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Executive Summary

Since its inception as the Shanghai Five group in 1996, the Shanghai Cooperation Organization (SCO) performed a number of tasks for its members – China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan (and also India, Iran and Pakistan as observers). Originally a regional forum to discuss the demilitarization of borders, it has broadened (in tandem with the increasing relevance of some of its members, the BRICS) to promote cooperation in several issue areas – non-military issues, such as energy, finance, and commerce, consolidate its relevance for regional and global patterns of power. Defense and security remain, though, top agenda items. From Islamic extremism in Central Asia to fears of ethnic separatism in western China and crisis in Ukraine, SCO become more than a talking shop for regional security issues. This monitor provides insights on the role of the three BRICS members in SCO – China, India and Russia. The pace of SCO's institutionalization indicates a regional organization with teeth, able to debate and to make crucial decisions on regional issues – in an acknowledged attempt to avoid Western interference.

Sumário Executivo

Desde sua criação como o Grupo dos 5 de Shanghai em 1996, a Organização de Cooperação de Shanghai (OCS) realizou uma série de tarefas para seus membros – China, Cazaquistão, Quirguistão, Rússia, Tadjiquistão (e ainda Índia, Irã e Paquistão como observadores). Originalmente um fórum regional para discutir a desmilitarização de fronteiras, o OCS se ampliou (em paralelo com o ganho de importância de alguns de seus membros, os BRICS) para promover cooperação em diversas áreas-temáticas – questões não-militares, tais como energia, finanças e comércio consolidam o status da OCS para padrões de poder regionais e globais. Questões de defesa e segurança permanecem, pois, itens privilegiados na agenda da organização. Do extremismo islâmico na Ásia Central a temores de separatismo étnico no Oeste da China e à crise na Ucrânia, a OCS se tornou mais do que um mero fórum para discutir questões de segurança regional. Esse Monitor provê insights sobre o papel dos três BRICS membros da OCS – China, Índia e Rússia. O ritmo de institucionalização da OCS indica uma organização internacional robusta, capaz de debater e tomar decisões cruciais a respeito de questões regionais – numa tentativa explícita de evitar interferências de potências ocidentais.

The Shanghai Cooperation Organization and BRICS: The Roles of China, Russia (and India)

Eduardo Palma de Seixas, Higor França,
Octavio Ribeiro e Carlos Frederico Gama

Introduction

The Shanghai Cooperation Organization was created in 1996. At the time, it was called the Shanghai Five. Its founding members – China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan – designed the organization as a regional forum to discuss, among other issues, the demilitarization of their borders¹. In 2001, when Uzbekistan joined the group, it was renamed the Shanghai Cooperation Organization (SCO). Across the years, the bloc increased its regional relevance, developing diplomatic negotiations and cooperation (through joint military exercises). Stakes on bringing in new members remained high.

In 2005, SCO signed agreements with the Association of Southeast Asian Nations (ASEAN) and the Commonwealth of Independent States (CIS)², further enlarging the organization's role in Asia. At the same time, its institutional apparatus strengthened, and its scope broadened. Also in 2005, three new states become observers: India, Iran and Pakistan. They are now applying for full membership status.

Affluent membership aside, SCO remains a forum with relevant differences amid the discourse of a broad and integrated organization. Debates over security and economic policies involve interests in regional leverage and power.

The annual SCO meeting, held on September 11 and 12, in Dushanbe, Tajikistan³, reflected how new members are able to promote or to halt the organization's agenda.

This monitor provides insights on the role of the three BRICS members in SCO – China, India and Russia. It analyzes how those members develop their foreign policy, in order whether to represent themselves as part of BRICS or to maintain their national and regional interests over a BRICS image.

1 SCHEINESON, Andrew. The Shanghai Cooperation Organization, 24 mar. 2009. Available at: <http://www.cfr.org/china/shanghai-cooperation-organization/p10883> Access in: October 1st 2014.

2 Ibid.

3 TIEZZI, Shannon. The New, Improved Shanghai Cooperation Organization, 13 Sep. 2014. Available at: <http://thediplomat.com/2014/09/the-new-improved-shanghai-cooperation-organization> Access in: October 1st 2014.

1. China

Originally called the Shanghai Five, the changes taking place within the Shanghai Cooperation Organization go well beyond name changes. The agreements that underpinned the original grouping had, as their main purpose, the creation of an institution focused on building confidence between China, Russia and three CIS countries (Kazakhstan, Kyrgyzstan, Tajikistan) in the military sector. Specifically, the intent was to remove military forces away from the common border area. Nearly two decades later, Beijing is sending clear signals that it intends to widen SCO's scope. China's separatist insurgency in the northwestern province of Xinjiang, home to the Muslim Uighur minority, has provided the government with the impetus for pursuing broadened cooperation with its SCO partners. As Chinese President Xi Jinping stated during his recent speech at SCO summit, "[We] should make concerted efforts to crack down on the 'three evil forces' of terrorism, extremism and separatism"⁴. Beijing has long suspected that separatist groups in Xinjiang, such as the East Turkistan Islamic Movement, have links with militants in Central Asia, Pakistan and Afghanistan⁵. With the eventual withdrawal of NATO troops from Afghanistan (an SCO observer state) looming over the horizon, the organization has invested in the maintenance of peace and order within this country's borders given that, with the exception of Turkmenistan, all Afghanistan's neighbors are either SCO members or observer states.

China's interests in the enlargement of SCO-related issues include economic and commercial policy aims as well. In order to maintain socioeconomic development at a sustainable pace, China's resource-hungry economic growth needs to guarantee access to a diversified supply of energy and mineral commodities. Central Asian countries are natural targets of Beijing's commercial overtures. However, Beijing views the region as more than a source of abundant resources. Integration with Central Asia would be the first step in the revitalization of the ancient Silk Road commercial route. Since the last SCO summit in Kyrgyzstan, in September of 2013, President Xi has been touting his vision of a new Silk Road Economic Belt, an ambitious project aimed at commercially integrating the entire Eurasian landmass, from the Pacific to the Atlantic⁶.

In spite of China's clear intent in broadening the scope of the SCO agenda and in the commercial integration of Central Asia, Beijing goes to great lengths to assure that the organization is not perceived as a Chinese proxy. Central Asia has long been part of Russia's sphere of influence, and Chinese leaders do not wish to tread on the toes of its most important political partner. Furthermore, China has long sponsored India's SCO membership, despite the geopolitical rivalries between those countries in South Asia and the Indian Ocean. China regards the enormous potential of the Indian domestic market. That country's experience in dealing with religious and separatist extremism are considered welcome additions to SCO. Furthermore, by sponsoring the inclusion an Asian military heavyweight, Pakistan, China sees SCO playing a greater role in maintaining peace and security in the region, free from Western interferences.

4 SOUTH MORNING CHINA POST. Xi Jinping urges China's central Asian neighbours to help step up extremism fight, 13 Sep. 2014. Available at: <http://www.scmp.com/news/china/article/1591639/xi-jinping-urges-chinas-central-asian-neighbours-help-step-extremism> Access in: October 1st 2014.

5 MARTINA, Michael. China urges central Asian neighbours to step up against extremism fight, 13 Sep. 2014. Available at: <http://in.reuters.com/article/2014/09/13/china-xinjiang-idINKBN0H802J20140913> Access in: October 1st 2014.

6 TIEZZI, Shannon. China's 'New Silk Road' Vision Revealed, 9 may 2014. Available at: <http://thediplomat.com/2014/05/chinas-new-silk-road-vision-revealed/> Access in: October 1st 2014.

2. India

The 2014 meeting of SCO, held in Tajikistan, featured among its discussions, the inclusion of India as a new member. An observer since 2005, New Delhi has now applied for full membership. The organization, focusing on strategic areas such as security and energy, is regarded by India as an important tool to improve its strategies, such as in its fight against terrorism, a major concern of contemporary Indian foreign policy today. Already comprised of six members, the SCO might accrue even more economic and political power in Asia and in the world with India onboard.

New Prime-Minister Narendra Modi's profile was highlighted during the country's opening speech at SCO. The idea of a new India, prepared to engage international and regional regimes, ready to be a more prominent diplomatic actor in Asia, is a major issue in Modi's external agenda. The complex situation in Afghanistan – a SCO observer state – was also addressed by the Indian Minister of External Affairs, Sushma Swaraj, who stressed the central role of development policies for Kabul⁷. India invests billions of dollars in Afghanistan⁸, partially because Al-Qaeda and the Taliban appear as two of the major regional threats to India. Swaraj defended cooperation among SCO members to undermine extremism in Asia:

India has long been a victim of terrorism. We are acutely aware of the threat that its perpetrators pose to our people, as also to our common region [...] we are keen to deepen our security-related cooperation with the SCO in general and with the Regional Counter-Terrorism Structure, in particular [...] We see the SCO not only as an important body that can offer a credible alternative regional platform to discuss the challenges related to Afghanistan, but also a strong multilateral force that can become a partner in its progress⁹.

Moving to the energy agenda, burgeoning electricity consumption is a reason enough for New Delhi's interest in SCO. The organization comprises key oil and gas producers, such as Russia. India perceives SCO as a strategic path for energy supply¹⁰.

India has received support from China and Russia in its pledge for full SCO membership. Nevertheless, both countries also defend the entrance of Pakistan, taking notice of Islamabad's ongoing membership process. Therefore, Pakistan counterbalances India's aspirations at SCO, and other members keep an ambivalence stance. The three BRICS countries in the organization will have the task of reducing their diplomatic differences, in order to show they can act jointly as BRICS elsewhere.

7 THE TIMES OF INDIA. Sushma Swaraj inaugurates new Indian embassy building in Kabul, 10 Sep. 2014. Available at: <http://timesofindia.indiatimes.com/india/Sushma-Swaraj-inaugurates-new-Indian-embassy-building-in-Kabul/article-show/42189881.cms> Access in: October 1st 2014.

8 MINISTRY OF EXTERNAL AFFAIRS. Statement by External Affairs Minister at the Shanghai Cooperation Organization (SCO) Heads of State Summit 2014 in Dushanbe, 12 Sep. 2014. Available at: <http://www.mea.gov.in/Speeches-Statements.htm?dtl/23993/Statement+by+External+Affairs+Minister+at+the+Shanghai+Cooperation+Organization+SCO+Heads+of+State+Summit+2014+in+Dushanbe> . Access in: October 1st 2014.

9 Ibid.

10 THE ECONOMIC TIMES. India's membership in Shanghai Cooperation Organisation initiated, 12 Sep. 2014. Available at: http://articles.economictimes.indiatimes.com/2014-09-12/news/53851166_1_sco-membership-the-sco-shanghai-cooperation-organisation Access in: October 1st 2014.

3. Russia

Previously to the Dushanbe Summit, there has been many expectations in Russia of stepping up cooperation within SCO and strengthening its role in the international system¹¹. As said by Russian Foreign Minister Sergey Lavrov, “the remaining instability of the world economy and the potential return of crisis manifestations demand to intensify the economic cooperation”¹². According to an advisor of Russian President Vladimir Putin, Yuri Ushakov, the summit was a landmark for Russia; after Dushanbe, the Russian Federation will occupy the SCO presidency following Tajikistan¹³. The Russian diplomat also stressed that, despite widespread expectations that the summit’s Final Declaration would focus on efforts by members to consolidate SCO and acute international issues, the summit would also regulating accession for new members – India, Pakistan and Iran. Considering the United Nation’s current sanctions on Iran, the country’s admission was, for the moment, postponed, while India and Pakistan could be granted full-fledged membership in SCO in its next summit in Ufa. Russia plans to come out with an initiative to organize a SCO top-level conference on Afghanistan’s situation. Such meeting would comprise SCO members, observers and partners, representatives from other countries and international organizations¹⁴.

In the economic area, according to Lavrov, “the creation of mechanisms of financial provision of the organization’s projects is long overdue”¹⁵. Russia has suggested launching a joint financial institution to foster SCO projects, at the image of the Eurasian Development Bank (EDB). While China insists on creating a separate and independent SCO Development Bank, Russia and other States are less enthusiastic, fearing Chinese domination of the institution¹⁶. Since the Dushanbe Summit, led by Russia and China, the SCO Development Bank already begun financing interstate infrastructural projects, initially in India and Iran¹⁷.

Regional security remains SCO’s top priority, as remembered by Russian Ambassador to the United Kingdom Alexander Yakovenko¹⁸. Beyond ongoing concerns with Afghanistan, Russia tried to bring the Ukrainian situation to the table. Affirming that the Ukrainian crisis spilled beyond the borders of its own country, President Putin stressed that the Heads of State of SCO need to take immediate action, underpinned by dialogue and consensus. Although RT called the Summit a success, stressing SCO leaders’ supported to Putin’s peace plan for Ukraine¹⁹, according to Joanna Lillis, from Eurasianet, the outcome was not so positive, once Putin failed to win a consensus at the Summit²⁰. With China’s President Xi Jinping sticking to Beijing’s line that the crisis should be resolved through political means and inclusive dialogue²¹,

11 KREMLIN. Vladimir Putin will take part in the SCO summit on September 11–12, 8 Sep. 2014. Available at: <http://eng.kremlin.ru/news/22922>. Access in: October 1st 2014.

12 RT. Putin to discuss Ukraine with Asian allies in Dushanbe, 10 Sep. 2014. Available at: <http://rt.com/politics/186588-putin-sco-dushanbe-summit/>. Access in: October 1st 2014.

13 ITAR-TASS. Putin to take part in SCO summit in Dushanbe, 11 Sep. 2014. Available at: <http://en.itar-tass.com/russia/748980>. Access in: October 1st 2014.

14 Ibid.

15 ITAR-TASS. Russia proposes to create SCO development bank, 31 Jul. 2014. Available at: <http://en.itar-tass.com/russia/743057>. Access in: October 1st 2014.

16 RT. Putin to discuss Ukraine with Asian allies in Dushanbe, 10 Sep. 2014. Available at: <http://rt.com/politics/186588-putin-sco-dushanbe-summit> Access in: October 1st 2014.

17 RUSSIA & INDIA REPORT. SCO Development Bank ready to finance projects in India, Iran, 17 Oct. 2014.

18 YAKOVENKO, Alexander. The Shanghai Cooperation Organization: Allies of a New Type, 12 Sep. 2014. Available at: <http://rt.com/op-edge/187360-sco-economic-humanitarian-cooperation/>. Access in: October 1st 2014.

19 RT. SCO leaders support Putin’s peace plan for Ukraine, 12 Sep. 2014. Available at: <http://rt.com/politics/187332-dushanbe-summit-putin-peace/>. Access in: October 1st 2014.

20 LILLIS, Joanna. Putin Fails to Win Ukraine Consensus at SCO Summit, 12 Sep. 2014. Available at: <http://www.eurasianet.org/node/69961>> Access in: October 1st 2014.

21 THE MOSCOW TIMES. China’s Xi Jinping Urges Political Solution to Crises in Ukraine, 12 Sep. 2014. Available at: <http://>

and the near absence of public declarations on the issue by the part of other Central Asian States, Lillis thinks the final Declaration contains a pro-forma, non-binding call for restoration of peace in Ukraine.

4. Conclusion

From its origins as a confidence-building mechanism between its members, the Shanghai Cooperation Organization has undergone important structural changes over the last two decades. Defense and security remain top agenda items. From Islamic extremism in Central Asia to fears of ethnic separatism in western China and crisis in Ukraine, the scope of challenges demands that SCO be more than an talking shop for regional security issues. The pace with which the SCO is rapidly becoming institutionalized point to the arrival of a new regional organization with teeth, able to debate and to make crucial decisions on regional issues – in an acknowledged attempt to avoid Western interference. The future inclusion of Pakistan, and more importantly, India, will only further enhance the organization's clout.

With time, it is likely that the SCO will become a more active player within its own region, limiting the reach of NATO in Central Asia and empowering member countries in security matters. The inclusion of non-military issues, such as energy, finance, and commerce, contribute to the consolidation of SCO's status in regional and global affairs. SCO is here to stay, bringing to the fore the vision of its members: a multipolar international order.