Pacts and Pretenses, Cooperation and Competition: 
What Is the Shanghai Cooperation Organization and Why It Matters Now More Than Ever

THESIS

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Abstract

As the international community continues to discuss the United States’ declining influence in world politics and the rise of developing countries, several new regional organizations and international regimes have emerged as alternatives to the Western structure. Among these relatively new organizations is the Shanghai Cooperation Organization (SCO), a self-defined intergovernmental mutual-security organization founded in 2001 that is comprised of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan. However, after more than ten years, the SCO’s role in the international community, as well as the Organization’s actual goals, is uncertain. This study examines the SCO’s origins, structure, declarations, and members’ motivations in order to determine how the Organization operates and why its members find value in its structure. Ultimately, this study finds that the SCO operates as a framework for managing member states’ bilateral relations under a cover of multilateralism and consensus-based decision-making. However, despite the Organization’s dependence upon bilateralism, members still find value in its framework, because the SCO is the result of a grand bargain struck between Russia/China and the Central Asian Republics. Through this grand bargain, each member state can manage its bilateral relations with other members with fewer risks than trying to forge bilateral relations outside of the SCO’s cover of multilateralism.
Dedication

Dedicated to my parents, for all of their love and support throughout the years.
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Chapter 1: Why Study the Shanghai Cooperation Organization?

As the international community continues to discuss the United States’ declining influence in world politics and the rise of developing countries, like Brazil, China, India, Russia, and Turkey, several new regional organizations and international regimes have emerged as alternatives to Western structures. Among these relatively new organizations is the Shanghai Cooperation Organization (SCO), a self-defined intergovernmental mutual-security organization founded in 2001 in Shanghai, China that is currently comprised of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan. However, after more than ten years, the SCO’s role in the international community, as well as the Organization’s actual goals, is uncertain. When all tiers of membership are taken into account, the SCO represents approximately 75 percent of the world’s population; therefore, it is vital ask, is the SCO the “NATO of the East”—a threat to the West and the international status quo—as some analysts argue? Or is the SCO merely a loose coalition of states that has little, if any, actual power to affect the international structure?

This study disagrees with both extremes, and chooses to look at the SCO in the context of its own regional impact. Therefore, this study examines the SCO’s foundational documents, rhetoric, and member state motivations to answer the question: What is the Shanghai Cooperation Organization? This study believes the answer lies in the SCO’s self-identification, and how that identity compares to the way the Organization
actually functions. The SCO defines itself as a “permanent intergovernmental international organization” that operates through multilateral consensus among member states.\(^1\) However, this study chooses to examine the SCO as a framework for managing member states’ bilateral relationships under a cover of multilateralism and consensus. As to be expected, this argument generates more questions. For example, if the SCO does not function in the way it claims to, then why do its member states continue to operate through its existing framework, as opposed to simply managing their bilateral relationships individually? What are the benefits to managing regional relations through the SCO? What are the costs?

This study is divided into two main chapters that can only begin to answer these questions. The first chapter attempts to answer the first question—what is the SCO—by arguing that the Organization is a framework for managing member states’ bilateral relationships under a cover of multilateralism, because its member states are unwilling to operate under a truly multilateral framework. Although the Organization does not necessarily aim to deceive the West or even itself, the cover allows the member states to participate in the international community through the Western-led, “approved” method—a multilateral intergovernmental organization—despite the fact that the member states may not be ready to give up the degree of sovereignty that multilateral organizations require. The chapter examines the SCO’s documents, declarations, and joint-communiqués in order to determine to what degree the Organization operates through multilateral auspices and blatant bilateralism. The chapter relies heavily on

primary documents from the SCO’s Russian and English language websites, as well as English translations of Chinese and Russian news articles reporting on the SCO summits, decisions, and programs. In addition, the chapter examines secondary academic and political sources, such as books, reports, and articles, in order to provide a deeper analysis of how the SCO actually functions as an intergovernmental organization.

The second main chapter looks into why the member states continue to operate through the SCO’s framework if the SCO is not what it claims. The chapter argues that the SCO is the result of a grand bargain struck between the larger powers (China and Russia) and the Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan) that benefits all members beyond the gains each state would have received managing its bilateral relations with other member states outside of the SCO framework. Moreover, the SCO’s framework operates as a tool for managing each member’s bilateral relations with other member states that offers fewer risks than trying to forge bilateral relations outside of the SCO’s cover of multilateralism, particularly for the Central Asian Republics when it comes to balancing relationships with both Russia and China. Ultimately, the chapter concludes that the SCO is about managing Sino-Russian relations in and around Central Asia. The chapter relies heavily on academic and political reports, articles, and books to examine how each member state understands the Organization’s costs and risks versus its opportunities and benefits. Furthermore, it identifies how each state’s broader foreign policy goals affect its motivation for utilizing the SCO.

In addition, this introductory chapter not only outlines the study’s framework and methods, but also provides background information about the general geopolitics of
Eurasia. The information is vital for understanding how Eurasia and the SCO functions, as well as determining this study’s broader policy implications. Moreover, this introduction defines any unclear terms that will be used throughout the study. The concluding chapter highlights key points from both primary chapters, and discusses larger questions that remain unanswered. Although these questions are not answered in this study, they are important to ask in order to understand the SCO’s broader implications for the West, as well as the international community as a whole.

I. Background: The Geopolitics of Eurasia

Major events over the past two decades—the break-up of the Soviet Union, China’s emerging great power status, and the United States’ Global War on Terror in Afghanistan—led to new political and economic dynamics in Eurasia that have major geopolitical impacts. Since 2001 the United States, Russia, and China have pursued both conflicting and complimentary policies in Central Asia. For example, Russia, the United States, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, and several other former-Soviet states are cooperating on the Northern Distribution Network (NDN)—a series of transportation routes that combine air, sea, and land networks to bring non-lethal supplies to U.S. and NATO forces in Afghanistan. But despite this example of cooperation, there are just as many illustrations of competition. For instance, China and Russia continue to compete economically for control over Central Asia’s vast energy wealth. This theme of

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competition and cooperation repeats itself throughout Central Asia’s geopolitics, as well as in the SCO.

The new security developments in Central Asia have major implications for U.S.-Russian relations, as well as for relations between Russia and the Central Asian Republics, Sino-Russian relations, and Sino-U.S. relations. Not only is Russia cooperating with NATO, but Moscow also permits the United States military to “temporarily” set up bases throughout Central Asia in order to combat what are seen as common threats in the region, terrorism and extremism. However, the United States’ new role in Central Asia also strains Russia’s relations with the Central Asian Republics, because the republics now have a viable alternative to Russia’s influence. While influence is not inherently a zero-sum game, often the Central Asian states treat their relations with the United States and Russia as such for political leverage. For example, Kyrgyzstan began a bidding war between Russia and the United States for control over the Manas airbase in 2009. However, the bidding war ended with both Russia and the United States purchasing bases, Manas and Kant, respectively. Although Moscow is not happy about its diminishing role in the region, Russia and Central Asia rely on NATO to help eliminate the threat of Islamic extremists from Afghanistan and prevent them from influencing separatist and extremist factions operating throughout the region. Finally, the United States’ new role in Central Asia affects Sino-U.S. relations, because China does not want to become surrounded by U.S. military bases. With the United States already active in Southeast Asia and the Pacific, China does not want the U.S. military or NATO

to operate on its western borders, as well. However, like Russia and the Central Asian
Republics, Beijing believes it is within China’s best interests to eliminate extremists and
separatists operating in the region in order to secure its western Xinjiang region.4

In addition to the limited security cooperation throughout the region, Central Asia
also plays an important economic role due to its vast deposits of oil and natural gas.5
Some analysts, such as Alexander Cooley, argue that the competition between Russia and
China over Central Asia’s resources is reminiscent of the nineteenth century “Great
Game” between the Russian and British empires.6 Although thoroughly examining the
“Great Game” analogy is beyond the scope of this study, Cooley makes a valid argument
concerning Russia and China’s regional competition. Due to China’s rapidly growing
economy and development, the mineral-rich nation became a net energy importer; thus,
Beijing wants to encourage trade and pipeline development between China and Central
Asia’s oil and gas-rich nations, such as Kazakhstan, in order to supplement its ever-
growing energy needs. Russia, however, simply wants to remain the dominant external
influence in the region, because it has historically been involved in Central Asia. In
addition, Russia is itself a mineral-rich, energy net exporter. Therefore, Russia does not
need to import Central Asian oil and gas. Instead, Moscow wants primary influence over

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University Press, 2012), 5-12.
5 Gleason, “Policy Brief No. 5.”
6 Cooley, Great Games, 4-7.
the price and distribution of Central Asian resources, as well as to curb China’s growing influence in the region.\textsuperscript{7}

All in all, the geopolitics of Central Asia play an important role in relations between the United States, China, Russia, and the Central Asian Republics. The balance between cooperation towards a common goal and competition for economic and political dominance is not only seen in the geopolitics of individual nations throughout the region, but also in the SCO. Therefore, it is important to take into account China and Russia’s goals in order to comprehend the regions political implications for the United States, and vice-versa. While further examination of Eurasia’s geopolitics is beyond the reach of this study, it is vital to understand the complexities of Eurasia in order to understand how and why the SCO operates the way it does.

II. Definitions

This study uses many terms commonly found in political science and international studies; however, many terms may have vague or multiple meanings. Therefore, this section defines the terminology used in order to clarify meaning and intent. To begin, “intergovernmental organizations” refer to bodies “based on a formal instrument of agreement” between the governments of three or more nation states.\textsuperscript{8} In addition, intergovernmental organizations possess “a permanent secretariat performing ongoing

\textsuperscript{7} Stephen Aris, "The Shanghai Cooperation Organisation: ‘Tackling the Three Evils’. A Regional Response to Non-traditional Security Challenges or an Anti-Western Bloc?,” Europe-Asia Studies (Routeladge) 61, no. 3 (May 2009), 50-61.; Cooley, Great Games, 70-73, 90-92.

tasks.” Based on this definition, the SCO accurately self-identifies as an intergovernmental organization.\(^9\)

One of the most important terms to define for this study is the word “multilateralism.” For this study, multilateralism applies to state relationships only. Robert Keohane defines multilateralism as “the practice of coordinating national policies in groups of three or more states,” whereas Miles Kahler describes multilateralism simply as “international governance of the ‘many.’”\(^11\) In either definition, multilateralism is thought of in contrast to unilateralism or bilateralism. The term “bilateralism” refers to the political, economic, or cultural relations between two sovereign states.\(^12\) As Lindsey Powell points out, multilateralism’s “central principle” is the “opposition [of] bilateral and discriminatory arrangements that were believed to enhance the leverage of the powerful over the weak.”\(^13\) These varying shades of multilateralism are important to understand in order to discuss how the SCO operates as a framework for managing members’ bilateral relation under the cover of multilateralism and consensus.

Finally, Stephen Krasner defines the term “international regime” as “implicit or explicit principles, norms, rules, and decision-making procedures around which actors’

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\(^9\) Ibid.
\(^10\) The Shanghai Cooperation Organization, “A Brief Intro.”
expectations converge in a given area of international relations.”\textsuperscript{14} Oran Young adds that regimes are “more specialized arrangements that pertain to well-defined activities, resources, or geographical areas and often involve only some subsets of the members of international society.”\textsuperscript{15} Based on these definitions, the SCO can be defined as an international regime, because the Organization attempts to alter the current norms, principles, and decision-making procedures dominated by the West. Although examining the SCO in the context of the international community reaches beyond the scope of this study, a few important points must be made in order to understand the Organization’s overall structure.

The SCO focuses on creating a regional community based on the common values known as the “Shanghai spirit,” which emphasizes mutual trust, equality, and respect.\textsuperscript{16} By developing a new value base, the SCO hopes to “move towards the establishment of a new… international order.”\textsuperscript{17} Since the collapse of the Soviet Union, an implicit assumption has existed that sustained cooperation between states is only possible when all of the states involved are democratic with liberal economies.\textsuperscript{18} The SCO, however, challenges this assumption by building a new intergovernmental framework and


\textsuperscript{16} The Shanghai Cooperation Organization, “A Brief Intro.”

\textsuperscript{17} \textit{Ibid.}

\textsuperscript{18} Aris, \textit{The SCO}, 15.
constructing new norms, as opposed to building the Organization on the basis of legal integration.\textsuperscript{19}

It is also important to note that the SCO is \textit{not} an alliance in the same sense that NATO is an alliance. As Paul Schroeder points out, the term “alliance” is often used to mean “friendship” or “partnership;” however, a more accurate, albeit narrower, definition of the term is “a treaty binding two or more independent states to come to each other’s aid with armed force under circumstances specified…in the treaty.”\textsuperscript{20} Although alliances often serve other purposes, such as legitimizing a regime, preventing internal disturbances, and enhancing a state’s influence and status, that the SCO also aims to achieve, the SCO values sovereignty over military aid. The ultimate purpose of an alliance—read “treaty of mutual assistance”—is to align against a common enemy, but the SCO adheres to “the principle of non-alignment.”\textsuperscript{21} According to the Declaration on the Establishment of the SCO, the Organization does not target countries or regions, and claims to be open to other nations that are devoted to dialog and international cooperation.\textsuperscript{22} Moreover, the SCO’s foundational documents lack an Article 5-type mutual defense guarantee.\textsuperscript{23} As a result, the Organization’s structure guarantees that its members will not be forced to act in contradiction to their own governments’ national interests.

Although the SCO is not comparable to NATO, because the Organization does not conform to the stricter definition of an alliance, the SCO shares similar qualities with other historical alliances. For example, the nineteenth-century Holy Alliance (Austria, Prussia, Russia) was significant not because it was an effective mutual-security union, but because it operated as a “mutual pact of restraint upon [the] three powers themselves.”

Similarly, both China and Russia use the SCO to limit each other’s influence, particularly in Central Asia. Although China does not want to provoke Russia, Beijing also does not want Russia dominating Central Asia politically or economically. Therefore, the SCO helps China balance both goals by allowing Beijing to cooperate with Central Asia through various degrees of multilateralism and bilateralism.

Based on these definitions, the following chapter argues that the SCO is a framework for managing member states’ bilateral relations under a cover of multilateralism, because the Organization often depends on pre-existing bilateral agreements to implement its projects and activities. Nonetheless, the framework plays a vital role, because without it, many of the projects, agreements, and relations might not otherwise come to fruition. By examining the Shanghai Cooperation Organization’s structure, how the Organization operates, the types of documents members sign, and the various security and economic challenges the Organization faces, the chapter provides a clearer description of what the SCO is and how it functions as a regional intergovernmental organization.

25 Evan S. Medeiros, China’s International Behavior: Activism, Opportunism, and Diversification (Santa Monica, CA: RAND Corporation, 2009),140.
Chapter 2: A Framework for Managing Bilateral Relations

I. Introduction

After more than a decade since its founding, the Shanghai Cooperation Organization’s role in the international community remains uncertain. Some believe the Organization is the East’s answer to NATO—a Chinese-led military pact that will challenge the West and plunge the world into the next Cold War. Others find the SCO irrelevant—a loose bloc of competing states that cannot coordinate their own policies, let alone challenge the West. While neither extreme is true, it still begs the question: What is the Shanghai Cooperation Organization? Is it a security threat to the Western-dominated international community or a benign battleground for Russia and China’s competition for influence and resources? This chapter disagrees with both views, and instead focuses on how the SCO defines itself. According to the SCO’s website, the Organization is “a permanent intergovernmental international organization” that operates through multilateral consensus.26 However, this chapter challenges the SCO’s self-identification by examining the various degrees of consensus and disunity seen throughout the Organization’s activities and programs. By examining the Shanghai Cooperation Organization’s structure, how the Organization operates, and the types of documents member states sign, this chapter argues that the SCO is a framework for

26 The Shanghai Cooperation Organization, “A Brief Intro.”
managing member states’ bilateral relations under a cover of multilateralism and consensus. This chapter is broken down into three sections. The first section explains the origins, structure, and evolution of the SCO. It also discusses the various degrees of membership within the SCO, and the effect of membership tiers on the Organization’s cover of multilateralism. The second section identifies the Organization’s activities over the past 12 years, and examines whether these activities were the results of multilateral consensus or bilateral treaties between member states. In order to do so, the section is broken down into two parts: security and economic development. By dividing the section into the SCO’s two most vital aspects, it can better identify where the SCO has focused its efforts, and determine to what degree the efforts were made under auspices of consensus or blatant bilateralism. Finally, this chapter concludes with an examination of why the member states choose to use the SCO as a cover for bilateral agreements, instead of utilizing the complex framework for multilateral decision-making.

II. What is the SCO: Origins, Structure, and Expansion

*Origins*

Originally the Shanghai Five, the Shanghai Cooperation Organization’s origins date back to border tensions between the Soviet Union and the People’s Republic of China. In 1991, following the collapse of the Soviet Union and the independence of five new Central Asian states, previous Sino-Soviet border tensions became a multilateral, regional issue. The Shanghai Five group—China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan—was founded in 1996 after all five heads of state signed the “Treaty on Deepening Military Trust in Border Region” in Shanghai, China on April 26. A year
later, the group met in Moscow to sign the “Treaty on Reduction of Military Forces in Border Regions.” Both treaties focused on demilitarizing the borderlands between the former-Soviet states and China. As the states worked to physically demilitarize the border region, annual meetings continued to occur in each of the member states: Almaty, Kazakhstan (1998), Bishkek, Kyrgyzstan (1999), and Dushanbe, Tajikistan (2000).27

In 2001 the annual Shanghai Five meeting returned to Shanghai, and for the first time since the group was founded, it admitted another member, Uzbekistan (the only member that does not share a border with China). On June 15, 2001 all six heads of state signed the “Declaration on the Establishment of the Shanghai Cooperation Organization.”28 The declaration praised the role of the Shanghai Five in transforming the group into “a higher level of cooperation” and in promoting “mutual trust, relations of friendship and good-neighborliness among the member states, consolidating regional security and stability, and facilitating common development.”29 In addition, the 2001 declaration expanded the original purposes of the Shanghai Five group to include economic, political, scientific, cultural, and environmental cooperation. A year later, the heads of member states signed the SCO Charter in St. Petersburg, Russia.30

Structure

Stephen Aris argues that the SCO’s evolution can be broken down into three separate periods: initial institutionalization (2001-2004), expansion and agenda development (2004-2007), and project implementation (2007-210). While this study

27 Human Rights in China, “Key Documents.”
28 The Shanghai Cooperation Organization, “A Brief Intro.”
29 Human Rights in China “Key Documents.”
30 Ibid.
agrees with his general periodization, it argues that the final phase can be extended into 2013.\textsuperscript{31} At this time, the SCO has not embarked on any new developments that signal a new phase in the Organization’s evolution. During the first phase, the SCO developed its intrastate, rather than suprastate, institutional structure.\textsuperscript{32} As a result, the SCO is comprised of four separate non-permanent councils—the Council of Heads of State, the Council of Heads of Government, the Council of Ministers of Foreign Affairs, and the Council of National Coordinators of SCO Member States—and two permanent councils—the Secretariat and RATS (see Figure 1). The establishment of the SCO’s permanent and non-permanent bodies signaled the end of the first period and beginning of the Organization’s agenda development phase. The third phase, project implementation, will be examined in Section III.

\textsuperscript{31} Aris’s book was published in 2011. It is likely that he would also extend phase three to present-day.

\textsuperscript{32} Aris, \textit{The SCO}, 5
Although the SCO has a permanent institutional base, the Council of Heads of State is the supreme decision-making body for the Organization, making it the SCO’s most important institutional body. According to the SCO Charter, the Council meets annually at SCO summits, held in one of the member states’ capital cities on a rotating basis according to the Russian alphabetical order of member states’ official country names. The Heads of State Council’s annual summit is the SCO’s most important event, because it establishes the Organization’s direction for the forthcoming year. For example, the summit’s host country assumes the Organization’s presidency for that year.

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In addition, at the summit the Council of Heads of State decides on all of the organization’s important issues, defines the SCO’s areas of activity, and prioritizes these issues and activities.\(^{34}\) Most of activities, programs, and agendas are compiled into summit declarations and joint-communiqués. However, the declarations and communiqués are not legally binding treaties; they are more akin to the United Nations’ Generally Assembly resolutions.\(^{35}\) Moreover, the actual decisions are usually developed and agreed upon months ahead of time, and are only signed off on at the annual summit. As a result, many programs and initiatives are delayed until the member states’ leadership can officially endorse them collectively at the summit. This suggests that public displays of consensus are more important to the Council (and, therefore, the states’ leaders) than actually implementing the programs they are endorsing. Moreover, it shows that the SCO functions primarily through informal discussion among SCO officials and permanent staff appointed from the member states, as opposed to formal debates between the member states’ leadership, as the SCO presents.\(^{36}\)

The second most important council is the Council of Heads of Government, because it is linked to the Council of Heads of State. Therefore, the Council of Heads of Government “has a mandate to consider and decide upon major issues related to particular…spheres of interaction within the Organization.”\(^{37}\) Like the Council of Heads of State, the Council of Heads of Government meets once a year. The Prime Minister of

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\(^{36}\) Aris, *The SCO*, 21-23.

\(^{37}\) Ibid., 23.
the host nation chairs the annual meeting. Unlike the rotating schedule of the Council of Heads of State meetings, the venue for the annual meeting of the Council of Heads of Government is determined by a prior agreement among member states’ prime ministers.\textsuperscript{38}

According to the Charter, the Council adopts SCO budgets, studies principle issues related to the SCO framework, and identifies major concerns in the economic sphere, as well as other spheres of interaction within the SCO. In other words, the Council of Heads of Government makes the policies agreed upon by the Council of Heads of State possible by bringing together relevant domestic bodies to form and implement policies. The Organization’s lack of a legally binding framework, however, makes it difficult for the Council to actually implement policies across the region in a timely fashion.\textsuperscript{39}

The final two councils, the Council of Ministers of Foreign Affairs and the Council of National Coordinators of SCO Member States, are primarily administrative, serving as support functions for the SCO’s daily activities and preparations for the annual summit. The Council of Ministers of Foreign Affairs is accountable for the SCO’s daily activities, preparing the Council of Heads of State’s meetings, and holding consultations on international problems within the SCO. The Council of Ministers of Foreign Affairs may also make statements on behalf of the SCO. Generally, this council meets one month prior to the Council of Heads of State’s meeting. Unlike the other two councils, the Council of Ministers of Foreign Affairs can be convened on the initiative of no less than two member states and upon consent of all other member states’ ministers of foreign

\textsuperscript{38} The Shanghai Cooperation Organization, “A Brief Intro.”
\textsuperscript{39} Aris, \textit{The SCO}, 23.
affairs. All meeting venues are determined by mutual agreement. The minister of foreign affairs of the member state who hosts the Council of Heads of State meeting chairs the Council of Ministers of Foreign Affairs, and remains chair of the council during the period starting from the date of the last regular meeting of the Council of Heads of State until the date of the next annual meeting of the Council of Heads of State. The Chairman is also the SCO representative for the Organization’s external contacts.

The Council of National Coordinators of SCO Member States, on the other hand, serves as the SCO’s coordination mechanism by managing the Organization’s routine activities. Its primary duty is to prepare for the other three councils’ meetings. Each member state appoints a national coordinator, who meets with the other appointed coordinators at least three times a year. The coordinator from the member state that hosts the Council of Heads of State meeting becomes the chairman for the Council of National Coordinators’ meeting. The Chairman of the Council of National Coordinators holds his position for the same duration as the Chairman of the Council of Ministers of Foreign Affairs.

In addition to the four councils, the SCO also includes two permanent bodies: the Secretariat and the Regional Anti-Terrorist Structure (RATS). The Secretariat of the SCO is, structurally, the Organization’s lone executive body. Located in Beijing, it serves to implement the SCO’s decisions and decrees, draft proposed documents, and function as the Organization’s document depository. The Secretariat also arranges specific activities within the SCO framework, and promotes information about the SCO.

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40 Human Rights in China, “Key Documents.”
42 Human Rights in China, “Key Documents.”
to the international community. The Executive Secretary, who is appointed by the Council of Heads of State on nomination by the Council of Ministers of Foreign Affairs, heads the Secretariat. Like the President of the Council of Heads of State, the Executive Secretary is appointed from among member states’ citizens on a rotational basis, according to the Russian alphabetical order of member states’ official country names for a single three-year term. In addition to the Executive Secretary, the Secretariat is also comprised of three Deputy Executive Secretaries and an Assistant to the Executive Secretary. The Secretariat officials are recruited from member states’ citizens on a quota basis. However, due to Russia and China’s larger budget contributions, there are an unequal number of Russian and Chinese officials in the Secretariat. Russia and China’s larger presence in the Organization’s lone executive organ indicates that the two powers have the most control in the SCO. However, Russia and China’s larger presence is negated by the fact that each state only has one vote, making each member state’s opinion equally important. Russia and China’s larger presence and superior budgetary contributions only give the powers an advantage when it comes to buying the Central Asian states votes, but it is unclear how often this occurs. In addition, the Secretariat, unlike the four councils, is designed to function as an unbiased body. The officials appointed to the Secretariat work for the SCO—not their national governments. However, the Charter is specifically designed so that member states do not give up any significant degree of control over the Organization’s agenda. Therefore, the Secretariat

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45 Aris, *The SCO*, 24-25.
plays a relatively minor role in SCO operations, despite providing the Organization’s structural and bureaucratic backing.

The Regional Anti-Terrorist Structure was established in 2004 as a permanent body to serve the nontraditional security sector of the SCO. Headquartered in Uzbekistan’s capital, Tashkent, RATS promotes cooperation against the SCO’s “three evils” by collecting and sharing intelligence on suspected terrorist groups operating in SCO member states. The Council of Heads of State appoints the director of RATS to a three-year term, and each member state sends a permanent representative to the Structure to serve on the RATS Council. The RATS Council is not a permanently functioning body, but it sets the agenda for and exercises direct supervision over RATS. Member states collectively contribute to the sub-organization’s budget: China and Russia each pay 24 percent of the overall RATS budget, Kazakhstan pays 21 percent, Kyrgyzstan 10 percent, Tajikistan 6 percent, and Uzbekistan 15 percent. The budget is relative to each member state’s ability to contribute financially, as indicated by each nation’s GDP. According to Aris, the establishment of RATS was the “culmination of the [SCO’s] institutional development process.” After establishing the final permanent organ, the SCO could realistically begin to develop its agenda, particularly in the realm of nontraditional security threats.

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47 Aris, The SCO, 25.
49 Aris, “Eurasian Regionalism.”
50 Aris, The SCO, 5.
Expansion

Although the SCO has not admitted any new member states since its inception in 2001, the Organization expanded to include three other categories of “membership:” Observer States, Dialogue Partner, and Guest Attendances. Currently, the SCO has five Observer States (Afghanistan, India, Iran, Mongolia, and Pakistan), two Dialogue Partners (Belarus and Sri Lanka), and three Guest Attendances (the Association of Southeastern Asian Nations or ASEAN, the Commonwealth of Independent States or CIS, and Turkmenistan). The SCO approved its first Observer State, Mongolia, during its 2004 Heads of State Summit.\textsuperscript{51} Pakistan, Iran, and India were added as observers in 2005.\textsuperscript{52} Although the Secretariat claims Observer States will play an increasingly bigger role in the SCO, the lack of a legal framework establishing what “observer status” actually entails implies that not even member states know what that “bigger role” might involve.\textsuperscript{53} Currently, observers do not play an active role in SCO programs, but they often contribute through “consultation and indirect participation in specific SCO programs.”\textsuperscript{54} These “specific programs” are typically in the areas of energy, transport, investment, and technology—areas the Observer States are interested in further developing.\textsuperscript{55}

Involving ASEAN, CIS, and individual nations throughout the broader region allows the SCO to better achieve its goals, such as eliminating nontraditional security

\textsuperscript{52} Al-Qahtani, “SCO and the Law,” 140-145.
\textsuperscript{53} Aris, \textit{The SCO} 156-157.
\textsuperscript{54} \textit{Ibid.}, 157.
\textsuperscript{55} \textit{Ibid.}, 157-158.
threats and promote economic development. The SCO aims to eliminate transnational security threats in the region, but it cannot be truly effective unless the Organization can influence developments beyond its own borders.\footnote{Ibid., 156-157.} If SCO members are worried about the regional effects of extremism in Afghanistan—especially once the United States and NATO forces withdraw—then it only makes sense to include (at least to some degree) Afghanistan in the Organization. However, promoting states, such as Iran, India, Pakistan, to full membership makes defining the “region” challenging for the SCO. Currently, the SCO represents a substantial percent of the world’s population and covers 60 percent of the Eurasian landmass.\footnote{Wang Hui, \textit{SCO's Strong Momentum}, December 6, 2012, \url{http://www.chinadailyapac.com/article/scos-strong-momentum} (accessed December 28, 2012).} By incorporating its Observer States, Dialogue Partners, and Guest Attendances, the SCO accounts for approximately 75 percent of the world’s population; however, the SCO is not prepared to expand to include such a large territory.\footnote{Conn Hallinan, \textit{Turkey Haunted by Hubris}, November 1, 2012, \url{http://www.fpif.org/articles/turkey_haunted_by_hubris} (accessed March 1, 2013).} Moreover, the SCO’s current member states believe they have “relatively compatible and consistent positions with regards to the principles of non-interference and regime security.”\footnote{Aris, \textit{The SCO}, 168.} Whether the members are as compatible as they see themselves is irrelevant; what is important is the fact that they see the admission of new members as potentially diluting their commonality, as well as their abilities to manage Observers’ inputs and voices.\footnote{Ibid., 168-170.} Therefore, by keeping states the members want to interact with on a second or third tier of membership, the SCO retains its cover of multilateralism, and the
member states are able to easily manage their bilateral relations with the Observer States without offending another members.

Although the Council of Heads of State approved a draft on the “Rules of Procedure and the Statute on the Order of Admission of New Member States to the SCO” during the 2010 annual summit, the criteria needed to become a full member are still unclear.\(^61\) That same year, Beijing led the initiative to institutionalize the rules for admitting new members, including a clause that applicants under UN sanctions cannot become full members.\(^62\) Therefore, China made it clear that Iran, which applied to become a full member in 2008 and was rejected by the SCO due to the Organization’s lack of procedures for admitting new members, will not become a full member so long as it still faces UN sanctions concerning its nuclear program. However, outside reactions specifically to Iranian membership may be an even larger deterrent than admitting a state under UN sanctions.

The SCO stresses that it is not an alliance against any other state, region, or organization, but Iran’s antagonistic relationship with the West will only promote the idea of the SCO as a new type of Warsaw Pact. In addition, member states agree that their individual relations with the United States and Europe are more important than any energy benefits Iran has to offer the Organization.\(^63\) Therefore, China likely added these provisions to specifically prevent Iranian membership, since Iran is the only state to formally apply for full membership. Although the other four Observer States are not

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\(^62\) Cooley, *Great Games*, 78-79.

\(^63\) Aris, *The SCO*, 158-160.
under UN sanctions, there are also minor deterants preventing their assession to the Organization. Pakistan, India, and Afghanistan, for example, come with major security concerns that the SCO—despite its rhetoric—is not ready to fully tackle, while Mongolia offers few economic or political benefits as a full member. Most importantly, if the SCO accepts one new member, it will face pressure to accept more new members. All in all, the SCO is simply not ready to expand its membership or its regional reach.

III. The SCO’s Successes and Limitations: Bilateralism vs. Multilateralism

Structurally, the SCO should function like any other multilateral international organization. There is an established set of permanent and non-permanent structural organs, members have equal voting and veto powers, all members host important annual meetings on an unbiased rotational basis, there is an established (albeit unclear) set of criteria for membership, and all members contribute to an approved budget. However, when further examined, the majority of the SCO’s programs and activities are implemented through members’ bilateral treaties signed under the guise of the SCO. In order to determine the various degrees of bilateralism, multilateralism, consensus, and disunity among members, this section is divided into two separate parts based on the SCO’s major areas of action: security and economic development. Each section discusses the SCO’s multilateral impact in that specific topic over the past 12 years, as well as the member states’ bilateral agreements that are generally attributed to the SCO and member consensus. As a result, this section argues that the SCO functions more as a framework that allows member states to discuss common security and economic concerns

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than as a consensus-driven multilateral organization. Most importantly, this section examines why the SCO presents its activities as multilateral, but functions through bilateral agreements.

**Security: Successfully Combating the “Three Evils?”**

A major focus for the SCO is the elimination of transnational, nontraditional security threats throughout Eurasia. Thus far, the SCO made great strides in establishing the structural foundations for fighting these threats. For example, member countries not only successfully concluded and ratified a security treaty, but also established an anti-terrorism center and coordinated efforts to combat transnational threats specific to the region.\(^{65}\) However, establishing these multilateral foundations have not eliminated, or even necessarily reduced, transnational security threats. By breaking down each of the SCO’s major security hurdles from the past 12 years—border disputes, counterterrorism, color revolutions, the US military presence in Central Asia, and Russia’s conflict with Georgia—this section argues that the majority of multilateral structures established to eliminate transnational security threats are ultimately failing, because the cover of multilateralism is more important to the SCO than actual consensus among members. As a result, major divisions between member states become more apparent as they try to combat nontraditional security threats through the established framework.

**Border Disputes.** Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan established the Shanghai Five as a framework to demilitarize and resolve border disputes after the collapse of the Soviet Union. Due to the framework’s success, it soon grew into

\(^{65}\) Cooley, *Great Games*, 74.
a fully functioning international organization. However, border issues remain a concern within the Central Asian states. For example, border issues continue to flourish in the Fergana Valley between Uzbekistan, Kyrgyzstan, and Tajikistan. These issues have the potential to escalate, because the physical topography often contradicts the political borders drawn during the Soviet era. In addition, border issues are often reflected in nationalist rhetoric. Rumors and conspiracy theories flourish in Kazakhstan, Kyrgyzstan, and Tajikistan that the local elites involved in post-Soviet border negotiations were bought off by Beijing. In addition, nationalism and “anti-China” sentiments were heavily used in 2005 by Kyrgyzstan’s acting president, Kurmanbek Bakiyev, to secure his election in the wake of the Tulip Revolution. However, after the election, Bakiyev retracted his criticisms and publically reaffirmed his commitments to bilateral agreements with China. Despite Central Asia’s dissatisfaction with the border agreements, the idea that the SCO’s precursor was crucial in resolving border disputes continues to play a role in the Organization’s foundational core and mythology. This suggests that the framework’s original consensus was exaggerated, and based primarily on Russia and China’s perspectives—not Central Asia’s. Therefore, the SCO’s foundation is actually based on Russia and China’s needs and desires, as opposed to the multilateral consensus emphasized in the Organization’s Charter and mythology.

**Counterterrorism.** Counterterrorism is a major aspect of the SCO’s fight to eliminate transnational threats in Eurasia. Although all of the member states battled

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67 Cooley, *Great Games*, 77-79.
terrorism and extremism long before the September 11, 2001 attacks, the United States’ resulting campaign on terrorism gave the SCO members an opportunity to connect their own struggle against the “three evils” with the West’s agenda. In China, for example, Beijing portrayed the East Turkistan Islam Movement (ETIM)—a nationalist Uyghur separatists group—as a radical Islamic organization receiving support from Osama Bin Laden and South Asian Al Qaeda networks. China claimed the ETIM was responsible for over 200 terrorist attacks from 1990-2001, including bombings, assassinations, and arson. As a result, in 2002 the United Nations put the ETIM on its list of international terrorist organizations, and the United States placed them on its own blacklist of terrorist groups.68 Similarly, Tashkent convinced the United States to place the Islamic Movement of Uzbekistan (IMU) on international terrorist lists.69 While China and Central Asia appear to be working in conjunction with the West’s mission, many human rights organizations, such as Human Rights Watch, claim the SCO uses the threat of terrorism to crack down on legitimate democratic movements and separatists organizations, as well as individuals critical of the authoritarian regimes.70 Their allegations suggest that the SCO’s multilateral cover allows the member states’ leaders to conceal their actual intrastate goals—to avoid regime change and crack down on any individual or organization that presents a threat to the status-quo (i.e. protesters, reformers, or “separatists”)—under the guise of a coordinated effort against nontraditional security threats.

In addition to compiling international terrorist blacklists, the SCO established RATS to promote intelligence sharing throughout the Organization. Since the center opened in 2004, it has worked to coordinate policies, plan joint-military and counterterrorism exercises, combat cyber-terrorism, and organize efforts to disrupt terrorist financing. The Organization stresses that it is not a military alliance, like NATO, and that RATS strictly focuses on terrorism and illegal transnational activities, such as the narcotics trade and money laundering. However, RATS is more well-known for planning the Organization’s semi-annual joint-terrorism exercises, as opposed to actually coordinating counterterrorism policies. Although joint-military exercises began not long after the Organization’s founding, since 2005 the exercises have become large-scale war games, known as “Peace Missions.” For example, during Peace Mission 2007—one of the largest joint-military exercises—more than 5,000 personnel from all six member states and 80 aircraft participated in the military drills held in Russia’s Ural Mountains. Russia deployed 2,000 military personnel and 36 aircraft, China contributed 1,700 personnel and 46 aircraft, Tajikistan and Kazakhstan sent air assault companies, Kyrgyzstan set an air assault platoon, and Uzbekistan sent military officers to observe the exercise.

While Peace Mission 2007 may have demonstrated cohesion among the member states, the two subsequent joint-exercises, Peace Missions 2010 and 2012, demonstrated disunity among members. Ironically, Uzbekistan—home to the RATS—refused to

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participate in either exercise, with no official explanation for abstaining from the events. However, Tashkent complained in the past that the exercises did not “resemble an anti-terrorist approach.” Peace Mission 2005’s inclusion of strategic bombers and submarines suggests the exercises are meant to rehearse more conventional operations, in which Uzbekistan remains weary of becoming involved. Tashkent exposed further disunity in 2012 by refusing to allow Kazakh military units to transit Uzbekistan in order to attend the exercise in neighboring Tajikistan. Many observers pointed to the bilateral tensions between Tajikistan and Uzbekistan over water issues as as a possible explanation for the refusal. All in all, Uzbekistan’s actions point to discord between the original Shanghai Five members and Uzbekistan, as well as RATS’s inability to coordinate policies and cohesive joint-military operations.

**U.S. Military Presence.** One of the biggest, and most recent, challenges facing the SCO—particularly the former-Soviet members—is the United States’ military presence in the region. Central Asia’s proximity to Afghanistan, as well as several Central Asian states’ eagerness to assist in the fight against terrorism, led to the development of temporary U.S. military facilities in Uzbekistan, Kyrgyzstan, Kazakhstan, and Tajikistan. Even Turkmenistan—officially a “neutral” state— unofficially allowed the United States to use its facilities for humanitarian assistance. Although the SCO continues to stress its support for the Global War on Terror, Russia and China—and at times, the Central Asian states themselves—are not as comfortable

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74 McDermott, “Uzbekistan Snubs SCO.”

with the United States’ “temporary” presence in Central Asia. Initially, Russia did not object to the U.S. deployments; however, Moscow made sure to mitigate U.S. influence in the region by establishing its own bases in Central Asia, such as Kant airbase in Kyrgyzstan. Similarly, China fears encirclement by U.S. operations not only in the Pacific, but also now on China’s Western borders. Unlike Russia, however, China chose to continue building relations with Central Asia, not bases. In 2005, as relations between the United States and Central Asia deteriorated in the wake of Kyrgyzstan’s Tulip Revolution and Uzbekistan’s Andijan massacre, the SCO became more vocal about the United States’ impending departure from the region. As a result, the SCO showed one of its most united fronts against the U.S. military’s operations in Central Asia during the 2005 Summit in Astana.

The 2005 Summit’s Astana Declaration is one of the more well-known SCO declarations, because it is infamous for “evicting” the United States from its temporary Central Asian military bases. However, the “eviction” is merely a few lines in the Declaration’s Section III asking for the “relevant members of the anti-terrorist coalition” to decide on a deadline for the “temporary use of…infrastructure and presence of military contingents on the territories of member states.” In fact, the declaration begins by reaffirming the SCO’s support for the “international coalition conducting anti-terrorist

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operation in Afghanistan.”

Although the SCO claimed to support the overall mission of the Global War on Terror, China and Russia were uncomfortable with the U.S. military presence in Central Asia due to their fears of encirclement and power loss—not because either nation thought the United States or the coalition forces were contradicting the SCO’s mission. Both major powers—particularly Russia—consider Central Asia their territory, and do not want the United States involved in the region.

In the end, the 2005 Declaration did not result in the removal of U.S. troops from Central Asia. Although Uzbekistan did evict the United States from the Karshi-Khanabad (K2) airbase, it was not a result of the SCO Declaration; instead, the eviction came after the United States and other Western nations tirelessly called for an international investigation of the May 2005 Andijan massacre. Kyrgyzstan, on the other hand, threatened to evict the United States from the Manas airbase, but ended up only severely increasing the base’s rent. Kyrgyzstan’s failure to evict the United States and implement the Declaration severely upset Russia, in particular, leading some to believe Moscow was involved in toppling the Bakiyev regime during the 2010 revolution in Kyrgyzstan. Whether Moscow had a hand in the revolution or not, the Medvedev administration was much less upset about Kyrgyzstan’s 2010 revolution than the Putin administration was in the wake of the 2005 Tulip Revolution. Ultimately, not only did the U.S. military remain in Central Asia, but the United States and Uzbekistan, in addition to other Central Asian member and non-member states, also began cooperating

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79 Ibid.
81 Pike, “Manas.”
on the Northern Distribution Network—a series of shipping routes used to transport non-lethal military coalition equipment into Afghanistan—in 2009. All in all, the declaration’s failure to remove the United States’ military from Central Asia demonstrates the SCO’s overall ineffectiveness when it comes to enforcing regional consensus. The Kyrgyzstan example, in particular, also shows that individual interests, like monetary interests, are oftentimes more important than presenting a unified front, even when dealing with the West.

Russo-Georgian Conflict. The weeklong 2008 conflict between Russia and Georgia sparked by South Ossetia and Abkhazia—although short-lived and relatively minor—is the only external war any member state has fought since the SCO’s inception. Unlike the other security challenges, the 2008 conflict is an excellent example of how the SCO functions as a multilateral organization. However, Russia’s expectations for its fellow member states in the wake of the conflict reviled a cleavage between Russia’s actions and the Organization’s purpose. During and immediately following the military action, Russia anticipated receiving verbal support from fellow SCO members when they made individual and official public statements concerning the conflict; however, the member states denounced Russia’s actions and did not move to support its mission. The Organization’s reaction to the conflict was not due to the violence itself (although the SCO does call on all states to resolve matters through peaceful dialog), but due to Russia’s reason for entering the conflict in the first place—supporting two separatist

82 Gleason, “Policy Brief No. 5.”
regions in their quest for independence. At the Organization’s core, it strives to eliminate the “three evils”: terrorism, extremism, and separatism. Russia’s support for the two separatist regions in Georgia suggests that Moscow is only interested in eliminating separatism within its own territories or the territories of likeminded regimes. The member state’s action should not have surprised Russia due to the commitments outlined in the Charter, but their obvious dissatisfaction with Russia’s involvement suggests that the SCO exists to support members’ authoritarian domestic policies, not to promote regional cooperation.

**An Increasing Focus on Regional Economics**

In addition to the Organization’s traditional focus on hard power and security, the SCO claims to be increasingly focused on economic security and multilateral trade. As a result, the Organization announced several initiatives in the areas of economic development and cooperation, project financing, education, and youth development.

For example, in 2003 the SCO established a trade and economic cooperation program that now allegedly includes over 130 projects, ranging from energy development to transportation collaboration. In order to better implement these projects, in 2005-2006 the SCO founded the Business Council and the Interbank Association. Both the Council and the Association were meant to coordinate regional investment, while the Association was also meant to function as a precursor to a regional development bank that, to date, has never materialized. In fact, of the 130-plus SCO projects supervised by

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84 The Shanghai Cooperation Organization, “A Brief Intro.”
87 The Shanghai Cooperation Organization, “A Brief Intro.”
the Council, almost all are preexisting bilateral initiatives that have been given the SCO’s stamp of approval after-the-fact.\textsuperscript{88}

Of all the SCO members, China is the primary culprit when it comes to giving bilateral developmental assistance under the guise of the SCO. This is most likely due to the fact that, as the driving force behind the SCO’s creation and success, China has the most to lose if the SCO fails internationally. However, China is also motivated to give aid to Central Asia—through the SCO or not—for two other reasons: (1) increased competition for energy reserves worldwide and (2) the opportunity to create an additional, strong export market for Chinese goods. As a result, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan have all received large amounts of bilateral Chinese aid through their membership in the SCO, usually in the form of loans with unclear terms and repayment schedules. For example, after the 2004 SCO Summit in Tashkent, Beijing announced it would offer $900 million in loans or “preferential export buyer’s credit” to Central Asian members states.\textsuperscript{89} Beijing also financed the entire $1 billion “SCO investment” distributed to Central Asia in 2006-2007. More recently, in 2010 China loaned another $10 billion to Central Asian members to “shore up their struggling economies.”\textsuperscript{90} Beijing claims its ultimate goal is to create a regional free-trade zone with SCO members, in order to stabilize poorer parts of the regional bloc—such a Tajikistan

\textsuperscript{88} Cooley, \textit{Great Games}, 6-8.
and Xinjiang—through economic development.\textsuperscript{91} However, China also seeks to take advantage of Central Asia’s vast energy wealth and need for consumer goods; by doing so under SCO auspices, China can still promote its peaceful economic and political rise, while also maintaining a relatively good relationship with Russia as China plays a more dominant role in the “Near Abroad.”

\textit{Giant Competition for Central Asia’s Oil and Gas}

Central Asia plays an important role in both Russia and China’s energy markets. Therefore, the SCO continues to search for ways to promote greater multilateral cooperation in the realm of energy development. At the 2007 SCO Summit in Bishkek, Vladimir Putin called for an “energy dialogue, the integration of…national energy concepts and the creation of an energy club” in order to relieve some of the Sino-Russian competition for Central Asia’s oil and gas.\textsuperscript{92} During that same summit, member states agreed to establish a “unified energy market” for oil and gas exports.\textsuperscript{93} However, the SCO has failed to create any substantive regional energy body, because most of Central Asia’s energy cooperation occurs outside of SCO auspices. Both China and Russia continue to pursue Central Asian energy through bilateral agreements, as opposed to implementing any agreed-upon SCO projects. The resulting bilateralism remains a major obstacle to any future SCO energy cooperation.

China sees the Central Asian member states as a viable source for Beijing’s energy woes. Although China has historically been able to meet its own energy demands

\textsuperscript{91} Cooley, \textit{Great Games}, 90-91.
\textsuperscript{93} \textit{Ibid.}
through domestic oil and coal production, annual 10 percent growth rates and rapid industrialization require China to secure ever-growing energy demands from overseas markets. Central Asia has become the preferred Chinese market, because oil and gas can be pumped in directly, avoiding chokepoints along straits from the Indian and Pacific Oceans.\textsuperscript{94} Therefore, most of China’s oil developments are in Kazakhstan. In 2005, China National Petroleum Corporation (CNPC) acquired PetroKazakhstan, the nation’s second largest oil producer, giving China control of 12 percent of Kazakhstan’s total oil production.\textsuperscript{95} China has since purchased multiple small and medium-sized Kazakh oil companies. By 2007, China controlled almost 26 percent of Kazakhstan’s oil, making it one of China’s single most important oil suppliers, second only to Sudan.\textsuperscript{96} In order to streamline the process, a new Kazakhstan-China oil pipeline now brings oil from the Caspian all the way through Kazakhstan to the border town of Alashankou. Therefore, China can bypass the traditional Russian pipelines and receive oil directly from its Kazakh investments. In addition, Kazakhstan benefits, because Astana is now free to trade with China without fear of isolating Russia, because China’s economic ventures are primarily done under SCO auspices; therefore, in theory, Russia agreed to arrangement as part of the SCO’s decision-making by consensus framework.

\textsuperscript{94} Cooley, \textit{Great Games}, 94-95.  
Chinese bilateral energy initiatives in Central Asia do not stop at oil. China also invested in several hydropower projects in Kazakhstan, and has proposed others in Kyrgyzstan and Tajikistan, pending water conflict resolutions between Tajikistan and Uzbekistan. China’s hydroelectric projects are intended to support Xinjiang’s economic development through exporting energy. In addition, Kazakhstan is a key supplier of uranium to Chinese nuclear facilities. However, China’s most important energy asset from Central Asia is quickly becoming natural gas, which is intended to supply still-growing east coast cities. Unlike oil, hydroelectric, or even nuclear power, China receives most of its natural gas through a non-SOC state—Turkmenistan. In fact, the largest rift between Sino-Russian relations has been the Central Asia-China pipeline, which originates in Turkmenistan, travels through Uzbekistan and Kazakhstan, and finally links up with the new West-East China pipeline to deposit the gas along China’s eastern coast. The pipeline is the first major gas line constructed in the post-Soviet era that complete bypasses Russian territory and the Gazprom-Transneft network, successfully breaking Russia’s gas transit monopoly in the region and undercutting Moscow’s leverage in price negotiations. All in all, the high-stakes competition between Russia and China for Central Asia’s energy resources indicates that not only is there a lack of consensus between the two giants on how to develop Central Asia’s

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97 Cooley, *Great Games*, 94.
98 Both Kazakhstan and Uzbekistan deposit gas into the network along the pipeline. However, Turkmenistan remains the primary natural gas provider for China (Cooley, *Great Games*, 94-95).
economy, but there is also a major potential for conflict between the Super Powers, because China is rapidly intruding on Russia’s historical markets.

More Consumer Markets, More Problems

In addition to Central Asia’s vast energy reserves, the region also serves as a relatively new, yet very large, market for Chinese goods. China’s trade with the Central Asian members states increased dramatically over the past 10 years, surpassing Russia as the region’s primary trade partner in 2008 during the global economic recession. In 1992, for example, trade between China and the future SCO member states was approximately $500 million; by 2005, it was approximately $8.7 billion.\(^{100}\) In order to facilitate trade, Beijing invested in five new road and railway routes, as well as more than 50 international truck transport lines, linking China and Central Asia. The majority of the projects were initiated through the Asian Development Bank as early as the 1990s. These costly infrastructure investments advance two goals for China. First, and most obvious, the new infrastructure provides Chinese businesses—particularly in Xinjiang—with nearby markets. In fact, more than 80 percent of Xinjiang’s foreign trade is with bordering Central Asian states. Second, Beijing believes economic cooperation is “mutually beneficial” for both China and Central Asia, because development stabilizes the relatively poor region, while trade promotes friendship and cooperation.\(^{101}\)

However, China’s rapid economic rise raises concern in Central Asia about the unbalanced nature of their trade relations. Central Asia’s role in the “mutually beneficial” relationship is as an import market for Chinese consumer goods and a cheap

\(^{100}\) Cooley, Great Games, 92.
\(^{101}\) Kassenova, “China as an Emerging Donor,” 12-14.
export market for highly desired and expensive raw materials, such as metals and energy. Although Central Asia gains access to higher-quality, cheap Chinese goods, as well as infrastructure development, the economic relationship is anything but equally beneficial, as China claims. Beijing is desperate to meet its increasing energy needs; therefore, developing Central Asia’s infrastructure gives China easier access to the Central Asian energy markets.\textsuperscript{102} However, the infrastructure serves China’s needs—not Central Asia’s. As a result, the uneven trade agreements lead to a high degree of paranoia about China’s intentions in the region. For example, a common theme in Kazakhstan and Tajikistan is that China bought off the Central Asian elite and law enforcement, in order to gain special access to their natural resources. In addition, markets and bazaars along the Central Asian-Chinese border witnessed a rapid increase in Chinese merchants, making local merchants believe they are being driven out of business by China.\textsuperscript{103} As a result, Central Asian states fear China’s economic power and bilateral economic development projects have harmed SCO regional trade endeavors.

**IV. Conclusions: The Cover of Multilateralism for Bilateral Mentalities**

Despite identifying itself as a multilateral intergovernmental international organization, the Shanghai Cooperation Organization operates as a framework that addresses common regional security and economic concerns though bilateral agreements that might otherwise not come to fruition. Therefore, the SCO heavily relies on a cover of multilateralism, so that it can offer an intergovernmental alternative to the Western intergovernmental organization structure. Western organizations established new

\textsuperscript{102} *Ibid.*, 12-14.
\textsuperscript{103} Cooley, *Great Games*, 85-88.
international norms allowing for intervention in a state’s sovereign domestic affairs when basic human rights are being violated. However, the SCO offers an alternative structure based on the Peace of Westphalia that upholds a state’s sovereignty no matter what happens domestically. In order to compete with established Western-led international organization, as well as avoid the image of an “autocrat’s club,” the SCO depends on the cover of multilateralism to appear the same as any other consensus-based intergovernmental organization, but with norms and principles that align with Eastern values. However, member states must rely more heavily on bilateral agreements, because the members are unwilling to operate under a legally binding framework.

On one hand, the SCO does utilize its own multilateral structures, as opposed to functioning strictly through bilateral agreements, when addressing nontraditional, transnational security threats; however, after examining the SCO’s major security hurdles over the past 12 years, it becomes evident that there is a severe lack of consensus among member states. This disunity is evident in Uzbekistan’s refusal to participate in counterterrorism and joint-military exercises (despite the fact that RATS is located in Uzbekistan’s capital) and Kyrgyzstan’s refusal to evict the US military from the Manas airbase. Although the SCO does utilize its multilateral structures, there is an obvious disunity among member states over major security issues, particularly those that are presented as consensus-based.

104 The Shanghai Cooperation, “A Brief Intro.”
105 Aris, The SCO, 5-9.
106 Cooley, Great Games, 120.
On the other hand, most of the SCO’s economic projects are implemented through previously negotiated bilateral agreements. China is the primary culprit when it comes to making bilateral agreements under SCO auspices, because Beijing wants to be able to promote and exploit its rapid economic rise, while also maintaining a relatively good relationship with Russia as China plays a more dominant role in the “Near Abroad.” More importantly, the SCO provides the domain where Russia and China can secure their own energy needs. Both giants can simultaneously exploit the other members’ energy resources under the guise of regional economic development, particularly in the realm of infrastructure. Moreover, the Central Asian states—particularly Kazakhstan—can trade with both China and Russia without fear of upsetting one or both of the Super Powers, because all of the economic development—such as pipelines bypassing Russia, acquiring oil and gas companies, and exploiting alternative energy sources—is done under the cover of the SCO.\(^{107}\) By using the SCO’s framework, instead of establishing strictly bilateral treaties, member states are able to gain more (i.e. money, resources infrastructure) while risking less (i.e. angering either China, Russia, or both). This idea is further developed in the next chapter.

All in all, the SCO is more useful as a multilateral cover than an actual, functioning multilateral organization, because its member states are unwilling to operating under a legally binding, multilateral framework. Because the member states believe sovereignty is most important, they refuse to establish a legitimate legal framework for the SCO that would require them to implement the decisions agreed upon.

\(^{107}\) Ibid., 92-95.
in the summit declarations. The SCO’s non-binding framework is a key factor in how the member states have come to view intrastate cooperation as beneficial. The members’ elites are comfortable with the loose framework, because it cannot challenge their political authority or force them to participate when they judge the activity to be disadvantageous. Therefore, the member states must heavily rely on bilateral treaties to implement agreements within their individual domestic jurisdictions. The member states are simply skeptical of multilateralism, yet they choose to operate under its cover in order to compete with Western intergovernmental organizations.\textsuperscript{108}

The following chapter will discuss the member states’ motivations for operating under the SCO’s framework. By examining each state’s potential and actual gains, compared to their long-term goals, the risks of utilizing the SCO, and the opportunities the Organization offers, the next chapter argues that the SCO is the result of a grand bargain struck between Russia/China and the Central Asian states. As a result of this bargain, each state is better off compared to the gains each state would have received managing its bilateral relations outside of the SCO framework.

\textsuperscript{108} Aris, \textit{The SCO}, 174-176.
Chapter 3: The Grand Bargain

I. Introduction

The previous chapter argued that the Shanghai Cooperation Organization provides a framework to manage member states’ bilateral relations under the cover of multilateralism. This cover hides the fact that the member states are skeptical of multilateralism, yet they want to play important roles in the international community. Therefore, despite the SCO’s lack of consensus and dependence on bilateral agreements, China, Russia, and the Central Asian member states still find value in operating through the SCO, as opposed to simply managing their individual relationships bilaterally. If all of the member states are primarily using the SCO to manage their bilateral relationships, why utilize the SCO’s framework at all? What are the Organization’s benefits that make managing bilateral relations without the SCO less appealing?

This chapter argues that the SCO is the result of a grand bargain struck between the large powers (China and Russia) and the Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan) that benefits all members beyond the gains each state would have received managing their bilateral relations outside of the SCO framework. On one side, China and Russia promise funds to facilitate various degrees of national building—economic development, infrastructure, regime security, etc. On the other side, the Central Asian members agree to remain under their spheres of influence,
export natural resources, and, ultimately, globally endorse China and Russia’s great power status. Moreover, the SCO’s framework operates as a tool for each member to manage its bilateral relations with other member states with fewer risks than trying to forge bilateral relations outside of the SCO’s cover of multilateralism and consensus, particularly when it comes to balancing the Central Asian Republics’ relationships with both Russia and China.

In order to better examine the value of the SCO to each of its member states, this chapter is broken down into six separate sections—one for each of the member states in alphabetical order. Each section identifies the costs, gains, risks, and opportunities of operating through the SCO for the member states, as well as their broader foreign policy goals. By examining foreign policy goals, transnational security issues, domestic instabilities, and potential conflicts between member states, this chapter argues that the SCO’s cover of multilateralism and consensus not only mitigates potential conflicts between members, but it also advances individual states’ political, economic, and security goals beyond what bilateral relations would likely offer.

II. China and the SCO: Quick Gains for Long-Term Goals

China is the driving force behind the SCO’s establishment, structure, and regional role. Both the Shanghai Five and the SCO were the first multinational security organizations initiated and promoted by China. Therefore, China has more than any other member state invested in the Organization’s success. Although the Shanghai Five was originally formed to resolve lingering Sino-Soviet border conflicts after the collapse of the Soviet Union, China now uses the SCO to achieve three distinct long-term
diplomatic and security goals. As a result, the SCO provides China the framework to increase its gains over a shorter time period and with fewer risks than Beijing would achieve if it were operating through a strictly bilateral framework.

First, China wants to promote itself as a responsible power, capable of establishing a more peaceful international environment. The SCO’s Five Principles of Peaceful Coexistence—mutual respect for sovereignty and territorial integrity; mutual nonaggression; mutual noninterference in domestic affairs; mutual benefit; and peaceful coexistence—emphasize China’s commitment to peaceful solutions.109 The Five Principles are also the result of China’s belief that, as a world power, it should play a greater role in establishing international norms and an increasing role in developing nations’ political and economic agendas.110 Through the SCO, China can develop its normative agenda by establishing a “multilateral” international regime based on the principle of non-alignment and sovereignty.111 Beijing also hopes that, by operating through the SCO, the West will avoid seeing China as a threat to the international status quo.112 However, China also uses the SCO to try to establish new international norms based on multilateralism (as opposed to unilateralism) and respect for state sovereignty, thus negating China’s desire to avoid being seen as a threat to the status quo.

Consequently, China must balance its demands for less international intervention in states’ internal affairs with its encouragement for peaceful solutions and mutual respect in order to alleviate Western skepticism about the SCO’s true motives.

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111 Aris, The SCO, 54-56.
Since China alone has such a considerable stake in the SCO’s international success, Beijing also tends to play up the Organization’s accomplishments as a multilateral and consensus-based organization. Therefore, even when the SCO has not adopted China’s proposals, Beijing continues to refer to many bilateral engagements with Central Asian states as SCO projects.\textsuperscript{113} By doing so, China hopes to gain a reputation as a nation capable of establishing a multilateral organization comparable to any Western-led intergovernmental organization. However, by making the SCO appear to play a more important role in Eurasian policies than it actually does, China risks being seen by the international community as deceptive and threatening, as opposed to the image of peace and cooperation Beijing hopes to portray.

Second, the SCO allows China to maintain its bilateral relationship with Russia while also pursuing economic development and security in Central Asia.\textsuperscript{114} China’s leadership sees Central Asia as the perfect market for China’s rapidly growing economy and large production of cheap consumer goods. Therefore, China supports microeconomic development projects throughout the region in order to reduce trade barriers. However, China recognizes that Central Asia is, historically, Russia’s market. In order to avoid isolating Russia from what Moscow believes is its “privileged area of interest,” Beijing uses the SCO to advocate Central Asian development projects that will “mutually benefit” all members. Ultimately, China wants to establish a common SCO market throughout the region. However, Russia wants to keep Central Asia under its sphere of influence, and a common market would prohibit Russia from remaining Central

\textsuperscript{113} Cooley, \textit{Great Games}, 5-10.
\textsuperscript{114} Gill and Oresman, “China’s New Journey,” 13-14.
Asia’s choice economic partner. Therefore, the SCO can be seen a manifestation of Russia and China’s cooperation and competition in the former-Soviet states. China is able to demonstrate to Moscow that it can play a positive role in “Near Abroad,” while also providing Russia “a mechanism by which to monitor and restrain Chinese activity” in the region. In addition, the SCO provides Kazakhstan, Kyrgyzstan, and Tajikistan a diplomatically safe alternative to the Russian-dominated security organizations, such as the Collective Security Treaty Organization.

Third, and most importantly, China uses the SCO to gain Central Asian—and to a lesser extent, Russian—cooperation in its quest to eliminate the threat of Uyghur separatism and Islamic extremism in China’s western Xinjiang province. Officially the Xinjiang Uyghur Autonomous Region, China’s northwestern province represents both China’s vast untapped political and economic potential, as well as a looming separatist challenge to Beijing’s authority. Politically, Xinjiang is the Far East’s historical gateway to the Islamic and Turkic peoples of Central Asia. As the bridge between various Asian cultures, Beijing claims it has as much of a right to actively participate in Central Asia’s politics and development as Russia. However, China acknowledges Russia’s lingering “claim” to the region, and chooses to act under the guise of the SCO in Beijing’s diplomatic and developmental endeavors. Economically, and more

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115 Aris, The SCO, 56-57, 60-61.
117 Uzbekistan is the only former-Soviet Republic that is a member of the SCO, but not the CSTO.
importantly, Xinjiang offers China considerable unexploited economic opportunities. Not only is the territory rich in mineral resources (such as nickel, sulfur, coal, marble, lithium, uranium, salt, quartz, boron, and magnesium), but the Tarim Basin also holds enormous potential for China’s rapidly increasing energy shortages. Exploiting the Basin’s resources will not only reduce China’s severe energy shortages, but will also bring economic benefits to China’s poorer central and western interior. Therefore, China is unwilling to allow separatist movements to deny Beijing the mineral wealth in Xinjiang. China’s agenda for establishing the Shanghai Five and SCO, then, was to manage the risk of three new politically unstable and economically weak states along its western Xinjiang border, and eliminate the threat of Uyghur separatists and sympathizers from operating in Central Asia.

All in all, China’s three primary goals—to promote itself as a responsible power, to maintain bilateral relations with Russia while perusing new relations with Central Asia, and to eliminate the threat of Uyghur separatism—are well managed through the SCO framework. Economically, China gains a new market in Central Asia for goods, as well as new exporters of oil and gas to China, with relatively less competition from Russia, while, politically, China has the opportunity to prove it can be a strong world power, nonthreatening economic developer, and leader of a peaceful intergovernmental regime on the international stage. Finally, China is able to manage the security threats posed by Uyghur separatists through the SCO’s verbal support for China’s actions and

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121 Cooley, Great Games, 75-77.  
122 Aris, The SCO, 55.  
decreasing the role of Uyghur sympathizers by providing economic development in Xinjiang and Central Asia.\textsuperscript{124}

However, China’s economic gains are not without costs. Beijing must be wary that competition could escalate into conflict with Moscow over China’s infringement into Russia’s energy-rich “Near Abroad.” But so far, China has been able to mitigate that risk by operating strictly under the guise of the SCO, as opposed to openly forming bilateral relations with individual Central Asian states. Even when China does form bilateral contracts with the Central Asian Republics, the agreements are given the SCO’s stamp of approval to not only continue the SCO’s cover of multilateralism and consensus-based decision-making, but also to lessen the risk of conflict with Russia.\textsuperscript{125} China also risks nationalist movements and anti-Chinese sentiments throughout Central Asia, as local merchants tend believe they are being driven out of business by Chinese merchants.\textsuperscript{126} Central Asian business elites, especially in Kazakhstan, are also very suspicious of Chinese companies, due to rumors of unfair pay, abuse of local workers, and “insignificant economic trickle down for the region.”\textsuperscript{127} However, this also proves to be a relatively low risk, because many Central Asian states recognize that China’s funds and technical expertise have the potential to restart their economies—particularly in Kyrgyzstan and Tajikistan. Moreover, Chinese infrastructure connects the landlocked region to international markets that would likely be unattainable for Central Asia for several more years. Nonetheless, China’s developments must continue to benefit Central

\textsuperscript{124} Aris, The SCO, 54-58.
\textsuperscript{125} Cooley Great Games, 54.
\textsuperscript{126} Ibid., 153.
\textsuperscript{127} International Crisis Group, “China’s Problem,” 13.
Asia’s working class, as well as the region’s political elites, in order to continue keeping the risks of doing business in Central Asia relatively low.\textsuperscript{128}

III. Kazakhstan and the SCO: Managing Political and Economic Ambitions

An original member of the Shanghai Five, Kazakhstan uses the SCO to balance its economic and political relations with China and Russia, while also remaining friendly with the West. In addition, since Kazakhstan’s independence, its foreign policy focused on becoming the leading republic in Central Asia; however, it previously lacked the framework to become a leader. Kazakhstan is able to use the SCO to expand its regional authority and present itself as the natural political and economic leader of Central Asia. Although Kazakhstan’s goals are not without risks, the SCO gives Astana the opportunity to achieve important foreign policy goals, increase its geopolitical reach, and take advantage of its vast energy wealth by expanding economically.

Politically, Kazakhstan wants to present itself as the natural leader of Central Asia, due to its large territory and vast natural wealth. In order to do so, Kazakhstan seeks to capitalize on its important geopolitical location as a bridge between Asia, Europe, and the Middle East. Although it previously lacked the capacity to do so, the SCO gives Astana the resources to present itself as an active and important link between the three regions.\textsuperscript{129} Not only is Kazakhstan able to balance its relationships with Russia and China through the SCO, but it can also build relations with many important South Asian partners through the SCO’s Observer States—Afghanistan, India, Iran, and Pakistan. Moreover, the SCO provides Kazakhstan a link to ASEAN via the

\textsuperscript{128} Ibid., 27-29.
\textsuperscript{129} Aris, The SCO, 62-63.
Organization’s Guest Attendances tier, allowing Kazakhstan to potentially extend its reach as far as Southeast Asia.\textsuperscript{130} However, Kazakhstan’s pursuit to become the leader of Central Asia runs counter to Tashkent’s claim that Uzbekistan is the natural leader of the Central Asian Republics, due to its large population (at 28 million, it holds the largest population in Central Asia) and central location.\textsuperscript{131} By continuing its policies, Kazakhstan risks diplomatic conflicts with Uzbekistan. Although the conflict would most likely not result in violence, Uzbekistan already proved it is capable of causing serious disruptions. The best example of Uzbekistan’s potential to create conflict occurred when Tashkent prohibited Kazakh troops from transiting Uzbek territory in order to attend Peace Mission 2012 in Tajikistan.\textsuperscript{132} Therefore, Kazakhstan must carefully balance its regional relationships and foreign policy goals, in order to continue the Organization’s cover of cooperation and multilateralism.

While Kazakhstan seeks to establish and maintain positive relations with many states globally, Astana also chooses to remain firmly within Russia’s sphere of influence. For example, Kazakhstan participates in many of the Russian-led organizations, such as CIS, the Eurasian Economic Community (EurAsEC), and CSTO, as well as a customs union project with Russia and Belarus.\textsuperscript{133} As a result, Russia sees Kazakhstan as its closest ally in the region. Nonetheless, Kazakhstan does not want to be completely under Moscow’s control. Therefore, Astana views the SCO’s “multilateral” framework as the best mechanism for striking a balance between maintaining an influential role with

\textsuperscript{130} The Shanghai Cooperation Organization, “A Brief Intro.”
\textsuperscript{131} Kucera, “The Real Linchpin?”
\textsuperscript{132} McDermott, “Uzbekistan Snubs the SCO.”
Russia, and expanding its geopolitical reach. However, as one of the most active SCO members, Kazakhstan risks becoming tied to Russia and China’s independent anti-Western agendas. As long the West continues to debate whether the SCO is a threat—even if the threat is based on member states’ individual political agendas, not the SCO’s agenda—they will likely be unwilling to fully engage with Kazakhstan. Kazakhstan also risks potential conflicts with Russia, should Astana ever choose to pursue relations with other nations at the expense of its close ties with Moscow. Although the SCO allows Kazakhstan to tighten its relationship with China, the Organization will not protect Kazakhstan should it choose to engage in other geopolitically critical relationships, such as with Europe and the EU. Nonetheless, Kazakhstan finds more advantages in continuing its preferred relationship status with Russia and simultaneously expanding its geopolitical reach through the SCO framework.

Economically, Kazakhstan uses the SCO to capitalize on its significant natural energy resources. But because Kazakhstan is landlocked, it must depend on pipelines transiting neighboring states to transport its oil and natural gas from the fields to the main international markets. As a result, whoever controls the pipelines also controls the energy inside, and Kazakhstan’s neighbors to the north (Russia) and east (China) are more than willing to assist. Historically Russia controlled Kazakh pipelines and, therefore, controlled Kazakhstan’s estimated 79.6 billion barrels of oil and 3 trillion cubic

135 Aris, The SCO, 61-63.
meters of natural gas. However, more recently, China aims to decrease Russia’s role in acquiring Kazakh oil and gas by developing Caspian pipelines that bypass Russian territory and deliver the energy directly to China. Although Moscow is dissatisfied with its diminishing role in Kazakh energy, the SCO currently gives Kazakhstan the opportunity to trade with China without either state risking open conflict with Russia. While the SCO does not mitigate all competition between Russia and China for Kazakhstan’s energy reserves, the Organization does give Kazakhstan a legitimate excuse to develop its relations with China’s markets while also minimizing Russia’s monopoly on Caspian oil. Due to this balancing act, Kazakhstan runs a great risk of becoming trapped between the two giants should a conflict ever erupt over the energy sources; however, Kazakhstan sees the current profits and development as well worth the risk. 

Unlike the other member states, Kazakhstan does not consider security to be a primary motivation for participating in the SCO’s framework. Although many groups on the Organization’s terrorist blacklist, such as Hizb-ut-Tahrir, IMU, and the East Turkestan Liberation Organization, are active in and around Kazakhstan, there have been no large-scale terrorist attacks or extremist demonstrations on its territory. Instead, Kazakhstan considers instability in the surrounding region to be the largest threat to its security. Therefore, Kazakhstan focuses primarily on cooperating with other member states to combat regional security threats, as opposed to focusing on internal threats like the rest of the member states. For example, Kazakhstan adopted anti-extremist and anti-

137 Cooley, Great Games, 92-94.
138 Aris, The SCO, 65.
separatist legislation, and participates in several anti-terrorist groups. Despite these measures, many member states, and even the director of RATS, criticize Kazakhstan’s failure to deal with active terrorist groups inside of its territory. To avoid accusations of harboring terrorists, Kazakhstan recently tightened its own internal security. However, if Astana is not careful, other members could see Kazakhstan as a threat to their security, as well as to one of the SCO’s primary missions.139

Overall, the SCO is a very important tool for managing Kazakhstan’s foreign policy and economy. Politically, Kazakhstan uses the Organization to capitalize on its strategic geopolitical location by balancing its relationships with China and Russia, as well as expanding its relations with South Asian states and the West. Economically, the SCO gives Kazakhstan the opportunity to further develop its economy through China’s resources, while also maintaining its historical economic ties to Russia. However, Kazakhstan risks being caught in the middle, if the competition for its resources between the two giants ever escalates into a full-scale conflict. Nonetheless, the geopolitical and economic advantages and opportunities that come with an active role in the SCO currently outweigh the looming threat of great power conflict.

IV. Kyrgyzstan and the SCO: The Struggle for Development and Stability

Despite its multiple regime changes, Kyrgyzstan’s foreign policy goals remained relatively static. Like Kazakhstan, Kyrgyzstan uses the SCO to diversify its regional relationships, while also developing its relationship with the West. In addition, Kyrgyzstan finds value in the SCO’s economic and security programs, because they give

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139 Ibid., 63-65.
Bishkek the opportunity to improve its unstable internal regime. However, prior to the 2010 revolution, Kyrgyzstan’s developing relationship with the West gave Bishkek a false sense of independence from the post-Soviet region, resulting in more political turmoil and instability. Therefore, Kyrgyzstan realizes that the SCO framework is vital to its economic development, as well as its stability.

Kyrgyzstan believes the SCO can contribute to its regime stability, especially in the face of its own internal instability. After two revolutions in less than a decade, Kyrgyzstan still lacks substantial political rights or a civic society. Moreover, Kyrgyzstan continues to battle narcotics trafficking from Afghanistan. Although SCO declarations and sanctions have not had much effect on the influx of drugs coming into Kyrgyzstan, the SCO’s actions at least force Bishkek to admit there is a drug trafficking issue, and address it as a major national security concern. As a result, joint drug trafficking exercises became part of Kyrgyzstan’s national security agenda in 2003. In addition to the internal instability, Islamic extremism threatens Kyrgyzstan’s security along its border with Uzbekistan in the Fergana Valley. Therefore, Bishkek is eager to assist in the SCO’s fight against the “three evils,” while also working with NATO in Afghanistan. As a result, both Russia and the United States have airbases in Kyrgyzstan—Kant and Manas, respectively. However, Kyrgyzstan gains more than just security. By leasing the bases to Russia and the United States, Kyrgyzstan controls

the rent both nations pay. After the 2005 Astana Declaration, instead of evicting the United States, like Uzbekistan, Kyrgyzstan severely increased the rent and allowed the United States to continue operating from Manas. This action shows that the bases represent a vital source of income for the Kyrgyz leadership; however, the bases also represent the potential for corruption within the fragile Kyrgyz regime.¹⁴³

Kyrgyzstan and Tajikistan view the SCO similarly, in that they both believe the SCO will contribute to their domestic goals of stabilizing the region and developing much-needed economic growth. Major internal stability challenges from the “three evils,” combined with a lack of state capacity, set Kyrgyzstan and Tajikistan apart from the other member states. However, like Uzbekistan, Kyrgyzstan also wants to exert, to a degree, its independence by negotiating with the United States separately from Russia and the SCO’s consensus. This allows Kyrgyzstan, in theory, to contribute to its own economic growth by seeking out other forms of income beyond development aid from SCO members. Nonetheless, Kyrgyzstan risks losing that assistance and isolating itself from the post-Soviet region. Therefore, despite its minimal desire for independence, Kyrgyzstan considers the SCO an important source of support for its regime security and economic development.

V. Russia and the SCO: Balancing Competition and Cooperation with China

Since the collapse of the Soviet Union, Russia tried to keep Central Asia under its influence through Russian-dominated economic organizations, like CIS, and security organizations, such as CSTO. However, none of the Russian-led organizations are as

¹⁴³ Pike, “Manas.”
capable as the SCO in terms of regulating cooperation and competition in the region, because they all exclude China. Although Russia is not the driving force behind the SCO, Moscow still finds value in its membership, because unlike in the CIS or CSTO, Russia has some degree of control over China’s growing influence in what Moscow sees as its privileged “Near Abroad.” Nonetheless, Russia still utilizes its own initiatives to interfere with China’s activities in Central Asia, while simultaneously “playing nice” with China through the SCO’s framework.

Moscow believes economic cooperation is a key element for maintaining its dominant role in Central Asia. Therefore, Russia utilizes the SCO in two ways: (1) to reduce competition by coordinating economic policies region-wide, and (2) to increase trade between itself and China. However, Russia also believes its own economic domination over Central Asia is the only type of acceptable cooperation. Therefore, even though Moscow finds value in the SCO and utilizes it in a two-fold manner, Russia also pursues policies that severely limit the SCO’s influence—and, therefore, China’s influence—in Central Asia.

Immediately after the collapse of the Soviet Union, Russia moved to keep its former republics under Moscow’s influence, particularly in the realm of economics. However, Russia also anticipated China’s inevitable economic penetration into Central Asia’s developing markets. Through the SCO, Russia is able to remain relevant in Central Asia’s markets—particularly the lucrative energy markets—even as China

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144 Bates and Oresman, “China’s New Journey,” 8-10.
becomes increasingly present in the region’s economic development.\textsuperscript{145} As an energy-rich nation itself, Russia sees the SCO as a tool for coordinating energy policies between itself, China, and the Central Asian republics. By coordinating policies, Russia strives to reduce competition—particularly from China—for the cheap energy in Central Asia, so that Russia can expand its role as a major energy exporter to regions with rapidly growing economies, such as Southeast Asia.\textsuperscript{146}

Moscow also sees the SCO as a vehicle to promote trade between Russia and China. Both Russian and Chinese leaders have repeatedly called for increased trade between their two nations.\textsuperscript{147} In 2011 the two powers agreed to more than double bilateral trade from $83.5 billion to $200 billion by 2020. Both nations’ leaders also announced several trade and investment agreements, such as a gas pipeline that would allow Russia to export large amounts of gas to energy-hungry China. However, the pipeline deal, thus far, failed to move forward due to several disagreements over price.\textsuperscript{148}

In addition, Moscow prefers to develop economic coordination through the EurAsEC, a Russian-led economic organization that aims to form common external customs borders and develop common external economic policies, tariffs, and prices between Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan. While the EurAsEC’s regional significance is unclear, Russia’s preference for coordinating policies through the

\textsuperscript{145} Ibid., 8-10.
\textsuperscript{146} Aris, The SCO, 59-61.
\textsuperscript{147} Bailes, et al, “SCO as a Regional Security Institution”, 8-12.
Community suggests that, despite Russia’s call for increased economic activity with China, Moscow intends to exclude China from any regional economic union.\textsuperscript{149}

Russia fears China’s strong economy will result in Chinese domination over the other member states’ economies, excluding Russia almost entirely. Therefore, Russia vetoes many of the SCO’s proposed economic projects that would result in free trade zones, customs unions, etc. Instead, Russia applies these ideas to its own regional organizations. For example, Russia intends to implement a Eurasia Customs Union by 2015, but at the same time continues to block the idea in the SCO.\textsuperscript{150} As a result, the other member states see Russia as restricting the SCO’s huge trade potential, especially between economically weaker zones, such as Russia’s Far East, Tajikistan, and Northwestern China. Moscow fears that Russia will not be able to compete with China, resulting in Russia’s loss of profitable Central Asian economic deals. This would eventually lead to China replacing Russia as the dominant economic influence in Central Asia. Although Russia risks conflict with China by not only excluding the giant from other regional organizations, but also by using Russian-dominated organizations to implement economic projects first suggested in the SCO, Moscow believes it runs a greater risk by potentially allowing China to dominate Russia’s Near Abroad. By focusing primarily on economic cooperation through frameworks comprised of only post-


Soviet states, Russia does not feel that its vital role as the hub of the former-Soviet Union’s economy is threatened.\textsuperscript{151}

Although Russia is concerned about economic opportunities in the SCO, the Organization provides Russia multiple security benefits. For example, Russia receives the verbal support it desires from the international community through the SCO when dealing with the long-term conflict in Chechnya. While the West criticizes Moscow for cracking down on the separatist region, claiming Russia commits atrocious human rights violations in the process, China and the Central Asian Republics support Moscow’s fight against Islamic extremism and terrorism. The SCO praises Moscow’s efforts to keep the Federation together, preventing Russia from becoming internationally isolated due to its internal policies. In addition to the verbal support, Russia considers Central Asia’s security directly related to its own, due to the potential for Central Asian-based conflicts and terrorist organizations to penetrate the long, porous border. Moscow is particularly concerned that radical Islamic groups will enter Russia’s Northern Caucasus to support separatist movements in the region.\textsuperscript{152}

In addition, Russia recognizes that the transfer of illegal narcotics from Afghanistan, through parts of Central Asia, and into Russia presents a major security challenge.\textsuperscript{153} The SCO provides states, such as Kyrgyzstan and Tajikistan, the opportunity to admit drug trafficking is an issue and take initial steps to address the security issue.\textsuperscript{154} However, because the Organization does not conclude legally binding

\textsuperscript{151} Aris, \textit{The SCO}, 60-61.
\textsuperscript{153} Aris, \textit{The SCO}, 59-61.
\textsuperscript{154} Bailes, et al., “SCO as a Regional Security Institution,” 8-10.
agreements, the member states are merely paying lip service to the security threat. The members’ leaders admit that the issue exists and proclaim they will address the security threat, but the individual leaders have few incentives to actually implement effective programs to combat drug trafficking. Therefore, Russia risks placing too much faith in the SCO’s ability to stop the trafficking of narcotics before it reaches Russian borders.

All in all, Russia has mixed feelings about the SCO. The cost of not participating in the SCO is too great—Russia could lose its place as the dominant external influence in Central Asia. However, by supporting the SCO and allowing it to reach its economic and political potential, Russia also risks being replaced by China as the dominant influence for Central Asia’s economy and foreign policy. Therefore, Russia strikes a balance between playing an active role in and sabotaging the SCO. By doing so, Russia risks conflict with China and alienating Central Asian states that prefer to operate through the SCO’s framework. However, by not simultaneously promoting and incapacitating the SCO, Moscow believes it will lose its dominance over Central Asia and, with it, Russia’s great power status.

VI. Tajikistan and the SCO: Avoiding Collapse and Confronting Internal Issues

After a devastating civil war (1992-1997) almost left Tajikistan a failed state, Dushanbe sees the SCO as tool to enhance its stability and provide vital economic investment. In particular, the SCO gives Tajikistan access to two of its main external investors, Russia and China. As a result, Tajikistan relies heavily on Russia for economic support, as well as security. Not only does Russia provide large-scale economic aid and implement infrastructure projects within Tajik territory, but the Russian 201st Motorized
Rifle Division also serves to protect Tajikistan’s borders. Therefore, Tajikistan is almost complete dependent on Russia’s military for security.\textsuperscript{155} However, Dushanbe also views trade relations with China as an important source for supplementing Tajikistan’s limited economy. The SCO facilitated open border crossings to allow Chinese goods and loans to flow into Tajikistan, especially for the construction of high voltage lines and transportation infrastructure. Despite the external support Tajikistan receives from fellow member states, Dushanbe is still incapable of providing significant goods and services to its population. Therefore, a substantial percent of the population depends on drug trafficking for survival.\textsuperscript{156}

Because of Tajikistan’s high levels of drug trafficking, underdeveloped economy, and dependence on Russia for security, Dushanbe finds great value in the SCO’s fight against nontraditional security threats. Like in Kyrgyzstan, the SCO’s declarations against narcotic usage and trafficking help Tajikistan to take initial steps in addressing the security problem. However, the declaration does little more than force the Tajik regime to admit there is a drug problem within its nation. Moreover, Tajikistan, like Uzbekistan and Kyrgyzstan, battles Islamic extremism in its Fergana Valley region.\textsuperscript{157} Nonetheless, Dushanbe considers its border with Afghanistan the primary source of its internal security problems; therefore, Tajikistan actively participates in SCO joint-military exercises, and even hosted Peace Mission 2012. However, with NATO’s withdrawal from Afghanistan rapidly approaching, Tajikistan fears its internal security

\textsuperscript{155} Goldman, \textit{Rivalry in Eurasia}, 109-111.
\textsuperscript{156} Aris, \textit{The SCO}, 69-71.
\textsuperscript{157} Bailes, et al., “SCO as a Regional Security Institution,” 8-10.
problems will only increase. Since Tajikistan acts as a southern gateway to the Middle East, its security affects the rest of the member states; therefore, the SCO tries to demonstrate their commitment to peace and stability in the region by potentially becoming NATO’s replacement in Afghanistan in the near future.  

However, Dushanbe faces many other security challenges that are beyond the scope of SCO activities. Tajikistan is still a weakened state that lacks many of the necessary institutions and services. Eighty-one percent of Tajiks live in poverty, the legal system is in need of reforms, Dushanbe depends on Russia’s military to provide security instead of its own, and the citizens lack any sort of civic society. Most importantly, ethnic tensions between Uzbeks and Tajiks living in Tajikistan threaten regional stability, as well as Tajikistan’s internal security. Uzbek authorities are concerned about the ill treatment of ethnic Uzbeks living in Tajikistan, while Tajik authorities are concerned about discrimination against Tajiks living on the Uzbek side of the border. These tensions arose decades ago due to border, security, and water issues between the neighboring states. The SCO, however, repeatedly states that the Organization respects its member states’ sovereignty and will not meddle in members’ domestic affairs.

affairs, even if the tensions arise from cross-border issues.\(^{162}\) As a result, Tajikistan’s internal instability could weaken the entire region, making it both a burden and vital target for the SCO.

Unlike the other member states, Tajikistan sees the SCO as an opportunity to survive as a nation. Not only does the Organization give Tajikistan more access to Russia and China’s financial assistance, it also helps Dushanbe address serious security threats that affect the entire region. Therefore, Dushanbe considers its participation in the SCO an important step in improving Tajikistan’s stability and economy, as well as its relationships with other Central Asian Republics. However, the source of most of Tajikistan’s issues rest in its internal structure, and the SCO refuses to intervene in any state’s affairs, no matter the cost. Therefore, while Dushanbe considers the SCO to be full of opportunities and benefits, the Organization cannot fix what is truly ailing Tajikistan.

VII. Uzbekistan and the SCO: Regime Support and Security Crackdowns

Uzbekistan is the only SCO member that was not originally part of the Shanghai Five. Therefore, Uzbekistan’s motivations for joining the SCO, and the opportunities Uzbekistan believes the Organization’s framework offers, differ greatly from the other member states. Unlike the other SCO members, Uzbekistan claims to have little interest in the Organization’s economic benefits. Instead, Uzbekistan proclaims its economic self-sufficiency and utilizes the SCO for political and security gains. First, Uzbekistan wants to ensure its existing regime’s survival. Although this goal is also political,

\(^{162}\) Human Rights in China, “Key Documents.”
Tashkent sees its regime’s survival as critical to its national security and the fight against the “three evils.” Second, Uzbekistan wants to promote itself as a major power in the region. However, by only partially committing to the SCO’s projects and promoting independence over cooperation, Uzbekistan harms its own goals, as well as its relationships with other member states.

Uzbekistan’s foreign policy is targeted towards one domestic goal—to ensure President Islam Karimov’s regime survives. Therefore, Tashkent allies with states or organizations that guarantee this status quo, whether it is the West or the SCO. On the one hand, the West promotes democracy, liberalization, and human rights, all three of which will inherently remove Karimov from power. However, for the majority of the War on Terror, the United States looked the other way on human rights violations when aligning with Uzbekistan in the fight against global terrorism. Nonetheless, the United States and the West cannot ignore massive human rights atrocities, such as the 2005 massacre in Andijan. The SCO, on the other hand, supports and empathizes with Karimov’s struggle against terrorism from separatist factions and Islamic extremists.

Despite the SCO’s unconditional support, prior to 2005 (the Andijan Massacre) Uzbekistan preferred to emphasize bilateral relations over the SCO’s multilateral and consensus-based framework, and to form bonds with the West in order to offset Russia’s regional dominance. Despite Uzbekistan’s membership in the SCO, the other

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164 Ibid., 123.
165 Aris, *The SCO*, 67-68.
members found Uzbekistan’s limited support for multilateralism had negative impacts on
the region’s “confidence, cooperation, and economic development.”

Since the 2005 events in Andijan, Tashkent amended its view on the SCO. Immediately following the massacre, the West criticized Karimov’s actions and demanded an international investigation into the events. The SCO, on the other hand, supported Karimov’s response to the protesters, claiming Tashkent’s crackdown on the “terrorists” and “separatists” was inline with the SCO’s battle against the “three evils.” As a result, Uzbekistan began building stronger relations with Russia—and to a lesser extent, China—by joining EurAsEC and CSTO and playing a larger role in the SCO. Tashkent wanted to align Uzbekistan with partners “it perceived as reliable.” Moreover, Uzbekistan became one of the SCO’s most vocal supporters of security cooperation throughout the Organization. Nonetheless, Karimov remains wary Russia’s regional influence. Tashkent believes too many concessions to Russia will constrain Uzbekistan’s influence in Central Asia. As a result, Uzbekistan, unlike other SCO members, refuses to give Russia direct access to Uzbek military facilities. Although Uzbekistan risks diplomatic strains with Russia, Tashkent believes maintaining its military and political independence is far more important than maintaining a strong relationship with Russia.

166 Ibid., 67.
167 Goldman, Rivalry in Eurasia, 130-131.
168 In 2012 Uzbekistan suspended its membership in the CSTO without any formal reasons (Kilner, “Uzbekistan Withdraws”).
169 Aris, The SCO, 68.
170 Goldman, Rivalry in Eurasia, 125-128.
In addition to ensuring Karimov remains in power, Uzbekistan wants to promote itself as the natural leader of Central Asia. Not only is Uzbekistan centrally located between the other four Central Asia states, but the state also has the largest population (approximately 28 million) in the region. Moreover, Uzbekistan has the largest GDP (not per capita) and a relatively strong military. However, Uzbekistan’s desire to be the regional leader directly contradicts Kazakhstan’s foreign policy. Kazakhstan, the largest Central Asian republic in terms of territory, believes it is Central Asia’s natural leader. Both nations risk conflict with the other should either of their attempts to become the dominant regional actor go too far. Moreover, Uzbekistan risks conflict with Russia by attempting to replace Moscow as the dominant influence in Central Asia. Although this is unlikely, Uzbekistan’s struggle to remain independent of Russian influence, combined with Tashkent’s regional dominance rhetoric, could potentially create more than tension between the two member states.

Despite Tashkent’s desire to be the leader of Central Asia, Uzbekistan is the only member state that is not fully committed to the SCO, particularly in the realm of security exercises. Uzbekistan only participated in one Peace Mission exercise, and even then Tashkent only sent a few observers. Moreover, Uzbekistan denied Kazakhstan permission to transit Uzbek territory to attend Peace Mission 2012 in Tajikistan. Therefore, Uzbekistan is not only refusing to participate in joint events, but Tashkent is also preventing other states from participating in the exercises. This suggests Uzbekistan is not committed to the SCO’s security programs when they do not align with Tashkent’s

171 Kucera, “The Real Lynchpin?”
interests. It is ironic that Uzbekistan is the most cautious state when it comes to joint-
military and counterterrorism exercises, because the RATS headquarters is located in
Tashkent.\textsuperscript{172} While there is no information suggesting that Tashkent also interfered in the
RATS intelligence sharing and counterterrorism cooperation programs, Uzbekistan’s lack
of commitment to and interference in other security programs directly obstructs the
SCO’s mission for peaceful cooperation and “good-neighborly relations.”\textsuperscript{173}

Not only are Tashkent’s commitments to the SCO’s security programs unclear,
but Uzbekistan is also one of the most active states when it comes to working with
NATO forces in Afghanistan. It is important to note that Uzbekistan is not the only SCO
member to work closely with NATO—Kazakhstan, Tajikistan, and even Russia all
participate in the NDN by providing transportation routes into Afghanistan. Moreover,
the United States rents Manas airbase in Kyrgyzstan to fight the War on Terror.

However, Uzbekistan is one of the most willing partners in the war. Not only did
Uzbekistan immediately provide the K2 airbase for U.S. military use (before the eviction
in 2005), it also allegedly participated in the Central Intelligence Agency’s rendition
program by allowing terror suspects to be transferred and interrogated within Uzbek
territory.\textsuperscript{174} Moreover, Uzbekistan is often considered the NDN’s lynchpin, because
more than 70 percent of cargo enters the NDN at Uzbekistan’s Hairaton Gate.\textsuperscript{175}

Uzbekistan’s commitments to NATO, as well as the SCO and other regional
organizations, imply that, despite having more in common (culturally, politically, and

\textsuperscript{172} Mc Dermott, “Uzbekistan Snubs SCO.”
\textsuperscript{173} The Shanghai Cooperation Organization, “A Brief Intro.”
\textsuperscript{174} Don Van Jr. Natta, \textit{U.S. Recruits a Rough Ally to Be a Jailer}, May 1, 2005,
http://www.nytimes.com/2005/05/01/international/01renditions.html?_r=0 (accessed March 10, 2013).
\textsuperscript{175} Kucera, “The Real Lynchpin?”

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economically) with the SCO members, Uzbekistan does not want to be in China, Russia, or the West’s sphere of influence; instead, Tashkent wants to establish itself as a regional leader, while also demonstrating its ability to work with a variety of international organizations.¹⁷⁶

Unlike the other SCO members, Uzbekistan adopted a flexible and independent approach to using the SCO’s framework and its cover of multilateralism. Instead of (publically) fully committing to the SCO’s goals of mutual respect and cooperation, Tashkent openly uses the SCO to foster strong relations with whichever states can contribute best to Uzbekistan’s goals. This is evident in Uzbekistan’s shaky commitments to SCO security programs—especially the Peace Mission exercises—and overt participation with NATO in Afghanistan. By promoting its independence over mutual cooperation, Uzbekistan risks permanently shattering the SCO’s fragile illusion of consensus. In addition, Uzbekistan risks conflict with other member states—particularly Russia and Kazakhstan—by advancing Tashkent’s goals of becoming the region’s leader. However, by failing to fully commit to the SCO or any other regional organization, Uzbekistan harms its own chances to become the dominant influence in Central Asia, because it appears uncertain and unable to devote itself to its obligations.

VIII. Conclusions: Patterns and Pacts within the Grand Bargain

In addition to providing a framework with a cover of multilateralism to manage bilateral relations, the SCO can be thought of as the result of a grand bargain struck between the larger powers, Russia and China, and the smaller powers, the Central Asian

¹⁷⁶ Gleason, “Policy Brief No. 5.”
On one hand, China and Russia promise funds to facilitate various degrees of national building—economic development, infrastructure, regime security, etc—depending on each state’s level of need. This allows Central Asia to become not only a more stable region (therefore improving Russia and China’s security), but also provides the larger powers with a thriving and stable market that will import goods and export energy. On the other side, the Central Asian members agree to remain under the larger powers’ spheres of influence, export natural resources, and, ultimately, globally endorse China and Russia’s great power status. In return, Central Asia plays a more important role and has a voice in the international community. Ultimately, the grand bargain facilitates opportunities and individual gains by mitigating risks and costs, thus providing more for less.

As a result, each member state uses the SCO as its own tool to manage regional security issues, region-wide economic cooperation, and individual foreign policy objectives, because the Organization benefits all members beyond the gains each state would have achieved by managing its bilateral relations outside of the SCO framework. China gains access to Central Asia’s energy markets while also mitigating the risk for conflict with Russia, and Russia can manage China’s influence in Central Asia without isolating itself. Kazakhstan can forge economic relations with both China and Russia under the SCO’s cover of multilateralism, while Kyrgyzstan and Tajikistan utilize both Russian and Chinese aid to stabilize their regimes and improve security. Finally, Uzbekistan finds the verbal support it desires to ensure its regime’s survival.\(^\text{177}\) Although

\(^{177}\) Aris, *The SCO*, 50-70.
each state could achieve these goals without the SCO’s framework, the Organization’s cover of multilateralism and consensus mitigates potential conflicts between members so that states can achieve their goals more quickly.

However, several patterns appear that separate the more developed Central Asian Republics from the less developed states. Kazakhstan and Uzbekistan, on the one hand, use the SCO to increase their own influence in Central Asia. Both states already have stable economies and are capable of cracking down on security threats on their own. Therefore, Kazakhstan and Uzbekistan each want to become the dominating internal influence in the region, and the SCO allows both states to display their leadership skills and expand their foreign policy goals beyond Central Asia. Kyrgyzstan and Tajikistan, on the other hand, use the SCO to stabilize their own internal regimes. The SCO provides economic development and security programs that not only improve the overall stability of the region and the SCO, but also the internal governments of both Kyrgyzstan and Tajikistan. Although the SCO does not directly interfere with domestic affairs, by improving their economic situations and decreasing transnational security threats, the SCO helps stabilize the Kyrgyz and Tajik regimes.178

Moreover, the SCO operates as a pact between China and Russia. On one side, Beijing wants to play a larger role in Central Asia in order to provide China with much-needed energy sources and guarantee stability and security against terrorism, separatism, and extremism in Xinjiang.179 On the other side, Russia wants to continue its role as the dominant external influence in the region in order to promote its super power status.

178 Ibid., 50-70.
Through the SCO, Russia can remain influential in Central Asia while also containing China’s influence in the region. China can also gain access to Central Asia’s resources and markets without having to worry that Russia feels displaced. Although competition between the two powers could escalate into conflict, the SCO’s cover of multilateralism and consensus-based decision-making reduces that risk, because publicly all states agreed to the projects.\textsuperscript{180} If conflict ever arose between the two nations over Central Asia, it would shatter the SCO’s cover of multilateralism and demonstrate that neither power is capable of playing the important, peaceful role in the international community that it hopes to project through the SCO.

All in all, the member states find value in the SCO’s cover of multilateralism, because the framework is the result of a grand bargain between Russia/China and the Central Asian Republics. Although this chapter examined the SCO’s risks and opportunities, it did not discuss the larger implications of this grand bargain on the international community. Further analysis is needed to determine how the SCO and its grand bargain affects the Organization’s relationship with other intergovernmental organizations and states outside of the SCO framework. Moreover, this chapter did not identify the SCO’s costs or benefits for second-tier members, such as Observer States and Dialogue Partners. What bargain was struck between those states to participate in the SCO’s second-tier? Why do they find value in the SCO’s membership? What are the consequences of remaining second-tier members or of becoming full members? These questions are beyond the scope of this study; however, they are important to ask, because

\textsuperscript{180} Cooley, Great Games, 5-12.
their answers will deepen the international community’s understanding of the Shanghai Cooperation Organization.
Chapter 4: The Regional Framework’s Future Academic and Political Implications

This study set out to do what so many others failed to accomplish over the past 12 years—to answer the question: What is the Shanghai Cooperation Organization? Instead of looking at the SCO through the lens of the international community, this study examined the Organization based on its own self-identification and how that compares to its actual functions. This study argued that, while the SCO does utilize various degrees of multilateralism, the Organization primarily operates as a framework to addresses common regional security and economic concerns though bilateral agreements. However, the Organization’s heavy reliance upon bilateral agreements does not matter to the member states. In fact, the SCO is more useful as a multilateral cover than an actual, functioning multilateral organization, because its member states are unwilling to operate under a legally binding framework. The member states believe sovereignty is most important, and therefore, refuse to establish a legal structure for the SCO that would require them to implement the decisions agreed upon in the summit declarations. The SCO’s non-binding framework is a key factor in how the member states have come to view intrastate cooperation as beneficial. The member states’ elites are comfortable with the loose framework, because it cannot challenge their political authority or force them to participate when they judge an activity to be disadvantageous. Therefore, the member states must heavily rely on bilateral treaties to implement agreements within their individual domestic jurisdictions.
In addition to providing a framework that operates under the cover of multilateralism, the SCO is the result of a grand bargain struck between the large powers, Russia and China, and the small powers, the Central Asian Republics. On one hand, China and Russia promise funds to facilitate various degrees of national building—economic development, infrastructure, regime security, etc—depending on each state’s level of need. This allows Central Asia to become not only a more stable region (therefore improving Russia and China’s security), but also provides the larger powers with a thriving and stable market that will import goods and export energy. On the other side, the Central Asian members agree to remain under the larger powers’ spheres of influence, export natural resources, and, ultimately, globally endorse China and Russia’s great power status. In return, Central Asia plays a more important role in the international community. Ultimately, the grand bargain facilitates opportunities and individual gains by mitigating risks and costs, thus providing more for less.

As a result, each member state uses the SCO as a tool to manage regional security issues, region-wide economic cooperation, and individual foreign policy objectives, because the Organization benefits all members beyond the gains each state would have achieved by managing its bilateral relations outside of the SCO framework. China gains access to Central Asia’s energy markets while also mitigating the risk for conflict with Russia, while Russia is able to manage China’s influence in Central Asia without isolating itself. Kazakhstan can forge economic relations with both China and Russia under the SCO’s cover of multilateralism consensus-based decision-making. Kyrgyzstan and Tajikistan utilize both Russian and Chinese aid to stabilize their regimes and improve
security. Finally, Uzbekistan finds the regional support it desires to ensure its regime’s survival. Although each state could achieve these individual goals without the SCO’s framework, the Organization’s cover of multilateralism mitigates potential conflicts between members so that states can achieve their goals more quickly.

This study narrowly focuses on how the SCO should be identified and why the member states still find value in the Organization’s framework. However, it purposely ignores larger questions, such as the role of the SCO in the larger international structure. Further analysis is needed to determine if the SCO is effective as an international organization, compared to more established organizations. How does the Organization compare to other intergovernmental organizations, such as NATO, the EU, or even ASEAN? Can the SCO be compared to those, or other, international organizations? While these questions are more difficult to answer (and the terminology harder to define), they are essential to uncovering the SCO’s larger geopolitical and economic implications.

Most importantly, the international community should be asking, does the SCO’s reliance upon a bilateral framework make it any less effective than other multilateral organizations? Assuming that intergovernmental organizations are an effective tool to manage international relations, the SCO’s new norms, principles, and decision-making procedures should be examined in terms of the Organization’s goals, and not judged in terms of some overextend international—read “Western”—standard. Ultimately, the SCO challenges “certain assumptions about the nature of economic and security

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181 Ibid., 50-70.
182 Ibid., 17.
Therefore, the SCO should be examined for what it is—not what the Western community thinks an intergovernmental should be.

Finally, the SCO should also be examined in the context of future political implications. In addition to providing a framework to manage member states’ bilateral relations with one another, the SCO can be used as a lens to examine the rise of China and the decline of Russia. If the current trajectory continues, within the next few decades China could surpass Russia as the main external influence in Central Asia. Although this study chose not to analyze the SCO’s cultural programs, it is worth mentioning that, in addition to promoting security and economic development, China uses the Organization to teach Chinese language and cultural in Central Asia. Currently, the Central Asian Republics share a Soviet history with Russia; therefore, they speak the same language, share related cultures, and have similar economic and political institutions. China is trying to even the playing field, so to speak, by introducing Chinese culture, language, and economic practices to the Central Asian states in order to eliminate Russia’s historical advantage. Moreover, Russia will likely face a demographic crisis within the next few decades, because it currently has a declining birthrate. This could force Russia to turn inwards in order to deal with its own internal instability, allowing China to become the dominant external influence in Central Asia without much opposition. While

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183 Ibid., 171.
these potential implications require further scrutiny, it is undeniable that the SCO plays an important role in current and future geopolitics.
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