Chapter 4

China and the Shanghai Cooperation Organisation

4.1 Introduction

China's role in the establishment of Shanghai Cooperation Organisation along with its predecessor, Shanghai Five, marks a new phase in China's understanding of multilateralism in the post-Cold War period. Since 1996, China has emerged proactive in promoting multilateralism whereby, along with Russia, it sets rules of the game in the organisation. Apart from this, the interface between China and SCO provides a new basis for understanding China's response towards post-Cold War Central Asia. In broader terms, this interface also provides a testing-ground to examine China's professed values of Five Principles of Peaceful Coexistence in international politics, which it claims to uphold. Though China and Russia are the architects of SCO, Central Asia acquires centrality in the project of SCO as it has been created keeping in view the geopolitical space of Central Asia. However, there is an inherent asymmetry between China and Russia together on one side and the Central Asian states collectively on the other side on various fronts. This asymmetrical relationship determines the role and prospects of SCO.

The United States attaching great significance to this region due to rapid growth of international terrorism further complicates the relationship between China and SCO. Central Asia occupies high priority in the American strategic calculation for its potential to become a major breeding ground for international terrorism. The US also has alliances with most of the regimes in this region, which provide it a foothold in the form of military bases to wage its 'war on terror'. Besides, US also has interests in energy resources of this region. Thus, post Cold-War volatility and instability of this region combined with US military presence presents a great security concern to China and Russia. This roughly forms the background to the genesis of SCO.

Therefore, this study will make an attempt to discuss China's role in SCO alongside those of Russia, the Central Asian states and the US in evolution of a comprehensive understanding about SCO. In addition, this study also takes into
account internal political and economic dynamics of the Central Asian states, which have shown considerable independence from the influence of both China and Russia.

4.2 China and SCO: The Present Context

As far as China's presence in Central Asia is concerned, it is comparatively a very new entrant in the region. Until the disintegration of the USSR, the Stalinist policies of iron curtain determined the nature of contact between China and the region. Despite the geographical proximity, China had to deal with Moscow concerning border problems on its western side. China realized positive and negative potential of this region soon after the independence of former Soviet republics. As a result, it initiated a process of directly dealing with some of them. This could be possible mainly because all the three former Soviet republics—Kazakhstan, Kyrgyzstan and Tajikistan, which now share borders with China, inherited bilateral border problems that existed between the USSR and China, thus providing China an opportunity to directly deal with them.

China formulated its Central Asia policy after 1991 based on some useful studies on the region. For instance, in 1992, Zhang Xiaodong observed, "although Central Asia has good perspectives in development, it is still challenged by many problems – lack of capital, ethnic rivalry, territorial disputes, religious fundamentalism, radical nationalism and serious issues" (Zhang 1992: 12-13). He further says, "in a word, Central Asia's future development largely depends on regional stability. If ethnic and territorial conflicts are not settled properly, if radical nationalism and fundamentalism are not curbed, all hopes to revitalize Central Asia will be crushed".

Li Peng declared China's policy towards Central Asia in a speech in 1994 that China would maintain good-neighborly relations and peaceful existence, promote the independent choice of the Central Asian peoples and never interfere in their internal affairs, respect their independence and sovereignty, and contribute to regional stability (Li 1994: 18-19). Jiang Zemin made a similar point during his visit to Kazakhstan in a speech in 1996, "we wish to see peace, stability and tranquillity in Central Asia and China is willing to take part in all processes initiated by Central Asian nations to promote peace and security in the region" (Jiang 1996: 9).
In 1996 while China was carrying out border talks with the Central Asian republics, it felt the need for a regional forum. The outcome of the felt need was the creation of Shanghai-5 which was rechristened as Shanghai Cooperation Organisation in 2001 with the inclusion of Uzbekistan.

In this section, an attempt is made to examine Shanghai Cooperation Organisation from Chinese standpoint locating it in the context of China's Grand Strategy, Five Principles of Peaceful Coexistence and its New Security Concept besides China's role in its evolution.

4.2. (a) China's Grand Strategy and Its Security Imperatives in the SCO

The Chinese involvement in Central Asian region and its enthusiastic advocacy of SCO should be analysed at two levels: one, at the level of its grand strategy and the other at the level of its immediate security needs. Chinese grand strategy is aimed at shaping the regional order in the long-term. Through SCO China projects a great power image and behavior. The fact is that SCO is the only international organisation in establishment of which China has played an instrumental role and is setting rules of the game. Through SCO, it wants to show that it has an alternative worldview, has the will to lead and is ready to assume leadership role. Thus, it uses SCO to convey its message not only to Central Asia but also to the rest of the world. It tries to convince the international community, particularly its regional neighbors, about its capabilities and benign intentions. China makes every effort to draw attention of the international community towards its participation in SCO to prove its credentials of being a responsible great power.

China's push for the creation of SCO corresponds with the increased terrorist violence in its western province of Xinjiang, the Central Asian states and the Russian province of Chechnya. Secondly, Central Asian energy sources, located in China's immediate vicinity, have seen attracting international players like the US and regional powers like India and Turkey. In the global strategic context the American high-handed and unilateral policy in Yugoslavia and Iraq; Russia trying to improve its relations with the US; India conducting nuclear test and declaring itself as a nuclear weapon state besides showing its utmost keenness to improve its relations with the US are some factors that had a major impact on China's policy towards Central Asia. The overall strategic scenario was critical in its formation.
China takes serious notice of the entry of various superpowers and regional powers in Central Asia for its implications on security of the Xinjiang in the long run. Thus, China considers SCO as an instrument that could provide a firmer standing for China in Central Asia and help it in consolidating its western periphery.

Moreover, China's preference for multilateral engagement in Central Asia also arises out of its necessity of making itself more acceptable in Central Asia. Improving relations with Russia is part of the Chinese grand strategy both at the global as well as at the regional levels. In the post-Cold War scenario, they share common understanding and positions on the issues of global importance and have a high degree of convergence of interests at regional level in the context of Central Asia. China expects Russia to stay in Central Asia and engage it there, because China knows the objective ground reality of Russia wielding considerable influence in the Central Asian states.

China is well aware that it cannot outdistance Russia in this region. Moreover, it is counterproductive and strategically naïve to compete with Russia when their joint competition in the region is perceived to be with the US. So, it has to be positive towards Russia and share Central Asian zone of influence with it. China's foreign policy towards Russia is considered to have been moving on this line since the end of the Cold War. In this context, SCO can become a powerful link between China and Russia. In fact, SCO can be considered as 'an outgrowth of the Sino-Russian cooperation'. The future of SCO depends very much on this cooperation. In addition, China prefers mutual accommodation with Russia in Central Asia because 'benign Russian posture' helps China to pursue its energy related goals in Central Asia; it seeks the Russian help in curbing the Uighur separatism and it also seeks the Russian help in its military modernization (Hessbruegge 2004). China has entered a "strategic partnership" with Russia and concluded a bilateral "Treaty of Good Neighborly Friendship and Cooperation" in July, 2001 in Moscow.

As part of its grand strategy, China intends to create a peaceful buffer in the region between itself and the restive Afghanistan and West Asia. SCO can help in this direction as all of its three Central Asian neighbors are the members of SCO. Its active participation in SCO reflects and confirms its strategy to ensure peace and national development. As part of its grand strategy, it aims to bring the weak Central Asian states onto a common platform where it can promise and convince them about
the benefits of its astonishingly growing economy. To build trust for itself in the Central Asian states is one of the main objectives of China's policy towards SCO.

China aims to achieve short term, medium term and long term goals through SCO. Long-term goals are what have been discussed under the China's grand strategy. Short term goals, from the immediate security perspective, are containing three evils — terrorism, separatism and extremism —, border security and energy security. Medium term goals are constituted by other concerns and problems of transnational nature, which do not need urgent attention in comparison to immediate security issues.

The immediate security threat that China intends to contain is Uighur separatist movement in Xinjiang, which is part of larger problem of separatist demand of the Eastern Turkistan. This separatist movement affects many former republics. The situation worsened after Afghanistan fell into the hands of Taliban. American presence in the Central Asian region evokes apprehension and nervousness in the Chinese mind that this presence may fuel and add to instability in its Xinjiang province. Xinjiang creates a sense of vulnerability in the national psyche of China. The separatists, if succeeded, will snatch one-sixth of China's territory away, cut off its connectivity with Central Asia, strip it off its nuclear testing grounds and the oil reserves in Tarim basin which contains "370 billion cubic meters of natural gas, 4 billion tons of coal, 120 tons of gold, as well as almost a half-million tons of cotton per year" (Habova 2004: 92). The US presence in the Central Asia creates a sense of caution in China for Xinjiang. The situation in Xinjiang can have a destabilizing impact on China's northwest provinces of Gansu and Qinghai and autonomous regions of Ningxia and Tibet. The separatist demand for Eastern Turkistan is just one of the many separatist and extremist problems of the region, which share common ideological bondings and networking. Farghana valley, located in the Tian Shan mountain ranges of Central Asia which lies commonly in Eastern Uzbekistan, Tajikistan and Kyrgyzstan, is supposed to be the breeding ground of international terrorism. Since the Chinese western region has to share the burden of every problem that originates in Central Asia, China intends to stabilize its northwestern periphery by stabilizing Central Asian region so that it will have no snowball effect on the Taiwan issue and the territorial disputes of the South China Sea. China's emphasis on mutual economic cooperation and development through SCO helps its strategy to
develop its western provinces in order to make public move away from insurgency and to lessen the influence of the separatist forces.

SCO also provides China a platform where it can explore its energy needs. China has been facing energy deficit since 1993. With its development, its energy demand is increasing very rapidly. Presently, China's oil import is 70 million tons annually. It is estimated that China will import around 150-200 million tons in 2010. "China has only 2.3 per cent of the world's oil reserves and 1 per cent of natural gas reserves, but its annual oil consumption accounts for more than 6 per cent of the world total. At present, some 30 per cent of its oil consumption relies on imports, and this proportion is estimated to increase to 70 per cent by 2020" (Ren Dongfeng 2003: 7). So far, West Asia remains a major source of oil supply for China. Since China wants to diversify its sources for maintaining high degree of energy security, energy resources of Central Asia are a big attraction for China in this regard. This region provides China access to the supply lines of West Asia and Caucasian states. So, it is in the interest of China to bring every Central Asian state together to a common platform, where it can expect to convince and assuage them about itself and improve security scenario in the region.

Central Asian republics in general and Kazakhstan in particular are providing big opportunity to China in their oil fields. China wants to revive old silk route in order to access connectivity to Caucasus and further to Europe. China appears to be preoccupied with these short-term goals. At this level, both China and Russia are not averse to the idea of sharing the region with the US.

Medium term goals cover issues and concerns of transnational nature. Basically, primary focus of these goals is to curb internationally banned crimes like narco-trafficking, smuggling of small arms, illicit business, local mafia gangs that operate trans-border, illegal migration and human-trafficking.

4.2. (b) China's Five Principles of Peaceful Coexistence, Its New Security Concept and SCO

The values which SCO upholds are similar to what China upholds in its foreign policy discourse. Various declarations, charters and conventions of SCO express China's five principles of peaceful coexistence, its new security concept, its position on multipolarity, its promotion of civilisational diversity, its support for
internal stability and sovereignty of regimes, and its advocacy for a strengthened UN. What China claims to stand for forms the basis for SCO. In fact, SCO may prove a testing ground for the Chinese foreign policy discourse. At least in the short run, China seems to be endorsing and implementing its notion of regional order through SCO.

The Five Principles of Peaceful Coexistence China advocates run through the various declarations and statements of SCO. These principles represent Westphalian notion of sovereignty in the sense that the crux of these principles is inviolable equality among sovereign states. As has been discussed earlier, equality among sovereign states is an article of faith for China. It is clearly observed that initiatives and efforts, pledged in various documents of SCO regarding regional cooperation are consistent with these principles. Sensitivities of every member state are factored in the statements and pronouncements issued by SCO as well as in the different mechanisms proposed by it. Dialogue, Consultation, mutual trust and benefit are the terms around which words and deeds of SCO revolve. Some founding declarations of the organisation that highlight the Five Principles of Peaceful Coexistence as a philosophical grounding of SCO are discussed below.

According to Declaration on Establishment of Shanghai Cooperation Organisation, signed on 15 July, 2001 in Shanghai, the purposes of the SCO are: strengthening mutual trust and good-neighborly friendship among the member states; encouraging effective cooperation among the member states in political, economic and trade, scientific and technological, cultural, educational, energy, communications, environment and other fields; devoting themselves jointly to preserving and safeguarding regional peace, security and stability; and establishing a democratic, fair and rational new international political and economic order. These purposes have grown out of the "Shanghai Spirit" formed during the "Shanghai Five" process, with "mutual trust, mutual benefit, equality, consultation, respect for multiculturals, striving for common development". This spirit has been expected to be carried forward. The Declaration further states that the SCO member states shall strictly abide by the purposes and principles of the Charter of the United Nations, mutually respect independence, sovereignty and territorial integrity, not interfere in each other's internal affairs, not use or threaten to use force against each other, adhere to equality and mutual benefit, resolve all problems through mutual consultations and
not seek unilateral military superiority in contiguous regions. According to the declaration, the SCO adheres to the principles of non-alignment, does not target any other country or region, and is open to the outside. It is ready to develop various forms of dialogue, exchanges and cooperation with other countries and organisations—international and regional. On the basis of consensus, it is ready to admit as its new members those countries which identify with the purposes and tasks within the framework of the organisation, the principles expounded in Article 6 of the declaration and other articles, and whose joining will facilitate the realization of the cooperation. It also states that the SCO will make use of the huge potential and extensive opportunities in the mutually beneficial cooperation in economic and trade fields among its member states, and strive to enhance further development of both bilateral and multilateral cooperation among the member states. Finally, according to the Declaration, the SCO member states are supposed to strengthen their consultations and coordination of activities in regional and international affairs, support and cooperate with each other closely on major international and regional issues, and jointly promote and consolidate peace and stability of the region and the world.

SCO Charter, signed on 7 June 2002 in St. Petersburg, commits itself to adhere to the principles of independence, non-aggression, and equality among sovereign states. The signatories of this charter are expected not to resort to force in resolving disputes. After signing this charter, they have become treaty bound not to adopt unilateral approach on the issues concerning the region. The charter maintains that the member parties should show respect to the difference of opinion and follow consultative process. The charter stressed on peaceful settlement of disputes among the member states. The charter makes it clear that SCO has not been created to target other states or international organisations. This particular declaration is intended to address US and NATO.

The main goals and tasks of SCO suggested in Shanghai Cooperation Organisation Charter further make its objectives and principles clear. It specifically asks member states to strengthen mutual trust, friendship and good neighbourliness among themselves. It assigns them to consolidate multidisciplinary cooperation to ensure regional peace, security and stability. It gives them mandate to promote a new democratic, fair and rational political and economic international order. It provides a roadmap for them to fight against terrorism, separatism and extremism collectively. It
treats every kind of violence equally and does not give any concession to any particular kind of violent movement. Besides terrorism, it recognises the gravity of other transnational problems like illegal narcotics and arms trafficking. Illegal migration within the region is another problem which has been identified by the Charter to act upon collectively.

Apart from these problems, necessity of an effective regional cooperation is also highlighted in the fields of politics, trade and economy, defence, law enforcement, protection of environment, culture, science and technology, education, energy, transport, and credit and finance. The Charter states that the purpose of this cooperation should be to ensure comprehensive and balanced growth that improves living conditions of the people of the SCO members. The charter further sets a goal that the member states of the organisation should coordinate with each other in integrating with the global economy and cooperate with each other in preparing themselves to promote human rights and fundamental rights as per the international standards without undermining their national legislative peculiarities. Besides, the charter also expects the member states to contribute to solutions to the international problems that would arise in the 21st century.

Moscow Declaration of Heads of Member States of Shanghai Cooperation Organisation accepted, in the meeting of the Heads of the Member States of SCO on 28 and 29 May, 2003, China's new security concept as a framework, which upholds diversity of political and economic systems and highlights rapid changes occurring in these systems. It also views indivisibility of human civilization in terms of peace, development and diversity of civilizations in terms of particular ways to achieve these goals as central.

Moscow Declaration pointed out transnational nature of many of the problems such as terrorism and drugs trafficking. It considerably highlighted the problem of illegal trafficking in narcotics and psychotropic substances. It maintained that the most effective measures on the part of the international community were urgently required. The goal of intensifying multilateral cooperation in countering the drugs threat arising from Afghanistan – a threat that is already acquiring global dimension – was considered acute. In this context, the Moscow declaration called for a timely measure for an international strategy for comprehensive neutralization of the Afghan drugs threat to be drawn up by the UN.
The declaration highlighted the SCO member states' practical efforts to arrange for collaboration within the Organisation in fighting illegal trafficking in narcotics, psychotropic substances and precursors, and to this end concluded an appropriate multilateral agreement in 2003. It further stated that proliferation of weapons of mass destruction, far from diminishing, was, on the contrary, increasing in many respects. In this context, cooperation among all countries both at the regional and at the global level was sought. It also pointed out socio-economic problems like the eradication of poverty, mass unemployment, illiteracy and discrimination on the grounds of race, ethnicity or faith behind international problem of terrorism.

Moscow Declaration reaffirmed the need for observing and fulfilling the main goals and principles of the UN Charter and commonly recognized norms of the international law and the important role of the United Nations and the UN Security Council in addressing major international problems. The SCO member states accepted that 'one of the main areas of UN work should be pre-emptive measures to avert conflicts in accordance with the UN Charter and the norms of the international law'. Moscow Declaration attached much importance to the early finalization in the UN of the draft International Convention on Nuclear Terrorism and Comprehensive Convention against International Terrorism. But at the same time the SCO member states have consistently maintained that the fight against terrorism should be waged on the basis of the norms and principles of the international law, and it should not be identified with the fight against any faith, individual countries or nationalities.

Finally, it emphasized 'pooling the efforts of the international community in a search for ways of jointly building a structure and architecture of international security for the 21st century that would be acceptable to all nations.' and expressed confidence that 'the imperative of collaborative actions in the face of common dangers would prevail in the world, and that humankind would opt in favour of a democratic world order that would guarantee ongoing progress and equal security for all nations in the world'.

Zhang Deguang, Secretary General of the Shanghai Cooperation Organisation, (2006) points out that Shanghai Cooperation Organisation has a dual character – security and economics with limited objectives. Moreover, its security cooperation does not target at forming a traditional military alliance like the NATO, and its economic cooperation is not aimed at deep integration like EU.
As far as China's stated position is concerned, it also does not treat Central Asia as a closed region and its zone of influence, nor does it treat SCO as a block against any particular country. China tries to bring more and more bilateral issues into the forum of SCO in order to ensure utility and credibility of this forum. China can afford this because on the Central Asian side of its territory, it does not have any territorial dispute in which it feels its sovereignty threatened as it feels on other sides. Problem of the Xinjiang has neither any international dimension the way the issue of Taiwan has nor it evokes much international solidarity and sympathy as the issue of Tibet does.

All these declarations bear the imprint of China's Five Principles of Peaceful Co-existence and new Security Concept in the constitutional and normative ideas behind the creation of Shanghai Cooperation Organisation.

4.2. (c) China and Growth of SCO

SCO is not the first multilateral organisation to be established in the region. It is one of the several regional multilateral organisations founded just after the independence of the Central Asian republics. Conference on Interaction and Confidence-Building Measures in Asia (initiated in 1992), Central Asian Economic Community (created in 1994), the Turkic States Grouping (initiated in 1992), the Economic Cooperation Organisation (including Iran and Pakistan), Georgia Ukraine Uzbekistan Azerbaijan Moldova (GUUAM), Collective Security Treaty Organisation (CSTO) and 'the Euro-Atlantic Partnership council, born out of NATO Partnership for Peace initiatives' are the collective mechanisms that predate the SCO. In fact, these are mini-blocks within the Commonwealth of Independent States (CIS).

The distinction between SCO and other organisations, which exist in the region, is that SCO is more coherent and clear in its objectives with the active backing of two big powers, whereas others are very loosely knit and narrowly focused organisations, without getting active sponsorship of any big regional power.

Among the above-mentioned organisations, SCO has some goals over-lapping with the CSTO. But, whereas the CSTO is overtly anti-American formation, which Russia dominates, and is aimed at repulsing potential military attack, SCO has fundamental difficulty in becoming an anti-American formation because of China's complete reluctance. Moreover, SCO is a security organisation rather than a military
defence organisation. Besides, terrorism has not affected many of the CSTO countries so seriously as it has affected the Central Asian countries. SCO has its own distinct role to serve. Finally, SCO appears to have more localized ways and channels to settle local issues and the presence of both Russia and China makes it more active (Karin 2004: 320).

4.2. (c). (I) A Genealogical Study of SCO

In fact, the earliest origin of SCO can be traced to border-dispute resolving mechanism that was initiated by China and Russia in 1989. China and Russia had a long-standing border problem. The Chinese claim was that boundaries were arbitrarily drawn on its western side and imposed on it by the Tsarist Russia during its one hundred years of national humiliation, in the same way as it had met similar injustices on its every side inflicted by various foreign powers during that period. Though China and Russia had a limited bloody war on the border issue in the late 1960s, during the Cultural Revolution, under Mikhail Gorbachev they agreed to come to the negotiation table in 1989. But very soon just as the Central Asian states got independence, the boundary between the USSR and China acquired a new dimension in paving the way for China to directly deal with Kazakhstan, Kyrgyzstan and Tajikistan. In 1993, regional leaders started meeting and discussing the border issues.

In mid 1990s, Russia and China jointly became active in order to normalize the relations with their Central Asian neighbors. Both the countries signed "a Joint Statement for the purpose of further developing" long-term, stable, good-neighborly, friendly, and mutually beneficial relations". "This joint activism paved way for the 'Shanghai Spirit' of resolving disputes through dialogue and communication. Negotiations under the formula 4+1 (Russia, Kazakhstan, Kyrgyzstan, Tajikistan + China) led towards the beginning of Shanghai-5 summits, started in 1996. On 26 April, 1996 of the same year, the leaders of China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan met in Shanghai and signed an "Agreement on Strengthening Military Confidence in Border Areas."

On 24 April, 1997, the second Shanghai Summit was held in Moscow in which the "Treaty on the Reduction of Military Forces in Border Regions" was signed. Third summit was held on 3 July, 1998 in Almaty in which strengthening confidence and stability in the region, and enhancing trade and economic cooperation

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were emphasized. The member countries met in the fourth summit on 24 August, 1999, in Bishkek and passed a joint Declaration on Combating National Separatism, Religious Extremism and Transborder Crime. In Dushanbe summit of 4-5 July 2000 which was the fifth, problems of regional security and stability, cooperation in fighting international terrorism and religious extremism and border problems were discussed. President of Uzbekistan also attended the Shanghai summit for the first time. All the attendees signed a Dushanbe declaration and took a decision on transforming the organisation into the Shanghai Forum. On 15 June 2001 a declaration on the Establishment of the Shanghai Cooperation Organisation and a convention on Combating Terrorism, Separatism, and Extremism were adopted in the sixth summit of Shanghai. In the seventh summit in the St. Petersburg on 7 June, 2002, member countries adopted SCO charter, an agreement on setting up the Regional Antiterrorist Organisation, with its centre in Bishkek and the declaration by the Heads of member states of SCO. In the eighth summit in Moscow on 29 May, 2003, it was decided that SCO secretariat would be set up in Shanghai. At the same time, it was also decided that Regional Ant-Terrorist Structure (RATS) would be transferred from Bishkek to Tashkent. In this summit, financial and executive structure of the organisation was chalked out. The member states adopted a financial charter dealing with the procedure for forming and executing SCO's budget. In this summit, the provisions relating to the Council of heads of state, heads of government, foreign ministers, and national coordinators were also laid out. Moreover, a document on SCO secretariat, conferences of the ministry and department heads, and permanent representatives of the member states at the secretariat was also adopted. This document covered the operating rules for the RATS headquarters as well.

Thus, SCO has acquired a broad vision in comparison to that of the Shanghai-5, which was intended to resolve border problems. Both China and Russia have shown remarkable maturity by expanding this spirit of cooperation in other areas of security. So, the Shanghai-5, which was basically dealing with military and defence issues, has now become truly a security organisation, in which the definition of security is quite broad.

Before 2000 summit, especially in the Bishkek, 1999, need for multipolar world was openly advocated. Some form of criticism of the US foreign policy was there in these summits. It can be speculated that the entry of Uzbekistan in SCO,
which had left the CSTO in 1999, owing to its uncomfortable relations with Russia, may have been because of the signals given by the US just to ensure its presence there. Since its entry, open or oblique criticism of the US foreign policy has stopped. No reaction from the side of SCO towards the US military campaign in Afghanistan and Iraq is also attributed to the Uzbek objection.

One more noteworthy issue is that the development of SCO has corresponded the Taliban's take over of Afghanistan and the Yugoslavian crisis of 1999. It is amply clear that unlike other organisations, SCO is not a one time creation. Other organisations have been established with preconceived philosophy and guided by predefined goals. Contrary to them, it has evolved over the years and has been responding to the changing situation.

4.2. (c). (II) Development of SCO

So far, SCO has asserted and reaffirmed its positions and convictions and the member countries have successfully legalized them. It has created its organisational setup, which is a major breakthrough which will clear way for future endeavors.

According to Shanghai Cooperation Organisation Charter, main areas of cooperation within SCO are the following:

- maintenance of peace and enhancing security and confidence in the region; search of common positions on foreign policy issues of mutual interest, including issues arising within international organisations and international fora;
- development and implementation of measures aimed at jointly counteracting terrorism, separatism and extremism, illicit narcotics and arms trafficking and other types of criminal activity of a transnational character, and also illegal migration;
- coordination of efforts in the field of disarmament and arms control; support for, and promotion of regional economic cooperation in various forms, fostering favorable environment for trade and investments with a view to gradually achieving free flow of goods, capitals, services and technologies;
- effective use of available transportation and communication infrastructure, improvement of transit capabilities of member States and development of energy systems; sound environmental management, including water resources management in the region, and implementation of particular joint environmental programs and projects; mutual assistance in preventing natural and man-made disasters and elimination of their implications;
- exchange of legal information in the interests of development of cooperation within SCO; development of interaction in such spheres as science and technology, education, health care, culture, sports and tourism. The SCO member States may expand the spheres of cooperation by mutual agreement.
Shanghai Convention on Combating Terrorism, Separatism and Extremism, adopted in Shanghai, on 15th of June, 2001 makes SCO dedicated to fight terrorism, separatism and extremism. Article 1 of this declaration clearly defines these three problems from the perspective of member states. Definitions very much uphold status quo and suit the interests of the member states. Preamble to this declaration also makes clear that cooperation ensured under this convention will be carried out in due accordance with the UN framework, international law and treaties and conventions.

Illicit manufacturing, procurement, storage, transfer, movement, sales or use of strong toxic, and poisonous substances, explosives, radioactive materials, weapons, explosive devices, firearms, ammunition, nuclear, chemical, biological or other types of weapons of mass destruction, as well as materials and equipment which can be used for their production, for the purpose of committing terrorist, separatist and extremist acts are taken so seriously that they found separate mentioning in article 7(4) of the Shanghai Convention on Combating Terrorism, Separatism and Extremism. Article 10 of the Shanghai Convention also proposed a Regional Counter­terrorist Structure with the headquarters in Bishkek to be set up.

Declaration on Establishment of Shanghai Cooperation Organisation, on June 15, 2001, clearly echoes in article 4, 5, 6 and 7 of the Five Principles of Peaceful Coexistence of China's foreign policy, its advocacy for United Nations led world order and principles of Non Aligned Movement (NAM). Article 7 states that SCO does not target any country or region. Article 8 makes special mentions of illegal weapons and narcotics smuggling, and illegal immigration among criminal activities that have to be dealt with multilateral efforts. Article 9 talks of creating long term framework for cooperation in the fields of trade and economy. Article 10 emphasizes importance of consultation and dialogue over issues of regional and international consequences.

Provisional Scheme for Mutual Relations between Shanghai Cooperation Organisation and Other International Organisations and States signed in Moscow on November 23, 2002 authorizes SCO to conduct business with other organisations and states. Charter of Shanghai Cooperation Organisation is a detailed document in which SCO's philosophy and its broad range of activities are enunciated. Article 1 and 2 highlight its philosophy and principles and article 3 is about its areas of cooperation.
In Tashkent Declaration of Heads of member States of Shanghai Cooperation Organisation, on July, 17, 2004, Member states of SCO signed an agreement in Tashkent on combating the trafficking of illegal narcotics and psychotropic substances. It was considered that this agreement should be implemented in a way that it could be helpful in struggle against new calls and threats, including trafficking of illegal weapons and ammunitions, explosive, asphyxiate, poisonous and radioactive substances, and recruiting mercenaries. In this declaration, timelines of creating SCO Development Fund and SCO Business Council were also pointed out. In fact, many issues as multilateral trade and economic cooperation, modernizing trade and economic cooperation, increasing goods turnover among the countries, harmonizing standards and legal base, gradually creating favorable conditions for free movement of goods, capitals, services and technologies, and building transport figured in Tashkent declaration. In this declaration, matters related to environment protection and equitable utilization of water were also discussed. Proper legalization of SCO was seriously pointed out as a necessary step to ensure effective functioning of SCO.

Astana Declaration stressed on curbing financing of terrorism, separatism and extremism, which includes legalizations against illegally made profits and money. The SCO supports the international efforts on the formation of antinarcotics belts around Afghanistan. It is ready to cooperate in formulation and realization of special programs, providing assistance to Afghanistan in order to stabilize its social, economic and humanitarian situation. In Astana, heads of the states lent their support to anti-terrorist international coalition fighting in Afghanistan.

The Joint Communique of the Moscow Meeting of the Council of Heads of Government of SCO Member States, issued on 26 October 2005, delineated plan of stepping up the cooperation on economy and trade as well as the improvement of investment climate. This plan was based upon principles of mutual benefit and equal rights. The areas of energy, transport, telecommunications, science, technology and agriculture, besides further expansion of legal and regulatory framework of cooperation between SCO member states figured in this communiqué.

The importance and urgency of establishing cooperation on exploration of oil and gas deposits, construction of oil and gas pipelines as well as the need to conduct interaction in the field of high information and telecommunication technology were stressed in the Joint Communique. Task of establishing expert working groups on
issues of fuel and energy, modern information and telecommunication technology was assigned to different ministries.

Customs, transport, transit transportation and the creation of international transport corridors and environmental protection are specially mentioned in the communique. The communique focused special attention on the creation of favorable conditions for trade and investment and proposed the idea of 'holding in 2006 a forum of manufacturers and entrepreneurs as well as a trade and industry fair on the occasion of the SCO’s fifth anniversary.' It also recognized the expediency of speeding up the process of agreeing on a formation order and functioning principles of SCO Development Fund. On cultural front, it decided to establish an expert working group on issues of cultural interaction between SCO member states and also to start interaction in the sphere of education.

A Protocol on establishment of the Contact Group between SCO and the Islamic Republic of Afghanistan was signed, on 4 November 2005, to ensure cooperation between SCO and Afghanistan on issues of mutual interest.

The Joint Communique of the Moscow Meeting of the Council of Heads of Government of SCO Member States discussed a wide range of issues related to maintaining stability, economy and trade, science and technology, culture and humanitarian affairs. The discussions took place in the light of tasks in this field, set by the Council of heads of state of SCO member states at 2005 July meeting in Astana. The meeting had a consensus to step up the development of cooperation on economy and trade and the improvement of investment climate.

It was maintained that respective ministries and departments of SCO member states should cooperate to materialize the Action Plans on pilot projects in the areas of energy, transport, telecommunications, science, technology and agriculture. Expansion of legal and regulatory framework of cooperation between SCO member states was also given due consideration. The Heads of the Governments pointed out significance and necessity of cooperation on exploration of oil and gas deposits, construction of oil and gas pipelines. They took importance of high information and telecommunication technology into account. In this meeting, considerable progress on customs cooperation was noted.

In order to pay special attention to the creation of favorable conditions for trade and investment, the Council meeting welcomed the idea of holding in 2006 a
forum of manufacturers and entrepreneurs, as well as a trade and industry fair on occasion of the SCO’s fifth anniversary. The Heads of the Government agreed that an SCO Development Fund for this work to be set up not later than by the first half of 2006. They also welcomed and recognized usefulness of organisation of the Eurasian Economic Forum under the aegis of SCO Secretariat, UNESCAP and China Development Bank. Transportation, transit transportation and international transportation corridors were also discussed in this meeting. They highlighted the urgency of accelerating work on signing of the intergovernmental agreement on road transportation.

The heads of government advocate further consolidation of cooperation among SCO member states in the realm of culture. In this connection, they stressed the importance of the meeting of SCO culture ministers and the first six-state cultural festival. Both of these events were held in the Republic of Kazakhstan in July 2005. The culture ministers decided to establish an expert working group. This expert group was supposed to work on cultural issues among SCO member states. These initiatives, taken then, provide a sound beginning to the 2005-06 plan of multilateral cultural cooperation among SCO member states. These initiatives are aimed at promoting cooperation within the SCO framework so that cultural potential of each member state can be harnessed and utilized. In the meeting, the importance of cooperation in the sphere of education was also recognized and the need for organizing a meeting of SCO Education Ministers in the first half of 2006 and an agreement between governments of SCO member states on cooperation in this sphere were accepted.

Heads of Member States of SCO issued a declaration in Astana on 5 July, 2005 stating that SCO gained observer status in UN General Assembly in December 2004. It signed memoranda of understanding with the CIS and ASEAN. Heads of the state of SCO once again reiterated the need for democratization of world order under UN leadership.

SCO acknowledges that the Asia-Pacific region would play a vital role in the 21st century. Astana Declaration focused on development of a close cooperation between diplomatic, foreign, external economic and law enforcement bodies, intelligence and defence agencies of the member states. It also seeks active exploitation of the mechanism of meetings of secretaries of national security councils of the member states. Besides, formulation of effective measures and mechanisms of
SCO joint reaction to situations, which threaten peace, security and stability in the region and joint planning and conduct of antiterrorist activities are also part of this declaration. In addition to this, it insists on harmonization of national legislations on issues of security provision. Moreover, it reminds of the necessity of cooperation on the invention and implementation of modern technical equipment used in fight against new challenges and threats; and it advocates formation of an effective mechanism of mass media counteraction against new challenges and threats. It wants proper training personnel in these fields. The SCO member states will not only curb terrorist activities operating from their soil but they will also not provide asylum for individuals, accused or suspected of conducting terrorist, separatist and extremist activities. They will extradite such individuals in accordance with the current legislations of member states. In this declaration, it is also agreed to improve effectiveness of the SCO Regional Antiterrorist Structure. Apart from this, all subsidiary activities related to international terrorism like illegal circulation of weapons, ammunition, explosives and drugs, organized transnational crime, illegal migration and mercenary activity are also forcefully reminded to be curbed down. Special attention is focused on preventing terrorists from using weapons of mass destruction.

SCO through Statements of Heads of SCO member State on International Information Security, signed on 15 June, 2006, in Shanghai, warned that Information Communication Technology (ICT) should not be used to undermine the basic principles of equality, mutual respect, non-interference in the internal affairs of sovereign states, peaceful settlement of disputes, non-use of force and respect of human rights, and to bring serious harm to individual, social and national security, and it also warned about possible danger of using ICTs by criminal, terrorist, military and political purposes, in both civil and military fields, that work against the maintenance of international security, which will have serious and negative political, social and economic consequences to countries and regions, or even the entire world, and create social instability in the region. Therefore, SCO maintains that considering the nature of transnational nature of ICT and current threats and challenges all countries should step up their efforts on information security through bilateral, regional and international cooperation and with well-coordinated and complementary measures. SCO visualizes role of ICT much more than as a carrier in the information
world, as a tool to promote closer ties and better integration among diversified cultures and civilizations.

*Declaration on Fifth Anniversary of Shanghai Cooperation Organisation*, Shanghai, 15 June 2006, cited its achievements. In this declaration, it was informed that SCO had created and developed its institutional and legal framework to ensure its effective functioning. It also informed that SCO had succeeded in ensuring close security cooperation focusing on addressing non-traditional security threats and challenges such as fighting terrorism, separatism, extremism and drug trafficking. In the realm of regional economic cooperation, as was informed in the declaration, SCO had successfully adopted a long-term plan, setting direction for regional economic cooperation and identified the goal, priority areas and major tasks of economic cooperation among member states. The SCO Business Council and the Interbank Association were claimed to be a great successes in this field. Apart from these, the declaration maintained that SCO had been committed to the principles of openness, non-alliance and not targeting at any third party. It had promoted consultation, dialogue, exchange and cooperation of various forms with like-minded countries and international organisations as a matter of norm.

Joint communiqué issued on 2 November 2007, after a regular meeting of the Council of Heads of Government, shows SCO's widening scope as all the articles of this declaration cover development related issues. This communiqué touches economy, investment, science and technology, education and culture. It appeals for further expansion and deepening of trade, economic and cultural cooperation among the member states, facilitating their economic growth and improving the welfare of people of the SCO member countries. It expresses satisfaction over the pace of the execution of the programme for multilateral trade and economic cooperation within SCO framework. Tourism is another area of discussion for development in SCO framework. This joint communiqué includes cooperation plan for health as well. It asked to expedite the pace of cooperation among the governments of the SCO in the field of education signed on 15 June 2006. It also proposes to set up and develop interaction among the member states in the field of agriculture, involving SCO Business Council. It calls for cooperation and mutual assistance in customs affairs besides creating conditions for harmonized customs, administrative and transportation procedures. Rail freight transportation, new transportation projects and road

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transportation facilitation in the framework of the Organisation have been addressed in the communique. Cooperation in environmental protection and issues of rational and effective use of hydroelectric resources in the region are also highlighted. Creation of SCO Development Fund is also agreed. The Agreement on cooperation between the SCO Business Council and Interbank Consortium is also linked.

A pilot project named “The establishment of transnational interaction with the use of electronic digital signature” was selected by the Special Working Group on modern information and telecommunication technologies. The communique expected that it would boost investment in the high-technology sector. The heads of the states focused on the urgency of implementing other pilot projects such as: “The synchronous construction of Volgograd-Astrakhan-Atyrau-Beyneu-Kungrad, Aktau-Beyneu-Kungrad motorways and a bridge across the river Kigach as part of the E-40 international transportation route” and “The development of Osh-Sarytash-Irkeshtam-Kashgar, Bratstvo-Dushanbe-Karamyk-Irkeshtam-Kashgar motorways and the construction of a trans-shipping terminal in Kashgar (China) for multimodal transportation”.

SCO Secretariat and CSTO signed a memorandum in Dushanbe on 5 October 2007 to carry out consultations and information sharing, and joint projects. Their cooperation covers wide range of issues such as regional and international security, counteraction against terrorism, fight against drug trafficking and arms trafficking and counteraction against transnational crime.

_Bishkek Declaration_, signed on 26 August, 2007, very clearly delineates security vision of SCO. It highlights the fact that development and security are interconnected. It clearly visualizes how in interdependent world security has cross border connotation and how it demands multilateral handling. It out rightly denounces unilateral bids to resolve modern security problems. Moreover, it expresses its belief in the guiding role of the UN in strict accordance with its Charter.’ It stands for reforms in the UN system, including position of the Security Council in the field of security, international law and generally accepted norms of international relations. In all, it reiterates the importance of the Five Principles of Peaceful Coexistence and upholds equality and diversity. It also stresses the importance of role of regional organisations in Central Asia in security and stability in the region. It rates the SCO Regional Antiterrorist Structure very high in its fight against terrorism, separatism and
extremism. It provides a very broad definition of security, which includes the stability of world economy, reduction of poverty, creating parity in the social and economic development levels, maintaining the economic, environmental, energy, informational security, as well as protection from natural and technological disasters. It recognizes energy as a major security component in the Central Asian Security scenario and advocates every possible cooperation among the member states in this field. It identifies narcotics as a major security problem fuelling other security problems. It wants the international community to create an anti-narcotics belt around Afghanistan and develop economic cooperation with Afghanistan. It dedicates SCO to work for the strengthening of strategic stability and non-proliferation of weapons of mass destruction. It stands for making Central Asia a Nuclear-Free-Zone. In this regard, the Central Asia Nuclear-Weapon-Free-Zone treaty was signed on 8 September 2006, by Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. SCO welcomes this treaty and related resolution adopted at the 61st session of the UN General Assembly.

On 16 August, 2007 the Council of Heads of Member States of SCO signed the Treaty of Good-neighbourly Relations, Friendship and Cooperation. They also signed the Bishkek Declaration and approved the Action Plan of the member states of the Shanghai Cooperation Organisation on ensuring international information security (IIS). The action plan was drafted on the basis of the Statement of Heads of SCO Member States on International Information Security dated 15 June 2006. They signed an agreement on cooperation in the field of culture. In this meeting, the need of providing momentum to interaction among the parliaments and supreme courts was highlighted. In this meeting interaction with other organisations and improvement in cooperation within legal framework were duly highlighted besides the steps to be taken to contain funding of terrorism and illegal money laundering.

Ways of cooperation in tackling illegal migration and controlling flows of migrant workers within the SCO framework were also discussed. It was informed at the meeting that the Plan of Activities on emergency relief interaction in the framework of the Shanghai Cooperation Organisation for 2007-2008 was being successfully implemented. In this meeting cooperation in fighting illegal circulation of narcotics and psychotropic substances was discussed. In fact, an Agreement in this regard, on 17 June 2004, was signed to step up interaction among the competent
agencies of the SCO member states. Their discussion covered experience sharing, prevention of drug abuse, treatment of drug addicts and action against drugs trafficking.

Auguring of economic cooperation, practical implementation of the relevant plans, agreements and beneficial pilot projects based on multilateral involvement in energy, transportation, telecommunications and other areas were also discussed. The Head of the States welcomed cooperation under the SCO Business Council and the Interbank Consortium. Joint activities on environmental protection and rational use of natural resources were also part of deliberation.

In a regular meeting of the Council of Foreign Ministers (CFM) of the member states of the Shanghai Cooperation Organisation (SCO) on 09 July 2007 in Bishkek, SCO's growing international ties and prestige were discussed and further its ties with CIS, ASEAN and Eurasian Economic Community were stressed. Importance of intensification of its collaboration with observer states and within SCO-Afghan Contact Group was also stressed.

4.3 SCO, the Central Asian States, Russia and the US

Internal dynamics of Central Asian states and their approach, contribution and role in shaping the nature of SCO are central to the growth and effectiveness of SCO. Besides this, the role of Russia and the US are also critical. This section thereby delineates these factors.

4.3. (a) SCO and the Central Asian States

Multilateral processes are high-end processes in which only absolute gain driven states with great degree of institutionalisation and transparency are comfortable. Given their brief span of independence the Central Asian countries have a long way to use the multilateral processes to their advantage. Moreover, the national interests of the countries are defined mainly by personal wisdom or guided by personal interests of the ruling elites, further complicating the multilateral process in general and SCO in particular. As a result, they present a detached picture of their relationship with SCO. SCO is at best a learning experience for them. Thus, their participation in multilateral military exercises is 'more symbolic than a demonstration
of a shared capacity to meet common threats'. Moreover, they do not identify themselves with the threat perceptions of Russia and China. This situation arose out of a larger context that is the former Soviet Republics, suddenly acquiring de jure independence in 1991, and in the process, consolidating their de facto independence. In this situation, they are following a policy of bargaining and balancing between US, on the one hand, and Russia and China on the other.

This region presents promises as well as concerns and threats to the international society. It has geographical proximity with the areas like all Central Asian states and Lop Nor in China where significant amount of nuclear weapons are stationed. This region provides routes for China and Russia to the Persian Gulf and the Indian Ocean, besides possessing large reserves of oil and natural gas, which, so far, are not under exclusive reach of any major power. The Caspian region is estimated to have oil reserves of up to 32.8 billion barrels and a potential of up to 218.8 billion barrels. With 232 trillion cubic feet, its proven gas reserves are comparable to those of Saudi Arabia (Hessbruegge: 2004).

**Table 4.1: Oil Reserves in Central Asia**

<table>
<thead>
<tr>
<th>Country</th>
<th>Crude oil reserves</th>
<th>Natural gas reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazakhstan</td>
<td>5.4 billion</td>
<td>65 trillion</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>40 million</td>
<td>0.2 trillion</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>12 million</td>
<td>0.2 trillion</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>594 million</td>
<td>66 trillion</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>546 million</td>
<td>101 trillion</td>
</tr>
</tbody>
</table>

As long as no cheap substitute of oil is discovered or invented, oil will continue to remain a major source of development. In such a context, the region, possessing enormous amount of oil and natural gas, has attracted the attention of energy hungry countries. But, the irony is that the region that boasts one of the largest reservoirs of oil and natural gas is also the hotbed of internal upheavals and strifes. For instance, Tajikistan faced a full-fledged civil war in mid-1990s. Uzbekistan has border problems with every neighboring country. Besides, it is accused of bullying its neighbors time and again. Farghana valley is known as breeding ground of terrorism. Radical Islam is on the rise in the region. The role of non-islamic primordial loyalties and identifications remain very important and vital in the Central Asian political culture; Islam and Turkic remain to be overarching religious and linguistic-ethnic identities in the region. Since the withdrawal of the anti-religion authority of the USSR, influence and assertion of radical Islam has been on the rise.

Moreover, a number of international Islamic terrorist organisations are operating from the region. United Revolutionary Front of Eastern Turkistan, Organisation for the Liberation of Uighurstan, Wolves of Lop Nor, Xinjiang Liberation Organisation and Uighur Liberation Organisation, Home of East Turkistan Youth, Free Turkistan Movement, Tableegi Jamaat, Committee for Eastern Turkistan, Jamaat-i-Islami, Islamic Movement of Uzbekistan, Hizb-Ut-Tahrir and even Al-Qaeda are reported to be main terrorist organisations operating in the region (McNeal 2001). All these organisations claim to be committed to the independence of Xinjiang, an autonomous region in China. Hizb-Ut-Tahrir is especially said to be committed for the creation of an Islamic Caliphate by including Xinjiang, Kyrgyzstan, Tajikistan and Uzbekistan (McNeal 2001). Though resistance has always existed in Xinjiang against the Chinese government since its incorporation in Han China, the flames of separatism have acquired impetus in the recent past. Present terrorist movements are inspired and encouraged by some of the Central Asian republics. These terrorist organisations target domestic regimes too. They draw significant popular support from widespread unrest against the incompetent regimes.

Regimes in the region have been high-handed authoritarian regimes whose commitment towards the wellbeing of the public is highly questionable. These authoritarian regimes face severe legitimacy crisis from popular Islamic radical and democratic institutions as well. They are highly corrupt and involved in crimes like
narco-trafficking. Those involved in Narco-corruption seem to be running the economy and wield influence on state apparatus. Any attempt to curb them may boomerang on the regimes. Besides, it is futile and naive to expect from the Central Asian regimes to curb narco-trafficking, because even the presidents are also suspected to be involved in narco-trafficking. Existence and political influence of criminals like narco-traffickers and mafia gangs reflect severe problem of legitimacy of the regimes as well. In many cases, existing regimes have been found highly unpopular. These actors are strongly linked with religious extremists also. Machismo and hero-worshipping have deep cultural roots in mass psyche of the region. This mass psyche also contributes to the political culture of the region. In this political culture, authoritarianism becomes a manifestation of same cultural psychological makeup. In such cases, difference between a political leader and a leader of mafia can not be as neatly distinct as it is found in a mature democratic society. This overall state of political-culture of Central Asia also indicates weak presence of civil society. Besides, many NGOs are accused of playing in the hands of US and intervening in politics on its behalf and pursuing its agenda.

All the Central Asian states have extremely porous border due to lack of sufficient security apparatus. As a result, they easily become international transit route for narco and human trafficking and illegal migration, smuggling of small arms and illicit business. Central Asia has thus emerged as a big centre from where human trafficking and illegal migration take place. The main destination of human trafficking and illegal migration is generally gulf countries. The plight of women who are caught in the hands of human smugglers is poignant. Another destination of illegal migration is Kazakhstan and the Russian Far East where local population is very less, sparsely populated and is rapidly dwindling. Influx of Chinese population in that region is widely reported. The undisputed reason for this human misery is abject poverty. There are two kinds of crimes prevalent in Central Asia, those which are internationally banned and those which are banned in national laws. The rise of internationally banned transnational crime in the Central Asian states has to do with the dismantling of old Soviet style of economy. In the wake of its dismantling, ethnic tensions escalated the problem of transnational crime. These crimes can be divided in two categories on the basis of state-support – within state and without state. In some cases, transnational crimes are being organized with the active complicity of the state.
machinery and in some case states are too week to control these crimes. SCO attempts to move in this direction to strengthen the state machinery and harmonize national laws dealing with these crimes.

4.3. (b) Russia and SCO

Whatever happens in this region automatically affects Russia which, even after the breakup of the former USSR and its subsequent withdrawal from the region, is connected with this region by umbilical cord. At the same time, driven by national interests, Russia tends to presume itself as the first natural beneficiary and claimant of whatever promises available in its immediate vicinity of Central Asia.

Russia has considered its southern border in its new security policy formulated in 2000 as its most vulnerable side from the security threat angle. Protection of the Russian ethnic minority in the Central Asian states and continuous migration of the Russians from Kazakhstan to Russia are sensitive issue in the Russian domestic politics. Economically, Russia stands as the largest trade partner of Central Asian countries. In the critical conditions of mid-1990s, Russia was the only hope for the Central Asian countries. Central Asia has had a special importance in the Russian economic development supplying continuous flow of raw material and energy to Russia (Habova: 82).

For the Central Asian states Russia is critically more important. They still expect help and aid from Russia. Kazakhstan, Tajikistan and Kyrgyzstan had to consult Russia and then could allow the US to open its airbase in their territories in the aftermath of 9/11.

One of Russia's goals is to contain the US through SCO. But as of now, it is not in a position to rally the Central Asian states behind it on the line of Anti-Americanism as the Central Asian states do not have any inherent antipathy towards the US. Not only the regime of Uzbekistan which has strong predisposition towards the US but Kazakhstan, Tajikistan and Kyrgyzstan also have welcomed the US presence in the Central Asia in the wake of 9/11. Anti-Americanism cannot be said to be a common binding factor in SCO.

The Central Asian regimes are strongly proving themselves as hard-bargainers in their relations with Russia. They look at SCO as a balancing factor - a balancer among themselves, between Russia and China and between Russia-China and the US.
In fact, the Central Asian states worry more about Russian and Chinese hegemony than they worry about the US' hegemony. Historically, they have more mistrust for Russia and China than for the US. They became victims of Russian expansion in the second half of 19th century.

4.3. (c) The United States as 'Third Big Neighbour of the Central Asian States'

America is a very late comer in this region. It has entered the region only in the wake of 9/11. Considering China's entry into the region, "the US delivered around 1.5 billion US dollar in aid to the region between 1992 and 1998. It was accompanied by pressure on the Central Asian states to establish pluralistic and democratic societies." But as Mcneal points out that this aid was not of much significance (McNeal 2001).

Under the pressure of the impending security interests, the US has been forced by the circumstances to turn its back from promoting its own foreign policy agenda and to come to terms set by local compulsions of the Central Asian politics. At present, all the three powers, Russia, China and the US are interested in maintaining and protecting status quo in the Central Asian states. This is what the authoritarian regimes of Central Asia also want.

Elizabeth Wishnick argues that the US policy towards Central Asia has drastically shifted in the post 9/11 period. Prior to 9/11 it supported democratization, market oriented reforms, greater integration with Western political and military institutions and responsible security policies on nonproliferation, anti-terrorism, and drug trafficking. In the post 9/11 period, its policy is centred on preventing spread of terrorism, assisting Central Asian states with economic and political reform and the rule of law, ensuring the security and transparent development of Caspian energy resources.

The US' strategic aims in Central Asia are "fighting terrorism with the support of the Central Asian countries; maintaining a permanent US military presence and access for the purpose of long-range deployment in the region; protecting US economic interests, especially in developing oil and gas; seeking cooperation with Russia and China while preventing either of these two powers from dominating the region...." (Wishnick 2002: 4-7).
The American involvement in Central Asia has expanded from investment in energy to military and political, which undermine Russia as a single superpower in the region. How long the US will stay in the region cannot be said with any certitude. The US being a superpower has stakes everywhere in the world. It cannot concentrate only on Central Asia as it has more urgent and serious engagements on other issues in the other parts of the world. Prevailing complex conditions in Central Asia, and Russia and China taking extraordinary interest in Central Asia constrain the US in Central Asia (Ren Dongfeng 2003: 14).

9/11 has made foreign policy issues important in the domestic politics of the Central Asian countries. The reason for the emergence of the opposition movement "Democratic Choice of Kazakhstan" is ascribed to the American presence, as to answer. Basically, American buildup in the region is widening and sharpening contradictions within the political elites. General public opinion in the Central Asian states is against the US and pro-Russia (Wishnick 2002: 34-37). Uzbekistan is supposed to be its closest ally in the region, which has indulged in provocative activities so many times.

Interestingly, Cooperation within the framework of '6+2 group of neighbors and friends of Afghanistan' is the only group in Central Asia in which the US is a formal participant (Swanstrom 2004: 46). But importance of American influence in Central Asia cannot be fathomed merely by number of regional organisations in which it participates there. Its influence is implied there in Central Asian politics.

4.4 Assessment of SCO: Problems and Prospects

Any assessment of its achievements would involve due considerations to the precise nature of problems and conditions in which SCO is evolving. The problems which SCO deals with are transnational and very complex. For instance, problems such as international terrorism and drug-trafficking have global dimensions.

4.4 (a) Trade and Economic Cooperation within the SCO Countries

At the onset, it should be made clear that SCO does not conduct trade on its own and it is not trade association either. The statistics cited here are of bilateral nature. However, these statistics could be an important indicator to understand the
nature of cooperation in the region. Besides, these statistics would be useful to know the state of cooperation in the region after the formation of SCO.

Table 4.2: Trends in Trade between Russia, China and Central Asia, 1992-2006

<table>
<thead>
<tr>
<th>Russia</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Following the collapse of the USSR the volume of trade between Russia and the countries of Central Asia fell to about a tenth of its previous level.</td>
<td>• Trade between China and the countries of Central Asia began to develop immediately after the fall of the Soviet Union.</td>
</tr>
<tr>
<td>• Between 1992 and 1998 the annual volume of trade remained at a low, but stable level, at about $6-7 billion.</td>
<td>• Between 1992 and 1998 the annual trade turnover was low, between $350 million and $700 million.</td>
</tr>
<tr>
<td>• In 1999, following the 1998 economic crisis in Russia, the trade turnover fell to between 50 and 65% of the 1992-1998 average level.</td>
<td>• The starting point for intensification of trade relations was the economic crisis in Russia. The 1999 figures show an approximately 25% growth in this trade.</td>
</tr>
<tr>
<td>• Between 2000 and 2003 the trade links were on the whole stagnant. The volume of trade was comparable with that in 1992-1998, at an average annual level of $6-7 billion.</td>
<td>• From 2000 onwards an even more dynamic growth in the volume of trade can be observed. Between 2000 and 2003 the turnover increased by more than 200%, from $1 billion to $3.3 billion.</td>
</tr>
<tr>
<td>• From 2004 onwards, growth in trade can be observed. Between 2004 and 2006 the turnover increased by 42%, from $10.5 to $14.9 billion.</td>
<td>• In the period 2004-2006 there is steady growth in trade turnover, with an overall increase of 150%, from $4.3 billion to $10.8 billion.</td>
</tr>
</tbody>
</table>

Source: Vladimir Paramonov and Aleksey Strokov in *Economic Involvement of Russia and China in Central Asia*, published by Defence Academy of the United Kingdom, in May 2007, at Conflict Studies Research Centre as part of Central Asian Series 07/12 (E).
Table 4.3: Trade between Russia, China and Central Asia, 1991-2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume of trade between Russia and Central Asia ($ US millions)</th>
<th>Volume of trade between China and Central Asia ($ US millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>59226</td>
<td>-</td>
</tr>
<tr>
<td>1992</td>
<td>6360</td>
<td>422</td>
</tr>
<tr>
<td>1993</td>
<td>6750</td>
<td>512</td>
</tr>
<tr>
<td>1994</td>
<td>6143</td>
<td>360</td>
</tr>
<tr>
<td>1995</td>
<td>7679</td>
<td>486</td>
</tr>
<tr>
<td>1996</td>
<td>7244</td>
<td>674</td>
</tr>
<tr>
<td>1997</td>
<td>6833</td>
<td>699</td>
</tr>
<tr>
<td>1998</td>
<td>5411</td>
<td>588</td>
</tr>
<tr>
<td>1999</td>
<td>3695</td>
<td>733</td>
</tr>
<tr>
<td>2000</td>
<td>6469</td>
<td>1041</td>
</tr>
<tr>
<td>2001</td>
<td>5924</td>
<td>1478</td>
</tr>
<tr>
<td>2002</td>
<td>5464</td>
<td>2798</td>
</tr>
<tr>
<td>2003</td>
<td>7088</td>
<td>3305</td>
</tr>
<tr>
<td>2004</td>
<td>10463</td>
<td>4337</td>
</tr>
<tr>
<td>2005</td>
<td>13227</td>
<td>8297</td>
</tr>
<tr>
<td>2006</td>
<td>14869</td>
<td>10796</td>
</tr>
</tbody>
</table>

Source: Vladimir Paramonov and Aleksey Strokov in *Economic Involvement of Russia and China in Central Asia*, published by Defence Academy of the United Kingdom, in May 2007, at Conflict Studies Research Centre as part of Central Asian Series 07/12 (E).

Table 4.4: Percentage of Trade among China, Russia and Central Asia, 2006

<table>
<thead>
<tr>
<th>Country</th>
<th>Russian share of country's foreign trade, %</th>
<th>Chinese share of country's foreign trade, %</th>
<th>Country's share of Russia's foreign trade, %</th>
<th>Country's share of China's foreign trade, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazakhstan</td>
<td>18.87</td>
<td>15.5</td>
<td>2.28</td>
<td>0.49</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>27.24</td>
<td>34.25</td>
<td>0.13</td>
<td>0.04</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>12.22</td>
<td>10.77</td>
<td>0.08</td>
<td>0.02</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>16.39</td>
<td>5.71</td>
<td>0.51</td>
<td>0.05</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>9.76</td>
<td>1.37</td>
<td>0.19</td>
<td>0.007</td>
</tr>
<tr>
<td>Total</td>
<td>17.47</td>
<td>12.68</td>
<td>3.19</td>
<td>0.607</td>
</tr>
</tbody>
</table>

Source: Vladimir Paramonov and Aleksey Strokov in *Economic Involvement of Russia and China in Central Asia*, published by Defence Academy of the United Kingdom, in May 2007, at Conflict Studies Research Centre as part of Central Asian Series 07/12 (E).

Zhao Changqing, deputy director of the SCO Research Centre under the Chinese Academy of Social Sciences, affirms that China, on its side, has made
significant contribution to the enhancement of economic and trade cooperation with
the five countries in central Asia, namely, Kazakhstan, Kyrgyzstan, Tajikistan,
Uzbekistan and Turkmenistan. He informs that between 1992 and 1994, the gross
domestic product (GDP) of some countries came down to half in comparison to what
it was before their independence. Besides, financial crisis in Russia left a negative
impact on them. But at the same time, the Chinese economy has continued to soar. In
this scenario, these Central Asian countries imported articles of daily necessities and
food as well as they received investment and technological support from China. He
highlights that the Chinese government has promised to offer 900 million U.S. dollars
of loan on favorable terms for other SCO member states. China has already carried
out a programme to train 1,500 professionals. He points out that 127 cooperative
programs have been included in a guideline to boost multilateral economic
cooperation within the SCO framework. The trade volume between China and Russia
in 2001 increased to 4.718 billion dollars, and the volume between China and other
four SCO member states rose to 1.012 billion dollars in the decade from 1992 to
2001. From 2001 to 2005, trade volumes soared by 18.433 billion dollars and 7.149
billion dollars respectively. However, Chen points out that, at present, problems like
insufficient exchange of information and lack of mutual understanding hinder
economic cooperation among SCO members.(scosummit2006 2006-06/13).

According to the Ministry of Commerce, China had around 40 billion U.S.
dollars of trade with other SCO members in 2005, up 212 percent over that of 2001.
In addition to this, China's actual investment in the other five SCO members was eight
billion U.S. dollars in 2005, four times in comparison to the 2001 figure (Xinhuanet
2006-06/13).

According to Chinese statistics, China's trade within the SCO was $55.8
billion in the first eight months of 2008, up 35% year-on-year. China expects
to increase bilateral trade with SCO member countries up to $100 billion by the end of
2008 (mnweekly 2008-10/30). According to news agency INTERFAX, Premier of the
Chinese State Council Wen Jiabao has also expected that China's trade with members
of the SCO could reach $80 to $100 billion in 2008.

The six SCO member states have concluded 127 cooperation deals and set up
seven professional work teams by 2006 to promote multilateral cooperation.
Multilateral cooperation enshrined in these initiatives is supposed to be promoted in
the areas of product quality inspection, customs, e-commerce, investment promotion, transportation, energy and telecommunications sectors. They have built a consensus to foster cooperation in the transportation, energy, telecommunication, agriculture, household electric appliances, light industry and textile sectors, gradually ensure the free flow of goods, capital, services and technologies in the region. This cooperation will eventually lead towards setting up a free trade zone within the SCO framework. According to an estimate, the combined GDP of the six member economies will constitute about 30 percent of the total GDP by 2020 (Xinhuanet 2006-06113).

Despite these favourable statistics, Flemming Splidsboel Hansen, a scholar from Royal Danish Defence College, (2008) approaches the potential of SCO very critically. Though the trade within the SCO states has, indeed, increased, in his view, the real picture is not enthusing. Substantiating his point, he says that total trade within SCO countries in 2007 was US $ 89 billion. In percentage terms, it was only 3.3 per cent of the total trade of the six member states. He points out another anomaly stating that the four smaller member states are almost dependent on the SCO countries for trade. For example, 44 per cent of total trade of Kazakhstan is with SCO countries, and for Kyrgyzstan this percentage figure is 80 percent. But on the other hand, for Russia and China these figures are much lower and they stand at only 11.5 and 3.1 per cent, respectively. Besides, in the name of regional trade so far, there has been a simple exchange of goods. A truly common market is still a future agenda. He quotes a Russian scholar Alexander Lukin who complains that China is aggressive and selfish in upholding its trade interests. It does not always take interests of other countries into account. He again quotes Lukin and argues, if only "Beijing displayed a more balanced approach and a better understanding that, apart from direct economic benefits, there are also long-term benefits based not only on economic but also on political, civilizational and other interests". The other four smaller countries also have same complaints. However, on this issue, China has its own grievance that it is being discriminated against by the other members as they fear to be outcompeted by the highly competitive Chinese producers. But these complaints and counter complaints prove that SCO has to cover a lot of distance yet. He expresses apprehension that politically motivated obstacles as well poor local governance will be hindrances in the future development in trade cooperation in the region. Further, he argues that "with a staff of only around 30 and an annual budget of approximately USD 2.5 million, the
SCO secretariat can do only very little in terms of much-needed third party monitoring, arbitration and enforcement" (Hansen 2008: 5-6).

4.4 (b) Success of SCO

Success of any multilateral organisation depends on the fact that how much cooperation is received from member states. The degree of cooperation received from each member is dependent on its approach and national interests. Of the present SCO members, China and Russia are central to its success.

SCO's establishment in Central Asia is similar to the first wave of regionalism that came in 1960s, in which many regional blocks or organisations were created under the auspices of one or two powerful states. American presence in the region may have slowed down the progress of SCO, but it has not certainly blocked it (Ren Dongfeng 2003: 15). The major breakthrough that SCO has achieved is in the form of its legalization and creation of so many bodies including anti-terrorist bodies after 9/11. At least, "the SCO has been very successful in creating confidence between the members of SCO and has explicitly worked for conflict prevention even though this has not always been effective" (Swanstrom 2004: 45). "The initial success of the SCO could be attributed to three different reasons: shared norms, shared interests and a progressive approach". The progressive approach means that "it allowed the organisation to progress in pace with the political will of the states" (Niklas Swanstrom 2004:45). As far as entry of new states is concerned, "The SCO can have two baskets for new members: one is the security and political field and other is the economic and human field". New applicant can choose according to its own priorities or the SCO also can stipulate requirements for entry in each basket" (Zhao Huasheng 2006).

Zhao Huasheng (2006) points out the need for creating a proper functional identity of SCO. He further points out that SCO should undertake security cooperation and economic cooperation simultaneously with focus on member states' own conditions. He also maintains that if SCO truly wants to become an open organisation, it should have a proper policy for admission of new members. Besides these, as the Regulations on the SCO Observer Status at the 2004 Tashkent Summit speeds up the process of cooperation with non-member states.
Highlighting success of SCO, Li Hui (2006) informs that in first five years of inception SCO has completed its institutional building, enhanced political cooperation, made steady progress in security cooperation and economic cooperation a new driving force for SCO's growth, carried out fruitful cooperation in culture, education, environmental protection and emergency relief and its exchanges with the international community have gown steadily.

Zhang Deguang (2006) maintains that the Shanghai Cooperation organisation has "filled the geopolitical and security vacuum in Euro-Asia after the Cold War, playing an indispensable role in stabilizing the regional situation. Secondly, SCO started the Euro-Asian regional cooperation, altering the traditional operational formula of geopolitics in this part of the world. Thirdly, SCO has improved the international power layout and promoted multi-polarization".

4.4 (c) Chinese and Russian Role

Russia and China attach only tactical importance to SCO. It is basically a creation of China and Russia who have two different objectives to accomplish. China has twin interests of market and energy in SCO whereas Russia wants to monitor China's attempts to woo the Central Asian countries under its umbrella.

It seems that Russia has only economic and political interests in SCO. China has participated in both joint anti-terrorist military exercises whereas Russia in only one. Russia seems to be keen on assigning military function to the CSTO in Central Asia, and not to SCO. It does not seem very enthusiastic to cooperate with China militarily, because it does not want to send wrong signals to the US (Ren Dongfeng 2003: 14).

The problem of mistrust in the bilateral relations between Russia and China has been deeply affecting the SCO. For example, Russia fears losing control over vast territory of its northeast where population is dwindling sharply due to illegal migration from China. In fact, Sino-Russian relationship in SCO requires a separate research. Of late, Russia has also become more active in SCO considering China's activism in SCO. Though SCO has been studied with special reference to Chinese and Russian competition with US, China's growing influence in the region is also a concern for Russia. It seems that Russia wants friendship with China with an honourable distance. The huge size of China's economy is not only an attraction but
also a major concern for Russia and other countries of the region. Other SCO members definitely want to benefit from integration with Chinese economy, but at the same time they fear that in the trade relations with China their markets will be swamped by Chinese goods damaging their business interests.

China's commitment towards multilateralism has been questioned at many times. China has been accused of showing high-handed attitude towards Kazakhstan on the issue of diverting upstream flow of the Ili and Irtysh rivers. In 2007, China, while sending its troops to Central Russia to participate in an SCO security exercise, sought permission from the Kazakh government to use its territory as conduit point, but the latter flatly refused (Hansen 8). In this situation of mistrust, if China and Russia remain unsuccessful in allaying strategic apprehensions of the weaker member states of SCO, the high level of convergence of the interests, which is seen now, will remain ephemeral.

4.4 (d) Central Asian Domestic and Regional Dynamics

Central Asian region is treated as a so-called shatter belt (Jan Arno Hessbruegge 2004). It means that though this region makes a geographical unit, strategically it is fragmented. Incompatible levels of economic, political, military and strategic activities and interests, 'the pace and methods of transition to democracy and market economy', and territorial disputes come in the way of the growth of SCO. Low caliber of state officials and old officers of the USSR period find it difficult in learning new developments thus has made the development of multilateral cooperation in Central Asia slow (Akiner 2001).

The ground reality of the Central Asian states must also be taken into account before discussing prospects of multilateralism in this region. The Central Asian states have authoritarian regimes, which are highly personality-centric. They are not welfare oriented regimes. Their understanding of national interest is very subjective and very vague. Since power in these states is concentrated in few hands, they feel more secure under bilateral commitments rather in any multilateral framework of cooperation. Ruslan Makustov (2006) argues that while studying SCO from Central Asian perspective, two points need to be taken into account: first, Central Asian states lack representative elites and second, it is still not clear whether this regional cooperation will foster Central Asian states' independent identity or it will establish Russian and
Chinese domination in the region. He argues that it is to the credit of Central Asian regimes they instinctively tend to counterbalance great power pressures, though they lack the neccessary wherewithal. SCO provides them an opportunity to implement their 'multi-vector' foreign policy which asks them to maintain relations with different big powers on different levels. Mark N. Katz (2008) argues that Russia's failure in getting the Central Asian states to express support for its action in Georgia shows that these states are independent of Russia.

In Makustov's opinion, SCO will prove a catalytic role in Central Asia. To begin with, it will serve short-term interests of the regimes, but in long term, the growing democratic consciousness will also introduce changes in the structure of SCO and SCO will function from the larger point of view of common people of the region. He argues that though at present, great powers are serving only their interests in SCO, but in future democratic assertion in the region will compel them to change their notion about Central Asia and they will have to treat the countries of the region as equal partners.

Central Asian states view these organisations as providing them an opportunity for their international socialization. Central Asian countries do not have any well worked-out strategy concerning the SCO or other organisations. Both China and Russia attach much significance to SCO as an avenue for a regional multilateral framework of cooperation. But for Central Asian states, it is simply one more organisation in the array of overlapping organisations in the region. It is just one more balancing exercise for them.

4.4 (e) SCO as an anti-American Formation

Gene Germanovich (2008) argues that certain phrases like 'non-intervention' and 'respect for diversity', used in various declarations and statements issued by SCO, have been interpreted as euphemism for opposing certain actions of American unilateralism. Internal discussions of SCO have been widely reported with quite anti-American sentiment. However, simply issuing some statements and internal discussions do not constitute their opposition to the US. In fact, it is too early to say whether SCO can become an anti-American formation or not. Mere grouping of some countries or expansion of SCO does not make it necessarily Anti-American. So far,
SCO does not provide any anti-hegemonic formation against the US in the true sense of the term.

As of now, improving their relations with the US appears to be on the top of foreign policy agenda of almost every country in the region. China's trade with the US is six times larger than that of Russia. One more point is that the Russia is fast losing its great power status, while China is rising power. As a result, sometimes Russia tends towards anti-Americanism more than China. China has left Maoist legacies far behind and is eager to collaborate with the US in order to be recognized as a mainstream responsible power and for various other strategic reasons. Here, one should not forget the autonomous behaviour of the Central Asian states countries. They have made it amply clear that they are not ready to become frontline states of any major power. Although popular sentiments are quite anti-American, on many occasions the Central Asian states have refused to toe the lines given by Russia. They were silent on Russian military intervention in Georgia. Besides, the Central Asian states, in a way, endorsed the American presence in the region to ensure that Taliban does not take over the region. Hansen (2008) clearly rejects the idea that SCO can become an anti-American alliance or new Warsaw Pact. He highlights distrust between SCO countries that rules out any such possibility.

4.4 (f) Prospects for SCO

The encouraging feature in the cooperation that is being promoted among the member countries of SCO is that no deep fault line that can trigger any conflict either between the major powers- Russia and China- or between any of the Central Asian member states of the SCO and Russia or China exists. Russia and China have resolved their border disputes with every Central Asian neighbour. But there are unresolved border disputes among their Central Asian counterparts.

Only visible traditional problems that exist are rivalry between the Kazakhstan, Tajikistan, and Kyrgyzstan together on one side and Uzbekistan on the other side. A traditional fear of Uzbek expansionism is the origin of this rivalry. Uzbekistan has a border problem with every other the Central Asian country. Uzbekistan's location together with its relatively sound national capabilities may have to do with its frequent discordant tune and its assertion. Legacies of old Kazakh and Uzbek pride are psychological sources of this rivalry.
Despite these problems, from the security perspective, the situation is conducive for SCO to be effective. Uzbekistan, still a reluctant member, has to accept and acknowledge its utility. Concerned about its sovereignty, China finds only SCO among the whole range of international and regional organisations in the world, where it does not feel insecure over the sovereignty related issues in regard to Taiwan, Tibet and conditions of human rights in China.

It can safely be said that, at present, this region is by and large free from any potential security threat that may come from traditional or conventional types of actors. All main concerns and threats are originating from non-traditional or non-conventional sources. Non-traditional security threats range from terrorism, separatism and extremism to drug-trafficking, trans-border crime, to HIV and other epidemics, to illegal migration. They are equally affecting every member state of SCO. All the member states are deeply affected by these problems. At this level, they have great consensus. They seem to have realized that their security interests are identical, at least on the level of conviction.

A well-coordinated and principled consensus on the American presence in the region will go a long way in ensuring the efficacy of SCO. SCO's categorical position on Islamic Movement of Uzbekistan and other problems like narco-trafficking is also crucial. The member countries should move beyond passing resolutions and expressing convictions and do something tangible in containing it.

As of now what appears is that SCO is an inward looking community of authoritarians. It seems to serve the interests of the ruling regimes only. If China remains overcommitted to the stability of the regime and comes in the way of popular aspirations blocking them, it will show hollowness of its foreign policy vision and forfeit the chances of a community construction out of SCO. If SCO does not reflect and respect public aspiration and remains value neutral in the name of civilisational diversity and its growth does not match the growth of public consciousness, it can repeat and become at best Warsaw pact-II only. Even if China does not adhere to the liberal notion of democracy, it should, at least, prepare the Central Asian states to become development oriented states by constructive engagement through SCO. SCO's success is essentially dependent on its member states, particularly Russia and China. Only they have the capability to ensure success of SCO.
4.5 Summary

From the inception of SCO, to its current phase, China has played a critical role. Moreover, China has been using SCO to further its national, regional and global interests. This trend will continue in the near future. In the long term what is to be seen is how China handles the Russian and US presence in Central Asia, how it implements its own agenda and shapes regional order and whether it will have any motivation left to implement the beliefs, which it claims to stand for once it satisfies its short term interests effectively and medium term interests considerably. One will have to wait and see whether China will continue directing to use SCO in future or will it simply turn its back from its stated principles and act like a regional hegemon.