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THE SHANGHAI COOPERATION ORGANISATION

*India Seeking New Role in the
Eurasian Regional Mechanism*

Meena Singh Roy



INSTITUTE FOR DEFENCE
STUDIES & ANALYSES

रक्षा अध्ययन एवं विश्लेषण संस्थान

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SCO GROUPINGS

MEMBER STATES

Russia
China
Kazakhstan
Uzbekistan
Tajikistan
Kyrgyzstan

DIALOGUE PARTNERS

Turkey
Sri Lanka
Belarus

OBSERVER STATES

India
Iran
Pakistan
Mongolia
Afghanistan

INTRODUCTION

The Shanghai Cooperation Organisation (SCO), a regional grouping of Russia, China and four Central Asian Republics – Uzbekistan, Kazakhstan, Tajikistan and Kyrgyzstan – has emerged as an influential regional organisation in the Eurasian space. Established in 2001, the SCO has made considerable progress in terms of coordinating regional efforts to address security challenges in the region. In the arena of regional economic cooperation the achievements may not have been very impressive but, there is considerable desire and attempt on the part of member-states towards greater economic engagement. The SCO member-countries have a population of about 1.5 billion. Its combined GDP, in 2011, was around US \$7.6 trillion and trade volume among the member-states reached about \$90 billion.¹ Given the economic - political potential and size of the SCO member-countries, the organisation definitely has a major influence in the regional and international system.

India, in 2005, acquired the observer status in the SCO. Since then it has constructively participated in all SCO summit meetings thus showing its strong willingness to be meaningfully associated with this regional grouping. However, it was only recently that New Delhi expressed its desire to join the SCO as a full member. Russia and Central Asian states have always been very supportive of India's entry into the SCO as a full member for a long time. In June 2011, the SCO approved a "memorandum of obligation", which will now enable the non-member countries to apply for the SCO's membership.

In 2011, India's Foreign Minister said that "India's entry into SCO will not only add value but also enhance stature of the Organisation... This

¹ Wei Tian and Cui Haipei, "Vice-Premier Calls for SCO Exchange", at http://www.chinadaily.com.cn/cndy/2012-05/18/content_15326184.htm, accessed on May 18, 2012

is an important grouping”.² He also informed the Rajya Sabha (the Upper House of India’s Parliament) during Question Hour that he was in touch with his counterparts in the SCO member-countries on India’s case for full membership and has received positive responses from them. Highlighting the future role which the SCO can play, India’s External Affairs Minister said that “The SCO can potentially play a much larger role in the future, both for the security and prosperity of our region”.³ It is in this context that the present study attempts to examine India’s role in the SCO. As India moves ahead to cement its ties with the strategically significant region of Central Asia on the basis of its new “Connect Central Asia” policy, some key questions related to India’s full membership and its options of engagement with the SCO require a comprehensive analysis.

The purpose of the study is to examine the following questions – what are the prospects of India’s full membership in the context of the new rules which have been approved in the Astana Summit meeting? Is there a case for India to join the SCO as full member? If yes, then what is it likely to gain as a full member and what are its options in the SCO? And finally, what are the challenges which India may be confronted with as a full member? To address the aforesaid questions it would be useful to analyse two issues – the significance and effectiveness of the SCO as a multilateral grouping and the future of the SCO. Such an analysis would help India in developing a mid-term and long-term strategy of engagement with the SCO.

The study has been divided into eight chapters. The first chapter looks at the increasing significance of the SCO; the second chapter looks at the SCO and its development trajectory; the third and fourth chapters

² “India Gives Go Ahead for SCO Membership”, *Hindustan Times* (Delhi) August 18, 2011 at <http://www.hindustantimes.com/India-gives-go-ahead-for-SCO-membership/Article1-734622.aspx>, accessed on August 19, 2011

³ Statement by the External Affairs Minister at the SCO Head of State Summit, June 7, 2012 at <http://mea.gov.in/media-briefings.htm?dtl/19755/Statement+by+External+Affairs+Minister+at+the+SCO+Heads+of+State+Summit>, accessed on September 23, 2012

examine the effectiveness of the SCO as a regional security mechanism and its potential for economic cooperation which has acquired focus in recent years; the fifth chapter deals with the issue of the enlargement of the SCO and the sixth chapter explores India's opportunities and challenges in the SCO. The seventh chapter analyses the future and how effective the SCO has been so far. The final chapter examines the strategies for India's future engagement with the organisation.

SIGNIFICANCE OF THE SCO: INCREASING PROFILE IN THE EURASIAN REGION

Established in 2001, the SCO has come a long way. Though it was set up in 1996, not until 2004, did its two permanent institutions—the Secretariat and the Regional Anti-Terrorism Structure—begin to operate.⁴ After 2005, the SCO seems to have acquired a new geopolitical role in Eurasia and beyond. The inclusion of India, Iran, Pakistan, Afghanistan as observer states and Sri Lanka, Belarus and Turkey as dialogue partners, clearly indicates its expanded engagement well beyond Central Asia into wider Southern and West Asian region. Importantly, during 2005-08, the grouping established its cooperation by signing the Memorandum of Mutual Understanding (MoU) with the Association of Southeast Asian Nations (ASEAN), the Commonwealth of Independent States (CIS), and the Eurasian Economic Community (EurasEC). It also acquired an observer status in the UN General Assembly, and maintains regular contacts with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the United Nation Development Programme (UNDP). These local, regional and international engagements characterise the SCO's increasing significance as a regional organisation.

Varied Discourse on the SCO

The discourse on the SCO and its role in Eurasia has been wide and varied. The Chinese and Russian experts are of the view that over the years SCO has moved from being a mechanism engaged in settling the border issues to becoming a regional organisation addressing security

⁴ In the initial years it was set up to address the border issues among the member-states

problems in the region and is now focused on enhancing economic cooperation among the member-states. On the other hand, the Western discourse for a long time did not consider this organisation as making any impact on the affairs in the Eurasian region. In the Western discourse, the SCO was largely viewed either as a mechanism to maintain current regimes in power in the region or to counter-balance US influence in the region. Some others have raised their doubts about the value of the organisation, calling it “nothing more than window dressing”.⁵ The effectiveness of the SCO as a ‘security manager’ or a politico-military regional grouping or a forum for regional economic cooperation has also been questioned in contemporary discourse. Some experts have argued that despite its increasing influence there is little tangible evidence of its footprint on the ground.⁶ Some others are of the opinion that “the SCO is dominated by the micro-agendas that work in opposition to the theoretical literature explaining international organisation (IO) purpose. Consequently, this particular IO is not only failing to become a nexus for globalization, democratic respect, or the fight against terror, it really cannot be considered a legitimate IO as is traditionally framed by theory.”⁷ It is argued that at best this organisation can be called “a politically motivated axis of convenience”⁸ or “club of authoritarians” where the main goal of the Central Asian regimes has been to contain the effect of the colour revolutions and minimise Western efforts to promote democracy.⁹

⁵ Dirk Van der Kley, “Turkey’s SCO Play: Does it matter?” at <http://thediplomat.com/flashpoints-blog/2013/05/07/turkeys-sco-play-does-it-matter/>, accessed on May 8, 2013

⁶ Raffaello Pantucci and Alexandros Petersen, “Turkey: Abandoning the EU for the SCO?”, at <http://thediplomat.com/2013/02/17/turkey-abandoning-the-eu-for-the-sco/?all=true> accessed on May 13, 2013

⁷ Matthew Crosston, “The Pluto of International Organisations: Micro-Agendas, IO Theory, and Dismissing the Shinghai Cooperation”, *Contemporary Strategy*, National Institute of Public Policy, Suite, UK, no 32, 2013, pp283

⁸ Ibid, pp284

⁹ Charles E. Ziegler, “Central Asia, the Shanghai Cooperation Organisation and American Foreign Policy”, *Asian Survey*, (California) Vol.53, no.3, 2012, pp.485; Gill Bates, “Shanghai Five: An Attempt to Counter US influence in Central Asia?” *Newsweek Korea*, 2001 at http://www.brookings.edu/opinions/2001/0504china_gill.aspx, accessed on December 8, 2013; Chien-peng Chung, “Shanghai Co-operation Organisation: China’s Changing Influence in Central Asia”, *The China Quarterly*, 180, 2004, pp. 989-1009

Changing Profile of the SCO

Interestingly, the conventional notion that the SCO was an anti-US forum, a “geo-political bluff” and just a “talking shop”, with very little influence on political, security and economic development in Central Asia appears to be changing. Some US experts have argued that “Washington has had a cautious and inconsistent approach to the SCO” until recently.¹⁰ Since 2005 the SCO has shown new activism in the region in encouraging closer security, economic and trade cooperation among the member-states.¹¹ The SCO is emerging as one of the potentially significant and influential regional organisations in the Eurasian heartland. It is currently drawing attention in Asia, Europe and America. Despite prevalent scepticism, there is no other organisation in the Eurasian region that has the potential to take on the responsibility of providing security to the region. The North Atlantic Treaty Organisation (NATO) is unwilling to play the role of security provider to the Central Asian region. Russia, given its past linkages and its current engagement with the region, where it has military bases and strong security and defence cooperation under the Collective Security Treaty Organisation (CSTO) mechanism, is considered to be the security guarantor for the region. At the same time, China, the major driving force in the SCO because of its economic interests, wants to see a stable and peaceful Central Asia but without getting into any kind of military alliances with the region. It has always used its economic and soft power tools for its strategic gains in the region.

In the current context, the SCO is perceived to have acquired a significant place in regional and global affairs. Its increasing influence and weight is being acknowledged in the US and Europe. The Obama Administration has called for a more regional and burden-sharing

¹⁰ Julie Boland, “Ten Years of the Shanghai Cooperation Organisation: A Lost Decade? A Partner for the US?”, 21st Century Defense Initiative Policy Paper, *Foreign Policy at Brookings*, June 20, 2011, p.5

¹¹ John W. Garver, “China’s Influence in Central and South Asia: Is it Interesting?”, in David Shambaugh (ed.) *Power Shift and Asia’s New Dynamics*, University of California, Berkeley, 2005, pp. 231

approach in dealing with the complex problem of Afghanistan. The US even participated in the SCO-sponsored international conference on Afghanistan in 2009.¹² The US Assistant Secretary of State for South and Central Asia, Robert O. Blake, during his visit to China in 2011, not only acknowledged that the SCO is a relevant regional organisation but also stated that the US would be interested in cooperating with it. As he noted:

In Central Asia the Shanghai Cooperation Organisation seeks to bolster security, economic and cultural cooperation between China, Russia and Central Asia. We see the potential for greater U.S. – China dialogue on areas of mutual interest such as counter-narcotics and counter-terrorism in support of the SCO's effort.¹³

The US interest in the organisation was clearly spelled out by the State Department official:

We have underestimated the potential of this structure. Surprisingly, in 10 years Moscow and Beijing were able to create an organisation with a coherent vision and growing influence. Of course, it's not NATO, as the values of the SCO member-states are entirely different, and yet it is an interesting format with potential for growth. We would like to know more about the work of the organisation.¹⁴

This is a clear shift in American policy towards the SCO. Although, it has not made any decision on seeking any sort of status within the SCO either as an observer or a dialogue partner, the US does seem to be inclined to cooperate with China in Central Asia by supporting the

¹² Joshua Kucera, "Is the US Warming to the Shanghai Cooperation Organisation", at <http://www.eurasianet.org/node/63115>, accessed on April 23, 2011

¹³ Ibid

¹⁴ Aleksandr Gabuyev, Elena Chernenko, Palina Eremenko, Kommersant (Translated by RT.com), "The SCO is deemed deserving of cooperation", at http://indrus.in/articles/2011/10/26/the_sco_is_deemed_deserving_of_cooperation_13169.html accessed on October 27, 2011

SCO efforts in the region. So far the US has engaged SCO only sporadically and has preferred to deal bilaterally with each Central Asian country. American experts are of the view that the US has moved from being indifferent to engagement with the SCO.¹⁵ The current US narrative on the SCO argues that for the US, a policy of engagement and cooperation makes strategic sense because of following reasons: Firstly, the SCO member-states can play a vital role in stabilising Afghanistan in post 2014 scenario; Secondly, all member-states share the US goals of promoting economic development and countering terrorism, extremism and narcotics trafficking; more importantly, the concept of Greater Central Asia and the US policy of New Silk Route which is focused on regional connectivity in terms of transportation, energy, electricity links and water management make a case for the US engagement.¹⁶ This is a noticeable change in the context of US-NATO transfer of defence and security responsibility to Afghan National Army in 2014.¹⁷

At the same time, the SCO has come more clearly into the EU's focus as well. Within Europe there is debate for stronger EU-SCO engagement. It is argued that increased engagement between the two will help stabilize the Central Asian region, improve the EU's energy security and strengthen its efforts to fight terrorism and drug trafficking.¹⁸ The European discourse highlights the point that SCO has made more headway, faster, than other regional organisations in Central Asia including NATO's partnership framework "in getting the Central Asians

¹⁵ Charles E. Ziegler, "Central Asia, the Shanghai Cooperation Organisation and American Foreign Policy", *Asian Survey*, 2012, Vol.53, no.3, pp.484

¹⁶ Ibid, pp.505

¹⁷ Meena Singh Roy, "Dynamics of Expanding the SCO", at http://www.idsa.in/idsacomments/DynamicsofExpandingtheSCO_msroy_040411 accessed on April 25, 2011

¹⁸ Oksana Antonenko, "The EU should not ignore the Shanghai Co-operation Organisation", *Policy Brief*, London, Centre for European Reform, May 2007, at <http://www.isn.ethz.ch/Digital-Library/Publications/Detail/?ots777=0c54e3b3-1e9c-be1e-2c24-a6a8c7060233&lng=en&id=31271>, accessed on 24 November, 2012

to work together on real issues in a non-zero-sum fashion”.¹⁹ The increasing attention of America and Europe definitely point to the SCO’s wider significance in international politics.

Regional Perspective and the SCO’s Profile

The three SCO observer countries – India, Pakistan and Iran – have already articulated the importance of the SCO and are interested in acquiring full membership. The Indian viewpoint was articulated by its External Affairs Minister during the last Summit meeting in Beijing, where he said:

India admires the Shanghai Cooperation Organisation (SCO) and values its contribution over the past decade, to peace, stability and prosperity in the region. As the SCO prepares for the next decade of its journey, we see a welcome process of introspection among members, on the challenges of the next decade and the role of the body in a fast-evolving world, strewn with multiple multilateral bodies, with intersecting agendas.²⁰

Similarly, Turkey which was accepted as dialogue partner at the SCO’s annual summit in Beijing on June 7, 2012, is now exploring an alternative option amid eroding hopes of getting the EU membership. Prime Minister Recep Tayyip Erdogan in his recent interview acknowledged the growing influence of the SCO and stated that he was seriously considering becoming part of the SCO. He said:

The fact is that we have not yet given up on the EU process.....
If we get into the SCO, we will say good bye to the European Union. The Shanghai Five is better – much more powerful.

¹⁹ Alyson J.K Bailes, “Shanghai Cooperation Organisation and Europe” *China and Eurasia Forum Quarterly*, Volume 5, No. 3, 2007, Central Asia-Caucasus Institute and Silk Road Studies Program, p. 13-18; A.J.K. Bailes and P. Dunay, “The Shanghai Cooperation Organisation”, SIPRI Policy Paper no. 17, May 2007, at http://www.peacepalacelibrary.nl/ebooks/files/SIPRI_Policypaper17%5B1%5D.pdf , accessed on October 26, 2011

²⁰ Statement by the External Affairs Minister at the SCO Head of State Summit, June 7, 2012, at <http://mea.gov.in/media-briefings.htm?dtl/19755/Statement+by+External+Affairs+Minister+at+the+SCO+Heads+of+State+Summit> , accessed on September 23, 2012

Pakistan wants in, India wants in as well. If the SCO wants us, all of us will become members of this organisation... The Shanghai Five is better and more powerful, and we have common values with them.²¹

From the regional perspective, since 2006 there has been greater acknowledgement of the SCO's role in providing peace, security and stability in the region by the Central Asian regimes. In the current context, the SCO is viewed as a "Window of Opportunity" and as an organisation which brings two great powers –Russia and China – together and sets a situation for close cooperation in the areas of security and culture in the region.²² The Kazakh Prime Minister Serik Akmetov pointed out during the SCO Prime Ministers' meeting that the group has become an important stabilizing factor in maintaining security in the region and therefore in future would promote economic cooperation.²³ Within Central Asia, experts are of the view that the SCO "remains a remarkable phenomenon in the contemporary system of international relations."²⁴

Despite its increasing significance the fundamental problems that plague the SCO cannot be ignored. In the light of current geopolitical developments, the SCO is confronted with a completely new set of challenges in addressing issues of security and economic development. The developments in the Afghanistan-Pakistan region, and the Arab

²¹ Emre Uslu, "Erdog`an Considering Shanghai Five", at http://www.todayszaman.com/mobile_detail.action?newsId=305321 accessed on May12, 2013

²² Views expressed by experts (Mr. Bakyt Djusupov from Office of the Government of the Kyrgyzstan, Foreign Policy Department, experts from the Institute of Strategic Studies Analyses and Forecast under Kyrgyz Russian Slavic University, Centre for perspective Studies under the President of Kyrgyzstan and Prof. Khamisov) during the field visit of the author to Bishkek in February 2011

²³ "SCO PMs Call for Deeper Cooperation among member-states", at http://news.xinhuanet.com/english/world/2012-12/05/c_132021404.htm, accessed on October 12, 2012

²⁴ Sanat Kushkumbayev, "The Shanghai Cooperation Organisation: Its Potential Influence on Regional Security in Central Asia", *Voices From Central Asia*, Elliott School of International Affairs, The George Washington University, No.10, March 2013, p.1

Spring and its implications for the Central Asian region demand new commitments from the SCO.

The major problems that limit the effectiveness of the SCO have been mainly the lack of adequate funds for implementing various economic projects, cultural differences and domestic challenges of Central Asian Republics (CARs); competition between Uzbekistan and Kazakhstan for leadership role in the region; difference in the economic status of the member-states, competition between Russia and China and competition with other regional groupings active in the region. Right now there is geopolitical competition between various organisations (CSTO, SCO, NATO and OSCE) in this region. Therefore, the future role of the SCO in addressing the security challenges to a large extent would depend on how it manages its relations with other organisations active in this region. And finally, opposition from the countries that are left out has also been a source of concern for the SCO.

The geographical configuration and political composition of the SCO reveal the asymmetry among its member-states and this often results in a sense of insecurity among the smaller states. These states tend to fear that their resources may be exploited by the bigger ones. Therefore, the success of the SCO in enhancing economic cooperation and integration would largely depend on how the concerns of the smaller states will be adequately addressed by the major powers.

From the regional perspective, some Kyrgyz experts (Mr. Bakyt Djusupov from Office of the Government of the Kyrgyzstan, Foreign Policy Department, experts from the Institute of Strategic Studies Analyses and Forecast under Kyrgyz Russian Slavic University, Centre for Perspective Studies under the President of Kyrgyzstan and Professor Khamisov) are of the view that the SCO has not been an effective mechanism in dealing with security issues in Central Asia but it is a good model to prevent competition and conflict between Russia and China. It has been argued that the leading members of the SCO are not sure of what the organisation should be like. Given the element of competition and rivalry between Russia and China the SCO may not live up to the expectations.²⁵ From the point of view of the Uzbek

²⁵ Views expressed by experts, No. 22

experts, despite commonalities of interests among the SCO member-states in addressing the issues of counterterrorism, religious extremism, when faced with such threats, this organisation has remained quite passive and ineffective. The Central Asian states have been expecting much more productive participation by SCO in the solution of their vital interests.²⁶ Many in Central Asia are not very optimistic about the future of this organisation. It is argued the aforesaid limitations the SCO may not live up to the expectation.²⁷ In addition, Jacob Zenn, an expert on the subject, argues that the SCO “is not a monolithic security or economic institution, but an avenue for China to pursue its economic and foreign policy objectives in Central Asia through a multilateral framework”.²⁸ The SCO mechanism helps China “to extend its influence from the Middle East to Asia-Pacific without appearing to act unilaterally”.²⁹

Yet another view on China’s role in the SCO by Timur Dadabaev explains that “China’s involvement in Central Asia has a paradoxical and contradictory impact on the potential for the SCO to move beyond functionalism and towards the creation of border SCO identity. Consequently, the future of the SCO may be more limited than the West fears and Central Asian hopes”.³⁰ On the similar lines, a Chinese expert has argued that there is asymmetry of interests between China and other member-states which is the main “reason why the SCO’s strategic situation is largely a suasion game between China and the

²⁶ Views expressed by Prof Farkhod Tolipov during interaction with the author in 2012

²⁷ Views expressed by experts with the author on the sidelines of the International Conference on “10 Years by the Way of Security and Cooperation: Successful Experience for Countering Contemporary Challenges and Threats on SCO Areas” in February 22-23, 2011, Almaty

²⁸ Jacob Zenn, “China and the SCO: Dead Wood but a Good Platform”, China Brief Vol. 13, Issue: 20, at http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=41471&tx_ttnews%5BbackPid%5D=7&cHash=aa8de1a28e4f9e9ae37deeb0f526f337#.U10qv9Jpnx6 accessed on November 12, 2013

²⁹ Ibid

³⁰ Timur Dadabaev, “Shanghai Cooperation Organisation (SCO) Regional Identity Formation from the Perspective of the Central Asia States”, *Journal of Contemporary China*, vol. 23, no. 85, 2014, pp102

members”³¹ and this gets further complicated because of the power equality between China and Russia on one hand and power asymmetry between China and the Central Asian states on the other hand. Due to this asymmetry between the member-states, the organisation faces “tremendous challenges in becoming well-established regional organisation”.³²

Be that as it may, despite its limitations and constraints, the SCO will continue to play a significant role in the region as the two leading member-countries of the organisation – Russia and China, intend to cooperate in the SCO to maintain stability in the region to retain their influence. Other important trend which merits attention is that within the SCO, China has both motivation and ability to play a key role, which it will continue to do in future as well. Its geographical proximity, military and economic capabilities have helped China to emerge as much more motivating player as compared to other member countries in the SCO. It is also expected to benefit more from this regional grouping as compared to Russia and smaller Central Asian countries.

For the Central Asian regimes this organisation is a perfect tool for providing regime security. But their desire to cooperate with SCO prevails not only because the SCO provides the regime security but also due to China’s potential to provide economic incentives to the CARs, and Russia’s support for providing overall security while balancing the increasing influence of China in the region.

³¹ Weiqing Song, “Interests, Power and China’s Difficult Game in the Shanghai Cooperation Organisation (SCO)”, *Journal of Contemporary China*, Vol.23, no. 85, June 2013, pp. 85 at <http://dx.doi.org/10.1080/10670564.2013.809981> accessed on December 8,2013

³² Ibid

THE SCO: DEVELOPMENT TRAJECTORY

Since its inception in the 1990s, the SCO (earlier known as Shanghai Five) has now established itself as a leading regional security forum. After a decade, the SCO has now entered a new phase. The evolution goes back to 1996, when newly independent countries of Central Asia and their neighbours decided to cooperate to resolve their longstanding border disputes. The Treaty of Deepening Military Trust in Border Regions in 1996 gave way to the creation of the Shanghai Five. The agreements on strengthening confidence in the military field and mutual reduction of armed forces in the border area was signed in Shanghai and Moscow respectively in 1996 and 1997 by the heads of the states of Kazakhstan, China, Kyrgyzstan, Russia and Tajikistan. Subsequently, the final documents were signed in the course of the meetings in Alma-Ata (1998), Bishkek (1999) and Dushanbe (2000). This effort was seen as an important contribution to the cause of maintaining peace, security and stability in the region. The major aim of the Shanghai Five was “promoting and deepening the good neighbour relations, mutual confidence and friendship among the member-states”.³³ In 2001, the Shanghai Five was elevated to the SCO to meet the new challenges and threats of the 21st century. The ‘Shanghai Spirit’³⁴ continued to be the normative base of the regional cooperation even under the SCO mechanism. The SCO moved from its limited framework of solving border disputes among the member-states to the larger scope of cooperation in the security, economic and cultural arena. The signing

³³ Declaration on the Creation of the Shanghai Cooperation Organisation, 2001, at <http://www.sectsc.org/EN/show.asp?id=69> accessed on April 17, 2011

³⁴ The ‘Shanghai Spirit’ has been explained as ‘one for all and six for one’, for details see Stephen Aris, *Eurasian Regionalism: The Shanghai Cooperation Organisation*, Palgrave Macmillan, 2011, pp38

of the Founding Declaration of the SCO on June 15, 2001 thus provided the formal institutionalised regional organisation to the Eurasian region. The five founding members of Shanghai Five – China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan were joined by Uzbekistan to form the SCO in 2001. Defining the goal of the organisation the declaration noted that:

The goals of the Shanghai Cooperation Organisation are: strengthening mutual confidence, friendship and good neighbourly relations between the participating states; encouraging effective cooperation between them in the political, trade-economic, scientific-technical, cultural, educational, energy, transportation, ecological and other areas; joint efforts to maintain and ensure peace, security and stability in the region, to build a new democratic, just and rational political and economic international order.³⁵

With its expanded agenda, the SCO thus emerged as an important part of the Central Asian political and security architecture.³⁶ Over the years, the SCO has emerged as an important element of China's and Russia's foreign policy towards Central Asian countries and a reflection of the political, security and economic policies of the Central Asian countries to balance their relations with two big neighbours – Russia and China. The evolving trajectory of the SCO can be analysed under the seven distinct phases.

I. 2001-2004: The Formative Years of Institutional and Agenda Development

The initial years focused on developing the institutional structure, and the primary legal document – the SCO Charter and the agenda for the cooperation among the member-states aimed at regional stability,

³⁵ Ibid

³⁶ Stephen Aris, "Tackling the 'three evils': Shanghai Cooperation Organisation(SCO) - A Regional Response to Non-Traditional Security Challenges or Anti Western Bloc?", *Europe-Asia Studies* 61, No.5, 2009; Chung Chien Peng, "China and the Internationalisation of the Shanghai Cooperation Organisation", *Problem of Post-Communism* 53, no5, 2006

tackling the traditional and non-traditional threats in the region. During this period, the SCO developed an institutional structure of seven organs. The SCO Charter, a legal framework for the development of the Organisation was signed in St. Petersburg on June 7, 2002.

In 2004 two permanent bodies of the SCO – the Secretariat in Beijing and the Executive Committee of the Regional Anti-terrorist Structure (RATS) in Tashkent – were formally launched.³⁷ The institutional development process thus created the basis for practical cooperation among the member-states.

During this phase the focus was on addressing the non-traditional security issues which were perceived by the member-states as threat to regional stability. The SCO declaration identified the three main concerns — Terrorism, Separatism and Extremism as major threats for regional stability. As a result the Shanghai Convention on Terrorism, Separatism and Extremism was signed on June 15, 2001. Despite these initiatives to deal with security concerns of the Central Asian region, most of the Central Asian regimes were during this initial phase, disillusioned by the ineffectiveness of the SCO in fighting security threats or in promoting regional economic cooperation. The US-led anti-terrorist operation in Afghanistan was seen by Central Asian states as more effective in comparison. Therefore, all these states not only completely supported³⁸ the US war on terror but also started building intensive relations with the US and its NATO allies on other issues of regional security. The ruling elites in most of the Central Asian countries regarded the US/NATO military deployment as an effective guarantee of their survival against radical Islamist and extremist forces. They supported the US invasion in Iraq and some of them even sent their own military personnel there. It is argued by a Russian scholar that during this period

³⁷ Tashkent Declaration of Heads of Member-states of Shanghai Cooperation Organisation, July 17, 2004, at <http://www.sectesco.org/html/00119.html>, accessed on September 23, 2010

³⁸ Central Asian regimes provided Western transport and military aircraft to fly over their territories and gave the lease of their airport facilities to the US and NATO allies

“the SCO continued to lose credibility as a regional security organisation and was sliding into [being yet] another international political forum with an unclear agenda and lacking effective mechanisms of implementing its own decisions.”³⁹ Although Russia and China were unhappy with the new situation which was unfolding in CARs, they could do very little to bring about any major change. The SCO continued to lose its credibility and functioned as an ineffective international political forum.

II. The 2005 Astana Summit – Changed Regional Security Architecture and Increasing Profile of the SCO

The regional security architecture changed significantly in 2005 after dramatic events in Kyrgyzstan and Uzbekistan.⁴⁰ Both these events seriously alarmed ruling elites in CARs that their staying in power was no longer threatened just by international terrorism and extremist Islamic groups but also by the US which was supporting the ‘coloured revolutions’ in the region. The changed attitude of the Central Asian regimes created a situation which provided a new geopolitical role for the SCO. In July 2005 (during the Astana Summit) the SCO member-states called the US to set a deadline for its military presence in the region.⁴¹ As a result, the US had to close down its air base in Uzbekistan in November 2005.

Hereafter the overall strategic position of the US in Central Asian region weakened. A clear winner in this situation was the SCO, whose role as a principal guarantor of Central Asian security was recognized by all

³⁹ Gennady Chufirin, “The Changing Role of SCO in Central Asia”, Paper presented at International Institute of Strategic Studies, London on January 27-28, 2006

⁴⁰ In Kyrgyzstan the ‘coloured revolution’ resulted in a violent overthrow of the ruling regime and in Uzbekistan (in Andijan) an armed uprising was crushed by the use of military power of the state

⁴¹ Shanghai Cooperation Organisation, Declaration of Heads of Member-states of Shanghai Cooperation Organisation, SCO Annual Summit of Head of State, Astana, July 5, 2005 at http://www.chinadaily.com.cn/china/2006-06/12/content_6020345.htm , accessed on October 27, 2011

regional states. In this changed security paradigm the SCO became an important factor in the new regional order. Apart from the SCO's regional security and economic dimensions, its geopolitical role also started changing. In July 2005, India, Pakistan and Iran joined the SCO as observers. The inclusion of these states expanded SCO's reach into the wider South Asian region. Since then, its strategic importance has been growing, which is also demonstrated by the make-up of its main bodies and their functioning.⁴² The Council of Head of State, the top decision-making body in the SCO meets at the SCO summits every year in one of the state capitals of the member-states. The Council of Heads of Government is the second highest council of the organisation and holds annual summits to discuss issues of multilateral cooperation. The budget of the organisation is approved by this council. The Council of Foreign Ministers, the third important body of the SCO, holds regular meetings to discuss the international situation and the SCO's interaction with other international organisations.⁴³ Since 2006, SCO cooperation initiatives in energy, foreign policy and international security have gained momentum. Simultaneously, the overall strategic position of the US in the Central Asian region has weakened.⁴⁴

III. The 2007 Bishkek Summit – Boosting Military and Security Cooperation

The Bishkek Summit, held on August 16, 2007, was significant in terms of boosting security cooperation and developing energy resources

⁴² The SCO has developed an institutional Structure including seven bodies - The Council of Head of State; the Council of Heads of Government; the Council of Ministers of Foreign Affairs; Meetings of Heads of Ministries and Agencies; Council of National Coordination; the Regional Antiterrorist Structure; and the Secretariat

⁴³ Zhao Huasheng, "The Shanghai Cooperation Organisation at 5: Achievements and Challenges Ahead", *China Eurasia Forum Quarterly*, no. 4, 2006, pp.110; Stephen Aris, *Eurasian Regionalism - The Shanghai Cooperation Organisation*, Palgrave Macmillan, 2011, pp20-21

⁴⁴ Meena Singh Roy, "Major Powers in Central Asia: Imperatives for India", in S.D. Muni (ed.), *IDSIA Asian Strategic Review*, 2007, Academic Foundation in Association with Institute for Defence Studies and Analyses, New Delhi, pp. 291–307

within the SCO framework.⁴⁵ The summit concluded with the signing of a treaty among member-states on “good-neighbourly relations, friendship and cooperation.”⁴⁶ The focus of the summit was on countering terrorist threats and regional stability. The SCO leaders called for a multilateral approach to address global problems. They discussed the issue of stemming the proliferation of weapons and illegal narcotics, reviewed measures to bolster information security, and resolved to establish a new SCO University. The clear message from the summit was: “The world is bigger than the West”.⁴⁷

Parallel to the Bishkek Summit, the first SCO military exercise “Peace Mission-2007” was held in the southern Urals. The militaries of all SCO members participated in this exercise, lasting nine days (9 to 17 August), which focused on counter-terror operations. The exercise involved 6500 soldiers, including some 2000 from Russia and 1700 from China, smaller company-size units from Kazakhstan and Tajikistan, a special police platoon from Kyrgyzstan, and a team of 20 Uzbek military officers. About 500 combat vehicles and 80 combat aircraft from China and Russia were also employed.⁴⁸ The dominance of Russia and China was evident in the exercise.

On October 5, 2007 a memorandum of cooperation was signed between the SCO and the CSTO on the side lines of a CSTO summit

⁴⁵ “SCO member-states to increase defence cooperation”, http://english.people.com.cn/200706/28/eng20070628_388224.html, accessed on June 29, 2007; Vladimir Radyuhin, “Defence Pact to Balance NATO”, <http://www.hindu.com/thehindu/holnus/003200710070301.htm>, accessed on October 8, 2007

⁴⁶ Bishkek Declaration of the Heads of the Member-states of the Shanghai Cooperation Organisation, 2007 at <http://www.sectsc.org/EN123/show.asp?id=92>, accessed on November 26, 2010

⁴⁷ Meena Singh Roy, “The Shanghai Cooperation Organisation Acquiring New Punches”, in S.D. Muni (ed.), *IDS.A Asian Strategic Review*, 2008, Academic Foundation in Association with Institute for Defence Studies and Analyses, New Delhi, pp. 287

⁴⁸ “SCO Members Kick-off Anti-terror Drill”, at http://news.xinhuanet.com/english/2007-08/09/content_6499547.htm; “Peace mission Exercises get Under Way”, at http://news.xinhuanet.com/english/2007-08/content_6485585.htm, accessed on September 16, 2011

in Dushanbe, the capital of Tajikistan.⁴⁹ The Russian media reported the tie-up as a signal of the emergence of a major military-political bloc, a “Russian-Chinese NATO” that would challenge NATO in the Eurasian continent. The decision to set up the alliance’s peacekeeping force was also taken up. This peacekeeping force would undertake UN-mandated peace missions anywhere in the world. On December 4, 2007 CSTO Secretary-General Nikolai Bordyuzha and SCO Deputy Secretary-General Gao Yusheng agreed on signing of a comprehensive plan of joint action in early 2008.⁵⁰

The increasing defence cooperation within the framework of the SCO, the Peace Mission 2007 and the SCO-CSTO ties led some observers to see the SCO emerging as an eastern response to NATO. The Russian media went to the extent of calling it “Warsaw Pact II” and “Anti-NATO”. However, the SCO officials on their part said that the organisation is “pretty rudimentary”. The Russian and Chinese Defence Ministers clarified that: “We do not consider the SCO to be a bloc opposing someone.”⁵¹ Nevertheless, some trends merit attention:

- The “Peace Mission-2007” and CSTO-SCO cooperation demonstrate advancement of the SCO in military coordination. It was for the first time that military exercises were combined with a political summit.
- Against this backdrop Russia’s policy of strategic reassertion in the Eurasian heartland is quite evident. Russia has enhanced its military and security cooperation with all CARs. It has military bases in Kyrgyzstan, Tajikistan and Uzbekistan. Moscow’s defence cooperation both under SCO and CSTO

⁴⁹ Vladimir Radyuhin, “Defence Pact to Balance NATO”, <http://www.hindu.com/thehindu/holnus/003200710070301.htm>, accessed on October 8, 2007

⁵⁰ Sergei Blagov, “Eurasian Grouping Seek Closer Security Ties”, at <http://www.isn.ethz.ch/news/>, accessed on September 6, 2010

⁵¹ “SCO Says Activities Not Aimed against Third Country”, at <http://www.rferl.org/featuresarticle/2007/06/6C6E2E5B-6582-4034-AEEA-76737173B3C9.html>, accessed on October 8, 2010

intensified during this period. In 2008, the Kazakh Defence Minister announced that a military town will soon be built in Shymkent and a unit armed with Russian S-300 missile defence systems will be put on alert in Shymkent, in South Kazakhstan.⁵²

- During this period China continued to pursue an aggressive policy of enhancing its military ties with the CARs leveraging the SCO and with agreements at the bilateral level. China signed a treaty of good-neighbourliness, friendship, and cooperation on January 15, 2007 with Tajikistan. This treaty provides for bilateral expansion of military exchanges at various levels and offers mutual assistance in education and training of military cadres and specialists.⁵³ China also offered significant loans to Kyrgyzstan and Tajikistan with the aim of getting future energy and military deals through. In January 2007, it offered \$9 million in aid to Tajikistan.⁵⁴ China bagged a contract for supplying the Turkmen Ministry of Defence with computers and another contract for supply of military uniforms worth \$3 million, to be paid over ten years. Turkmen students have also been offered free training in Chinese military academies.⁵⁵
- During the initial years Sino-Russian cooperation in SCO and CSTO resulted in the cementing of their strategic relationship.⁵⁶

⁵² Meena Singh Roy, “Major Powers in Central Asia: Imperatives for India”, no. 44., pp. 292-295; “Southern Kazakh Region to Get Russian S-300 Air Defence Systems”, Interfax, Moscow, January 28, 2008, in *BBC Monitoring Global News*, Central Asia Political, January 29, 2008

⁵³ Full text of China-Tajikistan treaty on Good-neighbourliness, Friendship, in *BBC Monitoring Global News*, Central Asia Political, January 18, 2007

⁵⁴ “Tajikistan to Get 9m-dollar Free Aid from China”, *BBC Monitoring Global News*, Central Asia Political, January 17, 2007

⁵⁵ “China Gains Firm Foothold in Turkmenistan, USA Left on Sidelines”, *Kazakhstan Delovaya Nedelnya*, December 24, 2007, in *BBC Monitoring Global News*, Central Asia Political, June 14, 2008

⁵⁶ The seeds of this Sino-Russian declaration were laid in 1996, when the two sides opposed the global imposition of single-state hegemony. Mahdi Darius Nazemroaya, “The Sino-Russian Alliance: Challenging America’s Ambitions in Eurasia”, at <http://www.globalresearch.ca/PrintArticle.php?articleID=6688>, accessed on December 3, 2011

This strategic partnership has been viewed as aimed at counterbalancing Washington's "oversized role and influence in global politics".⁵⁷

- What is noticeable is that despite this joint power projection by Russia and China in their anti-terror drill, the CARs continue to be members of NATO'S Partnership for Peace Programme (PfP). Their engagement in various bilateral relationships and training projects with NATO member- states remains intact.⁵⁸
- The US has an airbase in Kyrgyzstan. NATO forces have some limited facilities in Tajikistan. Turkmenistan also stepped up relations with Washington, posting a military attaché in Washington during this period. Some high-ranking US generals were reported to have visited Ashgabat.⁵⁹

Therefore, any speculation about the SCO emerging as "NATO of the East" seems premature. First, the SCO does not have a military assistance Article, unlike NATO. The 2006 Shanghai Summit declaration merely states that in case of threats to regional peace, stability and security, the SCO members will have immediate consultations on effectively responding to the emergency. Unlike NATO, the SCO does not have any integrated military structure. Secondly, the CARs will continue to bring in Western pressures through their continued political and military links with NATO and the US. Their multi-vector foreign policy and desire to maintain links with NATO and the US will restrict the formation of a NATO-like alliance.

⁵⁷ Ibid

⁵⁸ Kazakhstan has continued its military ties with Washington. The five-year US-Kazakhstan military cooperation plan, signed in 2003, was discussed in 2007 in "Kazakh Minister, US Envoy Discuss Military Ties", *BBC Monitoring Global News*, Central Asia Political, February 9, 2007; "NATO Offers Kazakhstan Help in Military Reform", *BBC Monitoring Global News*, Central Asia Political, February 10, 2007. Washington renewed efforts to improve relations with Uzbekistan. The visit of Admiral William Fallon, head of the US Central Command, in January 2008 was aimed at laying the groundwork for a rapprochement between the two countries. Since then both sides have been looking for ways to mend fences. "US-Uzbekistan Relations: Another Step toward Rapprochement?", at http://www.eurasianet.org/departments/insight/articles/eav012308b_pr.shtml, accessed on June 18, 2011

⁵⁹ Kazakhstan Delovaya Nedelya, No. 55

Though developments in 2007 were identified more with increasing military and security cooperation, other areas did receive attention during the Bishkek Summit. At the top of the agenda was improving transportation and energy links between member-states, which, the summit agreed, is the basis for “sustainable economic growth and security”. President Nazarbayev of Kazakhstan proposed the formation of an Asian energy strategy, stating that “a mechanism of meetings of energy ministers of the SCO member and observer states should function in the context of the idea of an energy club, and that this might become one of the main elements of an Asian energy strategy.” It was agreed to create a “unified energy market” to facilitate the movement of oil and gas supplies among members. The Bishkek Declaration specified that energy dialogue will include producer, transit and consumer states.⁶⁰

The declaration stated that “stability and security in Central Asia can be ensured primarily by the regional states themselves, through existing regional associations”. Highlighting the SCO’s increasing focus on regional security, President Vladimir Putin of Russia emphasised the need to create a “counter-terrorism security belt” within the framework of the grouping. He also called for an end to the unipolar approach to international affairs.⁶¹

The issue of “illegal interference” in the affairs of other countries was raised by President Mahmoud Ahmadinejad of Iran, who spoke of the US attempt to impose “a new political map in the Middle East” and its deployment of missile defence systems, which affected the security of Asia and of the SCO countries in particular. The Bishkek Declaration also called for “strengthening strategic stability and non-

⁶⁰ Bishkek Declaration of the Heads of the Member-states of the Shanghai Cooperation Organisation, 2007 at <http://www.sectsc.org/EN123/show.asp?id=92>; Meena Singh Roy, “The Bishkek Summit”, at <http://www.idsa.in/russia.htm>, accessed on June 17, 2011

⁶¹ Shanghai Cooperation Organisation, Declaration of Heads of Member-states of Shanghai Cooperation Organisation, SCO Annual Summit of Head of State, Bishkek, August 16, 2007 at <http://www.sectsc.org/EN123/show.asp?id=92>

proliferation of weapons of mass destruction” and urged the need to prevent the militarisation of outer space.⁶²

The summit highlighted the need to counter terrorism and singled out the negative regional influence of Afghanistan’s illegal drug trade. Both President Putin and President Hu Jintao of China assured President Hamid Karzai of Afghanistan their support and willingness to help rebuild his country. President Putin proposed a special SCO summit to plan a reconstruction strategy for Afghanistan.

IV. SCO Profile in 2008-2009 - Response to Georgian and Global Financial Crisis

The 2008 meeting of the Council of Head of member-states of the SCO took place in Tajikistan against the backdrop of the crisis in Georgia. The Dushanbe Declaration was important for Russia from the point of SCO’s response to the Georgian crisis. The SCO did not fully endorse Russia’s action in Georgia. While all SCO members supported active role of Russia in promoting peace and cooperation in the region, they expressed their deep concerns on the tension around the issue of South Ossetia. They also welcomed the six-point solution approved in Moscow on August 12 to settle the South Ossetia conflict; however, at the same time they called “on the relevant parties to resolve existing problems in a peaceful way through dialogue.”⁶³ The declaration stated that “Reliance on a solution based solely on the use of force faces no prospects.”⁶⁴ Emphasis on the role of UN in the field of crisis prevention was stressed. They acknowledged the potential and role of regional organisations but emphasized comprehensive development and enhancement of cooperation between the UN and

⁶² Ibid

⁶³ Dushanbe Declaration of the Heads of the Member-states of the Shanghai Cooperation Organisation, 2008 at <http://www.sectsc.org/EN123/show.asp?id=90>, accessed on July 10, 2010

⁶⁴ Shanghai Cooperation Organisation, Declaration of Heads of Member-states of Shanghai Cooperation Organisation, SCO Annual Summit of Head of State, Dushanbe, August 28, 2008 at <http://www.sectsc.org/EN123/show.asp?id=90>

regional bodies in accordance with Chapter VIII of the UN Charter. While Kazakhstan, Tajikistan and Kyrgyzstan supported Russia's role in Georgia, Uzbekistan remained silent on this issue. The Tajik President emphasized the diplomatic solutions as preferred option for resolving disputes. The Chinese Premier called for the relevant parties to appropriately resolve the problems through dialogue and consultations. The divided responses of the SCO member-states during the Georgian crisis indicated that majority of them were apprehensive about supporting military intervention in the internal affairs of another country.

During 2008-09 the SCO continued to focus on security threats and enhancement of its economic agenda. The need to enhance the activities of the SCO-Afghanistan Contact Group was noted by the member-states. The SCO member-countries, particularly Russia and the CARs, appealed for a greater SCO role in Afghanistan. They offered assistance and support to Afghanistan in its reconstruction, demilitarisation and enabling farmers to shift to other crops from poppy. The Russian President, Vladimir Putin, went a step ahead and proposed a special SCO summit to plan a reconstruction strategy for Afghanistan.⁶⁵ Finally, the conference on Afghanistan was held on March 27, 2009, in Moscow. On the issue of countering the problem of narcotics, the heads of counter-narcotics agencies of the member-states were instructed to hold, in the first half of 2009, a special meeting to consider creating in the SCO framework a mechanism for fighting illegal circulation of narcotics. In 2008, the Tajik President called for establishment of anti-drugs centre. It was agreed that the SCO will continue with the anti-terror military exercise like the "Peace Mission 2007" in future. In 2009 the "Peace Mission 2009" was conducted.

In the area of energy cooperation the Kazakh President urged the SCO to draw a common energy strategy as soon as possible. The Kyrgyz President advocated the idea of setting up an SCO Development Fund to strengthen the economic agenda of the SCO.

⁶⁵ At <http://www.sectsco.org/html/01651.html>, accessed August 17, 2007; Meena Singh Roy, 'The Bishkek Summit', at http://www.idsa.in/idsastrategiccomments/TheBishkekSummit_MSROY_210807, accessed on January 12, 2011

The MoU on partnership relations between the Interbank Association of the SCO and Eurasian Development Bank, which was signed in 2008, indicated the organisation's growing emphasis on regional economic cooperation.

The heads of states also approved of the regulations on the status of Dialogue Partner of the SCO. A decision was taken to set up a special expert group to consider a whole range of issues related to the expansion of the organisation. Once again, the Dushanbe Declaration noted the importance of the SCO's openness about constructive dialogue with all international and regional organisations. The Kyrgyz President sought greater cooperation with the EU and the Organisation for Security and Cooperation in Europe (OSCE). The need for speeding up work to draft an inter-governmental agreement on the creation of conditions for international cargo transportation by motorways was emphasized by both the Tajik and the Kyrgyz Presidents.

During this period the SCO member-states also focused on other important issues like food security, information security and disaster management. Tajikistan and Kyrgyzstan raised the issue of food security and stated that food crisis poses a greater threat than terrorism. The successful work of the SCO Expert Group on International Information Security (IIS) was noted by the member-states and it was suggested to speed up the process of drafting an inter-governmental agreement within the SCO framework in this area.

On the problems of water and energy resources it was suggested that importance be given to developing the dialogue among states with "due regard for the interests of parties". On the issue of fighting the global climate change, the Dushanbe Declaration noted that "greater emphasis will be put on the formation of common approaches of the SCO member-states towards overcoming negative consequences of the climate change and developing eco-friendly sources of energy."⁶⁶

⁶⁶ Dushanbe Declaration of the Heads of the Member-states of the Shanghai Cooperation Organisation, 2008, at <http://www.sectsc.org/EN123/show.asp?id=90>, accessed on November 23, 2010

The member-states suggested that the process of establishing an SCO Centre for Prevention of Natural and Man-made Disaster should be hastened.

The Ninth SCO Summit meeting at Yekaterinburg in 2009 further enhanced the significance of the SCO as an organisation with a focus on development in Afghanistan⁶⁷ and dealing with the impact of the global financial crisis. This summit was also important in terms of bringing in Sri Lanka and Belarus as dialogue partners, thus expanding the organisation through the entry of countries as dialogue partners. The SCO Joint Initiative on Increasing Multilateral Economic Cooperation in Tackling the Consequence of the Global Financial Economic Crisis was signed in 2009.⁶⁸

V. SCO in 2010-2011: Crisis in Kyrgyzstan and Enlargement Issue

The efforts of the SCO during 2010-11 were directed towards responding to the internal unrest in Kyrgyzstan, enhancing its economic agenda and most importantly the expansion of the organisation. The SCO declaration was silent on the issue of the member-states actively participating in resolving the crisis in Kyrgyzstan. Adhering to the principle of non-interference in the internal affairs of a sovereign country, the SCO member-countries supported the resolutions of any problem exclusively by political and diplomatic means and through dialogue and negotiation. The Tashkent Declaration called for “speedy stabilization of the political situation in Kyrgyzstan for the entire region” and “expressed their willingness to provide the Kyrgyz Republic with necessary support and assistance in solving this problem”.⁶⁹ Another

⁶⁷ For details see “Role of the Shanghai Cooperation Organisation in Afghanistan: Scope and Limitations”, *Strategic Analysis*, Vol.34 No.4, July 2010, pp.545-561

⁶⁸ Yekaterinburg Declaration of the Head of the Member-states of the Shanghai Cooperation Organisation, at http://en.sco2009.ru/docs/documents/yekatenburg_declaration, accessed on August 27, 2011

⁶⁹ Declaration of the Tenth Meeting of the Council of the Heads of the Member-states of the Shanghai Cooperation Organisation 2010 at <http://www.sectso.org/EN123/show.aspx?id=225>, accessed on September 22, 2012

important issue before the SCO was the impact of the global financial crisis and managing its impact for the region. In this respect the SCO declaration called for “strengthening of coordination of the joint activity” of the member-states to manage the economic crisis and reduce its negative consequences.⁷⁰

The SCO summits of 2010 and 2011 were significant from the point of view of the enlargement of the organisation. The criteria and regulation for admitting new members was approved and adopted in 2011. Another important issue for the SCO during this period was the advancement of the cooperation in military and security. The seventh joint anti-terror military drill “Peace Mission 2010” under the framework of the SCO was held in September 2010 in Kazakhstan. In this sixteen-day military drill some 5,000 troops from Kazakhstan, Kyrgyzstan, Russia, and Tajikistan participated. However, Uzbekistan did not participate in these exercises. These exercises advanced the cooperation in defence and security under the SCO framework to a higher level.⁷¹ In addition, the threats to information security were identified as a grave concern for the region. It was noted that to address the problem of cyber crime joint efforts and broad international cooperation was needed.⁷²

VI. SCO in 2012-13: Promoting a New Security Concept and Building ‘Silk Road Economic Belt’

The Beijing SCO Summit in June 2012 and the Bishkek Summit in September 2013 were held against the backdrop of continued turmoil in West Asia and North Africa, particularly the Syrian crisis and concerns over the developments surrounding Iran’s nuclear programme, concerns about the situation in Afghanistan after the expected withdrawal of

⁷⁰ Ibid

⁷¹ Chronicle of main events at SCO in 2010, at <http://www.sectsc.org/EN/show.asp?id=255> accessed on August 23, 2011

⁷² Astana Declaration of the 10th Anniversary of the Shanghai Cooperation Organisation 2011 at <http://www.sectsc.org/EN123/show.asp?id=294>, accessed on February 8, 2012

the US-NATO forces in 2014. The SCO declaration of June 2012 clearly opposed the armed intervention or forced “regime change” and disapproved the unilateral sanctions. This was the clear signal to the West about their military support for regime change in Syria. The Russia-China led organisation also called for promoting a new security concept. The SCO Declaration of 2012 noted that:

The member-states share the view that it is important to promote a new security concept featuring mutual trust, mutual benefit, equality and coordination in international relations, and build an indivisible security space in the world where the interests of all countries are respected.⁷³

To resolve the Syrian crisis the member-states reiterated the role of UN Security Council’s support for political mediation and resolving the Syrian issue through political dialogue by taking into account the common interests of the Syrian people and the international community. The SCO Summit of 2013 saw a clear focus on developments in Syria driven by the concerns of SCO member-states about the fall of Assad regime and its negative impact on Central Asian region, China and Russia. Therefore, the Bishkek Declaration was used to articulate united position of the SCO on Syria. In recent past, increasing violence in Syria and the threat of military intervention by the US has been seen as major security concern by China, Russia and Central Asian countries. The evidence of Uighur, North Caucasian, Uzbek, Tajik and Kyrgyz militants’ presence in Syria has been viewed as major challenge by the SCO member-states. It is feared that victory of rebel forces in Syria could result not only in boosting the morals of extremist forces in Central Asia, Xinjiang and Russia, but also the return of militants to their countries after completing the mission in Syria. The SCO member-states have called for negotiated settlement of the civil war in Syria rather than US military intervention or victory of rebel forces. The SCO declaration echoed the voice of Russia and China. The Bishkek

⁷³ Declaration of the Heads of State of the Member-states of the Shanghai Cooperation Organisation on Building a Region of Lasting Peace and Common Prosperity, 2012 at <http://www.fmprc.gov.cn/eng/zxxx/t939149.htm>, accessed on March 5, 2013

Declaration called for the launch of a broad political dialogue between the authorities and the opposition without preconditions on the basis of the Geneva Communiqué of June 30, 2012.⁷⁴

On the situation in Afghanistan the SCO member-states felt that “the national reconciliation process in Afghanistan should be Afghan-led and Afghan owned”.⁷⁵ The SCO Declaration of 2013 called on international community to “create conditions for the early establishment of peace, support the central coordinating role of the UN in international efforts to resolve the Afghan and assist in the reconstruction of Afghanistan”.⁷⁶

On Iran’s nuclear imbroglio with the West, the SCO Declaration of 2012 called on “all parties to exercise maximum restraint and avoid remarks or actions which might further escalated confrontation”⁷⁷ and member-states argued that there was no alternative to peaceful resolution of this issue. The Bishkek Declaration of 2013 clearly pointed out that the “threat of military force and unilateral sanction measures against individual states.... unacceptable”.⁷⁸ In addition to the Iran’s nuclear issue, the Bishkek Declaration drew attention to the problem of the Korean Peninsula seeking negotiation and consultations as the only way to maintain peace and stability on the Korean Peninsula as well as the implementation of its denuclearization. The Declaration called for “early resumption of the six-party talks on Korean Peninsula nuclear issue, on the basis of the purposes and principles of the Joint Statement ‘Six’ of September 19, 2005”.⁷⁹

⁷⁴ Bishkek Declaration of the Heads of State of the Shanghai Cooperation Organisation, September 13, 2013 at <http://www.scosummit2013.org/news/bishkekская-декларация-глав-государств-членов-шанхайской-организации-сотрудничества/>, accessed on October 17, 2013

⁷⁵ Ibid

⁷⁶ Ibid

⁷⁷ Declaration of the Heads of State of the Member-states of the Shanghai Cooperation Organisation on Building a Region of Lasting Peace and Common Prosperity, 2012 at <http://www.fmprc.gov.cn/eng/zxxx/t939149.htm>, accessed on March 5, 2013

⁷⁸ See No. 74

⁷⁹ Ibid

The SCO Declarations of 2012 and 2013 were clear articulation of new security cooperation between China and Russia on the regional issues in international arena. This was also a signal to the US and West about common position of the SCO member-countries on the issues pertaining to developments in the West Asian region as opposed to that of the US policy in the region.

At the same time, the SCO member-states expressed their willingness to take the cooperation among the member-countries “to the next level and turn the SCO space in the region of lasting peace, friendship, prosperity and harmony”.⁸⁰ To ensure this the Heads of State entrusted to the Council of Foreign Ministers of the SCO member-states the drafting of the strategy of 2025 and submit it to the SCO CHS in due course of time.

The salient feature of the Bishkek Summit was the successful demonstration of China’s Central Asia policy, where Beijing used the SCO meeting to cultivate and cement its economic and strategic ties with all Central Asian countries by pronouncing its new policy of cooperation through building a ‘Silk Road economic belt’.⁸¹ This new policy is proposed to incorporate building of international road transport corridors connecting the Baltic Sea and Pacific Ocean, linking Central Asia with the Indian Ocean and the Persian Gulf; enhancing economic cooperation; strengthening cooperation in the financial sector; establishing the SCO Development Bank with special account for the SCO and setting up of energy club; and establishing food security cooperation mechanism, cooperating in agriculture production, trade of agriculture products and working for food safety and other fields.⁸²

⁸⁰ Ibid

⁸¹ Tang Danlu, “Xi suggests China, C. Asia Build Silk Road Economic Belt”, at news.xinhuanet.com/English/china/2013-09/07/c_132700695.htm, accessed on November 9, 2013

⁸² Xi Jinping Delivers Speech at SCO Summit, and Raises Four-Point Proposal, September 13, 2013, at <http://www.fmprc.gov.cn/eng/wjdt/wshd/t1077762.shtml>, accessed on December 27, 2013

China has always concluded bilateral agreements with all the CARs to expand its economic, energy and strategic ties while using the SCO mechanism. Once again in September 2013, the Chinese President Xi Jinping visited Turkmenistan, Kazakhstan and Uzbekistan before participating in the SCO summit meeting in Bishkek. During his visit to Central Asian countries, President Xi concluded major bilateral agreements in the field of energy, trade and strategic cooperation. In Turkmenistan, both the countries forged a strategic partnership by announcing energy cooperation to be an important component of this strategic partnership. In addition, they inaugurated the first phase of construction of the Galkynysh gas field⁸³ and also agreed to achieve the target of transmitting 65 billion cubic metres of natural gas annually.⁸⁴ With Kazakhstan, China finalised the deal worth US \$5 billion providing China a stake in Kashagan oil field. Similarly, China struck a deal worth US \$ 15 billion in the oil, gas and Uranium sector in Uzbekistan and established Strategic partnership with Kyrgyzstan, while promising US \$ 3 billion for gas pipeline project connecting Kyrgyzstan-China-Turkmenistan via Uzbekistan.⁸⁵ China's recent foray in the Eurasian region needs to be viewed in the context of its assertive response in the Eurasian region to the US policy of rebalancing in Asia Pacific. Developments in the Eurasian region could be seen as clear manifestation of effective solidarity between Russia and China on the regional issues challenging the US unilateralism.

⁸³ "China, Turkmenistan Complete First-Phase Construction of Galkynysh Gas Field", at news.xinhuanet.com/English/china/2013-09/04/c_132691759.htm, accessed on November 9, 2013

⁸⁴ "China, Turkmenistan Agree to Promote Energy Cooperation", at news.xinhuanet.com/English/china/3013-09/04/c_132688756.htm accessed on November 9, 2013

⁸⁵ Jacob Zenn, "China and the SCO: Dead Wood but a Good Platform", *China Brief*, The James Town Foundation, Vol. xiii, issue20, October 10, 2013, p.8

THE SCO AND SECURITY CHALLENGES IN CENTRAL ASIA

Security issues in Eurasia and means to address these challenges have been the focus of all the SCO summit meetings. The threat of terrorism, drugs, instability in Afghanistan, ethnic conflicts in the region, money-laundering and social problems are identified as the major security challenges in the SCO region. The terrorist organisations based in Afghanistan, Uzbekistan, Tajikistan and Chechnya are of major concern to all the SCO member-states. An over-active Taliban because of its links with Al-Qaeda and the Islamic Movement of Uzbekistan (IMU) poses a serious challenge to the entire region. The ideology of extremism is growing and has destabilised the Osh region in Kyrgyzstan and is spreading in Tajikistan and Xingjian in China. The member-states are of the view that terrorism still remains the serious menace in the region and is becoming more international in nature. In addition, terrorism is also used as a tool of interference in the internal affairs of another country.⁸⁶

The approach of the SCO member-states has been that given the size and nature of these challenges multilateral cooperation is the only way to address these threats. It has been argued that the integrated approach is required to deal with these challenges. Speaking during the international conference on SCO in February 2011, the Secretary General of the SCO highlighted the point that there cannot be any military solution to the Afghan problem. In this context, importance of the United Nation's role was emphasized by the Secretary General. Within the SCO

⁸⁶ Views expressed by the SCO member-states during the International Conference on "10 Years by the way of Security and Cooperation: Successful Experience for Countering Challenges and Threats on SCO Areas", Almaty, February 22-23, 2011

framework, the Regional Anti-Terrorist Structure is an important body which has been at work since 2005.

The Astana Summit approved of the counter-narcotics strategy and action plan of the SCO member-states for 2011-2016 aimed at strengthening pragmatic interaction and countering the negative impacts of the narcotic threat in the SCO region thereby ensuring steady regional development.⁸⁷ Given the changing role of the SCO in dealing with the security challenges in the region it is important to note that in spite of a large consensus among all the member-states to address these serious challenges collectively, there has been a problem of implementation of the SCO agenda because of differences in opinion and varied interests of the member-states.

Articulating views on the role and the place of the SCO in guaranteeing regional security, the head of the Kyrgyzstan National Security State Committee stated at the Almaty Conference in 2011 that terrorist activities were increasing in Kyrgyzstan, Chechnya, Afghanistan and Tajikistan, therefore SCO needs to pay more attention towards these problems. It was pointed out that it would not be possible to deal with the problems of terrorism unless the root causes of the problem are addressed. It was emphasized that there is a need to build new models of security cooperation among small and big countries within the SCO mechanism to address the challenges of terrorism.⁸⁸

The Kazakh experts and officials have argued that the SCO needs to address the internal problems first before getting involved in other areas, as this would form the basis for individual countries to tackle

⁸⁷ Astana Declaration of the 10th Anniversary of the Shanghai Cooperation Organisation, June 15, 2011, at <http://www.sectsc.org/EN/show.asp?id=294> accessed on 19/8/2011; Joint Communiqué of meeting of the Council of the Heads of the Member-states of the Shanghai Cooperation Organisation Commemorating the 10th anniversary of the SCO, June 14-15 2011, at <http://www.sectsc.org/EN/show.asp?id=293>, accessed on August 19, 2011

⁸⁸ Views expressed during the International Conference on “10 Years by the way of Security and Cooperation: Successful Experience for Countering Challenges and Threats on SCO Areas”, Almaty, February 22-23, 2011, author was one of the speaker in the conference.

threats outside its borders. The SCO does not have any mechanism to handle social, economic and developmental issues in the region. In fact, the SCO did not help Kyrgyzstan during its 2010-2011 crises. The need for greater cooperation among the member-states to address the non-traditional security concerns have been raised repeatedly. In this context it is argued that the SCO has not given sufficient attention to environmental issues which are critical for the region countries. These threats demand greater attention and focus within the SCO.⁸⁹

The seriousness of the problems in Afghanistan and their impact for the entire region has drawn attention in every SCO summit meeting. However, member-states have pointed out that there are contradictions within the SCO between Russia and China. Right now it is not very clear as to who will take the responsibility in Afghanistan when the US withdraws in 2014. In fact, it has been argued that there should be a debate within the SCO on how it can get involved in Afghanistan. The Uzbeks have always been wary of the involvement of the SCO in the internal affairs of any state and this also gets reflected in their views which have been articulated in a number of fora in the region and beyond. It has been pointed out that one needs to be very cautious before talking about internal issues of a country within the SCO framework. Any assistance from an outside power/country should only come as and when asked for by an individual country. The Uzbeks have called for a more reasonable approach towards Afghanistan that can neutralize the problem. It is argued by them that there is need to establish confidence-building measures in order to address the issue of security and sustainable development. There should be greater interaction between national law enforcing agencies and the RATS (Regional Anti-Terrorist Structure of the SCO) even though the SCO should not be converted into a military block. It is equally important to tackle the socio-economic problems like unemployment etc. which contribute towards sowing the seeds of extremism. The SCO should focus more on establishing greater economic cooperation especially in

⁸⁹ Ibid

infrastructure projects and aim at developing ties with South and Southeast Asia.⁹⁰

The success of the SCO in dealing with drug trafficking has been acknowledged by all member-states. There is a general understanding that the SCO can be much more effective in controlling drug trafficking. Despite the fact that the SCO is still very young as an organisation and needs more time to develop and address multifarious challenges confronting the member-states, the member-states are of the view that in the light of US withdrawal from Afghanistan SCO needs to play a greater role in Afghanistan. Qu Xing, Director of the Chinese Centre for SCO Studies at the China Institute for International Studies is of the view that there is a need to strengthen and optimize the regulatory framework of the SCO in order to frame a timely response to modern challenges. He argued for greater role for the SCO in Afghanistan. He said that after ten years of a bloody war in Afghanistan, the pending issues cannot be resolved simply by use of force. It is in SCO's interest to ensure peace and stability in the region.⁹¹

From the regional perspective on Afghanistan an expert from the Centre of Strategic Studies, Tajikistan has argued for establishing a uniform position on Afghanistan especially on account of the impending withdrawal of the US-NATO forces. He is of the view that there is a need to involve Iran, Pakistan, Russia, China and Central Asian Republics to solve the Afghan quagmire. According to him, fresh dialogue with Taliban can prove to be counter-productive and in turn lead to a full scale civil war. In the current context there is a need to initiate multilateral engagement and interaction within the SCO.⁹²

⁹⁰ Views expressed by Uzbek experts during VII Shanghai Cooperation Organisation Forum Meeting in April 2012 and the International Conference on "10 Years by the way of Security and Cooperation: Successful Experience for Countering Challenges and Threats on SCO Areas", Almaty, February 22-23, 2011

⁹¹ Views expressed during the VII Shanghai Cooperation Organisation Forum Meeting in Almaty on April 24, 2012.

⁹² Views expressed by Abdunabi Sattorov, Center of Strategic Studies, Tajikistan during the VII Shanghai Cooperation Organisation Forum Meeting in Almaty on April 24, 2012

While Afghanistan remains a major concern for all the SCO member-states, it is felt by the Afghans that the need is to bring into focus the Afghan perspective within the SCO mechanism which has not drawn enough attention so far. The Afghan view was articulated by their officials in Almaty in 2011, where it was pointed out that the SCO member-countries' concern about problems emanating from Afghanistan are genuine, but it is equally important to know that the war in Afghanistan is due to the interference of neighbouring countries and the "great game" being played in that country. However, this is not to deny the existing problems of corruption, extremism and unemployment in Afghanistan which demands immediate attention. While Afghanistan has received political and financial support from different quarters, a long-term solution is required to address the problems in Afghanistan as against short-term quick fix arrangements. So far, Afghanistan has not been allowed to form a stable government because of the lack of coordination among the various agencies/actors involved. Some agencies are interested in fighting the drug problem while others are not. Each actor has got its vested interest in Afghanistan. From the Afghan perspective coordinated efforts are required to address problems in Afghanistan. The need for cooperation between SCO-SAARC and CSTO has been suggested.⁹³

China considers the problem of security as the most significant one which needs to be addressed. The Chinese are of the view that irrespective of the might and capacity of the country it is not possible for a single country to address its security challenges on its own and therefore regional and international cooperation is required. However, they have always argued for non-interference in each other's internal affairs and adherence to the principles of peaceful co-existence as extremely important norms to be practiced within the SCO framework. For China the SCO offers the mechanism to fight separatism, extremism and terrorism. In February 2011 experts and officials from China

⁹³ Views expressed by the Afghan Participant in the International Conference on "10 Years by the way of Security and Cooperation: Successful Experience for Countering Challenges and Threats on SCO Areas", Almaty, February 22-23, 2011

participating in the SCO forum meeting in Almaty suggested that to improve the effectiveness within the SCO framework:

- greater cooperation with other countries needs to be encouraged
- more focus on capacity building needs to be given
- mechanism of cooperation needs to be improved and the objective of cooperation also needs to be stated
- cooperation in security and education to be strengthened
- joint oil and gas pipelines to be built in the region
- Joint training of forces to be encouraged
- Information exchange needs to be ensured with the SCO-launched cooperation in information exchange and
- Step-by-step involvement of countries with observer status and dialogue partners in the SCO.⁹⁴

Russia considers the SCO to be an important mechanism for establishing security and stability in the region. It has been argued that in the current situation it is important to take into account the implications of military withdrawal of Western forces from Afghanistan and recent developments in the Arab world. To meet current challenges and threats in the region SCO-CSTO-EEC cooperation has been suggested. Russia believes that the role of Iran cannot be ignored. From the Russian perspective India-Iran-Afghanistan and other regional neighbours can cooperate to address the challenges in the region. More importantly, it is time to develop mid-term and long-term strategies for the SCO. To make the SCO more effective there is need to put up unified economic space and greater involvement from observer states and dialogue partners. The Russians have time and again clarified that the SCO does not deal with internal issues and problems of countries.

⁹⁴ Views Expressed by the Chinese experts and officials during the International Conference on “10 Years by the way of Security and Cooperation: Successful Experience for Countering Challenges and Threats on SCO Areas”, Almaty, February 22-23, 2011

Another significant component of the SCO in dealing with the security threats has been the military drills but as argued earlier this does not indicate the shift towards bringing the military component within the SCO framework. However, it is important to note that the military cooperation within the SCO is very limited and Central Asian countries have decided to cooperate in this area within the CSTO framework. The rapid reaction force of the CSTO is deemed as somewhat more effective than the SCO. There are no mutual obligations among the SCO member-states on military cooperation like the CSTO. However, the SCO can help CSTO play a major role to deal with regional security issues. Right now there is geopolitical competition between various organisations (CSTO, SCO, NATO and OSCE) in this region. Therefore, the future role of the SCO in addressing the security challenges would also be determined by how it manages its ties with other organisations active in region.⁹⁵ In the new security paradigm, the SCO and the CSTO will have a main role to play at least in the near future as no other regional grouping is willing to take on the responsibility of security provider. The CARs will continue to rely on CSTO and SCO for managing security concerns in the region. Reflecting this view, the Speaker of the Kazakh Parliament's Senate, Kasymzhomart Tokayev, said that "Currently, 'the SCO factor' is a key element for stability on the vast Eurasian space."⁹⁶ Thus, the role of the SCO, in the context of new security developments in and around the Eurasian region, will clearly demand more commitments from the member-states to address these new security challenges. However, it is equally important to highlight that the press release after the meeting of the Council of Head of SCO member-states in September 2013 noted that the SCO, "is an optimal platform for constructive dialogue and joint search for effective ways to address global and regional issues".⁹⁷

⁹⁵ Views based on the authors interview with the experts and officials in Bishkek and Almaty in February 2011

⁹⁶ "Kazakh Speaker Hails Cooperation with China within Shanghai Bloc", *Interfax-Kazakhstan* news agency, Almaty, January 24, 2008, in *BBC Monitoring Global News*, Central Asia Political, January 25, 2008

⁹⁷ Press Release after the Meeting of the Council of Head of SCO Member-states, September 13, 2013, Bishkek, at <http://www.scosummit2013.org/news/1257/> accessed on November 12, 2013

In the current context, there is a perception that while the SCO needs to stay focused on security issues, it will emerge as a powerful regional organisation only if it addresses the economic and social concerns of the region. For the time being the SCO seems to be caught into the dilemma of becoming effective regional security and economic cooperation regional organisation.

THE SCO AND ECONOMIC AGENDA: CHALLENGES AND OPPORTUNITIES

Although the SCO primarily remains an organisation focused on security issues in the region, since 2006 its focus has been shifting towards economic cooperation. In this context, China has taken the lead in drawing greater attention towards the economic agenda. Today, economic cooperation has become an area of growing interest for the SCO member-states.

In future, the SCO is eventually looking for economic integration with a plan to set up a Free Trade Zone in the region. It is believed that the prospects for economic cooperation among the SCO members are immense. A framework agreement to enhance economic cooperation between SCO members was signed in 2003. At the same meeting the then Chinese Premier Wen Jiabao proposed a free trade area in the SCO. In 2004 a follow-up plan with 100 specific actions was signed. In 2005 some initiatives were taken by the organisation to enhance economic cooperation. The SCO agreed to prioritize joint energy projects both in oil and gas sectors; explore new hydrocarbon reserves, jointly use water resources and create an Inter-bank SCO Consortium with an aim to fund joint projects.⁹⁸

On October 26, 2005 the SCO Interbank Consortium (IBC) was created and the SCO Heads of Government (Prime Ministers) signed the Agreement on the IBC. During the Shanghai Summit of 2006 the

⁹⁸ Chris Devonshire Ellis, "The Shanghai Cooperation Organisation's Growing Trade Influence", at <http://www.2point6billion.com/news/2010/11/10/the-shanghai-cooperation-organisations-growing-trade-influence-7957.html>, accessed on August 17, 2011

Governors of the member-banks signed the Action Plan to support regional economic cooperation. Initial agreements on credit granting and funding for joint investment projects to the tune of US \$ 742 million were also signed on the side-lines of the Summit. Thereafter, during the Bishkek Summit on August 6, 2007 the Agreement on the interaction between the SCO IBC and SCO Business Council was signed. On August 15, 2007, during the regular SCO IBC Council meeting, the regulations on interaction among the SCO IBC member-banks in project selection, assessment and implementation were approved.⁹⁹

The Yekaterinburg Declaration stressed the growing significance of boosting trade, economic and investment cooperation in the SCO framework, including the potential of the observer states and dialogue partners.¹⁰⁰ Among the priorities for economic interactions under the SCO framework the efforts of speeding up the implementation of major projects designed to ensure the expansion of transport communication capabilities of the region and access to the world markets, development of social infrastructure formation of modern international centres for logistics, trade and tourism, construction of new factories, introduction of innovative and energy saving technologies, including renewable sources of energy, need to be taken up by the member-states.¹⁰¹ In terms of increasing economic cooperation with international economic institutions, the SCO secretary general pointed out that the organisation would further develop its contacts with such institutions, including experience and information sharing, joint projects and programmes. The relevant agreements with the CIS, EurAsEC, ECO, ESCAO, ADB and ASEAN are being implemented actively.¹⁰²

⁹⁹ The Interbank Consortium of the Shanghai Cooperation Organisation, at <http://www.sectsc.org/EN/show.asp?id=51>, accessed on August 19, 2011

¹⁰⁰ Yekaterinburg Declaration of the Head of the Member-states of the Shanghai Cooperation Organisation, at http://en.sco2009.ru/docs/documents/yekatenburg_declaration, accessed on September 12, 2011

¹⁰¹ Ibid

¹⁰² Speech of the SCO Secretary General Bolat Nurgaliev at the Opening of the Eurasian Economic Forum 2009, November 16, 2009, at <http://www.sectsc.org/EN/show.asp?id=161>, accessed on August 19, 2011

The future agenda of economic cooperation was laid out by the Russian President, Dmitry Medvedev, during the SCO Summit in Astana in June 2011. It was pointed out that the SCO should draw up an economic cooperation roadmap to develop large regional projects by the end of the year.¹⁰³ The Russian President said, “I think that this document should be worked out and approved by the end of the year and implemented without delay.”¹⁰⁴ According to him, joint economic projects for the SCO could include the establishment of a venture fund, a United Business Cooperation Centre and the creation of a special account for funding project feasibility studies.¹⁰⁵ The long-term trade and economic programmes and plans were adopted during the Astana Summit. The Astana Declaration called for improving the welfare and the living standards of citizens of the SCO countries as the most important target of the organisation. It stated that implementation of the joint measures on overcoming the effects of the global financial economic crisis and ensuring a steady balanced growth of the national economies must remain a top priority on the SCO’s agenda. The member-states also agreed to advance major projects in transport and communications, agriculture production, innovative and energy-saving technologies, trade and tourism, in future. To implement these projects creation of the relevant funding mechanism would be expedited.¹⁰⁶

The 11th SCO Heads of Government Meeting in December 2012 in Bishkek, Kyrgyzstan concluded with the signing of some important documents which would help enhance economic cooperation among the member-states. The member-countries approved the organisation’s budget for 2013; signed a statement on the SCO Development Fund,

¹⁰³ Medvedev Calls for SCO Economic Road Map by Year End”, at <http://en.rian.ru/business/20110615/164622579.html>, accessed on August 23, 2011

¹⁰⁴ Ibid

¹⁰⁵ Ibid

¹⁰⁶ Astana Declaration of the 10th Anniversary of the Shanghai Cooperation Organisation, June 15, 2011, at <http://www.sectsc.org/EN/show.asp?id=294> accessed on August 19, 2011

and the customs service heads of the SCO countries signed a memorandum of cooperation on protecting intellectual property rights and a protocol agreement on interaction in the areas of assistance in dealing with the consequences of emergencies.¹⁰⁷

Given the various initiatives which the organisation has worked out for future economic cooperation under the SCO framework, the question which needs to be analysed is, will the SCO be able to realise its future economic agenda? The future prospects for the SCO in the economic arena will depend on how the member- countries are able to address the concerns of smaller states particularly the CARs; manage adequate funds which the organisation lacks today and also the involvement of observer states and dialogue partners in various economic cooperation schemes in the region. The implementation of various planned projects like international transport corridors, modernisation of railways and motorways will create the necessary preconditions for strengthening the potential of the Eurasian region as a transcontinental bridge between Asia and Europe, providing new impetus to economic development in the region. During his speech at the opening of the Eurasian Economic Forum in 2009, the SCO secretary general very rightly stated, “Achieving a strategic goal of moving towards economic integration depends on a timely realisation of bilateral and multilateral trade, economic and investment projects.”¹⁰⁸ The success of economic cooperation within the SCO framework demands greater attention towards the implementation of various joint projects. During the meeting of the Council of the Head of Governments (Prime Ministers) of the SCO member-states held on November 7, 2011 in St Petersburg, the member-states agreed to focus on the formulation and implementation of joint projects in transportation, telecommunication, science and technology, innovation, energy saving, agriculture, trade and tourism, etc.¹⁰⁹ In this regard, the

¹⁰⁷ “SCO Leaders Sign Joint Documents”, at <http://www.fmprc.gov.cn/eng/zxxx/t939149.htm>, December 2012, accessed on September 23, 2013

¹⁰⁸ Speech of the SCO Secretary General Bolat Nurgaliev, No. 102

¹⁰⁹ SCO Heads of Government Council Meeting held in Saint Petersburg, at <http://www.sectsc.org/EN/show.asp?id=312> accessed on April 3, 2012

Heads of Governments approved the results of the meeting of transportation ministers of the SCO member-states of October 28, 2011 held in Moscow. It was found necessary to continue active cooperation at all levels with the aim of timely implementation of the agreement and joint projects in the field of transportation. The external trade and economy ministers of the SCO member-states agreed on the implementation of the Action Plan on the Programme of Multilateral Trade and Economic Cooperation of the SCO member-states with priority being given to investment projects.¹¹⁰ With a view to further economic cooperation the member-states have stressed the importance of deepening customs cooperation and increasing joint work in the field of electronic commerce. The need to fast track the joint work on the economic model of the draft concept, “The information superhighway of the Shanghai Cooperation Organisation” was stressed by the member-states in 2011. The SCO reports of December 2010 and November 2011 on the pace of fulfilling the programme of multilateral trade and economic cooperation of the SCO member-states were approved at the SCO Heads of Government Council Meeting held in St Petersburg in April 2012. In addition, the budget of the organisation for 2012 was approved and agreement on the strategy for further development of the SCO Interbank Consortium in the medium term 2012-2016 was signed.¹¹¹

To affect economic integration of the Central Asian region under the SCO framework, it is important to mention that given the different interests, insecurities of the smaller states and competition between Russia and China, some Central Asian experts have argued that it would not be possible to create a model of economic integration in Central Asia by SCO so soon. The SCO cannot become the EU of Central Asia. It is believed that with a market of 55-60 million people, one

¹¹⁰ Economy Minister of SCO Member-states in Dushanbe, October 26, 2011, at <http://www.sectsc.org/EN/show.asp?id=308>, accessed on December 12, 2011

¹¹¹ No. 109; Meeting of the External Trade and Economy Minister of SCO Member-states in Dushanbe, October 26, 2011, at <http://www.sectsc.org/EN/show.asp?id=308>, accessed December 12, 2011

cannot think of integration. Russia and China do not consider countries in the region as serious economic partners. Moreover, the CARs have the fear of becoming mere raw material suppliers to these bigger states. It has been argued that geographically, the creation of an organisation comprising CARs would be a better step for these smaller countries. Moreover, most of the SCO economic projects related to infrastructure and energy are perceived by the CARs as Chinese economic expansion into Central Asian market and these economic activities are perceived as threat to local smaller economies of the CARs.¹¹² Related to this, are the increasing concerns over the demographic inroads of China into Central Asian region. Cases in point are that of Kyrgyzstan and Kazakhstan. To limit the Chinese labour force Kyrgyzstan adopted a law in 2007 that limits the number of foreign labours in the Kyrgyzstan market.¹¹³ Similarly, in Kazakhstan the Chinese migrants and increasing influence of China in energy and economic arena have created negative image among the people of the country and in past there have been protect against Chinese traders who are seen to be given more space in the Kazakh market. The opposition activist Marzhan Aspandiyarova said that “Handing over land to foreigners should be forbidden”. The protesters on the street of Almaty went to the extent of saying “No Chinese soya beans on the Kazakh land!” and “Death to the Chinese panda!”¹¹⁴ As has been pointed out, China continued to be the driving force for economic cooperation in the SCO. China’s investments in the five CARs had accumulated to nearly US\$ 46 billion by 2011, and investment in China from other member-countries reached to \$2 billion.¹¹⁵ Sun Zhuangzhi,

¹¹² “Anti-Chinese Demonstration in Kazakhstan”, *East Week*, weekly newsletter, Centre for Eastern Studies, Poland, November 3, 2010, available at: <http://www.osw.waw.pl/en/publikacje/eastweek/2010-02-03/anti-chinesedemonstration-kazakhstan>, accessed on December 9, 2013

¹¹³ Timur Dadabaev, “Shanghai Cooperation Organisation (SCO) Regional Identity Formation from the Perspective of the Central Asia States”, *Journal of Contemporary China*, vol. 23, no.85, 2014, pp109

¹¹⁴ “Kazakhs Protest against China’s Growing Influence”, *Radio Free Europe/Radio Liberty*, January 30, 2010, at http://www.rferl.org/content/Kazakhs_Protest_Against_Chinas_Growing_Influence/1944085.html, accessed on March 23, 2012

¹¹⁵ Wei Tian and Cui Haipei, No. 1

an expert from the Chinese Academy of Social Sciences is of the view that due to disparities in wealth, resources and technologies among the six member-countries it would be a challenging task to establish sustainable economic cooperation benefiting all member-countries' citizens. It is argued that "the financial problem has been a bottleneck for the cooperative projects, because of the ongoing global financial crisis and lack of financial channels."¹¹⁶ On similar lines, the Director of the Institute of World Economic Studies under the Chinese Institute of Contemporary International Relations has argued that "the establishment of an SCO Development Bank is an important step in internationalisation of the RMB, but this is likely to face opposition from the US dollar, which is the current base currency in global trade"¹¹⁷ practice. The possibility of including countries like Afghanistan and India in the SCO in future has also been articulated in Chinese writings.

The second important question which needs some attention is the future prospects of energy cooperation and creation of an energy club within the SCO framework. Some of the SCO member-countries have energy resources while others are transit countries for the supply of these resources. Therefore, energy cooperation remains an important issue not only for the SCO member-countries but also for the observer states. Despite various efforts since 2004, when the idea of establishing energy club was introduced, it was on December 6, 2013, that the SCO members signed a memorandum on creation of the SCO Energy Club in Moscow. The deputy energy ministers of Russia, Belarus, Kazakhstan, Tajikistan, China, Mongolia, India and Afghanistan, Turkey and Sri Lanka signed the document.¹¹⁸ The differences among the SCO member-states on how to cooperate with each other within the SCO framework on setting up of Energy Club delayed the process of

¹¹⁶ Sun Zhuangzhi, Researcher with the Chinese Academy of Social Sciences as quoted in Wei Tian and Cui Haipei, "Vice-Premier Calls for SCO Exchange", at http://www.chinadaily.com.cn/cndy/2012-05/18/content_15326184.htm, accessed on May 18, 2012

¹¹⁷ Wei Tian and Cui Haipei, No. 1

¹¹⁸ "SCO Members Ink Memo on Creation of Energy Club", at <http://www.news.tj/en/news/sco-members-ink-memo-creation-energy-club>, accessed on December 9, 2013

creation of this Club. While some members wanted creation of an energy club, others emphasised on formulating an SCO energy strategy. Some of the members were of the opinion that before formulating a regional energy strategy there is a need for the formulation of national energy strategy. The 10th SCO communiqué makes no mention of “energy club” but only an “energy mechanism” that should be “open to all countries and organisations that agree with the SCO’s tenets and tasks.”¹¹⁹ However, the SCO’s role in this sector is yet to deliver the desired results. The creation of Energy Club is seen as platform where energy related issues of demand and supply, cooperation among energy producers and consumers and about new technologies and modernisations would be discussed. This is also viewed as first step towards creating common energy space for the member-states in the region. The realisation of the full potential of the Energy Club will demand political decisions on issues related to the pricing, standardisation of tariffs for transportation of the energy resources, development of unified common tax base, coordination of actions among the suppliers and related issues. Strong political will and collective actions by the producers and suppliers will pave the success on energy cooperation among the SCO member-states.¹²⁰

In past most of the agreements on energy security among SCO members have been reached bilaterally and multilaterally over the past ten years without any need for such a mechanism. China has signed most of the energy deals with the member-countries bilaterally and at the same time, Turkmenistan and Kazakhstan have adopted the diversification strategy in the past few years. The Kazakhstan President, Nursultan Nazarbaev, has not only motivated the country to join various European international organisations, but has also promoted his own vision of a Conference on Interaction and Confidence-Building

¹¹⁹ Astana Declaration of the 10th Anniversary of the Shanghai Cooperation Organisation, June 15, 2011, at <http://www.sectsc.org/EN/show.asp?id=294> accessed on August 19, 2011

¹²⁰ Ibid

Measures in Asia (CICA). The CICA has held summit meetings in 2002, 2006 and 2010. The energy-rich countries like the UAE and Qatar are members of CICA, which has multiple memoranda of understanding with several other regional international economic cooperation organisations. The possibility of the GCC wanting to have cooperation with CICA is not ruled out either.¹²¹

The trade ties between China and Russia have been significantly strengthened over the past ten years. In order to ensure its large-scale energy demands, China has been actively seeking cooperation with energy-rich countries like Russia as well. In 2010 alone, bilateral trade between China and Russia reached US\$60 billion. According to a recent report by ‘China knowledge’, the leadership of Russia and China has set a target to realise bilateral trade volume between the two countries in the next three to five years to the tune of US\$100 billion.¹²²

What then is the future of cooperation among the SCO member-states and observer states? As the SCO member-states want to focus on energy there is a possibility that in the long run, the SCO will be able to formulate a common energy strategy, which would be acceptable to all member-states.¹²³ The formation of the energy club in December 2013 can be considered as positive development which provides all member-states a common platform for discussing energy related issues and prospects for future cooperation among the SCO member and observer countries.¹²⁴ These developments indicate that

¹²¹ Robert M. Cutler and Theodore Karasik, “The GCC and Kazakhstan: Security, Energy and Economics-Analysis”, at http://www.eurasiareview.com/the-gcc-and-kazakhstan-security-energy-and-economics-analysis-24082011/?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+eurasiareview%2FVsnE+%28Eurasia+Review%29, accessed on August 25, 2011

¹²² “SCO Astana Summit Seeks Further Security and Economic Cooperation” at <http://www.2point6billion.com/news/2011/06/16/sco-astana-summit-seeks-further-security-and-economic-cooperation-9531.html>, accessed on August 17, 2011

¹²³ Views expressed by Bolat Nurgaliev, Secretary General of the SCO on February 27, 2009 at Institute for Defence Studies and Analysis, New Delhi

¹²⁴ See No. 118

is huge potential for cooperation in the energy sector among the SCO member-states including the observer countries, the future will increasingly depend on how the competitive element among the consumers as well as among the producer countries is converted into a cooperative framework. The competition between Russia and China for controlling the energy resources of the region and the desire of the Central Asian states to diversify supply of its resources by enhancing cooperation with the European countries may limit the advancement of SCO's energy cooperation strategy.

THE SCO: PROSPECTS FOR ENLARGEMENT

The increasing profile and growing significance of the SCO inevitably brought the question of its enlargement to the forefront for the member-countries. For a long time it was argued that the SCO was not ready for enlargement.¹²⁵ However, in this context, it is important to look at the position taken in the SCO Charter. As per the Article 13 of the SCO Charter:

The SCO membership shall be open for other States in the region that undertake to respect the objectives and principles of this Charter and to comply with the provisions of other international treaties and instruments adopted in the framework of SCO.¹²⁶

Despite SCO's stated position that its membership shall be open for other countries in the region, it did not consider enlargement as an urgent matter on its agenda until very recently. The SCO had no legal documentation for admitting new members in the initial years. In June 2004, the SCO approved a motion on the "Regulations on Observers of the Shanghai Cooperation Organisation" and accepted Mongolia as an observer in the same year followed by India, Pakistan and Iran in 2005. Regarding issue of admitting new members to the SCO, no final decision was taken till its ninth summit on June 15 -16, 2009 in Yekaterinburg. The Special Expert Group was instructed to carry out its work on the draft document of regulations on the order of admitting new members. However, with a view to expand cooperation with

¹²⁵ Zhao Huasheng, No. 43

¹²⁶ Charter of the Shanghai Cooperation Organisation, at <http://www.sectsc.org/EN/show.asp?id=69>, accessed on September 18, 2010

new countries without giving them full membership within the SCO framework, a new category of ‘dialogue partners’ was introduced in 2009. It was under this newly created category that the Sri Lanka and Belarus were granted the status of ‘dialogue partners’ in the organisation. With India, Iran, Pakistan and Mongolia getting observer status, the question of enlargement, mainly full membership, was discussed before 2010 but criteria and regulations for admitting new members were approved in June 2010 during the Tashkent Summit meeting. Until then, the explanation given by the SCO was the absence of mechanisms in place for including new members. For long the member-states and experts were of the opinion that the organisation must first strengthen its current composition, set its mechanisms working efficiently and gain more experience. Therefore, the moratorium on the admission was confirmed in June 2006, August 2007 and June 2010.¹²⁷

The statute on the procedure of admitting new members to the SCO was adopted at the SCO Summit on June 11, 2010. As per the statute, any country wanting to join the SCO must be located in the Eurasian region, must have diplomatic relations with all the SCO member-states and must have the status of observer at the SCO or be a Partner in dialogue. It must also maintain active trade, economic and humanitarian ties with the SCO members and it should not be under UN sanctions. It should not be involved in an armed conflict with other state or states. In addition, countries seeking the membership will have to send an official appeal asking for the SCO membership to the Chairman of the Council of the SCO Heads of State through the Chairman of the Council of Foreign Ministers of the organisation.¹²⁸ Adoption of the ‘Memorandum of Obligations’ approved at the Astana Summit in

¹²⁷ Alexander Lukin, “Should the Shanghai Cooperation Organisation Be Expanded?”, *Russia in Global Affairs*, Foreign Policy Research Foundation, Moscow, no. 2, 2011, pp. 134-35

¹²⁸ “SCO Heads of State Council Meet in Tashkent”, at <http://www.sectsc.org/EN/show.asp?id=218>, accessed on April 10, 2011; “Document on admitting new member to Shanghai bloc approved in Uzbek capital”, *Interfax news agency*, Moscow in *BBC Monitoring Global Newline – Central Asia Political*, June, 12, 2010, at <http://www.monitor.bbc.co.uk>

June 2011 was meant to further improve the legal base for the expansion of the SCO. Hereafter, the Council of National Coordinators and expert working group continued to consider a set of issues concerning SCO expansion which included necessary legal, administrative and financial conditions for accepting new members.¹²⁹ During the June 2012 SCO Summit in Beijing, Afghanistan was granted observer status and Turkey was accepted as a dialogue partner. The focus during this summit was more on security than on providing full membership. The declaration noted that “the member-states attach great importance to developing friendly ties and productive coordination with observer states, dialogue partners and international and regional organisations that have signed relevant documents with the SCO”.¹³⁰

This issue of enlargement was further looked into by the member-states during the Bishkek Summit. The work of the experts in the drafting of the procedure of the status of the SCO member-states and new version of the Model Memorandum on the obligations of the State of the applicant in order to obtain the full membership of the SCO was noted by the Head of States. The member-states have instructed the Council of National Coordinators of SCO member-states to continue coordination of these documents and the early completion of work on these documents.¹³¹

As per the approved rules, India is not only eligible but also a potential country backed by Russia and CARs to join the SCO as full member. In addition to India, Pakistan, Mongolia, Afghanistan and Turkmenistan

¹²⁹ Joint Communiqué of meeting of the Council of the Heads of the Member-states of the Shanghai Cooperation Organisation Commemorating the 10th anniversary of the SCO, June 14-15 2011, at <http://www.sectSCO.org/EN/show.asp?id=293>, accessed on August 19, 2011

¹³⁰ Declaration of the Heads of State of the Member-states of the Shanghai Cooperation Organisation on Building a Region of Lasting peace and common Prosperity, 2012, <http://www.fmprc.gov.cn/eng/zxxx/t939149.htm>, accessed on December 17, 2012

¹³¹ Press Release after the meeting of the Council of Heads of SCO Member-states, September 13, 2013, Bishkek, at <http://www.scosummit2013.org/news/1257/> accessed on November 12, 2013

are other eligible countries for full membership. Iran's inclusion at this point in time would be difficult because of existing UN sanctions against it.

Among the observer states Pakistan has shown keen interest in becoming a full member, requesting full membership in 2006. Iran also made a similar request in 2007 and 2008, and India expressed its wish to become a full member in 2010, but has not officially requested so following the procedures required by the SCO's documents; it has just sent official letters to the member-countries' foreign ministers showing its interest in acquiring full membership.¹³²

Mongolia has not expressed any desire for acquiring full membership and still prefers to continue with its observer status. It is seeking to cooperate in the transportation and energy sectors with all SCO member-states. Both Afghanistan and Turkmenistan are part of the region and are welcome in the SCO, but they have not shown any interest in joining SCO as full members.

In the light of the new rules for inclusion of full members, what is important to note is that adoption of these rules does not indicate the organisation's automatic expansion. While there is general consensus among the member-states that the SCO is an open organisation and its expansion is inevitable, any decision to accept a new member will need the consensus of all the member-states. Therefore, the adoption of the new rules only creates a legal basis for countries to formally apply for full membership.

China and Russia along with the CARs will play a significant role in facilitating the inclusion of new member-states as full members. In this context, the views of Russia and China merit some attention. China would like to adopt a slow and cautious approach on the issue of inclusion of new members. They support a step-by-step involvement

¹³² Alexander Lukin, No. 127; Information shared by Eurasia division official with the author on India's status for full membership in the SCO in February 2011

of observer states and dialogue partners in the inclusion process. Some Chinese experts have also questioned the idea of expansion of the SCO. In their view, some important issues like objectives of such expansion and the need for revision of the Charter need to be discussed within the SCO framework before new members are admitted.¹³³

Although Russia is actively cooperating with China within the SCO mechanism and acknowledges its economic presence in the region, it fears China's increasing economic role in the region and its inroads into the Central Asian energy sector where it has emerged as Russia's major competitor. Therefore, Russia is looking at balancing China by bringing in India into SCO. It is argued that "India's admission would significantly increase the SCO's political weight and economic attractiveness among developing countries".¹³⁴ India's entry is viewed as bringing in a major contribution to the development of Central Asian countries and helping diversify their external economic relations.¹³⁵ Russians have argued that augmenting financial resources is the main reason for expanding the SCO. The organisation has a budget of about \$4 million, which is not sufficient for financing various projects. China has promised \$10 billion for projects but with the precondition that all the material used will have to be bought from China. The other reason for expanding the SCO, in the Russian view, is the need for reforming the organisation.¹³⁶ During a media interaction at the end of the February 2011 Almaty International Conference, the SCO secretary general said that countries wanting to join the organisation should make positive contributions to it and not inject negativity. The SCO member-states are still working on the modalities of how to approach the entire issue of the expansion of the organisation. The driving forces, Russia and China will have to come to terms about including countries like India, Pakistan and Iran

¹³³ Views expressed by the Chinese officials and experts during the International Conference on SCO in Almaty on February 22-23, 2011

¹³⁴ Alexander Lukin, No. 127, pp. 136-37

¹³⁵ Ibid

¹³⁶ Views expressed by Alexander Lukin and Russian officials during the International conference on the SCO in Almaty on February 22-23, 2011

who have shown interest in becoming full member of the SCO. At present China doesn't seem to be keen on including India as full member though it has not opposed India's full membership, but at the same time doesn't seem to be very supportive of bringing India as full member.

Given the lack of consensus among the SCO member-states about the timing and process of inclusion of new members and other related issues, the entry of new members is likely to get delayed. But the inclusion of the new member-states cannot be overlooked and avoided for too long. The new security and economic challenges in the region will demand greater cooperation. More importantly, the need for growing cooperation among the Asian countries will also facilitate the enlargement of the organisation.

INDIA AND THE SCO

India has been consistently articulating its desire to play much more meaningful and constructive role in the SCO. Its current focus on building stronger partnerships with this region indicates India's increasing interest in the region and the role which it is seeking to play in it. India's inclusion as a full member of the SCO is backed by Russia and the Central Asian countries. In June 2010, Alexander M. Kadakin, the Russian diplomat, stated: "Our position has all along been that we want India as a full-fledged member of the SCO."¹³⁷ During a SCO conference in Almaty on February 22-23, 2011, the Russian participants reiterated their support for India's inclusion as a full member at the Astana Summit.¹³⁸ India has a unique experience in the economic sphere, especially in banking, finance, financial management, IT or entrepreneurial development and is willing to share its experience with the SCO member-states. India is ready to find a viable solution to build bridges between Central and South Asia. India is willing to play a constructive role in SCO. The SCO as a forum provides a unique opportunity to discuss new areas of economic, security and developmental cooperation.¹³⁹

India views the SCO as an Asian body and not as a military bloc or a body to counter the West. It considers the SCO a useful organisation

¹³⁷ Sarwar Kashani "India has Right to Join SCO, Not Pakistan: Russian Envoy", at http://www.thaindia.com/newsportal/uncategorized/india-has-right-to-join-sco-not-pakistan-russian-envoy-interview_100377714.html, accessed on October 25, 2012

¹³⁸ Views expressed by Russian experts during the International Conference on "10 Years by the way of Security and Cooperation: Successful Experience for Countering Challenges and Threats on SCO Areas", Almaty, February 22-23, 2011

¹³⁹ Views Expressed by Ajay Bisaria, Joint Secretary, Eurasia, Ministry of External Affairs, Government in VII Shanghai Cooperation Organisation Forum in Almaty, April 24, 2012

and a dialogue platform for the regional countries to discuss economic and security issues. It is argued that this organisation brings all the Central Asian countries and its neighbours on the same platform where India can interact with all Central Asian countries at the same time. Russia is trying to persuade India to become a full member and sees India as a balancer. India's entry into the SCO will change the dynamics of this organisation.

However, the flip side of the organisation is that it remains a China dominated body. Despite various challenges, India considers the SCO as a “diplomatic opportunity”.¹⁴⁰ From India's point of view the SCO is relevant for discussion on and solution to security and counterterrorism issues. The SCO provides India an alternative regional platform to discuss the rapidly changing situation in Afghanistan. During the Tashkent Summit India's External Affairs Minister acknowledged the SCO's positive contribution. He said, “We... believe that the SCO is uniquely fitted to provide positive contribution to the global discourse on Afghanistan.”¹⁴¹

During the past few years, India has stepped up its engagement with the Central Asian Republics to build up a long-term partnership both bilaterally and collectively. To realise this goal and cultivate stronger ties with the Eurasian region, New Delhi has pronounced its new ‘Connect Central Asia Policy’¹⁴² which is based on proactive political, economic and people-to-people engagement with Central Asian countries. This is a broad based policy approach, which includes political, economic and cultural engagement between India and Central Asia. This new approach is based on enhancing relations with the region in ‘Commerce, Connectivity, Consular and Community’. The current high-level visits

¹⁴⁰ Interaction with Mr. Ajai Besaria, JS Eurasia, on March 15, 2013

¹⁴¹ Remarks by EAM at the plenary session of Tashkent Summit of SCO, June 11, 2010, at <http://mea.gov.in/Speeches-statements.htm?dtl/659/Remarks+by+EAM+at+the+plenary+session+of+Tashkent+Summit+of+SCO>, accessed on August 22, 2012

¹⁴² India's Connect Central Asia Policy at <http://www.mea.gov.in/Speeches-Statements.htm?dtl/19791/Keynote+address+by+MOS+Shri+E+Ahamed+at+First+IndiaCentral+Asia+Dialogue>, accessed on October 28, 2012

from both sides are also reflective of increasing political and strategic ties between India and Central Asia.¹⁴³ To further remain connected with the region and to bring all Central Asian countries on the same platform, India has also initiated an annual India-Central Asia Dialogue, a Track-II initiative. The first such dialogue was organised on 12-13 June 2012 in Bishkek and the second is planned at Almaty in June 2013. In his keynote address at first India-Central Asia Dialogue, E. Ahamed said that “India’s active presence will contribute to stability and development in the entire Central Asian region... We must factor in the regional situation and especially the challenge of rebuilding the Afghan nation”.¹⁴⁴ Within the framework of its new policy, India is working on setting up a Central Asian e-network with its hub in India to provide tele-education and medical connectivity linking all the five CARs. It is also looking at setting up a Central Asian University in the region. With a newly pronounced policy approach towards the Eurasian region, “India thus stands ready for deep, meaningful and sustained engagement with Central Asia”.¹⁴⁵ India’s interest and desire to reactivate its relations with the Central Asian countries thus demands its greater involvement and engagement with the regional groupings as well. It is argued that India’s Connect Central Asia Policy will be in consonance with its overall policy of cementing ties with the Eurasian region, including its policy of deepening ties with China, Pakistan and strengthening existing strategic partnership with Russia. Against this backdrop it is hoped that India’s membership in regional groupings including the SCO will help boost its renewed effort to deepen relations with the region.

¹⁴³ These are some of the recent visits - Kazakh President Nursultan Nazarbayev’s visit to Delhi and former Indian President Pratibha Patil’s visit to Tajikistan in 2009, Indian Prime Minister Manmohan Singh’s visit to Kazakhstan in 2011 and Uzbek President Islam Karimov’s visit to India in May 2011, Tajik President Emomali Rahmon’s visit to India in September 2012, Vice-President Hamid Ansari’s visit to Tajikistan in April 2013 and to Uzbekistan in May 2013

¹⁴⁴ Keynote address by MOS Shri E. Ahamed at First India Central Asia Dialogue, at <http://www.mea.gov.in/Speeches-Statements.htm?dt1/19791/Keynote+address+by+MOS+Shri+E+Ahamed+at+First+IndiaCentral+Asia+Dialogue>, accessed on October 28, 2012

¹⁴⁵ Ibid

In the current context, some key questions related to India's role and its options of engagement with the SCO require a comprehensive analysis. It will be important to examine, what are the prospects of India's full membership? Is there a case for India to join the SCO as a full member? If yes, then what is it likely to gain and what are its options? And finally, what are the challenges which it may be confronted with as a full member? Such an analysis would help India workout its mid-term and long-term strategies of engagement with the SCO.

As India is set to play a more active role in the region it has three options:

1. Continue as an observer state.
2. Go slow on its full membership till the technicalities are studied and analysed and then formally apply for such a status.
3. Intensify its engagement with the SCO member-states vigorously in three sectors – energy, building transportation and infrastructure linkages with the region, and boosting cooperation in traditional and non-traditional security.

Given India's acceptability by Russia and the CARs and its potential to contribute in both economic and security arenas in the Eurasian region, it may be able to join the SCO as full member sooner or later. In this context, it is equally important to examine the benefits which India could derive and also contribute towards stabilising the region by joining the SCO.¹⁴⁶

India's Prospects and Opportunities

For long India has been seen as “mute spectator” and a “fence sitter” in its foreign policy in West and Central Asia. In the light of India's growing role in the regional and global affairs it cannot remain insulated

¹⁴⁶ Meena Singh Roy, “India's Options in Shanghai Cooperation Organisation”, *Strategic Analysis*, Vol. 36, no.4, July-August 2012, pp. 645-650

from the developments in its extended neighbourhood. Today, India's growing economy and its scientific and technological advancements are perceived as having beneficial impact on the region.

Given the increasing role and significance of the SCO in the Eurasian region and beyond, India is likely to benefit more in the long-term by joining the organisation rather than staying out of it. First, full membership will provide India greater visibility in the affairs of the Eurasian region. Second, it will enable India to neutralise centrifugal forces arising from religious extremism and terrorism in the region which threaten India's security and development. In addition, it will help India manage in a more effective way the negative impact of Talibanised Afghanistan in the post-2014 scenario. Third, it will provide India a forum where it can constructively engage both China and Pakistan regionally and project its security interests in turbulent West Asia. It will also help India neutralise any negative moves by Pakistan in the region. More importantly, cooperation in the three crucial areas – energy, building trade and transportation links and traditional and non-traditional security threats, can be facilitated through the SCO mechanism as India is working to enhance its energy security in the resource-rich Central Asian region and building its trade and transport linkages through various bilateral and regional mechanisms and fighting terrorism.

Opportunities in Enhancing Trade, Energy and Transport Linkages

India's economic ties with Central Asia remain the most unsatisfactory part of its otherwise fruitful political and strategic relations. One of the important factors impacting India's economic ties is lack of direct land connectivity with this region. At bilateral and regional levels, India has been trying to enhance its connectivity with the region. But the results could be more productive if India becomes the full member, thus participating in the SCO projects along with its neighbours and extended neighbours. Under the SCO framework, regional initiatives to connect the land-locked Central Asian region will provide lot of opportunities both to the CARs and their neighbours. The construction of new corridors and revival of old routes through China to India would open the Central Asian region to the world market, offering new prospects of economic cooperation and political stability.

Integrating Central Asia with South and Southeast Asia through large-scale infrastructure development could ensure widespread economic growth for several years for this region. These routes in the past have worked as bridges amongst nations. The 'New Silk Route' under the SCO framework can bring in economic prosperity and work as a confidence building measure amongst involved countries.

During 2012-13, the SCO member-states attached considerable importance to cooperation in the expansion of transport and communication facilities in the region, infrastructure development, international multimodal logistics centres, trade and tourism, the introduction of innovative and energy-efficient technologies. In this regard, the emphasis was given on including the involvement of the observers and dialogue partners of the organisation. The development of trade, economic and investment activities among the SCO member-states remained the focus of the organisation.¹⁴⁷ In his speech at the Bishkek Summit in September 2013, President Putin informed that Russia was starting work to modernise the Trans-Siberian Railway and Baikal-Amur Mainline (BAM) and invited the SCO member-states to participate in these projects.¹⁴⁸ These initiatives of building network of roads and railways offer new opportunities to the member-states and observer states to cooperate.

India can benefit as a member-country if such large-scale transportation networks are built. In this context, India's expectations from the SCO were echoed by its External Affairs Minister, Salman Khurshid, in his statement at the SCO Heads of State Summit in September 2013, where it was noted that the SCO "among its other endeavours, should also focus on creating well-connected trade and investment corridors within the SCO region-with India, as earlier times, adding value and

¹⁴⁷ Bishkek Declaration No. 74

¹⁴⁸ Speech of President Putin at Shanghai Cooperation Organisation Summit, September 13, 2013, Bishkek, at <http://eng.kremlin.ru/transcripts/5982>, accessed on December 17, 2013

content.”¹⁴⁹ It is believed that such connections by means of building railway lines, roads and pipelines between the regional countries will then re-energise economies of the countries and enhance people-to-people contacts.¹⁵⁰

India has been working on various ways of enhancing its trade and connectivity with the CARs. In this respect, S.M Krishna during his visit to Tajikistan in July 2012 asked the 11 Indian Heads of Mission from the Eurasian region to work on connecting India’s “enormous goodwill” into “tangible and strategic advantages”. The current status of India’s trade, which is pegged at a mere US \$ 500 million, indicates the most unsatisfactory part of an otherwise excellent relationship with the Central Asian countries. Lack of connectivity remains the major impediment for India to reach out to the region for enhancing its economic relations. To overcome this hurdle India could explore innovative and practical solutions in consultation with local governments of the region. To realise this goal, the SCO offers India a platform where it can regularly interact with the heads of states on various issues even on the sidelines of the summit meetings.

So far India’s economic links are the most unsatisfactory with the region. Given the current drive of the SCO on economic cooperation among the member and observer states, India could usefully maximise its gains in terms of enhancing economic and energy ties. The forward movement on the Turkmenistan-Afghanistan-Pakistan-India (TAPI) and its new proposal to bring Russian hydrocarbons to India through Kazakhstan, Uzbekistan, Afghanistan and Pakistan to India, has put the focus on the importance of the Central Asian region for India’s future energy cooperation plans.

¹⁴⁹ Statement by the External Affairs Minister at the Shanghai Cooperation Organisation (SCO) Heads of State Summit 2013 in Bishkek, at <http://www.mea.gov.in/in-focus-article.htm?22197/Statement+by+External+Affairs+Minister+at+the+Shanghai+Cooperation+Organisation+SCO+Heads+of+State+Summit+2013+in+Biskek> accessed on November 14, 2013

¹⁵⁰ Ibid

As an emerging economy India has much more to offer to the Central Asian region. In addition, when the CARs are looking at diversifying their hydro-power and energy export routes, India could gain more from cooperating in the energy sector. India has already expressed its desire for setting up downstream production facilities, instead of exporting raw materials from the region through expensive and security-risked pipelines.

Experts from Russia have argued that India's interests in Central Asia fully coincide with that of the SCO member-states and its "unique economic model, which is oriented towards the domestic market and which has shown its advantages during the current financial crisis, would supplement other development models of the SCO members".¹⁵¹

Dealing with Regional Security Threats - Terrorism and Narcotics

Terrorism still remains a serious menace in the South and Central Asian region. It is expanding and becoming more international in nature. The current developments in West Asia and Afghanistan and Pakistan continue to pose new set of challenges for all the countries in the region. The main objective of the SCO is to counter these threats and challenges in the region. Given the size and nature of these challenges multilateral cooperation is the only way to address these threats. An integrated approach is required to deal with these challenges.

In this respect, the SCO can provide an effective mechanism for all the regional countries to counter this menace through collective efforts. While fighting terrorism, India, CARs, China and Russia have much to offer to each other. China wants to address the problem of the Eastern Turkistan terror groups, and Russia wants to control the Chechen terror activities within Russia. India wants to control the activities of the extremist groups operating in Jammu and Kashmir region and from the Afghanistan-Pakistan region. The Central Asian states want to contain

¹⁵¹ Alexander Lukin No. 127, pp. 137-38

the extremist groups operating in the region. The Anti-terrorist centre in Tashkent can be an effective mechanism to address these concerns.

India at the bilateral level has been addressing this issue with CARs and Russia. It has expressed its desire to deepen security related cooperation with the SCO in general and with the Regional Anti-Terrorism Structure, in particular. New Delhi is also looking forward to the signing of the Model Protocol of Intent in the near future as demonstration of its commitment and willingness.¹⁵² The threat emanating from the Af-Pak region and increasing violence in Afghanistan is an area of concern for India and all the SCO member-states.

In the past three years the SCO seems to be giving greater attention to the Afghanistan issue. In future, after the US-NATO forces exit, the SCO may have to take more responsibility. In such a situation India as a full member will be able to address its concerns in Afghanistan. India's former External Affairs Minister S.M. Krishna, acknowledged the SCO's role in Afghanistan. He stated that, "the SCO is uniquely fitted to provide positive contributions to the global discourse on Afghanistan. SCO can certainly add a critical regional perspective and play a constructive role in ensuring a peaceful and stable Afghanistan".¹⁵³ He also pointed out that India is ready to cooperate fully with the Regional Anti-Terrorism Structure (RATS) of the SCO for exchanging information and working out a common strategy for combating terrorism.

In this regard, it is important to note that since its creation RATS has been focused on collective counter terrorist training and has coordinated with member-states specifically over the Winter Asian Games in Astana in 2010 and also during the Beijing Olympics in 2008. The main objective is to establish a mechanism of communication between the SCO member-states in order to facilitate greater coordination between each state's internal security organs. It organises regular meetings of border agencies to discuss effective means to tackle the existing

¹⁵² See No. 150

¹⁵³ Remakes by EAM at the plenary session of Tashkent Summit of SCO 2010, at <http://www.mea.gov.in/speech/2010/06/11ss02.htm>, accessed on August 22, 2012

challenges. It has prevented 600 terrorist attacks, Last year 400 terrorists were arrested and more than 100 extradited. The RATS aims to establish a collaborative mechanism with other institutions, namely the CIS, UN, OSCE, CAREC and the CSTO. Over 900 anti-terrorist personnel have been trained till date. To make the RATS more effective it is argued that member-states could sign the RATS protocol.¹⁵⁴

Drug trafficking and small arms proliferation are two serious threats to be addressed by the regional countries. India, Russia, China, Afghanistan, Pakistan and Iran have a common interest to work together to fight this menace. The Astana Summit has approved the counter-narcotics strategy and action plan of the SCO member-states for 2011-2016 aimed at strengthening pragmatic interaction and countering the negative impacts of the narcotic threat in the SCO region, thereby ensuring steady regional development.¹⁵⁵ The success of the SCO in dealing with drug trafficking has been acknowledged by all member-states. There is a general understanding that the SCO can be much more effective in controlling drug trafficking. In its recent remarks the deputy secretary general of the SCO reiterated the commitment of the organisation in countering drug trafficking from Afghanistan. He said, “Countering drug trafficking from Afghanistan will remain the SCO’s top priority in the short and medium term including the period after full withdrawal of foreign troops from that country”.¹⁵⁶

Given India’s experience to deal with these problems its active involvement under the SCO mechanism has much to contribute. As a

¹⁵⁴ Information provided by Jenisbek Jumanbekov, Director, RATS SCO Executive Committee during VII SCO Forum meeting in Almaty, April 24, 2012

¹⁵⁵ Astana Declaration of the 10th Anniversary of the Shanghai Cooperation Organisation, June 15, 2011, at <http://www.sectsc.org/EN/show.asp?id=294> accessed on August 19, 2011; Joint Communiqué of meeting of the Council of the Heads of the Member-states of the Shanghai Cooperation Organisation Commemorating the 10th anniversary of the SCO, June 14-15 2011, at <http://www.sectsc.org/EN/show.asp?id=293>, accessed on August 19, 2011

¹⁵⁶ Remarks by M. Kanarovskiy, Deputy Secretary General, Shanghai Cooperation Organisation prepared for the Third Ministerial Conference of the Paris Pact Partners held in Vienna on February 16, 2012, at <http://www.sectsc.org/EN/show.asp?id=316>, accessed on July 20, 2012

full member India will be able to address these issues in more effective ways under the regional framework. Irrespective of the might and capacity of the country, it is not possible for a single country to address the security challenges on its own.

Impediments and Challenges for India in the SCO

While the SCO offers many opportunities in the economic and security arena for India as a full member in future, it does pose some challenges as well. If India joins the SCO, it will have to face the challenge of playing second fiddle to China and Russia. Moreover, given China's domination of the SCO, India's ability to assert itself may be limited. India will also have to contend with China's use of the SCO for enhancing its own role not only in the Eurasian region but also in Southern Asia. Besides, in return for granting India full membership in the SCO, China may seek full membership in SAARC. Under these circumstances, India will have to analyse the implications of China's entry into SAARC. Moreover, India will have to deal with the China-Pakistan nexus in the SCO, especially given the complementarity in Chinese and Pakistani interests in the Central Asian Republics. Islamabad's design to use this forum in its favour on the Kashmir issue also needs consideration. Within Pakistan, its membership in the SCO is viewed by many as providing Pakistan an opportunity to expand its defence and security relations with Russia and the CARs, as well as expanding the operational area of Pakistan's security and economic considerations. These perceptions on the SCO and its utility for Pakistan should be seen in the light of Islamabad's anti-India rhetoric and its effort to balance India in Afghanistan and Central Asia.

As a full member, India will also be confronted with complex issues of increasing cooperation between China and Russia in the light of India's growing defence, security and economic ties with the US and Europe. China is an important strategic partner for Russia and both the countries do not support some of the American unilateral policy decisions in Asia and Europe. In the current context, even though Russia may try to balance China in the region, it would not like to annoy or confront China. From the Central Asian perspective, while the CARs are supportive of India's inclusion as a full member, they do not want to bring Indo-Pak rivalry into the SCO forum.

The current position of the SCO member-states on space security could become a challenge for India if it joins SCO as a full member. The 2012 SCO Declaration promotes “the formulation of a treaty on the prevention of the placement of weapons in outer space and the threat or use of force against outer space objects” (PPWT). The PPWT is a China–Russia draft which no other major powers are supporting. More importantly, the PPWT is silent on ground-based interceptions undertaken for satellite destruction. This is an inherent limitation of the PPWT. At the moment the global attention is focused on the EU-recommended international Space Code of Conduct (CoC) which essentially has been promoted as a non-binding mechanism. All this indicates that no clear policy has yet emerged at the global level on the issues related to the development of a space regime. From India’s point of view, its Space Security Policy is still evolving; in future it may face the challenge on the issue of SCO’s position on PPWT if it becomes a full member.¹⁵⁷

Indian experts are of the view that China will stall India’s entry through an indirect process because the Chinese see India’s entry in the SCO as an extension of US influence in the organisation. In addition, China would like to retain its monopoly over Central Asian energy resources in future and keep India out.¹⁵⁸ Despite China’s scepticism about India’s full membership in the SCO, its entry will help China in strengthening its multipolar camp. India and China are already cooperating in other regional groupings like Russia-India-China (RIC), and Brazil-Russia-India-China-South Africa (BRICS). At the same time, India’s full membership could work in favour of China in terms of bringing India into the grouping of Asian powers where no Western country is member, thus helping at least to some extent in neutralising India-US strategic relations. In addition, India also brings in a counterterrorism approach to the SCO’s table and its IT and software strength. A number

¹⁵⁷ Interaction with Arvind Gupta, Director General IDSA and Ajey Lele, Research Fellow IDSA on April 11 2013

¹⁵⁸ Views expressed during interaction with Prof Srikant Kondappali, Jawaharlal Nehru University, on May 3, 2013

of scholars have argued that the SCO will turn into a serious institution of Eurasia focused on the coordination of interests of regional players. Therefore, the recent move towards the expansion of the organisation is likely to make India and Pakistan full members, which will definitely give the SCO a new quality, and “with their membership the SCO will turn into a global player, whose opinion cannot be ignored”.¹⁵⁹

While many are optimistic about the SCO’s expansion, some have expressed their scepticism. It is argued that as per the SCO norms any new member would need to add to the organisation’s clout without diffusing its interests, but it is unlikely that any country outside of Central Asia will offer this. In fact, the “new members could further weaken the organisation’s potential to work constructively. Therefore, the SCO would benefit from keeping its membership limited and focused at hand”.¹⁶⁰ The leading Chinese expert on SCO, Zhao Huasheng has argued that “the enlargement should bring the SCO new dynamics, but not new problems”. According to him, “the capacity of an organisation is not necessarily positively correlated with its size”.¹⁶¹ Equally important is that the new member-states should neither replace the existing agenda of the SCO, nor shift the focus of the SCO to other problems. The membership of the SCO should be restricted to Central Asia and its surrounding regions. According to Zhao, China “holds a more cautious position on the issue of India, seeing its membership as containing both benefit and costs. While significantly adding to political weight of the SCO, India could create problems in terms of efficiency and agenda”.¹⁶² From China’s point of view Turkmenistan, Mongolia and Afghanistan appear to be more suitable candidates for full membership but none of these countries seem to be interested in joining the SCO as full members.

¹⁵⁹ Fedaruk Valadimir, “Russia, China don’t see US in SCO”, at http://english.ruvr.ru/_print/59706557.html accessed on May 5, 2012

¹⁶⁰ Dirk Van der Kley, “Turkey’s SCO Play: Does it Matter?”, at <http://thediplomat.com/flashpoints-blog/2013/05/07/turkeys-sco-play-does-it-matter/> accessed on May 8 2013

¹⁶¹ Zhao Huasheng, “China’s View of and Expectations from the Shanghai Cooperation Organisation”, *Asian Survey*, Vol.53, no.3, 2013, pp. 452-53

¹⁶² Ibid

FUTURE OF THE SCO AS AN EFFECTIVE REGIONAL ORGANISATION

So far, the results of the work done by the SCO have been somewhat mixed. Despite its limitations, the value of the SCO is that its membership has enough power and clout to make a difference not only in the regional security architecture but also in the wider international system. However, after a decade, it is now confronted with a new set of challenges both in the security and economic arena. The developments in and around the region will demand new commitments from the SCO which has the potential to play significant role in addressing both its security and economic agenda.

In the past, the organisation has adhered to a pragmatic and incremental approach to multilateral problems; however, the most delicate issues have so far been resolved bilaterally. Central Asian states too, owing to inter-state rivalry, have largely adopted bilateral rather than multilateral channels to settle their border issues. It is argued that the Central Asian states reached border delimitation and also water sharing agreements with China without even consulting Moscow.¹⁶³ Some Central Asian experts believe that despite commonalities of interests of the member-states in addressing the issues of counterterrorism, religious extremism, just at the moment of serious security threats faced by the member countries, this organisation remained quite passive and ineffective. Central Asian states have been expecting more productive participation by the SCO in the solution of their vital interests.¹⁶⁴ Some Kyrgyz experts are

¹⁶³ P. Stobdan, "Central Asia and China Relations: Implications for India", Paper Presented in Sixth Asian Security Conference in Delhi, January 2004

¹⁶⁴ Fakhod Tolipov, "Central Asia in the Shanghai Cooperation Organisation", at <http://www.chinaeurasia.org/Newsletter.html>, accessed on November 28, 2012

of the view that the SCO has not been an effective mechanism in dealing with security issues in Central Asia but it is a good model to prevent competition and conflict between Russia and China.¹⁶⁵

The leading Kazakh experts believe that the SCO's role in Afghanistan will be restricted more on economic issues. It is argued that "Astana sees no realistic prospect for the SCO 'intervening' or taking concrete action in the unlikely event of a regional security stemming from Afghanistan-related scenario".¹⁶⁶ Other experts from Kazakhstan view the SCO's role in post 2014 in Afghanistan to be mainly limited to mediation or humanitarian assistance.¹⁶⁷ The Uzbek experts are not very optimistic about the SCO or the CSTO's ability to promote security and stability in the region in the post 2014 Afghanistan. They believe that the efforts to provide security will come from within.¹⁶⁸

¹⁶⁵ Views based on author's interviews with experts and officials (Dr. Bela R. Syrlybayeva, Senior Research Fellow, Economic Studies Department, Kazakhstan Institute for Strategic Studies, Prof. Khamisov, Azamat Usualiev, Deputy Director, International Institute for Strategic Research under President of the Kyrgyz Republic, Dr. Asker Altmatov, Former Foreign Minister, Kyrgyzstan) in Astana and Bishkek in February 22-28, 2011

¹⁶⁶ Roger N McDermott, "Central Asian Security: Post-2014 Perspectives in Kazakhstan and Uzbekistan", *DIIS Report 2013*, pp.32

¹⁶⁷ Ibid. Also see Boris Tsarev, "Ten Years after Shanghai: The Anniversary Summit in Astana Discussed Whether the SCO would Become an Asian to Counterpart NATO or the European Union", *Nezavisimaya Gazeta*, June 16, 2011; Aleksandr Gabuyev, "China has Opened an Account in its Favour", *Kommersant*, June 16, 2011; Zhao Yu, "Liang Guanglie Attends the SCO Defence Ministers Conference", *Xinhua*, March 18, 2011; "SCO Defence Ministers Approve Cooperation Plan for 2012-2013", *Interfax-AVN*, March 17, 2011; "Defence Minister Says China Hopes To Boost Military Cooperation with SCO Members", *Xinhua*, March 17, 2011; "Chinese Army Hones Transportation Skills at SCO War Games", *Xinhua*, September 22, 2010; "Major-General Meng Guoping Explains Five Major Highlights of Peace Mission 2010", *Zhongguo Xinwen She*, September 21, 2010; Aleksandr Khranchikhin, "Old Basis of the New Doctrine", *Voyenno-Promyshlennyi Kurier*, No. 6, at <http://www.vpk-news.ru/6-322/2009-05-02-13-24-56/12708>, February 17, 2010; Oleg Gorupay, "One Final Victory", *Krasnaya Zvezda*, at http://www.redstar.ru/2010/09/25_09/1_01.html, September 25, 2010; Oleg Gorupay, "A United Front against Terrorists", *Krasnaya Zvezda*, at http://www.redstar.ru/2010/09/24_09/1_01.html, September 24, 2010

¹⁶⁸ Roger N McDermott, No. 167

Most of the Central Asian countries have argued for greater focus on issues of economic developments in the region because most of the problems are rooted in poor socio-economic conditions of these countries. More importantly, water issues in the Eurasian region have serious implications. This is considered to be most urgent security challenge by the CARs therefore initiatives to resolve water issue in the Central Asian region demand greater attention from the SCO.

Some of the Western experts have argued that despite the proclaimed function of the SCO to manage the regional security concerns, it “has never conducted a conventional peacekeeping operation, in spite of incidents of mass violence and instability” in the region because SCO has given priority to its central principle of non-interference over intervention on humanitarian grounds.¹⁶⁹ According to the recent International Crisis Group report, “In concrete terms . . . the SCO has done relatively very little”.¹⁷⁰ Another study on the subject points out that the rule of consensus coupled with chronic regional disunity seriously limits collective actions of the organisation.¹⁷¹

The other important issue which has been debated is the question about who is the driver in the SCO – China, Russia, Kazakhstan or Uzbekistan? The SCO is considered to be an organisation overwhelmingly dominated by China and Russia and not providing enough space to the Central Asian countries to play any significant role. However, this view has been countered by some experts who have argued that the “SCO is primarily focused on addressing regime security, in particular the regime security of the CARs”.¹⁷² And in this way, the SCO is oriented

¹⁶⁹ Stephen Aris, “The Response of the Shanghai Cooperation Organisation to the Crisis in Kyrgyzstan”, *Civil Wars*, Taylors & Francis, London, vol.14, no. 3, September 2012, pp. 451

¹⁷⁰ China’s Central Asia Problem, *Asia Report*, no. 244, February 27 2013, International Crisis Group, pp. 23-24

¹⁷¹ Ibid

¹⁷² Stephen Aris, *Eurasian Regionalism- The Shanghai Cooperation Organisation*, Palgrave Macmillan, 2011

towards what the Central Asian leadership considers its primary security aim and not as a tool of Russia-China domination in the region.¹⁷³

On the issue of the possibility of the SCO turning into a military alliance in the region, the developments within the organisation do not indicate any such trend. Given the nature of the complexities in Central Asia, the SCO becoming an “OPEC with nukes” or an “Asian Warsaw Pact” is unlikely. China and its official media have denied any possibility of the SCO becoming a rival to the US and NATO. At the same time, it is unlikely that China and Russia would allow the US to intervene and interfere in their backyard.¹⁷⁴

On the issue of extremism, it is believed that the SCO has not been able to deliver the desired results in the CARs. Some of the Western experts have argued that when Russia and China have not been able to address their own internal problems, how capable can the SCO be in dealing with the issue of extremism effectively?¹⁷⁵ Some other experts have argued that the SCO has not been able to do much as these are internal matters governed by internal political dynamics and hence the SCO has a limitation in addressing such issues.¹⁷⁶ Some Kazakh experts are of the opinion that the regional anti-terrorist structure under the SCO is mainly an analytical centre and has yet to emerge as an effective structure. So far, in Central Asia, there is only bilateral cooperation and not multilateral. In addition, the rivalry between Kazakhstan and Uzbekistan further complicates the situation and limits the effectiveness

¹⁷³ Ibid, pp. 171

¹⁷⁴ Meena Singh Roy, “The Shanghai Cooperation Organisation Acquiring New Punches”, in S.D. Muni (ed.), *IDS.A Asian Strategic Review*, 2008, Academic Foundation in Association with Institute for Defence Studies and Analyses, New Delhi, pp. 288-293

¹⁷⁵ Views expressed by Oksana Antonenko, Senior Fellow, International Institute for Strategic Studies, during the Round Table on “10 Years of the Shanghai Co-operation Process and Regional Security Challenges in Central Asia”, at IISS, London, ON January 26-27, 2006.

¹⁷⁶ Views expressed by Dr. Shirin Akiner during the Round Table on “10 Years of the Shanghai Co-operation Process and Regional Security Challenges in Central Asia” at IISS on January 26-27, 2006

of this process. Moreover, the CIS counterterrorism centre is concentrating more on Chechen radicals whereas the SCO is focusing on the Uighur extremists. Therefore, the fight against terrorism in CARs has become a victim of geo-politics.¹⁷⁷

One can enumerate various reasons for the lack of conclusive positive results of the SCO mechanism. But three important reasons can be attributed to this. First, the region lacks tradition, expertise and resources to start institutionalised cooperation mechanisms. The intervention and presence of major powers lobbying for influence also complicates the situation. Second, opposition from the countries that are left out has been a major source of weakness. Third, lack of a clear direction and aim for cooperative endeavour has prevented the organisation from going forward. It is too early to expect positive results from these regional forums, as they need more time to mature. As mentioned earlier, the major shortcomings for the SCO have been mainly the absence of political will and confidence; differences in economic status of the member-states; competition with other organisations, lack of resources for development, cultural differences and domestic challenges within the CARs.¹⁷⁸

From China's point of view SCO is considered as significant instrument to implement its interests in Central Asia and beyond. It has helped China in containing "East Turkistan" activities in the region¹⁷⁹ and acquiring energy resources of the Central Asian countries. For China, security concerns and energy appear to be its pre-eminent interest in the SCO. China is using the SCO to enhance its political and economic

¹⁷⁷ Views expressed by Erlan Karin, Head of Centre for Studies of Terrorism, Almaty during the Round Table on "10 Years of the Shanghai Co-operation Process and Regional Security Challenges in Central Asia" at IISS on January 26-27, 2006

¹⁷⁸ Zhao Huasheng, No. 43, pp.105-123; Zhao Huasheng, "Central Asia in China's Diplomacy", in Eugene Rumer, Dmitri Trenin and Huasheng Zhao, *Central Asia: View from Washington, Moscow, and Beijing*, New M.E. Sharp, New York, July 2007., pp.199-208; Alexander Lukin, "The Shanghai Cooperation Organisation: What Next? *Russia in Global Affairs*, Foreign Policy Foundation, Moscow, vol.5, no.3, July-September 2007

¹⁷⁹ Zhao Huasheng, No. 161, pp.436

influence in the region. It is believed that “China should build its strategy on the SCO; it should consolidate its positions and improve its mechanisms to get rid of its functional shortcomings in order to make it the regional leader”.¹⁸⁰ For the Central Asians, the organisation provides greater manoeuvring to balance the major powers for gaining economic and military aid. Therefore, the SCO essentially provides a delicate equilibrium among the members in the post-cold war geopolitical paradigm. Today, Central Asia’s desire to cooperate with the SCO is strong not only because the current regimes need to be in power but also by the fact and realisation on their part, of the rise of China and its potential to provide economic incentives to the CARs.

Russia views the SCO as regional mechanism to increase its political and military influence in the region which is its backyard. The SCO provides Russia space to engage China and balance the US influence in the region. The organisation also helps Russia to contain and address its security concerns emanating from Afghanistan-Pakistan region. The Central Asian region represents buffer zone for Russia’s southern flank particularly against religious extremist threat.

The future development of the SCO will be conditioned by the following factors. First, how it manages conflicting interests of the member-states particularly the competition between Russia and China and other regional and extra-regional players in the region. Second, how the organisation is able to provide the required attention to the new security threats emanating in and around the Central Asian region without undermining the concerns of the Central Asian regimes. Third, how effectively the SCO will be able to implement various planned projects in the energy and transportation sector without adequate funds to support these projects. Last but not the least, how the question of expansion of the organisation would evolve as the “Memorandum of Obligations” for the admission of new members has been finalised. It remains to be seen how the SCO observer states and dialogue partners

¹⁸⁰ Li Lifan and Ding Shiwu, “Geopolitical Interests of Russia, the US and China in Central Asia”, *Central Asia and Caucasus*, Sweden, vol.3 (27) 2004, pp. 144

play out their role in the organisation and whether they would be silent observers with selective contribution in the SCO's affairs or would they play a more active role in its affairs.

On the issue of the effectiveness of the SCO, Alexander Nikitin, Director, Centre for Euro-Atlantic Security, IIS, MGIMO University, Russia, has said that there is an urgent need to realise the SCO's full potential since the observer and dialogue partners are attracted towards this unfulfilled potential of the organisation. He has argued that there are very few organisations which will enable China, India and Pakistan to discuss issues by sitting on the same table. Therefore, it will be wrong to compare the SCO with NATO. A more realistic comparison would be with ASEAN. There is a pressing need to increase the SCO's budget, set up an effective interaction between national analytical institutes, establish a permanent SCO analytical centre which will work and analyse common problems, develop strategies for the next 10 years and create a coordinating body to keep track of analytical work. The SCO should aim to achieve a collective response to regional and international crises and should even aim to collaborate with other regional organisations in order to tackle emergencies. There should be a new format of interaction between the SCO and the BRICS.¹⁸¹ Some of the recommendations for making the organisation more effective have been articulated by the experts and officials of the SCO member-states. These recommendations deserve some attention. These are mainly:¹⁸²

- Need for the development of a Human Resource Base and greater emphasis on expanding education through scientific research.
- Need for participation of leading universities to provide analytical training and educating the public.

¹⁸¹ Views expressed by Alexander Nikitin, Director, Center for Euro Atlantic Security, IIS, MGIMO University, Russia during VII SCO Forum meeting in Almaty, April 24, 2012

¹⁸² Recommendations made during the VII SCO Forum Meeting at Almaty, April 24, 2012

- Need to develop Business Councils to assist various business initiatives. It is suggested that there could be common utilisation of available infrastructure especially at borders to manage the border security of the member-states.
- Greater assistance for economic projects and a focus on high technology cooperation. Constant need to monitor and audit the current projects.
- Single visa for all SCO business delegations and single rule for business across the SCO region.
- More periodic meetings of the SCO forum and need to strengthen analytical centres.
- Creation of a mechanism for effective implementation of decisions and establishment of a preferential trading zone.

The geographical configuration and political composition of the SCO reveals the asymmetry among its member-states and this often results in a sense of insecurity among the smaller states. These states tend to fear that their resources may be exploited by the bigger ones. There are already concerns in Tajikistan and Kyrgyzstan about the negative impact of China's increasing economic presence in the Central Asian markets resulting in killing the small-scale industries. The success of economic integration in the region under the SCO framework would depend a lot on how the bigger states will address the concerns of its smaller Central Asian countries. It needs to be highlighted here that despite its limitations and constraints, the SCO will continue to play a significant role in the region as the two leading countries in the organisation, Russian and China, intend to use the SCO to maintain stability in the region and retain their influence.

CONCLUSION: STRATEGIES FOR FUTURE INDIA-SCO COOPERATION

Based on the aforesaid analysis on India's opportunities and challenges as a full member, it can be argued that despite India's keen interest in gaining the SCO's full membership, it is still a step too far and one that seems unlikely soon with the organisation's current trajectory. However, this is not to argue that India should lose interest in the SCO. Given the complexities of the relations among the SCO member-states and other geopolitical realities, it is still premature to write off the effectiveness of this regional grouping. So far, its success has been somewhat mixed in various areas but in the long run, its relevance for the region will not wane. Therefore, in the long run, it will be in India's interest to watch the developments closely from within as a full member rather than sit on the side-lines. The major hurdle for India to acquire the full membership in the SCO is the lack of consensus among the member-states. It is believed that China would try and delay India's entry as full member in this regional organisation, whereas Russia along with the Central Asian countries would continue to support India's full membership in the SCO.

However, it is debatable whether China can stall India's entry in the SCO for long. While China has so far not opposed India's membership in the SCO, it has not come forward supporting India's case for full membership. In long-term China would find it difficult to block India's membership in the SCO because of the increasing relevance of India for China to manage many regional and global security and economic challenges in the era of changing global order. New regional and global order would demand greater cooperation between India and China in future. More importantly, it will not be possible for China to block India's entry as a full member for long; at best, it will try and delay the process. Despite competitive elements in India-China relations, and their unsettled border issue, India-China trade is growing and so is the cooperation between the Indian and Chinese companies, particularly

in Africa. Both countries are working in many regional and international groupings like the BRICS. These developments provide India and China with an opportunity for closer cooperation within the SCO mechanism which needs to be fully optimized. China under the new leadership offers many opportunities for both countries to cooperate in future. Chinese Premier Li Keqiang chose India as his first destination for his foreign visit after taking over as Premier. His visit in May 2013 does raise some hope of cooperation between the two Asian countries. The recent media reports in China have acknowledged that “China will have to do more to boost ties with India, including in terms of public diplomacy initiatives”.¹⁸³ Further, the need for enhancing ties with India has been echoed in the Chinese media. The editorial in the *Global Times* said that “China’s surrounding environment will suffer if India, a country which has the prospect of running neck-and-neck with China, becomes another Japan or Philippines in terms of its policies towards China”.¹⁸⁴ In the new Asian order which is in the making, China, despite its economic and military might, would need good relations with India to manage emerging new challenges in the international system. Therefore, mutual interests are likely to pull both the countries to work with each other in regional and international fora. The recent Chinese narrative on India-China relations calls for greater efforts on part of both the countries to “build mutual trust and promote a good neighbourly cooperative and strategic partnership”.¹⁸⁵ It is argued that “both the countries should always remember that their common interest lies in promoting cooperation”.¹⁸⁶

In the short-term, India needs to carefully study the “Memorandum of Obligation” and the technical documents before it formally applies

¹⁸³ Ananth Krishnan, “Ties Facing Public Opinion Challenge”, *The Hindu*, Delhi, May, 21, 2013, pp14

¹⁸⁴ Ibid

¹⁸⁵ Tang Qifang, “China-India Relations in 2012: Positive Changes and Long-Standing Problems”, *The CIIS Blue Book on International Situation and China’s Foreign Affairs 2013*, China Institute of International Studies, World Affairs Press, pp.435

¹⁸⁶ Ibid., pp. 452

for full membership. In the meantime, it needs to pursue rigorous diplomatic initiatives with all the SCO member-states to pursue its case of full membership. The Indian viewpoint on how it wants to cooperate within the framework was articulated by its External Affairs Minister during the summit of the Heads of States in 2011. He said that,

SCO members and observers could cooperate more in the future on regional and global threats arising out of climate change, environmental security, food security, energy security, particularly non-conventional sources of energy, and other emerging issues which require a joint response for sustainable development. India stands ready to make a constructive contribution in these areas.¹⁸⁷

Within the current structure and functioning of the SCO, India needs to utilise the observer plus status, whereby it can contribute in a more effective manner in areas of trade and transportation and enhancing cooperation within the security arena. At this stage it could build new models of security cooperation with SCO member-states to deal with new security challenges in Afghanistan, Central and West Asia.

India's increasing role in the Eurasian region is viewed positively by Russia, CARs and the US. This sets a perfect stage for India to play an active role in the region both at the bilateral level and within the regional groupings in the region. Despite India's current enthusiasm for full membership of the SCO, it should not rush for full membership by giving up its position either in SARCC or by compromising on other core strategic issues of national interest. For any meaningful cooperation with the Eurasian region, India will have to carve out a medium to long-term strategy of bilateral engagement supported by enhanced cooperation with the regional Central Asian organisations.

¹⁸⁷ Statement by EAM at the SCO Heads of States Summit 2011, June 15, 2011, https://www.google.co.in/url?sa=t&crct=j&q=&esrc=s&source=web&cd=1&cad=rja&ved=0CDIQFjAA&url=http%3A%2F%2Fwww.mea.gov.in%2FSpeeches-Statements.htm%3FfdId%2F373%2FStatement%2Bby%2BEAM%2Bat%2Bthe%2BSCO%2BHeads%2BoF%2BStates%2BSummit&ei=trWZUbsjFcrMrQe6ooDgAg&usq=AFQjCNFIHksJlMxF5Z9eWZbXEPsv7fc38g&sig2=KZu7wOQDKNuDi_GmM3Tszw&bvm=bv:46751780,d.bmk, accessed on August 24, 2012

LIST OF DECLARATIONS OF THE SHANGHAI COOPERATION ORGANISATION

- 1. Declaration on the Creation of the Shanghai Cooperation Organisation, 2001** at <http://www.sectsko.org/EN/show.asp?id=69>
- 2. Declaration by the Heads of the Member States of the Shanghai Cooperation Organisation, 2002** at <http://www.mid.ru/bl.nsf/900b2c3ac91734634325698f002d9dcf/3cf31cefa6159fc643256bd4004ca56e?OpenDocument>
- 3. Moscow Declaration of Heads of Member States of Shanghai Cooperation Organisation, 2003** at <http://archive.kremlin.ru/eng/events/articles/2003/05/162318/162321.shtml>
- 4. Tashkent Declaration of Heads of Member States of Shanghai Cooperation Organisation 2004** at http://www.ecrats.com/en/normative_documents/2008
- 5. Declaration by the Heads of Member-States of the Shanghai Cooperation Organisation 2005** at http://www.chinadaily.com.cn/china/2006-06/12/content_6020345.htm
- 6. Declaration on the Fifth Anniversary of the Shanghai Cooperation Organisation, 2006** at <http://www.sectsko.org/EN123/show.asp?id=94>
- 7. Bishkek Declaration of the Heads of the Member States of the Shanghai Cooperation Organisation, 2007** at <http://www.sectsko.org/EN123/show.asp?id=92>

8. **Dushanbe Declaration of the Heads of the Member States of the Shanghai Cooperation Organisation, 2008** at <http://www.sectesco.org/EN123/show.asp?id=90>
9. **Yekaterinburg Declaration of the Heads of the Member States of the Shanghai Cooperation Organisation, 2009** at <http://www.sectesco.org/EN123/show.asp?id=87>
10. **Declaration of the Tenth Meeting of the Council of the Heads of the Member States of the Shanghai Cooperation Organisation, 2010** at <http://www.sectesco.org/EN123/show.asp?id=225>
11. **Astana Declaration of the 10th Anniversary of the Shanghai Cooperation Organisation 2011** at <http://www.sectesco.org/EN123/show.asp?id=294>
12. **Declaration of the Heads of State of the Member States of the Shanghai Cooperation Organisation on Building a Region of Lasting Peace and Common Prosperity, 2012** at <http://www.fmprc.gov.cn/eng/zxxx/t939149.htm>
13. **Bishkek Declaration of the Heads of State of the Shanghai Cooperation Organisation, September 13, 2013** at <http://www.scosummit2013.org/news/bishkekskaya-deklaratsiya-glav-gosudarstv-chlenov-shanhayskoy-organizatsii-sotrudnichestva/>.

STATEMENTS BY INDIAN MINISTERS AND OFFICIALS IN THE SHANGHAI COOPERATION ORGANISATION

Address by External Affairs Minister Shri Natwar Singh at Shanghai Cooperation Organisation Summit

July 5, 2005

1. Your Excellency President Nazarbayev, Distinguished Heads of State and Government, Excellencies, Friends,
2. I feel privileged to represent India on this historic occasion when the Shanghai Cooperation Organisation has decided to accept India as an observer to the SCO. On behalf of the Government of India, I thank the Heads of State of the SCO member-states for this decision.
3. India deeply appreciates the dynamic role played by the current Chairman of the SCO, His Excellency Mr Nursultan Nazarbayev, President of the Republic of Kazakhstan, in organising this meeting and inviting us to Astana. I thank you, Mr President, as well as the Government of Kazakhstan, for your warm hospitality and the excellent arrangements made for this meeting.
4. Excellencies,

The mature and statesman-like manner in which the SCO leaders have guided the growth and orientation of this organisation over the years is truly admirable, and portends well for its future. We have keenly observed that the SCO has taken several significant initiatives in two major areas of its activity namely, in combating terrorism and the development of economic cooperation. The SCO was one of the first major international organisations to take concrete steps in the war against terrorism, much before the events of September 11, 2001 focused the attention of the international community on the need for all countries to jointly cooperate and pool their resources in the war against terrorism, extremism and intolerance. As terrorism today has become a sinister trans-national

activity, with terrorists taking full advantage of less than whole-hearted cooperation among states, it can be successfully countered through joint efforts by all states. I would like to reiterate India's strong interest in cooperating with the SCO in its initiatives to combat terrorism.

5. Another major area of SCO's activity is economic cooperation. The SCO brings together some of the largest and most populous countries, accounting for a major proportion of world's resources, both natural and human, as well as of global agricultural and industrial production. Our countries are dynamic growing markets, and have significant achievements and capabilities in frontier areas of science and technology. There is enormous potential for realizing mutually beneficial cooperation and synergies among our countries, and for converting this region into a catalyst for economic growth and prosperity. This will also promote the security and stability of this space, which is a matter of vital national interest for all members of the SCO family. The association of India with the SCO will, I am confident, make a useful contribution in this regard. We would also be happy to share with SCO member and observer states India's experience of economic reforms and the development towards a knowledge-based economy.
6. All of us can also benefit from closer people-to-people and cultural ties that provided mutually enriching contacts between the peoples of our rich and ancient civilisations over the centuries. Unfortunately, over time various barriers – many artificial – to the free flow of people and ideas have restricted our natural interaction. We need to work together to restore these ties, and allow peoples to rediscover and to rekindle their common heritage and achievements.
7. In conclusion, I would like to reiterate my happiness at being present on this memorable occasion and to say that India very much looks forward to playing a positive, creative and constructive role in the SCO.

Thank You

Astana

July 5, 2005

Source:<http://www.mea.gov.in/Speeches-Statements.htm?dtl/2647/Address+by+External+Affairs+Minister+Shri+Natwar+Singh+at+Shanghai+Cooperation+Organisation+Summit>

Remarks by EAM at the Plenary Session of Tashkent Summit of SCO (2010)

June 11, 2010

Your Excellency, President Karimov, Chairman of the Summit, Distinguished Heads of State and leaders of delegations, Secretary General of the SCO, Excellencies, Ladies and Gentlemen,

It is a great honour for me to be here in Tashkent at this august gathering of world leaders for the Annual Meeting of the Council of Heads of State of the Shanghai Cooperation Organisation.

India has been associated with the SCO since 2005 as an Observer. We attach great importance to this Organisation and value our partnership with its members. Indeed, we see most SCO member countries as belonging to our 'extended neighbourhood', bound to us by strong ties of history and culture. Within the parameters of participation open to Observers, India has demonstrated its strong commitment to SCO, by engaging with the Organisation in several different areas and by participating actively at several of the Ministerial meetings.

With the Presidency last year of Russia and the current Presidency of Uzbekistan, Observer states have been given an expanded role and India has shown its commitment to the ideals of the Organisation through constructive engagement in diverse areas. Earlier this year in January, India participated in Moscow at an informal SCO meeting, to prepare for the London Conference on Afghanistan. In March 2010, our Deputy Minister for Culture led the Indian delegation to the meeting of the SCO Culture Ministers at Sanya, China. Under the Russian Presidency, we were invited to and we attended several of the Ministerial meetings.

SCO has played a constructive and forward-looking role over the past few months in the international deliberations on the future of Afghanistan. We commend this and believe that the SCO is uniquely fitted to provide positive contributions to the global discourse on Afghanistan. SCO can certainly add a critical regional perspective and play a constructive role in ensuring a peaceful and stable Afghanistan. We in India stand committed to the social and economic development

of Afghanistan. We see Afghanistan as a hub for transit, trade and energy, connecting Central Asia and South Asia.

The Yekaterinburg SCO declaration rightly recognised the dangers posed by illicit drug trafficking, terrorism and transnational organized crime. Terrorism and extremism, along with narco-trafficking, are key challenges facing all countries of our region. India, as a victim of terrorism, understands the threat posed by this menace to economic and social development. Regional cooperation to counter terrorism can play a key role in supporting action taken by individual countries. SCO has been pro- active and has taken major initiatives to pool the resources of its member countries for the joint struggle against this scourge. The Regional Anti- Terrorism Structure (RATS) under the auspices of SCO is based in this city- Tashkent- and India is ready to cooperate fully with this important organisation for exchanging information and working out a common strategy for combating terrorism.

Economic development and the fair distribution of the fruits of economic growth require connectivity between our peoples. We are ready to work with the SCO for the economic development of the region and feel the SCO can make a valuable contribution to common initiatives to set up viable transport links between the countries of Central and South Asia.

India has consistently articulated its desire to play a more constructive and meaningful role as an Observer at the SCO. We deeply value the role of the SCO in bringing security, stability and development to our region and stand ready to step up our engagement to contribute more meaningfully to the SCO for the common good of the people of our region. We believe that our historically friendly ties with all the member States, our close political relations and equally, our burgeoning trade and investment relations, as well as our expertise, developed over the decades, in diverse sectors, ranging from rural development to high technology – all equip us to fulfil greater responsibilities in this forum.

I would like to congratulate Your Excellency, President Karimov and the Government of Uzbekistan for the excellent arrangements made for the Tashkent Summit and to thank you for the gracious hospitality extended to me and my delegation. I felicitate the Uzbek Presidency

for the effective stewardship of the Organisation and wish all success to the Kazakh Presidency. I hope that the deliberations of this Summit Meeting are fruitful and end in all round success.

Tashkent

June 11, 2010

Source:<http://mea.gov.in/Speeches-Statements.htm?dtl/659/Remarks+by+EAM+at+the+plenary+session+of+Tashkent+Summit+of+SCO>

Statement by EAM at the SCO Heads of States Summit (2011)

June 15, 2011

Your Excellency, President Nazarbayev, Distinguished Heads of State and Government of the Members and Observers of SCO, Representatives of Dialogue Partners, Secretary General of the SCO, Excellencies, Ladies and Gentlemen,

It is a privilege for me to join you in this dazzlingly modern city of Astana, to represent India at the 10th Anniversary Summit of the Shanghai Cooperation Organisation. It was here in 2005 that India participated in the SCO Summit for the first time, after being inducted as an Observer and we are delighted that we celebrate today the 10th Anniversary of the forum in this beautiful city. I would like to begin by thanking the Government and the people of Kazakhstan for their gracious hospitality and warmth.

Excellency, India attaches great importance to our association with the SCO and values the consistent and mature contribution made by the organisation to peace, stability and prosperity in the region. India has demonstrated its strong commitment to the SCO by participating constructively at SCO meetings open to Observers. It is of great importance to us that most SCO member countries are our neighbours or belong to our extended neighbourhood, with a strong historical and cultural legacy of centuries binding us together.

We are impressed that the SCO has taken several significant initiatives in recent years especially in two major areas: in combating terrorism;

and in the promotion of economic cooperation in the region. SCO's emphasis on the need for all countries to cooperate in the fight against terrorism, extremism and narcotics is the only meaningful approach to this global menace that threatens us all equally.

Terrorism and extremism show no respect for boundaries. India is only too familiar with this evil, which not just wantonly claims human lives, but threatens the social and economic progress of our societies. India would like to see the SCO zone emerge as a terror-free zone, free of safe havens and sanctuaries for terrorists and free of infrastructure of terrorism that poisons our common region. Regional counter-terrorism cooperation can indeed play an important role in supporting action taken by individual countries. We see the Regional Anti-Terrorist Structure (RATS) as an important regional answer to the terrorism challenge. We look forward to India's greater engagement with RATS and in counter-terrorism exercises in the region.

SCO has played a constructive and forward-looking role in contributing towards peace in Afghanistan. SCO's discussions on Afghanistan and particularly, the recent initiatives by Russia, have all added to our understanding of the difficult situation there and helped us examine regional solutions. India, on its part, is doing its best for the reconstruction of Afghanistan to improve the social and economic lives of the friendly people of Afghanistan who have been suffering from conflict for the last almost three decades. We are helping our Afghan friends even at the cost of the lives of our people. India stands committed to the prosperity of the Afghan people and our Prime Minister was in Afghanistan recently to reaffirm India's unwavering commitment to this cause. Afghanistan has the promise of becoming a geo-strategic bridge between Central Asia and South Asia as well as a trade and transit hub with modern infrastructure.

Connectivity between SCO countries is in fact central. One bottleneck to trade and economic activity among the SCO members and observer countries is the lack of viable transport linkages. SCO can address the problem of limited connectivity through regional solutions and break barriers that inhibit trade and investment flows between our countries. India is ready to cooperate with member countries to find viable solutions to this problem and contribute to the endeavour to build bridges between Central and South Asia.

Ten years since its founding, the SCO faces a historic moment. Like other successful multilateral organisations, it must choose the path of its evolution. The draft of the Memorandum of Obligation being discussed by this Summit would pave the way for expansion of the organisation in a natural process of its evolution. India would be happy to play a larger and deeper role in the SCO when the rules and criteria for full membership are clear. We value the role of the SCO in bringing security, stability and development to our region and stand ready to contribute more to the SCO for the common good of the people of our region. We have friendly ties with all the member states and we wish to bring to the table our technical expertise, markets and financial commitment, all of which equip us to fulfil greater responsibilities in this forum.

SCO members and observers could cooperate more in the future on regional and global threats arising out of climate change, environmental security, food security, energy security, particularly non-conventional sources of energy and other emerging issues which require a joint response for sustainable development. India stands ready to make a constructive contribution in these areas.

In conclusion, Mr. Chairman, I would like to once again thank the Government of the Republic of Kazakhstan for the wonderful arrangements. I take this opportunity to wish the people of Kazakhstan continued peace and prosperity in the coming years and congratulate Your Excellency for successfully organising this important Summit.

Thank you.

Astana

June 15, 2011

Source:https://www.google.co.in/url?sa=t&rcrt=j&q=&esrc=s&source=web&cd=1&cad=rja&ved=0CDIQFjAA&url=http%3A%2F%2Fwww.mea.gov.in%2FSpeeches-Statements.htm%3Fdtl%2F373%2FStatement%2Bby%2BEAM%2B at%2Bthe%2BSCO%2BHead s%2Bof%2BStates%2BSummit&ei=trWZUbsjFcrMrQe6ooDgAg&usq=AFQjCNFIHksJlMxF5Z9eWZbXEPsv7fc38g&sig2=KZu7wOQDKNuDi_GmM3Tszw&bvm=bv.46751780,d.bmk

Statement by Indian Minister of Power at SCO meeting in Dushanbe (2010)

November 25, 2010

Your Excellency, Prime Minister of Tajikistan Mr. Akil Akilov, Distinguished Heads of Government of the Members and Observers of SCO, Secretary General of the SCO, Excellencies, Ladies and Gentlemen.

It is indeed a proud privilege for me to be in Dushanbe at this august gathering of world leaders for the meeting of the Council of the Heads of Government of the Shanghai Cooperation Organisation. I had the honour to represent India in the Heads of Government meeting in Astana in October 2008 and I am delighted to be at this forum again. I would like to begin by thanking the Government and people of Tajikistan for their gracious hospitality.

India has been associated with the SCO since 2005 as an observer. In these five years, we have witnessed several tumultuous developments affecting us globally and within the region which SCO represents. We are yet to come out of a continuing global financial crisis. Till now, global recovery efforts have had only mixed results. This is why we support the important theme of this Council Meeting which is to examine ways and means of further deepening cooperation amongst us in overcoming the long term consequences of this crisis.

SCO member states and observers constitute half of humanity. Our region is rich not only in resources but also in human capacity and endeavours. Therefore, developments affecting our common SCO region are of significant consequence to the welfare of a greater part of the world.

We attach great importance to our association with the SCO, which has steadily emerged as an active and dynamic regional body. Within the existing participatory mechanism open to the observer countries, India has demonstrated its strong commitment to the SCO by engaging with the organisation in several different areas and by participating actively at several of the Ministerial meetings. Most SCO member countries belong to our extended neighbourhood, with strong historical

and cultural ties binding us together. India values the endeavours of the SCO for bringing peace and stability and for the collective prosperity of our peoples. On our part, we stand ready to contribute towards the economic development of countries in the SCO space.

We congratulate the people of Kyrgyzstan on their recent Parliamentary elections, and hope that this democratic process will bring stability and development to the people.

SCO has played a constructive and forward-looking role in contributing towards peace in Afghanistan. We recognize the role of SCO member states in contributing to peace and stability in Afghanistan. India is doing its utmost for the social and economic development of Afghanistan, even at the cost of the lives of our people. India stands committed to the development of Afghanistan and to prosperity for the Afghan people.

Terrorism and extremism coupled with narco-trafficking are grave challenges facing all our countries. India as a victim of terrorism, understands the threat posed by this menace to economic and social development. Regional cooperation can play an important role in supporting action taken by individual countries. SCO has been proactive in taking major initiatives to pool the resources of its member countries for the joint struggle against this scourge to mankind. The Regional Anti Terrorist Structure (RATS) can become a very important vehicle for a regional answer to the terrorism challenge. We look forward to be more engaged with RATS and in counter-terrorism exercises in the region.

Excellencies and Distinguished guests, India had travelled a long way in recent years. Our economic growth has averaged 8% and we have weathered the global financial crisis through prudent regulatory steps. Despite the global recession, we recovered to a growth rate of 7.4% and are projected to grow at 8.5% in 2010-11 and 9% thereafter. India realises that prosperity in our region will come through growth and development in all our countries. As we come out of a short term policy agenda of crisis management and global re-balancing, we would like to see a strong development agenda adopted in various international fora, to correct the development imbalance that our world and our region face. In this regard, we consider cooperation within SCO

membership as important. Specifically, we consider cooperation in Energy, infrastructure and human resource development as critical to progress.

We are happy to see that the Tashkent Summit of the SCO in June 2010 has decided to open the doors of the organisation to new members. India has consistently articulated its desire to play a more constructive and meaningful role at the SCO platform. We deeply value the role of SCO in bringing security, stability and development to our region and stand ready to contribute more to the SCO for the common good of the people of our region. India's friendly ties with all the member states, our close political relations and equally, our increasing trade and economic relations as well as our expertise, economic size and technological advancement- all equip us to fulfil greater responsibilities in this forum.

In conclusion, Mr. Chairman, I would like once again to thank the Government of the Republic of Tajikistan for the wonderful arrangements and for having us all over to your beautiful capital, Dushanbe. For us, Tajikistan is a neighbour with which we share a common heritage and close bonds stretching back to ancient times. These bonds will continue to remain strong in the generations to come. I take this opportunity to wish the people of Tajikistan continued peace and prosperity in the coming years, and congratulate Your Excellency for successfully organizing this important Summit.

Thank You

Dushanbe, Tajikistan

November 25, 2010

Source:https://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&ved=0CDUQFjAB&url=http%3A%2F%2Fwww.mea.gov.in%2Fbilateral-documents.htm%3Fdtl%2F812%2FStatement%2Bby%2BMinister%2Bof%2BPower%2Bat%2BSCO%2Bmeeting%2Bin%2BDushanbe&ei=hbWZUcTkJo2PrgfjzYCACw&usg=AFQjCNER2ekbDIXJfsex-_QyejNaAq5jWQ&sig2=audv71zP4F1-1RSzkaUZA&bvm=bv.46751780,d.bmk

Statement by External Affairs Minister at the SCO Heads of State Summit

June 07, 2012

Your Excellency, President Hu Jintao,

Distinguished Heads of State,

Secretary General of the SCO,

Excellencies, Ladies and Gentlemen,

It is a privilege for me to join you in the beautiful city of Beijing, at this august gathering of world leaders. I had the honour to represent India at the last two summits of the Shanghai Cooperation Organisation and I am delighted to have this opportunity again. I thank the Government and the people of China for the gracious hospitality and warm welcome.

India admires the Shanghai Cooperation Organisation (SCO) and values its contribution over the past decade, to peace, stability and prosperity in the region. As the SCO prepares for the next decade of its journey, we see a welcome process of introspection among members, on the challenges of the next decade and the role of the body in a fast-evolving world, strewn with multiple multilateral bodies, with intersecting agendas.

India, on its part, has been participating constructively at all SCO meetings open to the Observers. By doing so, we have shown our strong willingness to be meaningfully associated with this grouping. We believe the SCO can potentially play a much larger role in the future, both for the security and prosperity of our region. We also value the fact that most SCO member countries are our neighbours, or belong to our extended neighbourhood, with a strong historical and cultural legacy of centuries binding us together.

The most important security challenge we face today relates to Afghanistan, which lies in the heart of Asia and is a bridge, connecting not just Central and South Asia but also Eurasia and the Middle East. The SCO provides a promising alternative regional platform to discuss the rapidly changing Afghan situation.

The economic development projects of the SCO can be a meaningful additional effort for Afghanistan's reconstruction. India has already committed over 2 billion US dollars towards reconstruction and

developmental activities in Afghanistan. This is a reflection of our commitment to the prosperity of the Afghan people. We will be unwavering in our support to this cause.

The other major security challenge of our age continues to be terrorism, which is a common threat to the international community and particularly to our SCO space. India is a long-standing victim of terrorism emanating from our region and believes that there is need for stronger resolve and firmer efforts in tackling this scourge.

We appreciate greater cooperation within the Regional Anti Terrorist Structure as an important regional answer to this challenge. India looks forward to greater engagement with this structure. Illicit narco-trafficking and cyber security are other challenges in the region which deserve greater focus and stronger collective efforts.

Connectivity between SCO countries is crucial to bind us together. The SCO needs to address the problem of connectivity through regional solutions to encourage trade and investment flows between our countries. India is ready to cooperate with regional countries to find viable solutions to this problem and contribute to the endeavour to build bridges between Central and South Asia. The International North South Transport Corridor, which we are re-energising, is one such effort in this direction.

Members and observers of the SCO can prosper by mutual sharing of experiences and best practices. India is already engaged with the SCO member states in areas such as information technology, management, and entrepreneurship development. We will be happy to share with SCO countries our unique experience in specific areas of economic endeavour, such as banking, capital markets, micro-finance, small and medium enterprises.

Energy cooperation is another area of interest to us. The proposed TAPI Project within our region is an example of cooperation that can bind us in energy linkages.

As we have emphasized at various SCO fora, India would be happy to play a larger, wider and more constructive role in the SCO as a full member, as and when the organisation finalises the expansion modalities. We welcome the general trajectory of the SCO towards expansion and redefinition of its role. We feel a wider and more representative

SCO will be able to deal more effectively with the common challenges of security and development in our region.

In conclusion, Mr. Chairman, I would like to once again thank our hosts for the excellent arrangements and gracious hospitality.

I also congratulate the leadership of the Kyrgyz Republic on taking over the chairmanship of this important organisation and wish them all the best in organising SCO's activities in the year ahead.

Beijing

June 7, 2012

Mr. S M Krishna

Source: <http://mea.gov.in/media-briefings.htm?dtl/19755/Statement+by+External+Affairs+Minister+at+the+SCO+Heads+of+State+Summit>

Statement by Mr. Sanjay Singh, Secretary (East) at the SCO Heads of Government Meeting in Bishkek (2012)

December 05, 2012

Your Excellency Prime Minister Satybaldiev, Distinguished Heads of Government of the Members and Observers of the SCO, Special invitees, Secretary General of the SCO, Excellencies Ladies and Gentlemen,

It is a great honour for me to join you in this beautiful city of Bishkek to represent my Prime Minister and my country at this august gathering of world leaders. At the outset, let me thank the Government and the friendly people of the Kyrgyz Republic for their gracious hospitality and warm welcome. I bring good wishes from my Prime Minister and the people of India to our friends in the SCO region.

India has been following closely, as an observer, the evolution of the Shanghai Cooperation Organisation. We are impressed that the SCO has emerged as an important regional forum focussing on issues of regional importance that are relevant and contemporary. The SCO has played a constructive and valuable role in promoting peace and prosperity in our region. It has made significant contributions both to regional economic development and to regional stability.

India has proactively participated in various SCO fora since 2005, learning much in the process, as also sharing our experience of development and progress. As an Observer, India has always endeavoured to play a constructive role and stands ready to step up its engagement to contribute more meaningfully to the SCO.

The situation in Afghanistan poses a major challenge and opportunity for the SCO, which provides a promising alternative regional platform to discuss and reflect upon the changing security situation in Afghanistan. At the last SCO Summit at Beijing, SCO members agreed to play a larger role in supporting Afghanistan's efforts to build itself into a stable, independent country on the path of peace and development, free from terrorism and drug trafficking. The SCO should grasp the opportunity to work on promoting peace, stability and economic development of Afghanistan and its integration into its neighbouring regions.

On its part, India seeks to strengthen the hands of the Afghan people in bringing peace and prosperity to their country. India's assistance to Afghanistan has helped build vital civil infrastructure, develop human resources and capacity in areas like education, health, agriculture and rural development. The primary objective of India's development partnership, covering the entire territory of Afghanistan and every development sector, is to build indigenous Afghan capacity and institutions. We have no doubt that other members of the SCO family share these values and objectives.

India has long been a victim of terrorism and we are acutely aware of the threat that terror poses. We thus value all the more the steady progress the SCO has made in building counter- terrorism efforts. The Regional Anti Terrorism Structure (RATS) based in Tashkent has contributed richly to this progress. We look forward to greater engagement with RATS and the SCO member States in co-ordinating efforts to deal with the threats emanating from terrorism and drug trafficking.

India strongly believes in promoting peace and prosperity in our common Asian region. India's vision for its own growth and development has always been that our prosperity is linked to the prosperity of our neighbouring regions. This is the rationale underlying our efforts to step up economic cooperation activities in all our neighbouring regions, including Central Asia, South Asia and South East Asia.

A common vision and approach for rapid economic development of our nations and people should bind us together. The role of the SCO to achieve this objective can be crucial. We need to pool our efforts to surmount the physical barriers posed by high mountain ranges like the Pamirs and the Tien-Shan and create transport networks for the free flow of people, trade and energy through the region. The improved communication network would help strengthen multilateral cooperation in critical areas like energy, finance, infrastructure and telecommunications, and boost trade and investment in the region.

India is already engaged with several SCO member states in areas such as capacity building and human resource development, information technology, pharmaceuticals and health care, small and medium enterprises and entrepreneurship development. We would also like to share our experience in specific areas of economic endeavour such as banking, capital markets and micro-finance. India articulated its 'Connect-Central Asia' policy in Bishkek this year, to further our vision of a region connected closely by its common aspiration for a better life for its people.

Our leadership has made clear that, India stands ready to play a larger, wider and more active role in the SCO as a full member as and when the members of the SCO decide to take forward the expansion process. We have friendly ties with all the member states and we wish to bring to the table our technical expertise, markets and financial commitments, all of which equip us to fulfil greater responsibilities in this forum.

In conclusion, Mr. Chairman, I once again thank the Government of the Kyrgyz Republic for the arrangements made in this magnificent setting and the warm hospitality. On behalf of the Government of India, I also wish you all success in organising the SCO Heads of State Summit here next year.

Thank you

Bishkek

December 5, 2012

Source: <http://www.mea.gov.in/Speeches-Statements.htm?dtl/20907/Statement+by+Mr+Sanjay+Singh+Secretary+East+at+the+SCO+Heads+of+Government+Meeting+in+Bishkek>

STATEMENTS ON AFGHANISTAN IN THE SCO

Declaration of the special Conference on Afghanistan convened under the auspices of the Shanghai Cooperation Organisation (2009)

The participants in the Conference welcomed the Shanghai Cooperation Organisation (SCO) initiative to organise this forum, expressed their satisfaction with results and noted that the outcome was in line with the efforts of the international community, namely the United Nations, North-Atlantic Treaty Organisation, European Union, Organisation on Security and Cooperation in Europe, Collective Security Treaty Organisation, Organisation of Islamic Conference and Conference on Interaction and Confidence Building Measures in Asia, other international and regional organisations and individual states to counteract threats of terrorism, drug trafficking and organised crimes.

The participants also Recognized the interconnected nature of the challenges in Afghanistan and the region and underscored the importance of sustained international efforts to achieve a stable, peaceful, prosperous and democratic Afghanistan and stressed that such assistance should be comprehensive under the leadership of Afghanistan and the central role of the UN in coordinating international assistance and based on strict adherence of the UN Charter;

Emphasized the need for sustained international support to strengthen Afghan security institutions to effectively combat the scourge of terrorism and production and trafficking of narcotics;

Acknowledged the important role of the International Security Assistance Force and coalition forces to help the Government of Afghanistan provide security to Afghanistan and, in that regard, welcomed the measures adopted by international forces, in consultation with the Government of Afghanistan to ensure closer coordination of operations with Afghan authorities, which inter alia is of special

significance for increasing effectiveness of counteracting illegal production and drug trafficking;

Acknowledged the progress of the Afghan Government in reducing the cultivation of poppy, despite limited resources at its disposal, and stressed the need for enhanced regional and international efforts to combat narcotics effectively and resolutely, including provision of alternative means of livelihood for farmers through development of regional markets and transit arrangements, international support for law enforcement and criminal justice agencies of Afghanistan, elimination of drug-laboratories, strengthening anti-narcotics control to curb the flow of precursors and reducing demand and consumption;

Stressed the importance of concerted and combined efforts in the region to counter terrorism, illicit narcotics and organized crime, in particular coordination and cooperation of Afghanistan and its neighbours;

Were encouraged by growing dialogue between the governments of Afghanistan and Pakistan aimed at strengthening of mutual trust, as well as by the Joint Declaration on Directions of Bilateral Cooperation, signed on January 6, 2009 in Kabul, and at finding effective means to combat the menace of terrorism, including denying sanctuaries and dismantling the extremist and terrorist network and ideological centers;

Expressed conviction that the successful combat against terrorism, production and trafficking of narcotics and organized crime in Afghanistan and the region requires a due combination of enforcement and administrative methods, accompanied by targeted social and economic programs;

Underlined the need for sustained joint efforts to train Afghan experts in the field of countering drug trafficking, customs service and police;

Called for a full operationalisation of the Central Asian Regional Information and Coordination Centre (CARICC) as an important tool in combating illicit trafficking in narcotic drugs, psychotropic substances and their precursors;

Welcomed the initiative of G8 to facilitate development projects aimed at social and economic development in Afghanistan and Pakistan in the context of cooperation with all neighbouring States, as well as the enhancement of counter-narcotics' regional dimension by reaching out,

at the next G8 meeting on June 26 and 27, 2009 in Trieste, to the interested Countries and relevant Organisations; and in the same vein, commended the Ankara Trilateral Summit Process;

Supported trans-regional projects, aimed at comprehensive regional development, in particular construction of a united infrastructure network and energy corridor, transportation and transit, with consideration of activities of relevant regional organisations;

Noted that the SCO was one of the appropriate fora for a wide dialogue with participation of partners on the Afghanistan-related issues in the context of joint efforts of the international community and Afghanistan and for practical interaction between Afghanistan and its neighbouring states in combating terrorism, drug trafficking and organized crime;

Supported the need for close cooperation and coordination among international and regional organisations under UN coordination, in particular through United Nations Assistance Mission in Afghanistan, in joint response to those threats and challenges, and in this regard welcomed adoption of the UN Security Council Resolution 1868 on March 23, 2009;

Considered the view contained in the Statement and Plan of Action of the Shanghai Cooperation Organisation Member States and Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime and expressed the intent to explore the possibility of aiding their implementation.

Source: <http://www.sectSCO.org/EN123/show.asp?id=98>

Statement by the Shanghai Cooperation Organisation Member States and the Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime (2009)

The Member States of the Shanghai Cooperation Organisation (SCO) and the Islamic Republic of Afghanistan, Supporting the efforts of the Afghan Government, with the assistance of the international community, aimed at ensuring social and economic development, building democratic institutions, strengthening operational capability of the Afghan national army and police and enhancing the effectiveness

of law enforcement bodies, Recognizing the interconnected challenges facing Afghanistan, including continued terrorist activities and the cultivation, production and trafficking of narcotic drugs, and that both pose a serious threat the stability of Afghanistan, its neighbours and other countries, While welcoming efforts of the Afghan Government to decrease cultivation of opium, express concern about the continued cultivation and production of narcotics drugs as a source of financing terrorist activities in Afghanistan, the region and abroad, Supporting the efforts of the Afghan Government and International Security Assistance Force in Afghanistan (ISAF) to improve law enforcement and combat the production and trafficking of narcotic drugs and curtailing the flow of precursors more effectively, Noting the significant assistance provided by the SCO Member States to the Afghan Government and their commitment to sustain such support for tackling the challenges in Afghanistan, Stressing the importance of maintaining the leading role of the United Nations in coordinating international assistance in Afghanistan, Attaching great importance to the efforts made by international and regional organisations including the United Nations (UN), the Shanghai Cooperation Organisation (SCO), the Commonwealth of Independent States (CIS), the Collective Security Treaty Organisation (CSTO), the Organisation for Security and Cooperation in Europe (OSCE) and Conference on Interaction and Confidence Building Measures in Asia (CICA) to combat the threats of terrorism, illicit drug trafficking and organized crime, Declare the following:

1. Combating Illicit Drug Trafficking

We call upon all States concerned to implement, in the framework of the United Nations activities, and other international and regional organisations, existing international strategies to combat narcotics in Afghanistan and the region, which in particular provide for strict implementation of Resolution 1817 of the UN Security Council and decisions of relevant international fora, as well as for creating and reinforcing the “anti-drug and financial security belts” in the region.

We call for further improvement of the SCO drug control cooperation mechanism as well as the elaboration of plans of practical cooperation between anti-drug agencies of the SCO Member States and other states of the region, including information exchange, precursor control

and close interaction between this mechanism and relevant UN agencies, as well as other international and regional organisations involved in combating cultivation, production and trafficking of narcotics.

We stress the need to strengthen international and regional cooperation to counter the threat of narcotics, including through support of programs and projects implemented by the UN, the CSTO, the CIS, the EU, and the OSCE in Afghanistan and Central Asia related to border security and management. We call for joining the efforts of all States and organisations concerned aimed at creating the “anti-drug and financial security belts” in the region.

We welcome the fact that ISAF in cooperation with the Government of Afghanistan joined the fight against drug production and proliferation in Afghanistan and support its wide-ranging participation in multilateral efforts in this area. We consider it important that the UN Security Council takes this into account when discussing the ISAF mandate next time.

We call for wider cooperation between the SCO, CSTO and CIS on the anti-drug and counter-terrorism tracks, and stress the importance of the multilateral preventive operation named Operation Channel carried out under the CSTO auspices, as well as of increasing the number of observer States participating in this operation.

We believe that full operationalization of the Central Asia Regional Information and Coordination Centre established to combat illicit trafficking in narcotic drugs, psychotropic substances and their precursors with the participation of Afghanistan will strengthen control over the illicit production and abuse of and trafficking in narcotic drugs, psychotropic substances and precursors in Central Asia.

2. Combating International Terrorism

We believe that the list of priorities for the international community in combating terrorism should include the improvement of its international legal framework, in particular early elaboration and adoption of a comprehensive convention on international terrorism as well as the elaboration of regional counter-terrorism legal instruments.

We call for adherence to relevant resolutions of the UN Security Council concerning international terrorism. We call for stopping the attempts

to spread terrorist ideology as well as for strict compliances with UN SC Resolution 1624 (2005), which condemns all acts of terrorism irrespective of their motivation, and call upon Member States to prohibit by law terrorist acts and incitement to commit such acts, as well as to deny safe haven to those guilty of committing these acts; and we consider it important to advance international, inter-ethnic and inter-religious dialogue in order to fight terrorist ideology, which would involve the civil society, including religious leaders, mass media, business communities and educational structures.

We reaffirm our intention to continue participating in the activities of the Financial Action Task Force (FATF) and the Eurasian Group on combating Money-Laundering and Financing of Terrorism (EAG), in particular with a view to stop the financial flows related to illicit trafficking in drugs and their precursors, and to make it a separate area in the EAG and FATF activities.

The SCO Member States intend to invest more efforts in combating terrorist threat using the capacity of the SCO Regional Anti-Terrorism Structure to a greater extent, and the practice of joint SCO counter-terrorism exercises, and we invite Observer States and other countries concerned to participate in the collective efforts, including those related to creating the “anti-terrorist security belt”, and consider taking part in transiting non-military cargoes needed by ISAF.

The SCO Member States with the assistance of the Afghan Government will advance cooperation in responding to terrorist threats, ensuring security and protection of their citizens and diplomatic missions in Afghanistan.

3. Combating Transnational Organized Crime

We reaffirm our firm commitment to counter the growing illegal trafficking in arms, munitions, explosive and other types of transnational organized crime, which pose a serious threat to the lives and security of our peoples. We believe that an effective coordination mechanism for the competent authorities to be established within the SCO in the form of meetings between the ministers of interior affairs and public security, as well as fostering and developing links with competent authorities of other States, international and regional agencies will help in combating organized crime.

We believe that a regular dialogue on joint action against abovementioned threats to be launched within the SCO with participations of other States and international organisations concerned could become an effective supplement to the existing international fora for addressing the challenges of terrorism, narcotics and organized crime in the region.

We express our commitment to enhance cooperation with all relevant States and international and regional organisations, namely UN, EU, CIS, CSTO, OSCE, NATO and CICA on matters of common interest in the spirit of this Statement and the Plan of Action of the Shanghai Cooperation Organisation Member States and the Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime.

Source: <http://www.sectSCO.org/EN123/show.asp?id=100>

Plan of Action of the Shanghai Cooperation Organisation Member States and the Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime (2009)

In follow-up to the points of agreement and mutual understanding set forth in the Statement of the Shanghai Cooperation Organisation (SCO) Member States and the Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime, the SCO Member States and Afghanistan agree on the following Plan of Action.

1. Fight against illicit drug trafficking

Using the format of the meeting between heads of anti-drug agencies of the SCO Member States, which is now in the process of establishment, based on the Agreement on Cooperation in Combating Illicit Trafficking of Narcotic Drugs, Psychotropic Substances and Precursors of June 17th, 2004, it is agreed to promote practical interaction in the following areas:

in carrying out comparative analysis of the corresponding legislative frameworks of the Member States, improving legal framework of cooperation in combating illicit trafficking in drugs, psychotropic substances and their precursors;

- a) in inter-agency information exchange;
- b) in conducting joint operations;
- c) in controlling trafficking in drugs, psychotropic substances and their precursors;
- d) in countering the legalization of income derived from trafficking in drugs, psychotropic substances and their precursors;
- e) in training of personnel of anti-drug agencies;
- f) in drug abuse prevention activities, including demand reduction measures, as well as in developing and introducing new modes of treatment, social and medical rehabilitation of drug addicts;
- g) in establishing regular contacts and developing effective interaction between the meeting of heads of anti-drug agencies of the SCO Member States and relevant authorities of the Afghan Government.

The SCO Member States will consider establishing a regional anti-drug center and a specialized SCO training center for training of officers of the relevant authorities of the SCO Member States, Observer States and Afghanistan, responsible for taking measures against illicit trafficking in drugs, psychotropic substances and their precursors.

The SCO Member States will take measures to tap the potential of the Central Asia Regional Information and Coordination Centre for combating illicit trafficking in drugs, psychotropic substances and their precursors, to engage Observer States of the Organisation as well as Afghanistan and Turkmenistan in anti-drug cooperation, including in the creation of “anti-drug and financial security belts”. Particular focus will be placed on such issues as:

Improving mechanisms of cooperation between the agencies concerned of the SCO Member States and Afghanistan in fighting against transnational criminal groups, providing logistical and training support to the relevant authorities of the SCO Member States and Afghanistan to contribute to drug control;

Advancing collaboration between the Shanghai Cooperation Organisation and the Collective Security Treaty Organisation in fighting drugs continues to remain an important priority area of Joint activities based on the Memorandum of Understanding reached between the SCO Secretariat and the CSTO Secretariat;

The SCO Member States will continue their efforts to expand the mandate of the International Security Assistance Force in Afghanistan with regard to combating illicit drug trafficking and drug cultivation.

The SCO Member States will tighten control over the chemical substances used to produce drugs, and are ready to make necessary efforts to cut off illegal precursor supplies to Afghanistan and seek cooperation in this field with States and international organisations concerned.

2. Fight against terrorism

The SCO Member States and Afghanistan believe that in order to effectively combat terrorism it is necessary to strengthen counter terrorist collaboration for comprehensive measures to jointly respond to terrorist threats. Efforts will be focused on the following areas:

- a) border control;
- b) checking individuals suspected of being involved in terrorist activities;
- c) conducting joint operations to counter terrorist threats;
- d) involving Afghanistan, in a phased manner, in the SCO-wide collaboration in fighting terrorism in the region;
- e) establishing effective mechanisms to prevent and suppress terrorist activities;
- f) making joint efforts to obtain information regarding terrorist organisations threatening the security of SCO Member States and Afghanistan;
- g) setting up an expert consultation mechanism on the basis of the SCO Regional Anti-Terrorism Structure and Afghan relevant authorities;
- h) exchanging information on terrorist activities and organisations and experience in fighting against them;
- i) exchanging lists of terrorist suspects between SCO Member States and Afghanistan, on a mutual basis;
- j) providing assistance in apprehension and transfer of terrorists;
- k) tracing and cutting off the sources and channels of funding terrorist organisations;

- l) inviting relevant Afghan bodies to take part in joint law enforcement exercises carried out by the Member States as well as in workshops, courses and other SCO events related to combating terrorism.

3. Fight against organized crime

The SCO Member States, using the format of meetings between heads of ministries of internal affairs and of public security, which is now in the process of establishment, will:

- a) advance cooperation with relevant Afghan authorities to fight illicit trafficking in weapons, munitions and explosives and other forms of transnational organized crime;
- b) improve the exchange of operational information and experience related to combating organized crime;
- c) provide mutual assistance in investigating criminal cases and help collect and transfer evidence;
- d) explore opportunities for strengthening cooperation to combat transnational organised crime, including those carried out on a regular basis, and for exchanging, if necessary, teams of law enforcement officers in order to speed up criminal investigations;
- e) implement, by all available means, various programs of further and advanced training of Afghan law enforcement officers.

In order to improve the cooperation mechanism and boost its efficiency, the SCO Member States and Afghanistan agreed to consider the issue of raising the representation in the SCO-Afghanistan Contact Group to the level of directors of departments of the Ministries of Foreign Affairs of the SCO Member States and Afghanistan and to consider developing a plan of interaction with CSTO Foreign Ministers Council's Working Group on Afghanistan to jointly combat terrorism, drug production and trafficking, organized crime, and, inter alia, to hold joint meetings of both Groups.

The SCO Member States will further develop their bilateral trade and economic cooperation with Afghanistan, engagement in international efforts to provide assistance in its economic recovery, and will explore opportunities for implementing joint projects aimed at social and economic rehabilitation of this country. In this regard, the SCO Member States will consider the proposal of the Republic of Tajikistan to sponsor

an international conference of Ministers of Economic Affairs in Dushanbe.

The SCO Member States will continue exchanging their views on using the existing international cooperation mechanisms related to Afghanistan and re-establishing those that proved to be effective.

Source: <http://www.sectsco.org/EN123/show.asp?id=99>

STATEMENTS ON THE SCO AND UN

Joint Declaration on SCO/UN Secretariat Cooperation (2010)

The Secretary-General of the Shanghai Cooperation Organisation and the Secretary-General of the United Nations, motivated by the intention to establish and develop relations between the Secretariats of the two Organisations in the spirit of the decisions taken by the World Summit of 2005 and the General Assembly Resolution A/64/183 of December 18, 2009 entitled “Cooperation between the United Nations and the Shanghai Cooperation Organisation,” state the following:

1. The Secretariat of the Shanghai Cooperation Organisation and the Secretariat of the United Nations are united by the premise that the primary responsibility for the maintenance of international peace and security rests with the United Nations Security Council, in accordance with the Charter of the United Nations.
2. Further cooperation will aim to make a substantial contribution to addressing emerging challenges and threats encountered by the international community. Thus, we emphasize the importance of cooperation at different levels on issues related to international peace and security, in accordance with Chapter VIII of the Charter of the United Nations. This could include areas such as conflict prevention and resolution; the fight against terrorism; preventing the proliferation of weapons of mass destruction and their means of delivery; combating transnational crime, including trafficking in illicit drugs and the illicit arms trade; addressing the problems of environmental degradation; disaster risk reduction and emergency preparedness and response; and promoting sustainable economic, social, humanitarian, and cultural development.
3. Expressing our support for the consistent development of practical cooperation between our Organisations on matters of mutual interest, we agree to further develop cooperation on communication and information sharing and capacity building, as appropriate.

4. Our cooperation will take into account each Organisation's specific mandate, competence, procedures and capacities, for the benefit of international coordination in addressing global challenges and threats. We understand that the framework of our cooperation may vary with time and due to new imperatives.

Tashkent, April 5, 2010
Muratbek Imanaliev
Secretary-General of the
Shanghai Cooperation
Organisation

Ban Ki-moon
Secretary-General
of the United Nations

Source: <http://www.sectsc.org/EN123/show.asp?id=198>

Cooperation between the United Nations and the Shanghai Cooperation Organisation (2010)

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Sixty-fifth Session
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Cooperation between the United Nations and regional and other organisations: cooperation between the United Nations and the Shanghai Cooperation Organisation China, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan and Uzbekistan: draft resolution Cooperation between the United Nations and the Shanghai Cooperation Organisation.

The General Assembly, Recalling that one of the objectives of the United Nations is to achieve cooperation in maintaining international peace and security and solving international problems of an economic, social, cultural or humanitarian character, Recalling also the Articles of the Charter of the United Nations that encourage activities on the basis of regional cooperation to promote the goals and objectives of the United Nations, Recalling further its resolution 59/48 of December 2, 2004, by which it granted observer status to the Shanghai Cooperation Organisation, Taking into consideration the fact that countries with economies in transition are among the members of the Shanghai Cooperation Organisation, and in this regard recalling its resolution 61/210 of December 20, 2006, in which it proposed that the United Nations system enhance dialogue with regional and subregional cooperation organisations whose membership includes countries with economies in transition and increase support provided to them, Recalling its resolution 64/183 of December 18, 2009 on cooperation between the United Nations and the Shanghai Cooperation Organisation, Noting with satisfaction that the declaration on the establishment of the Shanghai Cooperation Organisation confirms the commitment of its member States to the principles of the Charter.

Noting that the Shanghai Cooperation Organisation has become an essential regional organisation for addressing security in the region in all its dimensions, Convinced that strengthening cooperation between the United Nations and other organisations of the United Nations system and the Shanghai Cooperation Organisation helps to promote the goals and objectives of the United Nations.

1. Takes note of the activities of the Shanghai Cooperation Organisation aimed at strengthening peace, security and stability in the region, countering terrorism, separatism and extremism, drug trafficking and other types of criminal activity of a transnational character and promoting regional cooperation in various areas such as trade and economic development, energy, transportation, agriculture and agro-industry, the regulation of migration, banking and finances, information and telecommunications, science and new technology, customs, education, public health, environmental protection and reducing the danger of natural disasters, as well as in other related areas;

2. Welcomes the joint declaration on cooperation between the Secretariats of the United Nations and of the Shanghai Cooperation Organisation signed by the Secretary-General of the United Nations and the Secretary-General of the Shanghai Cooperation Organisation on April 5, 2010 in Tashkent;
3. Emphasizes the importance of strengthening dialogue, cooperation and coordination between the United Nations system and the Shanghai Cooperation Organisation, and proposes that the Secretary-General, for this purpose, continue to hold regular consultations with the Secretary-General of the Shanghai Cooperation Organisation through the existing inter-agency forums and formats, including the annual consultations between the Secretary-General of the United Nations and the heads of regional organisations;
4. Proposes that the specialized agencies, organisations, programmes and funds of the United Nations system cooperate with the Shanghai Cooperation Organisation with a view to jointly implementing programmes to achieve their goals, and in this regard recommends that the heads of such entities commence consultations with the Secretary-General of the United Nations;
5. Requests the Secretary-General to submit to the General Assembly at its sixty-seventh session a report on the implementation of the present resolution;
6. Decides to include in the provisional agenda of its sixty-seventh session the sub-item entitled “Cooperation between the United Nations and the Shanghai Cooperation Organisation”.

Source: <http://www.sectsc.org/EN123/show.asp?id=257>

India, in 2005, acquired the observer status in the SCO. Since then it has constructively participated in all SCO summit meetings thus showing its strong willingness to be meaningfully associated with this regional grouping. It has also expressed its desire to join the SCO as a full member. Despite India's keen interest and desire to join the Shanghai Cooperation Organisation as a full member, it is still a step too far and one that seems unlikely soon with the organisation's current trajectory. However, this is not to argue that India should lose interest in the SCO. Given the complexities of the relations among the SCO member-states and other geopolitical realities, it is still premature to write off the effectiveness of this regional grouping. So far, its success has been somewhat mixed in various areas but in the long run, its relevance for the region will not wane. Therefore, in the long run, it will be in India's interest to watch the developments closely from within as a full member rather than sit on the side-lines. The major hurdle for India to acquire the full membership in the SCO is the lack of consensus among the member-states. It is believed that China would try and delay India's entry as full member in this regional organisation, whereas Russia along with the Central Asian countries would continue to support India's full membership in the SCO. However, it is debatable whether China can stall India's entry in the SCO for long. In long-term China would find it difficult to block India's membership in the SCO because of the increasing relevance of India for China to manage many regional and global security and economic challenges in the era of changing global order. New regional and global order would demand greater cooperation between India and China in future.



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