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## Beyond Central Asia: the ever-expanding influence of the Shanghai Cooperation Organization

by Jeremy Garlick



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#### **KEY TAKEAWAYS**

- The SCO is expanding beyond its Central Asian heartland southwards and westwards across Asia, reaching the Middle East and North Africa. As a "talking shop", it has achieved relatively peaceful and cooperative relations between its ever-expanding club of members.
- In 2024, Turkey, a NATO member, applied for membership of the SCO, indicating a probable shift by President Erdogan away from a frustrated bid for EU membership to closer ties with China and Russia.
- SCO dialogue partners include Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Bahrain and Qatar. This suggests that these oil- and gas-producing Middle Eastern states are interested in enhancing ties with China and Russia rather than being reliant on political and economic ties with the US and the EU.
- The SCO should be seen as a sister organization of BRICS, enhancing Chinese and Russian influence in the global South, with a particular focus on Asia and the Middle East. As such, it should be taken seriously as a counter to the influence of legacy organisations of the US-led "liberal international order" such as the G7 and NATO.

#### Keywords

Shanghai Cooperation Organization (SCO)

China

Russia

Central Asia

BRICS

Belt and Road Initiative

Liberal International Order



### Introduction

The Shanghai Cooperation Organization (SCO) is well known among foreign policy analysts as a platform for China-Russia cooperation in Central Asia. With roots in the post-Cold War era and a precursor called the <u>Shanghai Five</u> dating from 1996, the SCO served initially to boost Sino-Russian cooperation while dampening down possible regional tensions. The role of the SCO included the aim of building understandings which would transcend ongoing <u>territorial disputes</u> between the Central Asian states which had emerged as national entities from the ashes of the Soviet Union: Kazakhstan, Tajikistan, Uzbekistan and Kyrgyzstan. Reclusive <u>Turkmenistan</u> is not a member but attends summits as a guest.

In 2017, the SCO expanded its sphere of influence into South Asia with the <u>addition</u> of India and Pakistan. <u>Iran joined</u> in 2023 and <u>Belarus</u> in 2024. This gave the SCO not only new footholds in the Middle East and Eastern Europe, but also meant that the organisation contained nations with around <u>80 per cent</u> of the Eurasian landmass, 43 per cent of the world's population and a quarter of global GDP.

Apart from its ten members, the influence of the SCO extends further. A number of states from the global South have the status of either observers or dialogue partners. The two observers are *Mongolia* and Afghanistan. The dialogue partners include all the major Persian Gulf fossil fuel exporters: Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Bahrain and Qatar. The other dialogue partners are Armenia, Azerbaijan, Cambodia, Egypt, Sri Lanka, Myanmar, the Maldives, Nepal, and Turkey. So the SCO has a considerable impact given that leaders from all these economically developing countries can personally attend summits at which Vladimir Putin and Xi Jinping are the central figures. It also seems intended to expand to include more

nations. This stands in marked contrast to the G7, which is a club with fixed membership for developed nations only: Canada, France, Germany, Italy, Japan, the UK, and the US, plus the EU as a "<u>non-enumerated member</u>." While the G7 pointedly excludes global South nations, the SCO seeks to bring them into the fold.

It is surprising, then, that the SCO is not much acknowledged in the Western public sphere. It is more-or-less unknown to the general public in Europe and North America. As an organisation which is obviously a framework for the spread of Chinese and Russian influence through Asia, but also towards other parts of the global South such as the Middle East and Africa, the SCO is clearly a key part of a conscious attempt to construct an <u>alternative</u> to the US-led so-called liberal international order (*LIO*). The LIO is represented by institutions such as the G7, NATO and the International Monetary Fund (IMF). The SCO, alongside the better-known BRICS platform and the Belt and Road Initiative (BRI), is an attempt to construct an alternative set of institutions and arrangements through which to establish, maintain and extend Sino-Russian influence southwards and westwards across the Eurasian landmass. The constant <u>addition</u> of new members, observers and <u>dialogue partners</u> from South Asia, Southeast Asia, the Middle East and North Africa attests to this.

#### The SCO as a cooperation facilitation mechanism

Some observers claim that the <u>SCO</u> lacks a clear purpose, leading to the accusation that it is "<u>ineffective and irrelevant</u>". For instance, is it intended to promote security cooperation or economic integration between the member states? In fact, as with most Chinese-led institutions and initiatives, the SCO has a multi-purpose function. Even against the backdrop of its institutionalised structure, its remit is loose and vague enough to allow evolution over time rather than having a single fixed aim. The SCO's fairly broad remit arguably allows for flexibility and dynamism instead of it being a static framework which is not able to change as circumstances demand.

Within its remit, the SCO includes the *promotion of cooperation* on security, economic and political issues within an expansive envelope for policy discussion and formation. It is intended to smooth the way towards increased collaboration and reduced conflict between its members. The aim is to strengthen interstate ties by persuading members that working together is more profitable than arguing over issues such as disputed borders. The SCO is a multilateral platform upon which the members can build consensus and group together in a new framework outside the Western-dominated LIO.

Although not at first sight obvious because they mostly refer to an absence of events rather than occurrences, there are three clear examples of what the SCO has achieved. First, the mechanism has smoothed out potential troubles in relations between China and Russia in Central Asia. The states of Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan were all part of the former Soviet Union. As such, they can be seen as part of the Russian rather than Chinese sphere of influence. Thus, it might have been expected that increasing Chinese investments in the region would have generated tensions with Russia since they would be seen as competition for influence and resources. Yet even as bilateral trade between China and Central Asia has increased exponentially in the 21 st century, rising from <u>US\$1.5</u> <u>billion</u> in the year 2000 to <u>US\$94.8 billion</u> in 2024, no such <u>tensions</u> have arisen.

This negative outcome – an absence of conflict – supplies evidence that discussions between the leading members of the framework have averted possible misunderstandings by easing Russian fears about a potential Chinese takeover. Russian and Chinese perspectives on the region are certainly not identical: China's involvement in Central Asia leans towards <u>economics</u>, while Russia focuses above all on <u>geopolitics</u> and security. Be this as it may, the two sides have managed to find ways to overcome their differences and promote "<u>win-win</u>" outcomes. As a European Parliamentary <u>briefing</u> puts it, "The SCO's main achievement thus far is to have offered its members a cooperative forum to balance their conflicting interests and to ease bilateral tensions."

The second achievement is that relations between the Central Asian states that were formerly part of the Soviet Union have been somewhat fraught since they obtained independence. Borders have been continuously disputed, with armed clashes between border guards breaking out on a number of occasions. For instance, Uzbekistan, Tajikistan and Kyrgyzstan have <u>exclaves</u> inside each other's territory. But, presumably partly due to regular discussions at the SCO under Chinese and Russian guidance, minor clashes have never escalated into larger conflicts. The SCO has played at least a contributory role in easing tensions between the Central Asian states.

Third, and most important from China's point of view, bringing the Central Asian leaders onside has reduced the risk of Uyghur separatist movements gaining traction in the Xinjiang Uyghur Autonomous Region. Since 2014, when *separatist violence* appeared to be increasing amid attacks on Han Chinese by members of the East Turkestan Independence Movement (*ETIM*), the Chinese government has *cracked down*. And a major part of China's intensified security efforts has been focused on ensuring that ETIM and other separatist factions lack support from the territory of Xinjiang's Western neighbours. Due to discussions at the leadership level, China has been able to secure its borders with Kyrgyzstan and Tajikistan. *Chinese troops* have even been deployed inside its neighbours' borders without creating much rancour or drawing much attention.

Of course, the addition of India and Pakistan intensifies the security headaches facing SCO leaders, leading some to opine that admitting the nuclear arch-rivals was a <u>mistake</u> on China's part. Nevertheless, seeking to overcome entrenched territorial disputes and security issues through diplomatic means adheres to the core goals of the organisation – and to China's

long-term goal of establishing a global <u>Pax Sinica</u>. This effort at "<u>harmonisation</u>" is to be based on the spread of purportedly benevolent Chinese influence outwards from its Chinese core, through Central Asia, and then southwards and westwards across the global South.

#### Complex interdependence: economics and institutions

Of course, beyond security goals there is the aim of enhancing economic cooperation between the member states. In particular, from China's point of view, Central Asian resources such as oil and natural gas are crucial for China's continued rise. Oil and gas *pipelines* constructed over the last two decades snake their way from *Turkmenistan* across Uzbekistan and Kazakhstan through Xinjiang to the main industrial and population centres in eastern China. China is now Turkmenistan's main export market for its natural gas. Chinese state energy companies have invested in the exploitation of fossil fuels across the region, and also in *mining operations* such as gold and silver mines in Kyrgyzstan.

Institutional arrangements and cooperation platforms are also important. Economic cooperation is conducted within the overarching umbrella of the BRI, which is supposed to connect to Russia's Eurasian Economic Union (*EAEU*). The EAEU has Armenia, Belarus, Kazakhstan and Kyrgyzstan as members. Even if Russia's version of the BRI lacks substance, it is still an indication of the economic and political synergies intended to be achieved between China and Russia. In this context, the SCO acts as an annual *talking shop* for resolving difficulties and smoothing out relations.

In this task, the SCO – which is essentially a forum for national leaders in which they can discuss cooperation and resolve problems – complements a range of other Chinese-initiated institutions and platforms. These include of course other summit-based forums such as BRICS and broad initiatives such as the BRI, but also institutions such as the Asian Infrastructure Investment Bank (*AIIB*), whose aim is to build infrastructure projects in global South countries. Alongside the SCO in Central and South Asia, other regions have their own multilateral cooperation platforms: for instance, there are the China-Arab States Cooperation Forum (*CASCE*) and the Forum on China-Africa Cooperation (*EOCAC*).

Overarching all of these are three loftily-framed global initiatives: Xi Jinping's Global Development Initiative (GDI), Global Security Initiative (GSI), and Global Civilisation Initiative (GCI). These were introduced in 2021, 2022 and 2023 respectively. The GDI, GSI and GCI are indicative of the Chinese government's aims in the Xi era: like a three-pronged instrument, they aim at achieving economic and security cooperation within a framework of peaceful cooperation based on economics (development), military power (security), and harmony of interests between states with distinct historical and cultural traditions (which is what is intended to be inferred from the word "civilisation"). Cooperation is to be achieved through economic, security and institutional cooperation, facilitating a form of complex interdependence

within which relations between participating countries become steadily less confrontational and more intertwined. In this sense, the SCO, which preceded everything else, is one of the earliest manifestations of the Chinese vision of globalisation, as well as a standard-bearer for that vision going forward.

#### Turkey, Indonesia, and other fence-sitters

It is not surprising that Iran and Belarus joined the SCO. Iran is seen as a <u>rogue state</u> by the US and Europe, while Belarus is obviously aligned with Russia, not least in its war with Ukraine. However, nothing similar can be said about others who are flirting with the organisation such as Saudi Arabia, Egypt, Turkey and Qatar.

Turkey is an interesting case in that it has long been a NATO member. It has also been seeking EU membership for about two decades. Since the foundation of the <u>Turkish Republic</u> under the reformer Mustafa Kemal Atatürk, the nation has leaned to the West. Now, however, seemingly frustrated at the lack of attention from the EU, it seems that current president Recep Tayyip Erdoğan may be turning his Republic of Türkiye <u>eastwards</u> – or at least hedging his bets. In an interview with <u>Newsweek</u>, Erdoğan stated that he does not consider the question of Turkey's simultaneous membership of NATO and SCO to be problematic.

In 2023, oil titan Saudi Arabia joined the SCO as a "<u>dialogue partner</u>", suggesting that it may be moving away from the West, while still retaining ties with the US and Europe. The same kind of fence-sitting behaviour may be observed in other Persian Gulf fossil fuel exporters such as Kuwait, the UAE, and Qatar, all of whom are also dialogue partners. However, the simple fact that the whole Persian Gulf group is <u>edging eastwards</u> is indicative of the impact of meetings with Chinese representatives in the CASCF and of growing ties with China and Russia rather than just the West.

Lastly, it should be mentioned that <u>Indonesia joined BRICS</u> on 6 January 2025. Indonesia, unlike its Southeast Asian neighbours Cambodia and Myanmar, is not an SCO dialogue partner. Yet its growing <u>economic ties</u> with China and the BRICS membership explain why another long-term hedger now has one foot in the Sino-Russian camp. Time will tell if Jakarta decides to become a dialogue partner of the SCO – but it would not be much of a shock if it did.

### Conclusion

The SCO has been in existence for almost three decades. In that time, it has served as a talking shop to promote cooperation and resolve conflicts between China, Russia and the Central Asian states. Its relative success needs to be measured in terms of what has not happened (the possibility of armed conflicts or at least notable tensions between the members has been averted) as much as what has happened (for instance, increased Chinese investments and

security cooperation in Central Asian states). Latterly, the SCO has expanded to include India, Pakistan, Iran and Belarus, indicating that participating in it is attractive to other potential members.

The intention seems to be to expand even further. The list of dialogue partners and potential members is ever-increasing. Whether this is going to dilute or enhance the effectiveness of the platform as a cooperation builder remains to be seen. Nevertheless, despite the <u>reserva-</u><u>tions</u> of some observers, the SCO seems to have a major role to play as part of China's alternative international architecture of institutions, platforms and initiatives. As an institution promoting global South cooperation, the SCO complements BRICS, the BRI, the EAEU and other regional cooperation platforms such as the CASCF and FOCAC. In fact, the SCO preceded all of them, even serving as a model for their creation.

In short, it would be dangerous to discount or underestimate an organisation containing nations whose populations and territory dominate the Asian landmass. The fact that the organisation seems to stand as a counter to the influence of the US-led liberal international order and its legacy organisations such as the G7 and NATO means that it needs to be studied and taken seriously, whatever <u>weaknesses</u> are apparent to its critics.



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