

Moscow, December 2014

RUSSIA'S ROLE IN THE SCO AND CENTRAL ASIA: CHALLENGES AND OPPORTUNITIES



The Research Grants Program of the Foundation for Development and Support of the Valdai Discussion Club.

This report was prepared on the basis of the research within the framework of the Research Grants Program of the Foundation for Development and Support of the Valdai Discussion Club.

Authors:

Ekaterina Koldunova, Deputy Dean at School of Political Affairs and Associate Professor at the Department of Asian and African Studies, MGIMO-University

Nivedita Das Kundu, Assistant Director (Research) with the Indian Council for Social Science Research, New Delhi

The views and opinions of authors expressed herein do not necessarily state or reflect those of the Valdai Discussion Club, neither of any organizations the authors have been affiliated with or may be affiliated in future.

Contents

Introduction 5

SCO: Main Achievements, Challenges, and the Role of Russia 11

SCO: Origins, Evolution and Achievements 12

Official and Research Discourse on the SCO's Role in Central Asia and Beyond 21

Current challenges and Dilemmas Facing the SCO 32

Russian Interests and Opportunities Within the SCO 41

Russia's Position in Central Asia: The Interplay of Bilateral Relations and Multilateral Mechanisms 45

Key Features of Central Asian Political and Socioeconomic Development in the Past Two Decades: Bilateral Relations and Multilateral Projects 46

Russia's Opportunities in Central Asia 58

Scenarios: 61

Russia, the SCO and Central Asia after 2014

Conclusion 64

References 69



Andrei Bystritsky,
Chairman of the Board, Foundation for the Development
and Support of the Valdai Discussion Club; Dean of the Faculty
Communications, Media and Design at the National Research
University Higher School of Economics

Any research paper, including the report titled *Russia's Role in the SCO: Challenges and Opportunities*, must not only be scientifically thorough and employ heuristic techniques, but also involve a degree of luck – the ability to deliver a good research product at the right time and in the right place.

The authors started working on this report long before the developments that changed the situation in the world, including Central Asia, over the past year. But this only adds to the report's importance and scientific validity, showing that the conclusions made by the authors are easily applied to the current situation.

The latest Valdai Club meeting in Sochi in late October focused on two issues – the rise of a new world order with unclear rules and the interdependence of the main global players, which will increasingly influence the international situation. But what is the system of coordinates of this interdependence?

The authors use the example of the Shanghai Cooperation Organization (SCO) and Central Asian states to show how complicated and intertwined this interdependence is. For example, they discuss the relationship between Central Asian regional issues and macro-regional relations, especially considering China's growing role.

The authors believe that the SCO – as an instrument for coordinating the interests of the member-states and developing rules of the game for them – cannot be considered separately from the macro-regional and global agenda.

At the same time, the list of issues on which the member-states can and should interact within the SCO is very long, which is also evidence of the abovementioned interdependence, and includes all types of cross-border crime and the development of economic and humanitarian cooperation.

But then, there is no sense in talking about the report. It's better to read it.

INTRODUCTION

The background of the slide is composed of several large, overlapping triangular and quadrilateral shapes. The colors used are a dark navy blue, a medium blue, and a light sky blue. The shapes are arranged in a way that creates a sense of depth and movement, with the dark blue shapes appearing to be in the foreground and the lighter blue shapes receding into the background.

The Shanghai Cooperation Organization (SCO) is an international intergovernmental organization founded on June 15, 2001, by Russia, China and four Central Asian states – Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The SCO differs significantly from other international organizations that emerged in Eurasia after the collapse of the Soviet Union. Unlike other organizations, the SCO was created by a bottom-up approach to regional cooperation resulting from the evolution of bilateral ties between its founding members. The organization has its roots in a series of bilateral negotiations between Russia, China, Kazakhstan, Tajikistan and Kyrgyzstan over the demarcation of borders in Central Asia after the Soviet Union's disintegration. In the 1990s, future SCO member states moved gradually toward a joint multilateral structure and gained experience settling key issues related to state sovereignty and territorial integrity.

Russia's vital interests in Central Asia (for the purposes of this report, 'Central Asia' means the region encompassing Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, and Tajikistan. Geographically, however, Central Asia is very closely interconnected with the neighboring areas of China, Mongolia, Afghanistan, and Pakistan. 'Eurasia' is used in the text to denote a broader macro-regional context) are the result

of shared history, geographical proximity, economic ties and the common security challenges that Russia, China and Central Asian states face today. Russia is one of the key decision-makers in the SCO, which, according to Russia's official position, contributes to the emerging system of collective global leadership (MFA of Russia, 2013). The SCO's growing number of observer states and dialogue partners speaks to its importance as a mechanism of regional and even macro-regional cooperation. The SCO's activities and potential to solve pressing security issues are gaining importance not only for Central Asia but also for the whole of Eurasia.

Eurasia has seen a huge increase in non-traditional and cross-border crime such as terrorism, separatism and extremism, drug trafficking, and illegal immigration. This trend has elevated the SCO to newfound prominence given its focus on regional peace and stability. Through the SCO, Russia and its partners focus on fighting the unholy trinity of terrorism, separatism and extremism, while also working to create a network of regional relationships.

The four Central Asian member states and Russia have wide-ranging mutual interests and deeply rooted relationships. Russia has institutionalized relations with Central Asian states through several regional organizations like the



SCO summit in Bishkek, 2013

RUSSIA'S VITAL INTERESTS IN CENTRAL ASIA ARE A FUNCTION OF THE SHARED HISTORY, GEOGRAPHICAL PROXIMITY, ECONOMIC TIES AND THE COMMON SECURITY CHALLENGES THAT RUSSIA, CHINA AND CENTRAL ASIAN STATES FACE TODAY

Commonwealth of Independent States (CIS), created in 1991, the Collective Security Treaty Organization (CSTO), created in 2002, and the Eurasian Economic Community (EEC), created in 2001. The Shanghai process, launched in the late 1990s with a focus on confidence-building measures, was the forerunner of the SCO, which was established in 2001, when Uzbekistan joined the 'Shanghai Five.' Member states have continued to strengthen their relationship since, especially in the areas of security, socio-economic cooperation and energy policy coordination. The SCO has played a significant role in the region for the past ten years. Through the organization, Russia has sought to maintain peace and stability as well as retain its influence in the region. Russia's recent initiative to establish the Energy Club within the SCO in order to coordinate energy strategies and strengthen energy security was met with support from other member states.

The SCO is expected to offer solutions to emerging security and politico-economic challenges in the region. Since the SCO's inception, member states have undertaken serious efforts to make the organization a successful mechanism. The current academic discourse on regionalism acknowledges the relevance and utility of regional cooperation institutions for addressing transnational challenges and threats (Hettne and Söderbaum, 2006; Acharya and Johnston, 2007; Aris, 2011; Fioramonti, 2012). Such threats require new forms of international coordination that emphasize not only ad hoc but also preventive measures and bring together all stakeholders in a long-term process of interaction with practical results (Koldunova, 2010).

After more than a decade of successful activity, the SCO now faces several key challenges and development dilemmas, as does Russia both within the organization and in the region. The challenges with the greatest implications for

the future of the SCO and Russia's position in the region are:

- growing differences between macro-regional and regional visions of the SCO as an international organization;
- the rise of China and the resulting dilemma in relations between Russia, China and Central Asian states within the SCO;
- post-2014 Afghanistan;
- increasing divergence among Central Asian states in terms of their cooperation with Russia and their state capacity.

Macro-regional vs. regional visions of the SCO. While the SCO started as a regional organization focusing on a number of specific regional issues, now its activities are reaching a macro-regional and even global scale. The SCO's agenda is no longer limited to confidence-building measures; it has expanded to include

its growing economic power, military might and political influence as assets necessary to balance power within the SCO. Russia has openly expressed support for India's application for full membership (Kremlin.ru, 2012). India in turn recognizes the benefits of full membership for fighting the evils of terrorism and extremism in cooperation with other SCO members. India will be extremely keen to support the SCO's role in stabilizing Afghanistan after the drawdown of International Security Assistance Force (ISAF) troops in 2014.

Relations between Russia, China and Central Asian states within the SCO. During the past decade, the constellation of powers in Central Asia has changed dramatically, and the initial considerations that brought Russia, China and the nations of Central Asia together under the framework of the SCO have given

THE SCO HAS PLAYED A SIGNIFICANT ROLE IN THE REGION FOR THE PAST TEN YEARS. NOW ITS ACTIVITIES ARE REACHING A MACRO-REGIONAL AND EVEN GLOBAL SCALE

a set of security, economic and socio-cultural issues. In addition, the number of observer states and SCO dialogue partners has grown. The current observer states are India, Pakistan, Mongolia, Iran and Afghanistan. The dialogue partners are Belarus, Turkey and Sri Lanka.

The variety of states involved in the SCO and the diversity of visions for the SCO raise several research questions.

First, it is important to assess how the SCO members and partners see the organization's prospects. What kind of organization should it become in the future? What opportunities does each option present?

Second, it is still not clear how the SCO will reconcile its regional origins with its growing macro-regional and even global profile, with prominent countries like India, Pakistan, Iran, and Turkey now participating in SCO activities. All these states can be considered key macro-regional actors in Eurasia, while China and Russia are increasingly global actors. Russia's role in decisions on SCO expansion and India's bid for full membership bodes well for India. Russia sees India's immense size, huge population, and

way to new realities. Will the economic rise of China and Russia's more assertive posture in the world serve to strengthen the SCO, or will we witness greater divergence among member states?

The challenge of post-2014 Afghanistan.

The situation in Afghanistan remains the most pressing problem for all SCO member states. The year 2014 is a huge test of regional stability. The withdrawal of most NATO-led ISAF forces and the rearrangement of the remaining contingent in Afghanistan after 2014 may trigger a dangerous increase in terrorist threats in Afghanistan and neighboring countries. Therefore, it will be vitally important for all SCO members and observer states to define clearly the post-2014 implications for the SCO and the opportunities the SCO has to stabilize Afghanistan or at least minimize the threat of terrorism and drug trafficking.

The SCO must prepare to take on security challenges emanating from neighboring Afghanistan. Most SCO member/observer states

share a border with Afghanistan. Beyond physical proximity, Afghanistan's significance for Russia and Central Asian SCO states like Tajikistan and Uzbekistan lies in the close historical and cultural ties they share with the people of Afghanistan. The past twenty years of conflict in Afghanistan have had repercussions for these countries too, and so Russia has sought to push the SCO to start engaging on Afghanistan in order to maintain peace and stability in the region. This Russian initiative has provided the SCO with an opportunity to acquire a new geopolitical role in the region.

For Russia, stabilizing Afghanistan is essential. A staggering number of people in Russia and the region are dying from the drugs flowing from Afghanistan through Central Asia to Russia. Hopefully, the SCO is ready to assume responsibility for security concerns in the region. Russia has echoed Afghanistan's appeal for assistance and urged the SCO member states to cooperate broadly with Afghanistan and invest in the country, as Russia strongly believes that the security of all SCO member as well as observer states depends in large part

on the economic and political stabilization of Afghanistan.

Increasing divergence among Central Asian states in terms of their cooperation with Russia and their state capacity. The SCO will be successful only if joint actions are undertaken by all SCO members, including Central Asian states. Yet many experts note that Russian foreign policy no longer takes a uniform approach to Central Asia. These states are also diversifying their foreign relationships. Therefore, Russia must find a way to maintain and expand its positions in Central Asia at the bilateral and multilateral levels.

In order to understand the challenges and opportunities awaiting Russia in the SCO and the region as well as Russia's role within the SCO, this report examines the institutional opportunities the SCO provides for Russia to carry out its foreign policy in Central Asia. In addition, it analyzes Russia's bilateral relationships with individual SCO states and their potential to affect, directly or indirectly, the organization's ability to accomplish the aims stated in the Astana declaration of 2011 (Kremlin.ru, 2011) and previous documents.

US soldiers outside a transport jet at the Manas air base before deployment to Afghanistan





Participants of the Student Spring international festival organized by member-countries of the Shanghai Cooperation Organization in Chita

Conceptually, this report seeks to:

- compare the normative aims and practical results of SCO activities in the region;
- examine the SCO's achievements in terms of the level of regional cooperation in Central Asia;
- analyze the range of opinion in Russian and regional expert and policy-making communities concerning Russia's goals and opportunities in Central Asia and the SCO;
- critically evaluate the similarities and differences in perceptions of the SCO itself and external actors' role in the region in Russia and Central Asian member states, taking into account the challenges and dilemmas the SCO currently faces;
- assess the key features of Central Asia's post-Soviet political and socioeconomic development in the context of Russia's foreign policy in the region;
- identify the strengths and shortcomings in Russia's relations with Central Asian states, China and extra-regional players, which can either encourage or hinder SCO activities in general as well as efforts to stabilize the region following ISAF's withdrawal after 2014.

Structurally, the report consists of three parts. The first focuses on the evolution of the SCO since its inception. It also considers the political and academic discourse on the SCO's role in member states and the international community, and assesses the challenges and dilemmas the SCO currently faces. Finally, it analyzes Russia's interests and opportunities in the SCO.

The second part explores the common features of post-Soviet development in Central Asia, with a focus on the four Central Asian SCO members. This part also assesses the variety of bilateral and multilateral tracks of interaction that have emerged among regional powers in order to better understand Russia's own niche for cooperation with Central Asia.

As part of this analysis, the report discusses the broader macro-regional perspective as well as the role of other major players, like India and the United States, in Central Asia. The positions and interests of Pakistan, Iran, Turkey, and the EU are considered in keeping with the scope of this report. After laying out the relevant factors, the third part of the report explores a range of scenarios for Russia's future role in the SCO and in the region.

SCO: MAIN ACHIEVEMENTS, CHALLENGES, AND THE ROLE OF RUSSIA

1.

SCO: ORIGINS, EVOLUTION AND ACHIEVEMENTS

The Shanghai Cooperation Organization was established as a result of negotiations between Russia, China, Kazakhstan, Tajikistan, and Kyrgyzstan on the demarcation of borders in Central Asia after the disintegration of the Soviet Union in 1991. At that time, Russian-Chinese relations were just recovering following a dramatic decline in the late 1960s and cautious normalization in the 1970–80s. However, Russia and China still had two disputed border areas. Newly independent Kazakhstan, Kyrgyzstan and Tajikistan had to negotiate their borders with China as well.

The collapse of the Soviet Union had a dramatic effect on the geopolitical situation, both globally and in central Eurasia. It witnessed the emergence of five new states (Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenistan) with uncertain future and weak statehood. On the one hand, these states were eager to expand their political and economic cooperation with other Eurasian states, which had not been possible previously. Central Asia and China started to develop cross-border trade, economic and

cultural ties in the late 1980s as a result of normalization in Chinese-Soviet relations. However, these ties were not full-scale intergovernmental relations. Central Asian states faced a number of major challenges in the process of state-building, including border security and trans-boundary security risks. Russia's preoccupation with the aftermath of the USSR's collapse did not help bring stability to the region. Obviously, the primary concern of Central Asian states, Russia and neighbouring China at that time was to agree on the disputed or undecided border issues.

Russia and China reached an agreement on the eastern part of the border, but jurisdiction over Tarabarov and Bolshoi Ussuriysky islands was yet to be decided in 1991 (In 2004, the additional agreement on the Russian-Chinese border assigned island Tarabarov to China, while Bolshoi Ussuriysky Island was divided into Russian and Chinese parts. This agreement resolved the remaining Russian-Chinese border dispute). In early January 1992, China established diplomatic relations with all Central Asian states. The year 1994 witnessed

Shanghai Cooperation Organization

The Shanghai Cooperation Organization (SCO) is a permanent intergovernmental international organization



Milestones:

- 1996** Foundation of the Shanghai Five (Russia, Kazakhstan, Kyrgyzstan, Tajikistan, China)
- 2001** Uzbekistan joins SCO
- 2001** June 15 – Shanghai Cooperation Organization Founding declaration signed
- 2002** Regional Anti-Terrorist Structure (RATS) gets a status of permanent SCO organ
- 2004** Mongolia became the first country to receive observer status in the SCO
- 2005** Iran, India and Pakistan became SCO Observer States
- 2009** Belarus and Sri Lanka were accepted as Dialogue partners in the SCO
- 2012** Afghanistan was accepted as Observer State and Turkey was granted a status of Dialogue Partner

Goals and Objectives:

- Strengthening of mutual trust and good-neighborly policies between member states
- Promotion of effective cooperation in politics, trade, economics, science, technology and culture, as well as education, energy, transport, tourism and environmental protection
- Advancement to a new democratic, fair and rational global political and economic order

Structure of SCO:

- The Heads of State Council
- The Heads of Government Council
- Council of Foreign Ministers
- Meetings of heads of Ministries and Departments
- The Council of National Coordinators of SCO Member States
- Regional Anti-Terrorist Structure
- Secretariat
- Interbank Consortium
- Business Council

the agreement on the western part of Russian-Chinese border. In 1996 and 1999, China and Kyrgyzstan reached an agreement on the common border issues. China and Kazakhstan signed bilateral agreements in 1994 and 1998, and completed border demarcation in 2002. China and Tajikistan concluded border agreements in 1999 and 2002.

In the late 1990s, in addition to the border issues, the countries concerned started to discuss military confidence-building and arms reductions in border areas, thus launching the so-called Shanghai Process. This process is a unique example of preventive diplomacy, which, in contrast to the approach practiced by other organizations, like ASEAN Regional Forum (ARF), actually preceded regional institution-building (Koldunova, 2012).

The involvement of Uzbekistan, which did not have a border with China, in the Shanghai

Process resulted in the establishment of the SCO in 2001. Since that time, the organization has created a mechanism of regional security and humanitarian cooperation, making the fight against terrorism and extremism its priority.

The SCO's key normative documents characterize the SCO as an organization that fosters dialogue, prioritizing regional security, and does not constitute any kind of alliance (SCO, 2001). In 2002, the SCO Charter outlined the main areas for further cooperation, including regional security and confidence-building; finding common viewpoints on foreign policy issues; joint actions against terrorism, separatism, extremism, drug trafficking and other transnational crimes; regional economic cooperation; enhancing member states' transit and energy potentials; joint environmental projects; interstate coordination in emergencies; infor-

THE SHANGHAI PROCESS IS A UNIQUE EXAMPLE OF PREVENTIVE DIPLOMACY

Chinese Z9B helicopters and Russian BMP-2 infantry carriers during the Peace Mission 2013 China-Russia joint anti-terrorism military exercises



mation exchanges; and cooperation in culture and science (SCO, 2002). Institutionally, the SCO created such mechanisms as the Council of Heads of Member States, the Council of Heads of Government, the Council of Ministers of Foreign Affairs, the Council of National Coordinators, and the Secretariat in Beijing.

Within the SCO, there are several mechanisms which ensure additional **consultations on security** issues between member states in addition to those carried out during high-level meetings. The SCO's Security Council Secretaries meeting is an important mechanism of law enforcement and security coordination between the SCO member states. It comprises the secretaries of national security councils and senior officials from all six SCO member states (China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan), the SCO Secretary General and other SCO senior officials.

seem, it remains an important opportunity for Central Asian states to improve combat training of their military units.

In 2002, to provide institutional support for its counterterrorist activities and to implement the Shanghai Convention on Combating Terrorism, Separatism and Extremism signed in 2001, the SCO established the **Regional Anti-Terrorist Structure** (RATS). Initially RATS headquarters was based in Bishkek, Kyrgyzstan, but in 2003 it moved to Tashkent, Uzbekistan. The Structure's main aim is to coordinate the SCO members' efforts in combating terrorism, exchange information between law enforcement agencies, create a data bank of terrorist organizations, and coordinate operations related to tapping terrorist training camps and funding agencies. The RATS staff includes officials from all the SCO member states. Over the past few years, RATS has expanded its role. It is now

SINCE ITS FOUNDING SCO HAS CREATED A MECHANISM OF REGIONAL SECURITY AND HUMANITARIAN COOPERATION, WITH A FOCUS ON COMBATING TERRORISM AND EXTREMISM

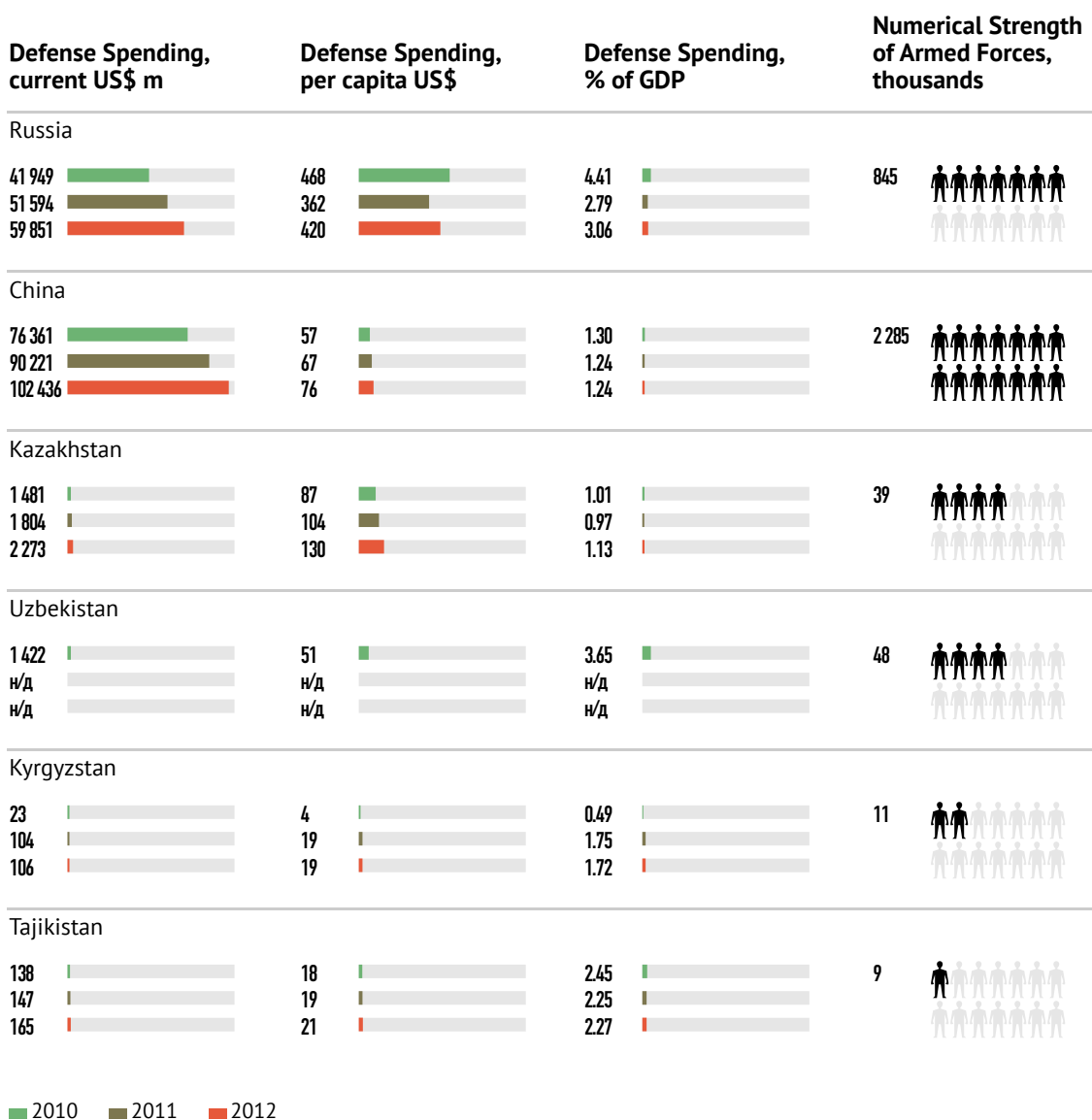
Though one cannot consider the SCO to be a military bloc, it nevertheless has some elements of **military cooperation**, the Peace Mission joint military exercises being one of them. Russia and China remain the leaders in terms of military expenditures and capabilities within the SCO. According to the International Institute for Strategic Studies, China spends on defense 45 times more than Kazakhstan, 966 times more than Kyrgyzstan and 620 times more than Tajikistan. Russian defense spending exceeds Kazakhstan's by 26 times, Kyrgyzstan's by 564 times and Tajikistan's, by 362 times (the data for Uzbekistan are unavailable). It is not surprising that Russia and China have traditionally dominated the SCO anti-terror training exercises. Nevertheless, throughout the past four years, Central Asian SCO members also hosted various SCO military exercises. The Peace Mission training took place in Kazakhstan in 2010, and in Tajikistan in 2012. Uzbekistan hosted the 2012 Vostok-Antiterror military exercises, while Kyrgyzstan organized the SCO emergency agencies' training in 2013. However limited this kind of military cooperation may

working on harmonizing anti-terrorist legislation in the member states and is expected to begin coordinating SCO activities in combating cybercrimes and cyberterrorism.

Though security cooperation remains a top priority for the SCO, the organization is gradually developing other fields of cooperation, such as economic and humanitarian ties. The SCO has enough mechanisms not only to sustain but also to enhance economic cooperation. Among these mechanisms are the SCO Business Council, Interbank Consortium and Energy Club, a Russian initiative that started to take shape in 2012.

The SCO Business Council started operations in 2006, focusing on expanding the SCO economic agenda. Since that time, the Council has embarked on a variety of projects in transport and logistics, telecommunications, agriculture, healthcare and education. Today the Council's activities involve all SCO member states and observers (India, Pakistan, Iran, Mongolia, and Afghanistan). Business communities of the SCO members support the emphasis on project work within the organization, as proposed by the SCO

Defense Expenditures and Military Manpower of SCO Member States



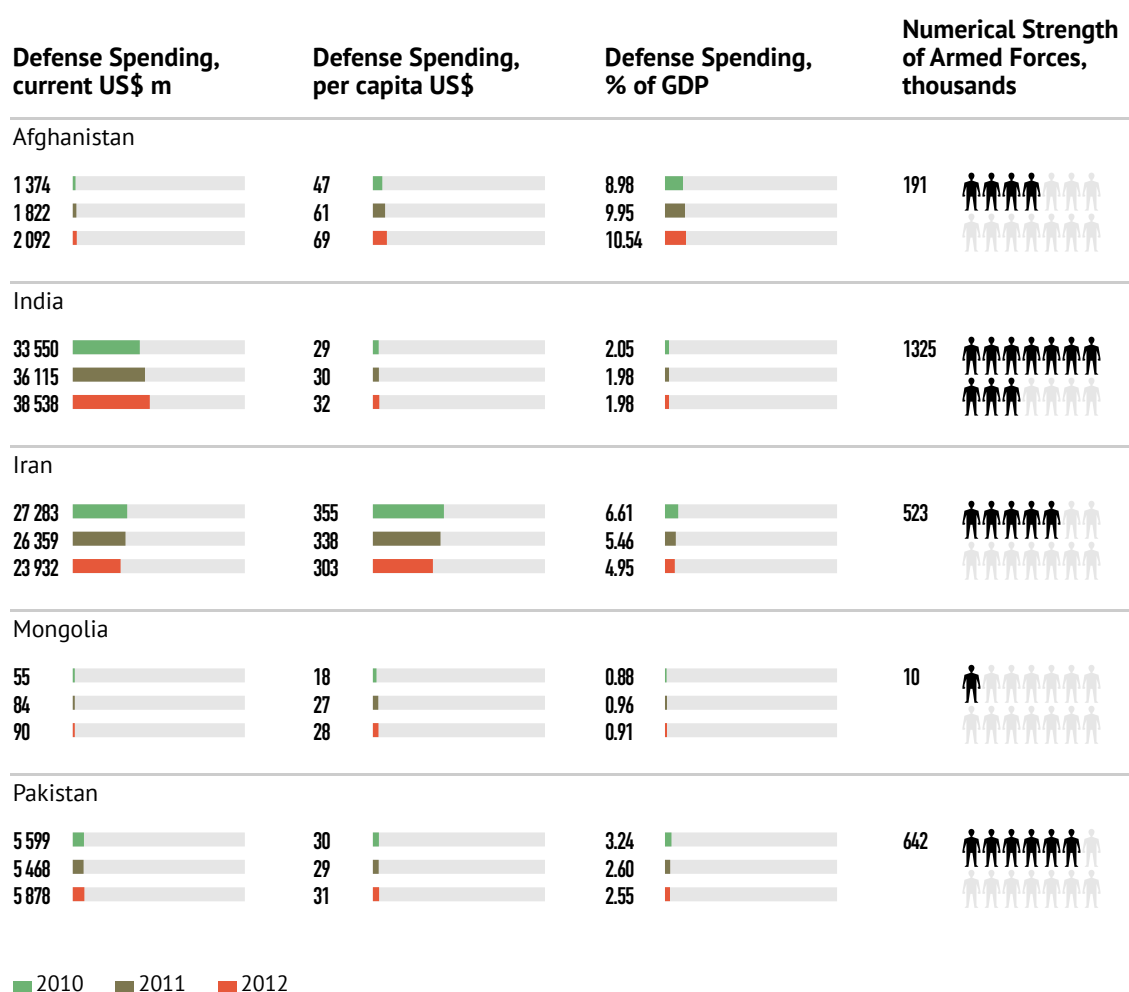
Source: The Military Balance 2013. L.: IISS, 2013, pp.549-551

prime ministers' meeting in Bishkek in 2012. To finance such projects, the SCO members agreed to create a special account and an SCO development bank. The Business Council's immediate plans include holding a joint BRICS-SCO business forum in 2015.

Energy security became a new dimension in the SCO security policy. Russia proposed

establishing the SCO's energy club in 2006, when the SCO aimed to adopt a common energy approach in order to strengthen energy security. Over the past few years, the SCO has publicly put energy cooperation within the SCO on its agenda as a major issue. This task became especially important to Russia against the background of various bilateral projects which started to take shape in Central Asia but did

Defense Expenditures and Military Manpower of SCO Observers



Source: The Military Balance 2013. L.: IISS, 2013, pp.549-551

not involve Russia. In December 2013, the SCO member states, observers and dialogue partners signed the Memorandum on the Establishment of the SCO Energy Club.

The diversity of energy and infrastructure projects in the region justifies Russia's proposal to launch the SCO Energy Club. Although it is clear that all external actors are involved in bilateral projects to promote their own economic interests in this region, there are several reasons why establishing such a club may result in a positive outcome for all parties concerned

and could enhance the SCO's positions in the region and beyond.

In practice, the Energy Club became a discussion platform for business and government agencies. Some experts believe that the SCO Energy Club has hardly any potential for development because it merely covers Russia's desire "to control the Central Asian energy resources" (Song, 2014: 97). Strategically, however, Kazharov, Nurova and Safranchuk argue that the key aim the SCO Energy Club should pursue is creating a "self-sufficient energy system" on a

regional and even macro-regional scale (Kazharov et al., 2012). This system should take into account the interests of both energy producers and consumers and serve as a platform for price coordination and energy cooperation management in the region.

For China, such a club makes sense because its growing energy consumption will make reliable energy supply and reasonable prices the most pressing issues for the PRC in the foreseeable future. As some experts note, equity oil production does not reduce China's dependence on the world market oil prices (Mayer and Wübbeke, 2013: 17). Consequently, China should not overlook an additional mechanism for coordinating energy cooperation with such key trade partners in the energy sphere as Central Asia, Russia and Iran.

For Central Asian states, the SCO Energy Club can become a mechanism for coordinating

education sphere, the SCO member states and observers embarked on SCO University projects in energy, ecology, engineering, IT and world regional studies.

The SCO, which earlier had no plans for expansion, seems to be changing its policy now. India, Pakistan and Iran (all observer states) expressed their strong desire to become full members. India has shown keenness on sharing the region's security concerns with SCO and also on working closely with the SCO in Afghanistan.

Internationally, the SCO has established cooperation with other international organizations. It now enjoys partnerships with the UN, CSTO, CIS and ESCAP. In 2005, the SCO and ASEAN signed a memorandum of understanding, which defined the priority areas of cooperation such as counterterrorism, combatting drug trafficking, arms smuggling, money laundering

THE SCO HAS SUFFICIENT MECHANISMS TO NOT ONLY SUSTAIN BUT ALSO TO ENHANCE ECONOMIC COOPERATION. THEY INCLUDE THE SCO BUSINESS COUNCIL, INTERBANK CONSORTIUM AND ENERGY CLUB

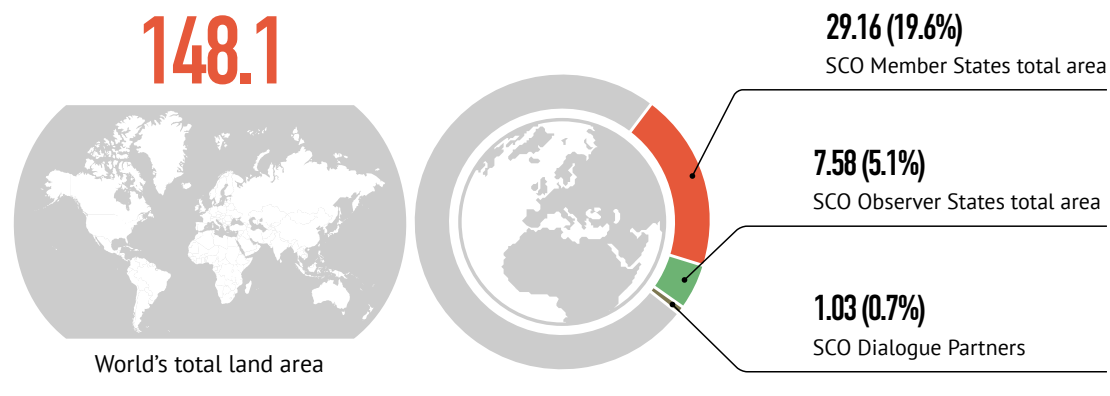
their energy policies and issues of energy and water exchange between Uzbekistan, Kyrgyzstan and Tajikistan (Kazharov et al., 2012: 187). By launching this Club, Russia will be able to channel various regional energy projects through the SCO and to link them to Russia, thus enhancing Russia's presence in the region and its participation in the energy projects in Central Asia.

Transport and communications became yet another target area for the SCO cooperation. During the SCO anniversary summit in 2011, President Nursultan Nazarbayev of Kazakhstan came up with an idea for a common SCO transport and energy space and received a favorable response in the region. At the SCO summit in 2012, China advanced another infrastructure proposal aimed at developing a network of motor roads in the region and improving conditions for international automobile transportation. If successful, this network will open up an opportunity of seamless transit from Lianyungang on China's Pacific coast to St. Petersburg in Russia. In the

and trafficking in human beings (ASEAN 2005). The SCO and ASEAN share a common normative culture, which includes consensus-based decision-making and respect for state sovereignty as its cornerstones. Even military cooperation and joint exercises are held on a voluntary basis.

In fact, one can say that the SCO is the most successful regional organization in Central Asia and is cementing security ties between the regional actors and has a gradually expanding agenda in other spheres. The efforts to unite Central Asian states under any other regional framework, be it Central Asian Cooperation (Central Asian Cooperation Organization existed from the year 2002 up to 2005 with Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Russia as members. In 2005, the Central Asian Cooperation Organization merged into the Eurasian Economic Community.) or Collective Security Treaty Organization (the CSTO includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan. Uzbekistan has suspended its membership in 2012), did not lead to any viable pan-regional mechanism that would be more or less accepted by the

Area of SCO States, mln sq km



SCO Member States

| | |
|------------|-------|
| Russia | 16.37 |
| China | 9.33 |
| Kazakhstan | 2.70 |
| Uzbekistan | 0.43 |
| Kyrgyzstan | 0.19 |
| Tajikistan | 0.14 |

SCO Observer States

| | |
|-------------|------|
| India | 2.98 |
| Iran | 1.63 |
| Mongolia | 1.55 |
| Pakistan | 0.77 |
| Afghanistan | 0.65 |

SCO Dialogue Partners

| | |
|-----------|-------|
| Turkey | 0.77 |
| Belarus | 0.20 |
| Sri Lanka | 0.062 |

Source: World Bank 2014

majority of Central Asian states as a platform for discussing regional concerns. In fact, the organization, within which Russia and China can counterbalance each other, became the most appropriate dialogue platform for Central Asian actors. However, the SCO's success as a regional discussion platform does not mean the absence of any asymmetry of interests within the organization or any challenges to its further development.

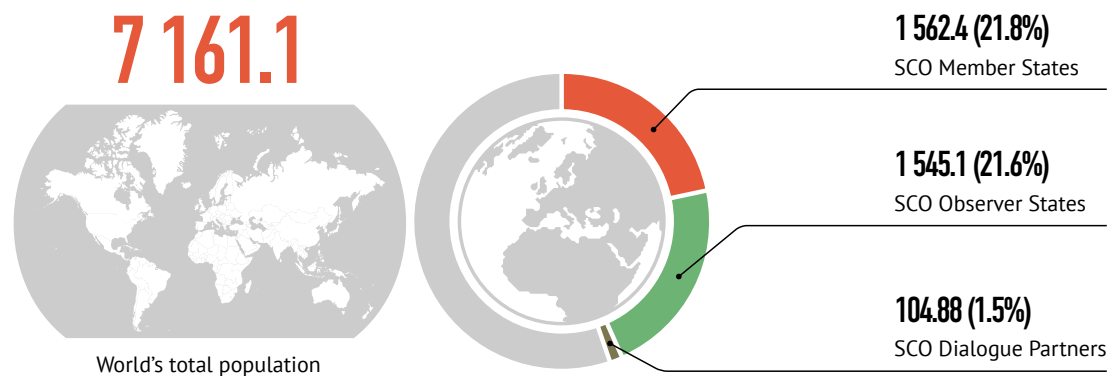
The SCO started to take shape just at the time when the world was witnessing new regionalization trends. The regionalization model based on the reproduction of bipolar confrontation trends at the regional level became secondary to the regionalization driven by transnational processes in economy and security (Hettne and Söderbaum, 2006). The regionalism-security nexus acquired new dimensions with the transformation of military and non-traditional security threats. Regional cooperation institutions per se became more di-

verse and structurally manifold. While some of them, like the European Union (the EU) and the Association of Southeast Asian Nations (ASEAN), managed to encompass structurally their respective regions, others, like the South Asian Association for Regional Cooperation (SAARC), remained much less functional.

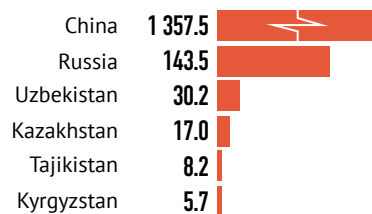
Though it is still unclear whether Central Asian states will constitute an international region from the institutional point of view, a number of old and new security concerns emanating from the region definitely make it a distinctive regional security complex. The SCO in fact became an organization that largely consolidates Central Asia as a region and, more broadly, acts as an element of Eurasian regionalism.

The SCO became a unique regional organization that does not have any international analogues. It has an institutional structure to address transnational threats in the region, yet it does not impose any restrictions on national

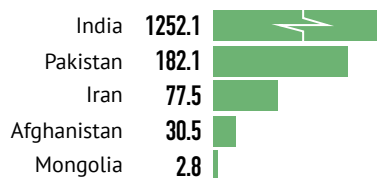
Population of the SCO States, mln people



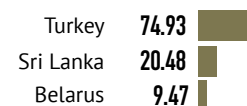
SCO Member States



SCO Observer States



SCO Dialogue Partners



Source: World Bank 2014

THE SCO HAS EMERGED AS A REGIONAL ORGANIZATION WITHOUT PARALLEL IN THE WORLD. IT HAS AN INSTITUTIONAL STRUCTURE TO ADDRESS TRANSNATIONAL THREATS IN THE REGION, YET DOES NOT IMPOSE ANY RESTRICTIONS ON NATIONAL SOVEREIGNTY

sovereignty. The SCO does not and cannot constitute a military bloc or pursue any regional integration aims. Its just over a decade-long history characterizes it as an organization that was created ad hoc to respond to immediate security concerns. However, since its establishment, the SCO made a gradual progress towards cooperation in other spheres beyond confidence-building and assumed a broader

approach to security and regional security governance.

Normative aims set in the SCO's documents have a corresponding practical agenda and an institutional structure. However, the SCO's achievements do not mean the absence of any problems or controversies within the organization. Neither do they mean a unanimous approval for the SCO internationally.

OFFICIAL AND RESEARCH DISCOURSE ON THE SCO'S ROLE IN CENTRAL ASIA AND BEYOND

Despite the SCO's achievements, scholars in Russia, China, India, Central Asia, Europe and the US vary significantly in their assessment of the SCO's practical benefits for regional cooperation. While some credit the SCO with growing stability and predictability in the region (Bailes at al., 2007), others consider it a mechanism of preserving authoritarian regimes in Central Asia (Ambrosio, 2008) and an anti-Western bloc. This report will evaluate the range of opinion on the SCO in the international political and expert

with Kazakhstan. At the same time, Russia made various attempts to work with Central Asian states under the frameworks of the Commonwealth of Independent States (the CIS currently includes Russia, all Central Asian states, Azerbaijan, Belarus, Moldova and Ukraine), the Collective Security Treaty Organization, the Central Asian Cooperation Organization, and the Eurasian Economic Community, creating prerequisites for a more or less viable mechanism of multilateral cooperation in the region.

THE BOTTOM-UP FORMATION OF THE SCO GIVES THE ORGANIZATION AN IMPORTANT COMPETITIVE ADVANTAGE OVER OTHER COOPERATION FRAMEWORKS IN THE POST-SOVIET SPACE

community to establish criteria for measuring the organization's effectiveness and its actual capacity to solve regional problems. By analyzing the differing approaches to the SCO, we will be able to better understand the common and diverging perceptions of the organization in Russia, China and Central Asian member-states and thus their ability to respond to the challenges cited in the Introduction.

RUSSIA'S VIEW OF REGIONAL COOPERATION WITHIN THE SCO FRAMEWORK

Russia has accumulated diverse experience working with Central Asia over the past two decades. But scholars question whether this experience was systemic in nature, noting that Central Asia does not represent a consolidated plank of Russian foreign policy-making (Malashenko, 2012). Russia's partnerships in the region have diversified in the past decade, with a clear emphasis on the relationship

Among these organizations, Russian officials single out the SCO for its unique ability to perform three important functions in Russian foreign policy, according to the recently released Foreign Policy Concept of the Russian Federation. It notes, first, that the SCO's activities can advance the emerging system of collective global leadership. Second, the SCO should become part of the Asia-Pacific network of regional cooperation mechanisms. Finally, the SCO alongside the UN, CIS and CSTO should play a decisive role in the stabilization of Afghanistan after 2014 (MFA of Russia, 2013).

The SCO certainly has the potential to play a larger role in the region and the world by working proactively to stabilize post-2014 Afghanistan and forging closer relationships with observer states, primarily India, the other rising giant of Asia alongside China. The SCO can therefore act as a regional or even macro-regional supplement to policy coordination between Russia, China and India at the global level within the BRICS and G20 frameworks.

The Panj River on the border between Tajikistan and Afghanistan





And while the SCO does not feature a mechanism of full-fledged military cooperation – notwithstanding the joint military exercises Peace Mission – inevitably the organization will have to step up interaction with the CSTO and probably with NATO in the event that an ISAF contingent remains in Afghanistan after 2014. NATO redeployment using the territory of Central Asian states and Russia should also create a foundation for some kind of cooperation with the US.

The bottom-up formation of the SCO gives the organization an important competitive advantage over other cooperation frameworks in the post-Soviet space. Confidence building measures and agreements on preventive diplomacy preceded the formal establishment of the SCO. Moreover, the SCO states have never questioned their membership in the organization, unlike other post-Soviet cooperation initiatives (Malashenko, 2012). And while the SCO cannot ensure the full military integration of its members, it is an important political actor in the region (Nikitina, 2009).

In contrast to the official position of the Russian government on the SCO, the Russian research discourse focuses on the following important features of the organization for Russia's foreign policy in Central Asia.

First, the SCO has gained strategic importance for Russia since the start of the US and NATO presence in Afghanistan and the region in 2001 (Bolyatko, 2012). In the first decade of this century, Russia and China responded by reassessing their policy in Central Asia, causing some experts to speak of an emerging Central-Eastern Asia (Bogaturov, 2004) in contrast to the idea of Greater Central Asia pushed by some groups in the US political establishment and research community (Starr, 2005). This extreme vision for Greater Central Asia involved economically de-linking the region from Russia as much as possible and re-directing it toward South Asia (Boucher, 2006). In this context, some Russian experts see the strategic importance of the SCO in its ability to provide an additional security perimeter for the Russian frontier, a supplement to the CSTO (Bailes et al., 2007: 44), and an important regional framework for working with Central Asian states. The CSTO and the SCO could act as complementary institutions, though the decision-making process within these organizations differs significantly. Russia has a decisive voice in the CSTO, while

in the SCO it has to share the leadership role with China and also reach consensus with the Central Asian member-states.

Second, many Russian experts believe that the SCO, as a regional institution, cannot be a replica of European or American regional organizations (Nikitina, 2011). They regard the SCO as a regional or even trans-regional organization, which provides for cooperation between states with varying models of political development in order to ensure stability in Central Asia and neighboring areas (Bailes et al., 2007). This perception of regional security differs from the Western approach to regional security cooperation, which is based on the convergence of values and a liberal-democratic interpretation of security communities (Adler and Barnett, 1998).

Finally, many Russian experts praise the SCO for its ability to organize energy and infrastructure cooperation, creating the conditions for a common economic and infrastructure space in Central Asia (Uyanov, 2012; Lukin, 2012). Sergei Luzyanin argues that to achieve these aims the SCO should rely more on cooperation with observer states (Luzyanin, 2012). The importance of these states for Russia in the SCO will rise, given the general distribution of power in the region. India and Pakistan both have close relationships with the US but are also interested in working with the SCO in Central Asia. Iran is likewise an important regional actor and Russia's economic partner, but it has a tense relationship with the West due to its nuclear program. Afghanistan is a key state in the region that the SCO should try to engage in its multilateral activities to ensure its continued development. Thus, Russia should use the SCO diplomatic track to carry out regional projects which correspond to Russian interests and to establish working ties with observer states, while at the same time refrain from making its relationship with the US more confrontational.

CHINA'S VIEW OF REGIONAL COOPERATION WITHIN THE SCO FRAMEWORK

For quite a long period, China was not an active participant in multilateral regional cooperation projects. On the bilateral level, however, China started to restore interregional trade and cultural ties between its border regions and Central Asian republics in 1980s, when Sino-



National flag of the People's Republic of China

Soviet relations began to normalize and Deng Xiaoping initiated reforms that required a deeper trade and economic relationship with the outside world.

National security and economic considerations define China's current foreign policy aims in Central Asia. Geographically the region is in close proximity to the Xinjiang-Uighur Autonomous Region, one of China's most turbulent areas populated by Turkic ethnic groups. From an economic standpoint, Central Asia is a key supplier of the energy China needs during this period of accelerated economic growth.

In contrast to Russia's relations with Central Asia, China pursues a consolidated strategy toward the region alongside bilateral relations. This strategy has both security and economic dimensions, as explained above. A Chinese scholar Zhao Huasheng has identified several priorities in China's strategy in the region, including the fight against terrorism, extremism and separatism, border security, regional stability, participating in the economic development of Central Asia, and access to regional energy

resources. Zhao also believes that China must not let any anti-Chinese intergovernmental or military alliance gain dominance in the region (Zhao, 2005).

China's engagement in the Shanghai Process in the late 1990s and later in the SCO added one more priority to this list, namely strengthening China's positions in multilateral organizations. By that time, China had begun putting into place its "belt of good neighborhood" policy along its borders (Lin et al., 2005). China's efforts in the 1990s concentrated more on Central Asia than East Asia in an attempt to avoid opening a "second front" of competition with the US (Koldunova, 2011: 78).

Chinese experts view the SCO as an institutional framework, where China can test the multilateral leadership model, with China itself as one of the leading states (Jia, 2007). According to Pan Guang, director of the Shanghai Cooperation Organization Studies Center in Shanghai, Chinese leadership in the SCO is based on three pillars (Pan, 2008). The first pillar is the "Shanghai spirit," or principles, which form the conceptual framework for the SCO's

development. The principles of the Shanghai spirit were formulated by then President of the People's Republic of China Jiang Zemin in his speech during the inaugural ceremony of the SCO. They include mutual trust, mutual benefit, equality, respect for different civilizational backgrounds and mutual prosperity (Jiang, 2001). The other two pillars of Chinese leadership include supporting the continued institutionalization of the SCO and multilateral projects within the SCO. The fact that other SCO members echo Chinese terminology and speak of a "battle" against the "three evils" (extremism, terrorism, and separatism) signifies their broad agreement with China's position on these issues (this is even more meaningful if one considers that Taiwan is viewed as a separatist area by mainland China).

In general, multilateral cooperation in Central Asia under the SCO framework has

stan does not want to be bound by Russian and Chinese leadership in the SCO, and perceives itself as a "creative leader" in the region (Nazarbayev, 2010). In practice, this means that Kazakhstan wants the freedom to work with other international counterparts and maintain leadership in a region, where Kazakhstan is clearly the most socioeconomically advanced nation (see Annexes 3 and 4).

Uzbekistan pursues a more unilateral strategy in the region and takes a negative approach to Central Asian integration or cooperation projects led by Russia. It prefers to emphasize bilateral relations with Russia and other partners, including the US, seeking to strike a balance that maximizes its own benefit. Uzbekistan tries to stay out of collective activities – especially military activities – in regional organizations, including the SCO (Naumkin et al., 2013). However, in contrast to the CSTO,

IN CONTRAST TO RUSSIA'S RELATIONS WITH CENTRAL ASIA, CHINA PURSUES A CONSOLIDATED REGIONAL STRATEGY ALONGSIDE BILATERAL RELATIONS

allowed China to deescalate disagreements with neighbors while pursuing its energy interests, and China has gained international experience advancing its initiatives through regional institutions. As Chinese experts note, the country has formulated a new model of diplomacy with neighbors that is a considerable departure from the PRC-USSR relationship (Pan, 2008).

CENTRAL ASIAN STATES' VIEW OF REGIONAL COOPERATION WITHIN THE SCO FRAMEWORK

While none of the Central Asian member states have ever questioned their membership in the SCO, views of the organization in Kazakhstan, Uzbekistan, the Kyrgyz Republic and Tajikistan vary significantly.

Kazakhstan is one of the most energetic advocates of Eurasianism as the basis for integration in the post-Soviet space, and as such it generally supports all viable forms of regional cooperation in Central Asia. However, Kazakh-

Uzbekistan continues to maintain a presence in the SCO. In fact, the country's evolving attitude toward the CSTO reflects the dynamics of its balancing strategy. Uzbekistan first suspended its membership in CSTO in 1999 but rejoined in 2006 when the US and EU imposed sanctions following the mass unrest in Andijon in 2005. Uzbekistan left the CSTO for a second time in 2012. Its position within the SCO also remains ambivalent in large part because the incumbent president Islam Karimov seeks security guarantees from the US, NATO and Russia simultaneously (Adyasov, 2014).

The national security of Kyrgyzstan and Tajikistan depends more heavily on international cooperation, first and foremost the SCO and CSTO. But practical security cooperation is still conducted on a bilateral basis in these countries. For example, Russia's 201st military base (formerly the 201st Motorized Rifle Division) protects Tajikistan's border with Afghanistan, while Russia and Kyrgyzstan carry out joint military exercises, the most recent of which, Dostuk-2013, held in June 2013, simulated a terrorist threat and attacks on the Kyrgyz Re-

Mir-i Arab Madrassah in Bukhara, Uzbekistan, built in 1512





Head office of Kazakhstan's national oil company KazMunaiGaz in Astana

public's border. While good relations with Russia ensure a certain level of security for these smaller Central Asian states, cooperation with China in the SCO is the source of economic benefits.

Officials in Kyrgyzstan and Tajikistan stress that the SCO is important not only as a multi-lateral structure but also as a way to strengthen bilateral ties between these states (Trend.az, 2012). For both countries, post-2014 Afghanistan presents a real security concern, which they cannot fully address on their own. That is why Bishkek's agenda for its chairmanship of the SCO in 2013 and Dushanbe's agenda for 2014 stress political and security cooperation as the SCO's top priority.

For Central Asian states – and Kyrgyzstan, Tajikistan and Uzbekistan in particular – the SCO also serves as a platform to discuss sensitive issues (energy, water, railroad connection) that are unlikely to be resolved bilaterally (Aris, 2011: 71). Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan are also joined in their support of the SCO as an anti-imperial initiative, i.e. an opportunity to move beyond one-sided dependence on Russia. However, there is the

risk of merely replacing dependence on Russia with dependence on China, as Timur Dadabaev argues (Dadabaev, 2014).

INDIA'S VIEW OF REGIONAL COOPERATION WITHIN THE SCO FRAMEWORK

India's current foreign policy aims to establish the country as a pan-Asian player in addition to its ambition to be regional leader in South Asia (Blank, 2003). But India faces a number of obstacles to developing cooperation projects in the region, such as the India-Pakistan rift and the desire of smaller South Asian countries to avoid one-sided dependence on India. Therefore, the Indian political elite regards broader cooperation with Central Asia and a greater presence in the region as a logical step toward becoming a leading actor in Asia (Voskressenski, 2010).

In the late 1990s, Indian Prime Minister Inder Kumar Gujral called Central Asia "our near abroad" and outlined the country's economic priorities in the region, including infrastructure development (linking railroads, telecommuni-



Russian President Vladimir Putin (right) and Indian Prime Minister Narendra Modi, 2014

cations) and energy cooperation (Blank, 2003: 148). India's Central Asia policy was brought in line with Gujral's foreign policy doctrine under which India, as a dominant regional power, acts to foster favorable conditions for economic relations with its neighbors without necessarily expecting immediate reciprocal steps.

In 2012, India announced its "Connect Central Asia" policy. In June of that year, during the first meeting of India-Central Asia dialogue in Bishkek, Indian Minister of State for External Affairs E. Ahamed listed several key areas in which to strengthen India's connections with Central Asia, including political and strategic ties (joint military training and counterterrorism), multilateral cooperation with the SCO, India's cooperation with the Customs Union, joint energy and natural resource exploration, education and IT initiatives, and joint efforts to create a North-South trade corridor, among others (Ahamed, 2012). India sees a stable Afghanistan as vital to greater economic cooperation with Central Asia; therefore, close consultation on Afghanistan is required to enhance India-Central Asia connectivity.

India's policy toward the region is consonant with the American strategy of creating a Greater Central Asia that is economically linked to South Asia, first and foremost India (Boucher, 2006). However, India stresses that it is more tolerant than the US on the issue of political regime democratization in the region.

In today's academic discourse, Central Asia is regarded as new strategic neighborhood for an India that seeks to play a constructive role in the region and the SCO (Sachdeva, 2012; Kundu, 2012). However, while the SCO is acknowledged as an important forum for addressing new threats, it is still regarded as secondary in India's cooperation with Central Asia, China and Russia, with priority given to bilateral projects, for example with Kazakhstan, Tajikistan and Kyrgyzstan (Trivedi, 2011; Joshi, 2010). India's cautious approach to the SCO (despite its official support) can be explained by the uncertainty surrounding the organization's future and the relationships between its members. Some experts believe that it would not be to India's advantage if China becomes the dominant actor in the SCO, with Russia playing a supporting role (Sachdeva, 2012: 80).

EUROPEAN AND AMERICAN VIEWS OF THE SCO

There are several interpretations of the SCO and what it does in the European and American academic discourse, which directly or indirectly echo the views current in certain segments of the European and American political community.

The dominant trend in the West is to regard the SCO in terms of the geopolitical balance of power. At the extreme end, this geopolitical interpretation stresses the SCO's role in preserving and legitimizing authoritarian political regimes in the region. The SCO and particularly its relationship with observer states (first and foremost Iran) are seen as directed against the West and the US (Cohen, 2006; Laruelle and Peyrouse, 2012: 37). Some scholars regard the SCO as an instrument to preserve the regional

dominance of China and Russia in Central Asia. While Russia has assumed responsibility for developing military and political cooperation, China dominates economic cooperation with the region. Thus, the two countries maintain their leading status in Central Asia through a kind of regional labor division (Contessi, 2010).

According to the normative approach to the SCO, the organization “de-legitimizes anti-regime activities and democracy promotion” (Ambrosio, 2008: 1341) in its member states by employing the discourse of “regional stability.” The key factor uniting SCO member states, according to this view, is their overriding concern with preserving sovereignty, while a real basis for regional cooperation, such as trade complementarity, is lacking. It is these considerations as well as regional political leaders' concerns about the stability of their regimes following the “color revolutions” in some post-

SCO INSTITUTIONS MAY FACILITATE RUSSIA'S GREATER INCLUSION IN THE REGIONAL ARCHITECTURE OF ASIA PACIFIC, WHICH WAS ERECTED WITHOUT RUSSIA'S DIRECT INVOLVEMENT

Symbols of the APEC Leaders' Meeting 2012 on Vladivostok's central square



Soviet states that have resulted in “defensive integration” in the region, with the SCO being a prime example (Allison, 2008: 188). Consequently, some scholars consider the SCO to be an ineffective regional mechanism – one that should be supplemented with external “strategic partnerships,” for example, between the EU, on the one hand, and Russia, China and India, on the other (Renard, 2013). Raffaello Pantucci and Li Lifan believe the SCO lacks “a clear sense of its role in the world,” which only compounds the organization’s ineffectiveness in regional matters (Pantucci and Li, 2013).

However, a more balanced, middle-ground view of the SCO acknowledges the organization’s highly focused agenda aimed at solving the region’s internal problems and confronting new threats (Aris, 2011). This approach assumes that the SCO has limited capabilities to guarantee the region’s security on its own but does not denigrate the organization’s utility for regional stabilization both for Central Asia and for the West (Ziegler, 2013).

Differences in perceptions of the SCO in the official and research discourses of SCO member states, observer states and outside countries are clearly driven by past experiences of regional or quasi-regional cooperation among these actors

(Russia, China, India, the USA, and the EU) and the current political, economic and security aims that shape their cooperation with Central Asian states.

European and American scholars usually stress the normative aspects of the SCO’s activities, tying them to the problems of democratization in the region. Some experts argue that the organization is ineffective as an independent player, noting that the SCO needs external partnerships to sustain its activities. They insist member states need to undergo internal political changes.

For India, interaction with the SCO is important as an element of its cooperation with Central Asia and its broader strategy for the region. For Russia and China, the SCO is important, not as a framework of regional integration, as perceived from the point of view of the classical integration theory, but as a way to structure the regional space without external involvement. In addition, SCO institutions may facilitate Russia’s greater inclusion in the regional architecture of Asia Pacific, which was erected without Russia’s direct involvement. To be fully integrated in this architecture, Russia needs additional political and economic tools, of which the SCO could be one.

CURRENT CHALLENGES AND DILEMMAS FACING THE SCO

The key structural challenge the SCO faces today is the growing contradiction between its regional focus and the potential macro-regional and even global implications of its actions. As mentioned in the previous section, geopolitically some experts and policymakers tend to see the SCO through the lens of the global balance of power. This interpretation does not align with the SCO's real abilities or the intentions of its member states. However, the SCO does exhibit certain features that make it more than a narrowly focused regional organization.

First, the SCO has exhausted its initial agenda of the 1990s. The stakeholders resolved the most pressing border issues and created a

functioning confidence-building mechanism. Now the SCO is moving toward more comprehensive cooperation, which could provide the necessary socioeconomic conditions for regional security. Aris identifies three periods in the SCO's post-1990s evolution: institutional development (2001–2004), agenda development (2004–2007) and agenda implementation (2007–present) (Aris, 2011). During the most recent period, Afghanistan has become the main security concern for SCO members, and broader socioeconomic cooperation has become the overarching goal. In addition to implementing its agenda, the SCO confronts the task of qualitative transformation. This means transcending the SCO's image as a platform for

Flags of participating nations in the Peace Mission 2010 SCO joint anti-terrorism military exercises in Kazakhstan



dialogue, building institutions that can achieve practical goals, and proving that functional multilateral cooperation is possible under SCO auspices. Merely justifying the SCO's existence by demonstrating its ability to handle consultations, dialogue or confidence building will not help the SCO address immediate tasks, such as threats emanating from Afghanistan and the challenge of implementing comprehensive multilateral cooperation programs.

Second, Russia's ambition to integrate the SCO into the Asia-Pacific security architecture – a long-term strategic goal of Moscow – is another factor indicative of the organization's potential for wider outreach. The current security architecture of the region is largely the product of bilateral US security alliances and informal dialogue under ASEAN's Regional Forum and ADMM+ frameworks. The East Asian Summit (EAS), which includes both Russia and China

observer or a dialogue partner of the SCO, have active economic ties with SCO member states, and not be under UN sanctions or involved in a conflict with another state (Weitz, 2011). That said, SCO officials have stressed that they are more interested in intensifying cooperation rather than expansion, which preserves the status-quo on expansion in the organization.

In 2012, Russia supported India's bid to become a full member, but it is still unclear, whether Russia will follow this through. There are apprehensions that this could encourage other observer states to step up efforts to join as well. Iran in particular could seek to join the SCO once the international community finally lifts the sanctions related to its nuclear program. Relations between India and Pakistan and Iran's international position may have improved recently, but these countries would certainly introduce new elements into the SCO

THE GROWING ATTENTION OF OTHER EURASIAN STATES SIGNIFIES THAT THE SCO IS GAINING INTERNATIONAL STANDING

and seeks to address security issues, is still taking shape. As far back as 2004, the SCO proposed the so-called Tashkent initiative to establish a network of partnership organizations in Asia Pacific (Barsky, 2012). The process has languished in the interim, but following the Brunei summit in 2013 there has been movement in the EAS to discuss the plan for regional security architecture proposed by Russia and backed by China. This could represent a step toward new security architecture with possible SCO involvement.

Another reason the SCO has been forced to consider the macro-regional implications of its activities is its growing number of observer states and dialogue partners, some of which are interested in full membership. In 2004, Mongolia became the first observer state. In the same year, the SCO Summit in Tashkent established the procedure for obtaining observer status. India, Pakistan and Iran became observers in 2005, followed by Afghanistan in 2012. Pakistan, Iran and India later expressed interest in gaining full membership.

In response to these membership requests, the SCO in 2010 defined the criteria for admitting new members. A country interested in joining the SCO must be located in Eurasia, be an

agenda as members.

While the growing attention of other Eurasian states signifies that the SCO is gaining international standing, expansion may well change the constellation of powers within the organization or, more importantly, shift the focus of the SCO from Central Asian security to the concerns of potential newcomers.

However, the challenge of stabilizing Afghanistan will inevitably make the SCO rely more on cooperation with the observer states and reconsider the role of both observers and dialogue partners. Besides, the growing number of states that have officially expressed interest in developing ties with the SCO enhances the SCO's international legitimacy and undermines criticisms that it constitutes a club of authoritarian regimes. It is in Russia's interests to have more partners participate in projects under the SCO framework rather than pursue a unilateral approach to Central Asia.

China's rise adds yet another dimension to the SCO's developmental dilemma and poses a certain challenge to Russia itself.

Over the past two decades, Eurasia witnessed an unprecedented situation, in which Russia

was getting weaker economically, while China was growing stronger. Voskressenski argues that during the first decade of the 21st century, the Russian political elite welcomed expanded Russian-Chinese cooperation in Central Asia. Russia saw cooperation with China as a means to “further stabilize Russia’s Asian ‘underbelly’” (Voskressenski, 2012: 6) even at the expense of China’s stronger presence in the region at a time, when Russia itself lacked sufficient resources to structure the regional economy on its own terms. Kazantsev supports this view. He argues that the SCO is the most effective way for China to work with Russia and allows China to reduce the financial cost of developing Central Asia, while the SCO gives Russia the ability to influence China’s rise in the region to some degree (Kazantsev, 2008: 232).

China’s economic growth and its desire to invest in Central Asia has lent the SCO consid-

and Kyrgyzstan, and granted “open city” status to a number of urban centers, such as Horgos and Kashgar, in order to create cross-border markets.

As China continues to make steady progress in Central Asia, there are indications that a decade after the SCO’s inception, China is increasingly inclined to prioritize bilateral ties with SCO Central Asian states rather than implement economic projects under a multilateral framework. For example, certain infrastructure projects in Central Asia attributed to the SCO or negotiated on the SCO sidelines are in fact implemented bilaterally (Linn, 2012; Kley, 2013) or multilaterally outside the SCO framework. Some scholars argue that China actually had to “seek bilateral cooperation under the aegis of the SCO,” especially in the energy sphere, because it could not reach a multilateral agreement with Russian engagement (Song, 2014:

CHINA INCREASINGLY PRIORITIZES BILATERAL TIES WITH SCO CENTRAL ASIAN STATES OVER MULTILATERAL ECONOMIC PROJECTS

erable authority, adding an economic rationale to the SCO’s original security mission. The first decade of this century saw a dramatic increase in trade between China and Central Asian states. Bilateral trade grew almost 15-fold relative to the 1990s in less than ten years. China’s previously mentioned “good neighborhood diplomacy” and its support for the secular political regimes in Central Asia as a bulwark against radical Islamism contributed to China’s expansion in the region. By cementing good political and economic relations with Central Asia, China also ensured access to the energy resources that are so important for the development of its northwestern regions, particularly the Xinjiang-Uighur Autonomous Region. Back in the early 1990s, as part of China’s cross-border trade policy, the country’s leadership identified as a strategic goal the transformation of Xinjiang into a region that promotes trade and economic ties with Central Asia, something that was facilitated by the historical and geographical connection between Xinjiang and Central Asian states. To achieve this, the Chinese government established special economic zones, opened new checkpoints and refurbished existing ones along the borders with Kazakhstan, Tajikistan

97). At the same time, China’s growing economic clout raises questions about how the SCO fits into China’s broader strategy in Eurasia.

Historically, China viewed Central Asia through the prism of the Sinocentric foreign policy concept that was also shared by the Manchurian Qing dynasty. This concept identified the populations of Central Asian khanates as “peoples of states nominally subordinated to China,” although formally they retained independence (Voskressenski and Luzyanin, 2003: 389). During the 19th and early 20th centuries, the Qing Empire steadily lost ground to Russian and British imperial expansion in Central Asia. For most of the 20th century, China could not interact directly with Soviet republics of Central Asia. Sino-Soviet confrontation and border disputes did nothing to improve the situation in Eurasia.

The growing economic and political contacts between China and Central Asia over the past two decades have caused some to question whether China now seeks to restore its influence in Central Asia in addition to Southeast Asia (Luzyanin, 2010). While this Sinocentric concept may not apply to Chinese foreign policy today, the current situation shows that Central

The Great Wall of China



Asian states that are ready to accept the idea of co-development with China and Chinese financial support also have to yield to the primacy of Chinese national interests (Halper, 2010; Voskressenski, 2012). China's recent initiative to build a Silk Road economic belt linking China with Europe through Central Asia, Afghanistan, Iran and Turkey as well as the results of Xi Jinping's visits to Central Asian states in 2013 (to be discussed further in the next section) raise the possibility that the SCO will ultimately become secondary to China's bilateral relationships with Central Asian countries.

Post-2014 Afghanistan remains the most pressing immediate challenge for the SCO.

For the first time in its history, the SCO will have to deal with threats originating outside of the organization's territory that can directly

network of cooperation. At the same time, it doubles and even triples the number of stakeholders, each of which brings its own considerations to the issue of post-2014 Afghanistan. Thus, in order to stabilize Afghanistan in actual fact, the SCO will need to be able to reconcile the agendas that emerge from various initiatives, including the Istanbul Process, the Russia-China-India dialogue on Afghanistan, the Kabul Process, NATO and the SCO itself.

The situation in Afghanistan is the most urgent concern for all SCO member states. The year 2014 is a test of regional stability. The withdrawal of most NATO-led ISAF forces and the rearrangement of the remaining contingent in Afghanistan after 2014 may trigger a dangerous increase in terrorist threats in Afghanistan and neighboring countries. During the Soviet period, Central Asia bore the brunt of the cau-

NEITHER AFGHANISTAN NOR CENTRAL ASIA WILL REMAIN A TOP US FOREIGN POLICY PRIORITY AS AMERICA SEEKS TO PIVOT TO ASIA PACIFIC

impact the SCO. The SCO will inevitably have to coordinate its actions with other Eurasian states involved in various regional initiatives to stabilize Afghanistan, such as the Istanbul Process on Regional Security and Cooperation for a Secure and Stable Afghanistan launched in Turkey in 2011 (also known as the "Heart of Asia"). Participants include Afghanistan, India, Kyrgyzstan, Pakistan, Russia, Tajikistan, Turkey, United Arab Emirates, China, Iran, the Saudi Arabia, Kazakhstan and Turkmenistan. The Istanbul Process is rooted in an appreciation of Afghanistan's importance as a land bridge between several regions, namely Central Asia, Eurasia, South Asia and the Middle East, and sets a number of tasks for political, security and economic cooperation. More practically, the aims of the Istanbul Process are negotiating border control agreements, trade facilitation, and infrastructure projects (MFA of Turkey, 2011). There is also the important Kabul Process, which brings together Afghanistan and the donor states and organizations that can be broadly termed the "international community."

The growing number of platforms for dialogue on Afghanistan creates a more solid

salities resulting from the war in Afghanistan. In recent years, the Taliban has provided bases, training and access to arms to the Islamic Movement of Uzbekistan (IMU). As many experts note, the most dangerous scenario would involve rapid mobilization of the radical groups that are currently forming in the Northern Afghanistan. According to the Secretary of Kyrgyzstan's Security Council Busurmankul Talbaldiev, there is evidence of a growing number of ethnic insurgent groups of Central Asian and Northern Caucasus origin currently forming in the Afghan part of Badakhshan, a region divided between Afghanistan and Tajikistan. If these groups continue to gain momentum, Central Asian states and Russia may face a direct threat of growing extremism not only in Afghanistan but also at home.

The international consensus is that Afghanistan will not be ready to assume full responsibility for its own security when ISAF forces leave in 2014. Neither Afghanistan nor Central Asia will remain the top US foreign policy priority as America seeks to pivot to Asia Pacific (Mancoff, 2013). Whatever the ultimate results of the pivot, it signifies an important reorientation in



Watchtowers of the Hissar Fortress, Tajikistan

US foreign policy with concrete implications for US military spending. As former US Secretary of Defense Chuck Hagel stated during the Shangri-La Dialogue in 2013, even under the most unfavorable budget scenario, the US military presence in Asia Pacific will be sufficient to support the US pivot (Hagel, 2013).

Against this backdrop, the key task for the SCO is to increase coordination among its member states and dialogue partners, Afghanistan included, as well as between the SCO and Collective Security Treaty Organization (CSTO) in order to prevent any military threat to the secular regimes in the region. Preserving these secular regimes will not only provide a kind of regional stability guarantee, it will also create opportunities for the region's modernization and socioeconomic development. The SCO program to jointly address the threats of terrorism, separatism and extremism for the period 2013–2015, adopted during the Beijing summit in 2012, provides the organization with a necessary short-term normative tool to manage these threats. The action plans, which specify further steps under the program, involve joint

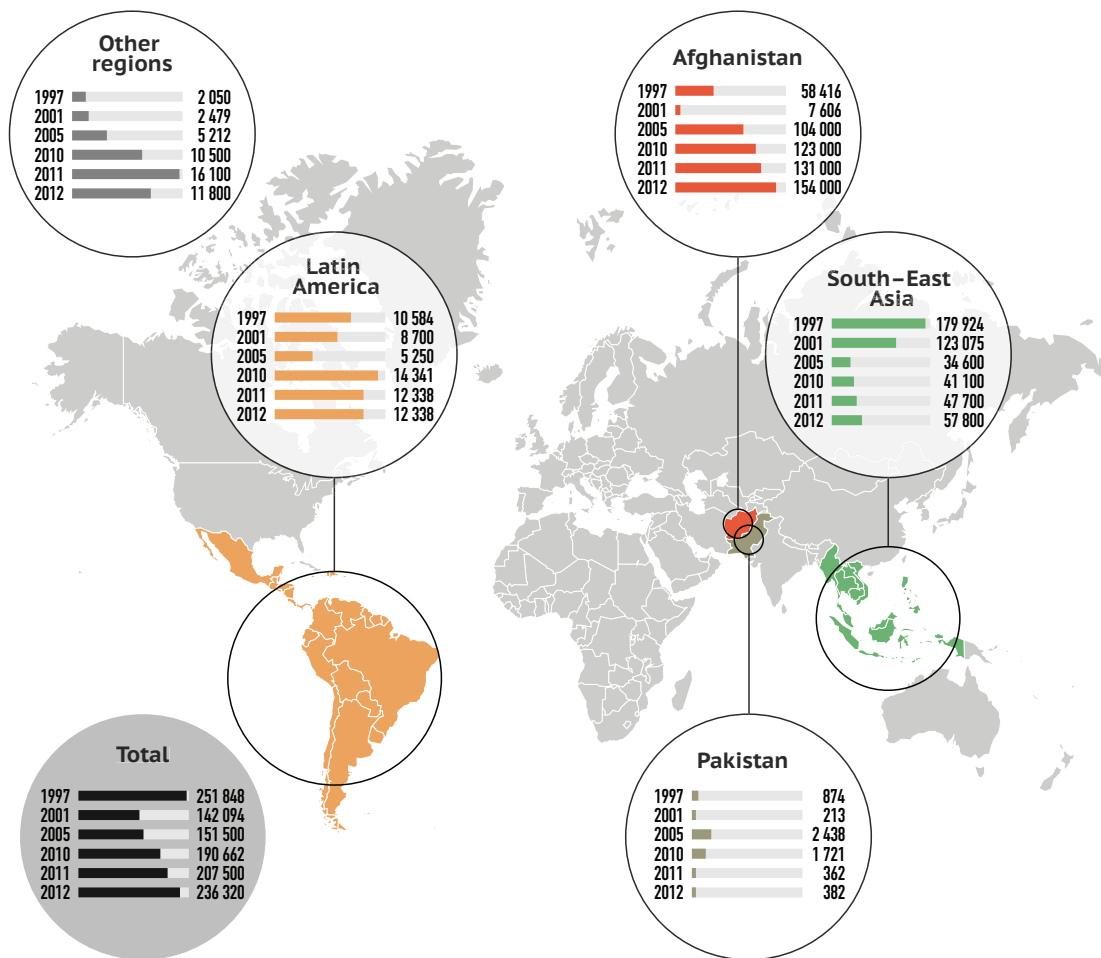
efforts to identify and close off sources of funding for terrorist groups, to combat cyber terrorism, and to ensure security at important international events held on the territory of SCO member states.

There were some evidence of a nascent SCO-NATO dialogue on Afghanistan. On March 27, 2009, Moscow hosted a special SCO-sponsored conference on Afghanistan in which NATO countries also participated. The conference resulted in the SCO-Afghanistan Action Plan, which called for greater SCO involvement in Afghanistan and wide-ranging collaboration in the fight against terrorism and drug trafficking in the region. As Afghanistan is bordered on all sides by SCO members and observers, the action plan appears to be a roadmap for eventually bringing Afghanistan into the SCO. Thus, before 2014 the US and the SCO were exploring ways to work together to ensure that Afghanistan successfully transitions from a NATO-led security framework to one where regional countries take the lead.

However, there are several constraints on the already limited SCO-NATO cooperation,

World Opium Production

Global illicit cultivation of opium poppy, 1997-2012 (hectares)



Sources: World Drug Report 2012, World Drug Report 2013

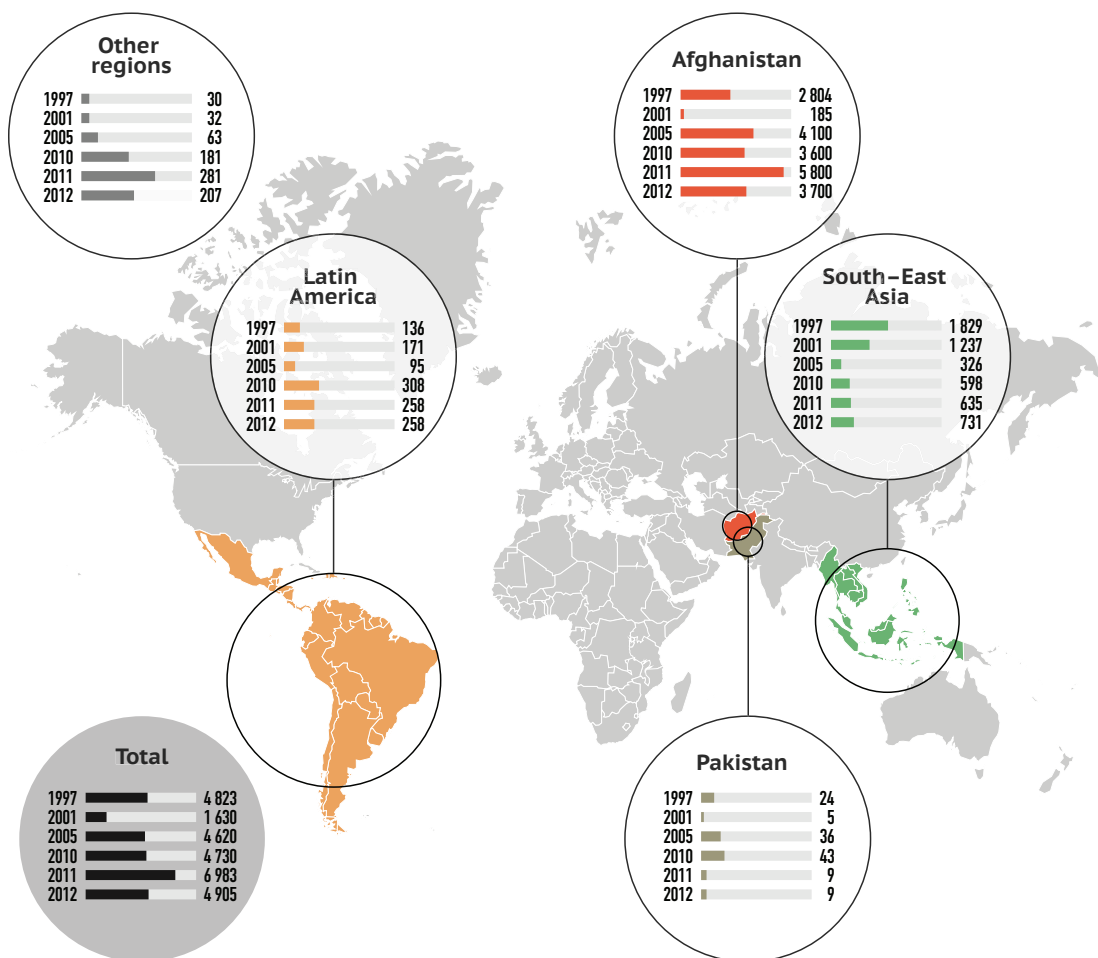
which add more uncertainty to the situation in Afghanistan. First, as Russia's former national coordinator for the SCO, Kirill Barsky, has stated, the SCO will not be able to replace NATO in Afghanistan and cannot take responsibility for security in a non-SCO member state (Infoshos, 2014). Moreover, the SCO's past history and normative framework suggest that the SCO could not obtain the necessary mandate from its members in any case. Second, recent US activities in Uzbekistan, a member of the SCO, make the situation quite ambivalent for the SCO itself. In June 2013, NATO opened a regional office in Tashkent, the stated purpose

of which is to coordinate ISAF's drawdown and the transportation of military equipment (Adyasov, 2014). However, the renewal of US-Uzbekistan military contacts and arms supplies call into question Uzbekistan's commitment to coordinating actions with the SCO on Afghanistan.

Drug trafficking from Afghanistan via Central Asian states to Russia poses another security challenge for the SCO. According to the UN Drug Report (UN, 2012) Afghanistan accounts for over 60% of global opium poppy cultivation and remains the leading producer of opium in the world.

World Opium Production

Potential production of oven-dry opium, 1997-2012 (tons)



Sources: World Drug Report 2012, World Drug Report 2013

The relentless rise in drug production in Afghanistan since 2001, halted only in 2010 by a disease affecting poppies, is taking on a new geographical dimension. The growing drug production in Afghanistan is not confined to the country's north, but can be felt in the south as well. And new drug trafficking routes are evolving. There is now a dense network of routes connecting Afghanistan with Kazakhstan, other Central Asian states and Russia – the main targets of the drug trade apart from Europe. Experts foresee an even higher level of drug smuggling when new transportation routes from China to Europe via Central Asia start operating at full capacity.

However, to find regional solutions to threats emanating from Afghanistan, SCO member states need to resolve their own outstanding disputes. Despite the overall positive dynamics in the sphere of border demarcation and delimitation, which is a hallmark of the SCO's work, some border incidents between Central Asian states still occur. Territorial disputes mar relations between Kyrgyzstan and Uzbekistan, Kyrgyzstan and Tajikistan, Tajikistan and Uzbekistan. The most recent border incident between Kyrgyzstan and Tajikistan appears to have been settled by coordinated efforts by the secretaries of their respective

national security councils. However, in January 2014 Kyrgyzstan recalled its ambassador from Tajikistan because of yet another military clash on the border.

Besides these disputes, Central Asian SCO members also face some internal structural problems with potential implications for the SCO and Russian foreign policy in the region. This brings us to one more, so far implicit, challenge for the SCO and Russia's positions in Central Asia – **the growing divergence among Central Asian states in terms of their cooperation with Russia as well as in terms of their state capacity.** The first aspect of this challenge has to do with Russia's own line in Central Asia during the previous two decades. Until recently, Russia had little to offer the region in terms of economic cooperation. And the Central Asian states themselves were eager to escape their dependence on Russia by engaging in other international partnerships.

The second aspect of this challenge concerns the current political situation in Central Asia and the ability of Central Asian states to develop models of peaceful political transformation. Political succession in post-Soviet states has featured little in the way of seamless transfers of power. There have been managed successions

in Russia and Azerbaijan (Turkmenistan can also be included in this group with some caveats), succession through elite struggles ("color revolutions" in Ukraine, Georgia and Kyrgyzstan) and limited experience with democratic transitions of power (2011 presidential elections in Kyrgyzstan). The absence of institutionalized succession in Central Asia opens up the possibility that extremists could take power in the countries surrounding Afghanistan, another headache for the SCO.

The SCO has neither a mechanism nor a mandate to respond to internal political problems in member states; nor does it have the inclination to do so, as the "tulip revolution" in Kyrgyzstan showed. However, the SCO will certainly take into account how possible internal changes (for example, in Uzbekistan, which has entered a pre-election year) may influence the organization's capacity to carry out its functions.

The SCO faces immediate challenges and dilemmas, like post-2014 Afghanistan, as well as those that are more long-term and structural in nature. Cumulatively, they demonstrate that the SCO is currently entering a new phase. How the organization, and Russia as a member, responds to them will define the SCO's future viability and relevance for regional development.

RUSSIAN INTERESTS AND OPPORTUNITIES WITHIN THE SCO

Many experts share the view that over the past ten years a balance emerged in approaches within the SCO concerning the organization's further development: China promoted closer economic cooperation with SCO members, while Russia stressed the political and security aspects of multilateral cooperation. The other SCO member states – Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan – supported both approaches, while expressing cautious concern

ners; but Russia should not overlook the importance of Central Asia from both a security and economic standpoint. Without secure borders in Central Asia, it is highly unlikely that Russia will be able to achieve the aims of developing Siberia and the Far East.

In 2012, Russia, Kazakhstan and Belarus formed the Common Economic Space. Kyrgyzstan and Tajikistan will be considering membership in the coming years. This could cause a

THE COMMON ECONOMIC SPACE COULD RESULT IN A SYSTEM OF INTERDEPENDENT COOPERATION PROJECTS IN CENTRAL ASIA WITH RUSSIAN PARTICIPATION

about the prospect of subordination within the organization, and took various opportunities to balance between major regional actors.

However, there are several reasons why Russia should complement its traditional security focus in the SCO with a broader economic agenda that addresses Russia's national development goals and the transformations taking place in Central Asia and, more broadly, in economically dynamic East Asia and Asia Pacific.

In the years preceding Russia's chairmanship of APEC in 2012, the Russian government made clear that the development of Siberia and the Russian Far East was a strategic national priority aimed at keeping the European and Asian parts of the country connected. Russia prepared for its chairmanship by launching and completing several projects, including the construction of the East Siberia-Pacific Ocean oil pipeline and infrastructure modernization in Vladivostok. Other high-tech projects, like Vostochny spaceport in the Amur Region, are underway. This focus on Siberia and the Russian Far East naturally pushes Russian foreign policy toward closer relations with Asia-Pacific part-

ners; but Russia should not overlook the importance of Central Asia from both a security and economic standpoint. Without secure borders in Central Asia, it is highly unlikely that Russia will be able to achieve the aims of developing Siberia and the Far East.

divide in Russia's economic partnership within the SCO by clearly distinguishing which SCO Central Asian member states are willing to participate in Eurasian integration. But it could also result in a system of interdependent cooperation projects in Central Asia with Russian participation. Some of these projects, especially in the spheres of transportation, telecommunications and energy can be undertaken within the SCO and involve all Central Asian members as well as China.

Nor should Russia ignore the fact that China and some Central Asian states are already implementing plenty of infrastructure and energy projects bilaterally or multilaterally outside the SCO framework. Some projects (for example, the planned China-Kyrgyzstan-Uzbekistan railroad) are directly competing with Russian plans to enhance the capacity of trans-Eurasian transportation routes that pass through Russian territory. Recent Chinese plans for a Silk Road economic belt, the New Silk Road strategy of the US, the EU's infrastructure projects in Central Asia, and Japan's "arc of freedom and prosperity" may well result in more favorable conditions for doing business in the territories

Leaders of the SCO member-states during the document-signing ceremony after their jubilee summit in Astana in 2011

ШАНХАЙ ҮНТЫМАҚТАСТЫҚ ҰЙЫМЫНА 10 ЖЫЛ
10 лет ШАНХАЙСКОЙ ОРГАНИЗАЦИИ СОТРУДНИЧЕСТВА
上海合作组织成立10周年



2010 КАЗАХСТАН 2011
哈萨克斯坦

ШАНХАЙ ҮНТЫМАҚТАСТЫҚ ҰЙЫМЫНА
МҮШЕ МЕМЛЕКЕТТЕРІ БАСШЫЛАРЫ КЕҢЕСІНІҢ ОТЫРЫСЫ
ЗАСЕДАНИЕ СОВЕТА ГЛАВ ГОСУДАРСТВ-ЧЛЕНОВ
ШАНХАЙСКОЙ ОРГАНИЗАЦИИ СОТРУДНИЧЕСТВА
Астана - 2011

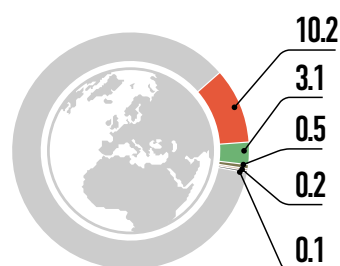
上海合作组织成员国元首理事会会议
阿斯塔纳市 - 2011



Russia's Trade with SCO States in 2013

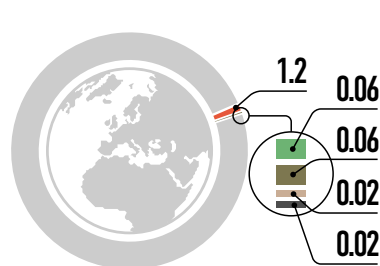
Share in Russia's Turnover, %

SCO Member States



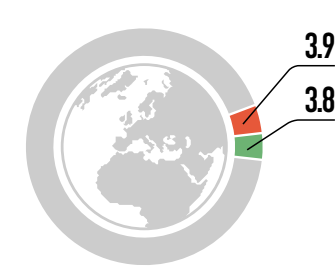
China Kazakhstan Uzbekistan
Kyrgyzstan Tajikistan

SCO Observer States



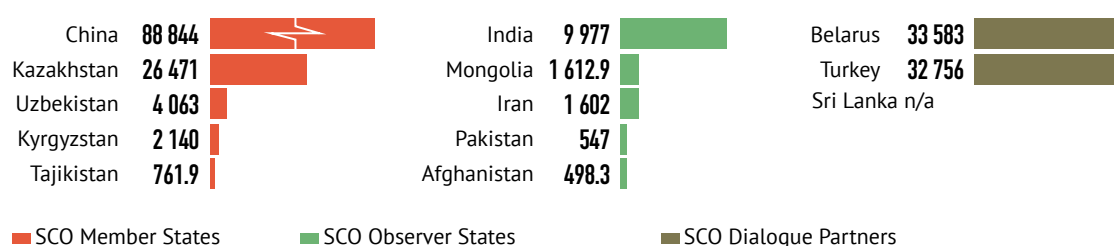
India Afghanistan Pakistan
Mongolia Iran

SCO Dialogue Partners



Belarus Turkey
Sri Lanka n/a

Russia's Trade with SCO States in 2013, \$ mln



Source: Russian Federal State Statistic Service

around Russia, thus enhancing their competitive advantages.

It is in Russia's interests to pursue Central Asian logistics projects that are in synch with Russia's development goals for Siberia and the Far East and, more importantly, with future multilateral infrastructure projects within the SCO and the proposed Eurasian Union.

Alongside Russia's traditional prioritization of security cooperation, socioeconomic cooperation gradually became an important second pillar of the SCO. Until now, China has been the main force driving this process, as the country has a clear interest in creating economic and infrastructure links between Central Asia and China's developing regions in the northwest. However, China's economic projects with Central Asia, as important as they are for overall regional development, still do not fully address the common problems of all Central

Asian states. The most significant of them is the looming challenge of drug trafficking and the urgent need for large-scale economic modernization in order to prevent the region's secular regimes from falling to the radical Islamist movements that are booming in and around Afghanistan.

The economic disparities among member states and their asymmetric abilities to direct trade policy make integration under the SCO impossible. For this reason, the other members rejected China's proposal for an SCO free trade area in 2003. The launch of the Eurasian Union, on the contrary, could entice Kazakhstan and potentially Kyrgyzstan and Tajikistan to reintegrate economically with Russia. In this case, the SCO would perform the functions of soft regional governance, coordination and project implementation, all of which could ensure a more stable regional situation in general.

Generally speaking, Russia's key interests in the SCO are:

- to promote the SCO's image as an independent regional organization with its own approach to the regional situation, while stressing that the SCO is ready to work with all willing parties and organizations;
- to demonstrate the SCO's regional and, more importantly, macro-regional relevance by actively engaging observer states and dialogue partners in projects and cooperation tracks where they can enhance the SCO's abilities to stabilize Afghanistan and add value to the SCO's security, economic and infrastructure projects;
- to build an image of the SCO as an important element of Eurasian regionalism – not a talking shop, but an organization that has produced tangible results in preventive diplomacy and has the capacity for regional security governance through its special relations with key regional actors;
- to ensure that there is a “division of labor” between the SCO, Eurasian Union and CSTO, so that these three frameworks reinforce

Russia's foreign policy in Central Asia and beyond;

- to enhance the SCO's position within a wider Asia-Pacific institutional network, for example by establishing regular consultations with the ASEAN Regional Security Forum and ASEAN on best practices in confidence building and preventive diplomacy;
- to gradually change the current situation in which economic cooperation within the SCO is solely China's domain, though not at the expense of Russian-Chinese relations;
- to advance socioeconomic projects with Russian participation that promise to benefit China, Central Asian states and Russia, and that add a visible multilateral dimension to the SCO's activities;
- to enhance the SCO's conflict management capacity by supporting such mechanisms as national security councils and/or creating additional dialogue tracks, which could help diffuse tensions between SCO member states, taking into account the domestic context of members.

RUSSIA'S POSITION
IN CENTRAL ASIA:
THE INTERPLAY OF
BILATERAL RELATIONS
AND MULTILATERAL
MECHANISMS

2.

KEY FEATURES OF CENTRAL ASIAN POLITICAL AND SOCIOECONOMIC DEVELOPMENT IN THE PAST TWO DECADES: BILATERAL RELATIONS AND MULTILATERAL PROJECTS

POLITICAL AND SOCIOECONOMIC DEVELOPMENT OF POST-SOVIET CENTRAL ASIA

One can consider Central Asia a “new” region in international relations in the sense that all its actors emerged as independent states only after the collapse of the Soviet Union. The political entities that existed in this area before the Russian Empire and the Soviet Union did not have any experience of modern nation/state building and were constructed on the principle of supra-ethnicity (Bogaturov, 2011: 17–19). That is why all the modern Central Asian states have not yet completed the process of national consolidation. Regional and clan divisions still play an important role in their political and institutional development, complicating the process of national self-identification and relations between the states. For this reason, any external involvement (for example, on the part of the SCO) in internal political disputes in Central Asia, like the “tulip revolution” in Kyrgyzstan, cannot be effective, as it would only deepen existing dividing lines.

The divisions within and between Central Asian states partly explain why bilateralism still prevails over multilateralism in the region. This is not to suggest, however, that bilateral relations between Central Asian states are free from conflicts. Unresolved territorial disputes over enclaves, issues of interethnic relations, and disputes over water and energy resources still strain relations between Kyrgyzstan and Uzbekistan, Kyrgyzstan and Tajikistan, Tajikistan and Uzbekistan.

After the collapse of the Soviet Union, all five Central Asian republics proclaimed that they would follow the path of democratic development. However, the political regimes in the region quickly acquired hybrid and neo-patrimonial features, leading some analysts to argue that the transition paradigm proved ineffective in Central Asia (Carothers, 2002).

Hybrid political regimes usually combine autocratic and democratic traits. The prefix neo-denotes that the political regimes are based not only on traditional relationships (family, clan) but also relationships of self-interest (business, resource redistribution, etc.) (Franke et al.,

Socioeconomic Indicators of SCO States in 2013

| Member States | GDP, current US\$ | GDP per capita, current US\$ | GNI, PPP, current international US\$ | GNI per capita, PPP, current international US\$ | Annual GDP growth, % | Human Development Index |
|--------------------------|-------------------|------------------------------|--------------------------------------|---|----------------------|-------------------------|
| Russia | 2 096 777 030 571 | 14 612 | 3 329 663 922 775 | 23 200 | 1.31 | 0.778 |
| China | 9 240 270 452 050 | 6 807 | 16 080 584 813 552 | 11 850 | 7.67 | 0.719 |
| Kazakhstan | 224 414 773 758 | 13 172 | 350 467 369 827 | 20 570 | 6.0 | 0.757 |
| Uzbekistan | 56 795 656 325 | 1 878 | 161 460 069 021 | 5 340 | 8.0 | 0.661 |
| Kyrgyzstan | 7 226 295 003 | 1 263 | 17 570 802 664 | 3 070 | 10.54 | 0.628 |
| Tajikistan | 8 508 103 456 | 1 037 | 20 493 349 150 | 2 500 | 7.4 | 0.607 |
| Observers | | | | | | |
| India | 1 876 797 199 133 | 1 499 | 6 697 896 719 569 | 5 350 | 5.02 | 0.586 |
| Pakistan | 236 624 927 698 | 1 299 | 897 018 563 159 | 4 920 | 6.07 | 0.537 |
| Iran | 368 904 351 627 | 4 763 | 1 208 320 472 510 | 15 600 | -5.8 | 0.749 |
| Afghanistan | 20 724 663 537 | 678 | 61 199 549 305 | 2 000 | 4.23 | 0.468 |
| Mongolia | 11 516 409 581 | 4 056 | 25 001 181 040 | 8 810 | 11.74 | 0.698 |
| Dialogue partners | | | | | | |
| Belarus | 71 709 513 654 | 7 575 | 160 377 041 753 | 16 940 | 0.89 | 0.786 |
| Turkey | 820 206 962 631 | 10 946 | 1 405 677 580 866 | 18 760 | 4.05 | 0.759 |
| Sri Lanka | 67 182 015 336 | 3 280 | 194 016 414 335 | 9 470 | 7.25 | 0.750 |

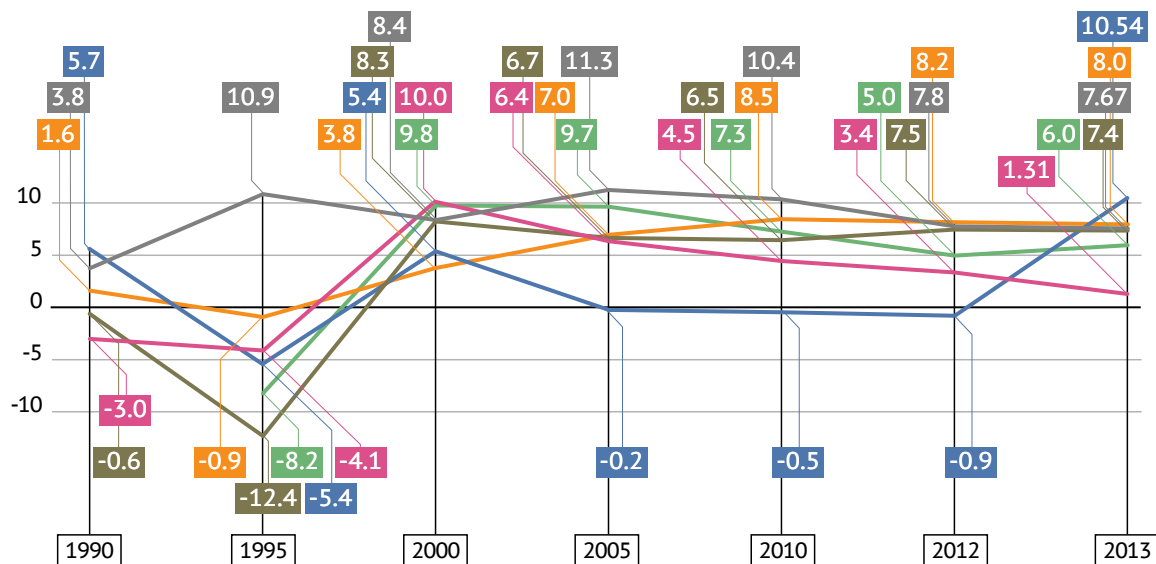
Source: World Development Indicators (World Bank 2014), International Human Development Indicators (UN 2014)

2009). To some extent, these political developments drew the leadership of these countries psychologically toward Russia and China. Both countries were undergoing radical transformations at the time (political and economic in Russia; economic in China, which was trying to learn from Russia's recent troubles) and both deviated from the Western standards of liberal

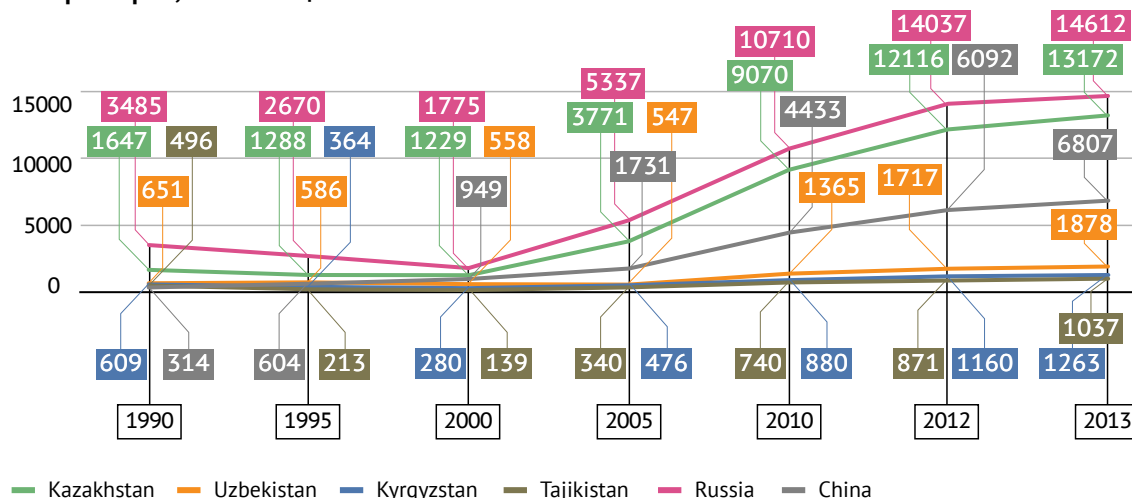
democracy (Nolan, 1995). At the same time, Russia and China understood as well as the Central Asian states that radical change has a steep social cost, as demonstrated by Tajikistan's prolonged civil war following the collapse of the Soviet Union. The major political achievement of Central Asian states has been to consolidate themselves as sovereign political entities (while

Socioeconomic Indicators of SCO Member States in 1990-2013

Annual GDP growth, %



GDP per capita, current US\$



— Kazakhstan — Uzbekistan — Kyrgyzstan — Tajikistan — Russia — China

Source: World Development Indicators (World Bank 2014)

falling short of full national consolidation) and to prevent radical Islamists, who have become a viable opposition force in Uzbekistan and some other states, from overthrowing the secular regimes in the region. That is why Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan readily accepted the principles of the “Shanghai spirit” and unity in the fight against extremism.

The UN Human Development Index places Uzbekistan, Kyrgyzstan and Tajikistan in the mid-range of countries. Kazakhstan is classified as having high human development. For comparison, China is in the medium group and Russia is in the high group. In the 1990s, Russia and Central Asia experienced a dramatic economic decline. In 1995, all future SCO mem-

ber states, except China, had negative economic growth. Even today, despite improved economic trends, citizens of Kyrgyzstan, Uzbekistan and Tajikistan lack a social safety net and have not seen a marked improvement in their standard of living.

In terms of economic development, only Kazakhstan is roughly on par with China and Russia, while Uzbekistan, Kyrgyzstan and Tajikistan are lagging behind significantly. Kazakhstan has the highest GDP per capita in the region (\$12,007 in 2012). This figure is \$1,717 in Uzbekistan, \$1,160 in Kyrgyzstan, and \$872 in Tajikistan.

Neither the economic trends in the region nor the desire of Central Asian states to diversify their foreign relations are very conducive to Central Asian integration in trade and labor migration, in spite of the geographic proximity of the five republics and their historical experience of

others. In this report, we will concentrate primarily on the bilateral relations of four Central Asian SCO member states with Russia, China and India, as well as on multilateral projects in the region, in order to explain to what extent they might expand or limit Russia's opportunities to work with Central Asian states.

RUSSIA'S RELATIONS WITH CENTRAL ASIAN SCO MEMBER STATES

After the Soviet Union's demise, Russia not only had to deal with Central Asian states as newly independent political entities but also with growing competition between various players whose access to this region had been limited in the Soviet era. While post-Soviet Russia's very first foreign policy strategy identified the CIS, including Central Asian countries, as a foreign

CENTRAL ASIAN STATES HAVE NOT YET COMPLETED THE PROCESS OF NATIONAL CONSOLIDATION

being part of a common economic system. There is no pair of countries in Central Asia for which the trade integration index exceeds 1. The highest level of country-to-country trade integration exists between Kazakhstan and Russia.

According to the Eurasian Development Bank (the Eurasian Development Bank developed a system of Eurasian integration indicators, including integration of markets and convergence of economic indicators. Market integration indicators evaluate trade, labor migration, electric power, agriculture, and education. The convergence of economic indicators includes macroeconomic indicators, financial policy, fiscal policy, and monetary policy), energy and infrastructure projects are likely the only forces with the potential to drive economic integration in Central Asia. However, the majority of these projects require the involvement of external actors. For Russia, therefore, it is important that these projects take into account Russia's interests in the region and can be implemented under frameworks involving Russia.

Currently there are several external actors implementing trans-regional projects in Central Asia, including China, India, Russia, the EU and

policy priority, Russia lacked a clear conception of its relationship to this part of the world. Consequently, Russian engagement in Central Asia has been ad hoc rather than strategically grounded. As mentioned earlier, in their two decades of independent existence, Central Asian states have taken different tracks toward Russia.

Russia-Kazakhstan. Official documents characterize the bilateral relationship between Russia and Kazakhstan as one of lasting friendship and alliance. Kazakhstan remains Russia's key strategic partner in Central Asia. Russia and Kazakhstan have more similar economic potentials relative to other Central Asian states. Both countries rank bilateral economic ties as their top priority. The Russian companies – LUKoil, Gazprom, Rosneft, Rosatom, Rusal, and Severstal – are actively investing in Kazakhstan. In 2014, Russia and Kazakhstan began building a regional air defense system under an agreement signed in the previous year.

Kazakhstan is a member of the Customs Union (to be superseded eventually by the Eurasian Union), the CSTO and the SCO. Moreover, Kazakhstan is the only Central Asian state to steadily develop medium-term and long-term

Trade Integration Index, 2012

| Country | Country-to-country integration | | | | | | |
|--------------|--------------------------------|-------|-------|-------|-------|-----|-------|
| | No. | 1 | 2 | 3 | 4 | 5 | 6 |
| Kazakhstan | 1 | | 1.257 | 0.747 | 0.331 | n/a | 3.287 |
| Kyrgyzstan | 2 | 1.257 | | 0.906 | 0.033 | n/a | 0.318 |
| Tajikistan | 3 | 0.747 | 0.906 | | 0.671 | n/a | 0.146 |
| Turkmenistan | 4 | 0.331 | 0.033 | 0.671 | | n/a | 0.205 |
| Uzbekistan | 5 | n/a | n/a | n/a | n/a | | n/a |
| Russia | 6 | 3.287 | 0.318 | 0.146 | 0.205 | n/a | |

Source: The System of Indicators of Eurasian Integration, 2014

ENERGY AND INFRASTRUCTURE PROJECTS ARE LIKELY THE ONLY FORCES WITH THE POTENTIAL TO DRIVE ECONOMIC INTEGRATION IN CENTRAL ASIA

modernization strategies, adopted in 1992 and 1997 respectively, as well as its Eurasian Union concept (Nazarbayev, 2010).

But disputes remain between Russia and Kazakhstan in the economic and political spheres, as well as over the future structural framework of Eurasian integration. Kazakhstan has blocked some Russian initiatives, like the idea for a Eurasian parliament, which, in its view, threatened to infringe on its sovereignty (Naumkin et al., 2013). Yet another challenge for the bilateral relationships is the uncertain outcome of the political succession that will follow the eventual end of President Nursultan Nazarbayev's tenure. Kazakhstan's political stability and economic success are the direct result of the policies of President Nazarbayev and his personal authority matters a great deal both for Kazakhstan and for regional cooperation.

Russia-Uzbekistan. Uzbekistan, another key Central Asian actor, traditionally has been

Russia's most problematic partner in the region, and this has not changed. Uzbekistan's policy of maneuvering between Russia and the USA, as exemplified by President Karimov, has repeatedly hampered Russian initiatives within the CSTO. As many experts note, Karimov's strategy of favoring bilateral contacts over multilateral arrangements and seeking security guarantees from both Russia and the West is designed to secure a special status for Uzbekistan, and more importantly his own position at a time when the risk of political turbulence and uprisings at home is high (Naumkin et al., 2013; Adyasov, 2014).

Bilateral economic relations also experience regular ups and downs. Russian companies trying to enter Uzbekistan's market have to be wary of the politics of doing business in the country, i.e. the special role of the presidential family in the economy. In addition, for a long period of time the issue of Uzbekistan's debt to Russia remained unresolved.

Energy Integration Index, 2012

| Country | Country-to-country integration | | | | | | |
|--------------|--------------------------------|-------|-------|-------|-------|-------|-------|
| | No. | 1 | 2 | 3 | 4 | 5 | 6 |
| Kazakhstan | 1 | | 6.238 | 0.093 | 0.000 | 2.967 | 1.954 |
| Kyrgyzstan | 2 | 6.238 | | 0.000 | 0.000 | 0.000 | 0.000 |
| Tajikistan | 3 | 0.093 | 0.000 | | 0.000 | 0.000 | 0.000 |
| Turkmenistan | 4 | 0.000 | 0.000 | 0.000 | | 0.000 | 0.000 |
| Uzbekistan | 5 | 2.967 | 0.000 | 0.000 | 0.000 | | 0.000 |
| Russia | 6 | 1.954 | 0.000 | 0.000 | 0.000 | 0.000 | |

Source: The System of Indicators of Eurasian Integration, 2014

IN JUST A DECADE, RUSSIA LOST ITS EXCLUSIVE POSITION IN THE SPHERE OF ENERGY TRANSPORTATION IN THE REGION

Russia-Kyrgyzstan. Despite the cautious attitude of some in the Kyrgyz political elite towards Russia, it remains Kyrgyzstan's economic and strategic lodestar. Kyrgyzstan is trying to diversify its foreign relations, while not rejecting the possibility of engaging in Eurasian integration projects. Experts characterize Kyrgyzstan's own military capabilities and level of combat training as "relatively low" (IISS, 2013: 223). For these reasons, military training within the CSTO and SCO and, more broadly, membership in these organizations remain an important element in Kyrgyzstan's national security. Russia is also a key investor in Kyrgyzstan's economy, particularly its gas, oil and hydroelectric sectors.

For Russia, relations with Kyrgyzstan also have strategic importance. In 2013, the Russian and Kyrgyz governments signed an agreement that merged Russian military installations in Kyrgyzstan – an air force unit at Kant, a naval experimental center on Lake Issyk Kul and a seismic station – into one military base (Gavrilov, 2013). This agreement took on added signifi-

cance, given the Kyrgyz government's decision not to renew the US lease of the air base at Manas airport, which has been in operation since 2001.

Russia-Tajikistan. Tajikistan remains the most socioeconomically vulnerable country in the region. Possessing limited military capabilities of its own, Tajikistan relies on Russia's 201st military base to defend the border with Afghanistan. The current agreement concerning the base will be in force until the year 2042.

Beyond the official level of Russia-Tajikistan relations, Tajik labor migrants working in Russia constitute an important factor in bilateral ties and major component of Tajikistan's economy. Tajikistan faces growing internal disparities. The shadow economy, including drug trafficking and related criminal activity, remain a heavy burden on the country. Against this background, bilateral economic and security cooperation with Russia and multilateral cooperation with the SCO and CSTO provide Tajikistan political and economic lifelines. At the same time, as Russian

experts note, Tajikistan at times tries to leverage the bilateral relationship for its own gain and constrain Russia to some extent (even at the expense of Tajikistan's own security) (Kazantsev, 2012; Naumkin et al., 2013).

Despite the diversification of Central Asian states' economic and political relations, they still rely on Russia to provide military equipment. Neither China nor NATO states can replace Russia in this capacity. In addition, the ISAF's coming draw-down in Afghanistan has caused all four countries to reassess the regional situation and the capabilities of their own armies in a potential future crisis. The need for military modernization has bolstered Russia's bilateral military arrangements with Kazakhstan, Kyrgyzstan and Tajikistan.

In contrast to the military sphere, in trade and energy Russia has to factor in international competition for Central Asian resources, which started in the late 1990s. In just a decade, Russia

projects in Kyrgyzstan and Tajikistan. But Russia's chances to remain the key economic actor in Central Asia still depend on its ability to adapt and compete with the growing number of players pursuing their own interests in Central Asia.

CHINA'S BILATERAL AND MULTILATERAL PROJECTS IN CENTRAL ASIA

China has become one such player in Central Asia over the past 20 years. In the 1990s, Russia was no longer able to sustain the region economically and was therefore open to coordinating with China under the multilateral SCO framework, creating new opportunities for Chinese involvement in Central Asia. This level of cooperation between Russia and China in the region had been unthinkable only a few years earlier.

CHINA'S NEW ENERGY STRATEGY LED TO LARGE PROJECTS IN KAZAKHSTAN, UZBEKISTAN AND TURKMENISTAN

lost its exclusive position in the sphere of energy transportation in the region. In the Soviet period, the Central Asia-Center gas pipeline transported gas from Central Asia to Russia, crossing the territories of Turkmenistan, Uzbekistan, and Kazakhstan. Oil from Kazakhstan was transported via the Atyrau-Samara and Kenkyak-Orsk routes (Kazantsev, 2008: 1085). With the launch of an oil pipeline between Kazakhstan and China in 2006, Russia lost its monopoly on Kazakhstan's oil transportation. In 2009, a new gas pipeline connecting Turkmenistan, Kazakhstan and Uzbekistan with China was completed (also known as the Central Asia-China gas pipeline).

Russia has responded to this changing environment by trying to maintain cooperation with Central Asian states in key energy sectors. Thus, Russia has agreed with Uzbekistan and Kazakhstan to upgrade the Central Asia-Center pipeline. In 2001, the Caspian Pipeline Consortium launched the Tengiz-Novorossiysk pipeline system and is currently expanding its transportation capacities. The Russian companies Gazprom, LUKoil and others have joined projects in Kazakhstan, Uzbekistan, Kyrgyzstan, and Tajikistan. In addition, Russia has become actively involved in several large-scale hydropower

Central Asia's prominence in **China's trade and energy strategy** has only grown since. In 1993, China became a net importer of oil, and energy consumption has grown at a high rate ever since. According to expert projections, imported oil and gas will remain key elements of China's industrial growth in the medium term despite the country's efforts to develop alternative energy sources (Mayer and Wübbeke, 2013).

Initially China tried to meet its growing demand for energy in part by developing its own oilfields in Xinjiang and on the East China Sea shelf. However, the reserves proved insufficient, and China was forced to modify its energy strategy by reorganizing its energy complex and investing in equity oil production in various regions of the world. China established three state corporations – China National Petroleum Corporation (CNPC), China Petrochemical Corporation (Sinopec), and China National Offshore Oil Corporation (CNOOC).

China's new energy strategy led to large projects in Kazakhstan, Uzbekistan and Turkmenistan. China National Petroleum Corporation has a large presence in all three countries. In Kazakhstan, CNPC has been involved in oil and gas exploration since the 1990s. CNPC currently

owns shares in several Kazakh companies. In 1997, CNPC purchased a 60.3% stake in Aktobemunaigaz, later raising it to 85.42%. In 2005, it bought the oil and gas group PetroKazakhstan and later transferred 33% of its shares to KazMunaiGaz. CNPC also owns shares in several oilfields in south and southwest Kazakhstan. In 2013, China acquired a stake in the Kashagan oilfield, thus gaining access to the Caspian shelf.

In Uzbekistan, CNPC belongs to the international investment consortium exploring Uzbekistan's portion of the Aral Sea. The consortium includes Uzbekneftegas and such international investors as LUKoil, Malaysia's PETRONAS and Korea National Oil Corporation (KNOC). China also participates in several joint ventures in Uzbekistan's oil and gas sector with local companies, including UzCNPC Petroleum, established in 2005, which specializes in the exploration and operation of fields in southwest Uzbekistan.

Kyrgyzstan remain China's key trade partners in the region, China also plans to boost trade with Uzbekistan to \$5 billion within the next three years and to begin talks on a free trade area (Xinhuanet, 2013).

Speaking in Kazakhstan, President Xi proposed a new economic initiative for Central Asia, the Silk Road economic belt, which would create an interconnected Eurasian space from the Pacific Ocean to the Baltic Sea. The infrastructure making up this belt may include a China-Kyrgyzstan-Uzbekistan railroad, new pipelines and motor roads.

China can be seen as pursuing a consistent policy of drawing Central Asian states into its geoeconomic orbit and probably its geopolitical orbit as well. But it is also clear that China is driven by the need to ensure continued economic growth and looks at Central Asia as just one more region that can help the country

RECENTLY, INDIA HAS SOUGHT TO CATCH UP WITH OTHER EXTERNAL ACTORS IN CENTRAL ASIA

China has consistently expanded its presence in Turkmenistan's energy sector as well, investing \$3 billion in 2009 alone to explore the northeastern gas field of Southern Yöloten. China's cooperation with Turkmenistan, Uzbekistan and Kazakhstan has laid the foundation for the previously mentioned trans-regional gas pipeline that will span these countries. The first segment of the pipeline opened in 2009, and the second in 2010.

The trade and shipping of Chinese goods via Central Asia (Kyrgyzstan in particular) is yet another important aspect of China's interests in the region. As such, China has actively sought to build infrastructure links in the region and currently participates in several projects to build roads and rail connections.

President Xi Jinping's visits to Kazakhstan, Uzbekistan, Kyrgyzstan and Turkmenistan in 2013 gave new impetus to China's bilateral ties with these countries. During Xi's tour of Central Asia, China upgraded relations with Kyrgyzstan and Turkmenistan to the status of strategic partnership (China established a strategic partnership with Uzbekistan in 2012, and Kazakhstan in 2005). While Kazakhstan and

meet its energy and shipping needs amidst the uncertainty over China's continuing but not uncontroversial economic rise.

INDIA'S ENGAGEMENT WITH CENTRAL ASIA

Recently, India has tried to catch up with other external actors in Central Asia. As the other rising economic giant in Asia, India is looking for opportunities to bolster its status as a pan-Asia player. For India, however, there are geographical constraints to becoming more connected with Central Asia. It does not share a border with any Central Asian state and therefore has to rely on other Eurasian powers, like Iran. As mentioned earlier, India's Connect Central Asia policy aims to step up the already highly diversified cooperation with Central Asia, as opposed to China-Central Asia relations, which are mainly confined to trade and natural resources.

India is also trying to get involved in energy cooperation with Central Asia. In 2011, India's leading oil company, ONGC Videsh

The modernization of the Bishkek-Naryn-Torugart motorway by the China Road and Bridge Corporation





Limited, invested in the Satpayev exploration block in Kazakhstan's section of the Caspian Sea. India has relied heavily on coal for its power needs over the years. Natural gas is not used as widely because transportation costs are high, the infrastructure is underdeveloped, and there is no suitable pipeline system or terminals for storing liquefied natural gas. However, to continue growing the economy, while also reducing atmospheric emissions, must expand gas consumption. With this in mind, India is interested in building a trans-Afghanistan pipeline (Turkmenistan-Afghanistan-Pakistan-India pipeline) despite the security risks.

Another important infrastructure project, in which India may invest, is the North-South transport corridor, which would connect India with Central Asia via Iran. India is investing

a distinct regional entity lacking the necessary institutional framework – has opened up a wide range of opportunities for other actors to engage Central Asian states, in various configurations, in organizations and projects.

Laruelle and Peyrouse divide international organizations and multilateral projects that have emerged in Central Asia or involve Central Asian countries into several categories. Some of these organizations, like Central Asian Economic Cooperation (1994–2005), only promoted regional cooperation on paper. There are also the post-Soviet organizations designed to oversee the peaceful disintegration of the Soviet Union; the SCO, which, according to the authors, was initiated by China to facilitate the country's peaceful rise; as well as organizations and projects initiated by the EU and international financial institutions like

A NUMBER OF BILATERAL AND MULTILATERAL PROJECTS IN CENTRAL ASIA ARE CREATING A DENSE NETWORK OF INTERNATIONAL COOPERATION, BUT NOT ALWAYS GREATER REGIONAL UNITY

\$100 million to completely overhaul the Iranian port Chabahar. Developing this strategic infrastructure facility will give India access to the markets of Afghanistan and Central Asia while bypassing Pakistan (Kornilov, 2013).

In general, India is taking a much more proactive stance in the region out of concern for regional economic and security conditions and the country's ability to compete with China in Central Asia in the coming years.

MULTILATERAL ORGANIZATIONS AND PROJECTS IN CENTRAL ASIA

There is still no regional cooperation organization capable of uniting all five Central Asian states, despite concerted efforts in the first decade of this century to form one. The countries themselves are more inclined toward participating in multilateral organizations involving external actors or maintaining "permanent neutrality" as in the case of Turkmenistan. For this reason, Central Asian regionalism has been characterized as "virtual" (Allison, 2008: 185). This "virtual regionalism" –

the World Bank, the Asia Development Bank, the Islamic Development Bank and the European Bank for Reconstruction and Development (Laruelle and Peyrouse, 2013).

The latter group illustrates the diversity of trans-regional projects designed to connect Central Asia with the wider Eurasian region. In 1993, the EU initiated TRACECA to develop the region's transportation capacity. Another EU-backed project, INOGATE (Interstate Oil and Gas Transport to Europe), focuses on developing energy cooperation, securing energy supplies, and integrating the European energy market with the energy markets of partners (Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, Tajikistan, Georgia, Armenia, Azerbaijan, Turkey, Ukraine, Moldova and Belarus).

Since the mid-1990s, the Asian Development Bank, European Bank for Reconstruction and Development, World Bank, International Monetary Fund, Islamic Development Bank and United Nations Development Programme have provided financial support for the Central Asia Regional Economic Cooperation Programme (CAREC), a framework uniting Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan,



A gas pipeline section under construction near Uralsk in Kazakhstan

Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. CAREC's priority areas of cooperation include transport, energy and facilitating trade among member countries.

CASA-1000 is another initiative backed by international financial institutions (World Bank and Islamic Development Bank), Russia and the US to create a power distribution system between Tajikistan, Kyrgyzstan, Afghanistan and Pakistan in the summer period when Tajikistan and Kyrgyzstan produce surplus electric power. India has also shown interest in participating.

A number of bilateral and multilateral projects in Central Asia appear to be creating a dense network of international cooperation. However, these same projects do not always result in a higher degree of regional unity and to some extent even make the region more fragmented. The majority of existing multilateral projects seek to connect Central Asia with consumers of the region's natural resources or transform it into a shipping hub. However, the region needs not only transit routes, but also industrial development and greater intraregional

and even intrastate connectivity. For example, Kyrgyzstan badly needs a railroad line between its northern and southern regions, while China prioritizes the construction of a China-Kyrgyzstan-Uzbekistan line. World Bank research indicates that at least three Central Asian countries – Kazakhstan, Kyrgyzstan and Tajikistan – have high potential for trade complementarity with external partners (World Bank, 2011). Realizing this potential could diversify Central Asian trade and reduce its dependence on commodities in favor of processed goods. However, Central Asian states first need a higher level of national cohesion and better intraregional ties.

This discrepancy between the aims of the numerous external actors and projects and the actual needs of the region may offer a competitive niche for Russia to explore. Of course, Russia must accept the reality that Central Asia as a region fully reflects the growing multipolarity in international relations. Acknowledging this fact, however, does not mean that Russia cannot build a regional strategy around these new circumstances.

RUSSIA'S OPPORTUNITIES IN CENTRAL ASIA

While Central Asian states continue to take increasingly diverse approaches to their cooperation with Russia, there are still several resources at Russia's disposal to consolidate the Central Asian pillar of its foreign policy, including bilateral military and security cooperation and investment projects.

Gennady Chufrin has noted the striking contrast between the level of development in

other actors. The US withdrawal from Afghanistan poses not only security risks but also economic challenges in the region. If Russia proves unable to offer Central Asia a viable economic alternative and just keeps passive, the region may again be pushed towards cooperation with other actors, first and foremost China.

To open up new opportunities, Russia needs a fundamentally different approach in the

RUSSIAN SUPPORT FOR THE REGION'S INDUSTRIAL DEVELOPMENT MAY PROVE MORE POPULAR IN CENTRAL ASIA THAN A CHINA-CENTRIC ECONOMIC STRATEGY THAT FOLLOWS THE FORMULA "NATURAL RESOURCES IN EXCHANGE FOR CHINESE GOODS"

Russia and Central Asia as well as between the natural resource abundance and the technological and financial limitations – and their effects on economic growth – in the majority of Central Asian states (Chufrin, 2010). Only rapid and sustainable economic development can inoculate them against the threats of religious radicalism and extremism; but they cannot achieve this on their own.

However intense international competition may be in the region, there are several factors that can help advance Russia's interests. Russia is familiar with the business landscape in Central Asia, and the Russian language can still serve as a common language for businesses and people. Russian goods and technology remain competitive in the Central Asia market, though their share in Russia's total exports to the region is gradually declining (Naumkin et al., 2013).

Compared to other international players, Russia badly needs a clearly conceptualized foreign policy strategy in Central Asia – a strategy that highlights the advantages of Russia's economic approach to Central Asia over China or

region – different both from the past and from the strategies of other actors. Creating a critical mass of joint industrial and investment projects with Central Asian states could constitute an important element of this new approach. Russian support for the region's industrial development may prove more popular in Central Asia than a China-centric economic strategy that follows the formula "natural resources in exchange for Chinese goods" and the focus of other actors on the region's transit potential.

Russia appears to recognize what's at stake, having recently launched a region-wide socioeconomic initiative with the potential to reconsolidate the Central Asian pillar of Russian foreign policy. In April 2013, the Federal Drug Control Service of the Russian Federation (FSKN) proposed creating the Russian Corporation for Cooperation with Central Asian States, which, if approved in the upper echelons of the Russian government, would operate as a public-private partnership. As FSKN chief Viktor Ivanov noted, the corporation will need about 2 billion rubles from the federal budget to get started. This will give the government a 51% share in the

Prime Minister Vladimir Putin attends a SCO Heads of Government Council narrow-format meeting at the Constantine Palace in St. Petersburg, 2011



corporation. The remaining 49% will come from businesses: potential partners include RusHydro (Russian Hydroelectricity Company), RUSNANO (state-run nanotechnology company), and Rosneft (one of the leading oil companies in Russia).

The Federal Drug Control Service hopes to boost Russia's contribution to the socioeconomic development of Central Asia. Job creation will do the most to address the threat of the growing number of drug traffickers in the region. Regional projects should focus on agriculture, high technology, hydroelectricity and the energy sector in general. This initiative obviously would have tangible benefits for business in Central Asia, and is in keeping with the UN goals of finding alternative sources of development for states and regions where drug

trafficking is a problem. Russia faces the threats of drug trafficking directly, so greater economic involvement in the region is in the country's interests. The corporation, if successful, will help significantly reduce drug-related deaths in Russia and the broader region.

The proposed corporation will also support Russia's efforts to promote a socioeconomic agenda in its bilateral relations with Central Asian states and within multilateral structures in the region. Most importantly, it will create the much needed economic foundation to reinforce Russia's position in the Shanghai Cooperation Organization and the region. As there is no purely military solution to the scourge of drug trafficking, joint socioeconomic projects offer a viable alternative with long-term prospects.

SCENARIOS:
RUSSIA, THE SCO
AND CENTRAL ASIA
AFTER 2014

3.

Based on our analysis of the regional situation, we can propose two possible scenarios in Central Asia following ISAF's withdrawal from Afghanistan in 2014.

Scenario 1. Some NATO contingents remain in Afghanistan to protect the relative stability achieved in Afghanistan, while the international community – through the UN, SCO, Istanbul process, Kabul process and other mechanisms – contributes to Afghanistan's economic development and military capabilities. In this case, the SCO can play a diplomatic, political and economic role in stabilizing Afghanistan. Russia should continue working with its SCO partners and support greater international engagement in Afghanistan. Within the SCO framework, major observer states like India, Pakistan and Iran, and dialogue partners like Turkey will have an additional way to work with Afghanistan and help develop a coordinated program for the country.

However, drug trafficking will remain an acute problem in the years ahead. NATO forces have shown no inclination to tackle this problem during their mission in Afghanistan. Thus, Russia's task will be to support Central Asian states economically, most likely through the public-private partnerships, and to help solve

economic and related social problems in the region. In other words, the SCO's role will be political and socioeconomic. The organization will have to integrate or coordinate various projects to maximize regional development and to address transnational threats.

A positive outcome for Russia would involve building a system of complimentary regional mechanisms. As part of this system, the Eurasian Union could advance Russia's economic cooperation with Kazakhstan and potentially Kyrgyzstan and Tajikistan, while the SCO provides regional security governance for Russia, China, Central Asian member-states and other concerned parties. Even if the Eurasian integration project fails to make substantial progress, Central Asian states and China will hardly question the SCO's relevance as a forum for coordinating security, political and socioeconomic issues, while not infringing on their sovereignty.

Scenario 2. If NATO fails to make a deal with moderate Taliban forces on a post-2014 settlement before withdrawing and the Afghan government loses its grip on the country, Afghanistan will continue to fall apart and the threat of ethnic insurgent groups launching attacks against Uzbekistan and Tajikistan will grow. The destabilization of Afghanistan could trigger tensions within and between



A poppy field in Tajikistan

DRUG TRAFFICKING WILL REMAIN AN ACUTE PROBLEM

IN THE YEARS AHEAD

Central Asian states. Taking into account the incomplete national consolidation of these countries and their lack of an institutionalized secular opposition, radical groups could fill this void in the political process (most likely in Uzbekistan, but possibly in other countries of the region).

In this case, the SCO will have to conduct security consultations with members and observers in order to mobilize all possible resources in response. SCO member states will have to deal with both non-traditional transnational threats (drug trafficking) and military threats (terrorism and insurgency). Multilateral and bilateral

economic projects, including those proposed by Russia, may become secondary to these immediate security concerns.

Given that the SCO lacks both a normative framework and the capabilities of a military alliance – and therefore cannot get involved in the domestic affairs of its members – it is likely that practical implementation of military cooperation will be organized mainly on a bilateral basis and through the CSTO. The SCO will perform the functions of coordination, management and information exchange with an emphasis on cooperation between military and law enforcement agencies.

CONCLUSION



Looking back over the SCO's evolution, it is important not to overstate or discount the progress it has made. From the moment the SCO acquired an institutional framework, it has been a narrowly focused organization with limited ability to shape the regional situation. However, it has elaborated an approach to problem-solving, made steady progress on institution building, and achieved some results in the spheres of confidence-building and preventive diplomacy. This progress runs counter to claims that the SCO lacks an international identity in global politics.

The considerations that initially defined the SCO in the late 1990s (borders, security and Russian-Chinese coordination in Central Asia) are giving way to new ones in the face of a changing international situation. The SCO is entering a new stage of development, which requires a qualitative transformation of its agenda. It faces several challenges, both immediate and longer term, stemming from both regional problems (Afghanistan's future) and macro-regional changes (the rise of China, growing international competition in Central Asia, the asymmetry of interests within the SCO, internal changes in SCO member states, etc.).

The SCO is not the only mechanism of Russia foreign policy in Central Asia, but it is an important one. Russia should seek to advance

practical cooperation within the organization as well as its general presence in the region, which is a prerequisite for such cooperation. Needless to say, Russia's progress in Central Asia should not endanger Russian-Chinese relations, which structurally have global significance for Russia (Trenin, 2012; Voskressenski, 2012). The Central Asian dimension of Russian-Chinese relations should reflect China's status as a global actor, which it surely is by any measure. While Russian and Chinese interests will not always coincide, stable regional development will require that the dynamics of the bilateral relationship remain positive. And in relations with Central Asian SCO member states, Russia must find political and economic mechanisms that promise to benefit both parties and challenge perceptions of Russia as a hegemonic power.

For Russia to maintain and enhance its role in the SCO and Central Asia as well as meet current challenges in the region, it should:

- ensure that the SCO remains a macro-regional organization with the necessary diplomatic reach to secure investment for the socioeconomic development of Central Asia and Afghanistan, as well as a forum of regional cooperation with China, India, Pakistan, Iran, Turkey and Mongolia;

An extended meeting of the SCO Heads of Government Council at the Constantine Palace's Marble Hall, St. Petersburg, 2011





- maintain a separate SCO dialogue track with Afghanistan and probably with the various ethnic groups in the country;
- establish dialogue with the various ethnic groups in Afghanistan with the help of SCO members and observers with cultural affinities and enhance socioeconomic cooperation with the country;
- continue to support the complementary system of regional coordination: SCO in the political and strategic sphere, CSTO in the military sphere and Afghanistan-Tajikistan border security in particular, and economic integration through the Customs Union/Eurasian Union;
- link regional and macro-regional projects, which does not require full-scale economic integration and can raise the level of economic development in Central Asia;
- ensure the security of Russia's borders with Central Asia and the security of Central Asian borders with Afghanistan and Pakistan as a necessary precondition for the success of Russian projects in Siberia and the Far East (acting through the SCO and CSTO as well as bilateral security ties with Kyrgyzstan and Tajikistan);
- elevate the SCO's regional and macro-regional role as the key organization responsible for managing macro-regional development projects;
- develop a clear concept for Russia's foreign policy in Central Asia (likely to be based on multilateral mechanisms and bilateral relations with key partners in the region) and propose a viable vision for Russia's economic engagement with the region (comparable to

RUSSIA SHOULD ADVANCE PRACTICAL COOPERATION WITHIN THE ORGANIZATION AS WELL AS ITS GENERAL PRESENCE IN THE REGION, THE LATTER BEING A PREREQUISITE FOR THE FORMER. BUT, RUSSIA'S PROGRESS IN CENTRAL ASIA SHOULD NOT ENDANGER RUSSIAN-CHINESE RELATIONS, WHICH STRUCTURALLY HAVE GLOBAL SIGNIFICANCE FOR RUSSIA

- intensify dialogue among the secretaries of the SCO Security Council in order to solve problems between Central Asian member-states;
- implement key regional infrastructure and energy projects through the SCO, the SCO Energy Club and Russia's public-private mechanisms;
- China's Silk Road economic belt or India's Connect Central Asia policy);
- build a framework for cooperation with SCO observers and dialogue partners (probably modeled on the ASEAN dialogue partnership framework) enhance the SCO's role among regional cooperation mechanisms in Asia Pacific.

REFERENCES

- Acharya, Amitav and Johnston, Alastair Iain, eds. (2007) *Crafting Cooperation: Regional International Institutions in Comparative Perspective*. Cambridge: Cambridge University Press.
- Adler, Emmanuel and Barnett, Michael, eds. (1998) *Security Communities*. Cambridge: Cambridge University Press.
- Adyasov, Innokenty (2014) 'Nastupit li "tashkentskoye leto"?' [Will a 'Tashkent Summer' Come?], *Ekspert*, 4, January 20–26, pp. 60–64.
- Ahamed, Shri E. (2012) Keynote Address by MOS Shri E. Ahamed at First India-Central Asia Dialogue. June 12 Ministry of Foreign Affairs of India. Available at: URL <http://www.mea.gov.in/bilateral-documents.htm?dtl/19791/Keynote+address+by+MOS+Shri+E+Ahamed+at+First+IndiaCentral+Asia+Dialogue> (accessed January 31, 2014).
- Allison, Roy (2008) 'Virtual Regionalism, Regional Structures and Regime Security in Central Asia,' *Central Asian Survey*, 27 (2), pp. 185–202.
- Aris, Stephen (2011) *Eurasian Regionalism: The Shanghai Cooperation Organization*. Basingstoke: Palgrave Macmillan.
- Ambrosio, Thomas (2008) 'Catching the "Shanghai Spirit": How the Shanghai Cooperation Organization Promotes Authoritarian Norms in Central Asia,' *Europe-Asia Studies*, Vol. 60, No. 8, pp. 1321–1344.
- ASEAN (2005) Memorandum of Understanding between the Secretariat of the Association of Southeast Asian Nations (ASEAN Secretariat) and the Secretariat of the Shanghai Cooperation Organization (SCO Secretariat). Available at: URL <http://www.asean.org/archive/ASEAN-SCO-MOU.pdf> (accessed January 31, 2014).
- Bailes, Alyson; Dunay, Pal; Guang Pan and Troitsky, Mikhail (2007) *The Shanghai Cooperation Organization*. Stockholm: SIPRI.
- Barsky, Kirill (2012) 'Partnyorstvo: neobkhodimost i vozmozhnosti' [Partnership: Necessity and Possibilities], *Strategiya Rossii* [Russia's Strategy], 1. Available at: URL http://sr.fondedin.ru/new/fullnews_arch_to.php?subaction=showfull&id=1327477640&archive=1327478049&start_from=&ucat=14& (accessed January 31, 2014).
- Boucher, Richard (2006) Richard A. Boucher, Assistant Secretary of State for South and Central Asian Affairs, Statement to the House International Relations Committee's Subcommittee on the Middle East and Central Asia, 'U.S. Policy in Central Asia: Balancing Priorities (Part II),' Washington, D.C., April 28, 2006. Available at: URL http://commdocs.house.gov/committees/intlrel/hfa27230.000/hfa27230_of.htm (accessed January 31, 2014).
- Blank, Stephen (2003) 'India's Rising Profile in Central Asia,' *Comparative Strategy*, 23, pp. 139–157.
- Bogaturov, Alexei (2004) *International Relations in Central-Eastern Asia: Geopolitical Challenges and Prospects for Political Cooperation*, Brookings Institution Website. Available at: URL <http://www.brookings.edu/fp/cnaps/papers/bogaturov2004.pdf> (accessed January 31, 2014).
- Bolyatko, Anatoly (2012) 'Problemy strategii razvitiya Shankhaiskoi Organizatsii Sotrudnichestva' [The Issues of Shanghai Cooperation Organization's Development Strategy], *Strategiya razvitiya ShOS i politika Rossii v etoi organizatsii* [SCO Development Strategy and Russia's Policy in the Organization]. Moscow: IDV RAN, pp. 18–32.
- Carothers, Thomas (2002) 'The End of the Transition Paradigm,' *Journal of Democracy*, 3 (1), pp.5–21.
- Chufrin, Gennady (2010) *Rossiya v Tsentralnoi Azii* [Russia in Central Asia], Almaty: Kazakhstan Institute of Strategic Studies.
- Cohen, Ariel (2006) *The U.S. Challenge at the Shanghai Summit*, The Heritage Foundation, June 13. Available at: URL <http://www.heritage.org/research/reports/2006/06/the-us-challenge-at-the-shanghai-summit> (accessed January 31, 2014).
- Contessi, Nicola (2010) 'China, Russia and the Leadership of the SCO: A Tacit Deal Scenario,' *China and Eurasia Forum Quarterly*, 8 (4), pp.101–123.

Dadabaev, Timur (2014) 'Shanghai Cooperation Organization (SCO) Regional Identity Formation from the Perspective of the Central Asia States,' *Journal of Contemporary China*, 23 (85), pp. 102–118.

Eurasian Development Bank (2009) *The System of Indicators of Eurasian Integration*. Almaty: Eurasian Development Bank.

Fioramonti, Lorenzo, ed. (2012) *Regions and Crises. New Challenges for Contemporary Regionalisms*. Basingstoke: Palgrave Macmillan.

Franke, Anja; Gawrich, Andrea and Alakbarov, Gurban (2009) 'Kazakhstan and Azerbaijan as Post-Soviet Rentier States: Resource Incomes and Autocracy as a Double "Curse" in Post-Soviet Regimes,' *Europe-Asia Studies*, 61:1, pp. 109–140.

Gavrilov, Yuri (2013) 'Poslali na bazu: u nashikh voyennykh za rubezhom - novyi status' [Sent to the Base: Our Armed Forces Abroad Acquired a New Status], *Rossiyskaya Gazeta*, 28.02.2013. Available at: URL <http://www.rg.ru/2013/02/27/bezopasnost-site.html> (accessed January 31, 2014).

Hagel, Chuck (2013) *The US Approach to Regional Security*. Secretary of Defense Chuck Hagel. IISS Asia Security Summit. Shangri-La Hotel, Singapore. June 1. Available at: URL <http://www.iiss.org/en/events/shangri%20la%20dialogue/archive/shangri-la-dialogue-2013-c890/first-plenary-session-eege/chuck-hagel-862d> (accessed January 31, 2014).

Halper, Stefan (2010) *The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty-First Century*. New York: Basic Books.

Hettne, Björn and Söderbaum, Fredrik (2006) 'Regional Cooperation: A Tool for Addressing Regional and Global Challenges,' *International Task Force on Global Public Goods, Achieving Global Public Goods*. Stockholm: Foreign Ministry, pp. 179–244.

Infoshos (2014) Kirill Barsky, 'ShOS ne sobirayetsa podmenyat NATO v Afganistane' [The SCO Will Not Replace NATO in Afghanistan], January 15. Available at: URL <http://www.infoshos.ru/ru/?idn=12361> (accessed January 31, 2014).

IISS (2013) *The Military Balance*. London: IISS.

Jia Qingguo (2007) 'The Shanghai Cooperation Organization: China's Experiment in Multilateral Leadership,' Akihiro Iwashita, ed., *Eager Eyes Fixed on Eurasia*, 16–2. Sapporo: Slavic Research Center, pp. 113–123.

Jiang Zemin (2001) 'Deepening Unity and Coordination to Jointly Create a Brilliant Future,' Speech at the SCO Inaugural Ceremony, St. Petersburg, June 15, China News. Available at: URL <http://english.china.org.cn/baodao/english/newsandreport/2001july/new14-1.htm> (accessed January 31, 2014).

Joshi, Nirmala (2010) *Reconnecting India and Central Asia. Emerging Security and Economic Dimensions*. Washington, D.C.: The Central Asia-Caucasus Institute.

Kazharov, Rustam; Nurova, Nargis and Safranchuk, Ivan (2012) 'Energeticheskoye sotrudnichestvo v ramkakh ShOS' [Energy Cooperation Within the SCO Framework], Alexander Lukin, ed., *Strategiya Rossii v Tsentralnoi Azii i Shankhayskoi organizatsii sotrudnichestva* [Russia's Strategy in Central Asia and the Shanghai Cooperation Organization]. Moscow: MGIMO, pp. 175–188.

Kazantsev, Andrei (2012) 'Rossiyskaya voennaya baza v Tadzhikistane nuzhna dlya obespecheniya bezopasnosti, prezhdje vsego, samogo Tadzhikistana' [Tajikistan Needs Russian Military Base First of All for the Sake of Tajikistan's Own Security], Russian International Affairs Council. Available at: URL http://russiancouncil.ru/inner/?id_4=234#top (accessed January 31, 2014).

Kazantsev, Andrei (2008) 'Russian Policy in Central Asia and the Caspian Sea Region,' *Europe-Asia Studies*, 60 (6), pp. 1073–1088.

Kazantsev, Andrei (2008) "'Bolshaya igra" s neizvestnymi pravilami: mirovaya politika i Tsentralnaya Aziya' [The 'Grand Game' with Unknown Rules: World Politics and Central Asia]. Moscow: Fond Naslediye Evrazii [Eurasia Heritage Foundation].

Kley, Dirk (2013) 'Turkey's SCO Play: Does it Matter?' *The Diplomat*, May 7. Available at: URL <http://thediplomat.com/2013/05/turkeys-sco-play-does-it-matter/> (accessed January 31, 2014).

Koldunova, Ekaterina (2012) 'ShOS i ASEAN: normativnyi opyt' [The SCO and ASEAN: Normative Experience], *Strategiya Rossii* [Russia's Strategy], 2 (February), pp.33–35.

Koldunova, Ekaterina (2011) 'Defitsit liderstva v Vostochnoi Azii: shansy dlya malykh i srednikh stran' [Leadership Vacuum in East Asia: Chances for Smaller and Middle-Sized States], *Mezhdunarodnye Protsessy* [International Trends], 9 (2(26)) (May-August), pp. 70–81.

Koldunova, Ekaterina (2010) *Bezopasnost v Vostochnoi Azii: Novye vyzovy* [Security in East Asia: New Challenges]. Moscow: Navona.

Kornilov, Nikita (2013) 'Indiya sdelayet iranskomu portu Chabakhar polnoye "obnovleniye"' [India Will Fully Renovate Iranian port Chabakhar], *Tsentr strategicheskoi konyunktury* [Centre for Strategic Conjecture]. Available at: URL: http://conjuncture.ru/india_06-05-2013/ (accessed January 31, 2014).

Kremlin.ru (2011) 'Astaninskaya deklaratsiya desyatiletia Shankhaiskoi organizatsii sotrudnichestva 15.07.2011' [The SCO Tenth Anniversary Declaration, Astana, July 15, 2011]. Available at: URL http://www.kremlin.ru/ref_notes/964 (accessed January 31, 2014).

Kremlin.ru (2012) 'Sovmestnoye zayavleniye po itogam ofitsialnogo visita v Respubliku Indiyu Prezidenta Rossiyskoi Federatsii V.V.Putina "Partnyorstvo vo imya vzaimnogo protsvetaniya i luchshego miroustroystva"' [Russia-India Joint Statement 'Partnership for Mutual Benefit and a Better World'], 24.12.2012. Available at: http://news.kremlin.ru/ref_notes/1369 (accessed January 31, 2014).

Kundu, Nivedita (2012) 12th SCO Summit in Beijing: A View from India, Valdai Discussion Club. Available at: URL <http://valdaiclub.com/asia/44660.html> (accessed January 31, 2014).

Laruelle, Marlène and Peyrouse, Sébastien (2013) 'Regionalnye organizatsii v Tsentralnoi Azii: kharakteristiki vzaimodeistviy, dilemmy effektivnosti' [Regional Organizations in Central Asia: The Characteristics of Interactions, the Dilemmas of Effectiveness], University of Central Asia, Report No.10. Available at: URL <http://www.ucentralasia.org/downloads/UCA-IPPA-WP-10-RegionalOrganizations-Rus.pdf> (accessed January 31, 2014).

Laruelle, Marlène and Peyrouse, Sébastien (2012) *The Chinese Question in Central Asia: Domestic Order, Social Change and the Chinese Factor*. London: Hurst & Company.

Lin, Gang; Garver, John; Hickey, Dennis and Chambers, Michael. (2005) *China's "Good Neighbor" Diplomacy: A Wolf in Sheep's Clothing?* Woodrow Wilson International Center for Scholars, (?) Asia Program Special Report No. 126.

Linn, Johannes (2012) 'Central Asian Regional Integration and Cooperation: Reality or Mirage?' EDB Eurasian Integration Yearbook 2012. Available at: URL <http://www.brookings.edu/~media/research/files/papers/2012/10/regional%20integration%20and%20cooperation%20linn/10%20regional%20integration%20and%20cooperation%20linn.pdf> (accessed January 31, 2014).

Lukin, Alexander, ed. (2012) *Strategiya Rossii v Tsentralnoi Azii i Shankhaiskoi organizatsii sotrudnichestva* [Russia's Strategy in Central Asia and the Shanghai Cooperation Organization]. Moscow: MGIMO.

Luzyanin, Sergei (2010) 'Shankhaiskaya organizatsiya sotrudnichestva (ShOS) kak proobraz regionalnogo integratsionnogo obyedineniya v oblasti ekonomiki i bezopasnosti' [Shanghai Cooperation Organization (SCO) as a Prototype of Regional Integration Association in the Sphere of Economy and Security], Alexei Voskresenski, ed. (2010) "Bolshaya Vostochnaya Aziya": mirovaya politika i regionalnye transformatsii ['Greater Eastern Asia': World Politics and Regional Transformations]. Moscow: MGIMO, pp. 322–349.

Malashenko, Alexei (2012) *Tsentralnaya Aziya: na chto rasschityvayet Rossiya?* [Central Asia and Russia's Expectations]. Moscow: ROSSPEN.

Mancoff, Jeffrey (2013) *The United States and Central Asia after 2014*, Report of the CSIS Russia and Eurasia Program. Washington, D.C.: Center for Strategic and International Studies.

Mayer, Maximilian and Wübbeke, Jost (2013) 'Understanding China's International Energy Strategy,' *The Chinese Journal of International Politics*. Available at: DOI 10.1093/cjip/poto05 (accessed January 31, 2014).

MFA of Russia (2013) 'Kontseptsiya vneshnei politiki Rossiyskoi Federatsii 12.02.2013' [The Foreign Policy Concept of the Russian Federation, February 12, 2013], Ministry of Foreign Affairs of Russia. Available at: URL http://www.mid.ru/brp_4.nsf/newslne/6D84DDEDEDBF7DA644257B160051BF7F (accessed January 31, 2014).

MFA of Turkey (2011) 'İstanbul Process on Regional Security and Cooperation for a Secure and Stable Afghanistan,' November 2. Available at: URL <http://www.mfa.gov.tr/istanbul-process-on-regional-security-and-cooperation-for-a-secure-and-stable-afghanistan.en.mfa> (accessed January 31, 2014).

Naumkin, Vitaly et al. (2013) *Interesy Rossii v Tsentralnoi Azii: sodержaniye, perspektivy, ogranichiteli* [Russia's Interests in Central Asia: Content, Prospects, Limitations], Rossiisky sovet po mezhdunarodnym delam [Russian International Affairs Council], Report No. 10. Moscow: Spetskniga.

Nazarbayev, Nursultan (2010) *V stremenakh vremeni: ot kommunizma k kapitalizmu. Pervye uroki ekonomiki novogo veka* [In the Stirrups of Time: From Communism to Capitalism. The First Lessons of New Century Economy]. Almaty: Atamura.

Nikitina, Yulia (2009) *ODKB i ShOS: modeli regionalizma v sfere bezopasnosti* [The CSTO and SCO: Models of Regionalism in the Security Sphere]. Moscow: Navona.

Nikitina, Yulia (2011) 'ODKB i ShOS kak modeli vzaimodeistviya v sfere regionalnoi bezopasnosti' [CSTO and SCO as Models of Interaction in the Sphere of Regional Security], *Indeks Bezopasnosti* [Security Index], 17 (2 (97)), pp. 45–53.

Nolan, Peter (1995) *China's Rise, Russia's Fall. Politics, Economics and Planning in the Transit from Stalinism*. Basingstoke: Macmillan.

Pan Guang (2008) 'A New Diplomatic Model: A Chinese Perspective on the Shanghai Cooperation Organization,' *Washington Journal of Modern China*, 9 (1), pp. 55–72.

Pantucci, Raffaello and Li Lifan (2013) 'Shanghai Cooperation Organization: Not Quite the New Silk Road,' *The Diplomat*, September 12. Available at: URL <http://thediplomat.com/2013/09/shanghai-cooperation-organization-not-quite-the-new-silk-road-2/> (accessed January 31, 2014).

Renard, Thomas (2013) 'Strategic Bilateralism or Effective Multilateralism? The EU, the SCO and SAARC,' Christiansen Thomas, Emil Kirchner, Philomena Murray, eds., *The Palgrave Handbook of EU-Asia Relations*. Basingstoke: Palgrave Macmillan, pp. 359–373.

Sachdeva, Gulshan (2012) 'Central Asia. India's New Strategic Neighbourhood,' *Geopolitics*, Vol. III, Iss. V, pp. 79–81.

SCO (2001) 'Deklaratsiya o sozdanii Shankhaikoi organizatsii sotrudnichestva' [Declaration on the Establishment of the Shanghai Cooperation Organization]. Available at: URL <http://www.sectSCO.org/RU123/show.asp?id=83> (accessed January 31, 2014).

SCO (2002) 'Khartiya Shankhaikoi organizatsii sotrudnichestva' [The Charter of the Shanghai Cooperation Organization]. Available at: URL <http://www.sectSCO.org/RU123/show.asp?id=86> (accessed January 31, 2014).

Song Weiqing (2014) 'Interests, Power and China's Difficult Game in the Shanghai Cooperation Organization (SCO),' *Journal of Contemporary China*, 23 (85), pp. 85–101.

Starr, Frederick (2005) *A 'Greater Central Asia Partnership' for Afghanistan and its Neighbors*. Washington, D.C.: Central Asia-Caucasus Institute and Silk Road Studies Program.

Trenin, Dmitry (2012) 'True Partners? How Russia and China See Each Other.' Available at: URL http://carnegieendowment.org/files/Trenin_CER_Eng.pdf (accessed January 31, 2014).

Trend.az (2012) 'Sotrudnichestvo Kyrgyzstana i Tadzhikistana v ramkakh ShOS budet osnovoi dlya dalneyshego ukrepleniya otnosheniy – Atambayev' [Atambayev: Cooperation between Kyrgyzstan and

Tajikistan within SCO will Lay the Basis for Further Cooperation]. Available at: URL <http://www.trend.az/regions/casia/kyrgyzstan/2095298.html> (accessed January 31, 2014).

Trivedi, Ramakant (2011) 'Netraditsionnye ugrozy bezopasnosti v Tsentralnoi Azii s tochki zreniya sravnitelnoi regionalnoi perspektivy' [Non-Traditional Security Threats in Central Asia in Comparative Regional Perspective], *Sravnitel'naya Politika* [Comparative Politics], 4 (6), pp. 109–123.

UN (2013) International Human Development Indicators. Available at: URL <http://hdrstats.undp.org/en/indicators/103106.html> (accessed January 31, 2014).

Uyanov, Sergei (2012) 'Transportnoye sotrudnichestvo v ShOS v kontekste problem regionalnoi stabilnosti' [SCO Transport Cooperation in the Context of Regional Stability], *Strategiya razvitiya ShOS i politika Rossii v etoi organizatsii* [SCO Strategy of Development and Russia's Policy in the Organization]. Moscow: IDV RAN, pp. 193–206.

Voskressenski, Alexei (2012) 'The Three Structural Changes of Russo-Chinese Cooperation After the Collapse of the USSR and Prospects for the Emergence of a Fourth Stage,' *Eurasian Review*, 5, pp. 1–13.

Voskressenski Alexei, ed. (2010) "Bolshaya Vostochnaya Aziya": mirovaya politika i regionalnye transformatsii ['Greater Eastern Asia': World Politics and Regional Transformations]. Moscow: MGIMO.

Voskressenski, Alexei and Luzyanin, Sergei (2004) 'Kitaiskiy i rossiiskiy faktory v Tsentralnoi Azii: traditsionnye vyzovy i novye vozmozhnosti' [Chinese and Russian Factors in Central Asia: Traditional Challenges and New Opportunities], Alexei Voskressenski, ed., *Severo-Vostochnaya i Tsentralnaya Aziya: dinamika mezhdunarodnykh i mezhhregionalnykh vzaimodeistviy* [Northeast and Central Asia: Dynamics of International and Interregional Interactions]. Moscow: ROSSPEN, pp. 387–401.

Weitz, Richard (2011) 'Global Insights: The SCO's Expansion Dilemma,' *World Politics Review*, November 15. Available at: URL <http://www.worldpoliticsreview.com/articles/10668/global-insights-the-scots-expansion-dilemma> (accessed January 31, 2014).

World Bank (2013) World Development Indicators. Available at: URL <http://data.worldbank.org> (accessed January 31, 2014).

World Bank (2011) World Bank Study. Trade Expansion Through Market Connection. The Central Asian Markets of Kazakhstan, Kyrgyz Republic, and Tajikistan. Washington, D.C.: The World Bank.

Xinhua net (2013) 'Chinese President Tables Five-Point Proposal on Cooperation with Uzbekistan,' 09.09.2013. Available at: URL http://news.xinhuanet.com/english/china/2013-09/09/c_132705632.htm (accessed January 31, 2014).

Zhao Huasheng (2005) 'Kitai, Tsentralnaya Aziya i Shankhaiskaya organizatsiya sotrudnichestva' [China, Central Asia and the Shanghai Cooperation Organization], Moscow Carnegie Center, Working Paper No. 5.

Ziegler, Charles (2013) 'Central Asia, the Shanghai Cooperation Organization, and American Foreign Policy from Indifference to Engagement,' *Asian Survey*, 53 (3) (May/June), pp. 484–505.



9 785906 757111