



## The Shanghai Cooperation Organization (SCO) in a multipolarized world

An Online Discussion Panel in cooperation with the Ministry of Defence

**Panelists:**

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**Moderation:**

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**Summary:** Salome Schmid, Loïc Simonet and Thomas Eder

## Executive Summary

In 2001, China established the SCO along with Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan with the stated objectives of combatting terrorism and instability, promoting border security, strengthening political ties and expanding economic cooperation. Its membership has since expanded to eight states, with India and Pakistan joining in 2017 – and Iran will join in April 2023. Additionally, several countries are becoming engaged as observers or “dialogue partners”, including such in Africa (Egypt) and Europe (Armenia, Azerbaijan, Belarus and Turkey).

The 22<sup>nd</sup> Meeting of the Council of Heads of State of the SCO took place in 2022 in Samarkand, Uzbekistan, against the backdrop of geopolitical and economic uncertainty. With Iran’s accession to the group, Turkey flirting with full membership and Indian Prime Minister Modi’s noted attendance (before India’s SCO Chairpersonship in 2023), the event was a “wake-up call” for the West. Members of the SCO – four of which are nuclear powers – today represent almost 50 per cent of the world’s population, 25% of the world’s GDP and nearly two-thirds of the Eurasian landmass, leaving the China-dominated regional organization among the world’s largest.

The expert debate led to several conclusions and recommendations for decision-makers:

- Having member/participating States and “Dialogue Partners”/Partners for Co-operation (incl. Afghanistan) in common, sharing a similar zone of activity in Central Asia and many areas of work, such as election monitoring, the fight against illicit human, arms and drug trafficking and border management, the OSCE and the SCO cannot ignore each other and, in principle, should further explore ways to cooperate. The “2<sup>nd</sup> dimension” of security (economy and environment, incl. energy issues, transport and connectivity), the less controversial in a highly politicized context on both sides, might offer ground for interaction, as well as the management of Central Asian states’ borders with Afghanistan. However, the war in Ukraine certainly impedes any “rapprochement” between the two organizations, because most OSCE participating states would reject cooperation with an organization co-led by Russia.
- Traditionally non-aligned SCO member states, such as India, should not necessarily be expected to build bridges between the SCO and the West. So far, India’s 2023 Chairpersonship of the SCO has provided no opportunity for opening and dialogue.
- The OSCE should aim to have a better understanding of China, its foreign and security policies, invest further resources, and explore possible avenues for engaging it, especially in the geographic and thematic areas where the OSCE and the SCO overlap.
- Decision-makers in Austria and the EU should expect the SCO and its member states to serve as multipliers for Chinese concepts and policies in a UN context.

- Decision-makers in Austria and the EU should not expect the SCO to bring about conflict resolution between its member states (such as India and Pakistan) nor between SCO member states and third states (such as between Russia and Ukraine). The SCO may be a platform for conflict management, but is not able to resolve conflicts.
- Decision-makers in Austria and the EU should expect the power balance within the SCO to shift away from Russia and towards China, even in the case of Belarus's possible accession to the Organization. One consequence will be greater emphasis on economic integration, and likely a certain challenge to the EU's efforts to bilaterally conclude free trade and investment agreements with individual SCO member states (such as India).
- EU and NATO member states should be aware of a non-negligible possibility of Turkey drawing closer to the SCO, especially in case of an election victory for Recep Tayyip Erdogan. Turkey might attempt to (and argue that it can) strictly compartmentalize its Eastern policy in the framework of the SCO and its Western orientation as NATO member, but this would be a significant challenge to NATO. Just like India, Turkey should not be expected to play a bridge builder role between the SCO and the West.

### **Executive Summary - Deutsch**

Im Jahr 2001 gründete China zusammen mit Russland, Kasachstan, Kirgisistan, Tadschikistan und Usbekistan die SOZ mit dem erklärten Ziel, Terrorismus und Instabilität zu bekämpfen, die Grenzsicherheit zu fördern, die politischen Beziehungen zu stärken und die wirtschaftliche Zusammenarbeit auszuweiten. Inzwischen ist die Mitgliedschaft auf acht Staaten angewachsen, wobei Indien und Pakistan 2017 beigetreten sind - und der Iran wird im April 2023 beitreten. Zusätzlich engagieren sich mehrere Länder als Beobachter oder "Dialogpartner", darunter solche in Afrika (Ägypten) und Europa (Armenien, Aserbaidschan, Belarus und die Türkei).

Die 22. Tagung des Rates der Staatschefs der SOZ fand 2022 in Samarkand, Usbekistan, vor dem Hintergrund geopolitischer und wirtschaftlicher Unsicherheit statt. Angesichts des Beitritts des Irans zur Gruppe, dem Liebäugeln der Türkei mit einer Vollmitgliedschaft, und der Anwesenheit des indischen Premierministers Modi (vor der Übernahme des SOZ-Vorsitzes durch Indien im Jahr 2023) war die Veranstaltung ein "Weckruf" für den Westen. Die Mitglieder der SOZ - von denen vier Atommächte sind - repräsentieren heute fast 50 Prozent der Weltbevölkerung, 25 Prozent des weltweiten BIP und fast zwei Drittel der eurasischen Landmasse, womit die von China dominierte Regionalorganisation zu den größten der Welt gehört.

Die Expertendiskussion führte zu mehreren Schlussfolgerungen und Empfehlungen für Entscheidungsträger:

- Da die OSZE und die SOZ gemeinsame Mitglieds-/Teilnehmerstaaten und "Dialogpartner"/Kooperationspartner (einschließlich Afghanistan) haben, eine ähnliche Aktivitätszone in Zentralasien und viele Arbeitsbereiche wie die Wahlbeobachtung, die Bekämpfung des illegalen Menschen-, Waffen- und Drogenhandels und das Grenzmanagement teilen, können sie einander nicht ignorieren und sollten im Prinzip weitere Möglichkeiten der Zusammenarbeit ausloten. Die "zweite Dimension" der Sicherheit (Wirtschaft und Umwelt, einschließlich Energiefragen, Verkehr und Konnektivität), die in einem hochgradig politisierten Kontext auf beiden Seiten weniger umstritten ist, könnte Anlass zur Interaktion bieten, ebenso wie die Verwaltung der Grenzen der zentralasiatischen Staaten zu Afghanistan. Der Krieg in der Ukraine erschwert jedoch mit Sicherheit jede "Annäherung" zwischen den beiden Organisationen, da die meisten OSZE-Teilnehmerstaaten eine Zusammenarbeit mit einer von Russland ko-geführten Organisation ablehnen würden.
- Von traditionell bündnisfreien SOZ-Mitgliedsstaaten wie Indien sollte nicht unbedingt erwartet werden, dass sie Brücken zwischen der SOZ und dem Westen bauen. Bislang hat der indische Vorsitz in der SOZ im Jahr 2023 keine Gelegenheit zur Öffnung und zum Dialog geboten.
- Die OSZE sollte sich um ein besseres Verständnis Chinas und seiner Außen- und Sicherheitspolitik bemühen, weitere Ressourcen investieren und mögliche Wege zur Einbindung Chinas erkunden, insbesondere in den geografischen und thematischen Bereichen, in denen sich OSZE und SOZ überschneiden.
- Entscheidungsträger in Österreich und der EU sollten von der SCO und ihren Mitgliedstaaten erwarten, dass sie als Multiplikatoren für chinesische Konzepte und Politiken im UN-Kontext dienen.
- Entscheidungsträger in Österreich und der EU sollten nicht erwarten, dass die SCO eine Konfliktlösung zwischen ihren Mitgliedsstaaten (wie Indien und Pakistan) oder zwischen SCO-Mitgliedsstaaten und Drittstaaten (wie zwischen Russland und der Ukraine) herbeiführt. Die SCO ist zwar eine Plattform für Konfliktmanagement, aber nicht in der Lage, Konflikte zu lösen.
- Entscheidungsträger in Österreich und der EU sollten damit rechnen, dass sich das Kräfteverhältnis innerhalb der SOZ weg von Russland und hin zu China verschieben wird, auch im Falle eines möglichen Beitritts von Belarus zur Organisation. Eine Folge davon wird eine stärkere Betonung der wirtschaftlichen Integration sein und wahrscheinlich eine gewisse Herausforderung für die Bemühungen der EU, bilaterale Freihandels- und Investitionsabkommen mit einzelnen SCO-Mitgliedsstaaten (wie z.B. Indien) abzuschließen.
- Die EU- und NATO-Mitgliedstaaten sollten sich der nicht zu vernachlässigenden Möglichkeit

einer Annäherung der Türkei an die SCO bewusst sein, insbesondere im Falle eines Wahlsiegs von Recep Tayyip Erdogan. Die Türkei könnte versuchen (und behaupten, dass sie das kann), ihre Ostpolitik im Rahmen der SOZ und ihre Westorientierung als NATO-Mitglied strikt voneinander zu trennen, doch wäre dies eine erhebliche Herausforderung für die NATO. Genau wie von Indien sollte man von der Türkei nicht erwarten, dass sie eine Rolle als Brückenbauer zwischen der SOZ und dem Westen spielt.

The discussion addressed the following questions in further detail:

- 1. Since its creation in 2001, what can we retain of the SCO's main achievements? After more than two decades of existence, how has the SCO contributed to shape the geopolitics of the world's biggest and most crucial continent?**

Before addressing the achievements and impact of the SCO, it is crucial to geopolitically classify the organization and characterize it based on its self-image as well as on how other international actors perceive the SCO.

Despite having become the largest regional organization worldwide in terms of population size as well as landmass, the SCO remains one of the less known regional organizations. Until recently, it has been considered in stagnation and viewed by the West as a paper tiger without geostrategic significance. However, it should be noted that the SCO is the first regional organization that was (co-)created by China. After the collapse of the Soviet Union and its constituent republics gaining full independence, the SCO was an opportunity for China – which had not been active on a multilateral level – to engage with those states and become active in multilateral organizations. While the organization has not been considered to be of great geostrategic importance, it should not be forgotten that it provides an important platform for exchange and cooperation, even for states that have their own bilateral conflicts, such as India and Pakistan. Fostering dialogue between these states may be presented as an achievement of the SCO that should be noted.

As a regional security organization operating in the Eurasian region, the SCO offers many similarities with the Organization for Security and Co-operation in Europe (OSCE), most notably regarding its members. Five SCO member states of a total of eight are OSCE participating states as well as part of the SCO observer states and “dialogue partners” are also OSCE countries. Next to the similarity in membership, both organizations were established with the aim of promoting regional security and cooperation and partly work in the same areas, such as the fight against terrorism and illicit trafficking, as well as various economic issues. Considering the aims and mission of both organizations, joint work between the SCO and OSCE may be mutually beneficial. However, it should be noted that the OSCE is a consensus-based organization whose cooperation with other structures is not only contingent on the principles of the organization as such but on the agreement of every member. In light of last-year's full-scale invasion of Ukraine by the Russian Federation – a founding member of the SCO – it is unlikely that participating states of the OSCE who have been condemning the invasion would endorse a collaboration with the SCO. Since the Russian full-scale invasion of Ukraine, most attention of the OSCE has been devoted to this region and has led to other relations, as for example the relation to China and the SCO in general, to remain underdeveloped.

## **2. How is China crafting the SCO and using it to build political capital in the region for its priorities?**

The SCO is viewed as a strategic platform for securing China's interests and projecting its power and national security narrative. Given China's rise to a major, if not superpower in international relations, it does not come as a surprise that China – which co-created the SCO – also continues to shape it significantly. In fact, the SCO has been described as an experimenting field for China's political concepts. In various cases, China has been successful in institutionalizing its own foreign policy concepts in the SCO and thereby securing support in the United Nations General Assembly for such concepts by SCO members. An example is the political slogan 'the community of common destiny' used by the Chinese Communist Party (CCP) to describe China's declared foreign-policy goal of a world defined by mutually beneficial cooperation. The SCO can therefore be seen as a tool for the Chinese government to popularize its ideas. However, this does not mean that the SCO is a multiplier of Chinese interests only. Rather, it can be conceived as mutually beneficial for both China and other member states. Given China's economic power, SCO members can profit from deepening trade and investment relations with China. The SCO can help as a platform to establish closer bilateral connections which are crucial for many of the SCO members which depend heavily on China as a trade partner. Besides this economic aspect, it does make geostrategic sense, especially for smaller, neighboring states, to establish friendly relations with China. While the SCO certainly serves Chinese interests, it should be kept in mind that the forum is relevant for the economic and security interests of other SCO members, as well.

## **3. Russia's invasion of Ukraine cast a significant shadow on the Summit in Uzbekistan. What can Moscow really expect from the SCO?**

The conflict has been scrutinized with preoccupation by China and India. So far, China has remained largely neutral in response to the openly confrontational, anti-western stance that Moscow would like the SCO to take. However, drawing from the experiences of previous conflicts, it is highly unlikely that Russia will receive support from the SCO. Such attempts have been unsuccessful in the case of Russia's invasion of Georgia in 2008 as well as when Russia invaded and occupied Crimea in 2014. As the SCO is a consensus-based organization and many of its members have experienced Russian imperialism themselves, the probability of all member states agreeing to side with Russia in this conflict is minimal. While the SCO will likely not support Russia's war, it can also not be expected to stop it. Given the SCO's mission to avoid or decrease tensions in the military dimension, there have been hopes that it may help to bring back peace in the region and avoid further polarization. Recently, China has released



a twelve-point document proposing a framework for a political settlement in Ukraine. However, one panelist argued that the plan needs to also be accompanied by sincere attempts to achieve a just peace. Another panelist responded that the Chinese plan should be seen as a step to establish peace rather than the solution, as neither China nor other SCO members are able to solve this conflict.

**4. How will the future of the Organization shape the dynamics across the wider Eurasia region? Might the geopolitical coherence of the SCO be at risk?**

Over the long term, the continued expansion of SCO membership (India and Pakistan in 2017, Iran in 2022, potentially Turkey) has been adding to the Organization's status and reach and providing it with political leverage. Generally, the issue of enlargement is occurring in many international organizations and comes with an internal dilemma since enlargement often comes at the cost of deepening the ties among the participating or member states. It is almost inevitable that with an increase of members, the cohesion between them will decrease. Organizations may show more and more non-consistency in their decision-making and potentially smaller outcomes as agreements are more difficult to be achieved. This becomes even more notable when member states have different stances or even bilateral conflicts, such as China and India or India and Pakistan.

Especially China's economic power might spark interest by other states to join the SCO. In the context of new members joining, it is interesting to discuss how this may influence the identity of the SCO and its geopolitical classification. The notion of the SCO as a non-Western organization may be solidified with Iran joining and it is questionable whether the members embrace such a notion or reject it. It should also be noted that it was due to the UN-level sanctions imposed on Iran that it didn't join the SCO earlier, because there are clear, pertinent rules.

As for the future emphasis of the SCO, it can be expected that there will be a bigger focus on economic cooperation and less focus on security issues. With enlargement, collaborating in the economic sphere does present more of a common ground for participating countries than security matters. Additionally, the economic side of cooperation has been a priority for China, which is now gaining further in weight vis-à-vis Russia, as Moscow is weakened by its war.

**5. China, Russia, India and Iran, each in its own way, are pushing to establish an alternative multipolar world. Can the SCO serve as a "laboratory" for new narratives, concepts, rules and standards in that regard? Should NATO, the European Union and the OSCE worry?**

While the SCO is sometimes described as a representative of the East and the OSCE as a representative of the West, it is important to keep in mind that not all member states of the SCO follow the same foreign policy principles and strategies. The current state of international affairs which is characterized by polarization might contribute to this misconception.

New members joining can shape the positioning of the SCO in the world. Especially, Turkey's admission could be a game changer not only because of its geographical location, but also because of Turkey's position in 'Western' organizations, such as NATO. The admission of Turkey could therefore steer the SCO in a different direction. Rumors of North Korea receiving observer status were considered unrealistic by all panelists. As an ally of North Korea, China might endorse such a decision, but it is considered highly unlikely that the other SCO members would agree. According to one panelist, the concern about the SCO helping its member states to establish an alternative international order may result from the West misunderstanding the SCO as an organization. It can be argued that the Eurocentric vision considers integration as both a premise and indicator of success.