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THE FUTURE OF THE SHANGHAI COOPERATION ORGANIZATION

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One year after September 11 2001, questions have arisen about the relevance and future of the Shanghai Cooperation Organization (SCO). Doubters recall that the SCO, as a regional organization with an explicit mandate to combat terrorism conspicuously failed to respond with a common voice to the terrorist attacks on the United States. SCO member states seemed to be more interested in individually courting U.S. favour than in strengthening the organization or acting collectively in the war on terror.

The credibility of SCO certainly took a beating in the past year. But is it right to dismiss it completely?

Those who view SCO as a dead duck tend to view international politics through a zero-sum prism (e.g. now that the U.S. is in Central Asia, the Russia-China dominated SCO has no future). However, such an approach is too simplistic for understanding multilateral organizations. It should be noted that when September 11 occurred the SCO was barely three months old, lacking institutional arrangements and unprepared for dealing with such a dramatic event.

The SCO was officially inaugurated in June 2001, five years after the original Shanghai Five came into being. Its origin can be traced back to the gradual thawing of relationship between the former Soviet Union (now Russia) and China and their effort to resolve the border dispute between them. After the collapse of the Soviet Union in 1991, Russia and the three newly independent Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, which share borders with China) continued the process. The three Central Asian states, fearing a divide-and-rule approach by China, insisted that negotiations should continue to be conducted on a strictly bilateral basis with Russia and as a group with them.

An understanding in principle for resolving the border dispute was reached by 1996, with the remaining task to be a technical demarcation of the long border. With the most difficult part behind them, the five states decided that the mutual confidence engendered by the negotiations should serve as the foundation for even closer regional cooperation. It was mainly because of this rationale, rather than China's or Russia's intention to prevent external powers from getting into the region, that the original Shanghai Five came into existence in 1996.

After several years of annual summits and ministerial meetings, the Central Asian states finally became confident enough to transform the original bilateral setting into a

multilateral arrangement. When SCO was officially inaugurated in Shanghai in June 2001, with Uzbekistan also joining in, leaders of the six countries pledged to give the SCO an institutional foundation to be a truly regional organization, by agreeing to establish a secretariat in Beijing and an anti-terrorism centre in Bishkek, Kyrgyzstan as soon as possible.

It would be premature to dismiss SCO's relevance. Its future prospect will depend more on how it copes with the challenges ahead.

First, a close cooperative relationship between Russia and China is essential for SCO's future (just like close cooperation between Germany and France for the European Union). In this aspect, there are reasons to be optimistic. While the post-Cold War warming-up between Russia and China certainly has a flavour of balancing the American superpower, the major impetus behind their close relationship has been the hard lesson they learned from their unpleasant past interactions. Both countries now recognize that no matter how strong they become individually, their strategic position and security environment will deteriorate greatly if they cannot reach an accommodation or *modus vivendi* with each other. Both countries are now confident of each other's good intentions and goodwill, and that the bilateral relationship will continue to be on firm ground.

Second, SCO is not only about security or anti-terrorism. Closer economic cooperation among member states is also vital for sustaining the organization and the region's long-term prosperity. Early this year in St. Petersburg, trade ministers of SCO member states pledged to work towards the goal of regional economic integration. While reaching that goal will take time and hard work, gradual economic integration under SCO already has a solid foundation: beside the economic interdependence among Russia and Central Asian states' economies, trade between Russia, Kazakhstan, Kyrgyzstan and China in 2000 accounted for 5%, 10% and 16% respectively of their total trade. This economic interdependence among the member states will continue to expand, and along the way, so too will their common interest. The utility of SCO to member states is therefore more likely to grow, rather than diminish, in the years ahead.

Finally, like other multilateral organizations, SCO has a moral purpose, which is to bring peace, stability and prosperity to the region by making the "Great Game" between great powers less conflictual and forging closer economic ties among member states. Therefore, the fact that SCO member states have been participating separately in the campaign against terrorism is not a sign of its weakness, but attests to its strength: just because it was U.S. that was attacked should never mean that SCO member states should not help. Besides, there is the real possibility the SCO may model itself upon the ASEAN-driven ASEAN Regional Forum (ARF) and initiate a SCO Regional Forum, in which the U.S. can become one of the principal dialogue partners. If the U.S. presence can indeed bring stability to the region and it can play a constructive role under a more multilateral framework (for instance, by cooperating with SCO states in combating terrorism), there is no reason why it should be rejected. The role of SCO is to ensure that the U.S. does so.

Of course, there will be many challenges ahead for SCO. For one thing, after more than a decade of independence, economic prosperity and political stability in many Central Asian states have yet to be assured.

Then there is always the shadow of Afghanistan looming behind: if the nation-building effort there cannot succeed and Afghanistan descends into chaos again, SCO

members will then have to devote more resources for containing the damage and less for economic growth.

But if SCO states can maintain their commitment to the organization (because it is in their interest) and engage other states constructively, SCO can still become the most prominent multilateral organization in the Eurasian heartland. All that is needed is a bit of optimism, persistence, and hard work.

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