

Shanghai Cooperation Organisation Expansion : Strategic Ramifications

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Background

Expansion of the Shanghai Cooperation Organisation (SCO) at its recently concluded 15th Summit in Ufa, Russia on 9-10 Jul 2015 has far reaching ramifications. With larger representation and broadened base, SCO is bound to evolve into a significant player in the global politics, well beyond its current regional reach. Consequently, in the times ahead, it will pose a challenge to the US domination and lend impetus to shaping of a polycentric world order.

It was on 26 Apr 1996 that 'Shanghai Five' grouping was created with the signing of the "Treaty on Deepening Military Trust in Border Regions" in Shanghai by the leaders of China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan. The SCO was founded in Shanghai in 2001 with the inclusion of Uzbekistan. As a political, economic and military organisation, the six nation group accounted for 60 per cent of Eurasian land mass and a quarter of the world population. Since its inception, it has emerged as a regional force, acquiring significant importance in the Asian security dynamics, with two of its founding members Russia and China being permanent members of the United Nations Security Council.¹

The activities of this Forum have gradually expanded over the last decade to include defence cooperation, intelligence sharing and counter terrorism. Energy security has gained pre-eminence since last few years. There exists vast potential and excellent opportunity for the SCO nations to cooperate in linking the energy surplus Central Asia with energy deficient South Asia. The Organisation faces multifarious challenges due to the divergent interests of the member states and long standing territorial disputes. Situation in Afghanistan is also of serious concern for the SCO, post the US withdrawal.

Geographic separation notwithstanding, Central Asia is of immense strategic significance to India. With China and Pakistan controlling all the land access to the region, India's engagement with the Central Asian Republics (CARs) remained constrained. While China's trade with these countries is almost US \$ 50 billion, India's is below 1 billion.² For better access to this region, since long, India has been on the lookout to set up an alternate route through Iranian Port of Chabahar and North-South Corridor connectivity that would connect Turkmenistan and Uzbekistan with Afghanistan. Due to the UN sanctions on Tehran, the progress on the above projects has been rather tardy. By gaining the membership of SCO coupled with the signing of Iran nuclear deal and consequent easing of sanctions, window has opened for India to play an important role in the region.

With India and Pakistan being granted full membership (the process is underway) the SCO will then stand enlarged to eight. It implies adding 1.5 billion people, as also South Asia and Indian Ocean Region. Expansion of the SCO well serves the strategic interests of its dominating members, China and Russia; yields tangible benefits for the other members as well. Projected to be more of a partnership, in the coming times it could act as a counter balance to the western alliance like the North Atlantic Treaty Organisation (NATO). This paper seeks to examine the strategic ramifications of the expansion of SCO, particularly with respect to its key players.

SCO Expansion-Strategic Ramifications

According to Brzezinski's theory, "control of the Eurasian landmass is key to the global domination and control of Central Asia is the key to control of the Eurasian landmass".³ Both Russian and Chinese leaders have paid close attention to this theory since the formation of SCO in 2001. As per the western diplomats, SCO together with Brazil, Russia, India, China and South Africa (BRICS) is a way for China and Russia to cooperate with each other in creating stability in Central Asia as also challenge the western domination. However, lack of resources is seen as a major shortcoming.

The expanded membership implies greater legitimacy to SCO; adds to its credentials as a global institution with diverse architecture. Besides boost to its influence and appeal, there are numerous pay-offs that accrue to the SCO members, including integrated development of infrastructure, expanded cooperation in the economic arena and strengthening of cultural bonding. With four observer states (Afghanistan, Belarus, Iran and Mongolia) and six dialogue Partners (Armenia, Azerbaijan, Cambodia, Nepal, Sri Lanka and Turkey), the SCO is all set to make deep in roads into the Persian Gulf, South Asia and the Indian Ocean, which is bound to disturb the current balance of power equations in the region. As per Alexander Gabuev, head of Asia-Pacific Region programme of the Carnegie Moscow Centre, the SCO is changing quantitatively but not qualitatively and continues its search for a mission. He further argues that Russia supported India's membership primarily to counter balance growing Chinese influence.⁴

China

Originally, SCO was seen as a manifestation of China's ambition for regional leadership and forum for coordination of security mechanism. For China, the gains from the expanded SCO serve its strategic, security and economic objectives. It helps Beijing in realising its aspiration to emerge as an undisputed leader in the whole of Asia and not just Asia-Pacific. President Xi Jinping has stated that SCO members have created a new model of international relations-partnership instead of alliance.⁵

SCO is central to China's efforts to fight terrorism. During the SCO Foreign Ministers meeting held in Moscow last June, China's Foreign Minister Wang Yi had called for SCO to play a larger role in guaranteeing regional security and stability. He also called for greater economic integration through Eurasian Economic Union (EEU) comprising Armenia, Belarus, Kazakhstan and Russia with Silk Road Economic Belt.⁶ Pakistan's inclusion in the SCO will prove valuable for China in allaying its concerns from the extremism emanating from Central Asia, Afghanistan and Pakistan itself. Cooperation from the SCO partners will help China in its efforts to effectively combat the threat posed by the members of Uighur terrorist groups in 'Xinjiang Uighur Autonomous Region' (XUAR), who are known to have

links with East Turkestan Islamic Movement (ETIM).

From the economic perspective, enlarged SCO will enable China to expand the multilateral trade and investment opportunities as part of its 'One Belt One Road' initiative. These include Central Asia-China Gas Pipeline, China-Pakistan Economic Corridor (CPEC) and Bangladesh-China-India-Myanmar (BCIM) Corridor. Besides the security concerns, Afghanistan is of immense importance for China, given its vast economic potential and Beijing's 'look West' policy.

Russia

Russia has been advocating the enlargement of the SCO since long. Hence its expansion comes as a victory for Moscow. It also eases Russian concern about Chinese dominance in the region. It gains significantly in terms of political stature and recognition as a global player through the SCO expansion.⁷ In the wake of current rift with the West, post Crimea annexation alongside involvement in Ukraine and expulsion from the G8, SCO is the ideal forum for Moscow to scout for new partnerships beyond Europe.⁸ Its pivot to East is a long term strategic move. SCO will have a significant role in facilitating Russia to be an important stake holder in the Asian Century.

Even Russia aspires to connect East European Union (EEU) with China's Silk Road Economic Belt as part of the economic vision for the region.⁹ It has adopted a policy of accelerated economic integration. Moscow-Beijing US \$ 400 billion gas deal is in the realm of its planned initiative. Russian economy ranks second among the SCO members and is the eighth largest in the world. Enlarged SCO opens fresh avenues for Russia in exploring new markets.

India

For India, assuming the full membership of the SCO has definite pay-offs.¹⁰ As per Prime Minister Modi, "India's inclusion as full member of SCO mirrors the region's place in India's future". India's key interests in Central Asia are security, energy, trade and mutual cooperation in multiple arenas. Delhi can also address its security concerns more effectively in Afghanistan and Central Asia with increased stakes in the region, by scaling up the level of defence cooperation. Joint production of defence equipment, training and related fields offer vast scope. Cooperation in the area of Uranium extraction is in the offing with Kazakhstan, Uzbekistan and Tajikistan. It provides India a platform to effectively thwart any design which may be inimical to its national interests.¹¹

Energy security is of utmost importance for India. Kazakhstan, Turkmenistan and Uzbekistan are endowed with large hydrocarbon reserves. India will get access to the vast energy resources of Central Asia and implementation of long pending Turkmenistan-Afghanistan-Pakistan-India (TAPI) project will also get impetus.

There is vast scope in enhancement of bilateral cooperation in the field of education, health, agriculture, pharmaceuticals, textiles, petrochemicals, mining, tourism and service sector. It provides India an opportunity to leverage potential and project itself as an important player, well beyond the confines of South Asia. It also helps Delhi to pursue multi aligned policy, negating the pro-USA bias.

In certain quarters, there is an apprehension that the SCO membership does not confer India much advantage. China may not permit India to gain significant benefits from the SCO membership. On the other hand, increased economic engagement between Delhi and Beijing could create more conducive environment and help narrow the prevailing trust deficit between the two neighbours.¹²

Pakistan

Since long, Pakistan had been making efforts to become a SCO member state. Islamabad perceives that as a member, it will be able play a more effective role in the stability of the region.¹³ Therefore, Pakistan has a lot to gain as full SCO member with the enhancement of its stature in the region. It can exploit geo-strategic location to seek support from the SCO members to combat extremism and terrorism.

Beijing-Islamabad all weather relationship lends added advantage to Pakistan for diplomatic posturing in the expanded SCO. With the development of Gwadar Port, Pakistan can emerge as an energy and trade corridor for the SCO nations. It also offers Islamabad an avenue to seek SCO facilitation in finding solution towards settlement of the vexed Kashmir dispute.¹⁴ Pakistan could make a strong case for China's entry into SAARC on Beijing's behest.

CARs

The CARs are located at the intersection of the Chinese and Russian interests. The largest and wealthiest Central Asian State, Kazakhstan has large mineral deposits. Closest to Russia, its participation in the SCO is in consonance with its multi vector policy, allowing it to pursue the national interests. It is India's largest trading partner in Central Asia with strong ties in the field of space and nuclear research.

As per Farkhod Tolipov, Director of "Knowledge Caravan" Centre, Tashkent, for Uzbekistan, the primary focus of the SCO's geopolitical agenda still remains Central Asia centric.¹⁵ Because of the concerns about Taliban and Afghanistan, it wants stronger ties between the SCO nations and desires to be less dependent on China and Russia. It perceives that inclusion of South Asian agenda could overburden the organisation and complicate the issues. President Islam Karimov while speaking at Ufa drew attention to the fact that the SCO is about to be joined by two nuclear powers in a state of permanent conflict.¹⁶ In the expanded SCO, Tashkent would be in the thick of multilateral agendas, something it has sought to avoid

Tajikistan which borders Afghanistan and Pakistan was embroiled in civil war from 1992 to 1997 and still remains unstable. Dushanbe seeks to pursue balanced policy in its dealing with Delhi and Islamabad; has worked closely with India over the years. It envisions that expanded SCO could facilitate in resolving the Afghanistan issue

Kyrgyzstan is the smallest yet most democratic among the Central Asian States. Sandwiched between Chinese and Russian interests, it continues to experience serious economic difficulties in raising capital for various developmental projects. It has active military cooperation with India. Turkmenistan has the world's fourth largest gas reserves. Since the death of strongman Saparmurat Niyazov in 2002, the country is slowly opening up.¹⁷ When the TAPI pipeline comes up, India will have its first land connectivity to Central Asia.

In Retrospect

The SCO expansion is occurring at a time of rising tensions between US-EU and Russia. It is seen as a counter balance to NATO. An expanded membership will confer greater legitimacy to the SCO which will yield multiple benefits to its members, especially in the security and economic arena. Cumulative geopolitical clout of SCO is already impressive. Its geographic reach stretches across Asia-Pacific, to Caspian Sea, Arctic Region, Eastern Europe, Indian Ocean and the Persian Gulf. As part of the future growth process, SCO's influence and appeal is bound to grow in the international arena. Inclusion of India and Pakistan implies broader integration of Central and South Asia. India as the largest democracy and third largest economy (in PPP terms) lends international recognition to the SCO. On the other hand, Delhi can make deeper inroads into Central Asia by optimising the potential of the SCO. As a hub of terrorism, Pakistan could emerge as a key player in combating the menace, both in regional and global terms.

Currently, the SCO is facing both economic and systemic challenges. As per Joseph Dobbs, Research Fellow at European Leadership Network (ELN), since its establishment, the SCO has suffered from existential malaise.¹⁸ Originally designed to maintain stability in Central Asia and counter US influence in the region, China has been constantly seeking to strengthen its hold in the SCO. Russia has been an impediment in checkmating Beijing's expansionist agenda.

While enlarged SCO offers numerous advantages to its members, there could be negative fallouts as well. It could dilute the current clout of the founding members in the organisation. With Moscow's genuine concern about the likelihood of its influence diminishing in the CAR, there are chances of tensions brewing up between Russia and China for the leadership role in the enlarged set up. India-Pak traditional rivalry could create a negative impact on the functioning and effectiveness of the SCO.

At the 2014 Conference on 'Interaction and Confidence Building' in Asia, President Xi Jinping has spoken about the new Asian Security Concept (Asia for Asians).¹⁹ China aspires to be a leader in whole of Asia and not just Asia-Pacific. A factionalised or fractured SCO would be harmful to the Chinese strategic interests. In fact, there is scepticism in certain quarters that SCO may turn out to be another forum, high on symbolism and low on substance.

With the ongoing process of expansion, the SCO is set to transform from a purely regional grouping to a global entity. Although security dimension remains the core issue, enlarged ambit and charter of SCO encompassing numerous economic and social initiatives have long term strategic implications. In the emerging new world order, the SCO is destined to play a pivotal role in defining the course of the ensuing shift in 'centre of gravity' from West to East, in the times ahead.

Endnotes

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