

SHANGHAI COOPERATION ORGANIZATION: POTENTIAL AND PROSPECTS

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The Sixth Summit of the ‘Shanghai-Five’, held on June 14-15, 2001 in Shanghai, was a historic event. During this Summit the Shanghai-Five – a process initiated by China in 1996 for confidence-building with Russia, Kazakhstan, Kyrgyzstan and Tajikistan – was transformed into Shanghai Cooperation Organization (SCO), a more formal and comprehensive regional organization. Uzbekistan, at this occasion was also included as the sixth member. Since its creation, there has been an ongoing debate focusing on the purpose and viability of the SCO. Though, the aims and objects of the SCO are clearly defined in its Charter, yet there were strong suspicions especially in the West on the real intent of the major players in the SCO. It was generally considered at that time that a WARSAW type military alliance was in the making. However, there has been a broad agreement amongst analysts that creation of SCO was a Sino-Russian response to the growing Western influence in Central Asia where both had strong political and economic interests.¹ However, over the years with the changing global and regional strategic dynamics, SCO is now viewed by the West as a factor of stability in the Central Asian region.² The Treaty of Good-neighbourly Relations signed by the SCO members in August 2007 in Bishkek is a long-term measure for ensuring stable intra-state relations and fostering multifaceted cooperation in the region.

The Eighth SCO Summit, held in Dushanbe on August 28, 2008, was a testimony to the fact that the SCO has come to stay and its importance will grow with the passage of time. The August 2008 Joint Communiqué of SCO Heads of State Council issued at Dushanbe Summit states, “the heads of state expressed their support for further expansion of international ties of the Organisation. Work with the SCO observer states – India, Iran, Mongolia and Pakistan – will be lifted to a qualitatively new level and with due regard for their considerations. For the sake of providing additional opportunities for mutually beneficial cooperation with interested

states and international organisations the heads of states approved the Regulations on the Status of Dialogue Partner of the SCO. A decision was taken to set up a special expert group to consider a whole range of issues related to the expansion of the Organisation.”³ SCO is moving forward, albeit at a slow pace, which is primarily due to multitude diversity in the region. Multilateral organizations such as the SCO has to follow a pace keeping in view the comfort-level of each of its member states.

SCO is a unique experience in multilateralism, especially in the Asian context, where unlike European Union (EU) and Association of Southeast Asian Nations (ASEAN) models for regional cooperation, security cooperation has preceded the economic cooperation. It is still the only multilateral framework in Asia, in the post Cold-War period, which directly addresses the security issues in a pragmatic and practical way. The critics of the SCO usually refer to the issues of trust deficit among its members; divergent national interests and inspirations; pre-eminence of China and Russia in the organization; unclear mission of the organization; and very little progress on the ground etc.

In the short history of its existence, performance of the SCO is reflective of the fact that the Organization has the potential of becoming a dynamic, vibrant and forward-looking framework for regional cooperation. It has been able to successfully institute mechanisms for multi-dimensional cooperation, which would serve as basis for coordinated cooperation at multiple-levels amongst its member states and also enabling its engagement with other states and international institutions. SCO is increasingly becoming instrumental in laying the foundation for promoting region-wide security and stability, while offering a framework for cooperation in economic and other areas of mutual interest in an adequate manner.

The importance, effectiveness and usefulness of SCO has been duly recognized when it was accorded Observer’s status in the United Nations General Assembly (UNGA) as an international organization in December 2004. It has also signed the MoUs for institutional cooperation with ASEAN and Commonwealth of Independent States (CIS), and is opening up to expand its sphere of

interaction with other states, international institutions and sub-regional groupings such as Economic Cooperation Organization (ECO) and Collective Treaty Organization (CSTO), Eurasian Economic Community (EEC), United Nations Development Programme (UNDP), Asian Development Bank (ADB) etc. SCO has also constituted a special Afghanistan-Contact Group in November 2005, with an aim to help Afghanistan combat terrorism, drug trafficking and reconstruction. In 2005, SCO expanded its geographic scope by incorporating Pakistan, Iran and India as Observer members. Mongolia had already secured SCO membership in 2004. The role and functions accorded to the Observers are very limited and non-participatory in the decision making.⁴ It is hoped that once the permanent members of SCO are ready, the Observers would be accorded full membership status.⁵ At present, some SCO members consider that expansion of the SCO would compromise some of the advantages that each major player has in the present form of the organization.

Although, the primary focus of SCO has been on issues pertaining to security and political stability, it is seen gradually making a transition towards focusing more on economic and energy related cooperation within the SCO framework, while at the same time consolidating security related cooperation.

Evolution of the SCO

To have a good understanding of the history of evolutionary process of any multi-lateral organization is important for examining its potential and the future trajectory of its development. The SCO has its roots in the 'Shanghai-Five' process, which was initiated by China after the dismemberment of the Soviet Union and emergence of the successor states bordering China. The Shanghai-Five process primarily aimed at resolving the boundary disputes through negotiations and creating stability in the border regions that China shares with Russia, Kazakhstan, Kyrgyzstan and Tajikistan. China's prime concern was to make its border regions peaceful and trouble free so that its economic development remains uninterrupted. China, even before the break-up of Soviet Union, had reached an understanding with Russia that the border demarcation issue would

be resolved through peaceful means. With the emergence of independent states in Central Asia, China sought Russian assistance to create a regional framework for confidence building, resolving boundary disputes and reducing troops in the border regions. Two committees were established in 1993 on the basis of 4+1 formula (Russia and three Central States bordering China plus China); one committee was formed for confidence building and arms reduction; and the second for joint boundary demarcation. The first agreement was achieved by the committee for confidence building and arms reduction in Shanghai in 1996. In this agreement, all five heads of state agreed to stabilise their border regions by creating 'non-military zones'. On April 24, 1997, heads of five states held the second summit in Moscow, where they signed the Agreement on mutual reduction of military forces in the border regions. Since then, the 'Shanghai-Five' mechanism became known for confidence building. In the subsequent years, with enhanced mutual trust, cooperation among its members grew and the agenda for discussion also expanded to including security related issues of regional and international importance. Consultations on the issues of terrorism, separatism and extremism became more intense as these issues constituted a common threat. Besides these, possibilities were explored for cooperation in the areas such as economic, trade, culture, science and technology, and revival of communication links such as the Silk Road.⁶

Shanghai-Five indeed was a new experiment in regional cooperation among the countries having great deal of diversity and several outstanding intra-state disputes, to share a vision for common development on the basis of equality, respect and non-interference in the internal affairs of each other; allowing each country to develop at its own pace in view of their domestic realities. The 'Shanghai-Five' framework brought stability to the region on many counts, for example, it allayed the fear of smaller and weak Central Asian states of domination either by Russia or China; it helped resolving border disputes; it regulated strategic competition between Russia and China for influence in the region, moreover, it gave a collective strategic vision to region. Also, it provided a platform to Russia to remain relevant and influential in a region that was once under its control. It is interesting to note how

the divergent agendas of each state have contributed towards achieving a regional consensus on accommodating the issues of individual and common concerns.

In 2000, at the 5th 'Shanghai-Five' summit in Dushanbe, some substantive measures were agreed upon to further strengthen cooperation. The heads of state decided to establish an international organisation for regional security and cooperation, which would be open to surrounding states as well. Uzbekistan was considered a top candidate for the next full membership of the planned organization. It was evident that without Uzbekistan's involvement no regional framework could succeed. Uzbekistan enjoys a special strategic location, in the middle of Central Asia and Uzbek ethnic minorities are present in all other states as well.

The transformation of 'Shanghai-Five' process into 'Shanghai Cooperation Organisation' came about as a result of a Declaration signed by all five heads of state including Uzbekistan, on June 15, 2001, in Shanghai. In this landmark summit, there was a consensus among all the leaders that 'Shanghai-Five' has been instrumental in 'stimulating and deepening mutual trust, good-neighbourly and friendly relations among the member states besides strengthening regional security and stability.' They all agreed that 'the 'Treaty on Deepening Military Trust in Border Regions' in 1996 in Shanghai and the 'Treaty on Reduction of Military Forces in Border Regions' in 1997 in Moscow signed by the heads of states of Kazakhstan, China, Kyrgyzstan, Russia and Tajikistan, as well as the summary documents of the 1998 Alma Ata Summit, the 1999 Bishkek Summit and the 2000 Dushanbe Summit, have made significant contribution to regional peace, security and stability. The Declaration further states, "Against the backdrop of political multi-polarisation, and economic and information globalisation in the 21st century, the presidents firmly believed that to transform the 'Shanghai Five' mechanism into a higher level of cooperation will help member states to share opportunities and deal with new challenges and threats more effectively."⁷ Based on the above considerations, leaders of the six founding states announced establishment of SCO. Subsequently, on June 7, 2002, at a meeting of heads of SCO member states, in St. Petersburg, the Charter of

SCO was signed.⁸ The other plausible underlying reasons for creating SCO were:

- To contain the expanding US/EU influence (through OSCE, PfP programme of NATO) in Central Asia.
- To oppose the US missile defence programme especially the Theatre Missile Defence (TMD) component of the National Missile Defence (NMD) programme.
- To regulate the increasing competition – for influence and gaining access to strategic energy resources – between China and Russia in Central Asia.
- The Central Asian States sought to have multiple options in order to engage with other powers besides Russia. China provided a counter balance to Russia in the strategic milieu of Central Asia; allaying fears of being dominated by one major power.

Since its inception, the SCO has passed through several stages of its evolutionary process, and at each stage its agenda has been expanding by incorporating more issues of common interest to the member states such as, factors threatening regional stability or providing new opportunities for cooperation in a regional framework. The noteworthy achievement of SCO has been the creation of mechanisms and institutions which would serve to institutionalise cooperation and interaction at various levels amongst the member-states and with other states and international institutions. The Charter of the SCO provides the guidelines for its effective functioning and gives out the details of its various institutions. There are 26 Articles of the SCO Charter; however, the first 13 are important for understanding the aims, objectives and other functional aspects stipulated in the Charter.⁹

Geopolitical Trends and the SCO

At the time SCO was created, a common perception on Central Asia was that it is a region with economic instability, weak civil societies, and repressive political climate, in which Russia and China by virtue of their much larger geographic size, economic strength, and military power, dominated their weak, smaller and

in stable neighbours by providing them protection for their territorial integrity and supporting the authoritarian leadership and their policies.¹⁰ In such a geopolitical environment, the two countries used the platform of SCO for not only addressing the regional issues, but also the issues of international significance such as the US programme of National Missile Defence system, viability of the ABM Treaty, issue of Taiwan etc., which had little or no relevance to the Central Asian States. 'These were concerns that Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan seldom voiced, if at all, before the formation of the SCO,' or in their individual capacity elsewhere.¹¹ These were primarily the issues of concerns of China and Russia, which they still continue to raise from the SCO forum.¹²

The operational effectiveness of the SCO largely depends on the nature of evolving Sino-Russian relations and their foreign policy priorities. In every multilateral organisation there are always one or two leading countries, which serve as the mainstay of that organisation. In the case of SCO, China and Russia happened to be the core countries. Therefore, the success or failure of SCO would largely depend on the strategic cooperation or strategic competition between these two major players. In that sense SCO can be termed as a tri-polar organisation in which China, Russia and Central Asian states each constitutes a pole. Here, the Central Asian states are at the receiving end due to their inherent internal weaknesses and divisions, while Russia and China are the determining forces. Therefore, SCO would require a fine calibration for the interests of the two key players to be an effective and functional organisation.

Also, there is a stark difference in the vision of Russia and China regarding the mission of the SCO. Russia lays more emphasis on the security side of cooperation, while China focuses more on the aspects of economic cooperation and integration. The Central Asian States have limited or no options but to collaborate for the sustenance of their regimes and ensuring security against 'three evils'. Central Asian states' participation in the Organization for Security and Cooperation in Europe (OSCE) and 'Partnership for Peace' (PfP) programme of NATO did not provide enough clout to exercise alternative options. Their efforts for exploring possibilities in regional economic cooperation by joining the Economic

Cooperation Organisation (ECO) met with frustration due to the differing agendas of the member states (especially Iran and Turkey) and instability in Afghanistan. So, the best available alternative for Central Asian states has been offered by the SCO framework under the joint leadership of China and Russia. Both, China and Russia needs the cooperation of these states to contain the growth and spread of 'Islamic extremism', which has been impacting the separatist groups in Chechnya and Xingjian and threatening some of the SCO member regimes as well. The unfolding geo-political environment provides a common ground for the Central Asian governments and the neighbouring China and Russia to calibrate anti-terrorism, anti-extremism and anti-secession policies and strategies in a regional framework i.e., SCO. Besides the security and political stability factors, both Russia and China have high stakes in the energy sector of the region and would resist any external influences undermining their interests on that count. SCO, including its Observers, constitute the largest bloc of energy produces and consumers, therefore, prospects of creating a region-based energy cooperation mechanism in the future are promising.

However, events of 9/11 drastically altered the geo-strategic environment, with the presence of US/coalition troops on the SCO territory. Since the thrust of SCO was on anti-terrorism, some of the Central Asian member states accepted the US request for allowing the coalition forces to use their territories for launching attack on Afghanistan. Russia and China, following the events of 9/11, immediately condemned the terrorist attacks and expressed their support for the US. The four Central Asian SCO members-states followed suit and the SCO foreign ministers issued a statement expressing their intent for cooperation in international anti-terrorism efforts. It was an opportunity for the SCO member states in their individual capacity for improving their regional standing by getting closer to the US and gaining favours. Fostering cooperative relations with the US continues to constitute a top priority even for China and Russia. Given the US emphasis on war on terrorism, China and Russia tried to bring their own terrorism problems in the ambit of international terrorism in order to have legitimacy for their anti-terrorism policies, which were considered by the US as a case of human rights violations.¹³ The Central Asian member-states of the

SCO hoped to balance the Russia-China influence by cooperation with the US. These possibilities allowed the US to militarily enter and establish a foot-hold in the region. Uzbekistan immediately negotiated and offered its military base at Khanabad. Tajikistan and Kyrgyzstan also agreed to the US presence on their territories. Uzbekistan and Tajikistan both have common border with Afghanistan, and it made sense that the US required launching bases in these countries. But, Kyrgyzstan's acceptance of the US proposal, created doubts in Moscow and Beijing, on the intent of US and Kyrgyzstan. The events of 9/11, provided the US with a unique opportunity to push its other agendas in the region in the garb of anti-terrorism cooperation. This was very evident both in the case of Central Asia and Southeast Asia, where the US renewed its military-to-military relations and secured a foot-hold for promoting other areas of cooperation such as energy, which would have not been possible otherwise. It was a strategic setback for China and Russia, while an opportunity for the Central Asian states.

Relations between the SCO member-states of Central Asia and the US improved as the US started pouring in economic and military assistance and its stance on democracy and human rights softened. This situation undermined the operational efficacy of SCO, as some of the Central Asian states like Uzbekistan tried to exercise multiple options simultaneously by engaging with all sides competing for the regional influence. Despite all that the SCO continued to hold its multi-level periodic meetings and moved, albeit slowly, on the decisions taken by the leaders. However, the US presence in the region created a degree of discomfort for Russia and China alike.

The situation began to change with the developments in Ukraine, Kyrgyzstan and Uzbekistan. In Ukraine and Kyrgyzstan, ruling regimes were changed through popular soft revolutions. These developments reflected the ground realities that the regimes in Central Asia were under threat and the US strategy of 'regime change' was presumably at play in the region, compelled the leadership to redefine their relations with the US. These developments also helped Russia and China to regain the lost ground and strengthen the SCO framework by

rendering support to the existing leadership in Central Asia.

The May 13, 2005, Andijan violence in Uzbekistan was a turning point that had cast a deep shadow over the strategic alignments in the region, especially in terms of relations with the US. Issues, irking China and Russia, such as the US troop's presence in some of the SCO member states once again came to the fore. On June 16, Uzbekistan banned night-flights into and out of the US air base in Khanabad in response to the US demand for an independent inquiry on the incidence which resulted, according to the reports, in death of 800 people, including women and children. Anxious to eliminate the US military presence in Uzbekistan and to draw Tashkent firmly and unequivocally into Central Asian strategic alliance – the SCO – Moscow and Beijing supported the Uzbek President, Islam Karimov, and accepted his version of Andijan crackdown and his decision to reject calls for an international investigation into the incident.¹⁴ Finally, the US had to vacate Khanabad air base.

Future Prospects of SCO

Presently, SCO is gradually evolving as a comprehensive framework for the development of the entire region, which includes possibilities of cooperation amongst its members in the areas such as, politics, trade and investment, defense, law enforcement, environmental protection, culture, science and technology, education, energy, transportation, credit and finance and other areas of mutual benefit. In the meeting of the SCO Heads of States in September 2003, the 'programme of multilateral trade and economic cooperation of SCO member states' was approved; adding an economic dimension to cooperation. The programme precisely determines basic goals and objectives of economic cooperation within SCO framework; prioritize direction and spells out concrete practical steps for cooperation with special emphasis on long-term planning. In view of the existing ground realities, SCO has envisioned to expand economic cooperation in the next 20 years, and reaching a stage enabling its members for free flow of goods, finances and services – ultimately leading to regional integration. At the time of its creation, some Western analysts were of the view that

“if the SCO expands and encompasses not just only security issues, but also addresses economic and social concerns, then it will be a powerful regional player indeed.”¹⁵ As the time passed by, SCO has not only expanded into economic sphere, but also the leadership of its member states have expressed determination and set economic cooperation as a priority goal to be achieved in due course.

It is expected, as the current trends show, that in the coming years, cooperation in sectors such as communication infrastructure and energy will expand and pave the way for expansion in trade, investment and other economic activities. The SCO leadership has plans to create a SCO Development Fund; SCO Business Council, Banking Union and a SCO Forum are already functional. These organizational setups, once fully functional, would greatly facilitate a coordinated approach towards socio-economic cooperation. On 21 May, 2008, at the inaugural of the ‘Hi-Tech Industry Finance Innovation International Forum’ in Beijing, the secretary General of the SCO said, “The SCO member states possess a vast combined market, immense mineral reserves, well-developed industrial facilities as well as scientific and technological potential, which can well ensure successful implementation of joint projects, particularly in the fields of high tech and investment, capable of maintaining a long-term prosperity in our countries and in the whole region.”¹⁶ However, the pace of development in strategic cooperation among the major players of the SCO would set the rhythm of overall progress of the Organisation.

It is important to note that in SCO, all the countries have different levels of development, different economic bases, and different approaches and orientation to achieve their national development. In such a case, to forge comprehensive cooperation at political and economic level would require a strong political will, commitment and vision on part of the leadership of the member states in order to realize the objective of regional cooperation. There has to be short and long-term policies for incremental cooperation keeping in view the comfort level of less developed members.

Preconditions for the Success of SCO

There are two broad categories of constraints impacting cooperation in the SCO framework; the first category is essentially of political nature and related to the issues of divergent national interests, political stability, political will of the states to cooperate, level of trust etc.; the second category is primarily based on the disparity in economic structures, availability of resources, inadequacy of infrastructures, and lack of other such factors, which could contribute to the economic growth and facilitate economic cooperation. Therefore, the success of the SCO would largely depend on the following:

- Sino-Russian strategic relations are central to the regional cooperation and success of the SCO. Though the two countries share many interests in Central Asia, yet both have a differing vision for the future direction of the SCO. China's emphasis is on the economic cooperation, energy security being a major component of it, for regional integration, while Russia's priority is clearly placed on cooperation on security related issues leading to cooperation in other areas amongst the SCO member states. "Russia and China are, to some degree, competitors for Central Asian oil and gas reserves."¹⁷ So far this competition is benign, but given the finite nature of hydrocarbon resources and China's increasing reliance on import of energy resources for sustaining its economic growth, the prospects of an intense competition resulting in fractious relations can not be ruled out in the future.
- Enhancing security and political stability of the member states is a prerequisite for bilateral and multilateral cooperation in Central Asia. Domestic political stability creates enabling environment for economic growth and progress. In turn, economic development helps achieving greater security and political stability, when poverty and unemployment is reduced and the living conditions of the people across the board improve. Economic stability denies space to some of the factors of instability such as the four evils (terrorism, extremism, separatism and narco-trade). At present times, to deal with the trans-national nature of non-

traditional security threats, it is imperative for states to engage and cooperate in multilateral frameworks.

- Achieving higher degree of trust in inter-state relations is yet another prerequisite for the success of SCO. Inter-state relations among the member countries should be based on the principles of mutual trust, equality and non-interference into each other's affairs. Achieving a higher level of multilateral cooperation is essentially a political decision, and such decisions cannot be implemented in an environment of mistrust and lack of confidence. Without a higher level of trust economic cooperation cannot be realized. Although there can be some exceptional cases in bilateral context. Strong regional cooperation can never be effective unless both people and their leaders can comprehend the mutual benefits of coming together. Unless the comparative advantage of inter-regional economic relations are realized by the trade and economic leaders, and until the cost of non-cooperation is calculated by the decision makers, substantive initiatives related to economic cooperation can not be undertaken. Therefore, the level of trust among member states would determine the level of economic cooperation.
- There is a need to inculcate a political will for strengthening cooperation within the framework of SCO. It will only materialize when there is a higher degree of trust and the states are willing to compromise on the question of state sovereignty to some extent. The political will of the states to come together despite differences in size, level of development and differing perceptions has to be further enhanced; if created, it would be an invaluable asset for regional cooperation. In this case the examples of EU and ASEAN can be cited, where despite differences on many counts, the political will to cooperate prevailed and resulted in experiencing successful regional cooperative frameworks. In the cases of SAARC and ECO, where the political will remained weak, regional cooperation could not take place at a desired level. Geo-strategic competition should not be allowed to undermine geo-economic cooperation.

- For the success of SCO, economic policy coordination for sustainable economic cooperation is essential. Economic competition has to be channelised to create a win-win situation for all member states. Accommodation of small and weak economies in the SCO framework would ensure long-term common prosperity of the entire region. A coordinated region-based growth strategy will enable the member countries to deal effectively with the future challenges, especially in view of economic globalization. There is a need to synthesize the divergent interests and create complementarities. A coordinated economic-policy-approach is important for the long-term regional integration.

Conclusion

SCO is emerging as a multilateral international organisation focusing on political economic and security cooperation among its member states and with other neighbouring countries and regions. As a young international organization, it is facing a number of challenges for fostering comprehensive cooperation. The success of SCO would largely depend on the bilateral relations between China and Russia and to a lesser extent on the US involvement in the region. If Russia-China strategic partnership continues to develop, the two countries would have a chance to contain the US influence in Central Asia and shape SCO according to the regional strategic dynamics. In fact the key to SCO's future growth is in the hands of China, given its increasing economic capacity to contribute for the development and integration of the region. However, China seems to be interested more than anything else in securing its future energy needs from the region. Therefore, it is important for both China and Russia to admit new members only once the SCO is consolidated from within. In the conclusion, one would like to emphasize the fact that there is enormous potential for multilateral economic and security related cooperation in the SCO framework. Benefits of this potential can only be realized by ensuring effective and timely implementation of the decisions taken by the member states within the framework of SCO; and the principle of mutual benefit and common growth should be the guiding spirit and no small or less-developed state should feel being marginalized in the process.

End Notes

- ¹ At the time Shanghai-Five process was initiated in 1996, both China and Russia had been experiencing tense relations with the US. Russia was concerned and resisting the enlargement of NATO in the Eastern Europe and China had difficulties in its relations with the US over Taiwan. China and the US narrowly escaped a conventional conflict in the March 1996 stand-off between the two over Taiwan issue.
- ² US Assistant Secretary of State, Richard Boucher, said at a Congressional hearing on April 8, 2008, that the SCO “might have wandered off in various directions” but “I would say it probably stabilized again – back to the basics: border security, cross-border cooperation, customs and border procedures, common efforts against terrorism. I think to the extent the Organization has done those things, it has contributed to better security and stability to countries involved.” “It is not a Warsaw.” *Daily Times*, April 10, 2008.
- ³ See ‘Joint Communiqué of meeting of SCO Heads of State Council, 2008’ at http://www.sectsco.org/news_detail.asp?id=2359&LanguageID=2, (accessed 7 October, 2008).
- ⁴ A state or an organization with observer status has the rights to; attend open meetings of the MFA Council and Conferences of the Heads of Ministries and/or Departments of SCO member-states; participate in discussions over issues lying within the competence of the SCO institutions without the right to vote and with advance consent of the chairperson, to circulate through the SCO Secretary General statements, written in the working language of the SCO, on issues of their concern lying within the competence of the SCO; gain access to documents and decisions of the SCO institutions, mentioned in Article 4 of the Charter, if the relevant institutions of the SCO do not impose restrictions on their dissemination. See unofficial translation of the ‘Regulations on Observers Status at SCO’ at www.sectsco.org
- ⁵ So far the role of Observers has been kept very limited. Observers can attend SCO meetings with appropriate representation, but can not take part or influence decision making. There are no provisions thus far to engage Observers in economic activities and infrastructural projects as is the case in ASEAN that Sectoral Dialogue Partners are allowed to cooperate in specified areas.
- ⁶ Fazal-ur-Rahman, ‘Pakistan Embraces the Shanghai Spirit’, **Strategic Studies**, Vol. XXV, Autumn 2005, No.3.
- ⁷ Ibid.
- ⁸ Ibid.
- ⁹ See Charter of the SCO at www.sectsco.org.
- ¹⁰ Sean L. Yom, ‘Power Politics in Central Asia’, *Harvard Asia Quarterly*, Autumn 2002, Vol. VI, No. 4., <http://www.asiaquarterly.com/content/view/129/40/> (accessed on October 6, 2008)
- ¹¹ Ibid.
- ¹² See Article 2 of the Dushanbe Declaration of August 28, 2008, which states, “The establishment of a global antimissile defence system will not contribute

to the maintenance of strategic balance, the international efforts for arms control and nonproliferation of nuclear weapons, or the strengthening of trust between countries or regional stability.”

- ¹³ In October 2001, US President Bush said China should not attempt to use the war on terrorism as an excuse to persecute minorities. However, under intense Chinese pressure, East Turkistan Islamic Movement (ETIM) was declared by the US in September 2002 as a terrorist organisation.
- ¹⁴ Fazal-ur-Rahman, ‘Pakistan Embraces the Shanghai Spirit’, *Strategic Studies*, Vol. XXV, Autumn 2005, No.3.
- ¹⁵ Sean L. Yom, ‘Power Politics in Central Asia’, *Harvard Asia Quarterly*, Vol. VI, No.2, Autumn 2002, at <http://www.asiaquarterly.com/content/view/129/> (accessed on October 8, 2008.)
- ¹⁶ Speech by SCO Secretary-General at the opening ceremony of the High-Tech Industry Finance Innovation International Forum, Beijing, 21 May 2008, at <http://sh.aiby.net/html/02170.html> (accessed on October 8, 2008.)
- ¹⁷ Dr. Martha Brail Olcott, “The Shanghai Cooperation Organization, Changing the ‘Playing Field’ in Central Asia”, testimony before the Helsinki Commission, September 26, 2006, Carnegie Endowment for International Peace.

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