

CHINA AND CENTRAL ASIA: THE ROLE OF THE SHANGHAI COOPERATION ORGANIZATION (SCO)

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When the Shanghai Cooperation Organization (SCO) was founded in June 2001, it was applauded as a “brand new multilateral cooperation organization” built on the “Shanghai spirit” of equality and mutual benefits. Some even believed that it is a new Eurasian geopolitical organization that would help to form “multi-polarity” in world politics.¹ Started with security confidence building measures between China and Russia as well three Central Asian states, the SCO has transformed what is the “Shanghai Five” summit meeting mechanism, through institutionalizing, to a regional cooperation organization that maintains regional stability and security and promotes economic cooperation. Geostrategically, the members of SCO also have pledged to “strengthen their consultation and coordination in regional and international affairs, support and cooperate with each other in major international and regional issues and promote and consolidate regional and world stability.”² The rise of an organization like this that covers 60% of the Eurasian landmass and 1.5 billion of world population is significant event for world politics and major power relations. Many Western commentators were concerned that Beijing and Moscow not only formed an organization that would offset growing Western influence in Central Asia but potential Sino-Russian strategic alliance challenging US interests world-wide.³ However, as indicated by developments after September 11, Washington was not excluded from the region, rather, quickly established its military footholds in Central Asia after September 11. Central Asia is now not a place of China-Russian condominium, instead, it is a place

¹ See, for example, Zhang Mo, “Shanghai Hezuo Zuzhi de Dansheng” (Birth of Shanghai Cooperation Organization), *Jiefang Ribao* (Jiefang Daily), June 15, 2001.

² Quoted from the Joint Declaration of the Establishment of the Shanghai Cooperation Organization, June 15, 2001, Shanghai, China. The text can be found in the websites of the Chinese Foreign Ministry at www.prcmfa.gov.cn and The Russian Federation Ministry of Foreign Affairs.

³ Fiona Hill, a fellow at the Brookings Institution, first used this term to discuss the significance of the new organization. See- at <http://www.brooking.edu/>. Also see, Stephen Blank, “Towards Geostrategic Realignment in Central Asia,” Analyst, CACI Biweekly Briefing, Wednesday/October 10, 2001; Russian News Room, “Meetings of Putin in Shanghai and Ljubljana Once Again Demonstrate Ability of Moscow to Protect Its Interests,” June 22, 2001, <http://wps.wm.ru:8101/chitalka/military/en/20010622.shtml>

where three major powers- the US, Russia, and China - co-exist. Both Moscow and Beijing rendered supporting hands to Washington's war on terror following the terrorist attacks on September 11. The Sino-Russian strategic partnership in Central Asia did not unfold in an anti-West direction, and the SCO is neither capable nor directed for derailing Western interests in Central Asia. Instead, it is the common interests of anti- separatism and terrorism that have brought China and Central Asian countries together in the SCO, and it is the common weakness in projecting influence that has brought Moscow and Beijing in this organization.

China has enormous strategic interests in Central Asia. Regional stability and border security with Russia and Central Asian neighbors is vital for social stability and economic prosperity in China's Xingjiang. Central Asia is also an important source of oil and natural gas for energy-hungry Chinese economy. In history and at the present Central Asia is arena of the "Great game", and how China play out vis-a-vis two other major powers in the region would greatly affects its bilateral relations with both Moscow and Washington. To strike a balance of all these interests for Beijing, the Chinese leaders are successful to use the SCO as a policy platform to engage major powers as well as Central Asian neighbors. Diplomatically, the SCO is a sensible policy vehicle in Beijing's regional strategy and a successful case in Beijing's good-neighborhood strategy. The SCO is a new baby in Central Asia. It is the part of the region's organizational network with major powers. Although Moscow and Beijing have yet fully cooperated with one another in Central Asia, the SCO provides the institutional form for them to share power in the region. The Pentagon is keen to maintain a long term military presence in the Central Asian after Afghanistan war.⁴ What role will SCO play in balancing major powers' interests in Central Asia if the Americans are there for a long term? How will China use the SCO to achieve its policy objectives in Central Asia? These are the questions this paper attempts to address.

This paper will first review the history of the "Shanghai Five" and how it had grown to a very-quite-full-fledged regional organization. Then it will discuss three issues closely related to the questions we are trying to address: (1) What are China's interests in Central Asia? (2) How does the SCO serve China's interests in the region? (3) How and why does the SCO help to maintain relatively stable relations between major powers in the region?

⁴ New York Times, November 10, 2001.

I. The origin : From the “ Shanghai Five “ to the SCO

What is now called “ Shanghai Five “ has its origin in the border negotiation between China and the former Soviet Union starting from November 1989. China and the former Soviet Union shared a common border of over 12,000 (?) kilometers, much of it was under dispute. As part of Gorbachev rapprochement with China, Beijing and Moscow agreed to hold talks solving their border dispute in the eastern section (China’s Northeast provinces and Soviet Far East) and the western section (the borders with Soviet republics of Kazakhstan, Kyrgyzstan, and Tajikistan). Although the border drawing and demarcation took a longer time, it did not take long for Beijing and Moscow to agree on a series of confidence building measures in the border areas. When the Soviet Union collapsed in December 1991, Beijing and Moscow agreed to continue border negotiation with three newly independent Central Asian republics, Kazakhstan, Kyrgyzstan, and Tajikistan.

Sino-Russian Boundary Question. China and the former Soviet Union had a boundary line of over 7,600 km, of which the eastern section is about 4,320 kilometers and the western section about 3,300 kilometers. There exists the boundary question between the two countries left over from history. Based on the treaties concerning the present boundary between the two countries, in accordance with the recognized norms of international law and in the spirit of equal consultation and mutual understanding and accommodation, the two sides, after years of negotiations, have delimited 97% of the alignment of the boundary line and signed the Agreement on the Eastern Section of the Boundary Between China and Russia and the Agreement on the Western Section of the Boundary Between China and Russia on May 16, 1991 and September 3, 1994 respectively. On December 9, 1999 China and Russia signed Protocol on Delineation of the Eastern Section of the Boundary Line Between China and Russia and Protocol on Delineation of the Western Section of the Boundary Line Between China and Russia. The signing of the above-mentioned documents and the successful conclusion of the boundary demarcation work marks the formal confirmation in legal form of the sections of the boundary that have been agreed upon by China and Russia through consultation , and for the first time in the history of relations between the two countries the agreed-upon boundary line has been accurately staked of on the spot.

⁵ At present time the only left-over problem the two sides are still working on is the alignment of the boundary line in the areas of the Heixiazi Island and the Abagaitu Islet in the eastern section of the Sino-Russian boundary has not yet been delimited and the two sides are continuing negotiation for settlement.

In 1992, China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan began to negotiate border issues on the bilateral basis. Later, Almaty, Bishkek, and Dushanbe joined Russia to negotiate border disarmament and confidence building measures with Beijing. From 1992 to 1995, five parties held 22 rounds of negotiations. On April 26, 1996, the presidents of China, Russia, and three Central Asian republics held a summit in Shanghai and signed *Agreement on Confidence-Building in the Military Sphere in the Border Areas*. On April 24, 1997, the leaders of five states gathered in Moscow and signed the *Agreement on Mutual Reduction of Military Forces in Border Areas*. By these two agreements, the five states pledged to take steps to increase trust along the border in areas controlled by their military forces. According to the Chinese media, these two documents were the first of such agreement on border disarmament in the Asian-Pacific region and were of great political and military significance; it was a good example of trust.

Although friendly relations between China and Central Asia could be traced back up to the “Silk Road” years started from the 11th century of B.C, the border between them was never clearly defined and agreed until the collapse of the Soviet Union. China has a common border with Kazakhstan, Kyrgyzstan, and Tajikistan that runs more than 3,300 kilometers. Solving the border issue between China and the newly independent Central Asian republics provided a good foundation for their future relations. China was the one of the first countries to establish diplomatic relations with the five Central Asian republics. After the establishment of diplomatic relations, Beijing did not waste time to start border negotiation with Russia and three bordering Asian countries. In line with the principle of friendly consultation, these countries have conducted open negotiations to solve boundary problems. In April 1994 and September 1997, China and Kazakhstan signed two boundary agreements. On July 4, 1998, they signed third agreement. As a result, the 1,700 kilometer long boundary line has been set between China and Kazakhstan. On July 4, 1996 China and Kyrgyzstan signed the Boundary Agreement Between the People’s Republic of China and the Kyrgyzstan Republic. Through continuous negotiations the leaders of both countries finally signed supplementary agreement in August 1999, settling the approximately 1,000 kilometer boundary line between their respective nations. The boundary problem between China and Tajikistan is more complicated. Even so, both countries are actively working on this matter and striving to negotiate a fixed boundary line, stretching more than 400 kilometers, as soon as possible. On July 4, President Jiang Zemin’s visit to Dushanbe, the two states issued

Joint Statement of the People's Republic of China and the Republic of Tajikistan on the Development of Relations of Good-Neighborliness, Friendship and Cooperation Between the Two Countries in the Twenty-First Century. The Departments concerned of the two countries also signed the Boundary Agreement Between the People's Republic of China and the Republic of Tajikistan.⁶

Built on the border confidence building agreements, the “Shanghai Five” moved to a phase of institutionalized annual summit arrangements after 1997. The group as a mechanism of annual summit arrangement and the regional forum on Central Asian security was not institutionalized until the third summit of the five states. On July 3, 1998 the Presidents of China, Kyrgyzstan, Tajikistan, Kazakhstan, and a special envoy of Russia's president met again in Almaty, Kazakhstan discussing regional peace and stability and strengthening economic cooperation. After the meeting a joint statement of the five countries was issued. Since then the meetings of five countries have changed from bilateral meetings (China on one side and Russia, Kazakhstan, Kyrgyzstan, and Tajikistan on the other) to multilateral ones.

In their fourth summit in Bishkek, Kyrgyzstan more substance was added to the annual summit and common interests of the five began to emerge. On August 24, 1999, the presidents of the five countries held a talk in Bishkek, Kyrgyzstan. The joint statement issued after this meeting expressed an intention to strike firmly against activities disrupting regional stability. In the Bishkek summit, an agreement on combating terrorism was reached. Kyrgyzstan's proposal of setting-up of an “anti-terrorist center” in Bishkek was approved.

In preparing the 2000 summit in Dushanbe, Tajikistan, the participating countries defense ministers met in Astana, Kazakhstan at the end of March 2000 and they signed a joint communique agreeing to carry out joint military exercises and discuss improvements to the 1996 and 1997 agreements. On April 21, 2001, the persons in charge of the security law enforcement agencies of the five countries, who had met in December 1999 and decided on the foundation of the “Bishkek Group”, held a second meeting in Moscow and signed two documents. On July 4, 2002, the Ministers of Foreign Affairs of the five countries held a meeting in Dushanbe, Tajikistan, and decided to officially establish an institutionalized meeting for the Ministers of Foreign Affairs. After the meeting, the Ministers signed a joint communique with an agreement on founding a

⁶ All information is adapted from the websites of the PRC Ministry of Foreign Affairs at <http://www.fmprc.gov.cn>

Council of coordinators for the “ Shanghai Five “ countries. On July 5, 2000, the presidents of the five countries held their fifth meeting in Dushanbe and reached a common understanding to promote cooperation for the 21st century. The president of Uzbekistan attended this meeting as an observer. It was decided at the 2000 summit that it was desirable to convert the multilateral cooperation mechanism into a more formal regional institution. The rationale of a formal regional organization, as Chinese President Jiang Zemin stated on behalf of the Shanghai Five, would be:

- To expand and perfect the “ Shanghai five “ meetings and institutionalize this mechanism in order to gradually develop a comprehensive, cooperative institution at many levels, covering multiple fields;
- To further strengthen security cooperation and support one another against threats to the regional security;
- To promote bilateral and multilateral economic and trade cooperation
- To promote cooperation in international affairs

In the “ Dushanbe statement “ issued after the summit meeting, the leaders of the five states stressed that the institutionalized meeting of the “ Shanghai Five “ had embodied the new style of international relationship on the basis of equal cooperation as well as mutual trust and benefit. The cooperation of the five countries does not represent an alliance; it is not at the expense of relations with other nations and is not directed against any third country.

The 2001 Shanghai summit marked the official transformation of the “ Shanghai Five “ process to an international organization. After signing two border-area disarmament and confidence building agreements in 1996 and 1997, the “ Shanghai Five “ process was first transformed into a summit meeting mechanism to monitor the implementation of disarmament cross the borders of the five neighboring states. As its functions expanded to include fighting against terrorism, separatism and extremism (the so-called “ three evil forces “) and economic cooperation in the region, the leaders of the states found necessary to move on to a formal multilateral international body.

In Shanghai, the leaders of six states (original “ Shanghai Five “ plus Uzbekistan) signed the Declaration on the Creation of the Shanghai Cooperation Organization. The goals of the organization are broadly stated in the Declaration as: “ strengthening mutual confidence, friendship and good-neighborly relations between the participating states; encouraging effective cooperation between them in the political, trade-economic, scientific-technical, cultural, educational, energy, transportation, ecological and other areas; joint efforts to

maintain and ensure peace, security and stability in the region, to build a new democratic, just and rational political and economic international order.” The new organization, as it declared, is “not an alliance directed against any other states and regions.” But the member states pledged to “consult and coordinate “their actions on regional and international, problems, render mutual support, and establish close cooperation on key international and regional issues, jointly contribute to the strengthening of peace and stability in the region and the world proceeding on the basis that preservation of the global strategic balance and stability is of signal importance in the present-day international situation.” The organization structure of the SCO is relative loose. It is largely built on a regular meeting mechanism at different levels, which include the head of the state, prime minister, and the competent ministries and agencies of the participating states. The Council of National Coordinators is the point of contact and the central coordinating body, which is charged with drafting key documents and preparing high level meetings.

Although the goals of the SCO are very broadly defined as a regional cooperation organization, the foundation of the SCO is largely built on potential cooperation in three areas: (a) regional stability and anti-three evil forces; (b) economic cooperation ; and (c) potential strategic cooperation. Maintaining regional stability is the foremost objective of the SCO and that is where national interests converge and action is taken. In the 2001 Shanghai summit, one of the most significant results was the Shanghai Convention on the Crackdown on Terrorism, Separatism and Extremism. Although still pending legislative ratification, the Convention would be the most important achievement for the SCO. The battle with the “three evil forces“, the heads of states agreed to formally establish the SCO anti-terrorism centre in Bishkek of Kyrgyzstan, followed the model of the similar center established by the CIS Collective Security Treaty.⁷ In addition, the member states pledged to work out corresponding documents of multinational cooperation in a bid to curb illegal arms smuggling, drug trafficking, illegal migration and other criminal activities. Implementing the treaty, it would provide legal basis for Chinese military forces in Central Asia for anti-terrorism purposes.

On the economic front, the SCO members pledge to make use of the great potential and extensive opportunities in trade and economic cooperation among the member states. The first prime-ministerial level meeting of the SCO took

⁷ In the SCO summit in May 2003, the leaders of member states agreed to move the anti-terrorist center to Tashkent.

place in September in 2001 in Kazakhstan and the second one in October 2003 Beijing. A vision for future cooperation and agenda was drawn up in the meetings and some large joint projects in transportation and energy cooperation will take place soon. Other cooperation initiatives, such as the Chinese proposal for the six ministers of culture to meet, were also adopted. Cooperation in various functional areas will be instrumental for the long-term institutionalization of the cooperation, insofar as it involves the political socialization of the next generation. The Central Asian states are keen in the SCO from the potential economic benefits of the organization. After independence, these countries all suffered tremendous economic difficulties. They are resource rich and hope to reach out toward the world market place through more regional economic cooperation.

Potential strategic cooperation in Eurasia and even on the world stage is a big lure of the SCO, but the ambivalence surrounding it especially after September 11 cast some doubts in it. As its name indicates, it is not just a loose forum like the ASEAN Regional Forum (something like what Moscow used to refer to as the “ Shanghai Forum.”) It is a formal regional organization of a new kind. It is not a military bloc or political alliance. Rather, it is formal international organization of a regional cooperation. (*Di Qu Hezuo Zuzhi*) named after its birthplace of Shanghai.⁸

II. China's Interests in Central Asia

China's interests in Central Asia mainly lie in four areas: (1) to maintain stable and peaceful borders with Russia and Central Asian states, which is pivotal for the economic development of Xinjiang and other western provinces; (2) to cut of any international linkage with its domestic separatist forces in Xinjiang, which is grave national security concerns for Beijing; (3) to diversify and secure China's access to the sources of energy for its economic growth; and (4) to extend China's influence to this region, which would be beneficial for China's geopolitical position in the post-Cold War strategic environment.

The end of Cold War provided an opportunity for China and Russian and Central Asian neighbors to form some stable border security regimes on their

⁸ It was somewhat ironic that Beijing, which now seems poised to benefit most from the organization, at first opposed the transformation of the Shanghai Five into the SCO. Beijing's position changed only after Sino-U.S. relations turned sour when a conservative Republican president came to the White House in January 2001.

common boundaries. However, as the danger of inter-state military conflicts fades off, the challenge from Muslim separatism and radicalism is on rise. China, Russia and the Central Asian republics are all concerned about Muslim radical movements in their territories and around their borders. Since the 1970s, the Turkic Muslim Uighurs in the Western Chinese province of Xinjiang, 7 million strong, has been conducting a violent struggle for independence. They have killed police and soldiers, planted bombs, and robbed banks. In 1997, they exploded a bomb in Beijing, wounding 30 people. They have also developed connections to radical Islamic movements and are training a religious schools (medrese) and camps in Afghanistan and Pakistan. Stability in Xinjiang is important to China. It is seen as a test case of central control, relevant to Beijing's grip over Tibet and Inner Mongolia. Xinjiang is also viewed as a traditional buffer against Turkic Muslim invasions from the Northwest. And it contains three major oil basins: the Turpan, Jungar and Tarim, with up to 150 billion barrels of reserves, according to some optimistic estimates. The People's Liberation Army maintains numerous bases and nuclear weapons testing grounds in the region, which could be threatened if the Uighurs gains control. Uyghur militants are acquiring much wider connections to the world-wide Jihad movement than ever before, forcing Beijing to cast an equally wide net to contain them. China has no option but to become a major player in Central Asia due to this rising tide of Uyghur unrest in Xinjiang province, along with security threats along its long and porous borders with three Central Asian republics, weapons and drug smuggling, and Islamic militancy from Taliban controlled Afghanistan.

Russia is in a similar position as it has security concerns in Chechnya and other parts of the Federation. Radical Muslim penetration of other North Caucasus autonomous republic, such as Daghestan, is increasing, as evidenced by non-Chechen participation in terrorist activities in Russia. The Russian leaders fear a chain reaction among the country's 20 million Muslims. In the long term, the threat of Muslim insurrection in Central Asia looms ever larger. The ruling regimes, allied with Russia, suffer from a lack of both legitimacy and democracy. With economic reforms in Central Asian countries sputtering or stalling, corruption runs rampant, GDP's are flat, and living standards are abysmally low; Islamic radicals are busily recruiting and training the next generation of Jihad warriors. The radical drug-pushing Taliban regime across the Amu Darya river is menacing. A flood of drugs and weapons overwhelms the Russian expeditionary force (the 201st Infantry Division) on the Tajik-

afghan border, while indigenous support, corruption, and political maneuvering by Moscow and Dushanbe prevent Russia and the Tajiks from wiping out the Islamic rebels. The Central Asian governments are secular and authoritarian regimes, transformed from the former Soviet Union system. They are used to rely upon their traditional ties to Moscow as life insurance. And Russia believes it must either fight the Islamists in the desert of Central Asia or face them in Northern Kazakhstan, where many ethnic Russians reside. Russia finds its options limited: to face the instability in Central Asia on its own or to bring in China as a partner.

Xinjiang's stability is a significant concern for Chinese leaders because of the region's importance to China's continued economic development, national security and territorial integrity. In Xinjiang there are fears that a loosening of Chinese control might encourage non-Chinese populations in other regions, such as Tibet or Inner Mongolia, to increase their own separatist activities, or weaken the credibility of China's commitment to reunification with Taiwan. In the security realm, Xinjiang has historically served as a buffer against potential aggressors from the mountains and steppes northwest of China. The region's vast open spaces and relatively small population make it an area in which the People's Liberation Army (PLA) can conduct both nuclear tests and large-scale conventional military exercises. Xinjiang is primary source of energy for Chinese economy. The region's most prominent resource of energy is oil. There are three oil basins within Xinjiang's boundaries- the Turpan, Junggar, and Tarim. The Tarim basin is reportedly the largest unexplored oil basin in the world, with some estimates of potential reserves ranging as high as 147 billion barrels.⁹ Xinjiang's oil resources are vital to China's future energy security, particularly as its large eastern oil fields- the Daqing, Shengli, and Liaohe- mature and begin to decline in production.

China's trade ties with Russia and Central Asia gained new prominence in recent years. In 1997, China and Russia agreed to set a target of \$20 billion for bilateral trade by the year 2000. Although they are still running far behind the target, bilateral trade has picked up rapidly in last few years. China and Kazakhstan, China's largest Central Asian trading partner, set an ambitious, but perhaps more feasible, goal of \$1 billion for the same period. Increasing trade along its Russian and Central Asian borders serves a number of interests for

⁹ Kathy Chen, "Foreign Oil Companies Find Risks in Exploring China's Tarim Basin", *Walt Street Journal*, October 10, 1994, p.A1. Cited in Mamdouh Salameh, "China, Oil and the Risk of Regional Conflict," *Survival*, Vol. 37, No. 4, Winter 1995-1996, p. 139.

the PRC. First, it broadens Sino-Russian and Sino-Central Asian relations beyond issues of security. Increased trade generally fosters greater economic opportunity and cooperation between the countries involved. Sino-Russian and Sino-Central Asian relations will become more stable as each country plays a larger role in the economic development of the other. The expanding trade links with Russia and Central Asia are also viewed as means to enhance economic development in China's interior regions. This is not only consistent with the general economic policy of "opening up", but also way to address growing problems of uneven development among China's diverse regions.

Greater economic development, fueled by increased trade with Central Asia, is a central component of Beijing's approach to fighting separatism and maintaining long-term stability in Xinjiang. Chinese leaders hope that increased economic interaction with Central Asia will strengthen the secular governments of the region against religious or ethnic-based groups who might actively support separatist groups in Xinjiang. Increased trade will enhance stability within the potentially volatile countries of Central Asia. This goal is more relevant to China's policy toward Central Asia than its policy toward Russia. As discussed earlier, unrest in Central Asia holds a much greater potential for affecting China's own internal stability than does unrest in Russia.¹⁰ China is building up railway networks with Central Asian states. With more developed railway networks across borders, the volume of trans-Eurasian rail trade will increase. For their part, the governments of Central Asia share many of Beijing's concerns about the dangers that transnational ethnic or religious groups pose to regional stability. Their secular policies and sensitivity to Chinese concerns over "separatist" groups operating out of their countries have made it easier for China to pursue more open economic policies. Sino-Central Asian joint declarations uniformly stress the need to oppose all forms of "ethnic separatism," and prohibit "organizations and forces from engaging in separatist activities in the respective countries against the other side."

III. The SCO and Sino-Russian Relations

There is little doubt that the main driving force behind the SCO is Sino-Russian strategic cooperation in Central Asia and both Beijing and Moscow have convergent as well as divergent interests in the region, which create limits and shadow about the future of the organization. After the Cold War, both

¹⁰ Lillian Craig Harris, "Xinjiang, Central Asia and the Implications for China's Policy in the Islamic World", *China Quarterly*, No. 133, March 1993, p. 123.

Beijing and Moscow view Central Asia, with its weak governments and rich natural resources—especially oil and gas—as its future natural sphere of influence. When the Soviet Empire collapsed ten years ago, the “power vacuum” in the region posed the danger that there would be a series of ethno-religious unrests and regional chaos among the former Soviet republics of Central Asia, and that would lead to an “Islamic implosion” threatening regional stability.¹¹ Although none of them actually happened, or, at least, have been materialized in a dramatic way, Central Asian security is still fluid and volatile. The regional security structure has been slow to take shape. After the collapse of the Soviet Empire, the Central Asian states have made high-profile moves toward cooperative regional security structures in which outside powers most often play the leadership role, first, the CIS Collective Security Treaty led by Russia, and then more recently, the Shanghai Cooperation Organization (SCO) led by China and Russia. The recent institutionalization of the SCO demonstrates that Moscow and Beijing hope to be the decision makers in Central Asia, possibly to the exclusion of Turkey, Iran, and the United States. What remains to be seen is how effective the two countries will be against the Taliban, the Islamic Front of Uzbekistan, and the organization of Osama bin Laden.

The SCO not only serves the two countries’ regional interests but also strategic interests in global politics. Beijing and Moscow share the desire to counter U.S. global supremacy and the West’s pressure on them regarding the rights of independence-seeking ethnic minorities (and human rights in general), which furnished much of the impetus for a friendship treaty between Russia and China as well as the creation of the SCO. Both China and Russia vehemently opposed the policy of NATO-led “humanitarian interventions”, such as the Kosovo war, which was not sanctioned by the U.N. Security Council. The Chinese leaders have repeatedly declared that “hegemonism and power politics” are the “main source of threat to world peace and stability” as well as China’s interests.⁷ The Chinese and Russian media often point to “U.S. hegemonism” and “U.S. power politics”, and call for the “establishment of a new international order” under United Nations tutelage.¹² The reason for Russia’s willingness to support China’s security interests and vice versa may lie in the fact that each

¹¹ See, for example, Shirin Akiner, ed., *Political and Economic Trends in Central Asia* (London, 1993).

¹² Peng Shujie and Quian Tong, “President Jiang Zemin and President Putin Hold Talks”, Xinhua Domestic Service in Chinese, reported as “Jiang Zemin, Putin Hold Talks, Sign Documents”, FBIS-CHI-2000-0718.

country now views the other as its “strategic rear.”¹⁴ Russian leaders have often stated that the threats to Russia are NATO enlargement to the East¹⁵ the radical Islamic forces active in Chechnya and among Moscow’s Central Asian allies. Beijing views U.S. predominance in the post–Cold War world—from its success in the Gulf War to its support of Taiwan security—as important threats to China. Russia has stated that “there is only one China” and that Taiwan is China’s “internal affair”, while Beijing has expressed unequivocal support for Russia’s strong-arm tactics in Chechnya.¹⁶ A world system that is not dominated by one country is attractive to both Moscow and Beijing for similar reasons: Economically, it offers them alternative sources of technology, financing, and markets for their raw materials, goods, and services. Moreover, an overburdened U.S. military would pose less of a risk to Russia and China in the regions where they assert their own power. Alternative poles of power in which there is a proliferation of weapons of mass destruction would force the United States to spread its resources thinly to deal with evolving crises in different regions simultaneously.

Russia’s vested interest in SCO is a natural extension of the stable order with China and its Central Asian neighbors. Moscow has security headaches in the Trans-Caucasian and the source of separatism, terrorism, and religious extremism is closely linked with Islamic militancy in Afghanistan and Central Asia. Central Asia, back to the Soviet years, is considered as a backyard as well as the soft underbelly of Russia. Moscow is concerned with the Western penetration into the region and the SCO, in addition to the various institutional arrangements Moscow has knitted since 1991, would serve as a shield for such defense. The Central Asian republics’ behavior was more than a jump on the bandwagon.

They are concerned with going back to the old Soviet system, on one hand, and on the other hand, they like to forge a more equal and stable relationship with Russia. They have played a balancing game with other major powers to maximize security benefits. They share the common security concerns of Islamic militant forces to their domestic stability. They want to use the SCO to fence off threat from the south. Uzbekistan’s motivation was more complicated. In its bid for a leadership role in the region with Kazakhstan, it could not afford to be excluding out in this important regional grouping.

The name debate also reflected on the difference over the vision and mission of the SCO. The orientation of SCO was first played out in the Chinese media as an organization in promoting the “multipolarization” of world politics

and the foundation of a “new world order” based on “democratic, fair and rational” principles. But in the run-up to the Shanghai summit in 2001, the Chinese press began to stress the pre-existing propaganda strategy against the “three evil forces” of separatism, terrorism and (religious) extremism. For Western-targeted media, this was couched in terms of “law-enforcement cooperation.” But, as in the cases of other regional organizations, economic cooperation and trade relations are an important pillar of the SCO.¹³ On the economic front, China may have longer shot in the SCO than Russia.

Developments in Sino-Russian relations in recent years have attracted lot of attention in the West. The prevailing impression is that Moscow and Beijing have forged an opportunistic partnership driven by shared reactions to Washington. Russia has drawn closer to China whenever NATO expansionism or resort to force occurs. Each sign of Taiwan’s shift toward formal independence backed by US weapons sales or human rights rhetoric pushes China into Russia’s arms. Given weak economic ties and persistent distrust in interpersonal relations involving Russians and Chinese, it is usually thought that if only Washington exercises restraint bilateralism is unlikely to gain much ground. After all, Washington has a tremendous repertoire of economic means to keep Moscow and Beijing largely oriented to the West. However, many ignore that Sino-Russian nationalist intensity and growing arms sales signify a stronger and more lasting reaction to American power than is usually acknowledged. This marriage of convenience is now being bolstered by Vladimir Putin’s security mentality and Jiang Zemin’s growing support for assertive policies. Much of what were thought to be irreconcilable differences turned out to be of secondary significance.

We have yet to awaken to some of the driving forces of the Sino-Russian partnership. They include a shared need for stable borders and national integrity, a common enemy in Islamic fundamentalism and Central Asian disorder, and even a joint realization of navigating a dangerous transition from traditional socialism in a world dominated by capitalist globalization. To these forces we must add a mutual feeling of bruised national identity versus the United States that reaches well beyond the preoccupation with NATO or Taiwan. By taking a closer look at the way the Russia factor has operated in China and the China factor in Russia, we can gain new appreciation for the strength of bilateral ties over the next decade or longer.

¹³ “Planning a Long-term Cooperation among the Six Nations: An Interview with Assistant Foreign Minister Liu Guchang”, *Xinhua*, June 12, 2001.

In Central Asia, a stable Russian-Chinese relationship will probably lead to a more peaceful, and less antagonistic relationship between China and Central Asia. In a meeting with Qian Qichen, his Chinese counterpart, then Foreign Minister Kozyrev remarked that “Central Asia should remain a CIS sphere of influence and not a sphere of extremist forces, and, in particular, of Islamic fundamentalism. And in this I think, we can count on mutual understanding from our great neighbor.” Qian responded that Russia and China “have common interests in preserving stability in the Central Asian region,” and that Chinese policy towards Central Asia would take into account the close ties that had been established over time between Russian and the region.¹⁴

However, there is also a growing concern for Russia is China’s expanding influence, and some in Moscow are worried that the SCO could end up abetting Beijing’s efforts to expand its influence in Central Asia. When the Shanghai Five began to take shape in 1996-97, Russia viewed it as a potentially effective method to manage Central Asian geopolitical developments, the diplomatic source says. Russian policy makers, in effect, hoped the organization would help them retain a traditional level of influence over Central Asian events. From the start, however, Central Asian member states - Kazakhstan, Kyrgyzstan and Tajikistan - were reluctant to rely on Russia’s guidance. The three Central Asian states, for example, reached border delimitation agreements with China during the late 1990s, without ever consulting with Moscow.

At the 2001 Shanghai summit, however, not only Karimov, but also Tajik President Imomali Rahmonov called for improved relations with China. Beijing’s growing relationship with Central Asian states has already created difficulties for Russia. The source pointed out that the Chinese stance in bilateral discussion with Russia over the use of water resources has hardened. China is considering diverting waters from up to 30 rivers originating in northwestern Xinjiang Province that flow into Kazakhstan and Russia. Russian officials oppose the plans. Comments made by Uzbek President Islam Karimov seemed to underscore Russian worries. In a report broadcast on Uzbek television on June 16, Karimov stated clearly that he would not take orders from Moscow, expressing concerns of his own that Russia might try to manipulate the SCO to mount a campaign against US strategic initiatives, such as NATO expansion and a missile defense shield. “I have put my signature under

¹⁴ ITAR-TASS World Service in Russian, 13.00 GMT, November 25, 1992, p. 3, cited in FBIS-SOV, November 27, 1992, 9.

ideas expressed in the Shanghai Cooperation Organization declaration. ... It says: cooperation, cooperation, cooperation,” Karimov said. “This organization must never turn into a military political bloc. ... It should not be against any country, should not join certain trends, should not organize subversive activities against third countries.” In another sign of defiance, Karimov stressed a desire for improved Chinese-Uzbek ties. “The sympathies of Chinese leaders and the Chinese people, as a whole, lie with the Uzbek people,” Karimov said. “We should be interested in creating long-standing relations with China.”

As the Shanghai Five transformed to SCO, Moscow is increasingly encountered headache in the region, which is Uzbekistan. Uzbekistan’s President Islam Karimov attended the 2000 summit in Dushanbe as an observer, and at the beginning of this year he communicated through diplomatic channels his interest in joining the revamped organization. After that request was favorably received, he announced the move to the press in mid-May. Uzbekistan’s adherence to the group. Uzbekistan wavered over the last two years concerning its cooperation with the Shanghai group, because Karimov did not wish to fall under the influence of a security umbrella extended from Moscow. That is why he sought to establish a special relationship (“strategic partnership”) with Washington in the mid- and late 1990s. However, a rapprochement with Moscow has been clearly in evidence since about a year ago. Uzbekistan’s admission to the SCO is a natural development of the consolidation of regional international systems after the end of the transition from the post-Cold War period. It is, however, possible that Uzbekistan’s membership will complicate the functioning of the nascent SCO, engaging Russia and China more deeply and more quickly in Central Asia than may otherwise be anticipated. This is possibly the cases since the source of instability in Uzbekistan differs from that in the other SCO participants. In Uzbekistan (and to a lesser extent in China’s Xinjiang), instability results more from the government’s domestic policies than from the militancy of any external terrorism groups. Uzbekistan’s inclusion in the organization has the potential to create headaches.¹⁵

Despite their frustrations, Russian officials decided to proceed with the formal transformation into the SCO. However, the aspirations of the Russian establishment now appear more limited - with some policy-makers viewing the SCO as largely an alliance of convenience with the limited aim of

¹⁵ See “Russia Has Misgivings about Shanghai Cooperation Organization”, *Eurasia Insight*, June 20, 2001, [http:// www. eurasi an.et.org](http://www.eurasi an.et.org).

containing Islamic radicalism. When asked about the future direction of the SCO in a news conference following the Shanghai summit in June 2001, President Putin said, "Above all, of course, that's a mechanism of consultations: both high-level consultations and those at the level of specialists, of experts. It has already been developed and the use of this mechanism will continue, but with regard to the fact that the organization is becoming engaged in many fields, and will be concerned not only with the problems of regional security, but also with cooperation in the broadest meaning of the word." When asked on the significance of the convention on fighting terrorism and separatism, does this mean that that remains after all the most important question for this organization? Putin treated it very diplomatically. He said that "If you took notice, I said about the slogan of the Shanghai Economic Cooperation organization being newly created - it's security through partnership. I personally and my counterparts would like to move the problem of security precisely into this sphere. We hope that by developing cooperation in the region across the board in the fields of culture, education, science, and interaction in the economic sphere, we will create conditions that will by themselves influence the problem of security beneficially."¹⁶

China is poised to benefit the most from the SCO. However, Central Asia is not Beijing's foreign policy priority, and Chinese leaders understand well that Central Asian states' old connection with Moscow could not be broken overnight. Not facing any immediate and serious danger from Central Asia, Chinese leaders formulated their long term Central Asia strategy with considerable confidence. Driven by its domestic development strategy, Beijing's Central Asia policy is a natural spinoff of the economic development strategy. It emphasizes the long-term stability of the region, which not would threaten Xinjiang, and increase Beijing's long term economic and political influence in the region. While China is sensitive to Moscow's role in the region, it mainly pursues an economic-based approach to Central Asian states to enhance the prospect of regional stability. As one commentator observes, "there is no uncertainty about China's intention, and ability, to play a major role in Central Asia for the foreseeable future. Even if China's vision of a modern Silk Road is never realized, an economically dynamic and militarily ascendant China seems destined to exert tremendous influence over neighboring Kazakhstan and Kyrgyzstan."¹⁷ Beijing does not look for head-on-head competition with Russia in

¹⁶ Russian Foreign Ministry website.

¹⁷ Ross H. Munro, "Central Asia and China", in Michael Mandelbaum, ed., *Central Asia and the World: Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan, Turkmenistan* (New York: Council on Foreign Relations Press, 1994), p.236.

the region. Moscow understands that the organization will increase China's political and economic presence in these Central Asian nations. But the question is: Is it conducive to Russia's long-term interest in the region? One Russian official involved in the high-level negotiation with China stated that Beijing fully acknowledges Russia's special interest in building the relationship with these Central Asian nations. China does not take Russia as its target when it develops relationships with these countries. According to him, both countries cooperate on multilateral bases and do not foresee any challenge.

IV. Washington's Entry into Central Asia and the SCO

Although the U.S. did not have vital interests in Central Asia before September 11, Washington acted swiftly and made a quick headway into the region following the terrorist attacks on September 11. The U.S. interest and penetration in the region serve not only a stimulus for Sino-Russian cooperation there but also wedge between Beijing and Moscow.¹⁹ After the breakup of the Soviet Union, the international politics of Central Asia, to some extent, bores similarities of the "Great Game" of the 19th century.²⁰ The newly independent states lacked any clear sense of national and regional identities beyond the simple need of survival as independent entities. States adjacent to the region all tried to exert their influence through ethnic or religious bond to Central Asian states.²¹ Turkey and Iran, with their cultural, linguistic, and religious ties, possess the greatest will to get involved in the region. However, the economic realities of the countries do not allow them to become major players in the region, China possesses the capabilities to penetrate in Central Asia, but Beijing does not want to expand its influence at expense of its new strategic relations with Russia. Instead, China has sought a more moderate economic approach that supplies the area with vital trade while staying clear of any security guarantees. That leaves the United States as a major external player in the region.

¹⁸ Mr. Logvinov's interview with Kanwa magazine, see *Kanwa* May 10, 2001.

¹⁹ See Ted Galen Carpenter, "Bush Tries to Drive a Wedge Between Russia and China," Cato Institute, August 3, 2001; and International Crisis Group report, "*Central Asia: Fault Lines in the New Security Map*" (Brussels), 4 July 2001, www.crisisweb.org/projects/showreport.cfm.

²⁰ See Peter Hopkirk, *The Great Game: The Struggle for Empire in Central Asia* (New York: Kodansha International, 1990).

²¹ Martha Brill Olcott, *Central Asia's New States: Independence, Foreign Policy, and Regional Security* (Washington, D.C.: I.I.S Institute of Peace Press, 1996); and John Anderson, *The International Politics of Central Asia* (Manchester and New York: Manchester University Press, 1997).

Before September 11, the major goals of U.S. policy toward the region were to foster stability, democratization, free market economies and trade, denuclearization in the non-Russian states, and adherence to international human rights standards. These goals were supported by another priority of U.S. policy ~ to discourage attempts by radical regimes and groups to block or subvert progress toward these goals or otherwise threaten regional and international peace and stability. While a consensus appears to exist among most U.S. policymakers and others on the general desirability of these goals, others urge different emphases or levels of U.S. involvement. Many of those who endorse current policy or urge enhanced U.S. aid for Central Asia support the view that political instability in Central Asia can produce spillover effects in important nearby states, including U.S. allies and friends such as Turkey. They also point out that the United States has a major interest in preventing terrorist regimes or organizations from illicitly acquiring nuclear weapons-related materials and technology from the region. They maintain that U.S. interests do not perfectly coincide with those of its allies and friends, that Turkey and other actors possess limited aid resources, and that the United States is in the strongest position as a superpower to influence democratization and respect for human rights in these new states. They stress that U.S. leadership in world efforts to provide humanitarian and economic development aid will assist in alleviating the high levels of social distress in the region, distress that is exploited by anti-Western Islamic fundamentalist movements seeking new members. Although many U.S. policymakers acknowledge a role for a democratizing Russia in the region, they stress that U.S. and other Western aid and investment strengthen the independence of the states and forestall Russian attempts to re-subjugate the region.²²

Russia and China are also wary about U.S. oil and gas interests in Central Asia and the Caucasus, which Moscow fears will further diminish Russian political and military influence in these former territories of the Soviet Union. Thus, although one cannot altogether rule out Russian approval for coordinated U.S.-Russian military action against Afghanistan, it is highly unlikely that Moscow would sanction U.S. use of its military bases in Tajikistan for such purposes. Similarly, the convergence of U.S. and Russian views about the Taliban's role as a promoter of terrorism does not extend to any of the

²² Jim Nichol, "Central Asia's New States: Political Developments and Implications for U.S. Interests," Congressional Research Service/Foreign Affairs, Defense, and Trade Division, IB93108, March 31, 2000.

parties on the Department of State's list of state sponsors. Indeed, Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria all maintain good political relations with Moscow. The Caspian region is one of the world's greatest unexplored deposits and many of the world's largest oil companies are exploring, producing and exporting it. Azerbaijan, producer of half the world's oil 100 years ago, is at the forefront of attracting investment to exploit its reserves, as is Kazakhstan, which probably contains more oil than all the others. But they are landlocked states. Moving oil to markets means building pipelines across other countries. That means influence and where there is influence to be had there are big powers trying to gain it. The United States, the world's biggest fuel user, has its own preferred route: west from the Caspian across Azerbaijan, Georgia and NATO ally Turkey to the Mediterranean, limiting the current dependence on the Persian Gulf and Russia. China is also in the Game, seeking pipelines east to feed its burgeoning energy demand. Pakistan and India want to see lines coming south, but since this would mean crossing war-torn Afghanistan such hopes seem remote.

While Sino-Russian cooperation in creating the SCO and keeping the West out of the region seemed to be rather successful until up to September 11. The terrorist attack on September 11, completely changed geopolitical map in Central Asia again. A month ago, it would have seemed absurd to predict that American ground forces would be stationed in Central Asia. The success of the SCO was evidenced by the apparent success in bringing Uzbekistan into the fold. The foreign policy of this key country in Central Asia was during the entire 1990s heavily pro-American. Decreasing American diplomatic activity in the region and Islamic insurgency problems nevertheless drew Tashkent reluctantly closer to Moscow and Beijing in the last few years. In this context, the recent events provide an opportunity for Uzbekistan, and possibly also for other Central Asian states such as Kazakhstan, to break free from the Russian-Chinese condominium and improve political and military ties to the United States. The increased American presence, which amounts to an opportunity for Central Asian states, hence runs counter to Chinese interests in the region.

The U.S. war in Afghanistan has helped itself to build a stronghold at China's doorstep. Whereas China supports the fight against terrorism and worries about Islamic radicalism in Afghanistan affecting it, it is also wary of American military presence near its border. Indeed, China had spent considerable energy creating the Shanghai Cooperation Organization, one

of whose principal aims was to minimize western influence in Central Asia. Hence China's attitude to the war on terrorism will depend on what its consequences will be for the region. Most importantly, the U.S. relationship with both Pakistan and Central Asian states has changed substantially, something China cannot overlook. China is concerned of the global and regional political and economic implications of the U.S. war in Afghanistan. China would not mind seeing Bin Laden removed or a more moderate government in Afghanistan, and hence Beijing does seem to share many of the U.S.' fears and possible goals. However, it is hindered by economic, political and domestic considerations to militarily engage in the hunt for terrorists, despite China's support of the combat of terrorism, and separatism. China has been able to find a common interest with Washington in fighting terrorism and separatism in the region. Removing Taliban regime helped to cut off the external linkage of Uyghur separatists in Xinjiang. Many Uyghurs have been trained in Bin Laden's camps.

Through institutionalizing the SCO mechanism to combat terrorism and separatism in the region, China was able to keep its Muslim separatist movement under check. Chinese leaders have considered whether acting against Islamic radicalism with the support of Russia and USA is preferable to a regional organization like the SCO. It seems that between these options, the second is more fit to the interest of Beijing's cautious policy-makers. Hence Beijing will support the struggle against terrorism in so far as that is compatible with China's internal and regional security. Meanwhile, as the decision to extend military assistance to Tajikistan and joint military exercises with Bishkek and Almaty show, China will remain engaged in Central Asia.

After 9/11 the first and most apparent one is the deep support among the Russian people and across the Russian political spectrum for forceful action to combat terrorism. Less obvious, but perhaps more significant, is the priority President Vladimir V. Putin has attached to moving Russia forward economically. This goal is intimately linked to his success in gaining inclusion for Russia in what is often referred to as a new economic and security community. Russian military cooperation with the U.S. to fight international terrorism is probably perceived by Putin as a golden opportunity to achieve membership in this community. The extent of U.S.-Russian military cooperation is likely to hinge on the willingness of both sides to make key concessions. The U.S. must treat Russia as an equal and integral partner rather than a short-term, junior associate. The U.S. also will need to make sincere efforts to

forge a truly multilateral coalition and to seek an international legal mandate to employ military force. This latter requirement will be difficult to obtain.

V. Conclusions: China and the SCO's Future

The SCO serves China's foreign policy toward Central Asia in multiple ways. First of all, built on border security regimes of the "Shanghai Five," the SCO is getting further institutionalized in combating transnational separatism, terrorism, and radicalism. China supports strong anti-terrorism measures due to concerns about its own vulnerability to terrorism in its vast northwestern territories of Tibet and Xinjiang. Since the late 1980s, Muslim separatists in the Xinjiang Uyghur Autonomous Region have posed an increasing threat to China's territorial integrity. Xinjiang makes up one-sixth of China's total land area. This vast but thinly populated (16.6 million) region holds potentially large oil deposits (though these are unconfirmed) and China's nuclear weapons testing site. In recent years, Muslim separatist movements have increasingly resorted to violence, including bomb explosions, assassinations, and street fighting. The central government has responded to the unrest with unrelenting resolve. Islamic fundamentalist elements in Central Asia, Afghanistan, and the Middle East have reportedly trained some of the individuals responsible for these attacks. More worrisome, such attacks may have spread to major cities in China. Through the SCO, China has sought closer cooperation with the governments of the Central Asian republics. Anti-terrorism has become a major focus of the SCO. The anti-terrorism center of the SCO will be soon operating in Tashkent. The Shanghai Cooperation Organization is a critical part of Chinese efforts to stem and eradicate external links to domestic separatist and terrorist cells. Beijing has also reached out to states in the region suspected of providing havens for terrorist organizations. One of Chinese security scholars argued that "China has made some achievements in cooperating with other countries to combat separatists and terrorists. For instance, the Shanghai Cooperation Organization has been successful in employing political means to clamp down on terrorism in this region. The US can learn from China."²³

²³Yan Xuetong, "Great changes to take place in global economic and political situation: An interview with Yan Xuetong, director of the International Affairs Research Institute at Tsinghua University," Liu Jianfeng, *China Economic Times*, September 13, 2001.

The argument that China worries about the likely expansion of the U.S. military presence in Central Asia is not totally nonsense. One legacy of the 1990-91 Gulf War is an enlarged permanent U.S. military presence in the Gulf and Saudi Arabia. Military operations against Osama bin Laden in Afghanistan could bring U.S. armed forces to South and Central Asia, with which China shares over 5,000 kilometers of borders. Some people believe China is worried that U.S.-led military strikes against Afghanistan may lead to a long term U.S. military presence in the region. However, I believe that major powers are rather sharing some common interests in the region, in terms of regional stability, anti-terrorism, and helping the failed states. Major powers can coexist in the region. The SCO should be used as a bridge to engage with other powers, especially the U.S. in terms of maintaining regional stability and anti-terrorism. Economically, there is great potential for the member states to strengthen their economic ties.