



The SCO: Expansion Drive in an Unstable World

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The Shanghai Cooperation Organization (SCO), established by China, Russia, and the Central Asian states (except for Turkmenistan) in Shanghai in June 2001 is increasingly seen as Beijing's powerful instrument for reshaping the world order in a way that will be less volatile and more acceptable to major Eurasian powers. The latest summit, held in early July in Kazakhstan's capital, Astana, highlighted that the grouping is expected to become one of the key organizations in the multipolar geopolitical setting.

Nominally the organization is quite ambitious, having steadily expanded its membership to the current ten states which make up a significant portion of Global GDP and 40 percent of the world's population. Its members are large countries that seek to reshape the global order, with approaches that differ widely, from radical (Iran, Russia) to more subtle (China, India), but nevertheless united by a varying degree of anti-Westernism.

Though China might not be open to portraying the SCO as an anti-Western entity, most of the organization's member states see the grouping as such. Indeed a quick look at the members and their respective relations with the collective West and the fact that no Western power is a member, leaves such an impression. This leads many to believe that a geopolitical struggle is unfolding between the liberal-democratic (Western) and non-liberal (Eurasian) models. While this description reflects a more simplistic reality on the ground, the seeming geopolitical division between the West and East is hard to dismiss.

Often derided as an ineffective organization due to its size and the conflicting interests among its member states, the SCO has nevertheless emerged as an alternative source of geopolitical gravity across Eurasia. The organization's recent expansion reflects not only its popularity but is indicative of a much wider phenomenon.

Expansion Drive

Since the beginning of the Russian invasion of Ukraine in February 2022, the competition to expand various geopolitical blocs and unions across Eurasia has been in overdrive. The European Union (EU) for instance has laid out comprehensive plans to enhance its influence in the wider Black Sea region by adding Moldova, Ukraine, and Georgia by 2030. The U.S.-led military grouping, NATO, has expanded with the recent addition of Sweden and Finland. Concurrently, BRICS, comprising Brazil, Russia, India, China, and South Africa, has recently added a raft of nations and is further open to integrating new important players.

The SCO is no exception, as Belarus and Iran have also been recently <u>added</u> to the entity, broadening its ambitions in light of shifts in the global order, including the escalating rivalry between China and the United States and the consequences of Russia's invasion of Ukraine.

There is a growing demand among SCO members for a wider, however loose and nominal, coalition. By including new members like Iran and Belarus in 2024 or India and Pakistan in 2017, China has sought to showcase the SCO's widespread popularity and promote the emerging Chinese vision of the world order across the Global South. The growth of the SCO from purely focused on

Central Asia to an expanded scope in Eurasia, alongside the membership requests received from countries in Africa and Southeast Asia, indicate that the organization may soon become an even more global entity.

Yet such diversity is not without its challenges. Each SCO member has unique goals and perspectives on what the organization's purpose should be. For Russia, the SCO serves as an anti-Western bloc aimed at curtailing non-regional influence in Central Asia and Afghanistan. Moscow also regards its position in the SCO as a testament to its great power status. For China, the SCO's primary objectives are combating terrorism, extremism, and separatism, without adopting an overtly anti-Western stance. Other member states have varying visions of the SCO's greater purpose, but China and to a certain extent, Russia, still play an outsized role in the management of the bloc.

The SCO is also seen as a testing ground for a different type of security engagement in the heart of Eurasia, as can be seen in China's emerging security involvement in Central Asia and beyond. In 2018 the SCO member states <u>signed</u> an agreement establishing legal grounds for Beijing, if necessary, to engage in transnational military operations within the vast SCO geography.

Though security issues remain a cornerstone of the SCO, the Astana Summit also highlighted that the SCO has an expanding <u>agenda</u>, including cooperation among member states in energy, investment, and information security. Infrastructure too now occupies a major place among the bloc's agenda items. For instance, China has pushed forward a long-awaited <u>agreement</u> on starting the construction of a China-Kyrgyzstan-Uzbekistan railway project (CKU) that would connect the three countries. Construction is set to begin in late 2024, and compared to previous years, there are high hopes that the project will make it through to completion, with China contributing roughly half of the project's total estimated cost, around \$235 billion, and Tashkent and Bishkek also expected to contribute \$573 million each.

Challenges Around the SCO

The SCO remains a complex entity and expansion plans could further obscure its true objectives, as its charter already includes goals like combating terrorism and promoting economic cooperation, yet with limited tangible success thus far. Indeed, China's achievements in trade and investments with Central Asian states have largely stemmed from bilateral agreements rather than multilateral initiatives. So far, Beijing has mostly relied on its C5+1 format with the five Central Asian states than on cooperation with the SCO.

Key players (like China) are well-aware of the SCO's limitations and the lack of trust among its member states, especially as they are motivated by specific and often conflicting geopolitical interests. India, for example, views its membership in the SCO as bolstering its multi-vector foreign policy, whereby New Delhi neither wants to be exclusively dependent on its Western partners nor pivot too much to Asia, which would complicate its ties with the U.S.

But India has significant differences from China, for instance in its vision of connectivity. China's sprawling Belt and Road Initiative (BRI) has unnerved India as it fears being surrounded by the so-called string of pearls – a series of ports in various countries (especially Pakistan) near the

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Indian border with a clear goal of increasing the Chinese footprint in the Indian Ocean. While this might not be directed at India, New Delhi fears that a greater Chinese presence in the Indian Ocean would only hurdle the Indian navy's projection of power. Indeed, these differences were apparent during the Astana Summit where India's Foreign Minister Subrahmanyam Jaishankar <u>criticized</u> China's close ties with Pakistan.

As a counter to China's ambitions, India is pursuing its plans of financing ports such as the one in Iran's Chabahar and the International North-South Transport Corridor (INSTC) which runs from Russia to Iran and then India. Another initiative is the IMEC or India-Middle East-Europe Economic Corridor sponsored by the U.S. and the EU.

Moreover, India and China also share troubled relations on their common border high in the Himalayas with occasional fighting such as the deadly clash that occurred in the Ladakh territory on the Himalayan border in 2020. Thus India, while becoming a member of the SCO, still pursued closer cooperation with Australia, Japan, and the U.S. in what is known as the QUAD. The QUAD initiative is a loose grouping, but which nevertheless delineates the contours of China's containment in the Indo-Pacific region in the future.

It is equally difficult to see how India and Pakistan could agree on major issues, nor do Iran and Pakistan enjoy peaceful relations as evidenced by tensions and deadly clashes on their common border. Then there is Russia which wants closer ties with India, but the latter remains cautious, seeking only trade and investment ties, while avoiding closer relations due to Western sanctions.

Additionally, relations between Russia and Iran are rife with both a genuine willingness to cooperate and an inherent distrust that dates back to the 19th century. The Russian invasion of Ukraine brought the two sides closer together in some respects, yet they still remain suspicious about each other's ambitions in the Middle East and the South Caucasus.

Moreover, there are also differences between China and Russia in terms of Central Asia. Both sides have downplayed the tensions resulting from China's exponential economic influence in the region, but still, Moscow feels vulnerable. Indeed, China now trades more with and invests in Central Asian states than Russia. Increasingly, Beijing also seeks to play a more active security role too – the domain where Russia has traditionally been an unsurpassed actor. For instance, China has <u>expanded</u> cooperation with Tajikistan to that regard. Yet Russia cannot afford to lose China's diplomatic support amid its war in Ukraine and the confrontation with the West.

One of the SCO's major drawbacks is that its quick expansion could inadvertently result in a more diluted organization, potentially diminishing its intended impact on international relations. The greater number of members, the higher the possibility of differences between them, inevitably hindering chances for unanimity on important issues. The EU is a stark example of this principle where its biggest deficiency is its exponential growth. Similarly, NATO's large pool of members often stifles its ability to make quick decisions or take swift action.

Another structural obstacle to the SCO is the fact that it is not a binding alliance. However, this could arguably be strategically advantageous as it allows member states to avoid binding commitments and maintain diplomatic flexibility. Emerging geopolitical alignments are likely to

favor flexible partnerships over formal alliances, and the SCO is all about casting away the traditional notion of hard alliances. Yet, so far, most of the SCO member states are large enough to exert some level of influence over neighbouring countries. The real test will be to bring in smaller, geopolitically vulnerable states which face territorial problems or are in need of extensive economic support.

This raises an important question mainly because large SCO member states, both current and potential members, are working to reassert the concept of spheres of influence. China, Russia, and India are large enough to seek economic and, in some cases, direct military domination over their immediate neighborhoods, but the role of small countries and their sovereignty in pursuing independent foreign policy is more limited. Thus, how realistic it will actually be to uphold equal and just bilateral relations between China, Russia, and India on the one hand, and smaller countries on the other, is still unclear.

Moreover, in the regions where the interests of large SCO powers converge, a so-called condominium system is being established. The clearest example of this is the expanding cooperation between China and Russia in Central Asia. The SCO was initially focused solely on the region and helping Moscow and Beijing erect an order of exclusion keeping non-regional powers away from Central Asia. This idea of regionalism offers a glimpse into the emerging global order, which has already begun moving beyond a liberal system into a more complex setting where hard power would likely prevails over multilateral institutions.

The SCO and the Chinese Vision of World Order

China perceives the current crises in the West and America's retreat from international treaties as a strategic opportunity to enhance its global standing. The challenge in doing so will be to assert itself on the world stage without provoking a strong Western opposition. The West, wary of China's rising influence, might intensify its opposition and balancing these dynamics will be a critical test for Beijing.

China views America's problems in foreign policy as an inevitable historical process, believing that the foundational principles supporting the West are faltering. This issue extends beyond economic disparities to a decline in the equality of rights and the ability to uphold this principle – a trend evident throughout the free and democratic collective West.

Despite recognizing geopolitical retrenchment of the U.S., China does not seek to discard everything from the America-led order. Rather, Beijing values multilateral institutions but desires a greater share of power within them. China wants to use these institutions to serve its interests and particularly values the UN for its vision of the future world order. China also upholds the Westphalian vision whereby nations have the right to pursue their own foreign policy and security agenda. Modeled on the 17th-century European idea of state-to-state relations, China maintains that the security of one country should not come at the expense of another.

Growing global clout also means that a country would likely become a model of development. While China has not yet attempted to export its state-building methods, Beijing is increasingly open to the idea of sharing its experience, whether in economics or overall progress, with the

world. China acknowledges that its closely held ideals of Confucianism and Communism would not be warmly received by countries in the West or in Central Asia, Africa, or the Middle East who all favor broader principles such as sovereingy and modern technological governance. Yet, the lack of rigidity within China's foreign relations could actually benefit its foreign policy when taken in contrast to the well-defined liberal internationalism supported by the U.S. and its allies. Ideally, China seeks to surround itself with states that adopt other-than-liberalism governance models, facilitating bilateral relations and shielding China's borders from Western influence and ideas of popular democracy. Beijing portrays its rise as peaceful, contrasting with Western narratives of violent power transitions and global conflicts.

China views Western discourse on international relations as ideological constructs and instead advances the concept of *Tianxia*, a hierarchical order where all countries are equal. Historically, great powers, including America, have provided a form of *Tianxia*. Chinese scholars have refined this concept to envision multiple, independent, and equal states coexisting with mutual respect. This is not a post-Western or post-hegemonic idea but a different model for a regional and eventually global order centered around China.

Additionally, China has also advanced a raft of ideas such as the Global Security Initiative (GSI) and the Global Development Initiative (GDI). Though the gist of the initiatives might not be fully grasped in the West, the ambition speaks for itself – GSI and GDI are global in nature, promoting China as a central state.

Thus a Sino-centric world would revolve around China not just economically, but also in terms of setting norms for state-to-state relations. China aims to replace traditional Western-led alliances with a global network of partnerships. Free from formal obligations, China could find widespread support for this decentralized system. It is from this perspective that the recent expansion of the SCO should be seen: a loose partnership for most of Eurasia.

Conclusion

The SCO is increasingly seen as an instrument for bringing about change in global affairs, which has now evolved into a geopolitical entity. With the inclusion of Belarus into the organization, the SCO has expanded to Europe and become a project of extensive geographic scope.

Not all SCO members, however, want to choose sides between the West and Russia/China. India, Kazakhstan, and Uzbekistan are open to cooperation with multiple powers within the framework of the multi-vector foreign policy they pursue. Yet the SCO is one of the instruments through which China advances what could be an agnostic world order, where Beijing is uninterested in the internal affairs of other countries while appreciating some liberal order elements like free trade and unhindered maritime movement.

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