Who Rises and Who Falls: The Influence of American, Russian and Chinese Foreign Policies on Central Asian Stability

Introduction

The current research will provide to illustrate the debate concerning the China’s foreign policy after the end of the Cold War in Asia. At present, China’s economic and political rise is providing the opportunity to promote regional stability as well as to ensure the development of its “peaceful rise”. One of the major factors that is providing the success of this strategy, is represented by the relation between China and regional organization. Various scholars have mentioned that, since the second half of the 1990s, China’s attitude towards international organizations and multilateral security-related partnerships have undergone a significant change.

Indeed, for the first time in its history, China promoted and created an intergovernmental organization in 2001, the Shanghai Cooperation Organization (SCO). The organization convenes Kazakhstan, China, Kyrgyzstan, the Russian Federation, Tajikistan and Uzbekistan with the purpose of strengthening “a mutual confidence and good-neighbourly relations among the member countries; promoting their effective cooperation in politics, trade and economy, science and technology, culture as well as education, energy, transportation, tourism, environmental protection and other fields; making joint efforts to maintain and ensure peace, security and stability in the region, to move towards the establishment of a new, democratic, just and rational political and economic international order.”

But, why and how did China change its attitude towards regional organizations? Neorealist theories predict that China should balance against the American power in the international system. However, since the fall of the Soviet Union, the United States still remains the sole superpower in the international system. Neoliberals stress that the Chinese engagement in SCO represent a turning point towards a cooperative approach of China’s behaviour. Thus, has China chosen to abandon its historical neorealist attitude to pursue its rise in favour to a multilateral approach?

The main hypothesis of this research is that, in order to pursue the goals of its grand strategy, China is using its engagement within the SCO as a tool of soft balancing towards the United States. This paper will focus only on how the external constraints influence the Chinese’s current external behaviour. However, it is paramount to assert that internal balancing constitute another crucial aspect for the pursuit of the Chinese grand strategy.

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The structure of the research is presented as follows: Section 1 will focus on the theoretical debate on neo-realism and neoliberalism. Although the Chinese engagement within SCO presents some similarity with neoliberal/institutional theories, it will be showed how the Chinese grand strategy needs the SCO to balance the US presence in Asia. Section 2 will focus on the motivations that drive the SCO member in joining the organization: China, Russia and other Central Asian States. The first two sections of Section 3 give an historical background of the evolution of the organization, since the establishment of the Shanghai Forum in 1996. Moreover, the SCO will be compared with two other regional organizations: the NATO and the ASEAN+3 forum. This section will conclude that although there is no official Chinese document that identify the SCO as a strategic tool to balance the US presence in Asia, China is using the SCO as an instrument of soft balancing for the pursuit of its grand strategy. Section 4 will address to how the United States should respond to China’s rise, hypothesizing two scenarios: engagement and containment. Finally, Section 5 will investigate on the future of the Organization, focusing in particular on the possibility of an enlargement and the consequences or advantages for the Chinese grand strategy.

Section 1
Theoretical debate

Since the end of the Cold War, the Chinese foreign behaviour has been directed towards an increase of its status within the international system. Various scholars have mentioned that, since the second half of the 1990s, China’s attitude towards international organizations and multilateral security-related partnerships have undergone a significant change. Indeed, Beijing has strengthened his ties with countries in his periphery and some adversaries in the past, to improve the dialogue with regional powers in Asia, such as

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Russia and India, and to promote the birth of a regional security oriented organization, the Shanghai Cooperation Organization.

This section will present the theoretical debate concerning China’s current political behaviour. First, the first theoretical starting point will concern the debate between neo-realism and neoliberalism. Second, this paper will enumerate the main aspects that compose the notion of China’s grand strategy.

**The neo-neo debate**

The neo-neo debate represents a useful tool in understanding the role and the utility of regional institutions in international politics. Theoretically, international relations theories questioned on the role of international institutions for decades. While neoliberals provides an institutional theory focusing on the role of international institutions in creating the helpful environment for interstate cooperation, neorealists /structuralists focus on the relative gains that states aim to in anarchy, that cannot be offered by international institutions. This theoretical debate over China’s security in Asia did not start until the end of the Cold War. Neo-realism has been the dominant theoretical approach of International Relations (IR) in the security and strategic fields. It is based on the assumption that the distribution of capabilities and power determine war and peace in world politics. Since the international system is anarchic, states, the principal and unitary actors in the system, try to survive through self-help behaviour. The absence of a superior authority implies that states are never certain about the each other’s intentions. Thus, the nature of the international system is determined by the distribution of power through balance-of-power. By consequence, cooperation among states is difficult to sustain because states focus on relative gains rather than absolute gains.

Did Central Asia offer a useful framework for neo-realism in the past? A first answer of this question could be that Central Asia did represent a ‘clear’ theatre for realpolitik during the Cold War. The history of the Central Asian Republics has been marked over the centuries by the growth and decline of many empires that have followed one another on deserts and inhabited steppes by a nomadic people, sharing same values taken from Turkish, Persian and Muslim culture and living in separate communities. During the Cold War, the antagonism between the United States and the Soviet Union shaped the security dynamics in Central Asia. Indeed, Afghanistan was leaned towards the Soviet Union, while United States balanced its influence on the south with Pakistan. The security of the region was also managed by the influence of some regional powers, such as China and India, which got to conflict on 1962 over their borders near to the Tibet province.

However, the end of the Cold War immediately challenged neorealist assumptions in world politics. Following a balance of power strategy, new-born Central Asian republics should ally with other regional power to balance against the United States, the sole superpower in the system, because “secondary states, if they are free to choose, flock to the weaker side; for it is the stronger side that threatens them”. However, some ambiguity emerged within the political behaviour of Central Asian republics. Uzbekistan alternated adherence to Russian-centric multilateral organisations to a parallel participation in

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7 Waltz, *Theory of International Politics*, p. 127
Western structures. Despite Uzbekistan immediately joined the Commonwealth of Independent States and had signed the Collective Security Treaty in Tashkent in 1992, the republic also joined the NATO program Partnership for Peace in 1994.

Balance of threat theory argues that states balances against the most powerful adversaries instead of the most powerful ones.\(^8\) Thus, after the Cold War, Central Asian states should have balance against the most threatening state in the region. Due to its aggregate power, geographic proximity, military capabilities China represented the most threatening actor to the former soviet republics. However, both China and Central Asian states strengthened their bilateral and multilateral partnerships solving some crucial issues such as the border disputes and providing in 1996 to the establishment of a security oriented forum, the *Shanghai Five Forum*. Moreover, the latter evolved in 2001 into the Shanghai Cooperation Organization (SCO), the first security-oriented partnership organization promoted by China.

Or, neorealist scholars argue that within an anarchic system, states do not cooperate because they are more concerned about their survival and their own protection from the actions of other states. In this context, a state can never be sure of the intentions of the others and it will always worry that other states can make more gains than him, which would make them potentially more powerful. In the neoliberal perspective, states promote their absolute interests more than their relative ones. In addition, the liberal institutionalists believe that the institutions are fundamental in influencing and shaping these interests.\(^9\)

The main difference in this concern is represented by the role that institutions have within the two IR theoretical schools. Indeed, if neorealists consider institutions as a mere states’ instrument of their policies, neoliberals stress that institutions could “provide information, reduce transaction cost, make commitments more credible, establish focal points of coordination, and in general facilitate the operation of reciprocity”.\(^10\) Thus, neoliberal could explain China’s external behaviour nowadays through its participation in regional institutions, such as the SCO and ASEAN, in order to promote the economic development of the regions. Thus, in the institutional liberal thought, these regimes, as a result of negotiations between the various rational states, promote cooperation.

These short theoretical frameworks will directly to the first question that this paper aims to answer. Is China’s foreign policy turning towards a neoliberal approach with its participation in many regional institutions? The author of this paper argues that structural constraints still have a prominent role in the Chinese foreign political behaviour. Because the anarchic structure of the system, each states try to guarantee their survival by the use of balancing. These concepts will be the object of a further examination in Section 4. Thus, in order to better understand why China is taking part and using regional organizations, an introduction of the Chinese grand strategy will be enhanced.

### China’s grand strategy

As many scholars have already pointed out, since the end of the Cold War, Beijing is pursuing a grand strategy directed to the achievement of global power status within the

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\(^8\) Ibidem.


\(^10\) Ibidem.
international system. But what a grand strategy is? Various scholars identified grand strategy as a three steps process:
- first, in determining state’s vital security interests;
- second, identify the threats to those interests and third, deciding how to employ the state’s political, military and economic resources to protect them.12
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Despite scholars they do not agree when the Chinese grand strategy actually started, one can see that Beijing has effectively changed its behaviour in the international system. Avery Goldstein points out that four factors influenced the establishment of the grand strategy:
a) the unipolarity of the international system and the US hegemony;
b) China’s military and economic weakness towards the United States;
c) a “anxious” international environment towards a possible Chinese rise and
d) the tensions over Taiwan in 1995-6.13

Although it has never been officially declared, the main principle was to adopt a strategy that could facilitate China’s rise by reducing the perception of a threat that its growing capabilities should provoke. Furthermore, since 1996, China embraced policies in order to reassure its neighbours and to show China as a more “responsible and cooperative international actor”14. The effectiveness of this strategy has been possible through an effort to improve bilateral relations with other regional major powers. China’s active commitment to multilateralism includes its central role in the construction of the Shanghai Forum in 1996, a forum with other Central countries to pursue the fight against common threats (called the three evils) and to enhance the economic development of the region. However, will show how the SCO has assumed recently a physiognomy increasingly aimed at balancing the US presence in Asia. These aspects will be discussed in Section 3.

Thus, if one takes into account the criteria defined by Waltz for state in achieving the top ranks of the international system,15 it is possible to see that since the end of the Cold War China has made consistent progress in fulfilling many of them.16 According to neorealism theory, China would have a lot to lose in engaging itself into international or regional institutions. Grieco argued that states that aimed to pursue a global states power have followed the pattern of pursuing relative gains as well as absolute gains to enhance their power at the expenses of cooperating with international institutions.17 However, China uses its status as a rising global power to assert greater influence in shaping the international order. Moreover, new global issues, such as terrorism and the global energetic supply, have recently given a new overview on Central Asia due to its strategic placement. Moreover, this has strengthened the Chinese position in using effectively regional institution to purpose its main goal. China’s approach to security institutions such as the SCO represent a crucial factor in Beijing’s evolving foreign policy orientation.

12 Goldstein, Rising to the Challenge, p. 17.
14 Ibidem.
In the next two sections, there will be analyzed the motivations and the interests that China and Russia in joining SCO. Moreover, Section 4 will focus on the structure of the organization, highlighting its peculiar characteristics that differentiate it from other regional organizations such as ASEAN+3 and NATO. In this section, it will be showed how the SCO is assuming nowadays the physiognomy of a tool of soft balancing towards the United States in Asia. Section 5, will analyze how and if the United States should react to the emergency of a rising China in Asia.

Section 2: The Members’ motivations.

**China’s interests and motivations.**

China’s engagement with international and regional institutions has been characterized during history by a ‘passive commitment’. Lampton remembers that China did “not usually beat the gongs to mobilise international organisations to intervene in an international crisis or resolve a global issue”. However, some authors argue that the Chinese commitment on the Shanghai Cooperation Organization (SCO) presented a new ‘proactive’ Chinese behaviour towards regional organizations. The particularity of the organization lies in the role that China covers as a prominent actor for its development. More than using the SCO as a ‘supporting tool’ for the purpose of its political goals, China is actively taking the lead for the development of a regional regime. For the purpose of this paper, there will be identified four main motivations that concurred to shape the Chinese commitment towards SCO.

*Economic and energy interests.*

At the end of the Cold War, relations between China and Russia resumed on renovated basis. In 1986, the Secretary General of the Central Committee of the Communist Party, Mikhail Gorbachev, pronounced a speech in Vladivostock in which expresses the desire to remove all obstacles between the two countries. After the split of the Soviet Union in 1991, China promoted negotiations to solve the border disputes with the Russian Federations and other former Soviet republics in Central Asia, as well as the

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19 Ibidem.
20 *Shanghai Cooperation Organization, www.fmprc.gov.cn/*
establishment of measures of mutual trust. Moreover Beijing proposed to reduce the military forces on their mutual borders. China also viewed Central Asian republics as potential markets for its economic development. Indeed, China eased trade restrictions with these countries and it strengthened them in 1994, when Premier Li Peng pointed out the possibility to rebuild the old Silk Road in the region.\textsuperscript{21} Beijing played an active role concerning another security issue in region, such as the question of the leftover nuclear stocks in Kazakhstan. Along with the United States and Russia, China agreed in 1995 not to use nuclear weapons against Kazakhstan after the removal of the last Kazakh nuclear arms the same year.\textsuperscript{22} These new relationships between China and Central Asian countries increased the stability not only at bilateral level, but also for the benefit of the entire region. China recognizes the strategic importance of Central Asia and its potential impact on global events, including the role that it can play on their economic development, as a supplier of energy sources. Furthermore, Beijing has an interest in the Central Asian to prevent states to not take a development detrimental to the Chinese interests, through the establishment of radical governments. Beijing recognizes the importance of a fruitful multilateral approach as a tool for the achievement of common interests both economically that in the security issues. Some Chinese scholars also stress the importance of Central Asia as a ‘transcontinental bridge’ between Asia and Europe not only geographically but also politically and culturally.\textsuperscript{23} In addition to these motivations, Central Asia represents a crucial region for energy and economic supply. The energy situation in Central Asia is of great interest not only to China’s foreign policy but also for the entire international system. China is currently living a critical energy internal situation; since 1993 Beijing became a net importer of petroleum and needs a massive involvement in imports of petroleum as a guarantee of its economic development. In 1997 China imported 35.47 million tons of oil; in 2003 the import has reached 90 million tonnes and in 2004 exceeded 100.\textsuperscript{24} By consequence Beijing has interest in seeking access to oil reserves through foreign sources, establishing oil-trade ties with Middle East that provides the 50% of the Chinese oil imports, and African countries that contributes for 22%. Indeed, Central Asia represents another region that China can direct its energy needs. The region possesses approximately 150 billions barrels in its territory. From an economic point of view, China has fruitful bilateral relations with the two largest Central Asian States, Kazakhstan and Uzbekistan. The Kazakh embassy in China indicates that in 2006 the volume of trade was 3.85 billion dollars that is 68.1% more than the previous two years, with the prospects of growth for 2010 of 5 billions.\textsuperscript{25} Moreover, in 1997 the China National Petroleum Corporation outbid Russian and Western oil companies to launch an exclusive contract to develop Kazakhstan’s Uzen oilfield. The excellent prospects for exploitation (in 2003 from that oilfield have been extracted 8.400 barrels per day, with an expected growth of 1.5 billion barrels)\textsuperscript{26} have encouraged negotiations concerning the construction of a pipeline to transport oil from the Caspian region of Kazakhstan to the western regions of China, through Xinjiang. After running a feasibility study by KazMunaiGaz, an agreement for the

\textsuperscript{21} Lanteigne, China and the International institutions, p. 133.
\textsuperscript{22} Ibid., p. 136
\textsuperscript{23} Huasheng, Zhao, Kitaj, Tsentral’naja Azija i Shanhajskaja Organizatsija Sotrudnichestva, Moskovskij Zentr Karnegi, Rabocie Materialy, n.5, 2005
\textsuperscript{25} Ibidem.
construction of the pipeline was signed in 2005. CNPC also intends to intensify exploration activities in the territory.\textsuperscript{27}

\textbf{Terrorism}

Despite China’s motivations towards Central Asia are driven essentially by the energy and economic benefits, another visible aspect for a closer cooperation with Central Asian republics concerns to combat non-state based security threats such as terrorism. The dissolution of the Soviet Union deprived Beijing of its main rival in the geopolitical space, giving the possibility to focus on its “Central Asian dimension” determined by the extent of its autonomous province of Xinjiang-Uyghur, which is integrally part of the Central Asia. China’s focus on the rise of Islamic fundamentalist movements in Central Asia is the result of a strategic behaviour on the development of the influence of the Muslim population in the Xinjiang province. More than six million Uyghurs reside in Xinjiang, and as a result, Beijing has been always alarmed by the probability of a ‘splittism’ in a region that covers a strategic asset, due to its proximity to the Central Asian trade and energy routes and the mineral reserves.\textsuperscript{28} After 09/11, the Chinese government focuses on the possible insurgence of Islamic terrorist groups in the region.\textsuperscript{29} However, the Uyghur case presents some peculiar aspects that need to be underlined in this paper. Before 09/11, manifestations and organized acts prepared by Uyghur opponents in the territory were classified as ‘ethnic separatism’. After 09/11, Beijing’s political authorities started to address to the Uyghur’s independent-based organizations as “Islamic terrorist associations” and, as such, they harshly persecuted them in the wake of the global anti-terrorism campaign promoted by the United States.\textsuperscript{30} This instrumental choice of assimilating the aspirations of an ethnic group of Islamic religion to international terrorism had the paradoxical effect of encouraging independence movements of hitherto non-violent towards an armed struggle organized by radical jihads groups with international ramifications. In this perspective, Central Asian republics assumed a more strategic posture for the stability of the Chinese borders. In 2002, a report released by \textit{Beijing Review} accused the ‘East Turkistan’ extremist groups of supporting and financing over two hundred separate terrorist incidents in Xinjiang between 1990 and 2001. The report also underlined that the East Turkistan terrorists were connected with international terrorist groups such as Al Qaeda. Consequently, the fight against terrorism became the third pillar of interest of the Chinese government towards the Central Asian region.

In conclusion, many factors can lead to affirm that China’s commitment towards international and regional institutions is changing. Despite official documents do not reveal the explicit motivation to counter the US influence in Asia, China’s commitment in Central Asia is increasingly becoming an efficient tool to balance the United States. As it will show in the next section, the Chinese commitment in the SCO is characterized by an activeness that has been not shown towards other regional and international organizations, such as ARF or UN. However, the real change that occurs to the Chinese behaviour does not concern the goals of its foreign policy. As Goldstein stated, current Chinese foreign attitude follows the same guidelines through history.\textsuperscript{31} However, the Chinese calculations towards Central Asia have been directed to the possibility to be in a “winning position” to meet its

\textsuperscript{28} Huasheng, Zhao, Kitaj, Tsentral’naija Azija…. Op.cit.
\textsuperscript{29} Ibidem.
\textsuperscript{30} Burles, Marc, \textit{Chinese Policy Toward Russia and the Central Asian Republics}, p. 67, www.rand.org/publications
\textsuperscript{31} Goldstein, \textit{Rising to the Challenge}, p. 37.
economic and energetic needs, in a secure environment and to effectively counter the US influence in this area.

**Russia’s interests and motivations.**

The Russian interests towards Central Asian republics have been modeled by an ancient and slow process of historical, cultural and ideological intermingling. The basis of the Russian interests in the region can be understood as a continuing effort to maintain the traditional economic, security, cultural and linguistic relationships with the five central Asian republics. Indeed, loosing the control of its borders could affect Russian perceptions of national border security, while maintaining effective ties with them could contribute stability to the Russian interests. Thus, Moscow interest in SCO represents the natural extension of the stable order with the former soviet republics in Central Asia. Through the SCO Russian benefits of keeping the regional situation almost stable and continuing to maintain an invisible “protectorate” of the region, by pursuing four main objectives in short-term: a) the achievement of the stability and an economic development of the borders and the fight against Islamic terrorism, b) to establish a platform for closer ties with China and c) to contain the American presence in the region.

**Economic and energy interests**

Recently in Central Asia, Russia has pursued the path of multilateralism, through the creation of various regional organizations (Central Asian Union-CAU; Eurasian Economic Commonwealth-EEC; Collective Security Organization Treaty-CSTO). Among these one, the SCO stands out for the participation of China. As previously showed on the Chinese case, the SCO also provides economic and energy advantages to Russian situation. This dual interest is represented by the possibility of better conditions for profitable Russian investments into the region, since Central Asian republics represent for Russia a source of supply of agricultural and cotton products as well as a market for its industrial products. Moreover, Russia is actively participating in the construction and control of the oil and gas pipeline’s network with origin in the Caspian Sea. In 2006 Russian president Putin pointed out the desire to transform the SCO into a sort of energy group within the organization that could help Russian geopolitical ambitions.

**Interest in establishing closer ties with China**

Another aspect that it should be considered into the dynamics of Russian motivations towards the SCO is the possibility to use this institution as a platform for closer relationships with China. The SCO offers for both countries the possibility ‘to be in’ and to influence a strategic region both economically than energetically and preventing that one regional actor could develop a greater monopoly. Several episodes showed that Moscow and Beijing share confidence on mutual strategic interests in Central Asia. Russia still perceives the NATO enlargement eastward as principal security threat and the radical Islamic forces active in Chechnya. Similarly, as previously showed, China views the U.S. predominance in the post Cold-war system as a possible threat to China’s international rise. Furthermore, the two states agree also with similar viewpoints concerning their own

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32 Piacentini Fiorani, Valeria (a cura di), *Asia Centrale: verso un sistema cooperativo di sicurezza*, Roma: Franco Angeli, 2000, p.34.
34 Piacentini, *Asia Centrale*, p. 38.
geopolitical-security interests. Moscow has always stated the existence of one China and that the Taiwan issue is China’s internal affairs. More recently Russian Foreign Minister Sergei Lavrov affirmed the complete support to Chinese authorities “to take all necessary measures to stop illegal actions and provide for the swiftest possible normalization of the situation in Tibet”. For its side Beijing expressed an unequivocal support for Russian military actions in Chechnya in 2000. China and Russia also share the same opposition against the NATO-led ‘humanitarian intervention’ in 1999 in Kosovo and the United States intervention in Iraq in 2003. Lastly, both countries strongly opposed the recognition of the Kosovo independence from Serbia in 2008. Moreover, in 2001 both countries signed a treaty on Good Neighbourliness Friendship and Cooperation and since 2005; they have been conducted joint military exercises (Peace Mission 2005, 2006 and 2007) that will be repeated in the summer 2008.

By using SCO both countries are straightening their partnership not only in the economic and political sphere but also in the security field. The SCO represents a winning tool for both countries that provides to strengthen the Sino Russian relations and to preserve stability in the region. However, there are some observations that suggest some doubts about the long duration of this partnership and the convergence of the strategic viewpoints between Russia and China. Russia considers the center Asian republics as part of its sphere of influence in a region where it can exercise its hegemony. Consequently, it is difficult to perceive till when Moscow wishes China to become overly involved in the affairs in the region. Lo suggested that in the future Russian wealth due to the high oil prices will decrease while the Chinese economic expansion seems to be unstoppable in the medium term. This situation could flip the Sino Russian relations, with Beijing assuming a even stronger role of senior partner in the organization. The Chinese and Russian economies are not complementary and are intended to come into competition in Central Asia, as it is already happening in Eastern Siberia.

However, elite leaders in Beijing know that China possesses the economic capacities to penetrate strongly in the region but does not aim to expand its influence at the detriment of the relations with Russia. Moscow is not China’s target in Central Asia, but instead a stronger partner that can provide to exclude the United States from this new ‘great game’ in the region.

As mentioned before, Russia shares with China the same strategic motivation to counter the US influence in Central. Indeed, differently than China, Russia did not remove all the former soviet military bases in the region; maintaining a base in Kyrgyzstan and one in Tajikistan. Moscow also would like to exclude the United States to get to the oil

35 Piacentini, Asia Centrale, p. 77
37 Ibidem.
39 Ibidem.
40 Ibidem.
resources in Azerbaijan and Kazakhstan by the construction of pipelines that deviate from US allies’ territory.\textsuperscript{45}

**Central Asian republics’ motivations and interests.**

The interests and motivations that drives former soviet republics into the SCO is more than a simply bandwagoning effect. Three motivations are particularly relevant to these countries. First, these countries do not want to go back under a complete Russian influence. As showed before, Moscow still considers Central Asia as the ‘backyard’ for its economic development and for its border security. Then, the Central Asian republics perceive the SCO as a useful tool to contain the sole Russian influence in their territory. The principles that guide the organization also allow the republics to establish more equal and stable direction with Moscow. China’s economic developments also represent a strong incentive to take part to the SCO. As showed in the Kazakh case, the SCO has permitted to Astana to strengthen its economical ties with Beijing and to receive precious support for its infrastructure modernization.

However, the most important motivation in joining the SCO is represented by the possibility to maximize its security benefits and its domestic stability. Former soviet republics all share the same security concern about the Islamic extremist forces that pose a menace to their internal and still fragile stability.

Turkmenistan, one of the former soviet Central Asian republics that are not part of the SCO, also manifested its interest to join the organization in 2007. During the Annual meeting in the Kyrgyz capital, Bishkek, the newly elected Turkmen president Berdymukhammedov have been invited as observer member. Berdymukhammedov decided to break with the past and with the ‘neutrality policy’ of the former president Nyiazov, in engaging his country to establish closer and stronger ties with the members of the SCO.

Turkmenistan is home of one of the largest deposit of natural gas in the world and joining the organization as an observer member will allow it to deal new gas deals with both Russia, China and Kazakhstan.

Mongolia declared to continue and strengthen the cooperation with the SCO, to improve its neighbourhood policy with China in projects concerning tourism, youth policies and space technology.\textsuperscript{44}

Recently, Iran has also asked the admission as a full member in the organization. After having been admitted as an observer member in 2005, a SCO membership could be a strong support to Iran. This would allow Iran to circumvent the attempts to isolate it internationally and it would enable to benefit of the various SCO economic and technological development projects. Moreover, the inclusion of Iran will radically change the energy equilibrium at regional and international level. Despite the various attempts to obtain a former partnership, Iran still finds a certain degree of opposition by the consequences of the reactions posed by the United States. These factors will focus more deeply on the US reaction towards the SCO and its strategic implications.

\textsuperscript{43} Ibidem.

\textsuperscript{44} China-Mongolia good Neighborly Relations Enter New Phase: Chinese President, www.scosummit2006.org, 16-06-06

\textsuperscript{45} In March 2008 Iran officially asked its last admission as a SCO member.
Section 3
The nature of the organization

In this section, the nature of the organization will be analyzed in detail. First, it will be introduced an historical overview of the evolution of the organization, from the Shanghai Five Forum in 1996 until the establishment of the Shanghai Cooperation Organization in 2001. Then, the nature of the organization will be discussed trying to determine if it is can be considered as an alliance, a partnership or a coalition. In order to achieve this objective, the main similarities and differences between the SCO and two other regional organizations such as the ASEAN+3 forum and the NATO will be analyzed. Finally, with the help of theoretical tools, it will be shown that the SCO is becoming for Beijing a tool of soft balancing against the United States in the region.

Historical overview

The SCO originated from the negotiations on border disputes that between 1991 and 1994 involved the former Soviet Union and China. In 1992, newly independent states, Kazakhstan, Tajikistan and Kyrgyzstan, joined the negotiations. Since the collapse of the Soviet Union, Beijing’s efforts were directed towards the increase of his visibility and influence in Asia by improving relations with neighbours and the new Russian federation. Moreover, the Chinese interest towards Central Asia focused on three strategic issues: the problem of weak governments at his borders with the possibility of the penetration of religious and political extremism, the possibility of the exploitation of energy resources in the region and the establishment of closer ties with the new Russian federation. This multilateral mechanism developed by the Chinese government lead on April 1996 to the signature of the “Agreement on strengthening mutual confidence-building measures in border areas" (the Shanghai agreement). Since then, the five signatories were identified as Shanghai Five. The agreement focused on active stable measures based on the drastic reduction of military activities in an area of one hundred kilometres on both sides of the
common border.\textsuperscript{46} After the first meeting followed other annually, during which the guidelines of this particular model of regional cooperation based on a permanent mechanism of consultations took shape. During the second summit held in Moscow on 1997, the Shanghai five signed an “agreement of mutual reduction of military forces in border areas”, aimed to reduce such forces at the only defensive capabilities and to promote transparency, mutual trust and joint border activities.\textsuperscript{47} In this summit was also created a Joint Control Group responsible for monitoring the obligations to the agreement. Built on border agreements, after 1997 the Shanghai Five moved to a phase of a more institutionalized annual agreements. Indeed, during the next summit held in Almaty on July 1998, the five discussed about serious security issue originating from the Taliban regime in Afghanistan, from the drug trafficking in the region, the emergence of an aggressive religious extremisms, separatisms and nationalisms and illegal immigration. Thus, they decided that they would put efforts together in order to counter such threats. In addition, for the first time the five discussed the possibility of developing a closer economic and commercial collaboration in order to ensure the stability of the region. After the meeting, the Shanghai Five countries issued a joint declaration that changed the internal structure of the organization, passing from a bilateral (China on one side, Russia, Kazakhstan, Kyrgyzstan and Tajikistan on the other) into a multilateral one. During the forth summit held in Bishkek, a particular emphasis on the need for a joint action to counter the upsurge of Islamic militant in Central Asian was given. Practical steps in this direction were made by the security department officials that, in December of that year, opened a forum concerning the actions to undertake in order to fight international terrorism, religious extremism, and national separatism and to contrast arm and drug traffic and illegal immigration. During this meeting the participants signed the “Memorandum of Bishkek” that established the collaboration and the cooperation of the justice and security department of each member states, whose leadership formed the “Group of Bishkek” with the establishment of an “anti terrorist center” in the Kyrgyz capital.\textsuperscript{48} During the first half of the year 2000, the defence ministers of the member states met in Astana to discuss the improvements and the effectiveness of this consultation mechanism. However, a significant moment of the evolution of this project was reached by the fifth head of state’s summit on July 2000 in Dushanbe, Tajikistan where the five members decided to transform the Shanghai Five into a more institutionalized regional multilateral cooperation. This represented a necessary step not only in relation to the sphere of joint activities of the members, but also in view of a more effective and coordinates cooperation under the agreements already in forces. Following the Chinese president Jiang Zemin recommendations, the rationale for a formal regional organization would be based on: a) to improve the Shanghai Five meetings in order to improve a comprehensive and cooperative institution at many levels, covering multiple fields; b) to bolster security cooperation and support each other against threats to regional security; c) to promote liberal and multilateral economic and trade cooperation and d) to enhance cooperation in international affairs.\textsuperscript{49} This prospect leads to the institutionalization of a new process of international relations based on a same level of cooperation as well as mutual trust and benefit. Indeed the members agreed that they strongly supported the right of every state to pursue its own


\textsuperscript{49} Ibidem, p. 137.
political, economic and social development in accordance with its own reality; they banned any interference in internal affairs to another State, even under the pretext of defending human rights or for Humanitarian Actions. They also declared that these choices came from the deep respect to the states in their own historical particularities, in safeguarding the principles of international law generally recognized. The corollary of this claim is directed towards the support to China and Russian in their contrast to the “separatist movements”, respectively in Xinjiang and Chechnya. The two states recognized the role of the United Nations as the sole global forum for resolving international dispute in pursuing the principles and the objectives of the UN Charter.  

Basing on the principles of equality and mutual benefit, on the field of economic and trade cooperation, the members were committed to the establishment of partnership, strengthening issues related to improve investments and also preparing measures for resolving disputes that may arise during the cooperation processes. This approach of renewed economic and trade relations is based on the common interest to supply from the massive energy reserves following the principle of mutual benefit and maintaining stability. Lastly, the Shanghai Five became the Shanghai Forum and the Uzbekistan was admitted for the first time as an observer member.

The meeting held in 2001 represented a turning point for the structure of the organization, evolving into an International Organization. On June 15th, 2001 with the Declaration on the Establishment of the Shanghai Cooperation, “the Head of State of the Republic of Kazakhstan, the Chinese People’s Republic, the Republic of Kirghizia, the Russian Federation, the Republic of Tajikistan accepted as a new member of the Shanghai Five forum the Uzbekistan and decided unanimously to support this mechanism of consolidated cooperation to transform in a regional organization more functional in order to deal more decisively with the security challenges in the region, to establish more effectively the relationships with extra regional actors and to promote cultural values among members”. The six states signed the Declaration on the Establishment of the Shanghai Cooperation Organization. The goals of the organization are summed in four principles under the same of “Shanghai spirit”:

- maintaining the regional stability and opposition to the “three evil forces” (terrorism, separatism and extremism);
- promoting the economic cooperation;
- strengthening mutual confidence and good-neighbouring relations between the participants;
- Helping to build a new democratic, just and rational political and economic international order.

Following these guidelines, the SCO promotes the establishment of a new concept of security, linked to the principle of reciprocity and disarmament; it also promotes renewed relations between the States on the basis of partnership and a new model of regional cooperation.

The SCO and NATO and ASEAN+3

As mentioned above, the structure of the SCO presented new and peculiar characteristics than the other regional organizations. This leads to investigate to the third question of the research “Which are the main differences between SCO and the other

50 Ibidem, p. 142.
51
regional organization?’ For the purpose of this study it will be analyze the main differences among SCO, ASEAN and NATO.

What is the SCO? According to Chung the SCO is a partnership, not an alliance. Following the realist tradition, the author argues that an alliance is defined in opposition to other actors and threats perceived by states. However, for the author the SCO is an open structure, a mechanism which aims to create a climate of mutual trust and cooperation in the region. Through these mechanisms, China opens to potential allies and adversaries recognizing the natural differences in culture, ideology and interests and seeks to build a mechanism to manage the areas of potential conflicts. For these reasons, a comparison between the NATO and the SCO is difficult to achieve. First, NATO is an alliance initially built to counter the spread of the Warsaw Pact in Europe. NATO’s members pursued political and security related goals against a common enemy (the Soviet Union). Moreover, NATO’s members all shared ideological and political values. However, as stated in its declaration, the SCO is not an organization built in opposition to an external threat. The main objectives of the SCO are to build a peaceful environment through economic, scientific-technical, cultural, educational cooperation. Although the SCO members share a common opposition against three threats (the three evil forces), these ones are not external. Thus, the SCO is more a “formal international organization for regional cooperation”.

Second, the motivations that drove the SCO members to be part of the organization are different from the NATO nations. After the split of the Soviet Union., the former soviet republics in Central Asia found themselves with logistical limitations and looked at China and Russia to ensure their border security. The military border security agreement between China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan was conceived as an agreement where “military forces of the Parties deployed in the border area, as an integral part of the military forces of the Parties, shall not be used to attack another Party, conduct any military activity threatening the other Party and upsetting calm and stability in the border area”. The same non mutual aggression prerogatives were addressed even to third parties outside the organization. As one can see, this pact did not stress any mutual defense obligations, and this is dissimilar with the NATO alliance. In the official SCO declaration there is no reference on the eventuality that if a member is attacked it can be conceived as an attack to the entire organization. Moreover, it is mandatory for all the members to respond militarily to defend other members if they get attacked. Another different with NATO, consists in the possibility to open the organization to other members. Since the split of the Soviet Union, NATO opened the organization to other members previously under the Warsaw Pact. Although, this paper will not discuss on the debate about the new NATO goals in the current system, it is interesting to notice that the enlargement process of the SCO does not find the same accuracy. Indeed, in the medium term both China and Russia still have different strategic goals within the organization that cannot converge in supporting the integration as ‘effective members’ of new states such as Iran, India or Pakistan.

Thus, the SCO represent more a new model of regionalism that is antithetical to the “old” model of which the European Union is the most obvious example. Unlike the old regionalism, this new type does not require supplies of sovereignty, but rather is based on the principle of the recognition of the sovereignty of the member states. It incorporates different political system, with different cultural and religious tradition sharing common

54 Ibidem.
55 Hu, China’s Central Asia Policy, p. 138
56 Ibidem, p. 139
interest. Over the years, the SCO has been establish itself as an organization where the parties shared a *consonance legislation*, that Kimmage defines as a conservationist position, which is geared to the maintain of the status quo.  

I ideological values represent one of the main differences between the SCO and another Asian regional forum, the ASEAN+3. Differently from the SCO where China played a crucial role in creating and supporting this organization, the ASEAN+3 represents a ‘loose’ forum for the Chinese strategic interests. This is due to the relative weight that the other principal actor of the organization, the Japan.

Moreover, China is a new member of this organization that encompasses south Asian countries. Another difference with the SCO concerns the main goals that the members aim to pursue. Although SCO members cooperate to fight common security threats as the “three evil forces”, security issues within the ARF are not shared with the same intensity by all the members. China continues to refuse to participate in security process that concerns issues as Taiwan or in the south China. Following these guidelines, despite ASEAN+3 represents for China an effective tool to establish a peaceful periphery; its institutional weakness and the asymmetrical disparity of power of the organization does not provide China to promote economic development in the region.

**SCO as a soft balancing strategy?**

Will the SCO goals above mentioned continue to last within the SCO? Until when does China continue to support this organization? Several scholars stressed that China is using the SCO to counter and to put out the US presence in Asia. Despite the first steps in building the organization did not support this hypothesis; several factors are nowadays strengthening it. The desire to contain, if not reduce the American presence in the region is a strong strategic tie for all the member countries. Both Russia and China see the United States presence around their borders as a threat to guarantee their influence in the region. Goldstein argues that a SCO contains the characteristics to meet the objectives of the Chinese grand strategy. SCO allows China to find a middle ground between traditional allies and adversaries and to ‘enable China to address concerns about US preponderance without resorting to the more directly confrontation.’

Is China trying to balance the United States in Asia through the SCO? According to Paul, one can distinguish between two types of *balancing* strategies:

a) **hard balancing**: when states “states “adopt strategies to build and update their military capabilities, as well as create and maintain formal alliances and counteralliances, to match the capabilities of their key opponents”,

b) **soft balancing**: as “tacit balancing short of formal alliances […] Soft balancing is often based on a limited arms build-up, ad hoc cooperative exercises, or collaboration in regional or international institutions”.

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58 Kimmage, *The SCO, the Schoring up the post soviet status quo.*
59 Hu, *China’s Central Asia Policy,* p. 139.
61 Goldstein, *Rising to the Challenge,* p. 133-134.
63 *Ibidem.*
The former strategy does not reflect the current Chinese strategy in Central Asia. Although China is improving its military capabilities, as mentioned before, the SCO is not an alliance against an external threat like NATO. However, there are several elements that lead to see the SCO as a Chinese efficient soft balancing strategy against the United States. Basing on Paul’s definition of soft balancing next paragraph will show why China has interest to balance the United States in Asia for the pursuit of its “peaceful rise”.

As showed before, this “Chinese openness” to multilateral institutions is part of a process that China started at the end of the 1990s, constituting the most relevant aspect of the Chinese grand strategy. What are China’s vital interests? A closer outlook to recent Chinese Defence White Paper showed that the main security goals for China are a) protecting the country from external threats; b) curbing separatism and preventing Taiwan from declaring de jure independence; c) preserving domestic order and social stability. In order to accomplish these objectives, China should improve its economic and military capabilities. Thus, why the United States are a threat for China? How can China counter its presence? Chinese scholars argue in stating that the United States represents a security threat for China’s core national interests as sovereignty and border stability. These assumptions are driven by the perception that United States would like to impose their hegemony in Asia, preventing China’s rise. Indeed, the US led military operations in Central Asia at the end of the Cold War have been perceived by Beijing as a threat to the stability of its borders. However, as Wang stated, despite China could not compete militarily with the United States, a military modernization does not represent the sole guideline for the Chinese government to pursue its rise in the international scene. Differently from Soviet Union, the Chinese agenda’s priority focuses on the economic development through multilateral cooperation.

This approach brings China to a double advantage: a) to reassure neighbourhood countries of its pacific rise and b) to not legitimize a hard balance reaction from the United States. China also entertains an ambivalent relation with Russia, the other major country in the region. On one hand, they have some competitive relationships concerning the supply of energy needs. On the other, China knows that a regional cooperation in Central Asia will not be successful without the participation of Russia. Thus, it is China’s interest to pursue a modernization of its economy and military while maintaining closer ties with Russia in pursuing a common strategic priority (to diminish the United States presence in Asia).

Why should China balance the US influence in Asia?

Basing on the Chinese literature, China perceives the United States as being either an obstacle for the pursuit of its grand strategy or a competitor of its strategic energy interests in the region.

The war in Afghanistan, the recent NATO’s enlargement to the east and the US-Uzbekistan strategic partnership in the 1990s have been perceived as a serious danger by the Chinese elite in order to promote its “peaceful rise” as the prominent actor in the region. Furthermore, well before the war in Afghanistan, in 1999 the United States launches cruise missiles in Afghanistan as a consequence of the Al Qaeda attacks at the American embassies in Kenya and Tanzania. All these actions have been perceived by the Chinese government as an attempt to consider Central Asia into the US sphere of influence. Some documents show that China also shares with Russia the fear of a US lead war in Iran in order to overthrowing the current Islamic government.

However, China uses the SCO as a tool of soft balancing towards the United States and to ensure its development. Indeed, to avoid that the US presence in the region will lead
to a permanent reality, China stressed through the SCO that the United States should fix a date by which the NATO’s troops would have withdrawn from Afghanistan. Two strongly symbolic declarations show how China tried to counter the United States in this sense through soft balancing strategies. At the Astana summit in July 2005, the SCO requested the United States to set a timetable for the withdrawal of its troops from bases in the region. This statement was followed by an Uzbek ultimatum in which the United States were obliged to leave the Karshi-Khanabad region within 180 days. The second document, a press release of June 2006, is linked to the Astana summit and it highlights the effectiveness of the SCO in dealing with terrorism in the region. A third example is represented by the refusal to the United States to assist at the SCO meeting as an observer member. Differently than the ASEAN + 3, where the United States can influence the decision-making process through its alliance with Japan, SCO members are less persuaded by the US influence.

Furthermore, the United States tried to extend their influence in the area through regional and international organizations. After its admission in 1992, the United States opened an OSCE center into Central Asia promoting democratisation process in the electoral system in Kazakhstan and Kyrgyzstan. Consequently, Beijing’s commitment in the creation of the SCO has been followed by the perception of a higher risk of a US influence in the region. According to Wang, China did not have neither the economic and military capabilities to face alone the US influence in the area. Moreover, another aspect played in China’s favour concerning its influence on the Central Asian republics. As Goldstein shows, after several years of soviet domination and influence, the former soviet republics were reluctant to be the target of another regional power. Thus, by promoting a cooperative approach basing the common principles of the ‘Shanghai Spirit’, China penetrated in the region in establishing mutual ties with these republics without being perceived as a hegemonic power.

Strategic and geopolitical reasons should be also taken into account to explain why China would like to balance the presence of the United States. In the recent past, The United States stressed the possibility to use Central Asia as a possible alternative oil sources to the Persian Gulf, especially after the second Iraqi war. However, by using the SCO as an institutional mean to develop powerful economic influence in the region and to ensure its energy stability, China is trying to put aside the United States in this ‘race’ for alternatives oil resources. China also strengthened its influence on central Asian republics by economic and diplomatic means. Indeed, in order to maintain a strong influence on Kazakhstan (the largest of the former soviet republics) despite the decision of the designation as the first Central Asian country for the OCSE presidency, China subsequently stipulated new economic agreements with Kazakhstan for the exploitation of its oil territory. This hypothesis is also supported by the strongest ties that China is establishing with other potential oil suppliers in Africa and South America, in order to ensure its energy stability to the detriment of the other major powers.

As one can see, China started to counter the United States influence in the region by maintaining a stable and peaceful environment. But, how will the United States respond to China’s rise? Until when China will try to soft balance the United States in the region? Will the SCO be a useful tool to ensure its grand strategy in the future? In order to answer to these questions, next sections will focus on the role of the United States and on the future of the organization within China’s grand strategy.

65 Goldstein, Rising to the Challenge, p. 144.
Section 4
The United States response

In light of the precedent analysis on the Chinese and Russian motivations of the SCO, what should be the American response? Does the United States have interests in Central Asia? Despite many scholars emphasize the role of ‘energy security’ that brings the US interest towards this area, Bank affirms that the US interests in Central Asia are essentially directed towards the promotion of the democratization, the economic development and the security in the area.\(^{66}\) The United States can also try to expand their influence to the region indirectly, with the help of some allies, such as Turkey. RAND scholars affirm that the United States should engage themselves strongly in establishing closer ties among Turkey and Central Asian countries. However, the United States are slowly losing their influence in this area. Uzbekistan, with whom they signed a strategic partnership in early 2000, is nowadays a member of the SCO and it is one of the principal opponents to the maintaining of the US lead coalition in Afghanistan.

However, the presence of the SCO as an instrument of the growing Chinese influence on the area puts the United States in a singular position. How to react to the growing Chinese influence in the region? It is commonly believed among the current literature that there exist two different American reactions to China’s grand strategy: engagement and containment.

The engagement scenario

In a hypothetical engagement scenario, the United States should use commerce as a tool of socialization and socio-political internal transformation and as an instrument in preventing a future Chinese aggressive behaviour. For their part, the United States should focus on a strategy that will bring to the implement of an economic development in China, hoping that it will lead also to a process of democratization and liberalization.\(^ {67}\) Hence, the United States should stress cooperation with China on several crucial issues in order to pacifically regulate its rise within the international system. Following these principles, the United States should use the WTO as a privileged platform in pursuing these goals, and trying to involve China into other economic oriented cooperation. American President George W. Bush affirmed that the United States “ha[s] the best chance since the rise of the nation-state in the 17th century to build a world where the great powers compete in peace instead of preparing the war”.\(^ {68}\) This approach highlights how changes in the economic

\(^{66}\) Blank, Towards Geostrategic Realignment, p. 102.
\(^{67}\) Mastrolia Nunziante, La nuova politica globale della Cina, CeMiSS Osservatorio Strategico, anno VII, n°10,ottobre 2005, pp. 53-58.
relations between the United States and China have dramatically increased since the 1980s. By 2004 the trade moving between the two countries grew till a total of $245 billion. However, the United States finds difficulties in following this approach towards China in Central Asia. Recent negotiations with SCO members for an agreement concerning the pipelines’ construction passing in Central Asia and in the Caucasus region has been hampered by the refusal of ex allies such as Uzbekistan and Tajikistan to give support to US cause.

Moreover, this approach in promoting economic liberalism with China can easily become a dangerous tool for US interests in Asia. One example is represented by the attempt of the CNOOC (the third Chinese most important oil company) to buy the American oil company UNOCAL in 2006. Although UNOCAL represent the ninth American oil company, it holds several important assets in East and Central Asia. Washington feared that China, having already a consistent influence on the control of sources and energy networks in the region via SCO and ASEAN, could further strengthen its position in the area and to contribute to increase its political weight at the expense of the US one. Indeed, after the Chinese control of the Indonesian natural gas resources that have consequences over the economies of US allies such as South Korea, Japan and Taiwan, it is clear that United States has been extremely concerned about the political fallout of the passage of Unocal into Chinese hands. Finally, the political consequences of this action explain why the United States put pressure for the purchase at lower price of UNICOL should have been made by an American company, Chevron.

As one can see, engaging China through the intensification of the economic ties with the United States could bring a boomerang effect, where the expected gains can be turned into unexpected strategic disadvantages.

The containment scenario

The containment scenario is based on the neorealist assumption that the United States considers China as a rising power that can jeopardize its hegemony. This approach follows the postulate that China’s rise is becoming the most significant challenge to the United States. Scholars who support this perspective, share the historical idea that China’s emerging role can be compared to the Bismarkian Germany in the 20th century implying that a direct confrontation with the United States will be inevitable. The United States should act in both directly than indirectly. The former represents the most dangerous and remote option for the United States because it will produce a direct confrontation of the two countries. The latter provides a range of various possibilities for the United States to accomplish its purpose. Five cases will be showed in this perspective: a) the case of Taiwan, b) the Japan-US relations, c) the Indo-US relations, d) the current influence on Afghanistan new government and e) NATO’s enlargement on the Caucasus:

69 Hunter Duncan, Statement on CNOOC’s attempted purchase of Unocal, Press Release, House Armed Services Committee, 13 giugno 2005
a) The United States could increase substantially the arm sales to Taiwan and stressing the international community that Taipei is the sole China’s capital.

b) Another tool to contain China is represented by the partnership with Japan. The United States should push Japan to the modification of their number 9 article of the Constitution that it will give the possibility to a nuclear rearm for defensive purposes.

c) An analysis published by Jane’s Information Group for the US Secretary of States Donald Rumsfeld in 2004, stressed the possibility to use the Indo-American alliance in order to contain China’s expansionism.\textsuperscript{70} The report noted that both the United States and India share the same views and perceptions of China’s rise and this alliance should emerge as a “vital component of the US interests”.\textsuperscript{71}

d) Furthermore, the United States could contain China’s rise in Central Asia by the maintaining of the NATO military coalition in Afghanistan.

e) Lastly, a possible inclusion of Georgia as NATO members should provide a strategic tool in the energy field to counter Beijing expansionism.

However, are these strategies applicable nowadays? Which positive result will bring to the United States? The most delicate topic is indubitably the Taiwan issue. Firstly, most of the countries in the international system have recognized that the Taiwan Strait is part of China, leaving the United States isolated in supporting Taiwan case. Moreover, the recent victory of the Kuomintang in Taiwan’s last elections turned to an optimistic change of the Chinese perceptions towards Taipei. Chinese officials highlight how the presence of Taiwan’s newly vice president elected, Vincent Siew, at the economic forum in Hainan Island represents a significant step of new relationships between the two countries. Indeed, during the eight years’ mandate of the Democratic Progressive Party (DPP), neither the out-going president Chen Shui Bian nor his vice president, Annette Lu, came closer to meet a Chinese official.

The strengthening of the economic relations between China and Japan is producing some doubts about the possibility of the possibility for Washington to use its alliance with Tokyo to counter China’s rise. Japan-China trade relations in 2006 became closer through a massive Japanese investment in China. Despite some obstacles, the economic ties between the two countries are increasingly in the last years and China still represents the top investment country for Japan.

Concerning India, during the last years, Beijing has started to re-establish new mutual trust with New Delhi. In December 2007, the two countries enhanced a joint anti-terrorism military training in order to establish new mutual trust and understanding. Moreover, foreign ministry spokesman Qin Gang stated that cooperation and consensus between the two countries will be established and the border issue between the two countries will be solved at an earlier date.

China also tried to soft balance the United States’ influence in Afghanistan with the launch of the SCO-Afghanistan Contact Group in 2007. This rapprochement has been guided by the convergence of interests concerning the fight of the “three devils”, ‘separatism, extremism and terrorism’.

Finally, a hypothetical Georgia admission in NATO in order to strategically counter China’s rise by the control of the gas pipeline in Caucasus would not drastically change the energy issue in Central Asia. China through SCO has already provided to build different


\textsuperscript{71} Ibidem.
pipelines from Central Asia to Caspian Sea and it strengthen its relations with other neighbour countries in the Caucasus.

As one can see, China seems to beat the United States on the draw in its balancing tools. The two scenarios above mentioned showed the opportunity and the risks for United States towards China’s rise. However, there is a factor that it can really play an important role in these situations; the time. As Wang stressed, despite all the risks, the United States are a kind of hegemonic country that it never existed in history. Their advantageous position in the international system still provides the possibility to use a mixed ‘wait and see’ strategy towards China’s rise. The best option could be to promote dialogue and cooperation when China’s behaviour is less threatening, and to promptly intervene with the support of the international community when the risk of a hegemonic China is materializing it.

Section 5
The future of SCO - Conclusion

As showed above, China’s behaviour towards an active participation into regional regimes is part of the “peaceful rise” process within its grand strategy. However, China’s role in the creation of the SCO has been one of the most relevant foreign policy initiatives of the country in the recent history. Undoubtedly, Beijing is assuming the position of the strongest player both politically than economically. Furthermore, SCO is evolving into a an instrument of soft balancing the US presence in Asia. Beijing is not directly using military tools to delay and undermine the US influence in Asia. This behaviour could produce two negative effects to China’s strategy:

a) to provoke an active reaction from the United States;

b) to create a hostile environment among states in its periphery.

Through the SCO, China is trying to pacifically balance the United States in Asia and providing to its economic and political development in the region. However, will China maintain the current composition of the SCO?

The inclusion of India and Pakistan should provoke problems for the organization, and it could cause a radical change of the use of the SCO as tool to (soft)balance the American presence in Asia. First, the inclusion of the two countries will bring new security issues into the organization, such as the ongoing violence in Kashmir. Second, the Indian and Pakistani membership in the SCO will bring two sizeable regional powers in the region that can affect China’s pivotal role into the organization. Third, the support of the Pakistani government to the Taliban government in Afghanistan will cause serious doubts on the Islamabad’s intention to pursue the fight against the “three evil forces”. Lastly, an inclusion of India into the SCO will bring the American influence within the organization. Although China and India are organizing joint military trainings in order to establish a mutual confidence between the two countries, New Delhi remains a faithful ally to Washington. The best winning solution for Beijing will be to establish stronger relations with New Delhi outside the SCO, focusing on the resolution of common problems (such as the border security or the Tibet issue).

Another potential member of SCO is Iran. China has several interests to include Iran to be part of the organization. Firstly, China is already involved into Iranian energy resources. State-owned company Zhulai Zherong Corporation signed a twenty-five year deal in 2004 to import 110 millions tons of liquefied natural gas from Iran. Russia also claims great economic interests in the region. Due to its geographic position, Iran should provide the possibility to extend SCO energy traffic till the Caspian Sea. Second, an alliance with Iran will undermine even more the American influence in Asia and it could
guarantee the SCO to spread their influence until the Middle East. However, China is taking time before accepting a full Iran membership. In order to show to the international community the intention of its “peaceful rise” China’s desire for the SCO is to continue to be viewed as an international anti-terrorism organization. Indeed, Iran with its radical Islam traditions poses several doubt of the success of this initiative.

Finally, one last suggestion will be launched. As Section 4 showed, the current debate among American scholars and military concerns which approach to use to face China’s rise in Asia. Concerning the case of the SCO, little academic literature is addressing on how long China will support an active engagement into a regional organization such as the SCO. Will Beijing continue to use the SCO after the achievement of a hegemonic status in Asia? The author of this paper argues that the answer should be found into the internal and external evolution that China will face in the future. If Beijing is able to shape new political elite that will follow the same political guidelines of their predecessors and other regional power such as Russia or India will emerge consistently, China will probably use its pivotal role within SCO to counter them. If these conditions are not attained, a new era within the international system will probably appear.

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