

## THE SHANGHAI COOPERATION ORGANIZATION: IS IT A PAPER TIGER OR THE BIRTH OF A DRAGON?

*By Lieutenant Colonel (ret.) Renaud FRANCOIS  
Research Associate at ESISC*

It would appear that the annual summit of the Shanghai Cooperation Organization (OCS) last year in Bishkek, Kyrgyzstan on August 16 marked an important turning point in the geopolitical evolution of the countries of Central Asia. Following this summit, many specialists of the region mentioned the emergence of a geopolitical bloc, going so far as to envisage the birth of an 'Asiatic NATO.'<sup>1</sup> There is still quite a long way to go on the path of political, economic and military union for us to speak reasonably of a geopolitical bloc. But the keys to success of this ambitious and audacious project lay in the hands of the two principal actors of this organisation, Russia and China.

Prior to the summit, the permanent Member States of this organisation arranged a very large multinational military exercise among their armies. This exercise, code-named 'Peace Mission, 2007,' proves both by its scale (more than 4,000 participants, 500 combat vehicles and more than 80 aircraft) and in terms of its geographic dimension (held successively in China and in Russia), the growing importance of the OCS on the Central Asian geopolitical terrain. What significance are we to give to this exercise? Is this organisation on the point of transforming itself into a Eurasian counterweight to NATO? Such are the questions which arose at the end of this summit. In a longer time frame and in the context of bilateral Russian-Chinese relations, one should consider its future. It is also necessary to consider whether the energy sector is in the process of overtaking economic cooperation and the anti-terrorist struggle.

### 1) A brief history of a very young<sup>2</sup>

The Shanghai Cooperation Organization is an international organisation whose Member States are China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. It was officially born on June 15, 2001, during a summit in Shanghai which ended with the signing of an agreement for the 'fight against terrorism, separatism and extremism.'

<sup>1</sup> [http://www.atimes.com/atimes/Central\\_Asia/IH25Ago1.html](http://www.atimes.com/atimes/Central_Asia/IH25Ago1.html)

<sup>2</sup> <http://www.sectsco.org/html/00035.html>

## **- Objectives**

The objectives set out by the OCS are ambitious. These are neither more nor less than ‘to reinforce mutual trust, good neighbourly relations and friendship among the member countries, to promote cooperation in the political, economic, commercial, energy, cultural, scientific and technological domains.’ Other objectives are ‘to coordinate the common efforts for the purpose of maintaining and ensuring the peace, security and stability of the region and to establish a new international political and economic order based on democracy and justice.’ The coordination among the ministries and departments concerned is entrusted to a Council of national coordinators.

## **- Changes and results**

During the very first meeting of the heads of government on September 14, 2001, the OCS adopted a Protocol of Agreement dealing with the guidelines and main objectives of regional economic cooperation. Also during this meeting the decision was taken to create a mechanism for regular meetings of the heads of government.<sup>3</sup>

At the annual gathering the following year in St Petersburg on July 7, 2002, the heads of state adopted the charter of the OCS. Along with this, they signed an accord on the regional anti-terrorist structure.

On September 23, 2003, in Beijing, the heads of government ratified the multilateral programme of economic and commercial cooperation. They defined the principal goals of economic cooperation and, on the commercial level they set the conditions for free circulation of goods, capital and services for the two decades to come. The very first budget for the year 2004 was also adopted in the course of this summit.

In January 2004, the secretariat of the OCS was set up in Beijing and the anti-terrorist regional structure was established in Tashkent, Uzbekistan. It was also in the Uzbek capital that the 2004 summit introduced the status of OCD ‘*observer*.’<sup>4</sup> Mongolia was the first country to be accorded this status, which was later granted in 2005 to India, Iran and Pakistan. During the 2005 summit, the decision was taken to put in place permanent representatives within the secretariat and in the anti-terrorist structure.

Finally, it was in Shanghai in 2006 that the Kazakh Bolat Nurgaliev was elected to the post of Secretary General and that the post of Director of the Executive Committee of the anti-terrorist structure went to the Kyrgyz Myrzakan Subanov.

## **2) The ‘Peace Mission, 2007’ exercises**

In the days preceding the annual summit of 2007, the OCS prepared a large-scale multinational military exercise of its armies code-named ‘*Peace Mission, 2007*.’

---

<sup>3</sup> Besides the council of the heads of state and the council of the heads of government, the OCS instituted mechanisms for regular meetings at the ministerial level (Ministers of Foreign Affairs, Defence, Justice, the Economy, Transport, Education and Health), parliamentary level (presidents of the Parliaments), judiciary (general state prosecutors and presidents of the supreme courts) and at the level of national coordinators.

<sup>4</sup> There are three categories of countries in the OCS: the ‘*member*’ countries, the ‘*observers*’ and the ‘*special guests*.’ The decision to grant the status of ‘*observer*’ is taken by the heads of state in the course of their annual summits. The list of ‘*special guests*’ is left to the discretion of the authorities of the country hosting the summit. The President of Turkmenistan, Gurbanguly Berdimuhamedov, and Hamid Karzai, the Afghan President, participated in the 2007 summit as ‘*special guests*’ of the Kyrgyz President, Kurmanbek Bakiev.

For the Member Countries of this organisation, who participated at very different levels, this was the first time they had the opportunity to take part in such an exercise. The previous exercises had been held at lower levels. Thus, in 2005, China and Russia participated in a bilateral exercise code-named 'Peace Mission, 2005,' to which the other members were invited as observers.

'Peace Mission, 2007<sup>5</sup>' was held from August 9 -16, 2007 in two stages. The first was in Urumqi, capital of the Chinese Autonomous Province of Xinjiang, and the second had as its terrain for manoeuvres the Russian city of Chelyabinsk, in the Urals.

One of the main scenarios of this exercise was the staging of the retaking of a city which has fallen into the hands of terrorists. This kind of scenario, developed by the Russian general staff, was inspired by the events of Andizhan in 2005, which, as we recall, led Westerners to put Uzbekistan on the banned list of nations. This scenario above all allowed the OCS to show how it conceives of its role in the matter of collective security.

Around 500 Russian and Chinese combat vehicles and nearly 7,000 soldiers – 4,700 Russians (from the 34<sup>th</sup> infantry division and the 76<sup>th</sup> air division) and 1,700 Chinese soldiers – two companies flown in from Tajikistan and from Kazakhstan (with a hundred men each), and a section of assault paratroopers from Kyrgyzstan took part in this exercise.<sup>6</sup> Uzbekistan contributed a group of officers from its general staff. As regards aviation, China placed 46 aircraft at the disposal of the exercises (essentially transport planes of the *IL-76*<sup>7</sup> type and eight *JH-7A*<sup>8</sup> fighter bombers). Russian aviation was present with 36 aircraft, including some *Su-25*<sup>9</sup> and *Mi-8*<sup>10</sup>, *Mi-24*<sup>11</sup> and *Mi-28N*<sup>12</sup> helicopters.

After allaying fears that could be aroused by the rise in power of the OCS and reassuring other countries, nearly 80 military attachés and 400 journalists, essentially non-Western, were allowed to attend this exercise. At the level of operational headquarters, it was possible to study, to break in and to standardise the process of taking decisions.

Since then, China (with units of military police) and Russia (with operational units from the Ministry of Interior) performed 'Cooperation 2007' on the basis of the principles of the OCS and of bilateral accords. This exercise in counter-terrorism lasted three days and took place at the start of September in Moscow.<sup>13</sup>

### **- What significance should we accord to this type of exercise?**

In an article in the *Guardian*<sup>14</sup>, Simon Tidsall sketches a response, citing Pavel Felgenhauer, a well-known analyst in matters of Russian defence, who believes that '*relations between Russia and the West do not stop deteriorating, and that Moscow is therefore constrained to*

---

<sup>5</sup> [http://www.kommersant.com/p793960/r\\_527/Shanghai\\_Maneuvers/](http://www.kommersant.com/p793960/r_527/Shanghai_Maneuvers/)

<sup>6</sup> Idem.

<sup>7</sup> The Ilyushin *IL-76* is a four-engine jet transport plane, middle range, designed in the Soviet Union beginning in 1967.

<sup>8</sup> The *JH-7* (*Jianji Hongzha-7* or *JianHong-7*), better known as the *FBC-1* 'Flying Leopard,' is an 'all weather' fighter bomber. It has been produced by China since the beginning of the 1980s.

<sup>9</sup> The Sukhoi *Su-25* is a ground-attack plane for close air support and anti-tank attack developed by the USSR in the 1970s.

<sup>10</sup> The *MI-8* is a Russian transport helicopter which entered service in 1967. The *MI-8* is the most produced helicopter in the world. It has been in use in more than fifty countries.

<sup>11</sup> Derived from the *MI-8*, the *MI-24* is a mixed-use helicopter for attack. It entered service in 1972. It has a medium transport capacity.

<sup>12</sup> The *MI-28 N* is an attack helicopter and anti-tank helicopter that also entered service in 1972. It was derived from the *MI-24*, but does not have any transport capacity.

<sup>13</sup> <http://fr1.chinabroadcast.cn/181/2007/09/01/43@146312.htm>

<sup>14</sup> <http://www.guardian.co.uk/world/2007/aug/10/russia.simontisdall>

*seek allies and to promote the OCS as an alternative to NATO. For this purpose, the Peace Mission, 2007 exercise fully plays its role as a motor.'*

In order to fully understand the meaning of the 'Peace Mission, 2007' exercise, you have to place it in a military and security context that is undergoing complete change. There is no basis for stating with certainty that the OCS is seeking to form a military bloc. On the other hand, an exercise of this type sends a very clear signal to Westerners: the OCS now believes it is able, legitimately and effectively, to handle crisis situations in Central Asia. Such a message is also intended to encourage the Central Asian leaders to free themselves somewhat more from the support and the influence of the United States and its allies in NATO.

### **- A warning shot over the bow...**

The Russian daily *Kommersant*, in an article with the explicit title '*Maneuvers to outflank United States*',<sup>15</sup> considers this exercise and the summit which followed it to be a concrete expression of Russian efforts to counter the United States on all fronts: on the Central European front, with the affair of deployment of the American missile defence shield, and on the front of Central Asia, where Moscow would like to see the departure of the American troops still present.

### **- ... or a simple regional alternative?**

The conciliatory statements coming from Beijing give substance to the idea advanced by Naazneen Barma, Ely Ratner and Steven Weber in their study entitled '*A World Without the West*.'<sup>16</sup> According to them the emerging powers of Central Asia are seeking to create an alternative international order which '*gets around*' Washington and thus allows them to have to choose between integration and opposition. Chen Hu<sup>17</sup>, the editor-in-chief of the Chinese review *World Military Affairs*, would like to be reassuring. He insists that '*Peace Mission, 2007 is not directed against any country and does not involve the creation of a military alliance*.' He describes the OCS as a regional security organisation of a new kind which is in no way directed against Washington. It simply renders obsolete the traditional vision of balance of forces between world powers.

As Simon Tidsall notes '*no one within the OCS, least of all China, which is preparing to host the Summer Olympic Games, is seriously seeking confrontation with the West*.' One of the theses of analysts writing in *National Interest*, rests on the idea that the countries which choose to distance themselves from the West opt for a moderate line. With the support of this idea, they cite the example of India, an observer country, which wishes to prioritise commercial and economic cooperation within the OCS while remaining carefully outside any political, strategic or military alignment with the six Member States of the organisation.

### **- Decline of American influence**

Even if India and, to a lesser extent, China have no interest in confrontation with the West, the emergence of the OCS signifies very clearly that the United States has lost, or is in the process of losing, its status as the unavoidable nation in this region of the world.

Would the American authorities be more inclined to cooperate with Beijing and Moscow for the sake of stability of the region if NATO vacillates in Afghanistan and if the European Union cannot or does not want to play the role that the former advisor to President Carter, Zbigniew Brzezinski, envisaged for it, namely to be the '*true partner of the United States*'? M. K. Bhadrakumar, former ambassador of India to Uzbekistan, doubts this very much in his

---

<sup>15</sup> [http://www.kommersant.com/p793960/r\\_527/Shanghai\\_Maneuvers/](http://www.kommersant.com/p793960/r_527/Shanghai_Maneuvers/)

<sup>16</sup> <http://www.nationalinterest.org/General.aspx?id=92&id2=14798>

<sup>17</sup> <http://english.peopledaily.com.cn/90001/90780/91342/6234931.html>

article published in *Asia Times Online*.<sup>18</sup> He thinks that *'the United States will feel itself too uncomfortable to agree to share, however little, its role within a team. This does not suit its unipolar geo-strategic doctrine, nor its position as sole superpower.'*

Whatever the case, we are certainly witnessing the first developments of the thesis of a *'world without the West.'*

### **3) The Summit of Bishkek**

At the sides of the six heads of state of the Member Countries, one could note, regarding the observer countries, the presence of the heads of state of Mongolia and Iran, the Minister of Foreign Affairs of Pakistan and the Indian Minister of Energy. The Presidents of Turkmenistan, Gurbanguly Berdimuhammedov, and Afghanistan, Hamid Karzai, also took part in the summit as special guests.

Two important documents were signed during this summit: the Declaration of Bishkek,<sup>19</sup> which defines the priorities and the future challenges facing the OCS, and the Treaty of Good Neighbours, Friendship and Cooperation. Apart from statements of good intentions making reference *'to the desire of the peoples of the Member Countries to ensure friendship for the future generations and to guarantee permanent peace,'*<sup>20</sup> we do not know much about the subject of this treaty, which has not yet been published. In this analysis, we will only deal with the Declaration of Bishkek. Otherwise, the heads of state announced there would soon be the signing of a Protocol of Agreement between the secretariat of the Organisation of the Treaty of Collective Security (OTSC), a treaty within the framework of the Community of Independent States (CIS), and the secretariat of the OCS. This protocol of agreement was announced several days before by the secretariat of the OTSC.

#### **- the Declaration of Bishkek**

Though the summit was principally focused on the fight against terrorism, extremism and separatism, as well as military, cultural and economic cooperation, it seems clear that issues of security and cooperation in the energy domain were at the centre of the concerns and ulterior motives of the participants.

The Declaration of Bishkek places the emphasis on the energy aspect by reminding us that the representatives of the Member States insisted on *'the important role of the energy sector as a factor of stable economic development'* and that they expressed *'their wish to concentrate all their efforts in this direction.'* Even though no major decision was taken with regard to the creation of an *'energy pole,'* it appears very obvious that the future interactions of the Member States are going to be articulated around the energy question. This does not mean, however, that military and security problems are relegated to second rank. It simply indicates that the OCS is adding a string to its bow and is enlarging its range of actions.

Despite the absence of some solemn declaration of the kind that ended the 2005 summit in Astana when the heads of state called for the departure of American troops from countries where they have facilities to support operations in Afghanistan, the final declaration of this summit, the *Peace Mission, 2007* exercise and the events which followed provide a precious indication of the present dynamics of the OCS. In a very understandable pragmatic manner, the OCS is revolving around the concepts of counter-terrorism and economic development. But it also is tilting strongly towards the energy domain, a vital problem of national security

---

<sup>18</sup> [http://www.atimes.com/atimes/Central\\_Asia/IH25Ag04.html](http://www.atimes.com/atimes/Central_Asia/IH25Ag04.html)

<sup>19</sup> Declaration of Bishkek : [www.sectesco.org/html/01753.html](http://www.sectesco.org/html/01753.html)

<sup>20</sup> [http://www.chinadaily.com.cn/china/2007-08/16/content\\_6030453.htm](http://www.chinadaily.com.cn/china/2007-08/16/content_6030453.htm)

for Russia and China. These are the issues in which Russia and China have common interests but also where there are convergences that are potentially a source of conflict.

### **- The OCS-OTSC rapprochement**

Announced in Bishkek, this protocol of accord between the secretariats of the two organisations was signed on October 5, 2007 in Dushanbe. It defines their domains of cooperation (security and regional stability, counter-terrorism and the fight against drugs and arms trafficking, as well as against organised crime).<sup>21</sup> It also specifies the mechanisms for consultations and sharing information, and it establishes programmes of activity in common.

This accord appears to constitute an important development in the Eurasian strategic space. Its signing signifies that China is joining the club that was formed in 1992, alongside Belarus and Armenia and all the other Member Countries of the OCS. It comes just as Moscow decided on July 14 to suspend its participation in the Treaty on Conventional Armed Forces in Europe (CFE), the first treaty of its kind signed after the end of the Second World War. The Russian political analyst and the advisor to President Vladimir Putin this time did not beat around the bush<sup>22</sup> : *'If the position of Moscow is ignored, Russia will clearly be obliged to build its own system of security and to do so with the States prepared to cooperate with it in this area, without waiting for anyone – not NATO, nor the United States, nor the EU.'* Making reference to what the Russians consider to be *'implacable encirclement,'* he justifies this withdrawal by putting the responsibility for it on the European countries and non-European initiators of what, in his view, is the mad arms race that is in the process of unfolding in the Caucasus and on the perimeters of the Black and Caspian Seas. For him, the logical conclusion of Russia's withdrawal from the CFE treaty leads inevitably to the establishment of a *'new contractual equilibrium.'* The OTSC and OCS rapprochement evidently seems to be the first manifestation of this new equilibrium.

### **- What learnings can be drawn from this summit?**

Following on the summit of Bishkek, one may note that the rapid institutionalisation of the OCS fills a void in the area of inter-state relations. One can also state that the OCS suffers from constraints, frictions and paradoxes. One of the arguments that is most often advanced is to say that the OCS lets Russia monitor and regulate Chinese engagement on the territory of Central Asia, while China profits from a forum in which it counts on legitimising its engagement in the same territory. There is thus on the one hand Russia, obsessed with its security concerns, and, on the other hand, China which is more concerned with satisfying its immense energy needs arising from its exponential development.

The presence of Gurbanguly Berdimuhammedov, the Turkmenistan President, constituted a first and the two energy accords of major importance signed by China with Kazakhstan and Turkmenistan two days after the summit, prove the complexity of the OCS. These accords openly encroach on the preserve of Russia. The first ratifies the launch of the last section of the Chinese oil pipeline project that opens to Beijing the path of resources from the Caspian. The second is more significant. It provides for the construction of a gas pipeline between Turkmenistan and China which, once in service, will make a tangible dent in the Russian monopoly on Central Asia gas resources.

Energy can rapidly appear as one of the potential sources of differences of opinion between the two major powers of the OCS. We will remember that it was at the summit Bishkek that the problems of energy security made a visible entrance.

---

<sup>21</sup> [http://www.dailytimes.com.pk/default.asp?page=2007%5C10%5C06%5Cstory\\_6-10-2007\\_pg4\\_3](http://www.dailytimes.com.pk/default.asp?page=2007%5C10%5C06%5Cstory_6-10-2007_pg4_3)

<sup>22</sup> [http://www.agoravox.fr/article.php3?id\\_article=27313](http://www.agoravox.fr/article.php3?id_article=27313)

#### **4) Conclusion**

The summit of Bishkek allows us to confirm the recent evolution of the OCS. In its beginnings it was a more or less disparate gathering of independent states constituted as a club of dictators desirous of promoting trade and exchanges in Central Asia. It now embodies an important aspect of regional geopolitics and exercises a strong power of attraction over countries like Iran, Mongolia and Pakistan.

##### **- A slowing enlargement**

For the second year in a row, the annual summit of heads of state concluded with a *status quo* in the matter of enlargement, both in terms of permanent members and in the club of observer countries. The OCS does not seem ready to integrate new members, with the notable exception of Turkmenistan. Gurbanguly Berdimuhamedov, President of Turkmenistan, has in fact said that his country is ready to re-examine its decision to remain outside this organisation. No one seems to want to question their joining. Of the four observer countries, Turkmenistan is in fact the only one to be a Central Asian state.

Aside from this possibility, there is slight chance we will see any other observer state follow suit. This is essentially due to the formidable disparities in terms of population, size, military power and economic resources which have, up to present, weighed heavily on the introduction of effective measures of cooperation. The OCS cruelly lacks internal consistency and does not have capabilities similar to those of institutions such as NATO or the EU, whose members share a common ideal – a strong attachment to democratic principles – and to common security concerns. Problems of harmonisation in the legislative domain and in rules and standards have constantly delayed the application of numerous accords signed in the framework of this organisation.

##### **- What does the future hold for the OCS ?**

The future of the OCS can be reasonably envisaged along two vectors. One, for internal use, is focused on bilateral relations: sales of arms, security, economy and energy – between China and Russia and their respective Central Asian partners. The other, for external use, is principally directed at the United States but also the European Union, which aspires, in the energy domain, to play a significant role in Central Asia. Paradoxically, the direct interests of the United States and of the EU in Central Asia reinforce the Sino-Russian rapprochement in a domain where Russia and China in reality have few common interests to share.

It is otherwise evident that, facing the present situation in Afghanistan, the OCS must grudgingly accept the perpetuation of the American presence in the air base at Manas in Kyrgyzstan. The OCS is fully aware of its present inability to guarantee on its own the security in Central Asia if the situation were to deteriorate along the border areas with Afghanistan. Despite the opposition of the Kyrgyz population to the continuing American deployment, the discontent displayed by the Chinese, Uzbek and Russian authorities, the military base at Manas is still used by the American forces. The annual rent of \$20 million (it was \$2.5 million in 2005) and the subsidy of \$130 million<sup>23</sup> that the American Administration pays, are not enough to explain the refusal of President Bakiev to sign the decree on expulsion passed by the Kyrgyz Parliament.

The refusal has to be explained by the lack of credibility of the OCS in security matters. The continual pursuit of an American presence in Central Asia cements the cohesion of the OCS, while conflicts of interest in the energy sector constitute a factor of division among its principal actors. With Kazakhstan less aligned and Turkmenistan more inclined to follow its

---

<sup>23</sup> <http://www.rferl.org/featuresarticle/2006/7/E3860137-FoFC-45AD-AD3B-19A892C2132A.html>

own path, the future Russian President and *Gazprom* have their cares to look after. It is all the more disturbing that most of the energy contracts have to be renegotiated by 2010-2011.

### **- Energy at the heart of all the problems to come**

It seems that the energy questions should constitute a particularly promising domain for cooperation with other countries that are not members. Russian Minister of Foreign Affairs Sergei Lavrov has said that the doors of the '*energy club*' in formation were open to the petroleum and gas companies of the observer countries. Iranian President Mahmud Ahmadinejad made known his interest in entering such a club. The same was true of Pakistan, whose Minister of Foreign Affairs, Khurshid Kasuri, reconfirmed the interest of his country in participating in regional energy cooperation. Even India, which has held back from the political and security initiatives of the OCS, seems to want to get involved in the organisation of meetings on the subject of energy. It is no coincidence that for the second year in a row it was represented at this summit by its Minister of Energy, Murli Deora.

It is not certain that the United States and the European Union will soon be driven out of Central Asia, but their possibilities of action and their freedom of movement will nonetheless be reduced to the extent that the OCS gains breadth and self-assurance. The many American and European special envoys who, following the summit, visited the region, indicate clearly that Washington and Brussels have not lost all hope of continuing to be involved actively in Central Asian affairs.

**Copyright© ESISC 2008**

[www.esisc.eu](http://www.esisc.eu)