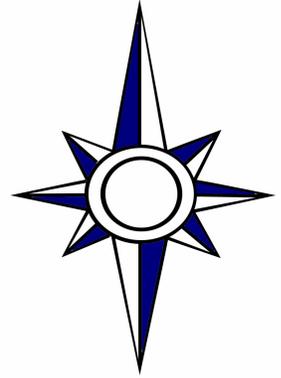


Comparative Connections

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China-Russia Relations: SCO Five Years On: Progress and Growing Pains

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Five years after its inception, the Shanghai Cooperation Organization (SCO) held its sixth summit meeting in Shanghai in mid-June to celebrate its steady growth as a “mature” regional security body. In many respects, the SCO is also at a crossroads at both operational and philosophical levels: achieving internal cohesion without interfering with member states’ internal affairs, and increasing its international profile without appearing intrusive, at least in the eyes of the U.S. While the key for the SCO’s sustainability is a stable Sino-Russian “strategic” partnership, Moscow and Beijing in the second quarter worked hard to coordinate their respective approaches to the Iranian nuclear issue, both inside and outside the SCO framework.

The SCO summit

The one-day SCO summit in Shanghai June 15 appeared to be business as usual. It featured roundtable sessions and formal speeches by heads of states of members and observers. This was followed by the official signing of the Declaration on the Fifth Anniversary of the SCO, one of the 10 documents endorsed at the summit.

Among these agreements were a document for international information security, a resolution on fighting terrorism, separatism, and extremism from 2007 to 2009, an agreement on joint antiterrorism actions among member countries, and an agreement on cutting off the infiltration channels of terrorists, separatists and extremists. The summit also approved Bolat K. Nurgaliyev (from Kazakhstan) as secretary general from 2007 to 2009.

Judging from the language of the documents paraded before the SCO heads of states, the regional security group seemed to be at the threshold of a higher level and more comprehensive stage of development. In their formal speeches, the heads of states recalled the previous five years with a considerable level of confidence, while envisioning a more promising, albeit challenging, future for the regional security group. There was, however, a sense of uneasiness regarding both the current and future orientation of the SCO.

Chinese President Hu Jintao recognized the difficulties and challenges facing the SCO, particularly the destabilizing activities and forces (the “three evils”: terrorism, separatism,

and extremism), poverty, drug trafficking, etc. He therefore called for stepping up coordination among SCO member states in regional and international affairs, particularly in intelligence sharing and joint anti-terror operations. In addition to security issues, Hu highlighted the need for actions on economic development, humanistic exchange, and striving for a more just and democratic international order.

Russian President Vladimir Putin proposed initiating a multilateral agreement between the SCO member states that would express “common responsibility for the region’s fate.” For that goal, the SCO defense ministries should be more actively engaged in combating terrorism and extremism. The Russian leader also spoke in favor of setting up a coordinating mechanism to combat drug trafficking and invited the relevant agencies to conclude such an agreement “as soon as possible.”

Despite their different takes on the SCO’s problems, both Hu and Putin seemed ready to push the organization to develop more capable security mechanisms for regional stability and more effective policy coordination on major regional and international issues. Indeed, both initiatives – Hu’s call for a multilateral legal document on long-term good-neighborly relations, friendship and cooperation, and Putin’s suggestions for a study on establishing a regional conflict prevention mechanism within the SCO framework – were written into the summit declaration (Section IV. Regional Stability).

SCO growing pains

At its fifth anniversary and 10 years after the initiation of its predecessor the Shanghai Five, the SCO is on the fast track to develop an institutional network. Two weeks before the annual summit in Shanghai, the SCO kicked off its first parliamentary speakers meeting in Moscow. In the economic area, the SCO Business Council and its Interbank Association were inaugurated on the eve of the summit in Shanghai. The potential to create more inter-governmental coordinating mechanisms seems unlimited as the SCO members are willing and able to move into cultural and humanistic exchanges and given the perceived need for outreach to more international organizations, as envisioned by the summit declaration. (Sections II and III).

Despite its tremendous achievements, the regional security organization faces difficult choices. At the operational level, the SCO needs to translate many of its declared principles and approved policies into specific and effective policies. Obviously, implementation takes time, and some of these goals will be reached eventually. At the more philosophical level, however, the SCO seems to be at a crossroads with more difficult, if not impossible, alternatives ranging from:

- maintaining a group of equal partners and being an effective instrument for the purpose of security and development;
- balancing the principle of noninterference in internal affairs of member states and the imperative of the SCO’s security and stability as a whole;

- reaching out to new member states and linking with other multilateral groups, and the anticipated complications in decision making and policy implementation; and
- deflecting, if not resisting, U.S. pressure collectively while engaging with the lone superpower individually, etc.

These issues and dilemmas are not new. A few months after its birth (June 2001), terrorist attacks in the U.S. led to the U.S. strategic return to Central Asia, including establishing a military presence in several SCO member states, and the “eclipse” of the new regional organization, at least for the time being. Perhaps the SCO’s biggest achievement is the fact that it survived the “paradigm change” of international relations after Sept. 11, and then emerged with more elaborate institutions and even enlarged with several observer members.

The development, however, reveals two tasks or dilemmas at the operational level. One is how to balance the need for regional stability and maintaining the principle of non-interference in the domestic affairs of the member states. In 2005, several member states were severely affected by the “color revolution,” while the SCO as an institution remained on the sideline. Although certain SCO members (Russia and China) later reacted to the perceived deterioration of the situation individually with either political-security means (from Russia) or economic measures (from China), their approaches were limited by the very principles of equality and non-interference. The same principles may also lead to complications and/or inaction when SCO member states experience instability and upheavals in the future, with or without foreign factors.

In these not-unlikely scenarios, doing nothing remains a choice, but at the expense of the SCO’s integrity and credibility. The likely outcome may not be terribly negative if Russia and China continue to maintain consensus and coordinate approaches. Before the SCO develops its own crisis management principles and rapid reaction mechanism, cooperation between Moscow and Beijing remains an indispensable “anchor” for the SCO.

The second dilemma for the SCO is the U.S. Although the U.S. after Sept. 11 maintained a military presence in some SCO member states (Kyrgyzstan and Uzbekistan), the SCO, which covers a vast area of the Eurasian continent, is the only regional security organization without direct U.S. participation. Meanwhile, each of the SCO’s member states prefers to have a normal working relationship with Washington. For these reasons, among others, relations with the U.S. remain the most delicate and sensitive issue for both the SCO as a whole and for individual member states. The SCO’s current relations with the U.S., therefore, are ambiguous at best. This state of affairs may also reflect disagreement within the SCO. Nonetheless, SCO members may have to work out a way to “engage” Washington. Absent this, Washington remains suspicious of the intention of the SCO.

Iran and SCO

While the U.S. is a long-term issue for the SCO, the presence of Iranian President Mahmoud Ahmadinejad at the Shanghai summit was guaranteed to upset Washington.

The U.S. defines Iran as a “terrorist” state. The timing of Ahmadinejad’s visit to Shanghai, too, was also an irritant for Washington because the “5+1” talks (five permanent members of the UN Security Council plus Germany) offered in early June a package of incentives for Iran, including assistance in developing a peaceful nuclear program (guaranteed deliveries of light-water reactors and fuel for nuclear power stations and to carry out uranium enrichment activities in its own country). In exchange, Iran had to stop its ongoing nuclear activities and the International Atomic Energy Agency (IAEA) needed to determine that Iran’s nuclear activities are for peaceful purposes. Finally, Washington was concerned with the possibility that Iran would be admitted as a full member of the SCO, which would complicate Washington’s own approach to the Iranian issue, whether it is handled peacefully or not.

Despite strong reactions from the U.S., the Iranian president was invited because all SCO heads of states were invited. Washington’s pressure, however, was not entirely irrelevant. The very fact that Iran’s participation seems to have overshadowed almost all other issues during the conference indicates the U.S. influence. While the Iranian president was in Shanghai anyway, the absence of India’s head of state – who was substituted for by Indian Minister for Petroleum and Natural Gas Murli Deora – highlighted the salience of the U.S. factor in the operation of the SCO.

Both Russian and Chinese presidents met with Ahmadinejad on the sidelines of the summit. “All countries including Iran have the right to use high technology but they need to do it in a way that does not arouse concerns on the part of the international community,” Putin was quoted as saying while meeting the Iranian president. For his part, Hu said “China understands Iran’s concern over its right to the peaceful use of nuclear power, upholds the international nonproliferation system, and insists the Iranian nuclear issue should be settled properly through talks.” Meanwhile, Hu pointed out that the critical point in the Iranian nuclear issue is to build mutual trust between Iran and the international community.

For both Russia and China, Iran presents a difficult case: they have to protect their own interests in Iran while minimizing the possible negative impact in their relations with the U.S. In this regard, a nonnuclear Iran is perhaps the only way to meet both goals. The strong, if not uncompromising, stance of both Tehran and Washington, however, may lead to an outcome that is in no one’s interest. To avoid this, Chinese and Russian officials at various levels frequently met and coordinated policies. When the “5+1” offered in early June a package of incentives for Iran, a brief window of opportunity appeared. For this, the chairman of the Duma’s international affairs committee Konstantin Kosachev claimed that Moscow and Beijing had prevented “a worst-case scenario” in the issue of Iran’s nuclear program. It remains to be seen how Iran will respond to the offer.

Progress in mil-mil relations

Iran nuclear issues aside, the ongoing “Year of Russia” in China continued to unfold. Overlapping the SCO summit in Shanghai was the “Moscow Week” in Beijing (June 12-18), featuring Russian arts, seminars, performances, and exhibitions by several hundred Russians led by Moscow Mayor Yuri Luzhkov.

Less noticed, however, was notable progress in military-military relations between the People’s Liberation Army and its Russian counterpart. In late April, Russian Vice Premier and Defense Minister Sergei Ivanov visited Beijing to co-chair the Russian-Chinese Commission on Military-Technical Cooperation. A month later, PLA Chief of Staff Col. Gen. Liang Guanglie visited Moscow. His itinerary included a visit to the GLONASS control and communications center at the Main Spacecraft Test and Control Center in Krasnoznamensk outside Moscow, a sign of Russia’s willingness to share with China more of its satellite-based global positioning and communication systems for both commercial and military purposes. Before the end of May, Deputy chief of Russian General Staff Aleksandr Rukshin traveled to Beijing for the 10th round of consultations between the two general staffs. After his talk with President Hu during the June 15 summit in Shanghai, Putin told reporters that Russia intends to maintain the current level of cooperation with China in the military-technological sphere. “We talked about improving military-technological cooperation, ... The volumes are big, amounting to billions of dollars, and we intend to maintain them,” said the Russian president.

Just before the SCO summit, the Russian Admiralty Shipyards in St. Petersburg transferred the last of eight *Kilo*-Class submarines to China under a contract of \$1.5 billion. Meanwhile, several hundreds of *AL-31F* and *AL-31FN* aircraft engines (\$1.5-2 billion) started to be delivered to the Chinese Air Force for its indigenously developed *JF-10* fighter-bombers. Russian Defense Minister Ivanov, while in Beijing for the annual Russian-Chinese Commission on Military-Technical Cooperation, toyed with exporting to China the latest “4-plus class” *Su-34* front-line bombers, and China’s participation in developing Russia’s fifth-generation fighter.

A long article in the *People’s Liberation Army Daily* noted that Sino-Russian military security cooperation in recent years “has gradually expanded and deepened, achieving substantial, eye-catching results” in three areas: high-level reciprocal visits, businesslike and in-depth exchanges at every level and in every area, and growing cooperation in the area of military technology.

The near future

Perhaps more than any other SCO summit, the annual gathering this year was a milestone. For this special occasion, the city of Shanghai staged an art festival for SCO member states with performing artists from all SCO member and observer states. This was followed by an extravagant fireworks display that lit up the Bund and the new business district of Pu Dong. The voyage ahead for the SCO, however, remains both uncertain and uncharted. One recalls that there were less than three months before the

newly formed SCO, as well as the rest of the world, was jolted by Sept. 11, and the world has never been the same.

The “moment of truth” regarding Iran is approaching, be it war or peace, reports the influential French newspaper *Le Monde*. While Iran is seen as gaining time for its nuclear program, Washington’s patience is not unlimited. The next few months will be crucial for Moscow, Beijing, and the SCO, as the Bush administration may choose to tighten the screws for both geostrategic reasons and political considerations at home (mid-term elections in November).

Chronology of China-Russia Relations

April-June 2006

April 3-4, 2006: Chairman of the China’s Supreme People’s Court Xiao Yang visits Moscow and meets Head of the Russian Supreme Court Vyacheslav Lebedev, State Duma Speaker Boris Gryzlov, and Chairman of the Russian Constitutional Court Valery Zorkin.

April 17-20, 2006: Delegation of the Border Department of the Chinese Public Security Ministry, led by Deputy Chief of the Chinese Border Department Zhang Chongde, visits Moscow, St. Petersburg, and the Leningrad Region in Russia.

April 17, 2006: Russian Foreign Minister Sergei Lavrov meets in Moscow Cui Tiankai, assistant to the Chinese foreign minister, to discuss Iran’s nuclear issue.

April 24-27, 2006: Russian Vice Premier and Defense Minister Sergei Ivanov visits Beijing to co-chair the Russian-Chinese Commission on Military-Technical Cooperation with Chinese counterpart Defense Minister Cao Gangchuan and then joins the annual meeting of the Shanghai Cooperation Organization (SCO) defense ministers. Ivanov also met Chinese Premier Wen Jiabao. A decision was made for the six SCO member states to conduct a joint anti-terrorist military exercise in Russia in 2007.

May 9-10, 2006: Delegation of the Federation Council of Russian Federal Assembly, led by Chairman Victor Glukhikh, visits China. The group was met by Jia Qinglin and Li Guixian, chairman and vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

May 15, 2006: Foreign ministers meet in Shanghai to prepare for the SCO summit scheduled for mid-June in Shanghai.

May 16, 2006: Russian FM Sergei Lavrov travels to Beijing for an official visit after the SCO foreign ministerial meeting. Lavrov and Chinese FM Li Zhaoxing sign two documents to set up a working group to deal with migration issues and on constructing a bridge across the river Argun. He also meets Chinese President Hu.

May 22-24, 2006: PLA Chief of staff Col. Gen. Liang Guanglie visits Moscow and meets Russian General Chief of Staff Yury Baluyevsky, Russian Deputy Prime Minister and DM Ivanov, and secretary of the Russian Security Council Igor Ivanov. Liang also visits the GLONASS control and communications center at the Main Spacecraft Test and Control Center in Krasnoznamensk outside Moscow.

May 26-30, 2006: Wu Bangguo, chairman of the Standing Committee of China's National People's Congress (NPC), makes a four-day visit to Russia, at the co-invitation of Federation Council Chairman Sergei Mironov and State Duma Chairman Boris Gryzlov. In addition to meeting President Putin and Prime Minister Mikhail Fradkov, Wu joins the first meeting of the Russian-Chinese Committee on Cooperation between Russia's State Duma and China's NPC and the first meeting of the SCO parliamentary speakers in Moscow on May 30.

May 30, 2006: Deputy Chief of Russian General Staff Aleksandr Rukshin and Assistant Chief of the Chinese General Staff Zhang Qinsheng hold 10th round of consultations between the two general staffs in Beijing. Rukshin later meets Chief of Staff Col. Gen. Liang Guanglie.

June 7-11, 2006: Delegation of Russia's State Duma Committee on International Affairs, led by Committee head Konstantin Kosachev, visits Beijing. They are received by Chairman of the Standing Committee of the National People's Congress Wu Bangguo and First Deputy Foreign Minister Dai Bingguo.

June 12, 2006: President Hu sends congratulatory message to Putin on Russia's National Day.

June 12-18, 2006: Moscow Mayor Yuri Luzhkov visits with a delegation of 249 for Moscow Week in Beijing, which includes roundtables, a concert, an arts exhibition, and an industrial and architectural exhibition. He meets Beijing Mayor Wang Qishan.

June 15, 2006: Sixth annual summit meeting of the SCO Council of Heads of State held in Shanghai. Ten documents are signed including the Declaration on the Fifth Anniversary of the SCO. Iranian President Mahmoud Ahmadinejad joins the meeting.

June 16-17, 2006: President Hu attends the second summit of the member states of the Conference on Interaction and Confidence-Building Measures in Asia (CICA) in Kazakhstan. In his speech, Hu called for building a harmonious Asia of enduring peace and common prosperity. The CICA, a regional security forum created in June 2002, has 17 members: Afghanistan, Azerbaijan, China, Egypt, Iran, India, Israel, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Palestine, Russia, Tajikistan, Thailand, Turkey, and Uzbekistan; and nine observer members: Australia, Vietnam, Indonesia, South Korea, Lebanon, Malaysia, the United States, Ukraine, and Japan.

June 17, 2006: President Putin holds informal meeting with Hu during the CICA summit meeting.