



## The Shanghai Cooperation Organization Faces a Strategic Choice

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ARTICLE INFO	ABSTRACT
Published Online: 18 February 2021	In 2021, the Shanghai Cooperation Organization (SCO) will celebrate its 20-year anniversary. Transformed from the “Shanghai Five” mechanism on settlement of border disputes and confidence-building between four ex-soviet republics Russia, Kazakhstan, Kyrgyzstan, Tajikistan and China, into the full-fledged organization in 2001, has been become one of the important players in Eurasian region. Since then SCO has made significant progress, especially, in combating the threats of international terrorism, extremism and separatism and ensuring regional security in general.  However, the SCO could not advance in the economic field that is a key for an integration and convergence of the members states with different political and economic systems. Moreover, rising tensions between some members, namely India and China, as well as pandemic crisis and current geopolitical uncertainties in Eurasia may further exacerbate the situation within the Organization.  What path can the SCO take in the future? Will its agenda have changes? Will there be institutional reforms in the organization? What will be the role of the SCO in shaping the new multipolar world order and in the region? These are the questions, which are now circulating around the SCO.
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### GREAT POTENTIAL, BUT LITTLE ADOPTION

After India and Pakistan became full members in 2017, the SCO entered a new stage in its relatively short history. But its previous essence has changed. At first glance, the SCO has evolved from a “pure” regional organization to the largest Eurasian interstate body.

Currently, the total area of its member states is more than 34 million square kilometers. This means 60% of the Eurasian region. The total population of the SCO countries is more than 3 billion, which is about half of the world's population. In addition, four members of the organization (Russia, China, Pakistan and India) are states with nuclear weapons and an important position in international relations.

In the post-2017 period, the potential for such a large partnership remains untapped in practice. Cooperation in the fields of economy, transport and logistics, investment and finance, promising economic sectors, implementation of infrastructure projects has not reached a qualitatively new level. In recent years, member States' aspirations in this regard are largely limited to adoption of programs of general nature and declarative documents.

### EROSION OF THE RUSSIAN-CHINESE TANDEM

In fact, the slowdown of the cooperation in the SCO began to manifest itself before its expansion in 2017.

For some ten years, Beijing has been promoting two economic initiatives: the establishment of the SCO Development Bank and the Development Fund, as well as the creation of a Free Trade Area (FTA) within the organization.

Russia, which has long been a supporter of strengthening the military and security components of the SCO, has opposed these Chinese attempts to institutionalize of economic and financial cooperation within the organization. In response, Moscow has pushed its Eurasian Economic Community (EAEC) and its subsequent “Greater Eurasia” concept as a top goal of its reinvented geopolitics towards Eurasia. The reason for such a strategic shift was not only the deterioration of Moscow's relations with Europe, but also its fear on the growing influence of China in Central Asia.

In turn, by 2013, there was a radical shift in the global strategy of the PRC, which was partly due to the situation in the SCO. In the belief that Moscow would now allow the potential transformation of the SCO into the bloc with an economic nature the country's

new leader, Xi Jinping, announced the One Belt, One Road (OBOR) initiative. China has decided to create a mechanism to strengthen its influence in Central Asia and Eurasia in general, without the "assistance" of the SCO. In fact, launching of the OBOR embodied China's Eurasian grand strategy without having a deal with Moscow at multilateral formats (i.e. the SCO). In this way, Beijing's dream of turning the SCO into a mechanism of economic integration has lost its meaning. It seems the SCO has fulfilled its main mission within the Beijing's strategy towards Central Asia, at least for coming years. As the OBOR has been realizing in a most assertive way, the SCO remains in its shadow.

In fact, the OBOR is essentially a project based on China's previous strategy towards the SCO. In this sense, it is a continuation of Beijing's initiatives aimed at creating financial institutions and international transport corridors within the SCO, but for some reason did not materialize. In particular, the principles of "mutual consultations", "mutual benefit", "common development desire" declared by Beijing's OBOR language derive from the "Shanghai spirit", which is the cornerstone of the SCO's doctrine.

In the future, China's influence in Asia and in the world in general is expected to increase, which raises the question of what role the SCO may play in its strategy. For now, there is no doubt that the OBOR is the main foreign policy priority for Beijing.

In general, both Russia and China see the SCO as a more "support mechanism" in the implementation of their regional order concepts - "Greater Eurasia" and the OBOR respectively.

### **IS THE RIC CAPABLE OF TURNING THE SCO INTO A REAL TOOL OF EURASIAN GEOPOLITICS?**

There are some speculations that the Moscow-Beijing tandem may become a "trio" by the addition of Delhi. The RIC is actively promoted mainly by Moscow, as it wants to "curb" rising Chinese influence in Eurasia. In fact, this was the main reason why Russia openly lobbied Delhi to join the SCO.

In this sense, what is India's approach to the SCO and its future? Is Delhi ready to participate in building the future of the organization within the RIC format?

If the RIC would develop with success, chances of these three major powers to improve their relations within the SCO will increase. As such, it could strengthen the organization itself too. However, if the "trio" fails, would it have a negative impact on the SCO future?

In the near future, the following developments may hinder the effective operation of the RIC.

First, it seems that the territorial dispute between China and India will remain as a "ticking bomb", which can turn into the grave diplomatic and even military conflict in any time. The military clashes in 2020 in Ladakh province revealed a potential for such a scenario;

Second, as a result of the further deterioration of "West-Russia" and "West-China" relations, the rapprochement between Moscow and Beijing may worry India and cause its distancing from the RIC format;

Third, India's growing competition with China in the Southeast Asia may chill the dialogue between Beijing and Delhi and even indirectly affect India's relations with Russia.

Thus, the question of the RIC's role as a potential "pillar" for the future of the SCO remains open.

It is clear that the other members of the SCO - Central Asian countries and Pakistan - will certainly affect the future development of the organization, too. However, unlike the "big three", they do not seek to establish their own geopolitical concepts in the region.

### **INSTITUTIONAL CRISIS?**

After the expansion of the SCO in 2017, some experts predicted that the organization would not function as effectively as before. According to them, this is primarily due to the unique function of the SCO - the practice of decision-making on all issues based on the principle of consensus.

The principle of "consensus" in all decisions enshrined in the SCO Charter, Rules of Procedure and other documents can be compared to the "veto" right of the UN Security Council. That is, if any state opposes a particular issue, consensus will not be ensured.

This is a very important principle, which ensures the equality of member states, regardless of their political and economic power. However, in practice, organizations with competing members may use this principle as a tactical tool and/or to limit the certain attempts of the other party. So, one can predict that in the future the debate on the principle of consensus within the SCO will intensify.

The further developments will provoke the necessity for changes on institutional and legal framework of the SCO. The group should meet the current regional and international realities and redefine its main priorities. Until this happens, the SCO may continue its journey towards the stagnation.

Perhaps the most serious proposal on changing the current institutional base of the SCO is offered by Russia. For some years, Moscow has been suggesting the reform of one of two principle bodies of the SCO – the Regional Anti-Terrorist Structure (RATS) based in Tashkent, Uzbekistan. The Russian proposal advocates for a transformation of the RATS into the Universal Center on combating new challenges and threats to the security. However, this idea has not yet been seriously discussed among the members.

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In addition, the pandemic has made its own adjustments to the approaches of each member state towards multilateral cooperation. Therefore, one should hardly expect serious progress in matters of reforming the SCO, at least in the medium term.

### THE WAY AHEAD

Regardless in what way the SCO will develop in coming years, it will face the dilemma of expansion. The organization claims its openness to the membership of other Eurasian countries and some of them have been knocking on the door for some years. For example, Iran and Afghanistan, among others.

However, current permanent members are well aware that in light of the worsening of international situation and further aggravation of the global economy due to the COVID-19 pandemic, it is superfluous to discuss this topic. Moreover, the full adaptation of India and Pakistan to the organization is also a time-consuming process. For this reason, hardly worth expecting that SCO will accept new members in the near future.

As such, we do not consider the expansion as the factor of an influence on the development trajectory of the organization in short term.

On the other hand, the growing of member states' numbers without addressing the institutional gaps may lead the SCO to the fragmentation, provoking the emergence of "tactical alliances" within itself. This experience may be applied to other universal international organizations as well. For example, in the SCO case, unresolved bilateral issues among the members could lead to the scenario like that. As mentioned earlier, border issues between India and Pakistan, China and India remain pending. Disagreements between Russia and China, China and India over strategic topics are also unlikely to disappear any time soon.

Thus, the SCO is facing serious strategic uncertainty. It needs to address tough issues: from internal institutional developments to strategic competition among major members. Its member states', primarily Russia, China and India's, common answer to the question of what role this mechanism should play a key role in shaping a future fate of the organization.