

**The Russian Public Policy
Center Foundation**

**The Rosa Luxemburg Foundation
(Germany)
Office in the Russian Federation**

**«THE SHANGHAI COOPERATION ORGANISATION
AND ITS ROLE IN THE ESTABLISHMENT OF AN
ALTERNATIVE SECURITY ARCHITECTURE IN ASIA»**

Materials of the international seminar

11 December 2007

Moscow

EDITORS' NOTE

On 11 December 2007 the RPPC Foundation (Moscow) organized an international Russian-German seminar *“The Shanghai Cooperation Organisation and its role in the establishment of an alternative security architecture in Asia”*.

The seminar's participants included diplomats, scientists, economists, military experts, lawmakers, and public organisations' representatives from Germany, India, Iran, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Ukraine.

Summarizing the statements made by participants of the international seminar, one key component should be outlined – the problem of the SCO as at 2007. The SCO attracts and is of interest to many states of the East that would like to live in a multi-polar world. The basis of such attractiveness is the resources of Russia and China, as well as the potential of Central Asian states (Kazakhstan, Uzbekistan, Tajikistan and Kyrgyzstan). The SCO rating in the world is growing very rapidly, with many countries standing in a “queue” to become its member.

Not only the SCO rose to a global and regional level both de jure and de facto as a genuinely acting force, but also it acquired a powerful economic and political constraining capacity aimed against the “three evils” and, hypothetically, in all its manifestations.

Many of the international seminar's participants noted that security and fight against terrorism remain today an important dimension of the Organisation's activities.

Apart from the approved antiterrorist methods of the regional SCO Antiterrorist Center (RATS), joint exercises, fight against drug trafficking, and others, recent SCO summits (the 2006 Shanghai summit and the 2007 Bishkek summit) elaborated and additional “Afghan dimension” of the SCO activities.

There has been a development in the issue of cooperation between the SCO and the Collective Security Treaty Organisation (CSTO). Till 2007 these two structures had no joint documents on interaction and cooperation. It is indicative that in 2007 both alliances held parallel military exercises – “Frontier” (SCTO) and “Peace Mission” (SCO). At the trilateral – CIS, EurAsEC and CSTO – summit held in 2007 in Dushambe the SCO and CSTO signed a memorandum on cooperation. The document does not mean the creation of any bloc or a union of an “Anti-NATO” kind, rather it manifests the parties' interest in a deeper cooperation in the sphere of regional security.

BRIEFLY ABOUT THE SEMINAR

Place:

101000, Moscow, Luchnikov per., 4.

Initiators:

- The Russian Public Policy Center Foundation (101000, Moscow, Luchnikov per., 2);
- The Rosa Luxemburg Foundation (Germany, Berlin), Office in the Russian Federation (119606, Moscow, Vernadsky prosp., 84/2, rooms 2002-2003).

Participants:

diplomats, scientists, economists, military experts, lawmakers, representatives of public organisations from Germany, India, Iran, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Ukraine.

Total: 37 participants.

Objectives: To hold a comprehensive discussion of the Shanghai Cooperation Organisation not only as a structure for fight against terrorism and regional extremism, but also as an alternative regional security system in the Central Asian region.

LIST OF PARTICIPANTS

From the Russian Federation.

BELOV Petr Grigorievich	Advisor of the President of the Academy for geopolitical problems.
BELOV Anatoly Nikolaevich	Independent military expert on Central Asia.
EVSEEV Vladimir Valerievich	Senior research officer of the Center for International Security, Institute of World Economy and International Relations.
IVANOVA Olga Yurievna	Simultaneous interpreter.
IVASHOV Leonid Grigorievich	President of the Academy for geopolitical problems. Colonel-general.
KENIN Vadim Gavrilovich	Simultaneous interpreter.
KOSIKOVA Lidia Serafimovna	Leading research officer, Institute for the Economy, Russian Academy of Sciences.
KURTOV Adjar Ashirovich	Senior research officer, Institute for Strategic Studies.
LUZYANIN Sergey Gennadievich	Professor at the MGIMO-University of the MFA of Russia; chief research officer of the Institute for the Far East, the RAS; President of the Eastern Studies Foundation.
LUKIN Alexander Vladimirovich	Director of the Center for Central Asian and SCO Studies, MGIMO-University of the MFA of Russia.
MAKHLAY Alexey Aleksandrovich	First Deputy Director of the Russian Public Policy Center Foundation.
MIKHAILOV Sergey Vasilievich	Deputy director- coordinator of publishing and scientific programmes of the RPPC Foundation.
MOSKALENKO Vladimir Nikolaevich	Leading research officer, Institute for Eastern Studies, Russian Academy of Sciences.
MUZYKANTSKIY Alexander Ilyich	President of the Russian Public Policy Center Foundation, professor.

NIKIFOROV Alexey Leonidovich	Adviser, Department for Political Cooperation, CSTO.
POLISCHUK Rostislav Feofanovich	Member of the public commission on the fight against pseudo-science and falsification of scientific research, the RAS.
SAVELIEV Mikhail Ivanovich	Chief consultant of the Russian State Duma Committee on the CIS affairs and links with compatriots.
SAZHIN Vladimir Igorevich	Political observer of the “Voice of Russia”, senior research officer of the Institute for Eastern Studies, the RAS.
TSYGANKOVA Elena Ivanovna	Leading specialist of the department of international and regional programmes of the RPPC Foundation.
CHUFRIN Gennady Illarionovich	Corresponding member of the Russian Academy of Sciences, Deputy Director of the IMEMO, RAS.
YALFIMOV Ivan Ignatievich	Leading adviser of the Russian State Duma Committee on the CIS affairs and links with compatriots.
<u>Foreign participants.</u>	
AFANASIEV Andrey Vasilievich	All-Ukrainian public organisation “Russians of Ukraine”.
GRABOWSKI Wolfgang	Expert of the Rosa Luxemburg Foundation. Ambassador in retirement.
DODIKHUDOEV Khurshed Azamjonovich	Deputy head of the Department for foreign policy and external-economic development, Center for Strategic Studies under the President of the Republic of Tajikistan.
IGNATOVA Olga Albertovna	The Rosa Luxemburg Foundation.
IMANALIEV Zhanybek Abdulakimovich	First Secretary, Embassy of the Republic of Kazakhstan in the Russian Federation.
LINKE Peter	The Rosa Luxemburg Foundation.
MAKEEV Tolendy Kartanbaevich	The SCO National Coordinator from the Kyrgyz Republic.
MORADY Manuchekhr	Director, the Center for Central Asia and Caucasus Studies IPIS– the Islamic Republic of Iran.

- MURZAKULOVA**
Asel' Djaparkulovna
Expert of the Division for regional studies and security, International Institute for Strategic Studies (MISI) under the President of the Kyrgyz Republic.
- PUKHOV**
Victor Viktorovich
The RPPC Foundation Representative in Ukraine.
- SEN SARMA** Angira
Scientific Studies Foundation, India.
Researcher.
- SYROEZHKIN**
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Chief research officer of the Kazakhstan Strategic Studies Institute under the President of the Republic of Kazakhstan.
Doctor of political sciences, professor.
- FARDJAT** Amin
Counselor Embassy of the Islamic Republic of Iran, political issues.
- FOMENKO**
Vladimir Alekseevich
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- FU** Yong
Institute of Eurasian Studies, Shanghai Academy of Social Sciences. Associate research professor.

**INTERNATIONAL
RUSSIAN-GERMAN SEMINAR
«THE SHANGHAI COOPERATION ORGANISATION AND ITS
ROLE IN THE ESTABLISHMENT OF AN ALTERNATIVE SECURITY
ARCHITECTURE IN ASIA»**

A.I.Muzykantskiy.

President of the Russian
Public Policy Center
Foundation

Opening statement.

The subject of today's seminar is "The Shanghai Cooperation Organisation and its role in the establishment of a security architecture in Asia". It is my pleasure to welcome our guests from abroad. Apart from Russian participants, we have here representatives from Germany, India, Iran, Kazakhstan, China, Kyrgyzstan, Tajikistan and Ukraine. That shows how great the interest to the subject is.

Above all, I would like to welcome our colleagues from the Rosa Luxemburg Foundation and the Head of its Russian Office Mr. Peter Linke who have been organizing this seminar together with the RPPC Foundation.

The topicality of the seminar is so evident that even the composition of its participants manifests that. The appearance of such organisation as the Shanghai Cooperation Organisation became an alternative to the two most remarkable intellectual events happened in the late 1980s – early 1990s. As you remember, the concept of the "end of history" made a racket. Representatives of Western intellectual elite assumed that the defeat of communism and the collapse of the USSR gave rise to a situation when the Western model of development became the only, once and for all selected model, and all the rest of the world's countries had nothing to do but to either join it or be left at the most remote periphery of historical development. Almost at the same time Western ideologues generated another concept – that of a clash of civilizations. Both concepts pretended to understand global processes. As usual, such global concepts, with all their great ideas, take no consideration of some small details. Mainly, they disregard the diversity of the world. The creation of the Shanghai Cooperation Organisation was a response to these concepts.

First, pretensions of the Western liberal model to be an ultimate world order model are exaggerated. There are a lot of other models and civilizations in the world that are ready to offer their own models of development. These models compete and interact. It is absolutely clear now that liberal model has not and will

not become the only one. The fact that the Shanghai Cooperation Organisation is a unique platform for a dialogue, a platform for interaction among different cultures and various civilizations is clear at least due to the variety of cultures represented by peoples of the states parties to this Organisation. For that reason the title of our seminar rightly and, as it seems to me, even to some extent not fully covers all the potential possibilities of this Organisation. For the Shanghai Organisation does not only represent an alternative security architecture in Asia, it simply represents a unique platform that gives birth to new meanings, new theories, new concepts of the world view and world development upon which a whole lot of things will soon depend.

It is not my objective to make some conceptual report. I will not compete with the speakers we invited, with the specialists. I pass the floor to Mr. Peter Linke, Head of the Rosa Luxemburg Foundation Office in Russia, one of the organizers of this seminar, to say a few opening remarks.

Peter Linke.

Head of the Moscow Office,
The Rosa Luxemburg Foundation (Germany, Berlin)

Opening statement.

I'm very glad that you responded so actively to our invitation and came to participate in our seminar, a lot of you are from far away. We are to discuss a lot of difficult issues. One of the central questions is whether the SCO is a Pan-Asian NATO or a Pan-Asian European Union?

It is known that Moscow and Beijing adhere to different approaches in their assessment of the SCO's future. Kremlin perceives SCO as a military-political structure for protecting its geo-strategic interests in the relations with the US and China. There are all reasons to believe that Chinese leadership understands SCO as a lever for economic and political influence on the Central Asian states. A lot depends on what approach eventually prevails, including the EU future policy not only towards Central Asia, but also East Asia.

Another issue that seems to me very complicated, but very important is whether the SCO is a generator of a new Asian space structure.

I want to say that the SCO's being the first regional security structure encompassing European, Central Asian, East Asian, as well as South Asian states, has to be of consequence for geographic self-consciousness of states and thereby determine Eurasia's spatial structuring in the future.

Another difficult issue is membership. There are full-fledged members of the SCO and there are observers. It is not clear how things will be developing in the future. The SCO's future depends not only on specific relations between Moscow and Beijing, but also on its new potential members. Evidently, India and Pakistan are unlikely to join SCO simultaneously. How about Iran? To what extent are Moscow and Beijing ready to provide it with full-fledged membership? I consider this question very important. Especially in the light of growing activity of NATO in the zone of the SCO influence, as well as in view of the prospect of EU getting an observer status in the Organisation.

And the last question – the issue of providing security guarantees, especially to so-called rogue-states. Should the SCO provide Iran, regardless of its future status in the Organisation, with security guarantees and thus promote the resolution of so-called “nuclear conflict” between Teheran and the West?

So, we have a lot of issues to discuss. I count on a fruitful exchange of views here. Thank you all for coming. Let's wish us a successful outcome.

Session I.

Muzykantskiy A.I.:

Let us begin the work of our seminar. I have, however, to make a minor change in our agenda and propose that we start with the report «*The Shanghai Cooperation Organisation – a new model of international cooperation*», which will be made by our specially invited speaker **EVSEEV Vladimir Valerievich**, Senior research officer of the Center for International Security, Institute of World Economy and International Relations.

Evseev V.V.:

The bipolar world with US and USSR domination emerged after the end of the Second World War. Such international structure was characterized by a divide between these two members of international community and all other states in terms of aggregate capabilities of their economic, political, military, as well as cultural and ideological influence on international relations. The bipolar world has existed for over half a century and was replaced in early 1990s by a uni-polar world with only one “leader” remaining – the United States of America.

The collapse of the bipolar world, however, did not lead to a US monopoly in international relations, for Washington was forced to take into account the interests of at least seven other actors of international politics – members of a prestigious and influential informal inter-state unit – “Group of 8”. The Russian Federation is a member of this organisation since 1998, although de-facto has limited rights.

It should be taken into account that five of the G8 members (United Kingdom, Germany, Italy, Canada and France) are Washington’s allies in the framework of the military and political alliance – NATO, and one (Japan) is bound with the US by bilateral military and political obligations. A system of these mutual obligations, with US military-political and economic dominance over its partners, makes the latter quite sensible to US influence. Russia is the only one not formally bound by allied relations with any of the Group’s states and has, on the one hand, greater autonomy, but, on the other hand, because of its economic weakness it basically does not enjoy the whole range of privileges of the G8 membership.

Apart from that, a considerable influence on the system of international relations is exerted by China that is not a member of the G8, but since mid-1990s has been seriously positioning itself as a leading world power due to its impressive economic achievements. The real levels of Chinese and American capabilities are, however, not comparable, and for that reason Beijing has not yet become Washington’s real opponent in global politics.

It is evident that the US is now occupying a dominant place in the world. It is Washington – due to its dominance both in economic and military spheres – that

takes all major decisions of world significance. Such situation, however, cannot last forever. The increasing capabilities of such states as China, India, Russia, Brazil and some others change progressively international configuration, and it is quite possible that in the foreseeable future the world will turn multi-polar. It appears that even the rise of China alone to the world's second place in terms of gross domestic product could create a real basis for multi-polarity. Forecasts of China's economic development that exist in Russia and in the West allow us to envisage such possibility by 2015-2020.

Clearly, due to the lack of a distinct ideological confrontation the modern world system is, as a whole, quite stable, which helps to maintain peace and to a considerable extent prevents a global war. At the same time, the possibility of local (regional) wars is rather high, which becomes extremely dangerous in view of proliferation of missile and nuclear technologies in the world.

During the bipolar period major military-political organisations, such as NATO and Warsaw Pact, were of a distinct bloc character. NATO, for instance, is a military-political union established on the basis of the North-Atlantic Treaty signed in Washington in 1949. NATO's objective is to ensure collective security of its members in the Euro-Atlantic region, with attack against one of the organisation's members being considered as an attack against the alliance as a whole. Initially, NATO comprised twelve states: the US, United Kingdom, France, Belgium, the Netherlands, Luxemburg, Canada, Italy, Portugal, Norway, Denmark, and Iceland. Later, the Organisation enlarged to 26 states, part of which were previously members of the Warsaw Pact.

NATO was created during the period of bipolarity that ended in early 1990s. Since then, however, NATO not only continued its existence, but reinforced its aggressive capabilities trying to create more favourable external political conditions.

At first sight NATO's future seems cloudless. A whole number of states are preparing to or can join this organisation (within the post-soviet space alone – Georgia, Ukraine, Azerbaijan). In terms of aggregate military capabilities today's NATO has no opponents, which is most evidently manifested in the sphere of conventional arms. As of 1 January 2006, NATO exceeded the Armed Forces (AF) of Russia in tanks – by 2,9; in armoured combat vehicles and artillery systems with caliber of at least 100 mm – by 2,8; in combat aircraft – by 4,1. At the same time, the Organisation did not manage to get rid of its bloc nature and, after its main enemy – the Soviet Union – disappeared, to find an adequate opponent (considering international terrorism as such simply does not seem serious).

NATO in essence still remains a policy instrument of the US that, for the sake of its national interests, is ready to make the whole world act according to its plans. Washington obviously manifested disregard of its allies when it imposed on Europeans the creation an anti-missile defense in Europe and by considering it exclusively as a foremost front of its own defense systems. As a consequence, the EU military structures are progressively getting stronger, whereas tensions between NATO's so-called old and new members are increasing. With US leadership in the world becoming more and more relative, NATO will apparently

be weakening from within. Such scenario can be seen as exemplified by the Warsaw Pact Organisation that emerged in 1955 as a response to the establishment of NATO. Apart from the USSR, 7 Eastern European states joined the Organisation: Albania, Bulgaria, Hungary, the GDR, Poland, Romania and Czechoslovakia. The Warsaw Pact Organisation possessed many of the NATO's characteristics, and on 1 July 1991, following serious internal weakening of the Soviet Union, it disintegrated.

During the Cold War the US and its closest ally – Great Britain – repeatedly created other military-political blocs: in South-East Asia – SEATO (1954-1977), in the Middle East – CENTO (1955-1979), in western part of the Pacific Ocean – ANZUS (1951-1986) and ANZUK (1971-1975). All these military-political blocs turned to be rather unstable, and their lifetime was usually limited to the existence of a common enemy. With time, internal contradictions were accumulating and lead to their self-disintegration.

Apart from such pronounced bloc organisations as NATO and the Warsaw Pact, other international (regional) organisations existed in the world and devoted considerable attention to such issues. Among them are: the Group of 8, the European Union, the Organisation for Security and Cooperation in Europe, the African Union, the League of Arab States, Organisation of the Islamic Conference and Organisation of American States. But in 1990-2000 the sphere of international security saw the appearance of fundamentally new international organisations, such as the Regional Forum of the Association of South East Asian States (ASEAN), Conference on Interaction and Confidence Building Measures in Asia, the Shanghai Cooperation Organisation (SCO), the Council for Security Cooperation in Asian Pacific and some others. All these organisations are of non-bloc nature and present forums for discussing the existing problems.

The ASEAN Regional Forum was established in 1993 in the framework of preventive diplomacy – that is actions aimed at preventing conflicts or limiting their spread. The forum's goals are: fostering constructive dialogue and consultations on policy and security issues; formation of trust relations and implementation of preventive diplomacy in the Asian Pacific. Apart from the ASEAN Member States, the following countries take part in the work of the Forum: Australia, Bangladesh, Timor-Leste, the EU, India, Canada, DPRK, China, Mongolia, New Zealand, Papua New Guinea, Pakistan, Republic of Korea, Russia and the US.

The Conference on Interaction and Confidence Building Measures in Asia was founded in 1999 in accordance with the Declaration. It is a multilateral forum on strengthening cooperation for peace, security and stability in Asia. The members of the Conference are: Azerbaijan, Afghanistan, Egypt, Israel, India, Iran, Kazakhstan, China, Kyrgyzstan, Mongolia, Pakistan, Palestine, Russia, Tajikistan, Turkey and Uzbekistan. This forum was convened at the initiative of N.Nazarbaev, President of the Republic of Kazakhstan.

The Council for Security Cooperation in Asian Pacific was established in 1993 as an informal, non-governmental association for strengthening trust and

cooperation in the sphere of regional security by means of dialogue and consultations.

A special place among the afore-mentioned organisations is occupied by the SCO, which emerged during the so called “Shanghai process” on the basis of the “four (Russia, Kazakhstan, Kyrgyzstan and Tajikistan) plus one (China)” formula. In early 1990s this process was initiated by Moscow and Beijing in the form of an international forum for discussing confidence-building measures and demarcation of former Soviet-Chinese border (7,5 thousand km long). Such form of cooperation excluded any elements of external political pressure and allowed for the formation of a “Shanghai spirit” based on mutual trust and benefits, equality, respect for the variety of cultures and the aspiration for common development. The route from mutual consultations to consensus was difficult, but it guaranteed unconditional implementation of all the decisions taken in the framework of a new model of international relations. Later, Uzbekistan joined the “Shanghai five” as a sixth member, and the Organisation itself was named the Shanghai Cooperation Organisation (2001).

Member States of the SCO formally fixed their vision of a future world order in the Organisation’s basic document – the Charter of the Shanghai Cooperation Organisation – signed at the 2002 SCO summit in Saint-Petersburg. The Charter acknowledged the need to build a new democratic, just and rational political and economic world order.

These ideas received their further development at the latest SCO summit held in 2007 in Bishkek. The Declaration adopted by the summit noted the necessity of building a new international security architecture under the auspices of the UN, which would:

- a) reflect the balance of interests of all actors of international relations;
- б) provide each state with the right to independently choose its way of development, protect national unity and national dignity, participate on equal terms in international affairs;
- b) guarantee the resolution of conflicts and crises by political and diplomatic means, strictly following principles and norms of international law and taking into account the interests of all parties involved;
- г) preserve the diversity and deepen the dialogue between various cultures (religions) and civilizations.

Apart from that, the Bishkek declaration notes that stability and security in Central Asia can primarily be ensured by the countries of the region on the basis of the established regional international associations. Thus, the SCO member states clearly expressed that they were opposed to activation of activities of such military-political organisation as NATO in the region.

There are, of course, a lot of problems within the SCO. The SCO Secretariat is rather weak and is forced to constantly coordinate its activities with national coordinators, and economic activities in the SCO framework are mainly of bilateral nature rather than multilateral. It is difficult to discuss the future of the Organisation when two of its key members – Russia and China – pay major attention to different spheres of SCO’s activity (Moscow often sees Organisation

as a military-political one, while Beijing – as economic), and Uzbek-Tajik and Uzbek-Kyrgyz borders are till now not totally cleared of mines. Nevertheless, the SCO members (observers) have long aspired to build relations among themselves regardless of their political, economic and cultural differences. This might be what the West lacks today, when some of its states try to trample the whole world down, which provokes adequate reactions in the form of radical Islam. Therefore, by using SCO as a regional platform we can try to test a new structure of international relations based on mutual respect, and, if the project succeeds, spread it onto other regions.

Besides, the Organisation includes (together with observers) Russia and two rising poles of power – China and India. Their relations with external world, mainly with the West, will to a great extent determine the whole international security system. In this connection, the SCO bares special responsibility for the future worldview.

Muzykantskiy A.I.:

I pass the floor for the statement to colonel-general **IVASHOV Leonid Grigorievich**, president of the Academy for geopolitical problems. The title of his report is: «*The Shanghai Cooperation Organisation: a way to perfection* ».

Ivashov L.G.:

The idea to establish a stronger organisation on the basis of the Shanghai Five was ripen in the Russian Ministries of Foreign Affairs and of Defense in 1998.

Conclusions that served a foundation for the ideology of the SCO's creation were the following:

- a uni-polar world order is not stable, is dangerous for humanity and tends to establish military-power dictatorship;
- consolidation of liberal market relations on a global scale can lead to a disbalance in the world's economy, aggravation of struggle for planetary resources, dying out of large masses of population of hunger, disease, armed conflicts;
- the philosophy of a "golden billion" welfare is also unacceptable for human civilization, for it destroys the harmony between humans and nature, leads to a breach in the development of world civilization, to a clash of civilizations.

Proceeding from these geopolitical conclusions, the following proposals were conceptually drawn:

- on the formation of a second pole of humanity, different from the Western one in terms of principles of life philosophy, attitude to the environment, priority of moral values and communal and collective bases;
- on the possibility of harmonious relations between states and civilizations;
- on a security system built on the basis of balance of powers and potentials.

The military were the first to enter the path of creating the "Six" and then the SCO. Back in 2000 in Astana they placed a greater emphasis on security issues, accentuating a comprehensive approach to the problem. Back then the joint

declaration by Ministers of defense of the “Five” qualified as common threats NATO’s aggressive actions, the aspiration of the US to achieve a military and technical break-through as regards other countries, its attempts to undermine the ABM, SORT Treaties, etc. The discussions on security issues touched upon the problems of security in economic, information, ideological spheres, as well as attempts to change national and civilizational identity.

As opposed to the S.Huntington’s thesis on the clash of civilizations, the SCO put forward a thesis on harmonious development and mutual support of civilizations as the basis of security’s world outlook. Already during the consultations on transforming the Shanghai “Five” Russia proposed to invite India and Iran to join a new construct. China proposed to invite Pakistan. Later, all participants of the “Five” agreed upon the participation of Mongolia in the SCO.

Thus, there could be viewed a coalition-based architecture of five civilizations – Russian (Eurasian), Chinese, Islamic, Hindu and Buddhist ones. They have a lot in common: first of all, the priority of moral and ideological, collectivist principles over individualist and consumption-oriented ones. Besides, all of them stood against uni-polar world order, against the reign of monetary ideology, and for maintaining the principles of international relations stipulated for in the UN Charter.

In building the security construct of the future SCO, we proceeded from the concept of balance of powers within the organisation itself and in the East Asia in general. For Russia, Central Asian states, for relations within the China-India-Pakistan triangle, this circumstance is of a vital importance.

At the Shanghai anniversary summit in 2006 the Organisation for the first time revealed the zone of its interests and responsibility and proclaimed the possession of capabilities that allow it to play an independent role in maintaining stability and security within that zone. I believe it is the security capabilities of the SCO that allowed it to establish relations with the EU, OSCE, LAS, ASEAN and amplify its own capabilities by close cooperation with the CIS, CSTO, EurAsEC. If the SCO develops successfully, it can become in the years to come a basis of the collective security system in Eurasia and will be able to influence global security.

Today, already, the SCO in the 6+4 format (six member states, four observers) accumulates huge economic and human potential. The SCO states cover 3/5 of the territory of Eurasian continent, 1/4 of the world population, and, taking into account the observers, - the majority of the planet’s population. The SCO, in its zone of responsibility, possesses the richest natural resources, greatest economic growth rates.

At the same time, the SCO states have serious social and economic problems:

- vicious circle (that is reproduction) of misery and poverty,
- eternal ethnic and confessional tensions.

Therefore, together with economic growth, there is an urgent problem of development of both member states and observer states of the SCO, as well as of other states of the region.

I believe that the world outlook of the SCO states’ ruling elites is dominated by the aspiration for a rapid pace not even of economic development, but of

economic growth. This market term, standing for a process of growing gross income (GDP) and income per head, does not always mean the development of a state, of people. What is needed is a strategy of a country's development that changes not only the structure of the economy, but also provides for a new quality of life for people through development of culture, science, education, comfortable way of life, protection of the environment, etc. It would be useful to analyze the experience of Japan, South Korea, China.

The SCO was founded as an organisation of a new type (the term offered by E.M.Primakov), and was informally tasked with super-missions – to change the modern world to the better, to make it more moral and just, to stop dangerous tendencies in the humanity's development.

The SCO can and has to have its own security system different from that of NATO, Warsaw Pact and other military blocs. Analogously, it should have its own model of economic development, its humanitarian sphere, information space, as well as unified scale of value priorities.

A lot is being done in this direction: the system of the SCO institutes is developed, public structures are created, the decisions on all levels are becoming more specific. Meetings of heads of states, heads of governments, secretaries of the Security Councils, Ministers of Defense, Foreign Ministers, Ministers of fuel and energy complex (power club) are institutionalized and are held on a regular basis. The SCO Business Council proposed an interesting agenda; a project by the SCO public institute of health and social protection is in the implementation stage, as well as projects in the energy, telecommunications and transport spheres. Public coordination council for SCO support has been created, and the public information website "www.infoshos.ru" is now operating.

The SCO interaction architecture is seen as interesting and prospective. Here we can see:

- vertical and horizontal interaction within the SCO,
- interaction between the SCO structures with regional and global structures,
- bilateral interaction between the SCO and a specific state, between a state and another state (Round table Ukraine-SCO on "Advantages and prospects of cooperation", Kyiv, 27-28 September 2007, Ukrainian-Chinese Institute of Confucius),
- interest-based cooperation (according to fields, regions, problems).

The SCO possesses features that are not typical of other regional integration organisations, its model is not like those of the EU, ASEAN in terms of neither space scale, nor range of objectives. It is supposed to be some special world without clearly defined borders, but penetrating the whole planetary space. There has already appeared a quadrangle of a new world order – Brazil, Russia, India, China. In Muslim zone a triangle can be found capable of consolidating different branches of Islam: Iran, Saudi Arabia, Turkey. These, as well as other structures are already linked with the SCO.

These are, however, only assumptions and vital practical actions. The SCO's weakness lies in the lack of a fundamental theory of such inter-civilizational

structure, as well as lack of philosophic world outlook, concepts and structurization mechanisms for this huge space.

So far I can see two most advanced vectors in the SCO development: cooperation in economy and security spheres. Unfortunately, the SCO space has not yet given birth to such integration analysts as Jean Monnet and Barry Buzan in the European Union.

The place and role of Russia in the SCO should be described separately. Russia is both a multinational state and the center of Orthodox civilization. In the person of its predecessor – the USSR (the Big Russia) – it had already been one of the world's poles, and has the experience of socialist development, as well as is acquiring the experience of capitalist development.

V.Schubart, a German philosopher, wrote in his book “Europe and the sole of the East” published in 1938: “Not a European, but a Russian has the mental purpose with which a man can justify his eternal destination. He is guided by the absolute, by a universal feeling, a messianic soul... In major questions of existence a European should take a Russian for a model, not vice versa. If he (*a European – L.I.Ivashov*) wants to return to eternal goals of the humanity, he should recognize the Russian-Eastern evaluation of the world”.

Thus, Hartland is moving to the South-East.

In conclusion, I think Russia should occupy in this Organisation a place of a spiritual and intellectual center, a source of ideas and high morality. It has to serve an example to other countries.

Thank you.

Muzykantskiy A.I.:

I give the floor to the chief research officer of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Doctor of political sciences, professor **Konstantin L’vovich SYROEZHKIN**. The title of the report is “The SCO: generator of a new Asian space”.

Syroezhkin K.L.:

Thank you, the subject of the seminar is indeed very interesting, but it is somewhat unexpected, at least for me. Therefore, I don't really share the optimism of Leonid Grigorievich (*Ivashov L.G., president of the Academy for geopolitical problems, colonel-general – ed.*).

To my mind, the key issue today is not the bipolarity or multi-polarity of the world, but rather that the rules of the game in the world have changed.

The system of international relations, in the form it existed after Westphalian agreements, has collapsed. This simple ascertaining does not provoke any objections. And the main issue today is not the absence of a bipolar or multi-polar world, but a fundamental change in the rules of the game. The question is how to ensure global balance.

It is quite evident that not a single state is capable of dealing with international and regional problems alone. Not only THE attempts to solve this or

that problem unilaterally usually aggravate it, but also a state that assumes such heavy burden finds itself on the brink of a crisis. The US example is more than expressive here. The practice has shown that, once it assumed the functions of a “world gendarme”, it was not able to efficiently fulfill them. Moreover, the world lost in it a “guarantor” of international security, finance, technical progress, democracy, etc.

Secondly, a dangerous tendency evolved in the world – that of foreign policy’s orientation on the “right of force” and emergence in the majority of states of a need to strike preemptively. The result is the expansion of spheres of using armed force for the protection of national interests, activation of an arms race and a wave of terror overflowing the world as a response to the attempts to impose American hegemony.

Finally, it has to be noted that modern world evidences an inability of both national (armed forces, police, special services) and international (UN, OSCE, NATO, etc.) institutes to deal with the entrusted mission to guarantee security.

In the context of the subject under consideration some more serious problems should be added to what was said above.

The first one is linked with the presence of the US in the SCO zone of responsibility (and this means all aspects of such presence – economic, political, humanitarian and military ones). It’s difficult to say how long it will last and how it will affect regional security. But it is evident that the US presence has become a permanent factor in the zone’s geopolitical situation. And today not only experts in Central Asian states, but also a part of experts in Russia and China consider this presence as an additional component in the system of regional security that guarantees the maintenance of balance of power and prevents unilateral domination of Russia or China. Although it needs to be said, for the sake of justice, that such authors are in minority. The majority of them, especially in China, consider US presence as a destabilizing factor.

Second. It is absolutely evident that Russia’s aspiration to play a more significant role at the world arena, as well as on the post-Soviet space, is not welcomed by its Western “allies”. Nobody wishes to see it as a strong and independent political actor, and the West would try to do everything in order not to allow for the reestablishment of its influence in traditional regions of dominations: in the Caucasus, in the Central Asia and in the CIS as a whole. Russia understands this and is preparing for an asymmetric response. It has the necessary possibilities, and the evidence of that is Vladimir Putin’s speech delivered in February 2007 in Munich before the conference on security policy, and events that followed regarding the discussion on the placement of American ABM elements in Europe.

Third. It is a growing power of China and its aspiration to play a greater role in the world. At least this was quite frankly discussed at the recent XVII session of the Chinese Communist Party in Beijing. We can’t exclude that China, having build up its muscles, would also want a new role in world politics.

In this connection we have to draw attention to two circumstances. First, China today is no longer perceived by neither political establishment nor Central Asian population as a potential source of threats. Moreover, it transferred into a

category of a desired foreign policy and foreign economy partner, and in terms of ensuring regional security is sometimes viewed as a rather worthy alternative to Russia and Western states¹. Materially this tendency is reflected in the dynamics of commodity circulation between China and Central Asian states, with annual, since 2000, growth of 1,5-5 billion dollars. And that is the official statistics of the region's states, which is 1,5-2 billion dollars less than real figures.

Second, the specifics of relations between Russia and China on the SCO space. On the one hand, the "Russia-China" tandem has been quite clearly established. Moreover, Russia and China say, apparently justly, about "strategic interaction"². On the other hand, however, competition between them for access to resources of the region is getting more and more evident. Although China is still pausing and does not enter into a direct confrontation with the US and supports Russian illusion that it plays the role of a "first violin" in Central Asian region³, Chinese press more often voices disturbing tones regarding Russian companies' presence in the oil and gas sector of Central Asian states. In any way, a number of Russian experts raise, to my mind, quite objectively, the issue that strengthening of China's positions in the Central Asia is not in the national interests of Russia⁴.

Considering what was said above, what is the role of the SCO as a generator of a new Asian space? To tell the truth, I am cautiously optimistic on this issue.

On the one hand, this is the institution that not only allows for the solution of security problems in its sphere of responsibility without the involvement of third powers, but eventually can lead to a formation of a new security architecture in Asia. At least bilateral agreements⁵ and decisions of the three latest SCO summits⁶ are evidence to that.

¹ See Abdrakhmanov A., Kaukenov A. Relations between China and Central Asian states in the eyes of Kazakh experts. – *Kazakhstan v globalnyh protsessakh (Kazakhstan in global processes)*, 2007, №3, pp.119-128

² See Joint declaration between the Russian Federation and the People's Republic of China. 26 March 2007. - http://www.kremlin.ru/interdocs/2007/03/26/2014_type72067_120807.shtml?type=72067

³ In fact, the assessment of Russia's importance is somewhat different. According to Zhen Yuisho, Chinese professor from Hong Kong, "Russia's powers are not great, and it is absolutely incapable of realizing its strategic goals without strategic partnership with China", and Russia's orientation to the West could be considered as "a factor that could adversely affect the development of strategic partnership between China and Russia". – See. Chinese researchers of Russia on Chino-Russian relations and the development of domestic situation in the Russian Federation – *Compilation of Express information, IDV, RAN [IFE, RAS]*. – M, 2005, №1, p.13

⁴ According to A.Sharvin, Director of the Institute for political and military analysis, «military power of China that grows stronger every day, its geopolitical ambitions can diminish Kremlin's role in the post-soviet space, especially in the Central Asia, where China's positions are being reinforced. And Russia finds it increasingly difficult to find something to oppose to that». - See *Independent military review [Nezavisimoe voennoe obozrenie]*, 13.04.2007

⁵ See: Joint declaration between the Russian Federation and the People's Republic of China on international order in the XXI century. 1 July 2005. - <http://www.kremlin.ru/interdocs/2005/07/01>; Joint declaration between the People's Republic of China and the Republic of Kazakhstan on establishment and development of strategic partnership – *Zhenmin Zhibao*, 05.07.2005

⁶ Declaration of heads of state of the Shanghai Cooperation Organisation. (Astana, 5.07.2005) – *Kazakhstanskaya pravda*, 6.07.2005; The Bishkek declaration of the Shanghai Cooperation Organisation. 16.08.2007. - <http://www.24.kg/>; The Treaty on long-term neighbourliness, friendship and cooperation of the member states of the Shanghai Cooperation Organisation. (Bishkek, 16.08.2007) - *Problemy Dalnego Vostoka [Problems of the Far East]*, 2007, № 5, p.6-10

Moreover, the latest documents adopted at the SCO summits have already formulated the principles that are supposed to be the foundation of such architecture. These are:

- ✓ uniting efforts of all states in the fight against modern threats and challenges
- ✓ guidance by the UN Charter, the generally acknowledged principles and norms of international law and the SCO Charter
- ✓ interdependence of states and indissoluble link between their security and prosperity
- ✓ non-targeting of the SCO Member States' activities against any states or organisations
- ✓ rejection of bloc-based and ideological division
- ✓ inadmissibility of actions aimed at dividing sovereign states and inflaming inter-national discords
- ✓ respecting cultural and civilizational diversity of modern world and non-imposing to sovereign states of models of social and political order
- ✓ democratization of international relations and formation of a new global security architecture on the basis of equality, mutual respect, mutual trust and benefit
- ✓ building a just and rational world order in order to create favourable conditions for stable development of the SCO member states.

On the other hand, however, there emerge a number of quite natural questions. First, what zone of responsibility do we mean? Second, what would be the level of involvement of other SCO members, excluding China and Russia, in the process of formation of a new security architecture? Third, how would the problem of SCO enlargement be solved, and won't it eventually decrease the efficiency of this structure? Fourth, how is the SCO intending to build its relationship with the US and NATO that not only have their own vision of security problems on post-soviet space and in Asia as a whole, but also have their own security structures there? Fifth, to what extent are the mechanisms within the SCO able to work efficiently to oppose today's main threat – that of political extremism in general and interference of third forces in the process of power change in the SCO zone of responsibility, in particular? And, finally, and the most important – how would the relations between Russia and China in the SCO zone of responsibility be developing, and won't there be any tensions between them?

All these questions are not easy ones, none of them has a clear answer.

It is not entirely clear today whether SCO is an exceptionally regional organisation or it pretends to be sub-regional. Provisions contained in latest summits' declarations (starting from the Tashkent summit of June 2004) regarding SCO's intention to expand the geography of its activities to Asian-Pacific region, as well as Russian-Chinese military exercise (August 2005) conducted in that very region, speak loudly about obvious domination of the latter tendencies. It is understandable in terms of geopolitical aspirations of China and even in terms of Russian interests, but it is still not clear what would be the role of other SCO member states in such security system.

As for the problem of the SCO enlargement, it is not so unambiguous. On the one hand, it is, of course, a positive factor, because adherence of Mongolia, Iran, India and Pakistan makes the SCO the largest regional organisation dealing with security issues. And that is, undoubtedly, good.

On the other hand, however: first, it would enlarge the zone of the SCO responsibility and complicate the range of problems to be solved; second, a natural question arises – how can this be combined within one organisation without turning this low-effective mechanism of regional security into a “talking-shop”. For, in essence, despite some improvements in the relations between Asian states, we have here either states directly in confrontation with each other (India-Pakistan), or states that are geopolitical competitors (China-India), or states that would bring about a lot of problems that the SCO is not yet ready to solve (Iran).

The second problem is to what extent one organisation, whose main goal is to counter the threat of Islamic fundamentalism and extremism, can unite the interests of secular (although Muslim) regimes with those of Islamic regimes.

The fourth question relates to the necessity to establish relations with security structures operating under the auspices of the US and NATO, and the answer is also lacking. Nevertheless, all Central Asian states – members of the SCO – participate at the same time in NATO’s “Partnership for peace” program.

As it was proved by Kyrgyz events of spring 2005, the fifth question also remains open. There is no doubt that the SCO framework allows for organizing an efficient fight against terrorism and drug trafficking, had there been political will for that. Perhaps, in the nearest future we will manage to elaborate some mechanism to guarantee protection from ethnical and regional separatism, as well as establish cooperation in the energy field. But what is to be done with political extremism? Under current circumstances, when each Central Asian state is overwhelmed with the key problem of power continuity (or transmission), and the activity of competing groups is growing with scary speed, the possibility of political destabilization of certain states, and even the whole region, is no longer unreal. And the question is how the SCO should behave as regards current political elites and opposition, what steps is it ready to undertake in case one of the region’s states encounters a “colour revolution” scenario.

The last problem is directly linked with growing competition for access to energy resources of Central Asia and their transportation channels. And, if earlier the competition was mainly between Russian and Western companies, and the latter tried to establish a sort of a “sanitary cordon” around Russia, today China has actively joined the oil-and-gas game in the region. If at the initial stage China’s main partner in the sphere was Kazakhstan, today China shows interest to carbohydrates of Uzbekistan and Turkmenistan, as well as to hydro-resources of Kyrgyzstan.

These interests are unlikely to diminish. On the contrary, due to China’s growing deficit of energy resources, these interests will only be growing. Therefore, on the one hand, there is growing competition between China, Russia and the West for access to the region’s energy resources and their transportation channels. On the other hand – there is inevitable growth of China’s share in oil and

gas sector of the region's states. And, third, there is temptation to use China's growing interest to regional resources to acquire some concessions from Russia or Western companies.

I don't think there is need to comment where that could lead to prospectively, especially considering growing China's deficit in carbohydrates and Russia's will to dominate in the sphere of carbohydrates transportation from Central Asia. Till there is one common objective – to diminish the US influence in Central Asia – the Russian-Chinese tandem will keep working, just as its main institute – the SCO. But it is not at all clear what will happen to them both when the common goal disappears, and China will gain more power.

There is no doubt that China will aspire to do mainly what meets its national interests. And at a certain stage these interests might collide with national interests and strategy of Russia. And in that case China will most likely try to raise before region's states a dilemma of choosing between its "investment possibilities" and "imperial ambitions" of Russia. And it is quite difficult to forecast how Central Asian elite will vote if such choice is to be made.

Muzykantskiy A.I.:

Next report will be presented by senior research officer of the Institute for Strategic Studies **Adjar Ashirovich KURTOV**. Its title is "*The Shanghai Cooperation Organisation – Asian anti-NATO?*"

Kurtov A.A.:

First of all, let me emphasize that there's a question mark in the title of my report. It wasn't me who invented that, very often different mass-media ask me to comment on this issue, referring to some particular facts, such as credits that China has been actively providing recently, receiving uniforms by Turkmen armed forces, etc. For some reason these facts are often seen as proves of creation of a military structure on the SCO basis.

Previous speakers indicated a number of problems, and I have to change my initial version of the report and on some issues hold more with what has been just said, whereas on other issues enter into discussion with that.

I remind you that the first speaker (*Evseev V.V., senior research officer of the Center for International Security, Institute for World Economy and International Relations – ed.*) asserted that Russia and China were dominating in the SCO, and Leonid Grigorievich (*Ivashov L.G., colonel-general, president of the Academy for geopolitical problems - ed.*) was even saying that the SCO developed out of the "Shanghai Five" thanks to the positions of the Russian MFA and Russian Ministry of Defense. I won't debate that, but, to my mind, it is China and China only that dominates in the SCO. It was China who initiated the creation of this organisation and tremulously followed the whole process of the SCO development. Such

situation is maintained till now. It is China who gets most benefits of this so far regional structure.

As for the issues of defense and security relating to the SCO, these things should be differentiated. For in the subject offered to me for a statement NATO stands for an organisation that by the very history of its creation and by its objective contains the notion of security as applicable rather to the military sphere. I would like to remind that the organisation was established after the World War II, when two powers opposed to each other militarily were dominating, whereas there existed an economically domineering power – the US.

The SCO and such organisation as the CSTO developed and continue developing in a principally different situation.

A lot of civilizations can be found within NATO. This organisation can be called an all-European one, but Europe also has an Eastern-Slavic, Orthodox civilization. I don't even consider Turkey here. These civilizations obey the rules established in NATO, the rules that are built according to some pattern of military subordination. The SCO has nothing of the sort. Not a single document contains even a hint that the SCO proposes to work according to a scheme similar to that of the Warsaw Pact or NATO. Yes, there are statements that could be interpreted from a political point of view as an aspiration to create a new regional security structure, and even some steps were made in that direction. There are also some provisions in the adopted documents, for instance, on undesirability of presence of third states' military bases on the Central Asian territories (by the way, this provision was not fulfilled due to the reasons already voiced here), provisions stipulating that the states being SCO members, particularly Central Asian states, adhere to a multi-vector policy that supposes unwillingness to form a single raw and unwillingness to form a defense union against the US and against NATO.

The SCO developed out of solution of security problems. Initially it was boundary problems, promoting détente in bordering areas. But today the SCO is developing in a way that reminds me of writings by Chinese wise men made B.C., such as Taos, or "Treatise on military art" by Sun-Tsi, that is to achieve victory without entering a fight, to achieve success by other's hands. If we apply these fundamental methodological principals that are still used by Chinese political elite in its political erudition to the SCO, I see that the Chinese are following this way and achieve success. What success?

Along the whole spectrum of economic relations China achieved serious successes thanks to intensification of the SCO activities. In relation to Russia these successes mean diminishing of Russian interest in the Central Asian region. Mechanical sum of capabilities does not lead to some qualitative deductions. Will these capabilities really add up, and how will they really work in practice? During recent years our Russian leadership made it its aim to increase commodity circulation with China up to 60 billion dollars and praised it as a very serious goal. But the practice shows that, if last year in the commodity circulation Russia had a 3 billion dollars surplus in the amount of balance, now, in the second half of 2007 this positive balance disappeared at all. If during this historically short period of time since 1998 about one third of our commodity circulation was the export of

machines and equipment, now the figures on this articles have been reduced to absolutely insignificant numbers. The Chinese in their relations can tell (and even assent to) their partners in the SCO and, particularly, Russian diplomacy what those want to hear, but at the same time hold on to their firm position in specific negotiations: on natural gas prices, on energy, etc. It has to be understood that with China possessing not only great potential, but also possibilities of national bureaucracy, the situation is such that where we, for some reason, think that market mechanisms should be operating, it turns out to be of serious benefits for China. Currently, China provides Central Asian states with credits, big credits, at the rate of 2%, which Russia cannot give. It is considered that a considerable amount of Chinese export is simply supported through various means by state power. According to some information, 7% of the Chinese GDP is directed to export support. Even the treaty on natural gas supplies between Turkmenistan and China, concluded last year and now reaffirmed, set the price at 90 dollars for 1 thousand cubic meters. This price was lower than those existing between Russia and Turkmenistan, Turkmenistan and the Islamic Republic of Iran. And now, as you know, Ashgabad insists on abrupt raise of prices on oil supplies to Russia, at the same time concluding this sort of price contracts with China. Why is this being done? Perhaps because China has some mechanisms to influence the situation in the Central Asian regions that Russia does not possess or, due to a number of reasons, does not make use of.

I see that the economic programmes existing in the SCO are linked with the Central Asian region and with the part of its that borders China, not Russia. Such programmes are the majority. In reality, the SCO is developing in a way as to bring most benefits to the PRC. Till there remains the legacy of the past, till post-soviet period is not overcome, the civilizational difference between China, on the one hand, and Central Asian states and Russia, on the other hand, remain to the benefit of Russia. But how long will that last, especially considering that political elites of Central Asia are very much keen on various blunt foreign policy steps and abrupt changes of their external policy priorities and orientations? Andijan mentioned here has proved this. I think that the leadership of Uzbekistan can as successfully change once again the vector to the opposite. I studied at length what was happening in Uzbekistan in 1990s. There have grown up a generation with certain values hammered into their heads, not the values Russian politicians would appreciate. And the same picture is characteristic of all Central Asian states. This factor would be difficult to overcome.

On a political level I believe that we cannot yet speak of the SCO as of a military bloc, and such moment will never happen in the future. The existing elements of cooperation, such as exercises held in the framework of the SCO or bilateral relations, by no means bring us closer to a military bloc format. Other aspects are being worked through. There is no interaction of General Staffs on perfecting the mechanisms of opposing external aggression on behalf of big states or military blocs. Other actions are worked through: activities on the fight against terrorism, that is what is of interest for Central Asian states, the threats they consider real in the modern world. And if we take the position of Chinese leaders

starting from Deng Siao Ping we see that Chinese leadership had many times stated that they refrained from bloc cooperation with anyone, especially with Russia. The terms they use (“partnership”, “strategic partnership”) do not suppose that China undertakes any preliminary obligations, which is characteristic of military unions, to engage in military actions for the sake of national interests of another state. The Chinese are not occupied but by their own national interests which they security efficiently, but gently. For that reason, to my mind, the SCO has a potentially big development factor, but in reality, even if we trace back the history of its development, the SCO did have crises. At times of crisis the SCO proved rather weak. At the end of 2001 the US suddenly came into the Central Asian region, and the SCO kept silent on the matter and did not express its position. Following that, political elites of Central Asian states and their expert communities started saying that Russian presence was dying out and that Russia is absent in Central Asia. This provoked a revolution in the change of priorities. But, thanks God, this didn’t happen, and, by the way, partly due to strengthening of the Chinese factor. Strengthening of China, however, creates a new configuration of forces that is far from what Russian political elite counts on when it puts its own perceptions into supposedly Chinese position.

Muzykantskiy A.I.:

The next speaker will be **POLISCHUK Rostislav Fedorovich**, member of the public commission on the fight against pseudo-science and falsification of scientific research, the RAS, doctor of physical-mathematical sciences.

Polischuk R.F.:

It is difficult to say about everything. All the speakers move from parts to the whole and raise important questions, but they do not offer the solutions and they do not make any serious proposals on what Russia should do. I will try to turn it the other way around and move from the whole to parts.

The economy of China and the economy of Russia depend on many other countries while the world economy depends only on itself. Only imaging the world dynamics, making such a model, we would be able to find a legitimate place for China, Russia and other countries. What should be kept in mind? It should be clear that the mankind has already been in serious systemic crises for a long period. The lack of natural resources necessary for ensuring people’s life is already 1/3, so the key element is resources. Geography, climate, population are what defines those elements of the order, which determine world’s dynamics. On the face of it, there are four of such parts of order. It is the factor of reproduction activity of a cluster, which may be a nation supporting a concrete ideological aim. It is the factor of internal confrontation or narrowness inside the cluster (a nation or a state) that prevents the growth of cluster’s strength. This is a factor of the external confrontation and the coefficient of diffusion, of how this cluster is spreading on other territories.

Now before the eyes of our generation a mathematical history has appeared. Still F.Brodel showed that “number”-“figure” penetrates into the history. In order to understand threats and security problems the Institute of applied mathematics was created, which in the 1980s forecast the collapse of the USSR in 1991.

Today Russia, China and the US have serious contradictions. What we need here is a new measure of realism and a new myth. A myth is an ideological statement, virtual space of culture, which includes religion, philosophy, science and art. A myth should answer the questions, which are rising now. Old myths do not work. The utopias of the world religions – Islam, Judaism, Christianity, Buddhism and the communist dogma –were based, with all respect to them, on an implicit precondition of a possible total destruction of social entropy supported either by an all-mighty will of a transcendent absolute or by an all-mighty mind. The concept of Marxism has this, because it was believed that the human society could be built reasonably. This can also be found in the Platon’s State – a “philosophic republic”, and in the communism of K.Marx, where State dies after the establishment of communism.

In reality, the nation always divides into social predators and social victims. How does it happen? Still Hegel wrote about it. Those who pretend to be a master, go for a combat, and half of survivors get everything. Those who go for a compromise hope to come to a possession in future. But in nature the renovation is also done through division on predators and victims, but in that case the biological code itself determines who will be who. In a society these social roles are changing. Hegel said that these masters – whether it is a party or a universal state – having come to power, transmit all their active characteristics more and more to their slaves. These are experts who intellectually work for the power, they are those who teach, who treat, and gradually masters are becoming slaves of slaves, and slaves are becoming masters of masters, which leads to a coup.

China is interesting exactly for this. We know that every 300 years during a certain period of the Chinese history there were coups. Now China is trying to solve the contradictions of political and economical systems. Its future problem is the problem of preventing a collapse.

Russia also has such serious problem – that of preventing a collapse of Russia. The European part aspires to Europe. Belarus, Ukraine and Baltic states have already strove for Europe, and, naturally, the Far-Eastern part cooperates with China. We are on a threshold of a new world order. We need a new concept of humanity and a new concept of the world.

We can give a very simple definition to life – it is a regulation, an assured self-correction of the hereditary biological code in biological sphere, and in society – of the social and cultural code, provided the inflow of free energy.

The renovation starts from the polarization of two beginnings. In the animal’s world it is male and female beginnings. In modern culture it is the techno-centrism of the Western culture and culture-centrism of the East. As in animal’s world, in modern culture further mutual fertilization of these two beginnings is possible. The dynamic of China and South-East Asian states is primarily determined by the fact that the Western techno-centrism and the Eastern culture-centrism met there.

Russia is a territory of a future meeting of these two types of civilizations. Of course, West is West, and East is East, and allegedly they would never meet, but the truth slips and this synthesis, this unity is the law of renovation. The mankind is on the threshold of elaborating a new concept.

What kind of concept can it be? There is a paradigm of synergism, which is based on the fractal geometry, where the inter-penetration of opposite beginnings exists, for example, as fiords in Norway, where the landscape combines the sea and the land, the hot and the cold. But the result is not something warm, but a system established on the confrontation of one and another. Such fractalization could exist in the world. But in order for Russia to save itself, it should undertake huge efforts to revive its military power, because nothing else will stop others before the temptation to conquer Russia, even though its territory is only a part compared to the Chinese population and its economy is not very strong. The mankind should come to a more mature phase of cooperation through these phases of unaccomplished military confrontation. The third world war has not been unleashed. The mature nations, such as Israeli, Armenians, – move from direct production towards culture and finance. The world needs confrontation, it is inevitable. It is a source of renovation, but it should not be realized by a military confrontation, but through other forms that are just as tough, but more loyal. After all, we all descend from cannibals. Then cannibals disappeared. Why eat each other? We thought that if we ate someone strong, we would be strong, if we ate someone pretty - we would be pretty. But we can organize everything in such a way that someone we have not eaten would help us. So Russia will find its own legitimate place in this rainbow of future. Russia should stand up for its place.

The future has three centers of influence. These are Russia, the US and China. The US and China are two dominating centers, and Russia is a territory of influence they will fight for. Russia will be able to defend itself, because purely military confrontation is not an optimum. We are arriving to a new technological platform. At this point West gives others some odds, and China understands its goal.

The methods of simulating history, including the world whole, - that is the way where we could move forward. That's what I think we should speak about. So far we speak in terms of politics, in terms of military alliances. A purely scientific, impartial approach has not been presented enough. I think the main parameters of order that determine polarization – are a correlation of factors of internal and external confrontation inside one nation. The confrontation factor in Russia is less than 1, that is why there is one structure, including authoritarianism. In China it is the same. In the West the situation is different. The internal confrontation is greater and they are not afraid of the external one. They are strong, they are rich in resources. That is why they have a different political system. Such duality will exist forever and there will be a dynamic link between these opposite beginnings.

If we speak about the decline of Europe, we speak about the decline of the old Europe and the birth of a new one. The old world is declining and we are on the threshold of a new one. We should first try to draw a picture of this future world at least very roughly using these terms, these impartial figures of order. As a

representative of the Russian Academy of Sciences I propose that we think this way. The models of history and social processes have already shown their effectiveness. We have a seminar “Math theory of developing systems” where we discuss such questions.

I propose to dare when searching for new paradigms that already exist in science.

Muzykantskiy A.I.:

The next statement will be made by **CHUFRIN Gennady Illarionovich**, corresponding member of the RAS, deputy director of the IMEMO, the RAS.

Chufrin G.I.:

In my comments regarding the reports that I have heard here, I would like to touch upon two of the problems being discussed.

I. The main content of the SCO activities in the foreseeable future.

During its quite short history the Shanghai Cooperation Organisation has passed, to my mind, several rather distinct stages of development, changing each time the key vector of activity. At the initial stage (especially if we include here the interaction between the current SCO members in the framework of the Shanghai Five and the Shanghai Forum) the priority issue was to establish and strengthen confidence-building measures in military sphere in border areas. At the second stage, starting back in the late 1990s and continuing through the early 21st century, the emphasis was placed on anti-terrorist activities and elaboration of collective measures on the fight against non-traditional threats to national and regional security. At the current, third, stage of development, the start of which could – rather conditionally – be dated as the middle of the first decade of this century, the SCO participants’ interests – and not even those of China, but rather those of its Central Asian members – have clearly started shifting towards a stronger economic component of this multidiscipline regional organisation.

This happened to a considerable extent due to the fact that the source of main threats was not the negative impact of external forces on the political situation in the Central Asian region, but rather accumulation of serious social and economic problems in the course of internal development of Central Asian states during the post-soviet period (including the population’s serious stratification in terms of possession of property, massive unemployment, crisis of education, health and pension systems). Their aggravation provoked greater social discontent among large masses of population and lead to serious political disturbances experienced by Kyrgyzstan and Uzbekistan in 2005. The situation was deteriorating, because the countries of the region were often unable to independently prevent further aggravation of the situation due to meagerness of their own resources and possibilities.

In these conditions the SCO simply must react to new challenges and threats and considerably enlarge the initially declared sphere of activities, including by developing multilateral trade and economic cooperation both among the SCO members and between members and observer (India, Pakistan, Iran, Mongolia).

When answering a repeatedly asked question – in what way could the SCO influence domestic political and social processes in its member states without violating any of the SCO basic principles, particularly, that of non-interference in its members' internal affairs and respecting their national sovereignty – it should be emphasized that effective economic cooperation in the framework of the SCO should be developed as a priority. Indeed, the achievement of major goals of multilateral economic cooperation within the SCO, including in the energy, transport, finance and banking, investment, commerce and other spheres of economy, not only can create important conditions for the establishment of a common SCO economic space, but also contribute to the efficient resistance to the processes of social and political destabilization in its Central-Asian members.

Taking this into account, in terms of Russian interest in the Central Asia it should be said that security assistance by Russia to the states of the region, first of all, must not be limited to coordination of security structures' and agencies' activities or rendering military and technical assistance to local partners within the SCO and CSTO. Reducing relations with states of the region to merely (or mainly) military-political and military-technical activities would mean unreasonable narrowing of possibilities and spheres of Russian influence in the region.

Secondly, since main threats and challenges to national and regional security of the Central Asian region result directly from increased social tensions in the region's countries, realization of key goals of regional economic cooperation within the SCO must play not a lesser, and maybe even a greater role in ensuring security in Central Asia. Success of the Organisation's socio-economic programmes in Central Asia is in the vital interests of Russia, for it can become an important factor of reducing social tensions in the region's states and of stabilizing the situation in the region.

It is of high importance to our national interest to choose properly primary reference points in Russian policy in relation to the SCO in general and the Central Asian region in particular. The lack of attention to economic problems and needs of the region could in the nearest future lead to a situation when the still remaining influence and meaningfulness of Russia in Central Asian states could be irretrievably lost.

II. SCO enlargement

Issues relating to possible enlargement of the SCO by increasing the number of both its main members and observer states are among the issues that constantly and actively discussed. Frankly speaking, the position of those experts to whom the SCO enlargement is almost a goal in itself and, in any case, is considered as perhaps the most assertive manifestation of the Organisation's growing popularity, seems surprising.

Indeed, the SCO Charter stipulates that the Organisation is open to new members from among the states that commit themselves to the Charter's goals and principles. At the same time, I believe that these general provisions are by far not enough to solve a complex problem of Organisation's enlargement, which, in its turn, does not answer the question why the SCO enlargement is necessary and what purposes should it pursue? Moreover, another fact that attracts attention is that, unlike the European Union, the SCO still lacks any developed system of objective and detailed criteria (legal, economic, territorial, etc.) that a candidate country should meet in order to become an SCO member.

Hasty accession to the SCO of some states that have today the status of observers, such as, for instance, Iran or India and Pakistan, is fraught with these states' serious bilateral conflicts or conflicts with the international community turning into problems of the SCO itself. Along with that, enlargement of the SCO beyond its current geographic boundaries, if it is not well thought-out and weighed from all aspects, risks diminishing the Organisation's unity and stability.

In order to avoid such dangers and at the same time not to be accused of allegedly closed nature of the SCO, it seems reasonable to turn to the experience of ASEAN and other regional groups that used dialogue with partner-states for the sake of strengthening cooperation. Among such, for instance, a dialogue China-ASEAN on trade and economic issues. As for the problems of international security, the ASEAN itself throughout several decades has been holding regular meetings with partner-states, among which the US, China, Japan, Russia. These forms of inter-state cooperation have been tested in practice and allow the parties to a dialogue to purposefully discuss the issues of interest and avoid problems associated with formal membership.

These arguments show that the SCO enlargement in the foreseeable, or at least nearest, future does not seem reasonable, because the main objective today is to consolidate the SCO, to overcome the existing internal problems and contradictions and to achieve real progress in the planned joint programmes, including and primarily, in the field of economic development.

Muzykantskiy A.I.:

EVSEEV Vladimir would like to add a few words regarding the US and the SCO.

Evseev V.V.:

I will be very brief. Initially the US tried not to notice the SCO, because they didn't believe something worthy would work out of it. They were, however, concerned with growing role of China in this Organisation. That was before the events of Andijan, before the issue of withdrawal of US bases from Central Asia was raised during a summit. After that, the attention to the SCO has grown significantly.

I often have to meet with US colleagues and talk to them about the SCO. Before the Bishkek summit they are very much concerned with one problem – whether there will be again raised the issue of withdrawal of the “Manas” base. They are worried whether the issue will be raised regarding the SCO enlarging by including the Islamic Republic of Iran. In this regard, it would be interesting to hear how different sometimes the positions can be on one issue.

I asked a representative from the MFA of Russia whether the US submitted an application to join the SCO. The answer was “No”. I posed the same question to representatives from the US Department of State. They told me that such application had been submitted. They would not, however, repeat it now. Of course, the USSR applied for NATO membership. Our attitude to that can differ. But even on such question we see different visions.

Besides, after the Andijan events and after Iran joined the SCO as an observer the US attention to the Organisation has seriously grown. But considering that they were refused the membership in the Organisation, I think they partially started to make use of Mongolia, a state with the rights of an observer. The US investment in Mongolia is significant, as well as the US influence in that state. To my mind, if we consider all SCO observers, Mongolia has the greatest chances to become a member of the SCO. Mongolia’s close links with the US, however, seriously diminish its chances to join the Organisation. But the US is using Mongolia as an observer in the SCO. This is my subjective opinion.

What do I consider important? I think it is important that we have to think today over the issue of building relationship between the SCO and the US. Because the next summit will take place in Dushambe. The issue of Afghanistan is being raised more repeatedly. The amount of drug trafficking increases, so is the problems coming from Afghanistan. Many are interested in establishing a transport corridor through Afghanistan. In this regard, if the SCO does not somehow build relationship with the US, it will be extremely difficult to solve the Afghan problem.

Russia has relations with the US, China has relations with the US, all Central Asian states have very close relations with the US. The question is why can’t the Organisation establish some relations with the US? It is very important that there exists the SCO contact group in Afghanistan. It is very important that the President of Afghanistan participated in the latest summit in Bishkek.

But I think that the US participation, even very indirect one, is much more important for the solution of the problem than the participation of representatives from Afghanistan. Please, do not feel offended for Afghanistan, but I think that if we do want to solve the problem, we have to “dance from the stove” and work with those players that could really help us solve this problem.

Muzykantskiy A.I.:

The next to speak is **LUZYANIN Sergey Gennadievich**, professor of the MGIMO-University, MFA of Russia, President of the East Studies Foundation, senior research officer of the Institute for Far East, the RAS. Subject: «*Interaction*

between Russia and China in the framework of the Shanghai Cooperation Organisation (SCO)».

Luzyanin S.G.:

Dear colleagues, I intentionally did not prepare a statement, but during our discussion some thoughts came to me, and I would like to share them with you.

First, as regards geopolitical vision of the SCO, its role in the big geopolitics that has been clearly revealed during recent years. A number of experts and politicians try to put into this project an old bipolar meaning, that is the concept of mutual constraint, including military and strategic components. And although officially the SCO is not a military-political, strategic alliance, there exist, however, some interpretations of the kind. An old bipolar meaning is being emphasized. There even emerge such terms as “anti-NATO”.

Second, we can't completely put aside such opinions. We understand that, despite the fight for multi-polarity, in reality we observe some aggravation of interstate relations along the East-West line, along the line of the US-Russian relations. In these conditions there appear internal confrontation, tensions, and in that context such interpretations are being made.

Third point. When we speak about the role of the SCO in a global geopolitical context, we have to take into account that the XVII session of the Communist party of China reaffirmed the idea of a harmonious world. The position of China in the SCO's role as a deterrent is not yet unambiguous here. After our President's speech in Munich Russia expected China to react somehow and support Russia, but China did not express support to neither side of these Russian-American misunderstandings. To a certain extent China distanced itself. Even Russian-Chinese partnership is not a union. Nothing is so unambiguous.

Today is not the old era. By projecting these nuances to the SCO, we can see absolutely clearly that two points result from a geopolitical bloc. The fact that large powers, Russia and China, consider the SCO in a geopolitical light. I agree with Mr. Syroezhkin who put forward such thesis. Central Asian states do not consider the geopolitical tasks of the SCO. They do not take benefit or interest of that. They are interested in practical projects within the SCO framework in the fields of economy, transport, energy. In terms of this the expert discussion on the role of the SCO, globalization will continue. Contradictions between big and small SCO states is objective and will pertain.

The second block I would like to comment on. Indeed, Russian-Chinese relations both in the energy sphere and in the Central Asia are extremely controversial. The controversy of these relations through Central Asia is only increasing. I have the feeling that with all controversy of some aspects or directions of SCO activities, this organisation is somewhat institutional – it cuts short, smoothes Russian-Chinese contradictions, puts them in some general contexts. It does not always work. Maybe the idea of the SCO Energy club is still somewhat formal and is only discussed on paper, but this SCO institute itself helps

smoothen down objective Russian-Chinese discrepancies and find some compromise.

The third problem, to my mind, is the central one. I agree with Gennady Illarionovich in that the SCO is interesting for its participants – both big and small – mainly in terms of practical technological usefulness. When 5 years ago China introduced an idea of creating a free trade zone in the SCO zone, it, on the one hand, provoked expectations of great resources, but on the other hand – a fear in the Central Asia, and not without reason. The idea was widely discussed and has been prolonged for 20 years. The idea of privileged 2% credits on goods has been localized. Tajikistan, for instance, received about 500-600 million dollars for specific projects, such as power stations, roads, etc. And, although it was Chinese resource, and it is China in the first place that shows initiative, still there are some infrastructure and transport projects with other states. Though, unfortunately, it goes rather towards China. Talking about Chinese penetration, we need to measure it out, and the SCO allows making it institutionally. If we talked about bilateral models, there would have been other options.

The last issue is the problem of enlargement. I was in Mongolia and talked to Mongolian colleagues about the issue. They have an ambivalent feeling regarding their transferring from observers to permanent members of the SCO. Mongolia is a real candidate for such transit from observers to members. Neither Mongolia nor SCO have any objections to this. There is, however, a fear: fear that Mongolia could again become an object of Russian and Chinese pressure and lose its independence, as well as its third strategic ally – the US and consolidated West, that is US allies. But it can be clearly formulated that Mongolia has a pragmatic interest in getting some of the SCO resources for the development of infrastructure, transport, etc. Such transit could be possible on the basis of this interest. But, I repeat, there is nothing decided here. Mongolia is the most real and possible potential candidate for permanent SCO membership.

Thus, summing up these four blocks, I can say that the SCO today is on a qualitatively new stage of formation, standing between two poles.

Muzykantskiy A.I.:

I now give the floor to **GRABOWSKI Wolfgang**, expert of the Rosa Luxemburg Foundation.

Grabowski W.:

Good morning, dear friends. A look from the outside won't harm our discussion. I would like to say that the SCO finally reached Berlin. Not because Grabowski is here now and has been long time interested in the subject. Other left-oriented people in Germany are also interested in the topic and have some hope in it. A lot of friends share during our discussions that what is developing there in the East is a counterbalance to NATO. But I would like to stress that German "elite forces" started to work seriously on the subject of the SCO. On 3 April 2007 in

Berlin we held quite comprehensive negotiations with the SCO Secretary General – both in the MFA and in the elite structures of German businesses, and in the German foreign policy society that held a meeting with public under the chairmanship of Alexander Rahr. Among the participants of the discussion were the SCO Secretary General, and, from the German side, Minister of State of the MFA Gernot Erler, from business – Dr. Klaus Mangold, chairman of the Eastern commission on German economy. They all said expressly that we should try to get closer to this Organisation. We missed the development processes in the East, and our interests, both German ones and those of the EU, push us closer to integration processes in the East. It was clearly stated that the SCO is primarily perceived as an economic Organisation.

We have to work on the Eastern direction, and not limit ourselves to bilateral format. You know that Germany has well-developed relations with China, Russia, India and other states. Mr. Mangold emphasized during the meeting that he didn't only mean resources, but also industrial modernization of the East. German industry is interested in realizing its interests on this vast space. It was noted that the SCO development has certain prospects, and these prospects are viewed by German elites as solid, not interim ones. They are making their choice in this direction.

I felt some anti-American context in all these statements. The MFA elaborated a project on developing other sorts of relations with Central Asia. This independent project was proposed to the EU. As I understand, on all these issues the coordination with the US is very weak. They believe their possibilities to so great that they should be more independent in defending their interests. American side does not take much account of the interests of Western Europe. Basically, a whole economic war is unleashed. When Angela Merkel on behalf of the EU proposed an expanded economic cooperation, Bush looked at her rather severely. There were even some jokes that perhaps Bush didn't understand what she meant? Maybe the elites understood that it was the intention to put Western Europe's economic weight on the balance that stood behind this expanded cooperation proposal. In military, political aspects the Bush Administration often didn't consult Europeans on problematic issues. Schroeder, for instance, tried to be a good ally in NATO, but Americans didn't ask him on the Iraqi issue. His demarche on the problem of Iraq was taken coldly. It is not discussed in public. A.Merkel's public rhetoric became even more pro-American, but in reality German political elites want to develop their interests both in military sphere and in outer space. As for the SCO, Germany has taken the line on continuous interaction and cooperation with this Organisation. A.Rahr said: "If the US fails in Iraq and Afghanistan, the SCO will be the second world power".

I like today's discussion, its sharp character. But at the same time I think we can't demand too much of a young organisation. We have to be more realistic. The first thing is interests. If Central Asian states are prepared, considering cooperation with the US, for specific activities, it's good. These are their specific interests. If China and Russia consider things more globally, it's also good. The SCO is an attempt of an alternative development in international affairs. What the SCO

documents said about law and order in the world, on concord, on balance in the world, etc. is a huge step forward in the solution of world problems. If progressive development of the organisation would help to put all this in practical deeds, it would be positive and prospective. We have to fight for that.

Muzykantskiy A.I.:

The next speaker is **MAKEEV Tolendy Kartanbaevich**, national coordinator of the SCO from the Kyrgyz Republic.

Makeev T.K.:

Thank you very much. I listened very attentively to the statements and took note of the seminar's list of participants. I seem to be the only participant who knows the SCO from inside.

I think all the previous speakers presented viewpoints of experts, of expert community. I would like to speak as a national coordinator who knows the SCO work from inside and draw your attention to several specific aspects.

First. Somebody said here that SCO was an alternative to NATO in the East. I think we should consider SCO as a more universal organisation, and our approach should be more comprehensive. We can only solve all the issues when the approach to the SCO activities is be comprehensive and systemic. A lot of interesting thoughts have been expressed here that deserve very deep analysis. It is positive that a lot of controversial questions have been raised, which lets us think them over as if it was our home task.

The SCO's first and main sphere of activity is political and regional security and stability.

Second – trade and economic cooperation.

Third – cultural and humanitarian cooperation. If we develop it the way we want, neither the West nor the expert community will think of SCO as of a military and political bloc.

The SCO is not of a bloc nature. All of its legal documents clearly put that the SCO activities are transparent and open. All states and organisations that share its basic principles can join the SCO. There is no NATO's Article 5 here, and SCO's activity is not directed against any third state. These are the SCO's founding blocks. I think these are the components we are to develop. We have to take a comprehensive approach and then people will treat SCO the way we would like them to. Dear colleagues, 6 years is an infant age for an international organisation. You are aware of how European Union was developing and when it became the community that we have today.

But we achieved a lot in these 6 years. The essential moment is that SCO's intellectual formation is over. We are now at the stage when we have to think – along all the vectors – what should be done to raise SCO's international authority

so that it could correspond to the missions set out in the titles of statements both in the first and the second parts of our seminar.

Dear colleagues, a lot has been said today on the Central Asia. What is the SCO for the Central Asia? I can put it simply, it is the platform where we can have direct communication with Putin, Hu Jintao – not in bilateral frameworks, but in the framework of multilateral diplomacy. This is quite enough for us. It's a great benefit for Central Asia that we can - without mediators - sit in front of each other and discuss the questions of concern in the framework of multilateral diplomacy. It was said here that Chinese interests prevail in the SCO's Central Asian policy. The fact that the SCO comprises both Russia and China ensures its unique character and its benefits. That is why the West takes such an interest in the SCO. Post-Soviet space has long ago become a common space, it exists, and it is today's reality which will continue to exist. It is important to us that the West takes a more right, adequate attitude towards SCO. That's the second aspect.

The third aspect is the relations between the SCO and other organisations. Today it has memoranda on cooperation with the CIS, ASEAN, EurAsEC and CSTO.

We talked today about what SCO could do in terms of regional security. The SCO has no military components like CSTO. Our situation is unique. Bishkek has – within 15 km distance from each other – a CSTO air-force base and Gansi base in the Manas airport.

It was said today about Central Asian interests. I believe that multi-vector policy for us, particularly, for Kyrgyzstan, is a vital necessity. If we approach this issue not from the Russian point of view or that of other big states, you would agree with me.

Two more aspects. Mr. Grabowski said about a conference held in Berlin. We have yet to think over how we are to develop our dialogue with international organisations. We need to think carefully about our ways of interacting with NATO. Our German friends and you, dear colleagues, are well aware of what is going on in Afghanistan now. There is a contact group "SCO-Afghanistan" in the SCO framework. That is where we have to think what mechanisms for joint actions we are to work out in order to stand up against the global challenges presented by Afghanistan. In the second part I will describe in greater detail the SCO role in combating separatism, extremism, terrorism. In the framework of that contact group we have to think to what extent we can cooperate with NATO in terms of joint fight and in terms of solving post-soviet issues in Afghanistan.

Second. Lately, the EU has been demonstrating big interest to the SCO. We have to express our gratitude to our German friends. In the first half of the year they held EU presidency. Thanks to your efforts the EU strategy on Central Asia was adopted in Berlin. It's a very important document. Those who study Germany know that the Federal Government has long ago elaborated concepts on Asia, on Latin America. In 2003 they elaborated a new concept on Central Asia. That is we do see great interest. For this reason we have to think about forms of cooperation between the SCO and the EU.

Finally, dear colleagues, we talked today about relations between SCO member states and observers. Up to now 4 SCO observer states – Mongolia, Iran, Pakistan and India – are candidates for membership. I agree with Gennady Illarionovich that two years is too short a period to make those states full-fledged members. Till now we do not have a legal base, and our experts work intensively in order to elaborate regulations and criteria for accession. We have to elaborate a form of interaction. There is one idea today that originated from Russian – idea of a dialogue partner. We take interest in the ASEAN. We want to take over all that it has useful and practical. ASEAN has a very interesting experience which we could use to the benefit and good of the SCO.

I think that the subject and the tone we have here today are good signs that we will achieve our goal. In this regard I draw your attention to the fact that it is very important to prevent West from making false judgments about the SCO. It is important to have a dialogue. Dialogue is much better than confrontation. Therefore I wish the RPPC Foundation and the Rosa Luxemburg Foundation hold a joint meeting with as many representatives of the West as possible. If we contact directly our Western colleagues, there would be a discussion that we need so much.

Remark by Peter Linke):

Till now Europeans and Germans, in particular, have no strategy towards Russia. The Europeans get an impression that elites are not brave enough to formulate such strategy towards Russia. Europeans did formulate strategy as regards Central Asia, but that's the subject for a separate discussion.

You talked about relations between the SCO and other international organisations. In this connection, how interesting do you think the experience of the Council of Europe could be, considering that it does not necessarily participate in the EU structures? I think it is of interest as a pan-European forum for communication.

Makeev T.K.:

I think that for any sub-regional organisation, such as the SCO, it is useful to have a dialogue with any international structure. But the Council of Europe is good in terms of adopting conventions, such as the Convention on Human Rights, etc. The EU is closer to the SCO today in terms of vectors of activity. The Council of Europe is of interest for bilateral relations, but considering the nature of its activities, we are not in urgent need for building dialogue with the Council of Europe.

Muzykantskiy A.I.:

SAVELIEV Mikhail Ivanovich, chief consultant of the Russian State Duma Committee on the CIS affairs and links with compatriots, has asked for the floor.

Saveliev M.I.:

Thank you for giving me the floor. I'm very pleased to participate in this very representative meeting of people representing different states on the issue that is topical not only for Russia.

I would like to draw your attention to the issue that has not yet been subject of our attention. There is certain experience in forming different configurations on post-soviet space. This experience is unique in its practice.

In terms of geopolitics, civilizational development of human community was dominated in turn by either maritime or continental civilization, starting from Alexander the Great. Then there was a maritime civilization – Spain, England, the US. Maritime civilization differs from a continental one in being of an incursion nature and, in essence, world resources are exploited by the countries that dominate world economy.

Second point is the unique nature of the Russian Eurasian civilization that built last century a security cordon of Eastern European and Central Asian states. After the known events this cordon was destroyed and, naturally, maritime civilization arrived. Its economic conquest is moving rapidly both to the East and South-East, to the Central Asia. I would like to cite M.Thatcher who spoke in 1990 in the Michigan University on the issue of oil and qualified the situation characteristic of a bipolar world view as the following: “The USSR is a country that presents serious threat to the Western world. I don't mean military threat – it did not essentially exist. I mean the economic threat, the immense natural resources of the USSR that, had the economy been managed rationally, would allow it to force us out of the world's markets”.

These economic interests are the driving force that makes us reassess our values and world politics in the geopolitical worldview, when the world has become uni-polar and lost the counterbalances that existed and proved right in the XX century. When these counterbalances disappeared, the CIS space started to form. An agreement was signed on the establishment of the CIS, then executive committee of the CIS was created, that is organs and attributes that determined the arrangement of forces on the post-soviet space. But not only on the post-soviet space, but also in the European part of the USSR, in Eastern Europe and in the Central Asia.

Integration has not been and is not running smooth. A small CIS – GUUAM – was established within CIS and is under influence of the US that uses GUUAM's potential in order to oppose the interests of the West to those of the peoples living on post-soviet space. Later, the CIS tried to form a free trade zone, common economic area, where relations would be based on unified rules. But due to known reasons that didn't work. Another solution was found – regional organisations started to be formed on bilateral basis. In 1992 in Tashkent a collective security treaty was signed. The Eurasian economic community was established. The former agreement has a military and political orientation, the latter – economic one. That is why in time of competition and severe fight for sale markets, the appearance of

these international organisations was that very necessary moment that determined the control over the post-soviet space.

The SCO embodies the idea of consolidation of forces and means on the Eurasian economic space. I agree that the SCO's main vectors of activities is the economic and cultural cooperation. Inevitably, after 9/11 the SCO was forced to solve military and political issues as well. The manifestation of world terrorism became not only the US problem, but an international phenomenon. It was used not only as a means of combating terrorism, but as a means of achieving political goals and gaining international dominance. That is why combating terrorism is a common ground between the SCO and the CSTO. In this case there is no need to substitute one organisation by another in terms of anti-terrorist functions. They need close cooperation in the field. They need close cooperation in preventing economic expansion, intervention of the goods that flooded our market, our common market. Creation of such barriers in the SCO framework would unite the efforts of SCO member states in the fight against such expansion. The Caspian Sea problem is an example to that. When it is oil that's at stake, the interests of different states seriously intersect, and contradictions arise that might need to be solved by means of arms and power. The Caspian Sea status was discussed in the format of "five". The SCO should pay great attention to that in order not to allow for the events we saw in the Middle East, in Iraq and, possibly, in Iran.

There should be certain rules of the game. They are determined by the international treaties, approaches to the formation of a united legal space that SCO should have. Organisations on the post-soviet space already have such an experience. Inter-parliamentary Assembly of the CIS was established. It operates very effectively. As well as Inter-parliamentary Assembly of the Eurasian Economic Community. And the CSTO. Therefore, the issues of forming a common legal area for determining rules of the game as an instrument of dealing with threats and challenges presents that very basis the elaboration of which should begin.

Muzykantskiy A.I.:

We have another statement before the break – **DODIKHUDOEV Khurshed Azamjonovich**, Deputy head of the Department for foreign policy and external-economic development, Center for Strategic Studies under the President of the Republic of Tajikistan.

Dodikhudoev K.A.:

Dear colleagues, I would like to draw your attention to what is SCO for Central Asia. Central Asia is the region where main SCO activities are focused. My statement is a view from Tajikistan.

Why do we participate in the SCO? This participation, first of all, allows us to have a dialogue within the region. Second, it allows to maintain relations with Russia and build a new vector of diplomacy with China. Lately, this latter vector

started playing a noticeable role in Tajikistan. China achieved considerably in Tajikistan in 10-15 latest years. China provided Tajikistan with a 605-million dollar credit within the SCO framework. This credit is directed to the reconstruction of the road Dushambe – Chanar. The road is 410-km long, and each kilometer costs one million dollars. Power lines cost another 60-69 million dollars. RUSAL left Tajikistan and didn't start building a hydroelectric power plant, whereas China is building one – that is 300 mln. dollars of investment. Why is it China that started playing the leading role? Because the method and approach that China offers its SCO partners are more flexible, more optimal. China's "TK Mobile" is declared to be the best company on the telecommunications market despite the fact that Russia's "Bee-line" and "Megafon" are also present on Tajikistan market. China and Central Asia are interested in each other and seek after each other.

A lot was said today on relations between China and Russia in the framework of the SCO, but nothing was said on the role of Central Asia in the organisation. Central Asia is a unique region, and not just four million empty square kilometers. It's a richest region. The whole of the Mendeleev's table is present here in huge quantities. Tajikistan alone, not having the biggest of territories, is holding the second place in the world in terms of silver resources.

The paradox is that if we listen to the speeches of the SCO's heads of state, it seems that the organisation has no political problems. But at the same time we do not see close economic cooperation. The fact that SCO has great prospects is incontestable. The fact that SCO can become the unique structure and the unique organisation that could unite Russia, China, Central Asia and the states that are to become its members, does not arise any questions as well.

The issue of SCO enlargement is very important. It was rightly noted that such enlargement, if not fully thought-out, could weaken the organisation. Why do we need 33 states if they can't solve anything. It's better to have 6 that would be efficient.

Muzykantskiy A.I.:

Remark by **Leonid IVASHOV**

Ivashov L.G.:

My colleague Petr Belov transmitted to me a US view on the SCO issue. A well-known American edition writes: "Unprecedented - even from a Soviet perspective - exercises of the Russian Armed Forces that covered half of the Eastern hemisphere and where Chinese and Indian armed forces took part, rendered the events in the SCO framework a completely different image".

Nobody will join a military bloc, and Russia doesn't want to create a military bloc. It was said that exercises were of an anti-terrorist nature. But let us consider the exercise held this August on the Russian territory. Yes, it was anti-terrorist, but

think – the exercise’s scheme was that terrorists captured one of the member states’ capital. Who can capture Beijing or Moscow?

I continue citing. The edition says that “If India, Pakistan and Iran are accepted to the SCO, a tremendous bloc would be created on the Eurasian continent, which the West already qualified as “anti-NATO”. The whole Central Asia remains an unachievable dream for the United States. Russia, China, India, Pakistan and Iran not only possess considerable military capabilities. Such a union can have the following consequences. Geopolitical consequences: SCO will spread its influence practically on the whole Islamic world. Since the US does not have a “pocket” Islamic regime with stainless reputation in the Islamic world, the US would have to leave Central Asia for good, because the region would become a courtyard of the SCO. The EU and all Eastern democracies faithful to their inherent pragmatism will fall off the US immediately and start drifting towards a richer neighbour, and even the Western Europe will most probably revise its attitude to the ideals of Atlantism. That’s what our German friends demonstrate.

Economic consequences: the SCO states will totally exclude the US from the system of distribution of Central Asian resources. Moreover, the Shiite part of Iraq would fall under the influence of the Shiite Iran, with all its resources.

Military consequences: the SCO will become practically invulnerable for the US and NATO, because – relying on Russian military technologies, Eurasian natural resources and space, as well as human resources of India, Iran, China and Pakistan – it would become a dominating power in the Eastern hemisphere and a bad example for independent Latin American leaders, such as Chavez”.

Continuation of the seminar. Session II.

**Chaired by Wolfgang Grabowski,
expert of the Rosa Luxemburg Foundation (Germany, Berlin).**

Grabowski W.:

Dear friends, let us continue our pluralist dialogue. I now want to give the floor to **LUKIN Alexander Vladimirovich**, Director of the Center for Central Asian and SCO Studies, MGIMO (University) of the MFA of Russia. The subject of his report is «*Russia and the SCO*».

Lukin A.V.:

Thanks a lot, I am very happy due to a number of circumstances. First of all because I was invited by such an organisation, secondly, because now a lot of organisations are interested in the Eastern problems, particularly, in the Shanghai Cooperation Organisation. The SCO today is a very popular subject, a lot of conferences are held on this theme, but they are less representative than this one.

I have met here my university mates and suspect that among the organizers there are our graduates from the German Democratic Republic. Besides, it is wonderful that the Rosa Luxemburg Foundation is engaged in the Eastern problems and especially in the problems of China and the SCO. Of course, Rosa Luxemburg would have been disappointed with the present situation in this part of the world. Although she advocated democratic socialism, it was nevertheless socialism. But I think by common efforts we will be able to change the situation for the better in this part of the world. I have not heard the first part of the seminar that is why I do not know if I repeat something.

I would like to attract your attention to some problems of the SCO, and also to some disputes about this organisation, which we have in Russia. In Russia there are not only those people who supports the organisation, but also those, who think that the SCO is of little value, of insignificant abilities and even disadvantageous for Russian interests.

For example, there are some disputes over the following question: as it is well known, the SCO developed from the Shanghai process, and the latter – from negotiations on the former soviet border between four states of the former USSR on one hand and China on the other hand. As a result of these talks several agreements were reached, particularly, two agreements on the confidence measures along the border. Some Russian researchers expressed an opinion, that these agreements are negative for Russia, because they limit the Russian military presence along the border, therefore they are more favorable for China. I do not agree with such an opinion, because these agreements limit the quantity of conventional arms along the border and within the 100-kilometer zone, and also there are several provisions on notifications of their movements and so on. From the military point of view Russia is a powerful country, much more powerful than

China, but Russia's advantage is not connected with conventional arms and that is why as for now the conventional arms limitations will be more beneficial for Russia than for China.

The second issue is an opinion that the SCO as a whole is more advantageous for China, that China is a dominating power in it, and that it is an instrument of the Chinese penetration to the Central Asia, which is a former region of the Russian influence etc. But I think that now China develops actively and it is the strongest economic power. If the SCO did not exist, China would be able to penetrate to this region without it. So to some extent the SCO is a tool that can be effectively used by Russia in order to coordinate with China their policy on this issue. Anyway it will be better than if such a penetration is done outside any frameworks. Besides, Russia and China have generally similar aims in Central Asia. First of all, in political sphere - it is preserving stable secular regimes on these territories, in economic field - it is an economic development. That is why I am not afraid of coordinated growth of influence of our two states in this region and it can happen exactly in the framework of the SCO and other organisations.

One more point of view (expressed mainly in the West) that I would like to argue with is that the SCO was either established in contrast to the NATO influence or represents some sort of Anti-NATO. This viewpoint is given in the West either for political reasons (if someone searches for an enemy, he would imagine it) or because of lack of knowledge. First of all, formally the SCO is not a military unit. In the SCO Charter there are no provisions on obligations of mutual defense, which is the main feature of a military-political unit. Per se neither Russia, nor China, nor the states of the Central Asia want to seriously spoil their relations with the West. Almost all of them cooperate with the West in economic and political spheres, for example, in the framework of the "Partnership for Peace" program. It is not only for the sake of appearances. Indeed everyone realizes that the western investments, the western capitals are necessary for the purposes that the leadership of the SCO sets. That is the internal economic development and transformation of a state into a modern developed country.

So the transformation of the SCO into a military extremely anti-Western union is impossible.

In that case, what is the SCO? What kind of originality does it have?

I think that the SCO member states and observer states in some cases cooperate with all other states in the world, including the West. But in the framework of all vectors of cooperation there are some that are better known or such vectors that could become a sphere of a future additional cooperation, which is impossible in the context of their relations with other states.

What do I mean? Let us, for instance, discuss the issue of security. As for the security issue, a long time ago the SCO signed an international document on combating international terrorism, religious extremism and separatism. This document was adopted before the 11th of September. When it is said that the SCO reacted badly to these events, we should not forget two points: the SCO was officially created only in 2001, but it nevertheless adopted this document by the 11th of September.

But where is the difference of the SCO approach. The difference of the viewpoint of this organisation consists in a clear understanding of three evils – separatism, religious extremism and terrorism. The West, the US and NATO, first of all, prefer power actions against international terrorism. The SCO member states, which suffered from these moves, a little better and deeper realise this problem in their region, that is why they could more effectively control the security issues in their region, in order not to trouble outside forces, which are, for example, in Afghanistan now. They could solve the issue with a better understanding. At the same time the cooperation with the West, including NATO, as regards Afghanistan is urgent. NATO in Afghanistan deals with the challenges that the SCO would have to deal with anyway. First of all, it is a stabilization of the situation. On the other hand, NATO is busy there and therefore seems unable to be engaged anywhere else. It is also a positive factor. A serious error of NATO forces in Afghanistan is an utter loss of control of the situation in the sphere of drug trafficking. So the cooperation is extremely useful.

The second question is this. In the economic field the SCO could play a certain role in an additional economic cooperation in comparison with what develops in the cooperation between every specific state with a non-member of the SCO. But, unfortunately, the situation in the economic cooperation is lagging behind the political one. There are a lot of declarations and a lot of plans concerning economic cooperation in the framework of the SCO, but in reality it does not develop. Not a single project has been realized within the framework of the SCO. All our reports, the reports of our Chinese colleagues mention bilateral and quadripartite projects. But they are not the SCO projects. Two highways are being built from Russia to China through the Central Asia, and these projects were started without the SCO. Then they were arrogated to the SCO and now they are as sort of the SCO projects. Only these two projects with reservations may be called the SCO projects. The energy club was discussed for more than two years, but practically there is no advancement on the issue. It is not proper, because our president raised this question at an official level, and informally it appeared earlier in Uzbekistan.

This year there was a meeting of the SCO ministers of fuel and energy industry, but as far as I know they did not reach any agreement on this issue. And the idea is very prospective, because the SCO includes the states producing energy resources and the states consuming energy resources. Energy club and the organisation itself on the whole could engage in the coordination in this most important economic sphere.

A better work could be done in the cultural sphere, because here the interest of all SCO member states is absolutely evident. All the SCO states are centers of ancient cultures. At any case there is a problem of connecting to the world culture, perceiving all the best that it has, but on the other hand it is necessary to save their own cultural values, to resist an inflow of primitive culture from abroad. These are the questions that could easily be discussed in the framework of big event, which are not held as yet. Till now there has only been several small exhibitions within the SCO framework. Nothing important has been held in this framework.

What are the main problems of the SCO? I will focus on two of them.

The first one is in the sphere of economy. It is the absence of finance for economic programmes. The situation here is the following. The Chinese side is ready to finance the SCO economic programmes, but the Russian side is not. At least till recently it was not ready. For a long time the idea has been discussed of establishing an SCO development fund that could be able to finance joint programmes. For example, such as the UN Development Programme. The aim is to build a bridge, a road or any infrastructural construct by the SCO, in order to show people that there is a concrete use of this organisation. It needs financing. The SCO budget is \$4 mln. All of it is spend on salaries for the Secretariat and other officials. Our Ministry of Finance is strictly opposed to financing any joint cooperation programmes. There was an attempt to attract the Business Council, but there is not so much interest as well. As I have already written, it is impossible to get economic cooperation moving without serious state participation.

Another organisational problem of the SCO is caused by political culture or culture of government in these states. The point is that the SCO Secretariat exists, but it decides nothing. It is not clear at all what it is engaged in. The real executive management of the SCO is carried out by the Council of National Coordinators, in other words, by the Ministries of Foreign Affairs. We know from the UN experience that in order for some bureaucratic organisation to start working efficiently, it should present a bureaucratic unit. The SCO is not a unit of the kind. The Secretariat does not have an oppotunity to decide anything without coordination with the Council of National Coordinators and the Ministries of Foreign Affairs of its states.

I do not know how it happens now, but before the UN Undersecretary-Generals were representatives of leading countries. They are the UN officials and their state does not have an oppotunity to recall them or to influence them.

The situation in the SCO is different. The Secretariat exists, but any official can be recalled at any moment, he is afraid to take a decision without coordination with the authorities in his MFA. That is why if he does something wrong he will be recalled immediately. For greater effectiveness of the organisation it is nessary to give wider powers to the Secretariat and if the problem of the SCO Development fund is solved, then not the MFAs or national governments, but the Secretariat or any other SCO agency will manage this Fund. Then the work could be more effective.

The meeting of Prime Ministers during the Council of Heads of Governments, which was held this year adopted a document which fixed the establishment of the SCO Development Fund. As I understand, Russia did not object to it, or it somehow lifted its objections in this regard.

Grabowski W.:

The next speaker is **MORADY Manuchekhr**, Director of the Center for Central Asia and Caucasus Studies («IPIS»), Islamic Republic of Iran.

Morady M.:

Good afternoon, ladies and gentlemen! First of all, allow me to express gratitude to the organizers for inviting me here to speak and to express Iranian attitude to the issue of SCO's membership. We count on the organisation to become more influential and to occupy a more independent position. Let me express my attitude to this organisation and speak on the prospects of Iran's participation in the SCO.

I think that Iranian membership in the SCO could be a reasonable solution to the situations, and this decision would be rightful both from political and economic perspective. During the Astana summit Iran made a request to be accepted as a member of the organisation. Let us see what conditions Iran has to fulfill in order to become a member. How would Iran fit in different vectors of the SCO development? Why is SCO so important for Iran? We can consider the issue from another angle: why is Iran interesting for the SCO? What difficulties and obstacles may arise along Iran's way to the SCO membership? How does Iran see the prospects of its cooperation with the SCO?

Iran sees two SCO's wings, vectors of activities.

The first one is the security issues. This point is very important for Iran. As for security issues, Iran highly appreciate SCO's efforts in the fight against extremism, terrorism and separatism. Apart from that, we highly appreciates SCO's role and its capacity to act as a counterbalance to the US increased presence in this part of the world. Speaking about economic aspects, this regions, as it was mentioned in previous statements, is very rich with natural resources and represents a richest market that eventually can develop and ensure great opportunities for world trade.

Certain memoranda, declarations were adopted, such as, for instance, multinational cooperation programs adopted in 2003. These declarations show that prospects of economic development are the focus of SCO's attention as regards its future plans.

In the context of security issues the prospects of Iranian membership should be consider from two angles. What is the SCO's value for Iran, and what is Iran's value for the SCO? Iran and the SCO have, undoubtedly, common interests in preventing geopolitical expansion. But, apart from that, they have here immense possibilities for strategic cooperation. Iran could strengthen SCO's influence in the region and thus strengthen its influence at the international arena.

As for the issues of trade and economic cooperation, SCO is just as important for Iran. Iranian accession to the SCO would considerably reinforce the organisation as an organisation of power producers. The SCO could help Iran integrate into the world economic systems, formulate energy policy and start cooperating in certain framework that would allow our country free itself from Western dictate that is imposed by the US position.

Iran is interested in cooperating with Central Asian states, and such cooperation would make a serious contribution to economic development of the region as a whole. Cooperation between Iran and the SCO would be useful for all states of the region and would allow to link the economies of Central Asian states and Iran. Iran's geopolitical situation, its ancient history, its influence in the Persian Gulf region and in the Central Asia are of a great importance. Throughout many centuries Iran has been maintaining serious political relations with Central Asian countries with which it is linked by common historic roots and cultural traditions. The ability of Iran to play a serious role in a number of regional projects could strengthen SCO's influence in the Persian Gulf region and in neighbouring states and, theoretically and potentially, even in Europe.

Iran shares SCO's positions on a number of international and regional issues. As for the economic aspect, Iran's economy is deeply connected with the economies of the region's countries and the SCO's economic programmes. Iran's participation would increase the possibilities of investment policy, as well as energy vector policy and trade. Participation of Iran would help considerably to develop programmes on the work with energy carriers.

There are certain administrative and political restrictions on Iran's participation in the organisation. As for administrative limitations, you are aware that according to Article 7 of the Organisation's Declaration, observer states get membership only on the basis of consensus, that is unanimous opinion of all countries without any objective criteria. According to that article, new members can be accepted to the organisation if they acknowledge its basic tasks and vectors of activities. That is there is no formal mechanism, specific description of how a state could become a member of this organisation. I think that the charter of the organisation should be reviewed in order to facilitate observers states in getting organisation's membership.

The most serious is the political limitation. That is the image of Iran that Western states and, primarily, the US are trying to create, as well as the issues of our attitude to nuclear programmes. Russia and especially China prefer not to tease the geese nor the United States by touching upon Iran's nuclear capabilities. That's why I believe that these two limitations for Iran – administrative and political – could be lifted in the nearest future.

In conclusion, I would like to make two remarks. The SCO future rests on two wings: the issues of security and economy. Another point I'd like to mention is that SCO should after all abandon all hesitations and doubts and resolve to accept Iran in the organisation in order to seriously strengthen the SCO's position in the region. The third point. Asian region has always been oriented on the policy of accepting and engaging, that is why engaging Iran in the ranks of the organisation would consolidate the situation in the region.

Grabowski W.:

I'd like to invite **MAKEEV Tolendy Kartanbaevich**, SCO national coordinator from the Kyrgyz Republic.

Makeev T.K.:

Dear ladies and gentlemen! First of all I would like to express my thanks to the Russian Public Policy Center Foundation and the Rosa Luxemburg Foundation for the invitation and the opportunity to speak before such a competent audience. The fact that this forum is devoted to the SCO is an evidence to the fact that over a short period of time the SCO managed to present itself as one of the most unique and influential organisations in the world. In this capacity it attracts growing interest of the international community.

And now let me move to the issue of the SCO role in the combating international terrorism, separatism and extremism, which in the circles of our organisation are marked with the term “three evil forces”.

As everybody knows, at the beginning of the century it was the necessity of accumulating united efforts of forming common security and development space that determined the creation of the SCO, that is why the strengthening of peace and stability in the region are the most prospective and important goals of the SCO. Its urgency is predetermined by the fact that lately such things as terrorism, separatism, extremism, illegal drug and arms trafficking, transnational organized crime are manifested in such sophisticated forms that only the expansion of regional and international cooperation, joint efforts in the framework of multilateral mechanisms can successfully deal with these challenges and threats. In these circumstances the technical and practical launching of the Regional Anti-Terrorist Structure took place in Tashkent in January 2004, which has RATS for abbreviation. Together with the Secretariat in Beijing, RATS is one of the two SCO bodies that work on a permanent basis. The main aim of this structure is to coordinate the interaction of competent authorities in the fight against separatism, extremism and terrorism in bilateral as well as in multilateral formats.

Now the SCO RATS Executive Committee makes an attempt to improve legal base, which should permit the SCO member states to respond effectively to transboundary challenges. So the fundamental document in this sphere is “The agreement of SCO member-states on RATS”, “The Shanghai Convention on Combating Terrorism, Separatism and Extremism”, the agreement on conducting joint anti-terrorist operations on the territories of the SCO member states, Program of cooperation of the SCO member states in combating terrorism and extremism for 2007-2009, and other documents.

RATS also coordinates the questions of interaction between competent bodies of the SCO member states in such issues: undertaking of joint executive measures, exchange of the information that would facilitate the prevention of terrorist acts; search and extradition of members of separatist, terrorist and extremist organisations according to the inquiries of the SCO member states interested in such information, conduct of joint anti-terrorist maneuvers, preparation of the staff for the competent authorities of the SCO member states and perfection of legal base of the struggle against “three evil forces”. These are the main directions of the SCO member state activities.

During the current year thanks to successful cooperation in these spheres on the territories of the SCO member states they managed to prevent hundreds of

terrorist attacks, to stop the attempt of destabilization of the situation in separate towns and regions, to destroy structural parts of some international organisations, to reveal and to eradicate training centers for soldiers. The competent authorities of the SCO member states arrested and extradited to the interested parties several dozens of persons that were prosecuted for their links with terrorist groups. At the moment, according to the decision of the Council of Heads of the SCO member states, the Executive Committee of RATS is working actively on the creation of a single list of terrorist organisations, single list of persons involved in crimes of a terrorist nature.

Regularly antiterrorist maneuvers are held on the territories of the SCO member states, where the questions of tactical cooperation between power structures of the SCO member states during special operations on neutralization of terrorist groups, release of hostages and seized sites are perfected. For the first time in mid-August this year during the final active part of the united antiterrorist maneuvers "Peace Mission 2007" in Chelyabinsk region the heads of all 6 SCO member states were present. That large-scale event was called to guarantee regional security, efficient resistance to transboundary threats and challenges.

The maintenance of peace in the Central Asia is one of the important aspects of maintaining stability on the territory of the whole SCO due to some objective factors. Taking into account these circumstances, the drug threat coming from Afghanistan and its negative influence on the territory of the Central Asia, of course, caused an anxiety in the SCO. So, according to the figures of the UN Department of drugs and criminality up to present day a huge number of precursors in Afghanistan are directed to the production of heroin, that is why we see uncontrolled growth of illegal drug production in this country. According to preliminary estimates of international experts, this year witnessed a new huge growth of volume of opium crop - from 6400 tons last year to 8100 tons, which aggravates an already complicated situation in combating drug trafficking. The significant part of the Afghan heroin is smuggled via the Northern route to the Central Asian states, then to Russia and after that to the markets of Western Europe. This way the drug trafficking is one of concomitant elements of extremism and terrorism, as they are first of all financed by illegal drug trafficking. In this connection along with combating terrorism, separatism and extremism one of the SCO's most foreground tasks in the sphere of security is the fight against this evil.

The third meeting of Secretaries of the Security Councils on the 25 May 2007 and the meeting of Defense Ministers of the SCO member states on the 27 June 2007 held in the framework of the Kyrgyz presidency in Bishkek, are of great importance in the present state of affairs. During these meetings the determination of the parties to strengthen further the security regime in the region and the fight against separatism, terrorism and extremism, and also against illegal trafficking of drugs, psychotropic substances and their precursors was reaffirmed. The necessity was mentioned of preventive measures as regards the events destabilizing the situation in the SCO space. For the practical implementation of the agreements reached, a wider participation of our organisation in the mechanisms of the contact group "SCO-Afghanistan" is getting special importance for joint elaboration of

efficient measures and mechanisms of cooperation in combating terrorism, drug trafficking, building commercial and economic relations for solving well-known social and economic problems of this long-suffering country.

It would also be desirable to define together the role of the SCO member states in the normalization of post-conflict situation in Afghanistan. It is worth continuing making zones of anti-drug security around Afghanistan, complementing them by zones of financial security, attaching to the process the services of the financial monitoring of the SCO member states, as it was offered by the Russian President V.Putin in August 2007 during a regular SCO summit in Bishkek. The common understanding of the necessity to strengthen - in the framework of the organisation - the counteraction to financial terrorism and laundering of money acquired criminally, as well as the creation of common mechanisms of financing in case of situations that threaten peace, stability and security in the region, speak in support of it.

In the questions of responding to new challenges and threats a great importance, in my opinion, is given to developing the SCO's international contacts and to making the cooperation with observer states more active. Favorable framework conditions for it are created by the regulation that is soon expected to be adopted on the SCO RATS cooperation with states and international organization with observer status in the SCO. It seems to me that joining the existing capabilities of regional and sub-regional unions, which set similar objectives, would allow to introduce practical cooperation in the fight against the "three evil forces".

Dear ladies and gentlemen, in the light of what was said I think that the SCO, being an important factor of modern international relations, an effective instrument for maintaining peace and stability in Eurasia at the time of globalization, will objectively play a growing role in the issues of international security.

Grabowski W.:

And now **DODIKHUDOEV Khurshed Azamjonovich** will offer us a Tashkent perspective of the issue.

Dodikhudoev Kh.A.:

Before I start I'd like to draw your attention to the fact that from 23 November to this conference more than 20 terrorist attacks took place in the world – on the territories of Afghanistan, Pakistan and the territories adjacent to the SCO's zone of responsibility. It proves that the problem of modern terrorism is very serious.

The geography of terror shows that population of any continent can become its victim. The SCO states are confronted with this issue directly. From 1990 to 2001 in China, in Sin Jian only 200 terrorist attacks were registered that resulted in 162 persons dead and about 400 getting various sorts of wounds. The outbursts of terrorist activities have also been registered in Central Asian states. All member states of the SCO are interested in solving this problem. Negative problems of

modern terrorism do not only hamper the development of some states, but also prevent integration processes in the region.

One of the first documents signed in the SCO framework was the Shanghai Convention on combating terrorism, extremism and separatism. The document for the first time determined a general notion of the “three evil forces” and determined the direction and form of cooperation thus laying a legal basis for the organisation’s cooperation. Military exercises in the framework of the SCO acquired a regular character.

The 2003 military exercise consisted of two stages. First was held on the territory of Kazakhstan, the second – on the Chinese territory. Such frequent and large-scale exercises manifest the existence of a serious terrorist threat on the territory of the SCO member states. An additional motivation for such large-scale exercises is the recently aggravated military and political situation in Afghanistan. The US and its allies in the operation in Afghanistan have not as of now managed to solve the tasks that they had officially set. A dramatic event with South Korean citizens taken as hostages by Taliban provoked a wide resonance. The problem was not solved until Seoul agreed to withdraw its contingent from Afghanistan. South Korean Christian missionary organisations consented to stop their activities.

A serious terrorist attack took place in the northern Afghanistan in November, which caused many deaths, including those of 6 Afghani deputies. The situation in Afghanistan can not leave anyone indifferent to the SCO, for it would to many extents determine the situation in Central Asia. Back in 2005 an agreement was achieved on establishing a contact group “SCO – Afghanistan”. RATS was established in order to suppress the “three evil forces”. It should be noted that 5 out of 6 SCO members are also members of the CSTO. In November and in October an agreement was signed in Tashkent on cooperation between the two structures. The essential point is that the issue of distrust between the organisations was lifted.

The outbreak of international terrorism coincided with growing prices on energy resources. Every day world stock exchanges register new prices on the “black gold”. The President of Venezuela promised at the latest OPEC meeting that the oil price would go up to 200 dollars a barrel. It can be easily determined which countries would feel that jump. Raising fuel prices would automatically lead to growing prices on food, which have an impact on the country’s social and economic life.

We live today at the age of globalization, and many understand it as a qualitatively new stage in the development of humanity. But it is not so. The divide between peoples is increasing, the rich become richer, the poor get poorer. If in 1920 the ratio between the rich and the poor was 5 to 1, today it’s 80 to 1.

Terrorism as a means of fighting is applied by concrete people usually in pursue of political goals that could rather be comprehended. There is a problem behind each terrorist attack. The SCO position in combating the “three evil forces”, rejection of double standards in solving this issue became the main reason for increased attention of Asian states to the SCO. A lot of analysts justly consider SCO a unique mechanism capable of solving many acute regional problems and,

primarily, the problem of international terrorism. But the solution of this issue should not be limited to solitary armed actions but be of a comprehensive nature. Accordingly, terrorist activities should be countered by a thought-out campaign that involves not only the liquidation of terrorists themselves, but also the revelation of the political convictions upon which their activities are founded and that should be taken into account.

In our view, the SCO is confronted today with a number of tasks. These are the maintenance of peace and order in the zone of its responsibility, prevention of any destructive forces' activities capable of undermining the situation on the territories of the SCO states. The worsened military and political situation in Afghanistan requires serious SCO attention to those events. The threat coming from Afghanistan has a direct impact on the Central Asia. It is necessary to build partnership with observer states. This category of countries is interested in strengthening comprehensive cooperation with member states of the SCO. A closer cooperation would facilitate strengthened security as well as economic integration in the SCO framework. Mechanisms on minimizing globalization's negative consequences should be elaborated. In its existing form the globalization does not correspond to the interests of SCO states. The SCO authority should be reinforced thus reinforcing SCO's role in the solution of priority tasks, that is problems as regards energy, water, ecology and migration. As of now, the SCO has already made a considerable contribution to the fight against international terrorism. Nevertheless, the organisation is yet to conduct a more purpose-oriented work in order to eradicate the "Three evil forces".

Grabowski W.:

It is my pleasure to give the floor to **Peter LINKE**, Head of the Rosa Luxemburg Foundation Office in the Russian Federation.

Linke P.:

I will speak not as a head the Rosa Luxemburg Foundation Russian office, but as a simple analyst, great admirer of the SCO and close relations between Moscow and Beijing. As an Eastern German I received my education on East studies in the USSR, and I am married to a specialist on China.

The subject of my report is "The SCO and some problems of military construction in the People's Republic of China".

Despite official statements, especially from the Russian side, on strategic nature of relations between Moscow and Beijing, these relations are not, in fact, necessarily developing along the increase. An example to that could be the SCO August anti-terrorist exercise "Peace Mission 2007". As known, during its preparation Chinese leaders rejected bluntly a proposal by the Head of General Staff of the Armed Forces of Russia Yury Baluevsky regarding uniting the CSTO and SCO exercises, referring to the idea that SCO – primarily politico-economic organisation – does not want to associate itself with CSTO – exceptionally military-political organisation. Besides, the Chinese explained, there is no legally

binding agreement on military cooperation between the two organisations. According to the information available, however, Beijing was much more concerned with geopolitical issues rather than legal ones.

Chinese leadership simply did not wish to share the power over military, anti-terrorist component of the SCO with the CSTO, fearing – not without basis – that uniting the two organisations would seriously increase the role of Moscow. But if it is so, why then the Chinese come to the joint exercise with the Russians at all? As some analysts believe, they came with one and only goal – to demonstrate to the world, and to the Russians in particular, all the power of modern Chinese armed forces, the most modern models of fighting equipment, including light multifunctional fighter-bomber *Chengdu J-10*, transport-landing IL-76MF aircraft, transport and fighting helicopters, infantry fighting vehicles, self-propelled howitzer, battlefield support systems, as well as a great number of munitions. Besides, the Chinese intended to bring to Chebarkul a large lot of their newest tanks ZTZ-98 to be used against terrorists. “The land must be burning under the feet of terrorists”, the Chinese explained the necessity of bringing such powerful amount of military equipment on the Russian soil.

However, an old, slightly paraphrased wisdom of Mao Tse-Tung did not produce the desired impression on Russian military leadership that vetoed such military presence of Beijing with reference on a limited size of the Cherbakul ground. The result was that Chinese tanks stayed home...

So, did the Chinese really come just to show how good their ‘cannons’ and aircraft are? There are grounds for saying that their arrival served another, not least important, goal, that is to gain practical experience on dislocating their military equipment abroad! Since the main forces and means for China’s participation in the “Peace Mission 2007” were provided by Lanzhou, that is North-Western military district, the shortest and cheapest way to destination point would have been by railroad via Kazakh territory. But after Astana’s parliament didn’t manage in time or didn’t want to adopt a law on temporary presence of foreign troops on Kazakh territory, the military of the People’s liberation army of China had to be sent by railway from Turufan station, Xinjiang Uygur Autonomous Region of China, via Gansa, Ninjia-Huey region and Internal Mongolia to the Manchuria station, and then to the west via Chita, Irkutsk, Novosibirsk, Omsk and Chelyabinsk to the final destination point – low-Ural Chebarkul. For Chinese military that meant a 10-thousand km way, of which about 5 thousand km were on the Russian territory... On the whole it’s a very difficult and quite expensive operation, but the Chinese leadership was not at all confused by that. On the contrary, according to Chan Tsiamin, a worker of the China’s Academy for military sciences, this long way “allows to talk about a setting a new record in the history of troop projection within the people’s liberation army of China and is a unique experience in terms of testing the mobility of armed forces on such distances...”

“Mobility testing” – these two words probably contain the key to understanding genuine intentions of the Chinese as regards their participation in the “Peace Mission 2007”. As it is known, the idea of improving the mobility is the

basis of the armed forces reform conducted in China since the mid-1980s. Till then the military doctrine of the Heavenly Empire was based on the concept of Mao Tse-dung's "people's war". Reasoning from inevitability of unleashing a big war against China, this concept supposed the participation of the whole population in the country's defense, dislocation of a large partisan movement on territories occupied by an adversary, in order to entice the opponent inside the country with further breaking up, surrounding and destroying of its troops. After the failure of the «defensive counter-strike» against Vietnam in 1979 it became absolutely evident that Mao's concept of "people's war" could not serve the basis for efficient defensive military strategy. Drawing lessons from the failed Vietnam campaign of the Chinese people's liberation army, Deng Xiaoping, having declared the end of the threat of unleashing a great war against China, formulated the following three directions in reforming Chinese armed forces: first, reduction and reorganisation of the People's Liberation Army in order to increase its fighting efficiency, maneuverability and mobility; second, introduction in the army of newest scientific and technological achievements; third, freeing the army of fulfilling functions connected to ensuring national security at the time of peace by creating so called people's armed police. Consequently, the concept of "people's war" was reformulated into a concept of a "people's war in modern conditions", which combines the priority of developing modern armaments and maintains old elements of the population's general military training. In practice that meant the restructuring of the army aimed at developing its ability to prevent deep incursion of adversary troops into China, to perform trench and mobile defense, maybe in combination with partisan activities in order to press down the pace of invasion, to exhaust the adversary in near-border battles and to turn to strategic attack as soon as possible. The definite rupture with the "people's war" concept happened last December, when Chinese leadership in its regular White Book on military policy adopted the course of comprehensive propaganda of a strategy of active defense on foremost fronts, as though it reflected the country's growing role in world politics. In July this year one high level military person in a rare official statement confirmed the new course. According to the rear-admiral Yang I, director of the Institute for strategic studies under the National University of Defense, "Chinese troops will not become the instrument of strategic expansion, but this does not mean that China has no right to create offensive military capabilities. Military capabilities of China have to be both defensive and offensive..." Although the concept of "people's war in modern conditions" is the core of today's military doctrine of the PRC, its other elements should be reflected: the concepts of "national security", "limited nuclear counter-strike for self-defense purposes", "active defense", "rapid reaction", "local wars with the use of high technologies", as well as "strategic boundaries and living space".

Against the background of continuing tensions between Moscow and Beijing regarding the future of the SCO, it would be interesting to dwell in more detail on the concept of "strategic boundaries and living space", which suggests establishment of own spheres of influence in Eastern Eurasia and formation of a living space, politically and economically favourable for the Chinese, within

“strategic boundaries”, not necessarily coinciding with today’s national borders of the PRC.

But I would like to draw attention to two concepts that are not less important in the context of our conference, but often forgotten. I mean the concepts of “rapid reaction” and “local wars with the use of high technologies”.

The “rapid reaction” concept suggests the creation within the army of “duty forces” of rapid deployment capable of solving sudden national security challenges.

Concept of “local wars with the use of high technologies” proceeds from the fact that wars of the future would not be prolonged wars to exhaust the enemy on its territory, but rather short, dynamic conflicts on the periphery of China, mainly concerning territorial disputes. At the same time, it does not exclude the unleashing of such wars on its own initiative, if this would be a way to prevent a large-scale world war...

What measures does the Chinese leadership take in terms of materially supporting these conceptual approaches? First, the process is developing at full scale of equipping airborne troops with heavy military-transport aircraft *IL-76* of Russian origin and medium military-transport aircraft *Y-8* of Chinese origin contributing to greater (in scale) operations of vertical coverage. Airborne troops’ mobility is also increased by means of equipping them with light fighting vehicles analogous the Western “fighting buggy” *FAV* (*fast attack vehicle*) which could land with a parachute. Second, a lot of attention is paid to developing amphibious forces. Particularly, a modern-type ocean dock assault helicopter ship is being developed, which means deviation from “classic” amphibious operations towards universal assault landing ships using their own amphibian landing craft and deck-based assault helicopters.

Another priority is the development and creation of storm-boats on an air cushion. Currently, the Naval Forces of China are equipped with 10 infantry landing craft on air cushion of „*Zingsah*“ project, constructed in 1980s on the basis of its own projects. But, according to specialists, it is quite realistic that China become a third country (after Russia and the US) to have the capability to create tank landing craft on air cushion. The Chinese military-industrial complex is already conducting the relevant research and development works.

Few things are known about Chinese army special forces activities. Chinese special forces are believed to act in groups (“*dadui*”) of central and peripheral subordination, numbering hundred to thousand persons. According to the press, Chinese special forces are especially active in Xinjiang Uygur Autonomous Region of China, where it destroys the bases of local Islamic separatists. There were messages that Chinese special forces were sent to the territory of Afghanistan, where they observed the US and British troops. The only thing we know for sure is that Chinese leadership attaches great importance to the development of special-purpose forces. Particularly, the 2006 White book of defense believes that improving possibilities of special operations are one of the priorities in renewing the Army’s ground component and emphasizes that “the army tries to transform from regional defense to transnational mobility, as well as

improve its capabilities regarding conducting complex airborne and land operations, distant maneuvers, rapid attacks and special operations”.

According to Chinese experts, military conflicts of recent years (Afghanistan, Iraq) prove a growing importance of special operations in local high-technological wars. Thinking of potential missions of special forces’ units aimed at achievement of various tactical and strategic goals, including strikes against critical targets and critical infrastructure, “actions aimed at paralyzing enemy’s battle support system”, “reducing adversary’s possibility of conducting military operations”, “creating obstacles to enemy’s battle operations”, as well as “creating favourable conditions for main forces”, the authors of the book “Campaign science” published in 2000 in Beijing name the following specific examples: long-distance intelligence and information collection, capture and liquidation of adversary’s key representatives, troubling actions, participation in psychological warfare actions, in information and radio-electronic warfare, as well as performing direct attacks against aerodromes, ports, bridges, management and control systems, radar stations, critical armaments systems, transport and communication centers, other rear supply points, bases and storehouses. If necessary, the special forces’ units can also render direct help to main forces “by taking over key targets and points in enemy’s rear in order to assist main forces’ offensive”. Other sources do not exclude special forces’ potential participation in various missions inside the country, in particular, in the fight against terrorism, liberation of hostages, as well as regulation of “sudden incidents”, such as riots and social uprisings...

In other words, the Chinese are working actively on the problems of future wars. And a lot of what they do in this connection concerns directly the security of not only Member States, but also observer states of the SCO. We should speak calmly about that, without too many emotions. Without substantial discussion of specific aspects of China’s military policy (as well as military policies of Russia, Kazakhstan, Tajikistan and Uzbekistan) by other SCO members this Organisation is doomed. Sound military exercises such as “Peace Mission” would hardly be of any help here.

Grabowski W.:

I give the floor to the expert of the Division for regional studies and security, International Institute for Strategic Studies (MISI) under the President of the Kyrgyz Republic **Mrs. Asel MURZAKULOVA**.

Murzakulova A.D.:

The subject of my report concerns the space of risks and opportunities of the SCO.

During the period of the SCO existence expert community discussed various positions as regards its present and its future. Today we see quite a wide range of opinions – from considering the SCO as a toothless propagandist project of Russia and China implemented in order to increase these countries’ international prestige

to qualifying the Organisation as an anti-American union with growing strength⁷. In this situation, when the organisation's development is characterized by certain level of development, such judgments emerge against the background of a space of risks and opportunities both for the Organisation and its Member States.

The majority of analysts tend to consider the SCO in terms of security issues and military cooperation, thereby drawing an analogy along the anti-NATO axis. However, if we remember the year 2005 when Beijing, to our mind, laid a foundation for displacing the organisation's military component from a list of priorities, a signal was given - that of shifting the SCO's development paradigm towards strengthened economic cooperation. Further emphasis on this sphere could transform the organisation from a political union to an economic one.

The SCO problems in the modern political process should be considered wider, and in this context the space of risks breaks into a great number of problems, each of which often solved outside the SCO framework. These are Chino-American, Russia-Chinese, and Russian-American relations. As well as the security problem and problem of cooperation between the SCO, CSTO and NATO, as well as inter-state relations and tensions in Central Asia and bilateral relations between the region's countries and the US, Russia and China. Against this background, the main risks in the development of the organisation could be the following: tensions within the organisation, excessive bureaucratization of the decision-making process, problems in coordination of organisation's institutes, passive position on the Iranian nuclear programme, possible information blockade as regards the SCO's policy and activities; unresolved problem of delimiting spheres of influence with the CSTO.

In this context, political leadership of the SCO is facing a question: what is the identity of the SCO, with whom and at what kind of relations does the organisation want to be in at a certain stage of its development. The world order of the XXI century has formed new security challenges due to the change of the geopolitical situation, emergence of new threats at the world, regional and national levels. These processes made it necessary to elaborate new measures on creating reliable collective security systems that, in their turn, would be able to overcome the state of "elusive stability", as well as neutralize negative consequences of the processes of globalization of the living space. In this context, there exists an opinion that the Central Asia is becoming a part of a new economic and geopolitical order in Eurasia. In this aspect, Central Asian trend of the SCO is evident, and this situation poses before the states of the region a number of challenges connected with building their own regional space, as well as a security system not bound to the external security partners.

In a larger context these problems are linked to the formation of a truly politico-economic Central Asian space, the appearance of which we could possibly see in the next 50 years. In this context it would be prospective for Central Asian integration processes to strengthen Eurasian economic independence. As it was

⁷ See «The problems of economic and financial cooperation in the framework of the SCO». Materials of the international seminar, KISI, Almaty, 2006.

mentioned, the interests of China are dominating in the SCO. Let me throw light upon some Chinese interests in the SCO framework in the context of Central Asia.

Evidently, China wants to keep Central Asia as a strategically stable home front. Besides, it considers some of the region's republics as energy suppliers and as its partners in other economic spheres. Beijing proceeds from the fact that security of the region's states is intertwined, and instability in the Central Asia has an impact on the security of north-western China. On this basis China seeks to establish – together with Central Asian states and Russia – mechanisms that would ensure regional security in collective format.

It is also possible that China considers itself as an economic locomotive and even a model of development for the whole region. In this light, the SCO for China is a transitional structure for a period of its formation as the world's center of power. It is also obvious that China will do everything not to allow for the SCO erosion, for it is the key geopolitical instrument of Chinese influence in the region and the balance of Chino-Russian relations.

Thus, the space of opportunities for the SCO is that this organisation can engender new contours of the center of influence and to new logics of the organisation of power both in the Central Asian region and in the international security architecture. The organisation's space of opportunities, in its turn, can only be realized through the ability to fulfill the following tasks: solving the problem of drug trafficking, arms trade, ideological destabilization of the Central Asian region; developing the energy sphere, transport infrastructure, creating conditions for a free movement of capitals, services and technologies.

As it was mentioned earlier, the main issue before the SCO remains the problem of identity. Will it be a military and strategic alliance or a full-fledged economic organisation? The question of choosing priorities is still pending.

Since foreign policy of Central Asian states is declared as multi-vector one, the SCO creates additional opportunities for counter-balancing in relations with the West. Undertaking, however, excessive obligations in the SCO framework by Russia or China, will inevitably create difficulties for the Central Asian states due to the need to balance between Moscow and Beijing. A lot in the SCO space will depend on the balance between the US, China and Russia in the region. The new phase of the big game will be totally determined by the nature of relations between these states. There are much greater grounds today for speaking about a multi-level nature of relations in a uni-polar world, where strategic positioning of China is continuously reinforced.

Grabowski W.:

Vladimir Igorevich SAZHIN, senior research officer of the Institute of East Studies, RAS, has asked for the floor.

Sazhin V.I.:

Thank you for inviting me to the seminar. Only yesterday I returned from Beijing where I participated in a conference “Problems of the Middle East and the future of the region”. I had the honor to meet the spouse of Peter Linke (*Linke P.*,

head of the Rosa Luxemburg Foundation Office in the Russian Federation – ed.), a highly qualified specialist on China and a MGIMO graduate.

What I gained from the Beijing conference is that China is interested in stirring up its activities both in the Middle East and in the Central Asia. As for Iran's participation in the organisation, many of the Chinese friends regarded it with great skepticism. I share this skepticism. Iran strives for the SCO membership and it is clear why. What else can it do, if in the west it has US armed forces in Iraq, in the east – US armed forces in Afghanistan, in the south – US commandment and unfriendly Sunni regimes, and in the north – Washington-oriented Azerbaijan and Georgia. All of this creates a situation when Iran has basically no allies in the region apart from Syria. But even Syria participated in a conference in the US, which Teheran took extremely negatively. Thus, in the current political situation Teheran seeks allies. The SCO is a good platform for that.

Iran's specific position on many of Middle Eastern problems provokes a question whether Iran's participation in the SCO will strengthen the organisation. In its Middle Eastern policy Iran occupies radical positions: in Iraq it supports separatist Shiite movement, in Afghanistan (according to Afghan deputies) it started supporting the Taliban that acts both against Kabul and coalition forces. That is it adheres to the principle "my enemy's enemy is my friend". Iranian position on Israeli-Palestinian problem is absolutely destructive. It stands very actively against any negotiations between Israel and Palestine, between Israel and the Arab world. Iran's perseverance on its nuclear programme astonishes everyone. Therefore, I think that participation of Iran in the SCO will not strengthen the organisation, but will just serve Iran an umbrella for its foreign policy activities.

Grabowski W.:

A remark by M. MORADY

Morady M.:

I did expect something like that. I am not at all surprised that such opinions are being expressed as regards Iran. Invented accusations are often stated about Iran. We do not support separatists in Iraq. We supported there a legitimate Iraqi government, not separatists. I am amazed that you repeat such invented accusations to our regard that have no foundation. On the contrary, as the Russian President noted, we successfully unite efforts in the fight against Taliban. I think you should request official information in your Ministry of Foreign Affairs.

I we consider the problem of relations between Israel and Palestine, each side has its own position. Let's not echo the United States. We do not copy our position from that of the US, we do not make haste in associating ourselves with any of the sides of the conflict. The thing is that for the majority of Palestinians the problem of peace has not been solved till now.

You mentioned that Iran's membership in the SCO will not serve any good for the organisation. Please, explain what you meant? You just repeated some of

your American friends' invented accusations. Iran has been constantly playing a positive role in all regional conflicts. Our Russian, Chinese friends are aware of the role played by Iran. I think Iranian membership in the SCO will not only open new possibilities for the organisation, but will also help Iran play a even more positive role in the region.

Grabowski W.:

Now I give the floor to **MOSKALENKO Vladimir Nikolaevich**, senior research officer of the Institute of Eastern Studies, the RAS.

Moskalenko V.N.:

I think I will make a very short remark, I don't particularly specialize on this problem, but what I heard makes me think that today the institute of SCO observer states is probably the most uncertain part of the chain. I get the impression that no one knows what to do with it. Of course, they shouldn't be all accepted at once. Although they got the observer status at the same time, at the 2005 summit, which imposes certain ethical norms that they should further be accepted together. This is a complex issue. Each of the observers is bound by some problems: the Afghani problem, Iranian, Kashmir problems. Many forget completely about Indo-Chinese tensions. They are in good relations now, but there is a 'mine' there.

When this institute was being established, there were great plans, great hopes. A number of coinciding organisations have stirred up their activities. There is SAARC that covers South Asia, there's the Organisation of Islamic Cooperation, an organisation of Central Asian Muslim states. They have become very active. A lot of interesting projects have been initiated, which remain projects, especially those on gas- and oil- pipelines. Observers also see that some countries, for instance, India, solve their problems bilaterally, so some states still want to be in the SCO, but not as much interested any more.

I study Pakistan and I know what kind of euphoria they had, how interested they used to be. No, several years later, they see that the prospects for membership are evading, and they now pay less attention and sent to summits not heads of states, but Foreign Ministers. The situation in Pakistan is very difficult now. Of all the observers materially it is the least well-to-do. It is not as big as China, and it does not have such amount of resources as India. What it has is a favourable geostrategic situation. It is a link between different parts of Asia. It has outlet to the ocean, a number of highways, transport lines – they all made Pakistan an important element for the region. Had the Bodar port that is now under construction been made operational, it would have been a system that would unite West Asia with western China. But nothing works.

The gas projects would be of a very big importance – Iran-India, Pakistan-Turkmenistan, Pakistan-India with a possible outlet to China. But the latter is still in a discussion stage. The one that I named first – Iran-Pakistan-India, an agreement has already been achieved on this one, but it hasn't become a reality

yet. Pakistan was a stronghold of a moderate Islamism. Musharraf's doctrine on the enlightened moderateness adopted as an official document had a very great significance for ideological fight with Islamism. Islamism has a great mobilization power. As soon as somewhere a situation emerges, a big number of population supports it. Pakistan becomes a center of moderate Islamism. Now this has passed.

In conclusion I want to say that it's easy to criticize and to make proposals, but it's much more difficult to act. I think the SCO should not enlarge quantitatively, by making observers members. Although Iran wants it, and so does Pakistan. At the latest summit Musharraf almost tearfully begged to accept Pakistan, but that couldn't be done. Also, I think that they need to show will and implement some of the projects, for instance, the project Iran-Pakistan-India.

The problem of Afghanistan was mentioned today, and it was done very carefully. That was right. I think we have to be very careful here. We need to stay away. Afghanistan is something terrible, it's some Bermuda triangle where everything disappears.

From the point of view of major SCO members, I think they should be more respectful to observers. You can see that during summits, but the materials of the latest Council of heads of governments held in Tashkent in November do not even mention observers. The word "observers" is lacking at all. It used to be always said that "we will attract observers", etc.

Grabowski W.:

MAKEEV Tolendy Kartanbaevich has asked for the floor.

Makeev T.K.:

Dear colleagues, in two weeks the final session of the Council of National Coordinators will be held by the Shanghai Cooperation Organisation (SCO) Secretariat in Beijing and I will inform our colleagues there about this conference. We hope that the conference materials will be published. And now I would like to comment on some of the observations made earlier, in particular on what Alexander Vladimirovich has said. He has made a good comment, the one that leaves space for debate.

As we all know within the SCO there are two permanently working bodies – the SCO Secretariat in Beijing and the SCO Executive Committee in Tashkent. Above that there are main bodies, I mean in the first place the Council of Heads of State and that of the Heads of Government.

On November 2, a regular session of the Heads of states was held. Communiqué of the event didn't mention the observers as the Council of the Heads of States along with the Council of Prime Ministers is the organ responsible for the foreign trade and economic cooperation of the SOC member states. Therefore the document didn't mention the observers. But should you consider the Bishkek declaration and the communique, you will come across precise information about the observers.

We consider the institution of observers to be of particular importance, but we want to accumulate the cooperation experience for the membership to become the result of cooperation in particular spheres. I am grateful to our Iranian colleague for actualizing the cooperation spheres that can form the ground for the full-fledged membership in the future.

As for the Secretariat, dear Alexander Vladimirovich, this body has been functioning for over four years now and time has come to raise its status. Last year during the Shanghai summit the decision was adopted to give to the head of the Secretariat status of the Secretary General since January 1, 2008. And according to the new regulations, Secretary General is the key administrative figure of the SCO.

The SCO staff is recruited on the quota basis, i.e. each member state has its quota of posts relevant to its membership fee. Therefore according to the employee regulations, all the SCO officials report to their central governments but have the status of international officials and act on the instructions of the SCO Secretary General. It is in this direction that the role of the Secretariat will be increased.

I support your thesis about the particularly high importance of economic and trade cooperation. The joint communiqué of the SCO Prime Ministers gives special attention to fostering the economic cooperation of the SCO member states. The document reads that in order to increase cooperation in this sphere, the Secretariat together with the Commission of the senior officials of the ministries charged with the foreign trade and economic relations and the SCO Special Working Groups must hold in January 2008 inventarization of the projects launched in 2004 under the “Plan of actions to provide multilateral cooperation in the sphere of trade and economy” and detect those projects that will help increase foreign trade and economic ties in the future.

The same document enhances the role of the SCO Development Found. The idea initially belonged to colleagues from Tajikistan and now it is at the stage of debating principles of functioning of such a Found. Member states don't question the need for such an institution. So now professionals are discussing the principles of functioning: procedure and sources of creating the Found. When the experts come to the consensus on the issue, which is the way decisions are made within the SOC, the Found will start its work and we all hope it will be fruitful.

On October 24, 2007 Astana hosted a regular session of the economic and foreign trade Ministers of the member states. The issue on the agenda was how to let citizens of the member states enjoy all the advantages of the SCO membership as to increasing wellbeing and level of life. The key idea expressed by the participants was that we need to give primary attention not to the number of multilateral projects being launched but to their quality and abilities of the parties involved to implement them into real life.

Grabowski W.:

It is my pleasure to give the floor to **CHUFRIN Gennady Illarionovich**, Corresponding member of the Russian Academy of Sciences, Deputy Director of the IMEMO, the RAS.

Chufrin G.I.:

I was induced to that by an interesting report made by Peter Linke that touched upon very delicate issues of military construction in China.

First, the fact that China in its participation in the “Peace Mission 2007” focused mainly on activating special forces, assault forces and relevant armaments systems does not yet say anything. During similar bilateral Russian-Chinese maneuvers it was absolutely the same.

I don’t understand the message of your statement. What did you mean? That China sought to exert certain influence on the SCO, on its partners, to show its capabilities and sort of ‘frighten’ them? I don’t think that’s what you meant.

Another question is that China is using these maneuvers in order to work out the armaments systems that could be useful to it in case of a potential conflict with Taiwan. That’s really so. It can be so. Although there are some very serious questions here. If we go back to the materials of the XVII session and to how the issue of the conflict between China and Taiwan is put, we will see that the Chinese leadership understands that it has gone too far in its ultimatum moods as regards possible referendum or independence, and it is now trying to get away from that, because it perfectly understands that purely military option would affect critically all the social and economic programmes of China itself.

My friend and colleague Mr. Evseev proposed to consider the issue of establishing some forms of interaction between the SCO and NATO as regards Afghanistan. This shouldn’t be done by no means. The SCO is not a military-political organisation and cannot (of course, if it doesn’t want to do harm to its image) have such negotiations with NATO. Another thing is that SCO can have such a dialogue with the United States. It would correspond the SCO’s objectives. But the SCO-NATO dialogue should not take place.

I support the position of Beijing on relations between SCO and CSTO. These relations should be built very carefully. It’s one thing when cooperation is built along the line of the existing anti-terrorist organisations, such as RATS and analogous CIS and CSTO structures, then such form of cooperation is acceptable. But the SCO should not go beyond these frameworks and make attempts to establish all-troop cooperation, because then again the SCO will be very seriously entrapped, which it doesn’t want.

Grabowski W.:

I give the floor to **Peter LINKE**

Linke P.:

I want you to understand me correctly, my statement was by no means intended to criticize China. Rather I was criticizing the presentation of such maneuvers as anti-terrorist ones, which, of course, is nonsense. We can’t combat terrorists by tanks, aircraft, heavy bombers. In these questions China acts absolutely right. In the fight against terrorism it relies on special forces and, as a

civil military analyst, I can say that they develop asymmetric forces in response to the threats coming from big countries. And the way they do it is absolutely right. Other SCO members – not so big in size as China – could learn something from the latter. They buy heavy armaments that they don't need in principle. Why do they need five fleets around the Caspian Sea? It's better to learn from China how to develop modern armed forces. That's what we need to talk about and talk very specifically! China has today very interesting concepts on asymmetric future warfare. I would not want to be understood as if China was threatening some SCO members.

Grabowski W.:

NIKIFOROV Alexey Leonidovich, adviser of the Department for Political Cooperation of the CSTO, asked for the floor.

Nikiforov A.L.:

I would like to clarify several points as regards our cooperation with the SCO. Three years ago the CSTO Secretariat in coordination with member states offered the SCO political cooperation. The process has been protracted and only this year a document was signed – a memorandum “On mutual understanding” between secretariats. But we offered a protocol on cooperation, not on mutual understanding and not between secretariats, but between organisations.

After we heard an unflattering characterization of the secretariat we would think again whether such memorandum should be elaborated at all.

We really do favor mutual understanding on a wide range of issues we deal with and where we have coinciding spheres. Military cooperation has never been planned between our organisation, and it is impossible in its direct interpretation. What we mean is at best the anti-terrorist cooperation as one of the possible directions. But all of this is quite remote now.

The latest consultations with the SCO Secretariat held in Moscow showed that, unfortunately, representatives of the SCO Secretariat not only cannot make independent decisions right away, but they cannot even have serious discussions, because on any issue they have to consult twice their national coordinators.

We expect proposals from the SCO and we keep hoping on our fruitful and mutually beneficial cooperation.

Grabowski W.:

Another short statement will be made by **MAKHLAY Alexey Aleksandrovich**, First deputy director of the Russian Public Policy Center Foundation.

Makhlay A.A.:

The SCO full-fledged support of the multilateral world and preserving the final say in the international relations with the United Nations Organisation and its Security Council has gained support and respect in many countries.

During our today's meeting a number of my colleagues have highlighted the growing interest of such states as Mongolia, India, Pakistan and Iran to fostering ties with the SCO.

There is no doubt that the SCO's enlargement is not abstract thinking but an acute reality underpinned by genuine interest from a number of states and international organisations. This interest is met by the SCO, which is getting more and more involved in regional and global processes.

On one hand, SCO is becoming an integral part of the contemporary regional and global affairs, of the Eurasian dimension. SCO creates a framework for multilateral cooperation both in Europe and Asia.

On the other hand, transformation of the regular multilateral meetings of Russian, Chinese and the Central Asian leaders into working mechanisms of a full-fledged international organisation arouse interest of the international community, proves its efficiency and potential to become integral element of the international multilateral efforts for peace and development.

It is natural for the SCO to establish ties and cooperate with other international organisations as all its member states hold membership of different other alliances of regional and global level. Russia and China are permanent members of the UNO Security Council. SCO member states in this or that form participate in the work of OSCO, Asia-Pacific Economic Cooperation (APEC), CIS, EAEC, CSTO, Association of South East Asian Nations (ASEAN) etc.

High prospects for cooperation of the SCO with other international organisations stem from non-confrontation nature of the organisation itself. The SCO's key message to the world community is to choose the way of the universal international cooperation, to divert from the confrontation mentality. This will permit to eliminate politization and political division according to geographical situation.

All in all it can be said that despite the existing temporary problems, the SOC is evolving as an authoritative international organisation that resides on a simple idea: all its members are devoted to cooperation with the West and realize that this cooperation is a *sine qua non* of further economic development. But all these states feel more comfortable in the world with alternative centers of power and with organisations that are better suited for resolving their particular problems and challenges.

I am convinced that the SCO has a long way to go before its members adopt their particular roles in this structure.

And a challenging question to be asked is who will play the leading role in the Organisation. For many it comes natural that China as a member state with the largest population and economy and highest development rate of all the members, could take up the leading part. Besides China has founded SCO, it is not without reason that the word "Shanghai" is at its title, it is quite symbolic.

For China SCO is a platform to conduct its regional policy. Through its mechanism Beijing initiates and implements its international initiatives, which proves China's political clout and prestige in the world.

China's proactive position in SCO becomes more evident as compared to Russia's reactive behavior. Thus, China use the organisation as an instrument of systematic drive to Central Asia, while Russia, which used to be and would like to stay the only external political dominant in the region, is only awakening to react to China's active policy in the region.

China's huge development potential as well as that of SCO makes it possible that one day SCO becomes center of Eurasian integration with China being its driving force. This could significantly undermine positions of the United States in the continent and the world. This would also be emergence of an alternative to the United States center of power and revival of the bipolar system in its new configuration.

Grabowski W.:

I now give the floor for closing remarks to **MUZYKANTSKIY Alexander Ilyich**

Muzykantskiy A.I.:

Thank you. I find myself in a difficult situation, because during several hours today we discussed the issue of a very wide spectre – from positioning the SCO as an alternative to a uni-polar world, attempting to build international cooperation on different civilizational principles that could serve an example for many other countries to specific questions of economic cooperation both in the SCO in general (Development Fund, for instance) and in the framework of bilateral cooperation between the SCO member states.

Such variety is what creates the fabric of this organisation. Many said here that the SCO is a young organisations, it's only 6 years old. In comparison to the European Union that celebrated recently the 50th anniversary of the Rome treaty, and the slogan "United states of Europe" is even 150 or more years old, this age is really a small one. Europe has passed a long way in its structuring. In the region we have under consideration the situation is even more complex, because in Europe they have some common civilizational values that have been formed historically. As for the SCO states, even theoretically there is no solution to this objective today. Building a theory of not even a union, but as least a working cooperation between the countries that inherited great civilizations without loosing their identity but on the basis of finding, revealing some common approaches, is a huge task for theorists – not even experts, but scientists-historians.

The life is going on as it is. There emerge absolutely concrete problems that require immediate solution, and not in 150 or 15 or even 1,5 years. Therefore, the establishment of rational mechanisms allowing the SCO to attract from the inside some means, some common resources in order to respond to the challenges that come up today, is a great task.

I would like to thank all the participants of our conference, our German colleagues – co-organizers of the seminar. The fact that with time the number of participants in this room is practically not going down shows that there is interest in this subject. Maybe we will meet again and consider some specific aspect of the

SCO activities. I look forward to your proposals and once again thank all the participants of the discussion.

And not it is my pleasure to give the floor to **Peter LINKE**, the Rosa Luxemburg Foundation.

Remark by Peter Linke:

May be our Chinese colleague, **Mrs. Fu**, Associate research professor of the Institute of Eurasian Studies, Shanghai Academy of Social Science, would like to add anything?

Fu Yong:

1. China's interests in Central Asia

Central Asian states are China's neighborhood and both share the same border and a long history of communication. Since the breakup of the Soviet Union, China has paid close attention to Central Asia where it has so many important national interests.

The first one is the strategic interest. From China's perspective, Central Asia's greatest significance for China's geopolitical strategy is that the region could become a stable back zone of China. Current security pressures on China, as well as China's strategic tasks, mainly come from the southeast, including the Taiwan Strait crises, acute China-Japan conflicts, and the competition over resources in South China Sea. Thus, the security and stability of the western borders is crucial to China's overall security strategy.

The second is the "East Turkistan" issues. China expects to seek solutions to the "East Turkistan" issues through cooperation with the Central Asian states. The "East Turkistan Liberation Movement" has had many connections with Central Asia in history, ethnic groups, culture, language and religion. With the drastic change in Central Asian geopolitics after the disintegration of the Soviet Union, the Movement has been increasingly influenced by extremist and terrorist forces: its members set up bases in Central Asia, receive terrorist training in Afghanistan, and receive spiritual support and material aid from other international terrorist organisations, thus forming an active terrorist zone from Chechnya to Central Asia, and then to Xinjiang. Therefore, combating the "East Turkistan" separatist forces, confining their actions to Central Asia, and preventing terrorist forces from entering China, should be an important goal of China's Central Asia strategy.

And the third is energy interest. Increasing energy demand and lack of energy will be a long-term problem hindering China's economic and social development. As Central Asia is rich in resources and the building of oil and gas pipelines from Central Asia to China would reduce the pressure of transport by sea and improve security of the energy transport routes of China

2. China's common interests with Central Asian states

China believes that the common security interests are not only a strong driving force behind the Shanghai 5-State and the SCO, but are a major concern for China in developing its friendly relations with Central Asian states.

Maintaining border security: As China shares over 3,000 kilometers of borders with Kazakhstan, Kyrgyzstan and Tajikistan, and many common ethnic groups as well, China's national interests are closely related to the situation in Central Asia, not only in history, but in reality as well. Among the factors that might affect security and stability in Central Asia, the most pressing issue for China used to be border disputes with Central Asian states. Thus the primary goal of Shanghai 5-State was to complete the border division between China and these states, as well as Russia, and to demilitarize the border areas. In April 1996, heads of China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan attended their first meeting in Shanghai and signed the Agreement on Strengthening Mutual military trust in the Border Areas; in April of the following year, they signed the Agreement on Joint Reduction of Military Forces in the Border Areas in Moscow.

Combating "the three evil forces": Another shared interest between China and the Central Asian states is to maintain stability through combating "the three forces". The universal political, economic, religious, ethnic and social problems in the Central Asian states not only make it difficult for the states to control terrorism and extremism, but also provide the soil for their growth. Any turmoil in Central Asia can be exploited by terrorist and extremist forces to threaten the security interests of the Central Asian states and China, thus both should help maintain security and enhance prosperity in the region, a stable Central Asia will serve as a better milieu for China's development, and both will benefit in the end. Therefore after the solution of border security issues, the five states put combating "the three forces" at the top of their agenda; later, the anti-terrorist military exercises held by SCO members, as well as the establishment of the SCO Counterterrorism Center and the SCO Rapid-Response Counterterrorism Troops, aimed only at preventing the actions of the "three forces" in Central Asia. The joint exercise is intended to show the will and determination of SCO members in action to crack down on the "three evil forces", Besides, the exercises will get experiences in three aspects: discussing the basic ways to jointly counter terrorist attacks, discovering joint decision making in planning anti-terror operations, and exchanging ideas on anti-terror preparations and operations.

Cooperating nontraditional security issues: Narcotics trafficking and arms smuggling as well as other transnational criminal activities and illegal migration are becoming new challenges threatening all the SCO member states. Besides there are also many disputes among Central Asian states on such issues as religion, politics, water, and other resources, etc. So protecting regional environment, making comprehensive utilization of natural resources and promoting trade and investment are becoming common interests between China and Central Asia states. It is necessary to address its root cause, and adopt comprehensive measures, especially in solving the question of development, narrowing the poor and rich gap. The SCO will need to strengthen a range of cooperative mechanisms and dialogue to address some of the most fundamental and critical issues facing the region, including HIV/AIDS, trafficking of weapons, humans, and drugs, and a poor social welfare infrastructure.

Promoting regional development: The political conflicts caused by the congressional election in Kyrgyzstan in March 2005 and the turmoil in Anjijon, Uzbekistan in May 2005 indicated the possibility of further turbulence in Central Asia. Due to such uncertainties, the development of the region, as well as its future policies, is also hard to predict. Many Chinese scholars argue that the instability and uncertainty in Central Asia region are mostly due to economic weakness and social underdevelopment. So bringing economic prosperity to the region is also regarded as a means to promote regional development. Starting in 1997, promoting economic cooperation among member countries has been on the agenda of the regional countries. China has promoted massive infrastructural projects of rail and road transportation with these states, and expects the development and prosperity of the Central Asian economy, which will provide a favorable environment for their economic cooperation.

3. The SCO and China's foreign policy

According to China's foreign strategy, Chinese government vowed to create a sound international environment and favorable external conditions for the country's development and to contribute to the construction of a harmonious world. Under this principle the SCO has become a new test field of China's new foreign policy since its establishment. Almost all the new national concepts and policies presented, such as "the new security perspectives", "the harmonious world", etc, were related closely with the SCO. Further more the SCO and China's policy toward Central Asia are more and more reflecting future development of China's foreign strategy.

The "Shanghai Five" and "shelving differences for joint exploration": Since the breakup of the Soviet Union, China and the former Soviet Central Asia states had signed border agreements on those sections where consensus could be reached, and left those problematic sections to later negotiations. The approach to solving conflicts over border delimitation between China and the Central Asian states has become a model for other states. For example, on the disputes over oceanic resources, China continued to use the resolution of Central Asia border, proposed the principle of "shelving differences for joint exploration" and has reached agreements on joint development of mineral resources with neighbors, including Vietnam and the Philippines.

The SCO and "the Shanghai Spirit": the Shanghai Spirit" of the SCO involves the principles of "mutual trust, benefits, equality, consultation, respecting each other's cultures and seeking common development". The Eurasia boasts diversity in cultural traditions and religious, including Buddhism, Taoism, Islam and Orthodox. Enhanced cultural and humanistic cooperation among the SCO members have provided a platform for dialogues among peoples of different ethnic groups, and make different cultures boom in peaceful context instead of conflicts. It is "the Shanghai Spirit" that not only drives the SCO move forward, but also directs China's relations with other countries and regions as well. "The Shanghai Spirit" helps maintain stability and harmony in the Central Asian region, and contributes to peace in Asia and the world at large.

The SCO and China's multilateral diplomacy: The establishment of "The Shanghai Cooperation Organisation," (SCO) marks a breakthrough in China's diplomacy in Central Asia. The significance of the SCO for China is that it provides China with a security safeguarding mechanism and an institutionalized means for China's engagement in Central Asian affairs, as well as a platform for overall cooperation between China and Central Asian states. Since the establishment of the SCO, China has gradually departed from its traditional isolationist philosophy, and has taken multilateralism as the long-term strategy and will guide diplomatic practice in the next five years. After the SCO, China has joined multilateral cooperation with the ASEAN, the Latin American countries and African nations. China attended the G8 summit meetings concerning climate change in Germany in June last year, and hosted three summits with nations from Africa, central Asia, and Southeast Asia.

The SCO and China's policy of "harmonious world": Harmony means coordination, combination, integration and peace among different elements. It's a reflection of the Chinese people's ethical principles and a basic element of China's modern diplomacy. China regards the SCO as a means of creating of a new harmonious world, the concept of "harmonious region" was first mentioned by president Hu Jintao on the SCO summit meeting last year. Harmony, the ancient Chinese philosophical concept reflected in modern diplomacy, will guide China to achieve stability and prosperity and play a positive role in forming the new international political and economic order.

The SCO and China's "new perspective of security": Some western analysts often misread the SCO's mission as a Central Asian version of NATO. But the SCO, which holds a defense and security principle of fair, open and transparency, will not play as a close military bloc but will advocate for a new concept of security featuring mutual-trust, mutual-beneficial, equality and coordination, it holds a principle of non-alliance, non-confrontation and will not target at any third country or organisation. In fact, The SCO is aimed at enhancing security, trade, cultural, military and justice cooperation among member countries.