

CEF QUARTERLY

**THE JOURNAL OF
THE CHINA-EURASIA FORUM**



**SPECIAL EDITION: THE SCO AT ONE
JULY 2005**

ABOUT THE CEF QUARTERLY

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FROM THE EDITOR: A NOTE ON THE SPECIAL EDITION

Friends,

Thank you for joining us for the third edition of the new *CEF Quarterly*! From the feedback we have received so far, we think we are on the right track for this new form of publication.

In our attempt to continue to push the envelope on this new and developing field of study, we have chosen to depart from our usual routine with this latest edition of the *CEF Quarterly*. Instead of our usual broad survey of China's relationship with its Eurasian neighbors, we will focus on one of the most central aspects of this relationship: The Shanghai Cooperation Organization (SCO). With the recent completion of the July 5 SCO Summit in Astana, the SCO celebrated one year of full operation. All operational organs of the SCO, principally the Secretariat in Beijing launched in January 2004 and the Regional Antiterrorism Structure (RATS) launched in June 2004, have been in operations for over one year. With this, it can be said that the SCO has officially launched its next phase of development. Beginning as the Shanghai Five, the group has spent the last ten years organizing itself into a political community with an operational capability. Over this last decade, the group has made significant gains in the fields of border security and demarcation, counterterrorism, economic cooperation, and most recently, strategic leverage. Yet much work remains to be done; after ten years, the SCO has a skeleton, but still needs to put meat on the bones.

With this in mind, we thought now would be a good time to focus our efforts on assessing the work of the SCO at "one" (one year since "full" birth, not the fits and starts of the mid-90's). In this issue, we have assembled a very impressive series of articles designed to paint a vivid picture of the successes and failures of the SCO, the implications of its development, and its possible future trajectories. These articles, written by the world-wide leaders in the field of China – Central Asia studies, as well as some of the new talent in the field, make one thing clear: the Shanghai Cooperation Organization has survived a complicated history to emerge as a growing influence in both Central Asian and global politics. While the debate continues over the interest of its various member states and true viability of this organization, taken as a whole these articles portray an organization that has a true sense of purpose: serve the common needs of its member states and leverage their varied resources and political power so that all may benefit. This special edition should provide a ready guide for anyone looking to understand the complexities of the Shanghai Cooperation Organization and China's approach to Central Asia, Russia, India, and its other Eurasian neighbors.

Another break from tradition: you will notice that the sections for news summaries and links to related articles have been narrowed to focus solely on the SCO or on events that affect the development of the SCO. In doing so, we hope to demonstrate the growing activity of the organization, as well as the growing and varied commentary and reporting on this topic. And as commentary on China's relationship with its neighbors becomes more prevalent, we hope you excuse our leave from tradition.

Also, please note that you can find brief news summaries like those below about events in China-Eurasia relations regularly posted on the website (<http://www.chinaeurasia.org/headlines.html>). Additionally, all of the previous *CEF Monthly* newsletters have been converted to Adobe PDF format and are available in an improved archive section on the webpage. The website is updated constantly with new topical papers and news summaries, links to outside resources, and other important information, so please visit us regularly.

We hope you enjoy this special addition. And as always, comments and questions are always welcome at moresman@chinaeurasia.org.

Sincerely yours,

Matthew Oresman
Editor

ARTICLES AND BOOKS BY CEF STAFF AND SENIOR ADVISORS

Assessing China's Reaction To Kyrgyzstan's "Tulip Revolution"

http://www.cacianalyst.org/view_article.php?articleid=3195

[By CEF Director Matthew Oresman]

New Report: "A 'Greater Central Asia Partnership' for Afghanistan and Its Neighbors",
By S. Frederick Starr

<http://www.silkroadstudies.org/CACI/Strategy.pdf>

[By CEF Senior Advisor S. Frederick Starr]

New Book: "The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West"

<http://www.silkroadstudies.org/BTC.htm>

[Edited by CEF Senior Advisor Fed Starr]

Putin Must Secure Russia's Far East

<http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=16602>

[By CEF Advisor Dmitri Trenin]

Carnegie Moscow: Russia's Foreign and Security Policy Under Putin

<http://www.carnegie.ru/en/pubs/media/72804.htm>

[By CEF Senior Advisor Dmitri Trenin]

THE SHANGHAI COOPERATION SUMMIT: WHERE DO WE GO FROM HERE?

BY MATTHEW ORESMAN, WITH ZAMIR CHARGYNOV REPORTING FROM KAZAKHSTAN

On July 5, the Heads of States of Member Nations of Shanghai Cooperation Organization (SCO) gathered in the Kazakh capital Astana. The Summit brought together the Presidents of the six member states of the SCO: Nursultan Nazarbaev of Kazakhstan, President Kurmanbek Bakiev of Kyrgyzstan, Hu Jintao of China, Vladimir Putin of Russia, Emomali Rakhmonov of Tajikistan, and Islam Karimov of Uzbekistan. These six leaders were also joined by Mongolian President Nambaryn Enkhbayar, whose country was given an observer status last year, as well as Vice-President Mohammad-Reza Aref of Iran, Prime Minister Shaukat Aziz of Pakistan, and Foreign Minister Manmohan Singh of India, all of which were granted observer status at this year's summit. All together, these leaders represented over half the Earth's population and land area. Overall, this Summit makes it clear that the SCO has emerged after one year of full operation as an influential player in the region and will continue to develop its capabilities in order to play a more affective and central role in the evolution of Central Asian security, trade, and politics. For the first time in its long and winding history, the message coming from the summit was clear: the SCO is here to stay and the world needs to pay attention. The full entry of the SCO onto the international stage may profoundly impact the interests of the United States in Central Asia, with both positive and negative implications.

Like prior SCO Summits, this meeting provided an opportunity for leaders to meet and discuss the future of the organization and how to address the most pressing problems in the region. The Summit also highlighted the major steps the SCO has taken to become a player on the world stage, including the joining of India, Pakistan, and Iran as SCO observers, the SCO's new observer status at the UN General Assembly, and the signing of Memoranda of Understanding between the SCO and the CIS and the SCO and ASEAN. Among the issues discussed, concrete agreements were reached mainly in the field of combating terrorism, separatism, and extremism, a particularly sensitive topic given the recent Kyrgyz revolution and uprisings in Uzbekistan. Unlike previous summits, no major decisions on economics and trade were made, with discussions on the SCO Development Fund, SCO Development Bank, and other topics being deferred to the Moscow Summit of Heads of Governments to be held in September 2005. In total, the summit produced seven documents including, *inter alia*, a joint declaration; a concept for SCO cooperation against terrorism, separatism and extremism; a Provision on permanent Representatives of SCO member states in regional anti-terrorist structures; and a report of the structure's council on 2004 activities. Additionally, new steps on increasing social and cultural cooperation between SCO members were announced, such as a Youth Festival to be held in Moscow, a movie festival of SCO countries in Dushanbe, and a World Festival of Epic Legacy of Turkic Countries to be held in Bishkek.

The most important document for actual operation of the SCO, the "Concept of Cooperation Between SCO Member States on Combating Terrorism, Separatism and Extremism," sets a goal of shaping a common counter-"three evils" policy for the SCO

member states, including combating terrorist financing, the creation of a single register of suspected terrorists for whom international arrest warrants have been issued, and measures to prevent terrorist access to weapons of mass destruction and means of their delivery, as well as radioactive, toxic and other hazardous materials and technologies for their manufacture. Additionally, the document stated that the main form of cooperation would be in sweep operations and investigations, anti-terrorists operations, exchange of information and experience, and anti-terrorists exercises and personnel training, all of which would be coordinated by a beefed up Regional Antiterrorism Structure (RATS) staffed with permanent representatives of SCO member states. The SCO leader also reaffirmed support for the “Safety Belt” international initiative around Afghanistan and agreed to extradite individuals accused or suspected of conducting terrorist, separatist or extremist activities in strict accordance with current legislation of member states and *not to provide asylum for them*.

Perhaps most interesting, though, was the calls by the SCO for the United States to draw up a timetable for the eventual departure of U.S. forces from Central Asian bases as operations in Afghanistan wind down. This statement is remarkable for several reasons. First, this represents a marked shift in SCO statements, which had all but dropped any anti-hegemonic or anti-western language since September 11, 2001. Not only did the statement make a specific comment about U.S. bases, its whole tone was that of wariness of Western influences in the region. Second, while this statement says little more than what the Pentagon itself has said about when U.S. forces might leave the region (i.e. when they are no longer needed in Afghanistan), the mere fact that it was uttered demonstrates a new calculus that the Central Asian states may feel confident enough with the support of China and Russia to publicly challenge the United States to address their individual needs. This is particularly interesting given the apparent truth that Afghanistan is far from secure, indicating that SCO members have no hope or interest in the United States immediately leaving, and, in fact, are only interested in the political aspects of making such a statement. And finally, it is remarkable in that it indicates a possible rebalancing of foreign policy priorities and interests for several of the SCO member, particularly China, Russia, and Uzbekistan.

But what does all this mean? Has the SCO established itself as an anti-western or Anti-democratic block? While it may be too early to come to a definitive conclusion on this question, a reasoned analysis indicate that the SCO is not an anti-Western or anti-democratic organization and does not fit in the Cold War paradigms often applied to it by observers. It seems evident that these development reflect the power politics of the individual member states and tells little about the aspirational goals of the SCO as an organization, other than that it seeks to be relevant to the member states and help them achieve both their practical and political goals. Overall, this statement was a not-so-subtle reminder to the United States that other nations have interests in Central Asia and the United States would be wise to pay attention to them. Most prominently, China and Russia – regardless of their role in drafting the statement – are indicating that they have specific interest in the region that, over the long term, are not necessarily served by the U.S. presence. However, given that their vital security interests are served today by the U.S. presence, assigning the SCO statement its proper significance is a complicated task.

Setting aside the more complex questions of whether Russia considers itself a Western or European power, the United States maintains important ties with the individual members of the SCO, as well as all of the observers, save Iran. This includes complex bilateral and multilateral relations with the major external powers: China, Russia, India, and Pakistan, three of which happen to technically be democracies, however illiberal.ⁱ Moreover, it is unlikely that these nations will sacrifice their relationship with the United States and Europe over Central Asia or that Central Asia provides a compelling base of support from which to challenge U.S. global leadership (the authoritarian rule of the various leaders may keep them in power in their own countries, but does position them well to play a global role). Additionally, the United States maintains its own independent relationship with the Central Asian states based on mutual self-interest, a relationship that will not easily be disrupted by the promise of Chinese or Russian patronage. It is important to remember that the United States achieved more in the six months after September 11, 2001 for Central Asian security than the SCO did in six years, and while there is great cultural affinity for Russia within Central Asia, most do not miss the heavy handed tactics of their former Soviet ruler. Thus, while Uzbekistan may turn away from the West in fear that the United States and Europe are seeking to undermine the Karimov regime, the new democratic government of Kyrgyzstan as well as the oil-exporting rulers of Kazakhstan seem content to engage with the West.

Given this analysis, the recent up-tick in anti-Western or anti-U.S. language seen in the 2005 SCO Communiqué and the China-Russia Statement on the 21st Century World Order, principally the criticism of hegemony and lack of a multipolar world and the Communiqué's call for the United States draw up a timetable for giving up its bases in Kyrgyzstan and Uzbekistan when "active" counterterrorism operations ended in Afghanistan, can be explained in the context of strategic positioning and international politics.ⁱⁱ The Communiqué's proclamation on U.S. bases must be viewed in a skeptical light. Evidence suggests that it was primarily an Uzbek initiated statement responding to U.S. and western criticism of the government-led massacre at Andijon, one that the Russian and Chinese governments were content to allow even though it has no immediate intention of challenging the United States' presence in Central Asia.ⁱⁱⁱ According to a People's Daily article,^{iv} Russian officials have stated that when U.S. and Allied forces leave, the CSTO and SCO can take over their counterterrorism responsibilities. At this time, neither the CSTO or SCO have adequate capabilities to assume these responsibilities, nor will they for the foreseeable future. The Summit statement is nothing more than a warning shot fired by Uzbekistan at the U.S. with the message: "We think you are trying to undermine our government. Stop or we will revoke basing rights and align more closely with China and Russia." The Chinese refused to reject this language because it serves a subtle reminder to the United States that China has made impressive gains in Central Asia and has established itself as a less costly outside patron than the United States (less costly in that it will not criticize developing states on the human rights practices or tie their aid to progress in this area). This message, though, should not be mistaken for an indication that China is ready to challenge the U.S. presence in Central Asia. While China may feel that it is gaining international diplomatic experience and a growing list of achievements that allow it to increasingly challenge the

United States over areas of national interests, China's vital security interest are still served by the U.S. presence, and China's own strategic interests are not served by creating tension with the United States over Central Asia when so many other issues, such as internal economic growth and the future of Taiwan, are more prominent on the leadership's agenda. While the departure of U.S. forces from the region may serve the long-term interests of China (and Russia), these statements must be recognized for what they mean today. They are political and diplomatic statements that serve to strengthen the hands of China, Russia, Uzbekistan, and the other SCO members when dealing with the United States. This is the essence of international power politics; SCO member nations are using their combined voice to leverage a strengthened strategic position against the United States to achieve their own individual goals. With the exception of Uzbekistan,^v the SCO members are not interested today in the removal of American bases or going toe-to-toe with the United States in Central Asia, but are interested in using the potential revocation of basing rights as a bargaining chip in other aspects of their relationship with the United States. This is particularly true for Kyrgyzstan, which has already walked back its request for an eventual U.S. departure and recently reassured Secretary of Defense Rumsfeld during his recent visit to Bishkek. The SCO is not the new Warsaw Pact. It is its own entity based on the self-interest of its members; members that have consistently done was is their own best interest at the expense of their neighbors for the last 15 years since independence.

Given all of this, the United States is left in a somewhat awkward position. Taking a current snapshot of the political, security, and economic situation in Central Asia and of the United States' relationship with China and Russia, the United States is in a very good position. It is unrivaled in the material benefit it can provide the Central Asian states and its relationship with China and Russia have their own complex geometry that transcend any one topic, particularly Central Asia. But it also clear that this picture is going to change. China and the Shanghai Cooperation will play an increasing role in the region. At just this last summit, Chinese President Hu Jintao offer even more preferential terms for the \$900 million buyer's export credit it promised to other SCO members at the Tashkent summit last year and declared that China would set aside a special fund for the training in China of 1,500 student from other SCO member countries within the next three years. While this and other assistance is only a drop in the bucket compared to what the United States can offer, it should be clear by now that the Central Asians will increasingly look to China as an outside benefactor (a stance that does not come with some risk). Moreover, after this most recent summit, it should be evident that SCO is here to stay, particularly given the addition of three new and influential observers. The SCO has weather nearly a decade of existence in one form or another and has increasing grown capabilities and experience. And while those capabilities are still limited, they will become more potent over time.

All this is not to say that the U.S. position in Central Asia is in jeopardy. Today and for the immediate future, all the nations involved in Central Asia, both big and small, share the same vital security interests. However, the recent developments at the SCO summit seem to indicate that the timetable has quickened: the continued presence of the United States in Central Asia will likely be a source of tension between the United and Russia

and the United States and China sooner, rather than later. But these countries can act now to mitigate that tension and should seek common cause in their convergent areas of interest. However, the recent Summit, as well as China's open embrace of Uzbek President Islam Karimov following the Andijion massacre, also makes clear that China has set itself on the global stage as a contrast to the United States. China is willing to support and engage with any nation – whether it is democratic Israel or oppressive Zimbabwe, regardless of the leadership. This approach has garnered China many diplomatic successes in the last year and a host of new friends. The United States must tend to its global relationships, lest its influence, particularly in the area of soft power, wane over the coming years. The SCO summit should serve as a reminder that there are forces at work in areas of U.S. national interest that are not aligned with (or against) the United States. These forces can be of assistance to the United States or they can frustrate America's agenda. Power politics aside, the SCO – and China - will be an enduring presence in Central Asia, and if the United States wishes to fully capitalize on its power and influence, it must learn to deal with this new development in a constructive way.

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ⁱ Adding in Mongolia and Kyrgyzstan to the list of democracies in the SCO, out of the ten nations involved in the SCO, five are (illiberal) democracies; hardly and anti-democratic institution.

ⁱⁱ "US urged to give bases deadline," BBC News Online, accessed July 5, 2005 at <http://news.bbc.co.uk/1/hi/world/asia-pacific/4652175.stm>; "SCO sends strong signals for West to leave Central Asia," *People's Daily*, accessed July 8, 2005 at http://english1.people.com.cn//200507/08/eng20050708_194907.html; "China-Russia Statement on the 21st Century World Order," July 2, 2005.

ⁱⁱⁱ "Kyrgyzstani Figures Say SCO Position on US Bases Linked to Uzbekistani Leader," *Interfax – AVN*, July 6, 2005.

^{iv} "SCO sends strong signals for West to leave Central Asia," *People's Daily*

^v As the *CEF Quarterly* went to print, the Uzbek government had announced that it had asked the United States to withdraw from its base at K2. While the facts surrounding this request are still emerging, from all that is known about Uzbekistan and Karimov, it seems clear that this was a purely Uzbek-initiative request that had nothing to do with encouragements from China and Russia. Karimov is fearful that the West is seeking to undermine his regime, and this was the solution that seemed to make the most sense. As mentioned above, while engaging with China and Russia as a principal patrons has serious risks for a country like Uzbekistan, it has one major benefit: complete acceptance and support of the Karimov regime as the ruler of Uzbekistan.

THE SCO IN THE LAST YEAR **BY ZHAO HUASHENG**

Over the last year, the Shanghai Cooperation Organization (SCO) had made significant progress in four main areas: the establishment of permanent operating organs, the cultivation of its political image, progress in reforming the economic and trade situation of the SCO area, and the development of the SCO's foreign relations. Yet with all this success, there is still much work that still much left be accomplished. But overall, the future of the SCO is bright.

On January 13, 2005 a ceremony was held in the headquarters of the Secretariat of Shanghai Cooperation Organization to celebrate the one-year anniversary of the establishment of the Secretariat of SCO. A group of guests from the member states of the SCO were invited to this ceremony, including the author of this article. This party highlights the importance the SCO places on this milestone, signifying that the establishment of the permanent working organs of SCO, the Secretariat of SCO, which was launched in January 2004, and the Regional Antiterrorist Structure (RATS), which was set up in June of the same year, is the first substantive sign of progress for the SCO in its new phase of development.

The SCO had planed to establish a Secretariat since its formation to fulfill the administrative and organizing functions of the SCO. However, it took more than two and a half year to realize this plan. Decisions on budgets, staff, working procedures, and other topics proved very difficult. And the establishment of the Regional Antiterrorist Structure took even more time: conceived in 1998 when the SCO was still known as the Shanghai Five, it was not launched until June 2004. The establishment of the two permanent working organs, the Secretariat and the RATS, can be perceived as one of the key areas of progress for the SCO in the last year. With the creation of these two organs, the SCO has become a full-fledged organization.

Of course, how these two organs work after their establishment is much more important. For both the Secretariat and the RATS, the first year turned out to be a year of learning. Primarily, they had to learn how to organize their work and operate in a multilateral framework. They are brand new institutions and have to start everything from scratch, a challenging task given the multilateral aspect of the organization and its different member states. While both the Secretariat and the Regional Antiterrorist Structure have completed a great deal of works in the first year of their existence, they are still facing the hard task of establishing theirs authority and reputation by showing their ability to conduct effective work in future.

The second meaningful advance made by the SCO in the past year is in the sphere of its political image building. In the past year, the political image of the SCO evolved to be more closely in line with its political principles and spirits. Though the SCO has repeatedly declared that it is not a bloc oriented against any other states, it is very often viewed in the West as an organization with anti-American intentions. This image of the

SCO became less popular in the past year as the SCO became more de-politicized and dropped its anti-American tendencies. The SCO Tashkent summit declaration, signed in June 17, 2004, emphasized once again that SCO is not an organization of bloc character and that it intended to cooperate with all the states.

However, the Astana Summit of SCO, which was held on July 5, 2005, has caused different reactions. The summit accepted Iran, along with India and Pakistan, as observer states of the organization. Most remarkably, the summit statement demanded that the United States establish a timetable for the withdrawal of its military bases from Central Asia. These two actions of Astana Summit are widely viewed as anti-American, which is understandable. In the case of Iran, though, the SCO accepted it as an observer state not because the SCO intended to irritate the United States, but simply because Iran's partnership could be good for the development of the SCO in political, economic, energy, transportation and other areas. Regarding the statement on U.S. bases, it is still difficult to say that SCO has sharply changed its foundational policies and principles. China and Russia have never accepted long-time military presence of the United States in Central Asia. Their positions on this issue are clear and remain unchanged during past four years. They do not like American military force nearby their borders and have merely asked the United States to keep its promise not to remain for too long. This is normal and understandable, and can hardly be perceived as an anti-American policy. What changed are the attitudes of *Central Asian states* on this issue, and they are using the SCO to announce a common position on this issue.

The third area of progress for the SCO in the past year is in the field of economic cooperation. The obvious tendency of SCO is that economic cooperation is getting more and more import. During the past year, the SCO had been busy preparing multiple documents concerning economic cooperation in the framework of the SCO, which were later approved at the July 2005 summit, including creation of the SCO Development Foundation. The SCO also plans to create a Eurasian University and an Economic Forum. Because the SCO takes a multilateral approach to economic cooperation, document preparation is a necessary step in furthering cooperation.

The final area of progress of the SCO in the past year appeared in its foreign activity. In the past year the SCO has been very active in developing contacts and cooperation relations with other regional organizations and states. At the SCO Tashkent Summit, the group adopted "The Regulations on the Observer Status of the Shanghai Cooperation Organization." This was an important step for SCO in expanding its contacts with other states and organizations. Since then, the SCO has established working relationships with some other regional organizations. In April 2004, the SCO Secretariat and the CIS Executive Committee signed a Memorandum of Understanding (MOU), expressing their willingness to cooperate in the areas of trade, anti-terrorism and social contacts. A similar MOU was signed between the SCO Secretariat and the ASEAN Secretariat. These two organizations intend to cooperate in a wide range of areas, including economics, finances, tourism, environmental protection, use of natural resources, social development, energy, fight against transnational crime and others.

Of course, there is still more work to be done. Firstly, practical economic benefits are slow to come to the member states. Though the SCO had made great effort for promoting economic cooperation and significant progress had been made, some time is needed before economic cooperation can bring dividends due to various objective and subjective reasons, including serious trade barriers between SCO member states. Secondly, the SCO still has a long road to becoming an accepted and influential player in international and regional affairs. These are times of rapid changes and the situation in the world in general, and in Central Asia in particular, is subject to constant and serious developments. The SCO should not hope for a calm, quiet political environment in which it could develop itself in an unhurried way. Central Asia is facing possible political changes in the coming years, and the SCO will need to show itself as an active and influential player in a changing situation. Only by active and effective work in dealing with this evolving situation can the SCO increase its importance. And lastly, the SCO needs to increase the capabilities of the two permanent institutions as much as possibly, especially the RATS. The RATS now functions as a clearing house of anti-terrorism information, and can soon play a key role in effectiveness combating terrorist activities. More resources should be brought to help the RATS achieve this key goal for the security and development of Central Asia, Russia, and China.

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***THE SHANGHAI COOPERATIVE ORGANIZATION: POST-MORTEM
OR PROPHECY***
BY STEPHEN BLANK

The more one examines the Shanghai Cooperative Organization (SCO) the more irreconcilable contradictions appear. A fundamental cornerstone of Chinese national security policy is to avoid all military alliances and blocs.ⁱ Yet China was and is the moving spirit behind the creation of the SCO and its transformation into a genuine collective security organization. As its 2001 treaty makes clear, members pledge to send military assistance to other members if requested in the event an attack by separatists, terrorists, or fundamentalist Islamic organizations.ⁱⁱ In this respect, the treaty marks a fundamental break with previous Chinese policy since 1949.ⁱⁱⁱ Furthermore, since 2001 China has been instrumental in conducting both bilateral military exercises with members like Kyrgyzstan and in 2005 with Russia, and multilateral anti-terrorist exercises in 2003 and 2004). Nobody has yet reconciled this contradiction.

The SCO, grew out of the five nation border treaty and confidence building measures of the 1996 Shanghai treaty to become an ostensibly multilateral security organization whose main business is the provision of security against attacks by the aforementioned enemies. Yet on this point we find multiple contradictions. The SCO was in no condition to do anything about the attacks against America on September 11, 2001 and indeed, China was secretly negotiating with Afghanistan at that very moment, and according to some U.S. intelligence reports, even furnishing Al-Qaeda with weapons!^{iv} Similarly, from the moment of its inception the SCO was plagued by discord among its members over its primary purpose. For Russia and China, and after it joined in 2001, Uzbekistan, it was, and has remained, the provision of security.^v Yet to hear the speeches of Kyrgyz President Akayev and Prime Minister Kurmanbek Bakiyev (now Kyrgyzstan's president) in 1999-2001, the main purpose of the SCO was clearly the enhancement of trade and economic intercourse among the members.^{vi} Indeed, since then even China has had to accept that perhaps the main mission of the SCO would be in practice an economic and regional coordination mechanism rather than a regional security organization. At least it keeps telling itself that the SCO is still mainly a security organization.^{vii}

This disharmony or discord concerning the SCO's purpose has only been compounded since then. Although, like many other organizations, not unlike all the other structures set up to deal with threats to security in Central Asia, the SCO has proliferated bureaucratic structures and become primarily a mechanism or series of mechanism for regular high-level interaction among member governments, China has consistently pushed its security function even while adding to it economic and trade functions. Yet while this impressive bureaucratic proliferation has taken place, including the multilateral exercises among members and the creation of a Regional Anti-Terrorist Secretariat (whose acronym is unfortunately RATS); the SCO has been utterly unable to confront local security challenges. Thus not only was it unable to deal with the attacks of September 11, it was not even consulted by Kyrgyzstan during its recent revolution. On the other hand Moscow evidently contacted former Kyrgyz President Askar Akayev

inviting him to turn to the Collective Security Treaty Organization about the possibility of the use of its good offices to negotiate with the opposition.^{viii}

More contradictions revolve around the fact that the members of the SCO have serious reservations about the other members. Kazakhstan and Kyrgyzstan have serious reservations and suspicions about the policies and goals of Uzbekistan and its leader Islam Karimov. They suspect him of aiming at a local hegemony with U.S. support and of conducting draconian security policies that have made Uzbekistan a potential exporter of instability throughout the region since those policies add fresh recruits to the ranks of dissidents in their countries.^{ix} All of these smaller states also have long-standing and well-founded reservations about Russo-Chinese ambitions in Central Asia and the means they will use to enforce them.^x In fact, China holds foreign businessmen from Central Asia as “Collateral”, i.e. hostages for their governments’ good behavior on Xinjiang-related issues.^{xi} This is hardly an augury of a true collective security organization based on shared values and mutual trust. And as for Central Asian suspicions of Russia those are too well-known to merit further attention. Indeed, in his state of the Union speech so to speak of February 18, 2005, President Nursultan Nazarbayev of Kazakhstan explicitly stated that, “Today we are witnessing superpower rivalry for economic dominance in our region. We have to address correctly this global and geoeconomics challenge. We have a choice between remaining the supplier of raw materials to the global markets and wait [ing] patiently for the emergence of the next imperial master or to pursue genuine economic integration of the Central Asian region. I chose the latter.”^{xii} While Nazarbayev’s warnings were intended as much at Washington as they were for Beijing and Moscow, fear of Washington’s policy of support for democratization across the former Soviet Union hardly will lead Central Asian governments to prefer subordination to Moscow or Beijing in place of ties to Washington.

As for Russo-Chinese suspicions, whole books could be written on this subject. Moscow has tried unsuccessfully to bar China from direct equity investment in Central Asian energy in the past and has clearly placed its preference in the Russian-dominated Collective Security Treaty Organization (CSTO) that it sponsored as a multilateral defense alliance against threats to Central Asia.^{xiii} Though formal links have been established between the two organizations, there is little sign of effective coordination or collaboration between them and not surprisingly. Indeed former Deputy Foreign Minister Vyacheslav Trubnikov, now Ambassador to India, stated publicly in 2004 that Russia opposes China’s military presence in Central Asia.^{xiv} Thus it is not surprising that even before September 11, 2001 Chinese analysts regularly stated that Washington is trying to squeeze Moscow out of its former position and lament Moscow’s seeming inability or weakness when it comes to confronting these American challenges.^{xv}

But Beijing apparently has few good choices. Thus now it appears that China has embraced the old Russian idea of a strategic triangle including it, Russia, and India and directed both against fundamentalist Islam in Central Asia and also against America there and globally. Although the world media emphasized the proclamation of a Sino-Indian strategic partnership during Prime Minister Wen Jiabao’s recent visit to New Delhi; it overlooked the potentially equally consequential development that while in India, Prime

Minister Wen Jiabao announced that China, India, and Russia, three “influential countries,” “share identical or similar views and concerns on international issues and I think coordination and cooperation among them serves the interest of peace and stability in the world at large.” He also said this relationship would democratize international relations. Thus for the first time China officially blessed the idea, advanced by then Prime Minister Evgeny Primakov of a strategic triangle among these states.^{xvi}

Hitherto both China and India had shunned this idea even though their relationship has steadily improved since 1998 until the point reached in Wen Jiabao’s visit. Nevertheless Russia has pushed it for years against both the common threat of Islamic fundamentalism in Central Asia and U.S. hegemony and unilateralism. Russian diplomats may have rejoiced at this since President Putin had been particularly insistent upon this triangle in his December, 2004 visit to India. Previously, China had resisted until now. However, it is unlikely that India will be a party to overt anti-American actions in Central or South Asia even though it will clearly collaborate more with China on trade and other issues and may even liaise with the SCO now that China has offered it such an opportunity. After all, India is about to receive a major and unprecedented American weapons sale and Washington has announced its intention to promote India as a major strategic player, no doubt a motive for the acceleration of China’s desire for a partnership with New Delhi. Nevertheless it is worth speculating as to why China now acted to support Primakov’s continuing dream.

Here we should remember that Putin made his vocal appeals for this triangle at the height of the Ukrainian revolution of late 2004 thereby reflecting his belief at the time that America was behind it and that American support for democratization in the CIS was particularly unwelcome. Since then, both Moscow and Beijing have had to suffer the even more unforeseen shock of the tulip revolution in Kyrgyzstan, a development that not only revealed the Akayev regime’s weakness, but also that of the SCO and of both governments insofar as a state that they had intensely patronized was concerned. Moreover the Taiwan issue has heated up again as have Sino-Japanese relations even before the recent anti-Japanese rioting in China. One feels that China saw the need to make a substantive move in Asia in order gain more space to maneuver.

Thus, despite the fact that, as noted above, Russia has frequently overturned China’s expectations, Beijing has shown Moscow an otherwise astonishing forbearance. But while Moscow’s motives are obvious, not having to choose between its two biggest defense partners in Asia, seeking stability in Central and South Asia, and attempting to leverage an anti-American Asian bloc in the UN and elsewhere, it is unlikely to be able to induce either New Delhi or Beijing to coordinate with it. If anything, as Russian analysts like Sergei Karaganov and Dmitri Trenin had observed, genuine entente or alliance with China would ratify a subordinate position in Asia for Russia. Thus Russia would have to coordinate policy with China.^{xvii} And China is clearly already trying to effectuate just such subordination. Moscow is unlikely to welcome that outcome notwithstanding its enthusiasm over Wen Jiabao’s statements. It also is unlikely that Beijing will defer to Russia when all of its vital economic interests and main security problem, Taiwan

mandate engagement with America. If anything, China will seek to leverage this triangle for its own purposes as it recently did with respect to planned maneuvers with Russia.

These unprecedented joint maneuvers were supposed to take place as anti-terrorist operations in Xinjiang as Russia wanted. Though China pressed for coastal landing operations in Zhejiang province against Taiwan, Russia resisted. Ultimately the two sides agreed to hold major exercises involving naval, air, and ground forces as well as landing operations in Liaotung Peninsula, further up the coast and not so directly provocative to America or Taiwan. But these exercises scheduled for the fall could be interpreted not only as planning for a Taiwan operation under the guise of an anti-terrorist operation, but as one mandated by the 2001 Shanghai Treaty, which is a true collective security document, mandating all the signatories to aid each other if one is attacked by terrorists or separatists (a designation Beijing uses for Taiwan). These exercises could also point to potential operations in and around Korea if that peninsula explodes, by no means an inconceivable possibility.^{xviii} Should any of these contingencies occur, it is worth asking what Beijing will expect of Moscow and what it will be prepared to do in response? While Moscow has enthusiastically and persistently pushed for this triangle, if anything resembling it even remotely comes into being, Russia might soon live to regret its attempt to ride the Chinese tiger.

Finally one more series of contradictions must be confronted. Chinese analysts highly praise the SCO and believe it to be the crowning achievement of their Central Asian policy which undoubtedly has won for China more influence than before in the region. This achievement also clearly owes much to China's incredible economic record and rising power throughout Asia. But it is indisputable from both Chinese statesmen's activities, speeches, and Chinese and foreign analyses that the SCO and the policies that gave rise to it since the original 1996 treaty have been a model for what China has sought with considerable success to achieve in Asia, particularly Southeast Asia since 1996.^{xix} In this respect the SCO must be accounted a success and not just in Central Asia. On the other hand the SCO has been a conspicuous failure when it comes to providing security. Certainly it has not succeeded in reducing the U.S. presence there. Indeed, State Department officials say that they have little or no reason to take the SCO seriously when they engage in their diplomatic contacts with Central Asian governments. Russian analysts, for their part divide over the organization. Some analysts say that despite its spotty record to date, significant things can be expected of it, while others argue that Moscow sees it as a purely Chinese led operation which it joined to keep an eye on China and that Russia is "lukewarm" towards it.^{xx}

All these contradictions cannot be simply or unilaterally resolved or explained. And that is why an assessment of the SCO must stand between a post-mortem which accounts it a failure since it has failed in most, if not all of its principal purposes, or a prophecy for and model of a forthcoming Chinese led security order in Asia. Certainly many Americans opt for the former assessment, while Chinese officials and analysts opt for the latter assessment. But in fact, China's new efforts at rapprochement with Russia and India on a bilateral and trilateral basis suggest that Beijing too may be hedging its bets given its disappointment over Kyrgyzstan. Normally the answer time will tell is something of an

analytical cop-out, but as the SCO reflects what observers want to see in it as much as it does the objective reality of its record to date, we cannot determine whether it is the political equivalent of a corpse awaiting a post-mortem or a political innovation that is the herald and incarnation of a new vision or prophecy of regional, if not world, order.

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THE NEW SCO OBSERVERS: MAKING A LEAP FORWARD IN CAUTIOUS AUGMENTATION
BY PAN GUANG

The 5th summit meeting of the Shanghai Cooperation Organization (SCO) at Astana, the capital of Kazakhstan, achieved remarkable results, demonstrating that this four-year-old young organization has embarked on a new course of pragmatic development. Making a leap forward in cautious augmentation, the SCO is now showing a more active posture in safeguarding security and promoting economic development in the region, caring about the situation in areas around Central Asia like Middle East and South Asia, and participating in the world affairs.

Following obtaining its observer status at the United Nations in December 2004, the SCO signed a memorandum of understanding with ASEAN and CIS in April 2005, establishing partnerships with the two multilateral organizations. These moves symbolize impressively the rising reputation of the SCO in the international community. Significantly, after the SCO absorbed Mongolia as the first SCO observer in the wake of its approval of Regulations for Shanghai Cooperation Organization Observers at the Tashkent summit in June 2004, the Astana summit made a great leap forward in recruiting cautiously its new members when Pakistan, Iran and India all became SCO observers together.

Ever since the official launch of the organization in 2001, the SCO has been involved in heated discussions on whether and how to absorb new members. The SCO has been very cautious in expanding itself, firstly because, as a new organization, it needed to draft its charter, set up standing institutions, and form its operational routines, before there was any normative basis for recruiting other states. Secondly, Only three months after the official launch of the SCO, the 9/11 terrorist attacks occurred. The consequent massive entry of U.S. troops into Central Asia and the outbreak of the anti-terror war in Afghanistan presented a whole new situation of both challenges and opportunities to the SCO. Such a new situation meant that the SCO should first of all regain its balance and consolidate itself to remain relevant instead of embarking on any hasty expansion. Thirdly, SCO members at the time had different opinions regarding the recruitment of new member states. For instance, some worried that the absorption of both India and Pakistan might expose the SCO to the disputes between the two countries while others also worried that absorbing Iran might upset the US. That is why there was no formal discussion on recruitment at the St. Petersburg summit meeting in 2002 and the Moscow summit meeting in 2003.

With the relative completion of its self-building, the SCO found it ripe to once again put membership expansion onto its agenda. Indeed, its member states also developed gradually a consensus on this issue through equal and friendly consultations. The Regulations for Shanghai Cooperation Organization Observers, passed at the Tashkent summit meeting, provided a normal approach and reliable procedure to the cautious acceptance of new observers and members. Meanwhile, the end of the large-scale

military actions in Afghanistan, the achievements made by India and Pakistan in repairing their troubled relations, and other developments have all facilitated the absorption of some countries as observers by the SCO. If the admission of Mongolia as an SCO observer was a small step taken last year, the acceptance of Pakistan, Iran and India this year definitely represented a big step in the SCO expansion.

Calling the admission of three observers into the SCO a big step is based on several accounts. Firstly, This new development exhibits to the international community once again that the SCO sticks to its principle of openness and cooperation on regional and global matters as declared at its official launch. Secondly, the recent move of expansion shows that the SCO is concerned not only with Central Asia, but also with the Middle East and South Asia, both closely connected to Central Asia. As a matter of fact, the terrorism and extremism in Central Asia are interlinked with the Middle East in countless ways, while conflicts and nuclear proliferation in South Asia can affect the stability and nuclear free status of Central Asia. Additionally, energy cooperation of SCO states is also related with the Middle East and South Asia. It is therefore very logical that the SCO turns its eyes of concern to Middle East and South Asia first. Thirdly, the recent expansion makes up a new platform for the multilateral and bilateral cooperation between SCO members and SCO observers. As President Hu Jintao said during his meeting with the Indian foreign minister in Astana, the SCO would constitute a new platform for developing Indo-China relations.ⁱ Similarly, dialogues and cooperation between India and Pakistan, between or among other members and observers will also find the SCO a convenient platform. Thus, the SCO will be able to better exploit its potentials in undertaking cooperation in various sectors, and greatly enhance its capabilities in influencing the situation both regionally and globally.

It should, of course, be pointed out that observers are not full members. As observers, Mongolia, Pakistan, Iran and India are playing limited roles in the SCO, and their road to full membership is still long. Yet, as the threshold to the SCO observer status is not high, some other countries like Turkey, Afghanistan, and Japan, have expressed their wish to become SCO observers. How the SCO is to cope with more and more such applications, and what will be the next phase of expansion remain concerns on the minds of international observers. One thing is however certain: the SCO will walk on steadily in its way of cautious expansion, since the Tashkent Declaration issued at the last summit in 2004, which stated clearly, “It is firmly believed by the heads of the six nations that the constant development and augmentation of the organization, which is a non-group organization that builds on the basis of equal partnership, mutual respect, mutual trust, and the principle of openness, conforms to the mainstream of international development and contributes to facilitating a wider space for international dialogues.”ⁱⁱ

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ⁱ Xinhua News Agency, July 4, 2005;

ⁱⁱ The Tashkent Declaration, June 17, 2004

EAST VS. WEST? SOME GEOPOLITICAL QUESTIONS AND OBSERVATIONS FOR THE SCO

By Farkhad Tolipov

One a year has passed since the official announcement in June 2004 that the Shanghai Cooperation Organization finalized its full structurization. Many events – both positive and negative – happened since then in the SCO “zone of responsibility,” events that might, at first glance, shed on the future development of the organization. However, neither of the two SCO organs, the Secretariat in Beijing nor the RATS in Tashkent, are ready yet to meet the challenges of the region nor those posed by recent events. Furthermore, the SCO’s conceptual base and overall mission still remain vague.

Indeed, there are a number of conceptual questions regarding the SCO’s activity that require a serious consideration. First, why at the previous summit in June 2004 was Mongolia observer status but not a full membership? What is the meaning of this status for Mongolia? There is something special about Mongolia that made it the first-ever SCO observer, but for India, Pakistan and Iran, which were given the same status at the last summit in Astana, the political situation is much more different. The matter is that two of these three states are in relationships which are reminiscent of the cold war. And all three see Central Asia – the core idea of the SCO – differently, given their individual strategic interests.

Second, what has been done in reaction to terrorist attacks across the region, including those in Beslan and Tashkent last year, particularly given the organization’s determination to struggle jointly against terrorism and extremism? The SCO might issue some official statement, as it did on the recent terrorist attack in London, but other than this, what are its capabilities?

Third, why did the Statements from the 2005 Astana summit announce the SCO’s support for the formation of the collective security system in *Eastern Asia* and the desire to establish peace, friendship, and cooperation with *Asia-Pacific* region? Is that region now part of the SCO zone of responsibility? And is East Asian security system more likely to be formed in the coming years than an SCO one?

Fourth, how will the popular revolt in Kyrgyzstan that toppled its president in March and another rebellion in Uzbekistan that was suppressed by government forces in May to affect the tone of the SCO diplomacy? On the eve of the Astana Summit, the SCO Secretary General Zhang Deguang stated in an interview: “We take the situation in Kyrgyzstan and Uzbekistan very seriously... because it touches on the security, stability and development of this region.” It looks like the security, stability and development of *this* region (read only ‘Central Asia’, not China or Russia) is possible only with the current Central Asian governments, and the SCO is not looking to promote a change.

Interestingly, Chinese President Hu Jintao said at the Astana Summit that he believed “the fate of Central Asian countries is in their own hands and they are wise and capable

enough to sort out their domestic problems on their own.” This indicates that China is trying to work out a more prudent policy within the SCO and send a message to its potential rivals, such as the United States, that it will not exacerbate the Sino-American relationship for the sake of illusionary idea to gain control over Central Asia. Nevertheless, the message sent from the recent Summit is that countries like Uzbekistan expect the SCO to back up them in Andijan-like cases. In the press-conference in the aftermath of the summit Uzbek President I. Karimov states that “if the SCO hadn’t existed it should have been created”.

This is a surprising turn-around. At the initial stages of the SCO’s development, China was more enthusiastic in terms of demonstrating the “beauty” of its new device and Central Asian states were more cautious. Now China looks more prudent, but Central Asians more exited about the organization’s role. This last summit again proved the truth that this asymmetric organization holds an asymmetric political, geopolitical, and security process. Now in the format of “6+ ,” its ambition might seem exciting, but its potential to turn this ambition into reality is not yet clear.

Meanwhile, while this overall potential continues to develop, the SCO has moved step-by-step toward discussing more resolutely and ambitiously the regional security issues. Is it moving toward such symbol as a “*Concert of Asia*” just like “Concert of Europe in the early 19th century?” Yet even the CIS states that are so familiar to each other, have failed to create the collective security system. The CIS Collective Security Treaty Organization (CSTO) has been unable to provide adequate security services to its member states when the threats to regional security were at peak. So has the SCO to date.

In these conditions a “market” of security and counter-terrorist services has taken shape in Central Asia. A number of interested international organizations offer their “professional” assistance in the field of regional security, including the various UN agencies, the EU, OSCE, CSTO, CIS, NATO, and, most recently, the SCO. One can add to this list a number of different bilateral security arrangements, such as the Uzbekistan-U.S. strategic partnership, the Uzbekistan-Russia strategic partnership, the U.S.-provided IMET programs for all Central Asian states, the CSTO joint military exercises, and the Kazakhstan-China strategic cooperation established in July 2005. Awash with alternatives, the Central Asian countries find themselves deeply entangled in this “market.”

In reality, though, the future shape of this “market” will likely hinge on the choices to be made by Uzbekistan in the near future. Recent developments in the frameworks of the SCO coincided with the dramatic turn of Uzbekistan’s foreign policy. Tashkent has significantly changes its orientation towards the Russian Federation at the expense of expected Uzbekistan-US strategic partnership. In carrying out this reorientation, the SCO appeared to be instrumental [albeit temporary, I think] or, better to say, convenient, for Uzbekistan in terms of demonstrating this old-fashioned balance of power policy.

This perhaps explains why at the July Summit, the Shanghai Cooperation Organization urged a deadline be set for withdrawal of the foreign forces from its member states in light of what it said was a decline in active fighting in Afghanistan. The declaration

adopted in the summit says: “As the active military phase in the anti-terror operation in Afghanistan is nearing completion, the SCO would like the coalition's members to decide on the deadline for the use of the temporary infrastructure and for their military contingents' presence in those countries.” However, such a statement seems untimely given that neither the operation in Afghanistan is complete nor are foreign military contingents posing any threat to the SCO.

The response from the West to this declaration was more adequate. Radek Sikorski, Poland's former deputy foreign and defense minister, who now studies international affairs at the American Enterprise Institute, says he believes a unilateral withdrawal would be better than simply submitting to the SCO demand for a timetable. He says he believes the demand was *not* generated independently by Uzbekistan and Kyrgyzstan, but was inspired by Russia and China who want to keep the Central Asian states outside the U.S. sphere of influence. James Phillips from the Heritage Foundation, a Washington policy-research center state: “It [keeping U.S. forces at Khanabad] could be construed as a conflict of interest, but Washington did criticize the Andijon incident, and the Uzbek government retaliated by putting some restrictions on the use of the base,” Phillips said. “So I think the Bush administration made clear that it does not support such violent crackdowns, in contrast to both China and Russia, which supported the government crackdown there.” Official Washington has rejected the SCO's calls. U.S. State Department spokesman Sean McCormack told a press briefing that it is up to individual states, not the SCO, to determine their relationship with foreign troops.

It must now be recognized that not only the issue of geopolitics, but also that of democracy, becomes crucial when one contemplates the fate of Central Asia. The states feel themselves exposed to a developing U.S.-China-Russia “triangle,” or even divided along an SCO-West axis. One side of the line seems to suspect in democracy a plot, another side says it promotes democracy as a great mission and as an absolute principle. Who is right, who is wrong?

As we can see, the geopolitical complexities of the SCO have revealed themselves in the last summit, and the tendency will be towards even more complex questions in the future. In any case, the newly independent Central Asian countries pass today through the most important test in their post-independence history: they are severely faced with the challenge of geopolitics and the challenge of democracy. Thereby, the Shanghai Cooperation Organization also passes through the same test. Is it an Organization for *maintaining the status-quo*, by which we can understand the conservation of old-fashioned balance of power mode of international relations and the conservation of non-democratic political systems within each country? Or is it an Organization for *changing the status-quo* towards a new, democratic regional order? The SCO has to resolve this conceptual dilemma in the nearest future.

In her statement to House International Relations Subcommittee on the Middle East and Central Asia on June 15, 2004, Zeyno Baran, Director of the International Security and Energy Programs at the Nixon Center, expressed the perception typical to Western scholars and politicians: “Russia, and especially China, wants to use the SCO as an

alternative security alliance to the U.S. military presence in Central Asia. While the U.S. may no longer think in Great Game terms, big powers in the region do, and for them, Uzbekistan figures highly in their strategic calculus.” The SCO and, especially, Uzbekistan, will prove over the next few years whether this perception is right or wrong.

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RUSSIA AND THE SHANGHAI COOPERATION ORGANIZATION: A DIFFICULT MATCH

By Dmitri Trenin

One year after Beslan, Moscow is looking south with growing apprehension. While there is no war in Chechnya in the usual sense of the word, there is no peace either, and despite the election of a loyalist president last fall and the promise of parliamentary elections later this year, the situation is not improving. Worse, the areas around Chechnya are getting restive. Dagestan is teetering on the brink of a civil war, Lebanon-style. Karachaevo-Cherkessia and Kabardino-Balkaria are rent by internal tensions, and North Ossetia and Ingushetia are still divided by a bloody armed conflict, now 13 years old. While the talk, after Beslan, was to come up with a set of socio-economic measures to deal with the roots of the region-wide crisis, the decision now, a year later, is to send more troops to the North Caucasus. A top Kremlin aide has characterized the situation as a “subterranean fire.”

Just across the Caucasus range, the rose revolution in Georgia in late 2003 marked the end of an era of first-generation post-Soviet regimes across the former Soviet Union. Coming soon after the 2004 Ukrainian orange revolution, the upheaval in Kyrgyzstan in March 2005 which toppled President Askar Akayev, ushered in regime change in Central Asia. Moscow, which had been taken by surprise, was most worried about the future of a country which had seen clan-driven riots, is a station on the drugs route from Afghanistan across Russia to Europe, has pockets of Islamist activism, and, while sitting on the border with China, plays host to Russian as well as U.S. air force bases. Having learned the lesson of Ukraine, Moscow, however, managed to work with the opposition who had come to power, helped ensure their unity at the presidential election in July 2005, and received assurances of Kyrgyzstan’s continued alignment with Russia.

After Kyrgyzstan, one of the questions most often asked in Moscow, was, Who Is Next? The May 2005 revolt in Andijan in Uzbekistan’s Ferghana Valley, which was put down by the government forces, with a massive loss of life, provided the answer. In Moscow’s view, Andijan was provoked by extremist infiltrators who had come from Afghanistan. Fearing the possible alternative, it decided to back Uzbek President Islam Karimov, despite his ruthless regime outlawing any opposition, and his opportunist foreign policy maneuvering, playing Russia, America and China off one another. In return, Tashkent quit GUUAM, leaving it without one “U”, started phasing out the U.S. military presence in the country, and allowed Russia access to its military facilities.

Russia has also moved to solidify its economic links with Kazakhstan, which, alongside with Belarus, is one of only two countries in the CIS which are open for a meaningful economic integration with Russia. Kazakhstan, however, is also anything but problem-free; politically speaking, that is. With President Nazarbayev nearing the end of his current term, Moscow has a huge stake in seeing Kazakhstan politically stable and economically vibrant. While two other countries, Tajikistan and Turkmenistan, appear calm, the situation in the former is not really stable, and in the latter, can lead to massive blood-letting, should it explode. One lesson that the color revolutions have presented is

that while “soft” authoritarian regimes fall earlier, they also fall peacefully, whereas the harsher types, which might hold out longer, take a lot of lives with them when they go under.

Thus, Russia faces a multitude of challenges in the region. Among the instruments she has at her disposal is the Shanghai Cooperation Organization (SCO). Put simply, the SCO equals China in Central Asia. When the organization was being founded, Russia saw Beijing’s idea of a regional arrangement as “an offer she couldn’t refuse”. Russia felt that its own resources were too limited to stabilize the region; it knew that China’s presence was not to be wished away; and it hoped that the format of an organization in which China would sit next to Russia in council with the smaller post-Soviet states would give Russia an opportunity to weigh in on Sino-Central Asian relations.

China, however, is weighing in more and more on Moscow’s own policies and Russia’s China connection is growing thicker. Presidents Putin and Hu are meeting frequently. Trade is expanding rapidly, going up from 6 billion dollars in the late 1990s to over 20 billion in 2004 (which puts China on par with Germany in Russia’s foreign trade) to (the projected) 60 billion by the end of the decade. Russia is possibly on the way to become a major energy supplier to China, and Beijing has announced its willingness to invest 12 billion dollars into the Russian economy. In 2004, the border issue between the two countries was fully and completely resolved, with Russia and China splitting the remaining disputed territory, which heretofore had been de facto controlled by Russia. The 2003 Russian Defense Ministry White Paper called the SCO a guarantor of regional stability *both* in Central Asia and the Far East. In 2005, the first-ever joint Sino-Russian military exercises are scheduled to be held, on Chinese territory.

However, Russia has been careful not to let the regional balance in Central Asia tilt too far toward China. While Beijing has been pressing for the SCO to move toward establishing a free trade area, Russia was blocking that, fearing China’s clear advantage. Of the two fundamental areas of SCO activity, security and development, Moscow has been emphasizing the former. When, however, a Chinese official in the spring of 2005 publicly, though very carefully, mentioned a theoretical possibility of Chinese military presence in Central Asia, this notion was quickly shot down by a plethora of Moscow spokesmen, both official and independent. After the July 2005 G-8 summit in Gleneagles, President Putin publicly excluded any possibility of military operations conducted under the auspices of the SCO. The organization’s security role, in his view, was to give moral and political support to its members, and facilitate exchange of information. The SCO was not the place to discuss defending against aggression, Putin said.

Putin, however, apparently has had to bow to Beijing’s demand to put pressure on Washington and eventually ease the United States military presence out of the region. The SCO summit in July 2005 called upon the U.S. and its allies “to determine the date” for Western military withdrawal from the region. Both Uzbek President Karimov and the deposed leader of Kyrgyzstan, Askar Akayev, blamed the United States for wanting or succeeding to oust them. Uzbek and Kyrgyz officials have made statements regarding the

eventual phasing out of U.S. basing rights. Putin, however, later tried to minimize the importance and urgency of the summit statement, and for a good reason.

The more insightful people in Moscow had from the very start considered U.S. military presence in Uzbekistan and Kyrgyzstan as useful in terms of the Afghanistan operation, non-threatening to Russia's military security, and, moreover, a check on China's further expansion into the region and even a temporary placeholder for Russia itself, when she is strong again. Americans in Central Asia, it was felt, were a temporary phenomenon; the Chinese, given the chance, would stay there forever. Initially, it was true, the Russians themselves were asking the question, how long is the U.S. going to stay in the area; four years later, many of them have learned to live with the American presence.

Many, but not all. Since about 2003, there are signs of something like a replay of the Great Game. In Uzbekistan, the U.S. military who want to keep the base and the Russians who want the country to be closer to Moscow, are openly vying for influence. Their claim to the end of the military phase of the operation in Afghanistan notwithstanding, the Russians are unhappy about what they see as the creeping Talibanization of Afghanistan, which is more of a drugs-producing area than it had been under the Taliban. And while the SCO has had some contacts with Afghanistan, at this most recent Summit, India, Pakistan and Iran were granted observer status with the SCO; the United States' representation was not even discussed. Clearly, Beijing and Moscow want to keep the SCO for themselves, and would continue to shun Washington.

This is unfortunate. Even as the three major external powers in Central Asia, Russia, China and America, engage in political and strategic competition, they give a chance to the various destructive forces in the region to use their rivalries for their own benefit, and indeed undercut the interests of the Big Three. A strategic meeting of minds among Washington, Beijing and Moscow, though highly valuable, is also probably unrealistic. However, Russia would be ill-advised to sing along with China and try to shut America out. Afghanistan is not over, and will not be over for a long time. China will not do to Afghanistan what the U.S. has done by eliminating the Taliban from power, and working to stabilize the nation. The U.S. and its NATO allies may not succeed, but their failure and subsequent withdrawal will not improve Central Asian, Russian, or Chinese security.

It would make the most sense under the circumstances which have much deteriorated since Andijan, for Russia and the U.S. to work together on those issues where their positions are not so far apart. For example, they need to come to terms regarding the drugs production/trafficking issue. They also need to join forces lest Kyrgyzstan, which has survived a regime change, does not succumb to clannish rivalries and does not become an easy prey for the Islamists. They also need not shun each other in Uzbekistan. Seeing off Americans to get Islamists in their place is as absurd as containing Russia to help create a vacuum. As to the SCO, it needs to open itself to the United States as an observer, especially since the U.S. cannot be seriously excluded from region-wide discussions. In that way, more mutual confidence could be ensured not only between Russia and America, but also, and more importantly, in the 21st century global context, between America and China.

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GUIDING THE ‘NESWAR ABROAD’ – RUSSIA AND THE SHANGHAI COOPERATION ORGANIZATION

By Alexander White

The recent summit of the Shanghai Cooperation Organization (SCO), which concluded in Kazakhstan on July 5th, marks a significant step in Russian attempts to use multilateral structures in order to retain a guiding role in Central Asia. The summit came against the backdrop of serious unrest in both Uzbekistan and Kyrgyzstan, and widespread concern within the Russian policy elite that this could lead to regional contagion. Despite these major challenges to regional order, Russia comes out of the July summit in a far stronger position than it was in at the beginning of the year. The Kremlin has achieved three critical objectives – accommodation with the new Kyrgyz regime, a greater acceptance of its regional role from Uzbekistan, and the beginnings of momentum aimed at reducing the US presence in the region. It does so at the cost of allowing deeper and broader Chinese engagement within Central Asia.

The background to these developments is the profound readjustment that Russia is experiencing in its relationship with the ‘near abroad’ (the post-Soviet periphery) particularly in Central Asia. The wave of regime change that has recently toppled three post-Soviet successor administrations has not only triggered pre-emptive moves at home, it has also refocused minds on how to engage with emerging post-Soviet realities in the near abroad. Central Asia sits at the centre of this readjustment, as its future ties together a range of strategic, economic and political imperatives for the Russian elite. These imperatives stretch from the need to defend the porous southern border, face off the perceived threat of encirclement, abate Zhirinovskiy-ite nationalists at home, project Russia’s great power status internationally, secure access to regional resources and markets, and combat Islamic fundamentalism. The traditional means by which Russia has approached these objectives are increasingly bankrupt, and the role of the SCO in the ensuing foreign policy adjustment is only slowly emerging.

Reassessing Regional Engagement

In order to meet its strategic needs in Central Asia, the Russian government has been forced to reassess its reliance on traditional approaches to the exercise of hard power. The mistakes of the 1990’s, particularly in Tajikistan and Chechnya have brought home the fact that direct military intervention in the periphery is more likely to accentuate than check centrifugal tendencies in the ‘near abroad’. The Tajikistan experience in particular has coloured Russian approaches to Central Asia. The Tajik civil war, which was exacerbated by the actions of Russian forces, effectively shattered the emerging state and created an enduring source of regional instability. Within the Russian Federation itself, the brutal realization that military means alone are insufficient to impose order on the North Caucasus has provided a valuable lesson in the need to use different mechanisms of control.

Russia’s search for new levers of influence within Central Asia has significantly increased since September 11, 2001, and the subsequent stationing of U.S. forces in the

region. While the Kremlin originally gave qualified blessing to the American presence, believing that it would enhance regional stability, it has gradually come to a rather different view, and is now seeking ways to trigger a U.S. exit. Though part of this shift can be explained as a result of the internal tension between Eurasian and Atlanticist tendencies in Russian foreign policy, there is no doubt that Moscow is increasingly alarmed about U.S. intentions. The Kremlin has a number of specific concerns, including the relationship that Washington had been building with the Uzbek regime, the development of the GUUAM group – which Moscow sees as being anti-Russian, and a concern that the United States may continue to increase its military presence. More recently, the effectiveness of U.S. support for regime change in Georgia and Ukraine has been a great source of alarm. Against this backdrop, the search for effective and binding cooperation with Central Asian regimes has become a core objective of Russian foreign policy.

These developments have added new urgency to the ongoing assessment of how Moscow can most effectively assert its authority in the post-Soviet space. Over recent years the Kremlin has experimented with, or proposed, a range of regional organizations through which it seeks to re-engage local regimes with Russian strategic objectives. These bodies, proposed or existing, include the Central Asian Union (CAU), the Eurasian Economic Commonwealth (EEC), and the Collective Security Treaty Organization (CSTO), as well as regional banks, development agencies, and other assorted institutions. The strategic concept behind the development of these bodies is that they will engage Central Asian leaders in a multilateral framework with Russia, and incline local elites to align their national and personal interests with Moscow. The Shanghai Five mechanism, which subsequently evolved into the SCO should be seen in this context, though it is qualitatively different from other regional organizations, not least because of the inclusion of China.

Taking the SCO aside however, Russia has encountered limited success in the use of multilateral organizations in the region. Moscow has not been particularly adept in the use of these agencies, which are typically somewhat top down organizations displaying an inflexible approach to non-Russian interests. Both the EEC and CSTO are headed by Russian generals, and there is a widespread impression that these bodies are simply reintroducing Russian colonial rule through the back door. Furthermore, the structural weakness of the Russian economy has prevented Moscow from offering the economic inducements that China is beginning to provide in the region. The EEC for instance, which was designed to be a ‘regional OPEC’, has been slow to pick up. Taken together, all these factors mean that Russia should be keen to see a regional body with some clout, through which it can continue to wield influence.

Despite these obvious motivators, Russian engagement with the new SCO - which continues to redefine itself following the recent summit - marks a significant departure from previous policy. The organization is qualitatively different in kind from other regional bodies in that it balances the interests of two major powers in the region. In allowing China to have an equal role in engaging the Central Asian regimes, Moscow is coming close to legitimating the view that Beijing’s interests in the region are equivalent

to its own. This is especially surprising since the Kremlin often regards China as a strategic competitor, similar in kind to the United States. It is worth noting that Moscow came down firmly against Beijing in the recent Angarsk-Nakhodka oil dispute, and prefers to supply oil to Japan than to China (though this situation is still in flux and is subject to changing political pressures and realities). Since there does not appear to be a clear majority within the Kremlin pushing for a long term strategic partnership with Beijing, the concession to China that engagement with the SCO represents must offer some very tangible benefits.

Engaging with the SCO

For Russia, the benefits associated with engaging the SCO in its relationship with Central Asia can be grouped into two categories – the explicit and the implicit. The explicit benefits include the ability to present a united front in dealings with the United States, a renewed regional focus on combating insecurity and extremism, and the opportunity to broaden and deepen economic ties. Some of the potential implicit benefits, such as the protection of individual regimes, are even more far reaching, and are currently still emerging. However, one of the most clearly striking outcomes of the recent SCO summit was the strength of the resolution calling on U.S. forces to leave the region. Many commentators have interpreted this as being a *prima facie* sign that Beijing and Moscow have agreed to use the SCO as their vehicle for opposing the U.S. role in Central Asia. Under this line of reasoning, Moscow can present its demands much more forcefully to the U.S. by coordinating its message with Beijing and ensuring that it is mirrored in regional capitals. This is certainly one of the great benefits of the SCO from the Russian perspective, and the recent resolution can be seen as a significant strategic breakthrough.

The SCO is not the Warsaw Pact however, and will not survive long if this is the extent of its remit. It is also not diplomatically expedient for either Russia or China to become engaged in a political project that is explicitly anti-American. Consequently, Russian policy makers including Andrei Kokoshin - the head of the Duma committee on CIS affairs - have been keen to stress that the SCO will cooperate with other multilateral organizations and form a constructive working relationship with the West. Even more fundamentally, the SCO has to have a more constructive substance than anti-Americanism if it is to keep regional regimes away from reliance on Washington. Several regional leaders, notably President Karimov of Uzbekistan, have received significant American largesse, and will expect ongoing economic and political support for any shift of allegiance.

The precise nature of the support that the SCO may offer to regimes like that of President Karimov goes to the heart of the system of implicit assumptions and mutual benefits underlying the SCO. Since the SCO is not a normative organization, and has an explicit focus on non-interference in domestic issues, it is particularly appealing to the authoritarian regimes of the region. Central Asian leaders have welcomed this as they are beginning to discover the extent of the strings attached to US support, and the implications for the survival of their regimes. The Karimov administration, is amongst the most authoritarian in the region, and has been an uncomfortable US ally as a result of

current normative trends in Washington. Despite previous criticism of Moscow's plans for the region, President Karimov has fallen more fully into the Russian camp following the Andijon incident this year - when he received strong support from Moscow and Beijing for the Uzbek government's actions during the massacre. This striking success for Russian foreign policy is an early indication of the role that the SCO seems best fitted to play, as a guarantor of mutual support – between both states and regimes.

Where Russian policy has been successful has been in recognising the uniquely personal nature of Central Asian politics, and leveraging the SCO to exploit this. Prior to the Kyrgyz uprising there had been no significant regime change in the region, outside of Tajikistan, since the collapse of the USSR. The Central Asian dictatorships are highly personalized oligopolies where interstate relationships are often conducted on the basis of personal understandings. It is no coincidence that the daughter of Kazakh President Nazerbaev is married to the son of former Kyrgyz President Akaev. The SCO has grown out of, and is closely tied to, this personalised understanding of regional relationships. It enables Russia to guarantee support for the *individual* leaders of Central Asian states, in return for a tacit acceptance of the primacy of Russian *state* interests.

While potentially a great source of strength, some commentators have suggested that the personal nature of Central Asian politics could undermine the SCO. Since any regime change is more than likely to be violent, the departure of any of the leaders who are currently members of the SCO could lead to their country stepping outside the system, as the new administration moves away from the personal politics of the regime it has replaced. In fact this may be one of the problems that the SCO is designed to prevent. The Russian government is acutely aware of the limitations of the personal politics that it has relied upon in the past; the 'loss' of Ukraine from the 'Russia camp' can be attributed to the Kremlin's over reliance on personal relationships with figures such as Kuchma and Yanukovich. The SCO system reinforces and bolsters the personal relationships guiding Central Asian politics by operating as a club with a set of common ground-rules that regional leaders have all signed up to. Should regime change occur, as it has in Kyrgyzstan, neighbouring regimes will have a vested interest in ensuring that the new government becomes a member of the regional club as quickly as possible.

The Case of Kyrgyzstan

The Kyrgyz experience has been both a significant foreign policy success for Russia, and a guide to how the SCO may operate in future. The recent SCO summit came soon after the ouster of President Akaev earlier this year. The resulting confusion has seen a partial breakdown in Kyrgyz civil society, and a dramatic worsening of an already precipitous economic climate. More significantly from the Russian perspective, it opened serious questions about where the emerging regime would align itself. However, despite Moscow's somewhat deleterious policy of continuing to shelter Akaev, who is in exile in Russia, the new Kyrgyz leadership has acted proactively to reassure the Kremlin of its positive intentions. The new government of Kurmanbek Bakiev has been prevailed upon to accept existing regional power dynamics and has acquiesced in the SCO summit declaration that calls for a reduced U.S. role in the region. Speaking on July 11,

President Bakiev stated that "...there is an issue about the terms of the [US] anti-terrorist Coalition base located in Kyrgyzstan."

The base that Bakiev was referring to is located at Kyrgyzstan's major airport and has been the cause of significant concern for Russian policymakers. The Russian military moved to offset U.S. influence in 2003 by establishing its own base outside Bishkek, the Kyrgyz capital. Pressure from the SCO countries has ensured that these two bases have not been treated equally by the new Kyrgyz regime. On the same day as President Bakiev's statement, the Kyrgyz ambassador to Moscow guaranteed a continued Russian presence in his country, stating that "...the fact that the Russian Federation has a base in Kyrgyzstan is strategically the correct course." He also expressed the desire that this strategic partnership "...will continue to develop in the future..." Russia has responded with an announcement that it will more than double its military presence in Kyrgyzstan.

This certainly counts as an impressive strategic success, but one that analysts are beginning to question. Given the stance taken by leading figures within the Kyrgyz government when they were in opposition, it seems likely that they would have opted for a more even handed approach to their relationship with the United States and Russia. There is mounting evidence to suggest that the new Kyrgyz government was unable to do so because of Russia's effective use of the SCO to block any move towards a more pro-American standpoint. IWPR, a news agency, quotes a Kyrgyz analyst as stating "This was a forced act on Kyrgyzstan's part. The country depends geopolitically on Russia and China..." The fact that Russia and China now have a joint regional organization to enforce their shared strategic objectives makes these binds even tighter.

Looking to the future however, the key question for Russian policy makers in dealing with both Kyrgyzstan and the wider region will revolve around how the relationship with China is managed. Moscow has accrued significant foreign policy benefits by working with Beijing to develop a credible regional organization, but the potential costs associated with bringing a strategic competitor into Russia's 'near abroad' could turn out to be substantial. A confident China is keen to assert its influence in the region, and Russia has provided it with a strong vehicle to do so. Whether the short term foreign policy benefits will prove to outweigh the impact of this concession remains to be seen.

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CENTRAL ASIAN WATER RESOURCES AND THE FUTURE OF THE SCO

BY LI LIFAN AND LIU JINGQIAN

Water is an essential resource for human lives, and the question of how to develop the water resource through cooperation is becoming one of the important factors of security problems. Since a contest for the water resource in the Central Asia might become a trigger of conflicts in this area, we should pay more attention to the management of the water resource among the Central Asian countries. Since the SCO was founded in 2001, economic cooperation has become more and more important. The 2004 SCO Tashkent Summit declaration clearly expressed that the SCO was playing an increasingly important role in and paying more attention to economic cooperation, environment protection, and the development of water resource. Since the Summit, the SCO has begun to play a more active role in managing the region's scarce water supplies.

The Present Condition of Water Resource in Central Asia and the Importance of sound Management

Central Asia lies in the center of the Eurasian landmass and has a very dry atmosphere, where average rainfall is low and evaporation – and the cost of water – is high. The topography is a combination of grassland and desert, and because of the lack of protection afforded the few water resources available, a serious crisis has now appeared, including the vanishing of the Aral Sea and growth of various deserts.ⁱ In Central Asia, the principal supply of water comes from the Amu Darya and Syr Darja rivers. However, because of agricultural and industrial development, these rivers have become polluted and greatly diminished.ⁱⁱ And this problem is not likely to abate any time soon as water demand increases and resources diminish.

This situation, aptly categorized as a crisis, has a significant impact on the security, economic stability, and societal development of Central Asia. The Central Asian water network was run somewhat efficiently during the command economy days of the Soviet Union, but since independence, disputes have increasingly broken out over how the system should be managed. For instance, according to some statistics, due to the loss of water resources for farming, 15,000 square kilometers of Kazakh cotton went un-irrigated. Additionally, rice output decreased approximately 40% in the last year. Beyond economics, this contest for the water resource has aggravated the relations between countries of the region. As upstream countries such as Kyrgyzstan and Tajikistan seek to use their water resources for their own purposes, the more powerful downstream nations, Kazakhstan and Uzbekistan, have responded negatively, threatening both economic damages and heightened tensions on the border. For instance, in 1997, a Kyrgyz-Kazakh dispute over water led to a shut-down in cross-border trade and the shipment of needed goods to Kyrgyzstan.ⁱⁱⁱ And China has a role to play in this problem as its irrigation of Xinjiang has greatly diminished the water levels of Lake Balkash in Kazakhstan. As more plans are developed to further irrigate Central Asia and Xinjiang or build new hydropower plants, tensions have increased and nations have begun to consider water a true national security topic.^{iv}

The Central Asians have, to date, failed to manage this problem themselves and outside nations and international organization have only met with limited success in helping untangle this knot. The United States and Israel, as well as the EU and World Banks has offered assistance, yet the problems persists.^v And many view these approached as a way for outside powers to gain control over a vital Central Asian resource, and, thus, over the political development of the region.^{vi}

Can the SCO Solve the Water Crisis?

It is clear that the SCO is still a developing organization with conflicting ideas from its various member states on how to proceed in the future. Yet, the SCO has taken some concrete steps to improve the economic and security situation in the region.^{vii} It is most likely that this cooperation will extend to include the management of Central Asian water resources. The SCO has the money and resources to assist in this project, particularly given the upcoming launch of the SCO Development Fund.^{viii} Thus, the question is not whether the SCO can help the situation, but will it?^{ix} All indications suggest that it will, including the 2004 Summit which discussed, among other things, stemming uranium pollution in the water supply, stopping desertification, and managing more efficiently the construction of dams. Several other factors also suggest this likelihood.

First, sound management of water resources can lead to increased profits for upstream countries. As more efficient hydropower resources come online, electricity can reach farther and cross more borders. There are currently discussions underway to transmit Kyrgyz electricity to China.^x Second, as the SCO begins to push ahead with its region-wide economic reform agenda, it becomes clear that the current water management situation must be addressed as part of those reforms. Given the economic and environmental impact of the polluted and diminished water supply, unless addressed, water resources may hinder economic development, not help it.^{xi} And thirdly, and perhaps most significantly, if the SCO takes on this problem, China will achieve another success in demonstrating its friendship to Central Asia, the mutual benefit of engaging with the SCO, and the role the SCO can play in world politics. To leaders in Beijing, the use of the SCO to solve the Central Asian water situation will be a concrete example of the SCO's potential and will signify a win for both China and the long-term viability of the SCO.

The Central Asia water crisis is a complex topic with no easy solutions. The SCO is still a young organization with much to prove. Yet, it is well poised to offer creative solution given its membership, resources, and interest. While the SCO will likely take up this problem as a new agenda item, time will only tell if it can succeed where so many others have failed.

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A VICTORY FOR CHINA'S NEW SECURITY CONCEPT: THE SHANGHAI COOPERATION ORGANIZATION

By Peter Mattis

When China's new security concept (*xin anquan guan*) first appeared in 1996, observers derided it as naïvely optimistic and more normative than practical. To many, the new security concept demonstrated the inexperience and lack of maturity in Chinese foreign policy. China's first clumsy overtures toward Southeast Asia reinforced this analysis, but undaunted the Chinese continued their diplomatic efforts dropping the anti-hegemony rhetoric. The original "Shanghai Five" seemed an ill-fated effort following the resolution of many of the territorial disputes in Central Asia, and so it was until the September 11, 2001 terrorist attacks focused international attention on the region. Driven by energy concerns and a number of failed attempts to obtain oil contracts, China reemerged in the region pushing the rejuvenation of the Shanghai Cooperation Organization (SCO).

The cooperation between the United States, Russia, and China over regional issues challenged the notion that a new great game was taking place. In the sense of the rivalry that existed between Russia and Great Britain more than a century ago, there certainly is no great game. However, on a more subtle level, great power competition once again pulls at the region. Lacking the military and economic resources of the United States and Russia's traditional role and ties to the region, China must compete in a different arena. The new security concept provides the framework for China's strategy; by espousing a closed regionalism, China simultaneously strengthens its hand in the region and undermines U.S. interests. However, the beauty of China's strategy lies in its parallels to American foreign policy values, irrefutable without evincing U.S. hypocrisy. That the heads of SCO's member states stood united calling for U.S. withdrawal from the region should be considered a significant victory for the new security concept and China.

The new security concept is, for lack of a better word, an asymmetric approach to foreign policy. It denies that competition exists, or if it does, outdated and adversarial norms of international relations cause such competition (odd logic coming from the realists in Beijing). Upon close examination, the new security concept carries the language of competition, even after dropping the anti-hegemony rhetoric, and despite its emphasis on cooperation and mutual benefit. The diplomacy associated with the new security concept seeks to bind countries closer to China and is a more benign way to pursue China's national interest.ⁱ

Promoting "the democratization of international relations" imagines an equality that simply does not exist at the international level. Such a notion suggests that power is unevenly and unfairly distributed in a zero-sum game rather than acknowledging the differences. The SCO spells this out explicitly emphasizing the creation of a "just, reasonable new international political and economic order." Judicious application feeds the impression that China is looking out for smaller countries' interests rather than its own. The new security concept in practice also demonstrates that China pursues its own interests and applies its own logic sparingly. Beijing firmly opposes expansion of the UN

Security Council, especially to include Japan as a permanent member, even though such measures would undoubtedly qualify as democratizing interstate relations. Put simply, China seeks democracy where it benefits from those processes.

The SCO qualifies as such an area, because the political interests of Russia and the personal interests of Central Asian leaders push against ongoing U.S. involvement in the region. As post-September 11 aid has slowly dried up, the U.S. presence in the region becomes more of a double-edged sword for authoritarian leaders. While certainly U.S. military training and basing contributes to regional stability, U.S. concerns about human rights and allowing its aid to become hostage to domestic political battles make it an uncertain ally, especially in the wake of the Andijon massacre. This event showed that continuing association with the United States would create undue pressure to reform politically and was a hazard to the leadership's grip on power. Democratizing international relations in this context means offering Central Asia a choice between a United States, ideologically intent on political liberalization, and a China, agnostic about any politics so long as its needs are met. While choosing China does not offer as many immediate advantages for regional stability, the choice the United States offers is one between stability and the continuity of the current regimes.

The economic aid and military training initially offered as the United States deployed troops to Central Asia helped to prop up the authoritarian regimes further reducing their accountability to their people. As this direct support has dried up, these leaders recognize the danger they face from more direct exposure to their people. The revolution and generational change in Georgia brought this point home very clearly. The overthrow of the Kyrgyz government did not bring about a generational change in leadership to the relief of SCO's other member states, but still the message was not lost. The United States, especially after seeing potentially democratic revolutions in other post-Soviet states, is increasingly wary of its aid and training even to guard against terrorism transforming Central Asia into a community of rentier states with governments remote from their populations.ⁱⁱ

Democratizing international relations also grants political equality with the United States in Central Asia to China and Russia in spite of their inability to bring comparable stability to the region. In essence, China supports equality in Central Asia because it allows China to bridge the capabilities gap on the cheap by changing the terms of the state-to-state relationships in the region. U.S. goals and the SCO's guidelines converge on all but one point, and this subtle shift from terrorism and stability to emphasizing territorial sovereignty strengthens China's hand vis-à-vis the United States. Where the United States will condemn Uzbek President Karimov for the Andijon massacre, China will openly accept him to Beijing. By respecting absolute state sovereignty, China appears, at least at one level, as a more honest and "democratic" broker than the United States.

This manipulation of international politics should be familiar to U.S. audiences. During the course of the Revolutionary War and the debate over the Constitution, the founding fathers demonstrated uncanny perceptiveness to international relations and nurtured a

meticulous realism. However, the rhetoric from Washington in the early days of the republic more closely resembles the idealism embodied in China's new security concept than realist policy prescriptions. Early American leaders recognized that the United States lacked the power to compete in the European balance of power game. Rather than take that risk, U.S. leaders proposed new democratic frameworks for international relations regulated by international law and buttressed by mutual cooperation among sovereign nation-states. Outdated norms of international behavior caused war and contributed to the general misery. China's leaders have displayed the same streak of hardened realism the U.S. founders did, and like them, recognized that if their country was to succeed, it could not compete on playing field slanted against them.

The new security concept has been a staple of Chinese foreign policy rhetoric since 1996, particularly with Southeast Asia. Despite many years of trying to charm Southeast Asia, Beijing's successes have not led to the kind of solidarity and arrangements now in Central Asia. The fundamental question is why has the new security concept helped build the SCO in one place and only achieved measured success in the other. This can be explained by three points: (1) stronger players; (2) geopolitical importance; and (3) the regional economic situation.

In Central Asia, China faced only one competitor, the United States. It can be argued that Russia, lacking the resources to pursue an independent course, allowed itself to be co-opted by China, or at the very least was a willing accomplice in China's approach the region. Furthermore, the U.S. had limited its role in the region rather than fully developing ties with Central Asian states. Part of this may be political considerations with Russia or might simply be a product of geography. But given that Russia can manage China's emergence in the region through the SCO and had its own relationship and agenda with Central Asia that would not likely change because of an increased Chinese presence, Beijing needed only deal with Washington as it increased its influence in the region. Southeast Asia, on the other hand, has a number of extra-regional players with substantial interests in as well as deep economic and political ties to the region. Japan dominates trade with ASEAN countries; more than double China's two-way trade with Southeast Asia. South Korea and the United States also play a significantly greater economic role in the region than China.ⁱⁱⁱ Even China's recently agreed free trade agreement with Indonesia aimed at expanding trade to twenty billion dollars will not equal Japan's or South Korea's trade with Indonesia. This is not to say that China does not influence Southeast Asia, but despite their increasingly close linkages, other relationships are more important for the region.

As Central Asian natural resources, especially oil and gas, become more important, so too will the geopolitical significance of the region. Excluding Russia, which considers Central Asia to be a gateway into Russia's underbelly, no country considers Central Asia to be a dominant strategic concern. And even Russia has grudgingly given a green light for foreign powers to be involved in the region. Nothing about Central Asia makes it instrumental for any country's security concerns or economic wellbeing, especially when contrasted with Southeast Asia. Disregarding other geopolitical factors, Southeast Asia's importance for maritime shipping cannot be understated, particularly for Japan and South

Korea. More than 50,000 vessels pass through the Straits of Malacca each year along with eleven million barrels of oil per day.^{iv} Because Japan and South Korea rely almost completely on foreign oil imports, 80 percent of their oil must pass through the region. With the oil tanker fleet stretched as thin as it is, there are no alternatives to the Straits of Malacca that would not create large energy bottlenecks.^v This makes security in Southeast Asia a principal concern for the other players in the region. The other power in the region, the United States, has for good or ill been involved in the region for more than fifty years while the same level of engagement cannot be said of Central Asia. Washington thus has a fairly stable position in the region even if it cannot always be depended upon. Any moves by China to develop an explicitly closed regionalism would be met soundly by the other powers involved in Southeast Asia.

The final factor is the relative economic situation of both regions. Central Asia suffers from a dearth of infrastructure and a low level of economic development. A lack of transport infrastructure makes it nearly impossible to have more than cursory economic interaction with their neighbors. In addition, the Soviet era infrastructure is also centered on Russia with most transport directed toward the north.^{vi} Given Russia's own economic doldrums, it cannot provide the kind of market for Central Asian goods that these states need for economic progress. This provides China with an obvious niche to fill in the region and it has begun investing in infrastructure to promote trade and economic development as well as linkages with China expanding Central Asian options beyond Russia. On the other hand, the economic dynamism that characterized Southeast Asia before the 1997 Asian Financial Crisis has returned. While the China's growing market is increasingly important for Southeast Asia, the region's goods need a broader export market than just China. In the 1980s and early 1990s, Japan forged close ties with the region using a combination of overseas development assistance and foreign direct investment directly contributing to the rapid economic rise of the region. The consequential economic integration of Southeast Asia into the world provides the region with more options and the ability to pick and choose among suitors. Although it has begun to play an important role in the ASEAN Regional Forum and inked free trade agreements with ASEAN, China simply does not have the clout to replace Japan or even the United States and South Korea as a regional leader.

From the comparison in cases between Central and Southeast Asia, it is clear that the new security concept does not replace entrenched regional arrangements. However, it does offer a non-confrontational approach to compete for influence in a region trying to find its way. Central Asia's relative isolation and need for foreign involvement makes it possible for the new security concept to operate without alienating too many important outside powers and causing tension in the region.

An interesting paradox in light of the SCO's demand for a U.S. pullout is that the U.S. deployment to the region was necessary to stabilize the region for Chinese engagement. The early failures of the SCO to blossom into a viable international organization and forum for the region attest to the inability of China and Russia to provide a modicum of stability. The element of stability provided by the U.S. deployment gave China, and to a lesser extent Russia, a support structure to develop more permanent regional security

regimes. While a year ago Chinese and U.S. interests in Central Asia may have converged, Chinese energy security concerns are becoming more important as the SCO takes a greater role in stabilizing the region. Given that the United States was a major impetus for establishing overland oil pipelines, a stabilized Central Asia means that the U.S. presence now threatens the very pipeline project and Chinese economic initiatives that it made possible.

Initially, China's approach to Central Asia was based around the new security concept and the revival of the SCO could not be supported. China lacked the ready funds to pump into the region the way the United States did following the September 11, 2001 terrorist attacks. These economic ties take time to forge. It should also be noted that the SCO did not call for the immediate withdrawal of U.S. forces, but rather a schedule. This suggests that the United States is not yet dispensable or that some states still see a positive role, which the United States can fill in the region.

Should the SCO continue to strengthen and develop as is, the United States will most likely be politely shown the door in the medium term; however, there is at least one significant caveat. Russia has made a choice to stand by China, but this choice is not irrevocable. Russia does not have the power to effectively deal with U.S. primacy nor with a rising China. While bringing Kyrgyzstan and Uzbekistan back into line was a priority this year, Russia will eventually need to come to a clear understanding about its policy toward China. If the Russians determine that the Chinese threaten their interests too directly or feel the need to hedge against China, the United States role in the region could remain indispensable as a relatively neutral balancer.

The Central Asian states themselves will likely continue to play China, Russia, and the United States off against one another. This time around the Central Asian states took a stand against the United States to gain leverage perhaps for better basing rights and protest probable U.S. involvement in the upheavals in Georgia and Kyrgyzstan. However, they have made greater commitments to the SCO and, by extension, China, and these cannot be simply cast aside. The continuing rise of China and the growing economic integration with the SCO members will help cement Central Asian commitments and restrict their maneuvering room. Through the new security concept and corresponding diplomacy, China established a firm foothold in the region, and while eventually the new security concept will be cast off in favor of more direct measures, China will continue to apply it as long as it senses power imbalance with the United States. Once more of joke than respectable policy, the new security concept has demonstrated its utility in forging regional arrangements and the United States should not be too quick to dismiss the Chinese and their norm-oriented diplomacy.

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ⁱ Michael Yahuda, "Chinese Dilemmas in Thinking about Regional Security Architecture," *Pacific Review*, vol. 16, no. 2 (June 2003), especially pp. 191–197.

ⁱⁱ The author would like to thank Professor Kimberly Marten for this point.

ⁱⁱⁱ *Direction of Trade Statistics 2005*, Washington, DC: International Monetary Fund, 2005.

^{iv} Department of Energy, Energy Information Administration, “World Oil Transit Choke Points,” <http://www.eia.doe.gov/emeu/cabs/choke.html>

^v Author’s interview with Mikkal Herberg, Director of the Asian Energy Security program at the National Bureau of Asian Research.

^{vi} Justin Odum and Erica Johnson, “The State of Physical Infrastructure in Central Asia: Developments in Transport, Water, Energy, and Telecommunications,” *NBR Analysis*, vol. 15, no. 5 (December 2004), pp. 59–114.

SELECTED NEWS SUMMARIES: MARCH 2005 - JULY 2005

Shanghai Cooperation Organization

On July 5, the Head of State of the Shanghai Cooperation Organization met at their annual Summit in Astana, Kazakhstan. The leaders discussed the continued development of the organization, in particularly announcing ways in which the SCO would increase cooperation on counterterrorism and regional trade. Perhaps most significantly, the SCO members jointly called for a timetable to be drawn up for the United States to depart from its bases in Central Asia, once the situation in Afghanistan had fully stabilized. For a more in-depth explanation and analysis of the summit and its result, please see the above articles, particularly, “The Shanghai Cooperation Summit: Where Do We Go From Here?” by CEF Director Matthew Oresman.

On July 4, CSTO Secretary General Nikolai Bordyuzha announced that the Collective Security Treaty Organization is ready to establish a working relationship with the Shanghai Cooperation Organization. Future cooperation will likely occur in the counterterrorism and counter-drug areas.

On June 24, President Imomali Rakhmonov of Tajikistan stated at a meeting of CIS Defense Ministers that the SCO should create a rapid-deployment force to counter international terrorism and religious extremism. Tajikistan joins Russia and Kazakhstan in making this suggestion.

On May 21, the Moscow Club of SCO ambassadors met for the first time for informal discussion aimed strengthening cooperation between SCO Ambassadors.

On June 4, the Foreign Minister of the SCO met in Astana to prepare for the July SCO summit. All of the draft documents for the summit were approved, including one on energy cooperation. In a meeting of the National Securities Secretaries held at the same time, the group agreed to hold a SCO anti-terrorism exercise sometime in the near future. The scope and details of this exercise were not immediately available.

During the week of June 20, academics from the SCO member states convened in Xinjiang for a conference on various aspects of the organization. This conference will likely be institutionalized as the “SCO Forum” and will occur annually as a permanent “track 2” mechanism of the SCO.

On April 22, SCO Secretary-General Zhang Deguang signed a memorandum of understanding with ASEAN Secretary-General Ong Keng Yong to facilitate cooperation between ASEAN and the SCO in the areas of trade, finance, education, and science, and technology.

On April 12, SCO Secretary General Zhang Deguang and Chairman of the CIS Executive Committee Vladimir Rushailo signed a Memorandum on Understanding between the

SCO Secretariat and CIS Executive Committee. The document set up the legal foundation by which the two organizations will cooperate in the trade, economic, and humanitarian spheres, as well as in counterterrorism activities.

From April 5 to 7, SCO Secretary General Zhang Deguang visited Kyrgyzstan to meet with Acting Kyrgyz President and Prime Minister Bakiyev, Speaker Tekebayev, Acting Foreign Minister Otunbayeva, Minister of Trade and Industry Muraliyev, and Chairman of the National Security Service Aitbayev. They discussed the ongoing activity of the SCO and the Kyrgyz commitment to stay involved in the organization.

On March 31, the Council of National Coordinators of the Shanghai Cooperation Organization (SCO) met in Beijing to discuss the upcoming Summit and the possible addition of Iran, India, and Pakistan as SCO observers. The group did not discuss the recent Kyrgyzstan revolution, though the Kyrgyz representative announced that Kyrgyzstan would continue to fully participate in SCO activities. Prior to this meeting, an expert group met to discuss establishing the SCO Business Council and Development Fund.

On March 30, the Executive Council of the SCO RATS met to discuss the Central Asian security situations and how the RATS can further facilitate cooperation among SCO member states.

On February 25, the Shanghai Cooperation Organization Foreign Ministers met in Astana on February 25 to discuss the June SCO Summit. In particular, they discussed the draft agreements of cooperation between the SCO and the CIS and ASEAN, how the SCO-Afghanistan liaison group would function, and sending SCO election observers to Kyrgyzstan. During this meeting, Russian Foreign Minister Sergei Lavrov announced that he backed the idea of advancing cooperation between the SCO and NATO, following the model of NATO-CSTO Cooperation and Kazakh Foreign Minister Kasymzhomart Tokayev said that Kazakhstan supports the Russian initiative for the creation of SCO force to rapidly response to emergency situations both in- and outside the SCO. While in Astana, the Foreign Ministers, as well as SCO Secretary General Zhang Deguang, met with Kazak President Nursultan Nazarbayev.

Security Situation and Regional Cooperation

On June 23, Kazakh Interior Minister Zautbek Turisbekov and Chinese Public Security Minister Zhou Yongkang announced that China will send officials to train Kazakh police officers. No statement was made on whether this request relates to upcoming the Kazakh elections and expectations for protest by democratic activist.

On May 26, the Kyrgyz government announced that it was considering giving some international organization, most likely the CSTO or SCO, permission to establish a new airbase in southern Kyrgyzstan. The details of this deal and who would control the base is still unknown, though the Chinese foreign ministry has vacillated whether the PLA Air Force was seeking to deploy forces outside its border.

From April 2 to 6, the CSTO (Kazakhstan, Kyrgyzstan, Russia, and Tajikistan, and Russia) conducted the Rubezh-2005 command-control military exercises in Tajikistan. The exercise involved 3,000 troops and focused on demonstrating the CSTO's Collective Rapid Deployment Force's response to challenges and threats to stability in the Central Asian region.

Summits and Meetings

On July 1, Chinese President Hu Jintao traveled to Moscow to meet with Russian President Vladimir Putin for a 4-day summit. During their meetings, the two discussed political, security, and economic cooperation in both a bilateral context and through multilateral approaches such as the SCO and the ongoing China-Russia-India three-way meetings. Hu also made a trip out to Siberia during his visit to inspect fields that may soon be involved in pumping oil directly to China. The meeting concluded with the signing of a joint statement on the "International Order in the 21st Century," which laid out the two leaders' view of the international political situation [the full statement can be found below].

On June 2, the Foreign Ministers of Russian, Chinese, and Indian met in Vladivostok, Russia to discuss energy cooperation, increasing trade, and jointly fighting terrorism.

On May 25, President Islam Karimov of Uzbekistan visited Beijing for a summit with Chinese President Hu Jintao, Karimov's first international trip after Uzbek forces violently suppressed a rebellion in Andijon. In a show of support to the much-criticized Uzbek government, China announced that it has signed a Friendship Treaty and a \$600 million oil deal with Uzbekistan. Previously, the Chinese Foreign Ministry had supported the crackdown by stating that it was a legitimate response to the "three evils" of "terrorism, extremism, and separatism." During his visit, Karimov also met with SCO Secretary General Zhang Deguang to discuss plans for the July SCO Summit.

Economics, Trade, and Assistance

On February 17, the United Nations Development Program (UNDP) announced that it is launching a new regional program to support the countries along the Silk Road in strengthening regional cooperation. The program will spend approximately \$1 million and partner with the SCO, WTO, China and the nations of Central Asia in this project.

On February 21, China pledged 30 million yuan (approximately \$4.2 million) to repair the road between Bishkek and Manas airport. An additional project to repair the Osh-Sary-Tash-Irkeshtam road (between the southern Kyrgyz town of Osh and Chinese border) was also discussed.

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SELECTED PUBLIC STATEMENTS

Declaration of Heads of Member States of Shanghai Cooperation Organization, July 5, 2005 (Unofficial translation by the SCO Secretariat)

The heads of the member states of the Shanghai Cooperation Organisation -- /further mentioned as the SCO or the Organisation/ -- of the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan -- having gathered at a meeting of the Council of heads of SCO member states in Astana on July 05, 2005, state the following:

I

A year on, since the last meeting of heads of member states in Tashkent on June 17, 2004, all the tasks, which were set out then for the purpose of a further development and consolidation of the SCO, have almost been completed. The Organisation is making firm steps on the road of establishing multilateral cooperation between the member states and is becoming actively engaged in interaction with other international organisations and countries.

The SCO permanent bodies, which have been operating since 2004 -- Secretariat, based in Beijing, and Regional Antiterrorist Structure (RATS), based in Tashkent, -- are becoming effective collective instruments that provide an uninterrupted functioning of the Organisation. The RATS executive body -- Council -- has been playing a still more important role, which must increase further.

In order to enhance the effectiveness and coordination of the activity of the SCO and of all its bodies and mechanisms, the heads of the member states agreed that by their next high-level meeting in 2006 the Council of national coordinators will present proposals with regard to strengthening the role of Secretariat and renaming the Russian title of its chief as Secretary-General.

The heads of the member states underscored the importance of taking necessary measures on the fulfillment of agreements, which were reached at the second meeting of secretaries of national security councils of SCO member states in Astana on June 02, 2005.

In order to contribute to the fulfillment by the RATS of the Shanghai Convention on combating terrorism, separatism and extremism, the heads of the member states agreed to set up an institution of permanent representatives of member states based upon the same principles, according to which permanent representatives of the member states to the Secretariat are now operating.

The heads of the member states express their confidence that the Concept of

cooperation between SCO member states on combating terrorism, separatism and extremism, which has been adopted at the summit, will help enhance the effectiveness of such cooperation and make the activity of RATS more precise and targeted.

The heads of the member states assume that a meeting of the Council of heads of government (prime ministers), which is due in Moscow in autumn, 2005, will provide true momentum for the realisation of the Action Plan on fulfillment of the Program of multilateral trade and economic cooperation between SCO member states, for getting down to a more practical interaction between ministries and departments responsible for external trade and economic activity, transport, environmental protection, tackling of emergency situation, culture and education, as well as establish a rational financial and budgetary policy of the SCO.

The SCO Business Council, the formation of which is entering into a final stage, is to become a new source of stimulating the integration process within the framework of the Organisation. Guided by the principle of consensus, the parties will speed up the establishment of SCO Development Fund. At the same time the parties agreed to strengthen interaction between banks in order to provide financial support for the realisation of projects of regional cooperation.

While emphasizing a great and constructive job, which was done by the Council of ministers of foreign affairs, the heads of the member states underline the importance of a practical functioning of the already launched mechanism of consultations on international issues. They also consider the task of providing a well planned and targeted development of SCO external contacts an urgent one. Such issues should basically be handled by the Council of ministers of foreign affairs, and current coordination of external ties, being established by the SCO permanent bodies, should be done through the Council of national coordinators and in interaction with the Council of RATS.

The heads of the member states express their confidence that giving Pakistan, Iran and India observer status in the SCO will expand the Organisation's opportunities in terms of developing multilateral and mutually beneficial cooperation in various directions.

An important indication of the SCO's growing authority on the international stage is the obtaining by the Organisation of observer status at the UN General Assembly in December 2004 and the signing of memoranda of understanding between the SCO and CIS, the SCO and ASEAN.

In the immediate future the Council of national coordinators, jointly with the Secretariat and RATS, must work out a general approach so that the SCO could be able to develop contacts with the UN Secretariat, its commissions and committees and fulfill already signed documents on cooperation with other international organisations with

maximum efficiency, as well as establish ties with regional associations, forums and interested countries built upon equality and mutual respect.

II

The heads of the member states point out that, against the backdrop of a contradictory process of globalisation, multilateral cooperation, which is based on the principles of equal right and mutual respect, non-intervention in internal affairs of sovereign states, non-confrontational way of thinking and consecutive movement towards democratisation of international relations, contributes to overall peace and security, and call upon the international community, irrespective of its differences in ideology and social structure, to form a new concept of security based on mutual trust, mutual benefit, equality and interaction.

Diversity of cultures and civilisations in the world is a common human value. At a time of fast developing information technologies and communications it must stimulate mutual interest, tolerance, abandonment of extreme approaches and assessments, development of dialogue. Every people must be properly guaranteed to have the right to choose its own way of development.

The heads of the member states are convinced that a rational and just world order must be based upon consolidation of mutual trust and good-neighborly relations, upon the establishment of true partnership with no pretence to monopoly and domination in international affairs. Such order will become more stable and secure, if it comes to consider the supremacy of principles and standards of international law, before all, the UN Charter. In the area of human rights it is necessary to respect strictly and consecutively historical traditions and national features of every people, sovereign equality of all states.

The heads of the member states voice their support for rational and necessary reforms of the United Nations, aimed at enhancing the effectiveness and authority of this organisation. It was confirmed that, as the reforms got underway, it would be important to maintain as much broader consensus, to not impose any timeframe for the sake of overhauling the UN, as well as any voting on the projects, which are still causing major discrepancies.

The heads of the member states proceed from the assumption that in the 21st century the Asia Pacific region is destined to play an important part in providing peace and

development, and declare against fault lines appearing both in the Asia Pacific region and in its separate constituent parts; declare for any misunderstanding and controversy among countries to be resolved by peaceful means and through negotiations; declare for an atmosphere of friendship, mutual understanding, interaction and constructiveness to come to reign in this dynamic region. Contributing to that is one of the main directions of the SCO activity.

The heads of the member states support the efforts by the Central Asian countries, aimed at providing peace, security and stability in their territory and in the whole region, and declare for the SCO to play an active role in strengthening stability and economic development in the Central Asia.

III

The heads of the member states believe that joint efforts by the member states are required in order to effectively confront new challenges and threats to security and stability in the region and in the world.

Such joint efforts must be of a complex nature and tangibly contribute to providing the territories, population, key objects of life support and infrastructure of the member states with a reliable protection from the destructive effect of new challenges and threats, to creating necessary conditions for steady development and elimination of poverty on the SCO terrain, and include the following:

- development of a close cooperation between diplomatic, foreign, external economic and law enforcement bodies, intelligence and defense agencies of the member states;
- active exploitation of the mechanism of meetings of secretaries of national security councils of the member states;
- formulation of effective measures and mechanisms of SCO joint reaction to situations, which threaten peace, security and stability in the region;
- joint planning and conduct of antiterrorist activities;
- harmonisation of national legislations on issues of security provision;
- cooperation on the invention and implementation of modern technical equipment used in fight against new challenges and threats;
- formation of an effective mechanism of mass media counteraction against new challenges and threats;
- training of respective personnel.

The SCO member states will prevent any attempts on their territories to prepare and commit acts of terror, including those aimed against the interests of other countries, not provide asylum for individuals, accused or suspected of conducting terrorist, separatist and extremist activity, and extradite such individuals at respective requests on the part of another SCO member state in strict accordance with the current legislation of the member states.

Measures will be taken to improve and enhance the effectiveness of the SCO Regional

Antiterrorist Structure activity.

It is important that in the framework of fight against international terrorism the SCO solve problems, dealing with the liquidation of its material base, before all, through fighting illicit circulation of weapons, ammunition, explosives and drugs, transnational organised crime, illegal migration and mercenary activity. Special attention should be focused on preventing terrorists from misusing items of weapons of mass destruction, means of their delivery and on information terrorism.

Counteraction against the **financing** of terrorism, separatism and extremism, including the legalisation of illegally made profits and money, urgently requires the formulation of united approaches and standards of monitoring money remittance, movement of financial resources of organisations and individuals, suspected of involvement in terrorism, as well as an active engagement by the SCO in respective international efforts.

In compliance with the Agreement on cooperation in the fight against illicit circulation of narcotic means, psychotropic substances and their precursors, signed on June 17, 2004, a matter of high priority must be the deepening of cooperation on tackling illicit circulation of narcotic means, psychotropic substances and their precursors. The SCO is ready to actively participate in the international efforts on the formation of antinarcotic belts around Afghanistan, in formulation and realisation of special programs, providing assistance for Afghanistan in order to stabilise its social, economic and humanitarian situation.

We are supporting and shall continue to support the efforts by the international coalition, conducting antiterrorist operation in Afghanistan. Today we are noticing the positive dynamics of stabilising internal political situation in Afghanistan. A number of the SCO member states provided their ground infrastructure for temporary stationing of military contingents of some states, members of the coalition, as well as their territory and air space for military transit in the interest of the antiterrorist operation.

Considering the completion of the active military stage of antiterrorist operation in Afghanistan, the member states of the Shanghai Cooperation Organisation consider it necessary, that respective members of the antiterrorist coalition set a final timeline for their temporary use of the above-mentioned objects of infrastructure and stay of their military contingents on the territories of the SCO member states.

Protection and development of key objects of infrastructure and transport are becoming ever more urgent in terms of preventing and tackling various kinds of technogenic disasters, consequences of which have already become an essential part of a set of threats to the new order. The SCO member states will work out multilateral mechanisms on a system of monitoring and exchange of analytical information in connection with possible disasters and their consequences, as well as on the creation of necessary legal and organising conditions for conducting joint rescue operations, including education and training of personnel under united methods, its quick transfer and compatibility of technical means.

The SCO will be making a constructive contribution to the efforts by the world community on issues of providing security on land, at sea, in air space and in outer space.

In order to increase the fight potential of the member states of the Organisation for combating terrorism, separatism, extremism and other challenges and threats, the SCO member states will consecutively expand their cooperation in economic area, guided by the Program of multilateral trade and economic cooperation and the Action Plan on its

fulfillment. Practical steps will be taken in the field of ecology and rational use of natural resources.

Formulation of coordinated methods and recommendations on conducting prophylactic activities and respective explanatory work among the public in order to confront attempts of exerting a destructive influence on the public opinion is a vital task. The member states will actively contribute to the expansion of interaction within the SCO framework in such areas as education, culture, sport and tourism.

The heads of the member states proceed from the assumption that joining efforts in the SCO framework for the purpose of providing security and expanding the Organisation's potential does not hurt the interests of other states and does not mean a movement towards the creation of any bloc, fully corresponds to the SCO principle of outside openness and the spirit of broad international interaction in confronting new challenges and threats.

President of the Republic of Kazakhstan N.Nazarbaev

President of the People's Republic of China Hu Jintao

acting President of the Kyrgyz Republic K.Bakiev

President of the Russian Federation V.Putin

President of the Republic of Tajikistan E.Rakhmonov

President of the Republic of Uzbekistan I.Karimov

China-Russia Joint Communiqué, July 3, 2005

President of the People's Republic of China Hu Jintao made a state visit to the Russian Federation from 30 June to 3 July 2005 at the invitation of President Putin of the Russian Federation. President Hu Jintao met with President Putin. President Hu Jintao met separately with Premier Fradkov, Premier of the Government of the Russian Federation, Speaker of the Federation Council Mironov, and Chairman Gryzlov of Russia's State Duma.

The two heads of state comprehensively summarized the achievements in the development of relations between China and Russia since their meeting in Beijing in October 2004. In the spirit of mutual understanding and trust, they discussed the current state and prospects of the strategic cooperative partner relationship between China and Russia. They engaged in a straightforward and thorough exchange of views on major international issues and regional matters. They reached wide-ranging consensus, and specified the direction of further development of bilateral relations and the basic principles by which to strengthen strategic cooperation by the two countries on the international stage.

1. The two heads of state point out with satisfaction that with hard work together on both sides, political trust between China and Russia has ascended to a new high, and cooperation in all areas is broadening and deepening continually. The strategic cooperative partner relationship between the two countries has entered a new phase of development.

The two sides reiterate that developing the strategic cooperative partner relationship between China and Russia is a priority in the foreign policy of both countries. This choice is in the fundamental interests of the two countries and their people, and it is beneficial to protecting the peace, stability, and development of the region and the world at large.

In accordance with the principles and spirit of the Good Neighborly Treaty of Friendship and Cooperation between the People's Republic of China and the Russian Federation, which was signed on 16 July 2001, the two sides will expand mutually beneficial cooperation, strengthen coordination on international and regional affairs, and promote the continued, steady development of the strategic cooperative partner relationship between China and Russia.

The two sides stress that the "2005-2008 Outline for Implementation of the Good Neighborly Treaty of Friendship and Cooperation between the People's Republic of China and the Russian Federation" which the two heads of state approved on 14 October 2004 is of great importance in the development of cooperation between the two countries in all areas in the next few years. The two sides express satisfaction with the implementation of the Outline so far. The two sides believe it is essential to continue working hard, and to implement each provision of this document comprehensively and thoroughly.

2. The two sides point out that the Supplementary Agreement on the Eastern Section of the China-Russia Border which was signed on 14 October 2004, along with the Agreement on the Eastern Section of the China-Russia Border which was signed on 16 May 1991, and the Agreement on the Western Section of the China-Russia Border which was signed on 3 September 1994, demarcate the entire length of the more than 4,300 kilometer long border between the two countries. The agreements provide reliable assurance of friendly cooperation between the two countries and friendship between their peoples for generations to come. The agreements made an important contribution to maintaining the security and stability of the Asia-Pacific region and the world at large. The two sides resolve to work hard together, to actively implement the national boundary agreements and other agreements relating to the border, and make development of the China-Russia frontier become a strong bond tying the people of the two countries together in friendship and cooperation.

3. The two sides believe that the extensive support which the two countries give each other on the major issues of national sovereignty, national security, and territorial integrity is a major feature of the strategic cooperative partner relationship between China and Russia.

The Russian side reiterates its principled stand on the Taiwan issue. Russia considers the Taiwan issue to be China's internal affair, and believes that outside forces have no right to intervene. Russia upholds the one China principle, and opposes "Taiwan independence" in any form. Russia does not accept the ideas of "two Chinas" or "one China, one Taiwan." Russia opposes Taiwan's accession to the United Nations and all other international organizations which only sovereign nations may join. Russia will not sell weapons to Taiwan. Russia acknowledges China's hard work to achieve peaceful unification based on the Anti-secession Law.

The Chinese side reiterates its resolute support for the Russian side's hard work to protect its national sovereignty and unity and to fight separatism and terrorism.

Both sides believe that the establishment of a mechanism for national security consultations between China and Russia signifies that security cooperation between the two countries has advanced to a new level. The two sides will bring into full play the role of the national security consultation mechanism and that of security consultation mechanisms between concerned departments, they will work together to meet new challenges and new threats, and they will protect the common interests of the two countries.

The two sides stressed that military cooperation between China and Russia plays an important role in deepening mutual trust between the two countries, and it is helpful in protecting regional and world peace and stability. The two sides are willing to advance cooperation and exchanges between the armed forces of the two countries.

The two sides believe that the signing of the "Memorandum of the Ministry of National Defense of the People's Republic of China and the Ministry of Defense of the Russian

Federation Regarding the Conduct of Joint Military Exercises" shows that interaction between the armed forces of the two countries has developed to a new level. The two sides will work hard together to do well in the first China-Russia joint military exercise. The two sides point out that the aim of joint military exercises by China and Russia is to improve the operational capabilities of the two armed forces to deal effectively with new challenges and new threats, and that the exercises are not directed at any third country.

On the existing foundation, the two sides will take practical steps to advance cooperation on military technology between China and Russia to a higher level and a broader sphere.

4. The two sides point out that the line of thought, "friends for generations to come, never becoming enemies," enjoys widespread support in both countries. The two sides will continue to deepen and broaden interaction between the people of the two countries, enhancing the mutual understanding and traditional friendship between their people, and firming up the social foundation of relations between China and Russia.

The two sides assess highly the work of the China-Russia Friendship, Peace and Development Commission.

The two sides stress that "The Year of Russia" in China in 2006, and "The Year of China" in Russia in 2007, will be major events in bilateral relations in the next two years. The two sides will plan carefully and formulate "national year" activities plans. These "national year" activities will inject new vitality into cooperation between China and Russia in the spheres of politics, economics and trade, science and technology, and the humanities.

5. The two sides point out that economic and trade cooperation between the two countries has maintained its momentum of rapid development in recent years. The volume of bilateral trade in 2004 set a record at \$21.23 billion. This year bilateral trade continues to grow at the rapid pace of 20% or more.

The two sides will tap further the huge potential of economic and trade cooperation between China and Russia. They will improve the structure of their trade, increase the proportion represented by mechanical and electrical goods, and work hard to increase the volume of bilateral trade to \$60-80 billion in 2010.

The two sides express satisfaction with the developmental momentum of investment cooperation between China and Russia. They assess highly the second China-Russia Investment Promotion Conference which was held in St. Petersburg in June 2005, and the series of agreements on large and medium-sized investment projects which were reached during the conference. The two sides will continue to hold investment promotion conferences, and to expand and advance the scale and level of investment cooperation between China and Russia. Within the frameworks of their respective laws, the two sides will actively take measures to create an excellent investment environment and the necessary conditions for the implementation of cooperative projects agreed by the two sides, so as to reach the goal of a cumulative total of \$12 billion in Chinese investment in

Russia by 2020. As soon as possible, the two sides will sign an intergovernmental agreement encouraging and protecting investment in each other's country. The two sides point out that the success of the 16th Harbin Economic and Trade Consultation Conference helped strengthen and promote mutually beneficial cooperation between the industrial and commercial circles of the two countries in the execution of the development strategy for the Russian Far East and eastern Siberia and the strategy for the revitalization of the old industrial base in northeast China. The two sides will continue to actively promote local cooperation and encourage closer coordination in the development of the border regions.

The two sides will continue to implement projects involving investment, science and technology, transportation, aerospace, civil aviation, telecommunications and information technology, the peaceful use of nuclear power, and cooperation between banks. The two sides believe that stepping up cooperation on energy is of great importance in raising the overall level of economic and trade cooperation between China and Russia. The agreements on cooperation in the areas of oil, gas, and electricity which the two sides signed during this meeting of heads of state signify a new step forward in cooperation on energy between the two countries. The two sides are resolved to act in accordance with the Outline for Implementation and implement further the China-Russia cooperative projects in the area of oil and natural gas, to include the construction of a China-Russia crude oil pipeline, and the joint development of oil and gas fields within the borders of the two countries. The two sides charge the enterprises concerned in the two countries to engage in specific consultations on these projects.

The two sides stress the importance of actively expanding cooperation between the two countries in areas of the humanities, to include gradually implementing bilateral agreements on culture, education, health, sports, tourism, news media, movies, and archives.

The two sides believe it necessary to improve the level of cooperation on aspects of environmental protection and the exploitation of natural resources.

6. The two sides believe that the international situation is currently undergoing complex and profound changes. More and more countries agree with the idea of democratizing international relations, the move toward multipolarity in the layout of the world, and diversity in patterns of development. Economic globalization and regional cooperation deepen and develop continually, providing all countries new opportunities for socioeconomic development. Yet unstable and uncertain factors persist throughout the world, and there are quite a few "hot spot" regions. Traditional and non-traditional security problems overlap with each other, posing a severe threat to world peace and development.

The heads of state of the two countries assess highly the joint statement on international order in the 21st century which the two sides signed. They believe the statement embodies the similar views and stands which the two countries have on major international issues. The statement shows that the two countries want and are resolved to

exert effort on establishing a just and rational new international political and economic order, and this is helpful in promoting development of the 21st century international order in a healthy and stable direction.

The two sides believe that the strategic cooperative partner relationship between China and Russia is making an important contribution to the establishment of a new international order. This year marks the 60th anniversary of the end of World War II. China and Russia call on all countries to engage in wide-ranging dialogue on the establishment of a new international order. China and Russia resolve to work unflinchingly with other countries to build a harmonious and developing world.

7. The two sides reiterate their support for the fight against terrorism in all its forms. The two sides advocate strengthened cooperation in the international community, coordinated by the United Nations and its Security Council, and in accordance with the United Nations Charter and the principles of international law, and the formulation of a long-term, comprehensive antiterrorism strategy.

The two sides oppose linking terrorism with any specific country, ethnic group, or religion. The two sides oppose the adoption of a "double standard" on the issue of terrorism.

The two sides point out that as countries which have both been harmed by terrorism, China and Russia will strengthen cooperation further, and struggle against this evil force.

8. The two sides point out that the United Nations plays an important and irreplaceable role in protecting world peace and security. It is essential to enhance further the core role which the United Nations and its Security Council play in resolving major international problems.

The two sides support reform of the United Nations. They believe that reform of the UN should be helpful in strengthening multilateralism, and enhancing the UN's authority and effectiveness and its ability to cope with new challenges and new threats. The two sides hope that the United Nations conference of heads of state, to be held from 14 to 16 September 2005 in New York, will approve a continuing resolution reflecting the objectives and missions of the Millennium Declaration, and that all countries will step up their actual effort to implement these objectives and missions. The two sides want the United Nations to have an enhanced coordinating role in key regions. The two sides desire the consolidation of the collective security arrangement for the 21st century, and the establishment of a stable and fair international order.

The two sides believe that reform of the UN Security Council involves the immediate interests of all sides, and that decisions relating to it should be made on the basis of the broadest consultation and agreement. To avoid a split among member states, China and Russia oppose the setting of an arbitrary deadline for the issue of Security Council reform, or putting to vote a plan on which agreement has not been reached through consultation.

9. The two sides point out that the Central Asian countries which border China and Russia have unique histories, cultures, and traditions. China and Russia respect the right of these countries to choose their own path of development. Maintaining regional peace and stability is in the long-term and fundamental interests of all Central Asian countries, and it is helpful to the healthy development of the entire Eurasian region. China and Russia indicate that they will strengthen coordination and cooperation with Central Asian countries, both bilaterally with China and Russia and within the framework of the Shanghai Cooperation Organization, so as to protect regional security and stability and strike against terrorism, separatism, and extremism. The two sides also reiterate that they will deepen and broaden bilateral cooperation with Central Asian countries, and exert unflagging effort on promoting economic development in Central Asian countries.

The two sides point out that the establishment and development of the Shanghai Cooperation Organization has been of great significance in strengthening good-neighborly mutual trust and friendly cooperation among the member states, and in promoting security, stability, and economic development in this region. The Shanghai Cooperation Organization has become an important factor in establishing a just and rational new international political and economic order. The two sides will take practical measures, along with other member states, to deepen and expand cooperation on security, economics, and in other areas, within the framework of the SCO.

10. The two sides are willing to work hard together to step up cooperation in the strategic cooperative partner spirit, and to protect the security and stability of the Asia-Pacific region. The two sides are willing to strengthen further their dialogue, coordination, and cooperation within mechanisms for regional cooperation such as the ASEAN Regional Forum.

China welcomes Russia's joining of the "Asian Cooperation Dialogue." China is willing to continue to work hard to promote Russia's joining of the Asia-Europe Conference. China welcomes Russia's ties with systems of regional integration which have been established or which are now taking shape in East Asia.

11. The two sides reiterate their adherence to the goal of a non-nuclear Korean Peninsula, their adherence to the orientation of dialogue and peaceful resolution, their adherence to the preservation of peace and stability on the peninsula and in the region, their support for continued improvement in relations between North and South Korea, and their support for the normalization of relations between North Korea and concerned countries. The two sides are unanimous in the view that the best and most effective way to resolve the Korean Peninsula nuclear issue is the six-party talks. The two sides welcome the recent positive, hard work of concerned parties toward resumption of the talks. The two sides call on all parties involved in the talks to remain patient, to show flexibility, and to adopt a constructive attitude and actively promote a restart of the six-party talks at an early date, and enable progress to be made in the talks. The two sides are willing to go further to act in concert toward the peaceful resolution of the Korean Peninsula nuclear issue.

The two sides resolutely oppose the spread of nuclear weapons. The two sides advocate the resolution of the Iranian nuclear issue as soon as possible, through diplomatic measures within the framework of the International Atomic Energy Agency. The two sides support the diplomatic efforts which the international community is making toward a political resolution of the Iranian nuclear issue. The two sides are willing to continue to play a constructive role in this process.

The two sides point out that the heads of state of the two countries conducted their meeting in an atmosphere of friendship, mutual trust, and cooperation, and they achieved important and substantive results. The two sides express their satisfaction with the achievements of the meeting.

President of the People's Republic of China Hu Jintao has invited President Putin of the Russian Federation to visit China at a convenient time. President Putin has accepted this invitation with pleasure. The specific time of the visit will be determined by the two sides through diplomatic channels.

3 July 2005

Joint Statement of the People's Republic of China and the Russian Federation Regarding the International Order of the 21st Century, July 1, 2005

The PRC [People's republic of China] and the Russian Federation (hereinafter referred to as the "two sides" for short), taking the opportunity of the 60th anniversary of the victory in World War II and the 60th anniversary of the founding of the United Nations,

Acting on the basis of the historical responsibility for world peace and development in their capacities as permanent members of the United Nations Security Council,

Strictly abiding by the propositions on building a multipolar world and a new international order as enunciated in the Joint Statement of the People's Republic of China and the Russian Federation Regarding Global Multipolarity and the Establishment of a New International Order of 23 April 1997,

Confirming the strategic cooperative partnership between the two sides as reiterated in the Treaty of Good-Neighbourliness, Friendliness, and Cooperation of the People's Republic of China and the Russian Federation of 16 July 2001,

Issue the following statement:

1. The world today is undergoing historic changes. The process of building a new international order will be complicated and lengthy.

Peace and development remain the main theme of the times. The phenomena of imbalance and conflict still exist in the course of development of global multipolarity and economic globalization, which are an important trend in the current stage of development of mankind. Relationships of interdependence among countries have been greatly strengthened.

The central task for mankind in the 21st century is to safeguard peace, stability, and security for all of mankind and to achieve comprehensive and coordinated development under the conditions of equality, safeguarding sovereignty, mutual respect, mutual benefit, and ensuring the development prospects of future generations.

Mankind has opportunities to jointly achieve the aforementioned objectives and also is faced with numerous global challenges such as international terrorism, the proliferation of weapons of mass destruction, the disparity between rich and poor, environmental degradation, infectious diseases, organized transnational crimes, and drug trafficking.

2. The problems facing mankind can only be solved on the basis of universally recognized principles and norms of international law and in a fair and rational world order. Countries in the world should strictly observe the principles of mutual respect for each other's sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality, mutual benefit, and peaceful coexistence.

The right of countries to choose their development paths in light of their own conditions, equally participate in international affairs, and seek development on an equal footing

should be fully guaranteed. Differences and disputes must be settled peacefully without the adoption of unilateral action and coercive policy and without resort to the threat of force or the use of force.

The peoples of all countries should be allowed to decide the affairs of their own countries, and world affairs should be decided through dialogue and consultation on a multilateral and collective basis. The international community should thoroughly renounce the mentality of confrontation and alignment, should not pursue the right to monopolize or dominate world affairs, and should not divide countries into a leading camp and a subordinate camp.

3. The United Nations is the world's most universal, representative, and authoritative international organization, and its role and functions are irreplaceable. The United Nations should play a leading role in international affairs and serve as the core for establishing and executing the basic norms of international law. UN peacekeeping operations should be in compliance with the aims and principles of the United Nations Charter. Relevant resolutions of the Security Council must be strictly observed, and cooperation between the United Nations on the one hand and regional and sub-regional organizations on the other should be carried out. The United Nations should play a greater role in the study of global economic and development issues.

Reforms of the United Nations should be aimed at strengthening its leading role in international affairs, improving its efficiency, and enhancing its potential for dealing with new challenges and threats. Reforms should be based on the principle of achieving consensus through consultation and should fully embody the common interests of the vast numbers of member-countries.

4. The positive significance of the process of globalization lies in drawing on unprecedented vibrant economic and trade relations and exceptionally broad access to open information to promote global economic development. On the other hand, the development of globalization is greatly uneven, and the gap between developed countries and regions on the one hand and other countries and regions in the world on the other is widening. To ensure the sound development of the process of globalization, coordination and mutually beneficial cooperation among countries and regions should be strengthened; all discrimination in economic relations should be eliminated; the gap between rich and poor should be narrowed; and common prosperity should be promoted through expanding and deepening economic, trade, and scientific and technological exchanges.

The international community should establish an economic and trade regime that is comprehensive and widely accepted and that operates through the means of holding negotiations on an equal footing, discarding the practice of applying pressure and sanctions to coerce unilateral economic concessions, and bringing into play the roles of global and regional multilateral organizations and mechanisms.

5. Developing countries, which account for the majority of the world's population, are an important force in safeguarding world peace and development. The international community should pay close attention to the issue of eliminating the gap in the

development levels of developing countries and developed countries. The way to resolve the issue is, first and foremost, to ensure that all members of the international community can equally take advantage of the social, economic, scientific and technological, informational, cultural, and other opportunities stemming from globalization to strengthen mutually beneficial North-South and South-South cooperation and to achieve common development. The countries concerned should discharge the relevant duties that they shoulder in the United Nations and within other multilateral frameworks.

6. Human rights are universal. Countries should respect the human rights and basic freedoms enshrined in the Universal Declaration of Human Rights, promote efforts to guarantee and safeguard human rights in light of their own conditions and traditions, and settle their differences through dialogue and cooperation on the basis of equality and mutual respect. International human rights protections should be based on the principles of firmly safeguarding the sovereign equality of all countries and not interfering in each other's internal affairs.

7. The histories and traditions of multi-ethnic countries must be respected, and so must their efforts to promote harmonious coexistence and common development for various ethnic groups and to safeguard national unity. Any actions that are aimed at dividing sovereign countries and inciting hatred among ethnic groups are unacceptable. No social and political systems and models should be imposed from the outside without regard for the objective process of social development in sovereign countries.

8. The diversity of cultures and civilizations in the world should become the basis for mutual enrichment rather than mutual conflict. The main trend of the world today is not towards a "clash of civilizations"; rather, it underscores the imperative of engaging in global cooperation. The diversity of civilizations in the world and the diversification of development models should be respected and safeguarded. Differences in the historical backgrounds, cultural traditions, social and political systems, value concepts, and development paths of countries should not become an excuse for interfering in the internal affairs of other countries. Different civilizations should conduct dialogue, exchange experiences, draw on each other's experiences, learn from each other's strong points to make up for their own shortcomings, and seek common progress on the basis of mutual respect and tolerance. Cultural exchanges should be increased in order to establish relations of friendship and trust among countries.

9. The two sides call on the international community to make joint efforts to establish a new security framework on the basis of mutual trust, mutual benefit, equality, and cooperation. The framework should have the universally recognized norms of international relations as its political foundation and mutually beneficial cooperation and common prosperity as its economic foundation, and should be built on the basis of respecting the equal security rights of all countries. Dialogue, consultation, and negotiation on an equal footing should become the means for settling conflicts and safeguarding peace.

The two sides support the preservation and consolidation of global strategic stability, as well as the legal system and the multilateral process of arms control, disarmament, and

nonproliferation. The two sides are in favour of facilitating the entry into force of the Comprehensive Nuclear Test Ban Treaty as soon as possible and of promoting efforts to strengthen the universality and effectiveness of such arms control and nonproliferation treaties as the Treaty on the Nonproliferation of Nuclear Weapons, the Convention on the Prohibition of Biological Weapons, and the Convention on the Prohibition of Chemical Weapons. The two sides call for the peaceful use of outer space and for the prevention of the deployment of weapons and an arm race in outer space. Relevant international legal documents should be drawn up for this purpose.

The two sides believe that in the face of new threats and challenges, further effective measures should be taken to prevent the proliferation of weapons of mass destruction, their delivery carriers, and relevant materials. The two sides are determined to cooperate closely within the framework of relevant international organizations and forums and to expand cooperation with other countries. The issue of proliferation should be resolved through political, diplomatic, and international cooperation within the framework of international law.

The two sides will promote the implementation of the initiative to establish a UN-led global system to deal with new threats and challenges on the basis of the United Nations Charter and other relevant norms of international law. International cooperation should be strengthened within the new security framework in a joint effort to explore ways to cut off the sources of financing and social foundations for terrorism and to eradicate terrorist and extremist ideas - namely, the trends of thought of violence and ethnic, national, and religious hatred. No double standards should be adopted on this issue. All members of the international community should resolutely condemn the gross violations of human rights by terrorists and terrorist organizations. Terrorist organizations must be prevented from acquiring and using weapons of mass destruction and their delivery vehicles.

10. Regional integration is an important characteristic of the development of the current international situation. The two sides pointed out that multilateral regional organizations established on the basis of regional openness, cooperation on an equal footing, and non-targeting of other countries are playing a positive role in the process of shaping a new international order. In the economic sphere, regional initiatives should promote greater openness and effectiveness in trade communities. In the sphere of regional security, the establishment of security cooperation mechanisms that take into account the interests of all parties, are open, and are not directed at other countries has fundamental significance. The two sides support organizations of regional integration in their efforts to establish lateral ties and to create an atmosphere of mutual trust and cooperation.

11. The new type of state-to-state relationship between China and Russia is making a major contribution to building a new international order. The practice of Sino-Russian relations attests to the vitality of the principles enunciated in this statement. At the same time, it shows that good-neighbourly, friendly, and cooperative relations can be effectively developed and various problems solved on this basis.

The two countries are determined to make unremitting joint efforts with other countries concerned to build a world that is developed and harmonious and to become important

constructive forces in a secure global system.

12. Building a rational and fair international order in the 21st century is a process of constantly seeking positions and decisions that are acceptable to all. A new international order can become truly universal only if all members of the international community endorse its aims and norms.

The two sides call on countries in the world to engage in extensive dialogue on the issue of the international order of the 21st century. To a great extent, the future of the world, the progress of mankind, and the ability to deal with challenges and threats depend on the outcome of this dialogue.

[Signed by] Hu Jintao

President of the People's Republic of China

Vladimir Putin

President of the Russian Federation

Full Text of Sino-Kazakh Joint Statement on Establishing and Developing a Strategic Partnership, July 4, 2005

At the invitation of President Nazarbayev of the Republic of Kazakhstan, President Hu Jintao of the People's Republic of China paid a state visit to the Republic of Kazakhstan from 3 to 4 July 2005.

In a candid and friendly atmosphere, the two heads of state had a thorough exchange of views on bilateral relations and international and regional issues of common concern, and achieved broad consensus.

The two heads of state made an all-round review of the course of development of Sino-Kazakh relations in the 13 years since the establishment of diplomatic relations, and pointed out with satisfaction that in the wake of frequent visits by the leaders of the two countries, mutual bilateral political trust has continually deepened, and bilateral cooperation in the economic and trade, energy source, communications, science and technology, humanities, and security fields has deepened by the day, and this cooperation has been to the benefit of the people of the two countries. The treaty legal basis for unfolding all-round cooperation between the two countries is extremely solid, and the organizational bodies are being perfected. The two countries have engaged in highly effective cooperation within multilateral frameworks such as the United Nations, the Shanghai Cooperation Organization [SCO], and the "Asian Conference on Measures for Mutual Cooperation and Trust," and have together made their proper contributions to preserving regional and indeed world peace and stability.

Based on all this, the two heads of state unanimously hold the view that the bilateral relationship has entered a new stage of all-round development. In order to promote good neighborliness, friendship, and mutually beneficial cooperation, and in consideration of the profound changes in the regional and international situation, the two countries have decided to establish and develop a strategic partnership.

This strategic partnership should not be aimed at relations with any third country; its purpose is to promote the peace, stability, and prosperity of the two countries and their peoples. This strategic partnership should be based on the acknowledged principles and norms of international relations, and follow the spirit of the "Treaty of Good Neighborliness, Friendship, and Cooperation Between the People's Republic of China and the Republic of Kazakhstan" signed on 23 December 2002. Its main contents are: to strengthen mutual political trust, deepen security cooperation, and safeguard together regional security and stability; to promote economic cooperation and pursue common development and prosperity; and to expand humanities cooperation and nongovernmental exchanges, and promote the traditional friendship between the two peoples.

In line with their common aspiration to further expand and deepen all-round bilateral cooperation, the People's Republic of China and the Republic of Kazakhstan (hereafter "the two sides" for short) issue the following statement:

First, the two sides unanimously hold the view that the exchange of visits by leaders of the two countries has played an important role in expanding all-round bilateral cooperation. The two sides will continue to maintain and strengthen the momentum of these exchanges, to give impetus to the timely exchange of opinions on bilateral relations and regional and international issues of common concern.

Second, the two sides hold the view that the "Treaty of Good Neighborliness, Friendship, and Cooperation Between the People's Republic of China and the Republic of Kazakhstan" signed on 23 December 2002 is the most important political and legal document guiding the enduringly stable development of the Sino-Kazakh strategic partnership. The two sides reiterate that they will abide by the principles and spirit of the treaty, continue to work to implement the treaty and all political statements signed by the two countries, and continually add new content to the Sino-Kazakh strategic partnership.

Third, the two sides hold the view that the "Outline for Cooperation Between the People's Republic of China and the Republic of Kazakhstan from 2003 to 2008" is of important practical significance for implementing the "Treaty of Good Neighborliness, Friendship, and Cooperation Between the People's Republic of China and the Republic of Kazakhstan" and expanding mutually beneficial cooperation in all fields.

The Sino-Kazakh Cooperation Committee and its subcommittees regulating and controlling bilateral cooperation in all fields are the main coordination mechanism in Sino-Kazakh relations, and are also the effective implementation mechanism for the treaties and accords already signed between the two countries.

The two sides highly evaluate the work done by the Sino-Kazakh Cooperation Committee and its subcommittees within the framework of their first meeting. The meeting embodied tremendous potential for widening and deepening bilateral cooperation. The two sides agree to vigorously promote the smooth unfolding of the cooperation committee's work.

Fourth, the two sides unanimously hold that cooperation in the economic, trade, energy source, communications, and financial fields is an important direction for the development of bilateral ties, and the two sides will create all favorable conditions for further deepening and developing cooperation in these fields.

Following the implementation of a number of major cooperation projects, pragmatic bilateral cooperation in all fields has entered a completely new stage of development, and the two sides highly evaluate this. The two sides agree to provide all-out support and all the necessary conditions to ensure the completion and commissioning of the Atasu-Alataw Pass oil pipeline on schedule, and to speed up a pilot study on a natural gas pipeline linking the two countries and the work of firming up gas sources. The two sides will speed up the implementation of the construction of the Huoerguosi cooperation center on the international border and put it into operation as soon as possible.

The two sides point out with satisfaction that bilateral trade has expanded rapidly in

recent years. At the same time the two sides state that the commodity structure in bilateral trade should be further expanded and efforts should be made to increase the proportion of trade commodities with high added value and hi-tech content, so that the trade structure can be diversified. The two sides agree to establish a consultative and dialogue mechanism on other urgent problems in bilateral cooperation.

The two sides hold that it is essential to make all-round use of the two countries' transit transportation advantages in railroads, roads, and aviation, and expand the scale of transport.

China will support the implementation of the plan for building the cross-Kazakhstan standard-gauge main railroad, and provide assistance in ensuring the transport volume.

The two sides will further improve the trade and investment environment, actively support the enterprises of the two countries in opening up enterprises on each other's soil, especially in the border area, and in investing in each other and launching production and economic and trade activity. The two sides will protect the legitimate rights and interests of each other's enterprises and companies on their territory. The two sides will adopt measures to establish cooperation in the electric power sector between the Kazakhstan departments concerned and the China Power Grid Corporation.

The two sides hold that it is necessary for the banks of the two countries to establish cooperative relations, and will create good conditions for the banks to actively operate on each other's soil.

China supports Kazakhstan's earliest possible access to the World Trade Organization. The two sides point out that the Sino-Kazakh negotiations on access to commodity and services markets have been successfully launched, and the two sides will make common efforts to speed up the completion of this work.

The two sides highly evaluate the achievements of the Sino-Kazakh Joint Committee on Use and Protection of Cross-border Rivers, especially the agreement on urgent exchange of information on natural disasters affecting these rivers, and will continue to cooperate under the present mechanism, including exchanging information on natural disasters, to ensure the rational use and protection of the cross-over resources.

Fifth, the two sides will adopt specific measures to deepen exchange of experiences, personnel, and achievements between schools, scientific research academies, and technology centers, and will look into the Kazakh proposal for establishing a Kazakhstan-China humanities and science and technology cooperation center in Beijing; this study will be undertaken within the framework of the Sino-Kazakh Cooperation Committee and the relevant subcommittee.

The two sides reiterate their desire to give impetus to bilateral exchanges including in the science, culture, education, sports, and tourism fields. At the same time, the two sides will promote direct exchanges between the two countries' cultural departments and

creation bodies, and give impetus to holding more cultural exchange activities and tours by actors and literature and art workers. China will earnestly look into the Kazakh proposal on establishing a Kazakh cultural center in China. China will give impetus to this in line with the relevant procedure. The two sides agree to stage a "Chinese culture festival" in Kazakhstan in 2006 and a "Kazakh culture festival" in China in 2007.

Sixth, the two sides point out that terrorism, separatism, and extremism remain the main threats to regional security and stability. The two sides will follow the provisions of the "Shanghai Treaty on Cracking down on Terrorism, Separatism, and Extremism" signed on 21 June 2001 and the "Cooperation Accord between the People's Republic of China and the Republic of Kazakhstan on Cracking down on Terrorism, Separatism, and Extremism" signed on 23 December 2003, strengthen coordination and cooperation between the two countries' security and law enforcement departments, and continue to adopt effective measures within the SCO framework to continually enhance the level of cooperation, and guard against and crack down on the "three forces" together, including the "Islamic Movement of East Turkistan" organization, which poses a direct threat to regional security and stability.

China will continue to support Kazakhstan's efforts in safeguarding its national sovereignty and territorial integrity and ensuring that it will develop at high speed along the path it has chosen in accord with its national conditions.

Kazakhstan reiterates that it will adhere to the one China policy; the government of the People's Republic of China is the sole legitimate government representing the whole of China, and Taiwan is an inalienable part of Chinese territory. Kazakhstan opposes all plots to create "two Chinas" or "one China, one Taiwan," opposes "Taiwan independence," and opposes Taiwan's accession to international and regional organizations whose membership is restricted to sovereign states. Kazakhstan will not establish official ties with Taiwan or hold official exchanges with it. Kazakhstan understands and supports China's efforts in opposing and curbing the "Taiwan independence" separatist forces, achieving peaceful reunification, and preserving peace and stability in the Taiwan Strait and the Asia-Pacific region. China highly appreciates the Kazakh position in these respects.

Seventh, the two sides highly evaluate the positive progress of the SCO since its founding. They are of the unanimous opinion that mutual cooperation under the SCO framework is an important factor in strengthening mutually beneficial cooperation between members and promoting regional stability and development. The two sides agree to adopt practical measures with the other SCO members to continually deepen SCO cooperation in the security, economic, culture, education, environmental protection, and other fields, and expand exchanges with the outside world, so that the SCO can play a more active role in regional and international affairs.

The two sides will further strengthen bilateral cooperation within the framework of the "Asia Conference on Measures for Mutual Cooperation and Trust" and other international and regional organizations and forums, and work together to promote regional peace and

development and establish a fair and rational new international political and economic order.

The two sides reiterate the importance of the UN role in preserving global peace and stability and promoting common development, and unanimously hold the view that UN reform should be all-round and in many fields, and attention should be paid to increasing the representation of the developing countries and ensuring that the developing countries have greater participation rights in the UN decisionmaking process. UN reform is a major affair, and broad consensus should be achieved through democratic consultations.

[Signed] Hu Jintao, President of the People's Republic of China

Nazarbayev, President of the Republic of Kazakhstan

Astana, 4 July 2005