

# INTERREGIONAL ORGANIZATIONS

## THE SHANGHAI COOPERATION ORGANIZATION: AN ANALYSIS OF ITS SUSTAINABILITY AND DEVELOPMENT *(On the Outcome of the Meeting of the SCO Council of Heads of Government. Bishkek, September 2004)*

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The meeting of the Council of Heads of Government (CHG) of the Shanghai Cooperation Organization member states held on 23 September, 2004 in the Kyrgyzstan capital declared that the formation stage of this structure has essentially reached its conclusion. In so doing, it was noted that many of the Organization's mechanisms were launched in a relatively short space of time. We will remind you that the heads of the six member states (Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan) signed a declaration on the creation of this structure at their meeting in Shanghai on 15 June, 2001. It took just over three years to set it up and define the operating procedure for its standing bodies—the Secretariat and Executive Committee of the Regional Antiterrorist Center. What is more, the activity of these bodies has been furnished with a legal, financial, and organizational base, they have been staffed, and relations have been established with the states in which they will be located—China and Uzbekistan, respectively.

Meetings of the heads of state and government, meetings at the ministerial level, and meetings of the expert and working groups are held regularly.

New steps were taken in Bishkek toward developing economic ties, primarily, a Plan of Action was adopted for implementing the multilateral trade and economic cooperation program approved at the CHG meeting in 2003 in Beijing. The prime ministers discussed the problems of cooperation in the tax, hydro-power, oil and gas, humanitarian, and other spheres.

However, in 2003, academic polemics and several publications, including *Central Asia and the Caucasus*, expressed the opinion that the SCO was unable to react effectively to the incursions by extremists in its member states. This prompted the Central Asian member states of this organization to place their stakes on cooperation with countries outside the region, allowing them to create strongholds on their territory. Someone was of the opinion that this would undermine the SCO's prospects as a whole.

We believe that this kind of pessimism was largely due to the controversial fervor and somewhat limited perception of the cause-and-effect relationship of the complicated way the situation has been developing in the region. Of course, there were reasons for this particular slant on the Organization's nature and destiny. Analysts based their arguments on the fact that its exclusive purpose was to cooperate in counteracting terrorism, extremism, and separatism.

And indeed, according to the Charter of the Shanghai Cooperation Organization, one of the SCO's key tasks is joint opposition by its member states to the "three evils" in all of their manifestations: the fight against illicit drug circulation, arms trafficking, and other types of transnational crime, as well as against illegal migration. At the SCO founding summit mentioned above, a Convention on the Fight Against Terrorism, Separatism, and Extremism was also signed. In compliance with this document, a standing Regional Antiterrorist Structure (RATS) was created for coordinating and strengthening interaction among the competent bodies of the member states. The agreement on RATS, which regulates the principles of its structure and activity, was signed at the same time as the SCO Charter in June 2002.

But it would be an exaggeration to believe that this structure proved ineffective and so the Central Asian SCO member states decided to cooperate with the U.S. to counteract the threat of extremism coming from Afghanistan. First of all, the Organization's member states quite consciously and comprehensively supported (and continue to support) the coordinated efforts of the international community to overcome the threat posed by the Taliban regime in power at that time in Afghanistan. As for the Central Asian countries, their position came as no surprise and did not require a reconsideration of the fundamental interests and precepts of national policy in the security sphere. Unable to resolve the acute domestic contradictions in Afghan society and stimulate the economy, which was essentially in a state of collapse, the Taliban, as frequently happens with tyrannical regimes relying purely on force and incapable of constructive political and economic maneuvering, went for external aggression to justify the need for its further despotic rule. As a result, with the connivance (if not to say the protection) of the Taliban, regular and insolent armed incursions were made into the territory of its northern neighbors, which led to serious losses. Under these conditions, there was absolutely no need for the Central Asian countries to feel vexed about the SCO or be "beguiled" by Washington in order to assist the actions legitimately and indubitably supported by the entire international community to eliminate a regime that was posing a direct threat to peace and stability in an already unsettled region.

If we consider disappointment the leitmotif, then instead of trying to figure out why the situation in and around Afghanistan developed as it did, we should have been talking about how the U.S.'s refusal to directly supervise the anti-Taliban operation and its transfer of these authorities to NATO stimulated a "revival" of Central Asia's interest in RATS. And how this, supposedly, was why the agreement on it came into force in November 2003, and its executive structure began working in January 2004. It would also be easy to bolster this argument with references to the events in Uzbekistan in the spring and summer of 2004, the active forces of which, judging from the information being spread, again came from its southern neighbor.

But no matter how the course of events in Afghanistan and the effectiveness of international anti-extremists in this country are assessed, we cannot deny that the Agreement on RATS was ratified and its

headquarters began working within the normal amount of time required for such processes by interstate procedures. In short, we can say that the launching of the SCO's antiterrorist structure proceeded very naturally and according to schedule, being neither disrupted nor artificially accelerated by extra-regional factors.

But this is not the crux of the matter. We are convinced that the original viewpoint on the essence and tasks of the SCO has been narrowed. It is entirely insufficient to reduce this regional association exclusively to the topic of security. Of course, we are in no way denying the obvious interest of all the Organization's participants in establishing cooperation to counteract the "three evils." Terrorism, extremism, and separatism were creating serious problems fraught with acute aggravation for all of the future members of the association. But the logic of the situation simply could not allow the members of the SCO to limit themselves exclusively to this sphere.

To prove our point, we will give the example of another regional organization which has existed for more than 30 years now, been repeatedly subjected to difficult tests, and been criticized for its inefficiency and doomed to imminent disintegration. This regional organization is ASEAN. Of course, analogies are always provisional, and comparisons are not proof, but they nevertheless give food for thought—*mutatis mutandis*.

To put it simply, by creating this association after many years of isolation and even confrontation, five (at that time) Southeast Asian countries were striving primarily for stability. But it soon became clear to the ASEAN community that the matter did not concern police or even general military partnership. Political stability requires social stability, and the latter very much depends on economic (in the broad sense of the word) progress, which these states subsequently became engaged in. And quite successfully, despite the blow they were dealt at the end of 1990s by the so-called "Asian financial crisis."

Let us now take a look at the above-mentioned CHG meeting of the SCO in Bishkek. The Council of Heads of Government, resolutely condemning the recent terrorist acts committed on the territory of the Organization's states, emphasized the importance of strengthening interaction in the fight against international terrorism, as well as other new menaces and threats to security. It also expressed the conviction that expanding and intensifying cooperation within the framework of the SCO would promote more effective counteraction of terrorism, separatism, and extremism. In other words, the healthier our economies, the more stable our countries and societies.

In this way, the logic of action of the two regional organizations, one, almost the oldest, and the other, almost the youngest, is entirely similar. And we must agree, entirely understandable. But a significant starting difference must be noted between them. In the event of an interbloc standoff, ASEAN could count from the beginning on obtaining (and it did) quite large amounts of financial and other foreign aid on an individual and group basis. (We hope our colleagues and dear readers will not consider the statement of this fact advancement of the primitive slogan: ASEAN—birth of the Cold War. This approach is not only biasedly ideologized and primitive, but also very erroneous.)

The SCO was formed in a different climate, its participants proceeded precisely from the need to form a close partnership among themselves. For example, at the Organization's forums, the Central Asian countries persistently raise the question of creating favorable conditions for the free movement of goods, capital, technology, and services on the territory of the member states. (The fact that these Central Asian countries are constantly returning to the idea of forming a common regional market beyond this association indicates the attractiveness of this topic for them.) Calls to create joint production units with Russia and China are just as persistent, as well as claims about the need to obtain investments, the latest technology, know-how, and so on, from them.

The following circumstance must also be taken into account when analyzing the economic factor of the SCO's activity. The Organization itself invariably declares its openness to the outside world, and its Central Asian member states are inviting investors and economic partners from every country on the planet. But these republics often hear in response that their proposals and the conditions they offer are not attractive enough and the domestic markets, infrastructure, and so on are underdeveloped, as well as complaints about the rates of democratic development, etc.

However, as was noted at the Bishkek summit, Kazakhstan's goods turnover with its Organization partners over the past year increased by 70%, and Tajikistan's by 62.5%. On the one hand, this shows that

interaction within the SCO is being very graphically manifested in real figures. But on the other, despite all their willingness to engage in open partnership with any country, the business circles of the same Central Asian states cannot help but draw conclusions about who in particular is willing to actually develop relations. It appears that this economic-psychological factor cannot be written off when analyzing the prospects for the SCO's economic basis.

There are many opportunities for economic cooperation within the SCO format on a very broad range of issues. Without going into detail, we will draw your attention to the topic of energy resources. For very understandable reasons, the fuel and energy sphere is of special interest to the Organization's member countries. After all, its participants either have extremely rich supplies of hydrocarbon and hydropower resources, or are among their main world consumers. There are possibilities for making energy deliveries to other countries of the Asia Pacific Region too. So it is no accident that the heads of government of the SCO states noted in Bishkek that cooperation must be strengthened in assimilating oil and gas fields, building oil and gas pipelines, enhancing the petrochemical industry and hydropower engineering, and developing minerals. Considerations were also expressed about the expediency of jointly creating an energy resource consumer and producer club of sorts within the SCO, as well as drawing up a conception for an integrated gas, oil, and energy transportation system.

We think it worth taking into account that the SCO region has its place in the world "division of labor," which the Organization member states are unable to assimilate individually, but in partnership could achieve a great deal in terms of "self-incorporation" into increasingly attractive transcontinental schemes. It is no accident, for example, that the same Bishkek meeting emphasized the importance of cooperation in transportation, coordination of policy in transit shipments, and the creation of corresponding international corridors. And it is not just a matter of setting the task, but also of beginning to implement it: as of today, several meetings of SCO experts have been held regarding cooperation with ESCATO and searching for solutions to tasks within the framework of efforts accented by the Organization participants for harmonious entry into the Asian-European communication system and transportation shipment structure currently being formed. (Specifically, the heads of the SCO governments adopted a resolution on an assembly of ministers of transportation and communication of its member states, which is to be held in Dushanbe, as well as on the fact that during the first half of 2005 work on the draft of an intergovernmental agreement to create favorable conditions for international automobile shipments will be completed.)

In our opinion, the same polyscopy is required when discussing the prospects for SCO cooperation in the antiterrorist campaign (in the broad sense of this concept). And when reviewing plans for the future and practical measures for carrying them out, the political and psychological factor must be taken into account as well: members of the Organization are acting circumspectly with regard to retaining their sovereignty, not wishing to enter anything vaguely reminiscent of a military bloc format. Nevertheless, it is hardly worth dramatizing this factor as supposedly undermining the opportunities for interaction. We will turn to the experience of ASEAN again: even when its countries entered separately into military-political structures with nations outside the region, they still declared and carried out an independent foreign policy when they came together at their meetings, promoting the conception of "zone of peace, freedom and neutrality." The extreme caution of the ASEAN members, who wanted to avoid any hints that their association was turning into something akin to a bloc, did not stop them from developing bilateral, multilateral, and extra-ASEAN relations to fight terrorism and extremism.

We can see the benefit of the ASEAN model in yet another parameter of the analysis of the SCO's future development. The Association of Southeast Asian Nations and the regional forum it created (ARF) for discussing questions of stability and security in the APR started as a political dialog. (By the way, it proved to be long-term, quite productive, and attracted an increasing number of participants.) But practical requirements, for example, developing confidence measures, raised the question of the need to bring the defense departments into the dialog. The military component of this dialog structure is gradually growing, which however does not change its extra-bloc nature. We think that the development of SCO cooperation in the fight against the "three evils" will inevitably bring the Organization's participants up against the need for a military component (although retaining their above-mentioned principal views).

With a consistent course aimed at open economic partnership, fighting various manifestations of extremism, and showing a willingness to hold a dialog with the outside world, the SCO can be expected to become increasingly interesting and attractive to its near and far neighbors. And there is no need for particular perspicacity here: several countries have already announced their willingness to establish contacts with the Shanghai Cooperation Organization. We are convinced that this is not a momentary mania or the latest political fad. It is just that an association of countries, the population of which comprises almost one third of mankind, and the markets and economic potential of which are so significant, cannot help but be of interest to the world around it.

For the moment though, the Organization is acting quite cautiously as far as foreign relations go. In the multilateral respect, the greatest progress is being made in a dialog with ASEAN. (This is why we took the Association as an example for comparison.) But the SCO's openness is placing certain obligations on it. There is enough reason to believe that the Organization will have to enlarge its circle of foreign partners.

Summing up, we will note that the above-mentioned factors should be taken into account when analyzing the state and prospects of the SCO. This will make it possible to obtain an objectively substantiated answer to the following questions: in what direction and in what way will the Organization, which currently has a solid foundation and rather extensive prospects for growth, advance, what can the international community expect of it, and how can interaction be carried out with it?