

## ARTICLE

**CHINA IN THE SHANGHAI COOPERATION ORGANIZATION: HISTORY OF INVOLVEMENT AND INTERESTS**

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([mursaliev\\_a@bk.ru](mailto:mursaliev_a@bk.ru)) <https://orcid.org/0000-0002-9358-7423>**PUBLISHED:** 08/06/2021**COPYRIGHT NOTICE:**© 2021 by the author. Licensee ERUDITUS. This article is an **open access** article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).**CITE THIS PAPER:**Mursaliev, Araz O. 2021. "CHINA IN THE SCO: HISTORY OF INVOLVEMENT AND INTERESTS" JOSSTT 1(01):01. DOI: <https://doi.org/10.52459/josstt3210101>**ABSTRACT**

*Recent developments on the global arena, such as the deterioration of the relations between the United States (US) from one side, and Russia and China from the other, Russian-Chinese rapprochement after the Ukrainian crisis, open up a new discussion on the international organizations in Eurasia. The Shanghai Cooperation Organization (SCO) was established with the aim to fight against "three evils": terrorism, separatism, and extremism. Throughout the years it has shown its efficacy but lacked significant development in terms of evolution. Economic cooperation was stalled by the Russian stance, that was against the Chinese dominance in the Central Asian region. This led to the establishment of new economic entities such as Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative. The issue of horizontal expansion was banned until the mid-2010s when Russia and China agreed to grant membership simultaneously to India and Pakistan. The aim of this article is to analyse Chinese foreign policy in the SCO and to find its interests and motive forces and the current relation to the organization.*

**KEYWORDS**

China, foreign policy, Shanghai Cooperation Organization, Russia, International Relations

## 1. INTRODUCTION

The Shanghai Cooperation Organization (SCO) does not exist for a long period of time, when compared to other international organizations. The member states of the SCO include such great powers as Russia and China, and India, as well as the post-Soviet states of Central Asia and Pakistan. It is important to note that most of the member-states of the SCO emerged as sovereign subjects of international relations less than thirty years ago. On the other hand, many areas of cooperation between Russia and China, particularly in the Central Asian region, have been developing for more than a century. At the present stage, cooperation within the SCO covers a wide range of issues. Priority is still given to security. Interaction in the economic sphere is also one of the basic activities of the SCO. Members of the Shanghai organization pay attention to social and humanitarian cooperation. An expanding range of interaction issues requires the development of such a mechanism for the Organization's activities that, on the one hand, would ensure the effective achievement of the goals and objectives of the SCO, and on the other hand, would allow for the harmonization and consideration of the interests of the participating states, which often differ. For this reason, the main problem of the SCO seems to be the need to coordinate the policies of member states with different international political potentials and foreign policy aspirations. In this article, the authors analyse Chinese foreign policy in the SCO, emphasizing its core elements ([Denisov, Safranchuk, 2016](#)).

## 2. LITERATURE REVIEW

There is a vast amount of the research on the Chinese engagement in the SCO. One of the most prominent Chinese scholars writing on this topic is Zhao Huasheng, who contributed thoroughly by publishing several papers and books ([2003](#), [2008](#), [2013](#), [2015](#)). He argues, that while the SCO enabled China to promote its security concerns in the Central Asian region, the economical part of the multilateral cooperation has not reached any heights in the region leading to the establishment of alternative economic projects. Song W. ([2014](#)) and Naarajärvi T. ([2012](#)) argue that asymmetrical motivations of China and Russia hinder the SCO from becoming a well-established regional organization. Yun, Y. and Park, K. ([2012](#)) discuss various aspects of Russia–China cooperation and competition, which particularly lead to the construction of a multilateral security and cooperation system centred on the SCO based on the concept of multilateral security operation as a utilitarian foreign policy. In this paper the authors discuss Chinese participation in the SCO through perspective of Chinese engagement in multilateral organizations.

## 3. RESEARCH

### A. History of Chinese engagement in the central Asian region

China's foreign policy can be divided into four distinct periods with a significant turning point at the end of the Cold War. Since the creation of the People's Republic of China (PRC) in 1949 and until 1971, the country's foreign policy has been characterized by non-alignment, distrust and isolation from the international community and its institutions such as the United Nations and others. The Chinese Communist Party considered these organizations with a high level of suspicion from - for the western nature of these institutions. In the second stage, since 1971 till 1978, China continued to take a passive position in relation to participation

in international organizations but changed its attitude. It became less suspicious, commencing collaboration mainly with non-political organizations such as the International Olympic Committee (IOC) and UNESCO ([Xie, 2011](#)). The third stage is characterized by significantly more active participation of the country in international institutions under the leadership of Deng Xiaoping. The year 1978 was marked as the starting point for a structured economic reform across the country, which was accompanied by increased interaction with the outside world. In accordance with the five principles of China's peaceful coexistence, as well as the main goal of the country's economic development, the number of organizations in which the country participated has increased significantly ([Wu, Lansdowne, 2008](#)).

The end of the Cold War is seen as a turning point, as well as the last stage in China's transition from rejection to acceptance of international organizations. This period, up to now, is characterized by both in-depth participation in various established institutions, such as World Trade Organization (WTO) membership in 2001, and the fact that China played a leading role in the creation of new organizations, such as the SCO and the Asian Infrastructure Investment Bank (AIIB). With the collapse of the United Soviet Socialist Republic (USSR), the global transformation and transition from a bipolar to a unipolar world order pushed China to a policy of participation in international organizations. At present, China's interests are represented in almost all essential international and regional institutions in which it continues to increase its influence ([Valday Club, 2009](#)).

Since the adoption of the reform and opening up policy in the late 1970s, China has resolved internal disputes over its future policy direction, highlighting development issues as its top priority. It is with this great strategy in mind that Chinese politicians are developing foreign policy guidelines. The concept of “neighbourhood” was given a priority on the agenda. Chinese leaders recognize the importance of neighbouring countries in their overall development strategy. From a political point of view, neighbouring countries are the main environment in which China can protect its sovereignty and influence the international system. From an economic point of view, it creates effective conditions for China to implement its policy of openness and cooperation with partners. From a security point of view, it serves as a direct external environment in which China can stabilize its borders and harmonize its relations with various ethnic groups. In fact, the term “neighbourhood diplomacy” was formally included in the resolution of the 16th Congress of the Chinese Communist Party in November 2002. Under the slogan “good neighbour, good friend, good partner”, China is pursuing a more active policy towards its neighbours.

The ability of China to exert influence on its north-western neighbours appeared relatively late compared to its other borders. The involvement of China in this region became possible only after the collapse of the Soviet Union and the relative decline of Russian power. According to Zhao Huasheng ([Zhao, 2008](#)), China's interests are both vital and diverse, and Beijing has ample reason to be involved in Central Asia. China's interests in Central Asia include border security, opposition to the East Turkestan movement, energy projects, economic interests, and geopolitical security. In the north-west, China shares a long border with three Central

Asian countries and Russia, and it is sometimes difficult to maintain security along the borders. The Islamic separatist movement in the Xinjiang Uygur Autonomous Region of China, which is considered part of the transnational network of the Islamic fundamentalist movement, creates problems for the central government of China. In addition, the rapid growth of the Chinese economy has created a huge demand for energy. China has been an importer of oil and natural gas since the 1990s and is trying to diversify its sources of imported energy. It is logical that China is turning its eyes to Central Asia, a region rich in oil and natural gas and located in close proximity. It also provides both economic opportunities in the form of consumer markets for Chinese manufactured goods and strategic importance.

### **B. Chinese foreign policy regarding the SCO**

One of the most effective approaches is to interact with countries through multilateral institutions. Thus, a regional organization uniting both China and Central Asian states has become a suitable solution for China's plans. Unfortunately, this plan has become difficult to implement due to the distribution of potentials in the region. This approach is natural and should not cause concern in Russia, given that the fundamental interests of Russia and China in Central Asia coincide. Most Chinese experts agree that Beijing is ready to consider Russia's traditional interests in the region. Responding to Russia's concerns about the growing role of China in Central Asia ([Valday Club, 2009](#)), Li Fenglin, the Chinese ambassador to Russia during 1995 – 1998, openly stated: “China has no intention of becoming a leader at either the regional or global levels. China understands Russia’s desire to preserve its traditional influence in Central Asia.”

In fact, China’s interests in Central Asia coincide with Russia's interests with respect to the following three key factors:

1. Maintaining political stability (no one wants a political crisis that could bring radical Islamist movements to power).
2. Preservation of the power of secular regimes.
3. Acceleration of the economic development of the countries of the region as the only political basis for stability.

In China, many studies have been devoted to issues of cooperation in Central Asia and the role of the SCO. According to Chinese expert Zhao Huasheng ([Zhao, 2003](#)), the desire of Central Asian states not to become victims of confrontation in the region between the main powers is itself a solid foundation for Russian-Chinese cooperation. “This factor significantly prevents the relationship between China, Russia and the United States in Central Asia from becoming a devastating confrontation,” writes Zhao Huasheng ([Zhao, 2003](#)).

It is also necessary to pay attention to the fact that the SCO is the first international organization created on the initiative of China. It plays an important role in positioning China itself as a great power. The growing role of China as opposed to Russia also affects the great power status of the latter in the global arena.

China remains concerned about extremist activities in its western region, seeking to destabilize the Chinese state. The most famous of these groups is the East Turkestan Independence Movement (ETIM), now known as the Turkistan Islamic Movement (TIM). After the TIM was first identified by Beijing in 2002, it is accused of inciting instability in the Xinjiang region of China through explosions and attacks. Beijing links the group to the larger al-Qaeda terrorist network ([Sheives, 2006](#)). For its part, the TIM claimed responsibility for the Tiananmen bombing in Beijing in October 2013 and the knife attack at Kunming Railway Station in March 2014. Intergovernmental cooperation with the Central Asian neighbours allows counteracting the international relations of the separatist forces and effectively eliminating such cross-border networks.

China is primarily interested in Central Asia not for economic reasons or because of a desire to control it, but for the strategic purpose of eliminating the threats that it poses that could lead to instability or terrorism in China itself. According to Li Fenglin, the former Chinese ambassador to Russia ([Valday Club, 2009](#)):

China attaches great importance to the SCO and considers it as one of the strategic pillars for the country's development. China's interests are as follows:

1. Creating favourable conditions for the development of the country, creating a peaceful, safe and strategic external environment for the north-western region of China, including the fight against the “three evils”, ensuring the openness of the region;
2. The creation and maintenance of relations of eternal friendship and good neighbourliness with the SCO member countries, the development of cooperation in all areas — in politics, economics, security, the humanitarian field, the promotion of regional integration, minimizing the negative impact of globalization processes, achieving harmonious development and common prosperity of members SCO as a whole;
3. Increasing China's international influence in order to make a worthy contribution to the creation of a new world political and economic order together with the SCO member countries.

Chinese scholars see the SCO as a means of achieving the country's interests. Zhao Huasheng explains that “although economic interests and the SCO are one of the most important strategic interests of China in Central Asia, they are lower in the scale of China's strategic interests than the struggle with East Turkestan and energy resources: they are of secondary importance in the system of Chinese interests in Central Asia.” ([Zhao, 2008](#))

Almost immediately after its founding, the SCO faced the first serious problem: the entry of American military forces into the region. As part of its war on terrorism, in response to the September 11 attacks, the United States declared war on the Taliban regime in Afghanistan. Thus, the US presence changed the geopolitical situation and the balance of power in Central Asia. It is worth noting that at the summit in Almaty on September 14, 2001 ([Memorandum, 2001](#)) Chinese Prime Minister Zhu Rongji called for further institutionalization of the new organization. He proposed that the SCO charter and anti-terrorism center to be

established as soon as possible. The following year, a number of important official documents were signed, including the SCO Charter and the Shanghai Convention on the Suppression of Terrorism, Separatism and Extremism. China also welcomed the SCO leaders when they agreed with its initiative to create the SCO secretariat and the anti-terrorist unit, which symbolized the birth of the SCO as a genuine organization.

It is worth mentioning that China is also interested in developing cooperation in the field of military scientific research. It involves subsidizing military scientific institutes of the SCO countries, exchanging delegations of scientific military groups, holding conferences and seminars on the most significant problems of military scientific research. That is, the task of military contacts of the SCO in China is more than just a demonstration of the capabilities of its armed forces.

China is very enthusiastic about turning the SCO into a full-fledged organization covering key areas of world politics. The multilateral organization represents for China the most effective mechanism for engaging in a neighbouring region on its north-western border. However, it is not easy to convince its SCO partners, in particular, Russia, to interact according to Chinese plans and initiatives. Chinese researchers are also concerned about the passive policy of Russia within the organization and the insufficient contribution of Central Asian countries to the development of the SCO. A big obstacle for China is the deep-rooted connection between Russia and the states of Central Asia - a dense network of historical, cultural, and institutional ties. There are two main competitive organizations in the region - the Collective Security Treaty Organization (CSTO), in the field of security cooperation, and the Eurasian Economic Union (EAEU), in which Russia dominates. All SCO members, except for China and Uzbekistan (relative to the EAEU), are members of both organizations.

Scepticism regarding the work of the SCO also exists in China, but this is mainly due to fears that economic cooperation is taking shape too slowly within the organization. Questions from the Chinese side arise mainly due to Russia's lack of interest in strengthening multilateral economic cooperation within the framework of the SCO ([Qiu, 2010](#)).

China uses the SCO as a means of expanding its influence in close proximity to it, where it does not have solid historical and cultural foundations. Therefore, China, as a rule, is not interested in inviting new members, because it is more interested in consolidating cooperation with existing members, especially with Central Asian states. Commenting on the Regulation on observer states in the SCO in June 2004, the SCO Secretary General Zhang Deguan said that the priority for the SCO is not expansion, but more substantive international cooperation and development. China is extremely interested in developing economic and energy cooperation with its neighbours in Central Asia, as it is largely motivated by the development of markets for its products in the region and the equally important opportunity for a safe and sustainable source of energy supply.

Currently, progress in economic and energy cooperation is difficult, despite China's tireless efforts. In September 2001, shortly after the founding of the SCO, the SCO government leaders reacted to the Chinese initiative by signing a Memorandum of Understanding in the field of trade and investment ([MFA of Japan, 2001](#)). At the summit, Chinese Prime Minister Zhu Rongji proposed the following principles of economic cooperation: mutual benefit, compliance with market principles, a phased approach, and a combination of bilateral and multilateral cooperation. This set of principles assumes that China is fully aware of the difficulties of economic cooperation in the SCO and has a realistic plan.

It should be noted that the issue of energy cooperation is not yet on the SCO agenda, as member states have not yet reached consensus on it. China needs to import oil and gas from Central Asia and ensure cross-border energy transportation capacities. Russia is interested in effective control of the energy resources in the region, which is technically possible using its own transport pipelines. Kazakhstan and Uzbekistan, countries rich in oil and natural gas, are engaged in exploration, updating obsolete equipment, and diversifying their export markets (to reduce excessive dependence on Russia). Kyrgyzstan and Tajikistan, which lack gas and oil, are interested in developing water resources and hydropower. Therefore, China faces a difficult situation in the development of energy and economic cooperation.

This relates to the inconstant interest of the PRC in this organization: at the official level, the PRC has always declared the importance of the SCO, however, expert assessments varied. Doubts about China's interest in the SCO are due to the fact that the PRC has largely reoriented its activities in the region to the Belt & Road Initiative (BRI) project. It is not clear whether China will really be interested in creating the SCO Development Bank when the AIIB, BRICS and a number of other financial institutions that solve similar problems have already been created ([Alimov, 2020](#)).

China's economic initiatives to individual countries are often viewed from a positive perspective, but there are some concerns about the consequences. Expanding trade and growing investment are welcome, but there are concerns about whether this trend will be beneficial for the economic development of Central Asian countries. Some think that Chinese economic policy is reminiscent of modern imperialism. Almost all of China's imports from Central Asia are made up of raw materials, and its export to the region is cheap manufactured goods. The main imports of China from Kazakhstan, for example, are metals such as steel, copper, and aluminium, as well as crude oil. Meanwhile, China's main export products are clothing, electronics, and household appliances. Chinese analysts admit that this prompted the Central Asian countries to conclude that China is expanding its market for industrial products, while plundering their resources ([Scobell et al. 2018](#)). Today, China's advantage in terms of investment in Central Asian countries and the competitiveness of goods supplied there is noticeable ([The Global Competitiveness Index 2014–2015, 2014](#)).

In a report to the 19th Communist Party of China (CPC) Congress in 2017, Xi Jinping, general secretary of the CPC, pointed out that the world is currently undergoing a period of rapid development, large-scale

changes and serious reorganization. Peace and development remain the main motives of the modern era. A multipolar world continues to take shape, economic globalization and informatization are developing, and cultural diversity is growing. The transformation of the global governance system and the world order is proceeding at an accelerated pace, relations between countries are becoming closer and closer, their level of interdependence is increasing. The balance of power in the international arena is balanced, a general irreversible trend towards peaceful development is observed. The assessment that the Chinese leader gave to the changes taking place in the world order is clear, accurate, objective and extremely convincing. In the new situation, no leading country in the world can unilaterally determine the direction of international cooperation, the so-called “priority of its country” or pursuing a policy of unilateral actions can adversely affect global governance. From the point of view of the Chairman of the PRC, the leading world powers must adhere to creative ideas and a tolerant approach and together build strategic relations of a new type. This will contribute to development not only in a single country, but throughout the world.

According to the Chinese expert Liu Qiang (2015), “stimulating the formation of a multipolar world has become the main content of the interaction between China and Russia in the framework of the SCO, and the main objectives of the foreign policies of China and Russia has become the organization into one of the centers of the multipolar world, increasing its role in ensuring regional security and stability, strengthening the role of the organization in Central Asia.” The concept of multipolarity, as the fairest modern world order, has become one of the basic elements of the SCO policy and strategy (Denisov, Fenghua, 2018).

#### 4. CONCLUSION

So far, Chinese policy towards the SCO reveals two parallel interests: political and economic. From the security point of view the organization proved to be a successful initiative that aided China to fight extremist groups in the western parts of the country. Establishment of the organization also marked the beginning Chinese more active foreign policy. The issue of unilateral world order is also of Chinese concern since it halts Chinese from becoming a great power due to its serious economic development during the last four decades. The problem of Russian-Chinese rivalry within the SCO does not present a problem anymore since the main point of contention – development of the economic cooperation – became less topical after establishment of the AIIB and the start of the BRI project. Future contributions to the study of the SCO can be made by analysing the impact of the Indian and Pakistani input to the organization agenda. The entry of these countries to the organization may fade the SCO’s real contribution to the regional security and make it an ordinary forum for the discussions.



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