational Structure of S. C. O.

In order to achieve the geostrategic and geoeconomic goals of the organisation the member states resolved to establish the following three uppermost decision making bodies:

1. The Council of Head of States
2. The Council of Head of Governments
3. The Council of Ministers

The member countries agreed to hold “annual official meetings of the heads of state(s) and regular meetings of heads of government(s).”¹⁸ For the strong backup method, it was decided that under the auspicious of the Council of Ministers, the Foreign and Defence Ministers of the member countries would also meet annually while the Cultural Ministers would meet in the second half of the year.¹⁹

For decision making mechanism, the member countries agreed to adopt the *modus operandi* of ‘general consensus’ among the member countries, except the issue of the suspension of the membership of any member country. In connection with the expulsion of any member state from the organisation it was agreed to make decision by “consensus minus one vote of the member state concerned”.²⁰

In order to facilitate the working of the organisation and to implement the decisions of these high profiled councils the following secretarial and subordinating bodies have also been established.

S. C. O. Secretariat

The heads of states of S. C. O. in their Moscow meeting, held in May 2003, decided to establish S. C. O. secretariat in Beijing.²¹ The Secretariat was set “responsible for the provision of organisation, technical and information assistance to activities supported within the framework of SCO...”²² Furthermore, this body was assigned the tasks of :

- Collecting information from the member countries for the purpose to frame the initial agendas of the S. C. O. meetings and submit them to State Coordinator’s Council
- Organizing dialogue among the member countries on the proposed draft documents for review and approval
- Contributing in the process of drafting and implementation of the draft resolutions of S. C. O.
- “Providing protocol assistance and arrangements for S. C. O. activities and the General Secretary’s activities”
- Looking into the budgetary and funding matters of the Secretariat and S. C. O.
- Establishing liaison and communication with other international organisations and states

Council of National Coordinators

This body was formed for the purpose to coordinate and look after the routine activities of the organisation. The

prime task assigned to this body was to make arrangements for the meetings of the Head of States, Head of Governments and Foreign Ministers. It is mandatory for this body to hold at least three meetings in a year.

Regional Anti-Terrorist Structure (RATS)

In the first S. C. O summit the then Chinese President Jiang Zemin forwarded a proposal of establishing antiterrorist centre and suggested the member countries to solve their problems through friendly consultation.²³ According to the article 8 of the Declaration of Shanghai Co-operation Organisation, the member states emphasise the need of struggling for regional security; combating terrorism, separatism and extremism. In order to materialise these objectives the member states agreed to establish “a regional anti-terrorist structure of the Shanghai Cooperation Organization located in the city of Bishkek–” the capital city of Kyrgyzstan.²⁴

The establishment of the ‘anti-terrorist structure’ by the S. C. O. was the strategic triumph of the Chinese policymakers for the reason that by entering into such arrangements China has achieved its strategic goal of isolating the ‘splitist’ elements in the Xingjian Autonomous Region by winning over the support of C. A. Rs. and Russian Federation against them.

RATS is the permanent body of S. C. O. based in Tashkent (Uzbekistan). This body was assigned the task of establishing working relations with the administrative body of S. C. O. member states and strengthen coordinate with the international and regional organisations like U. N. Security Council and its anti-terrorist committee, for the purpose to meet the challenges of “terrorism, separatism and extremism” in the region. In order to curb “three

evils”— terrorism, separatism and extremism, RATS was designated to:

- Analyse data gathered from the member states on the issues related “three evils”
- “Create data bank of terrorist structure, presenting considerations on building up cooperation by the organisation against “three evils”
- Hold conferences with the objective to share experiences on the issues related to anti-terrorism, anti-separatism and anti-extremism struggles

China's Pursuits

China has multifaceted interests in the Central Asia region. For China, this region has tremendous geoeconomic and geostategic significance because this region has emerged as one of the potential economic centres of the world in the post-Cold War era. The C. A. Rs have a sizeable consumer market of about 55 million people. This area is enriched with the huge reserves of fossil fuel. These reserves are estimated at 23 billion tons of oil and 3000 billion cubic meters of natural gas.²⁵ Due to tremendous strategic and economic significance, the region has emerged as the hub of diplomatic activities. After the independence of the C. A. Rs. the Central Asia has emerged as an important region not only for Chinese but also for the Western countries and U.S. because of its richness in Uranium resources.²⁶ “Every peripheral state has embarked upon the task of influencing C. A. Rs. in order to protect their national interests and get strategic and economic benefits. As a result, “major world

powers as well as some regional powers are currently engaged in a 'New Great Game' for gaining and enhancing their influence in the region." In this regard, "each player is endeavouring to out play the other."²⁷ After 9/11, blatant attempts have been made on the part of the Western powers under American auspices to topple some the Central Asian governments in the name of "colour revolution" for the obvious reason to change balance of power in their favour.²⁸ The tug of war between the external powers coupled with intra-state ethnic conflicts and territorial disputes, the Central Asian region has been exposed to serious quarrels. Consequently, Chinese leadership has been keenly observing diplomatic activities in the Central Asian states. According to the former Chinese Premier Li Peng, China has keen interest in stability and security of the region.²⁹ China has strong reasons to be vigilant about the diplomatic activities in the region because it shares border with the Central Asian States-Kazakhstan, Kyrgyz Republic and Tajikistan. It seems understandable that any political activism across the border would ultimately influence the Chinese population of Xinjiang because bulk of the population on either side of the borders shares a common origin.³⁰ The Chinese Muslims, called Uighur, belong to same Turkic origin as the majority of the Central Asian people do.³¹

These factors have compelled China to engage herself in the Central Asian affairs. Consequently, China embarked upon a dual task of improving bilateral relations with the Central Asian states and become their partner in regional security arrangements. In this regard, China has framed a special policy towards the Central Asian states based on the four principles. In April 1994, the Chinese Premier Li Peng visited Central Asian states during his visit he forwarded the following four principals:

- Maintain good-neighbourly relations and peaceful co-existence;
- Promote mutually beneficial cooperation and prosperity;
- Respect the free choice of the people of every nation and principle of non-interference in each other's internal affairs;
- Respect mutual territorial integrity and sovereignty and maintaining the stability of this region.³²

In order to promote bilateral relations, China has been trying to resolve its border disputes with the C. A. Rs., which they had inherited from the Czar era. During the Soviet era, in 1963, China registered its territorial claims against the former U. S. S. R. on the basis that Russia, during the Czar times, occupied substantial Chinese area through "unequal treaty" of Chugu-Chak or Tarbagatai Treaty signed between Xinjiang ruler Yakub Beg and Russia in 1867. Later on, in 1871, Russians occupied Chinese territories of Kuldji, and upper valley of the Ili River.³³

In the changed circumstances of the post-Cold War era Chinese leadership instead of adopting a policy of hot pursuits regarding the territorial claims, followed course of mutually agreed resolution of the disputes. Besides putting efforts in resolving the border dispute, a significant development has been observed in bilateral relations of China and the Central Asian States in the fields of economics and trade, science and technology, culture and education. In this regard several bilateral and multilateral agreements have been signed between the Central Asian States and China.³⁴

With each Central Asian country China has signed agreements providing for bilateral cooperation in the fields of economy and trade, credit and investment. The trade is developing so fast that China has already become one of their top trading partners. Take Kyrgyzstan for example. The total foreign trade of Kyrgyzstan, the share of their bilateral trade jumped from 1-2 per cent in 1992 to 28 percent in 1996. China now ranks among its leading partners, second only to Russia.³⁵

These positive developments at bilateral levels became the source of confidence-building between the regional actors but also became the driving force for regional actors, particularly the Central Asian States, China and Russia, to enter into regional arrangements like S.C.O. and the Conference on Interaction and Confidence-building-measures in Asia (C.I.C.A.)

Analysing the above developments at regional and bilateral levels, one can safely conclude that the prime objective of China's foreign policy, after the end of the Cold War, was to avoid confrontation and promote peace and tranquillity in the region because, in Chinese perception, in turbulent atmosphere they would be unable to achieve their geostrategic and geoeconomic goals. Chinese leadership considers that conflict-prone region could provide pretext to the U.S.A and Western countries to interfere in the region and materialise their hegemonic designs. In order to check the Western and American designs, China had embarked on the policy of confidence-building by resolving bilateral conflicts and pave the way for multilateral co-operation. These moves worked as catalysts to generated conducive atmosphere for the formation of regional equation among the Central Asian States, Russia, China and other potential partners like Pakistan, India and Iran. For obvious reasons,

the regional strategic co-operation like S.C.O., would not only work as a check on the fulfilment of the Western and American designs in the region and maintain balance of power in China's favour. Furthermore, China's policy moves in the Central Asian region are also intended to uphold its national integrity by checking ethno-religious influences in its Xingjian Autonomous Region. The emergence of the Central Asian states as the independent states and the rising wave political Islam has become a source of inspiration for the separatist elements in the Xingjian region of China.

References

¹ These Principals are: 1. Mutual respect for each other's territorial integrity and sovereignty. 2. Mutual non-aggression. 3. Non-interference in each other's internal affairs. 4. Equality and mutual benefits, 5. Peaceful coexistence. For details see S. M. Burke, 1975, *Mainsprings of Indian and Pakistani Foreign Policies*, (Karachi: Oxford University Press), pp.144-153.

² Jiang Zemin's report delivered at the 15th National Congress of the Communist Party of China on September 12, 1997 entitled "Hold high the great banner of Deng Xiaoping theory for an all-round advancement of the cause of building Socialism with Chinese characteristics into the 21st century", *Beijing Review* (October 1997), p.30

³ Azmat Hayat Khan, "Central Asia: A Geo-Strategic Analysis". *Central Asia*, No. 41, Winter, 1997, p.129.

⁴ Jyotsna Bakshi, "Sino-Russian Strategic Partnership in Central Asia: Implications for India", *Columbia International Affairs Online*. Retrieved on 20.03.'05. http://www.ciaonet.org/olj/sa/sa_may01baj01.html.

⁵ Khalid Mahmud, "Shanghai Cooperation Organisation (SCO)- Beginning of a New Partnership". *Regional Studies*, Vol.20, No.1, Winter 2001-02, p.6.

⁶ *Ibid.*

⁷ Mavlin Yaseen, "Uighur-I What Those News got to do with East Turkistan". *The Mail Archive*. May 14, 2002. Retrieved February 23, 2003. <http://www.mail-archive.com/uighur-I@taklamakand.org/msg03035.html>

⁸ *Ibid.*

⁹ *Dawn*. August 26, 1999

¹⁰ "Declaration on the Creation of the Shanghai Cooperation Organization", appeared in *Spotlight on Regional Affairs*, Institute of Regional Studies, Islamabad, No. 1, January, 2002

¹¹ Yevgeny Kozhokin, "Shanghai Five: Present Realities and Future Prospects", *Strategic Digest*, Vol.131, No.7, July, 2001, p. 885

¹² President Nursultan Nazarbayev of the Republic of Kazakhstan, Chairman Jiang Zemin of the People's Republic of China, the President Askar Akayev of the Kyrgyz Republic, President Valadimir Putin of the Russian Federation, President Emomali Rakhmonov of the Republic of Tajikistan and President Ismail Karimov of the Republic of Uzbekistan.

For details see "Declaration on the Creation of the Shanghai Cooperation Organization", *op. cit.*

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ *Ibid.*

¹⁶ See Article-9 of the "Declaration of Creation of the Shanghai Cooperation Organization", *op. cit.*

¹⁷ According to *People's Daily* Chinese Premier in his addressed presented three proposals for three proposals:

1) To promote the facilitation of trade and investment in a bid to realize the smooth circulation of goods within the framework of the S.C.O. as well as to reduce and eliminate non-tariff barriers like those in custom service, quarantine, standards and transportation.

2) To set certain large projects on economic and technological co-operation and give priority to those in transportation, energy, telecommunication, agriculture, home appliances, light industry and textile.

3) To set long-term objective for regional economic co-operation and gradually set up a free trade zone within the SCO. For details see *People's Daily online*, September 15, 2003. Retrieved September 15, 2005. <<http://english.peoplesdaily.com.cn>>

¹⁸ *China Daily*, June 16, 2001.

¹⁹ *Ibid.*

²⁰ Chen Xiangyang, "Evolution of SCO and its Future Prospect" appeared in *Proceedings of the International Conference on China and the Emerging Asian Century*, Institute of Strategic Studies, Islamabad, p.47

²¹ Jefferson E. Turner, "What is Driving India's and Pakistan's Interests in Joining the Shanghai Cooperation Organization?", *Strategic Insights*, Vol.4, No. 8, 2005. <http://www.ccc.nps.navy.mil/si/2005/aug/turner05.asp>. Retrieved on February 12, 2006.

²² Chen Xiangyang, *op. cit.*, p. 46

²³ Sun Shangwu and Gao Jinan, "Six Eurasian Leaders Pledge to Improve Collaboration". *China Daily*, Beijing, June 16, 17, 2001

²⁴ See article 8, the "Declaration on the Creation of the Shanghai Cooperation Organization", *op. cit.* Later on member countries agreed to

establish Regional Anti Terrorist Structure [R. A. T. S.] based in Tashkent, Uzbekistan. The R. A. T. S. would be a permanent organ of S. C. O. The contracting parties agreed to establish R. A. T. S. in January 2004. The main functions of R. A. T. S. would be: "to coordinate SCO member activities against terrorism." Regarding the composition of the R. A. T. S. it was resolved that there should be "the Council and the Executive Committee. The Council, a decision making and leading body of RATS...composed of leading officials of the competent authorities of the member states." It was also resolved the Executive Committee would also be formed which will work as the R. A. T. 'S. routine executive body under the its Director who will be appointed by the Council of Heads of States. See "Shanghai Cooperation Organisation." Ministry of Foreign Affairs, People's Republic of China. January 7, 2004. Retrieved August 28, 2004. www.fmprc.gov.cn/topic/sco/t57970.html.

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²⁷ Ibid., p.1.

²⁸ Ibid., p. 48

²⁹ Owen Lattimore, *Inner Asian Frontiers of China*, Beacon Press, Boston, 1940, p. 171

³⁰ Robert Bittle, "Xinjiang a Land of Promise". *Beijing Review*, Vol.38, No.5, 1995, p.16

³¹ Farida J. Aziz, *New World Order-The 21st Century*, Moiza Corporation, Islamabad, 1992, p. 199

³² Remin Ribao, (*The Peoples Daily*) April 19, 1994. Quoted in Ms Shi Yuyu. 1997, "Sino-CAR Relations: Policy, the Present Situation and Prospects". K. M. Asaf and Abul Barkat, (eds.), (eds.) 1997, *Central Asia: Internal and External Dynamics* (Islamabad: Institute of Regional Studies), p. 13.

³³ Maqbool Ahmed Bhatti, "China and Central Asia". Moonis Ahmar, (ed.), *Contemporary Central Asia*, Dept. of International Relations, Karachi University, Karachi, 1995, p. 176.

³⁴ Ms Shi Yuyu, *op. cit.*, p 14-18

³⁵ Based on the talks of Kyrgyz President Askar Askayef to the Chinese press. Quoted in Ms Shi Yuyu, *ibid.*, pp.14-15. Also see Maqbool Ahmed Bhatti, 1995, *op. cit.*, pp.185-187