Beijing’s Perspective on Expansion of the Shanghai Cooperation Organization: India, South Asia, and the Spectrum of Opportunities in China’s Open Approach

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China has basked for some time in the achievement of having promoted the Shanghai Cooperation Organization (SCO), now in its eleventh year. Without a doubt, China sees the SCO as a useful foreign-policy instrument. But China cannot afford to rest on its diplomatic laurels. Open to opportunities to protect its stakes in Asia, China is very likely contemplating, albeit cautiously, an expanded role for the SCO that will include membership for India, its archrival. To Beijing, expanding the SCO beyond Central Asia is a political statement, exploring and helping to define a constituency to which it can appeal for diplomatic support in a range of regional projects that restrict US participation. Keywords: China’s policies in South Asia, Sino-Indian relations, Central Asia politics, Shanghai Cooperation Organization.

In recent decades the global order has become increasingly multipolar, and new multilateral groupings have become a hallmark of global politics. Under the leadership of Hu Jintao, the Chinese have broadened their security thinking through a “new security concept” (xin anquan guan) that is linked with the so-called Beijing consensus, primarily aimed at establishing a progressive and alternative non-Western world order (Gurtov 2010). Placing security as the centerpiece of their approach, Beijing has steadily pushed “strategic partnership of a consultative character” through organizations like the Shanghai Cooperation Organization (SCO) and ASEAN+3 (the ten members of the Association of Southeast Asian Nations plus China, Japan, and South Korea) (Gurtov 2010). Most recently China has moved its message further afield—in cross-regional settings like BRICS (Brazil, Russia,
India, China, and South Africa) and BASIC (Brazil, South Africa, India, and China).

The catchphrases of policymakers in Beijing while designing these strategic partnerships are respecting the sovereignty of all nations, focusing on “mutual interest and common prosperity,” and promoting trust and nonhegemonic behavior. Against this backdrop, the Chinese foreign-policy approach considers multilateralism and multilateral bodies as components of an organizing principle attuned to the processes of globalization (quanqiuhua) and multipolarization (duojihua).

The SCO is one of the prime successful examples of China’s identification with multilateralism. Established in 2001, it consists of Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan as well as China. The SCO became the first regional multilateral organization of the twenty-first century, and was an outstanding achievement in Beijing’s foreign policy inasmuch as it was the first multilateral security organization that the Chinese helped found and actively promote (Yu Jianhua 2003). China’s preeminence in the SCO is indicated by the fact that the organization is named after the Chinese city of Shanghai, that the first SCO secretary-general was Chinese, and that the SCO secretariat is located in Beijing. Though some would question the SCO’s achievements in enhancing security and its credibility in bringing stability to the region, an array of factors—for example, the dynamism of Central Asia, the role of prominent members such as China and Russia, and the involvement of observer states such as India, Pakistan, Mongolia, and Iran in SCO—underline its importance for regional multilateral politics. In addition, several new strategic trends such as the expansion issue within SCO, Afghanistan’s possible association with SCO, and the possibility that the SCO will rise to the level of a “comprehensive regional organization” put this Central Asian body in a different league today. Though limited to being a Central Asian body so far, the SCO aims to spread its influence over the entire Eurasian landmass by adding new members, potentially from South Asia.

This article discusses the Chinese perspective on SCO expansion. The Chinese acknowledge that the SCO’s scope is currently limited and needs to be expanded. Would they want to stick to the
status quo, since inducting new members would mean having to deal with these members’ own national interests and their quest for strategic gains in Central Asia? Or would China see advantages for itself in expanding SCO membership? Some Chinese strategists are interested in pushing the SCO ahead as a credible Asian organization that would be comprehensive in its mandate, which would imply extending SCO membership even to adversaries such as India.

The Chinese quandary about extending the SCO’s scope to South Asia needs to be understood in diverse regional contexts and within the evolution of China’s foreign policy. The changing nature of multipolar world politics compels rising powers aiming to become superpowers to seek to influence global politics in novel ways. One Chinese argument is that against the backdrop of globalization and multipolarization, “western developed countries benefit most from globalization, whereas a large number of developing countries including China which are better endowed may seize the opportunities and take off accordingly.”

The concurrent emergence of both China and India as developing countries in multilateral organizations invites greater discussion in the discourse of SCO expansion. Both aim to use the SCO platform to promote their own stake in regional and global political decisionmaking processes. The main research questions this article addresses are: Does China see expanding the SCO as conducive to its national interests? How will China handle the rising Indian interest in both the SCO and Central Asia? To what extent will China redraft its Central Asia policy after possible SCO expansion? Is there change or continuity in China’s Central Asia policy with regard to the SCO? An editorial statement in the China Daily noted that “blind expansion [of the SCO] will spoil it with excessive enthusiasm” (Wu and Li 2010). We need to deconstruct this statement for a broader explanation of China’s thinking on the matter.

**Constructing the Dialogue**

Beijing’s perspective on SCO expansion may be explained in terms of both realism and idealism in international relations the-
ory. In the realist discourse, survival is the main goal of a nation-state in an anarchic and perilous world (Dittmer 2008). Security has so far been the main ingredient of China’s involvement with the SCO, and economic security (jingji anquan) is going to drive Beijing’s policy toward the SCO in the future. On the other hand, the liberalist discourse, more often considered as “neo-liberal institutionalism,” talks about trade, investment, and other social and cultural engagements to identify mutual motives and divert any possible conflict (Dittmer 2008, 22). Beijing also seems to follow this course in its association with the Central Asian countries. While not fully exploring these theoretical complexities, this article highlights Beijing’s perspectives and priorities with regard to the SCO and its possible expansion, taking a cue from realism and liberalism. In China, the issue of expanding the SCO’s scope and its membership is a debate in progress. This debate has considerable relevance for India vis-à-vis the region and indicates that the evolution of multilateral organizations is still not a natural process. The SCO’s evolution is conditioned by regional and global power politics and the changing foreign-policy priorities of member states. Though membership expansion depends on the perspectives of other SCO members, the stance and foreign-policy priorities of China—the dominating power in the organization since the beginning—matter most.

The Chinese perspective on SCO expansion displays the layers of power politics that characterize any multilateral organization. It combines elements from both the realist and idealist outlooks. Cross-disciplinary scholarship suggests that the decisive causes of a state’s external activities and approach may be identified in the context of the evolution of regional multilateral systems as they relate to global multilateral systems. Two main structural paradigms, contextualized in this process broadly to situate and explain the Chinese approach to SCO expansion, are the global political structure, which is increasingly multipolar, and the global economic structure, which is increasingly a matter of China-US competition.

Political structure in the context of the SCO expansion dialogue has a great deal to do with defining China’s “open or moderate” approach in the context of changing multipolar world
politics. Distribution of capabilities to influence others is a basic construct of regional and global politics. In his *Theory of International Politics*, Kenneth Waltz suggests that the number of states constitutes the essential global political structure and the number of markets builds the market structure (Waltz 1979). In this milieu, the character of the state is as “security maximizer” and as a “military entity” (Chen 2007, 43–44). Contemporary states, aside from their search for capital or wealth promotion, have the compulsion to safeguard their identity while being conscious of the need to preserve their global security and power positions. This fact is clear in China’s approach toward the SCO, which strikes a fine balance between economic, security, and structural priorities, and between realist and idealist elements. Yang Jiemian (2008, 78, 81) writes that “image building” and breaking “the Western monopoly of thought on the direction of the international system” remain priorities for China. Similarly, Yang Wenchang states that the “rising importance of economic factors in foreign relations” will remain a prime factor in Chinese foreign policy in the years ahead (Yang Wenchang 2006). In other words, although SCO expansion (*kuozhang*) is a process that is primarily beneficial to China at the regional rather than the global structural level, economics will remain the principal factor in this process.

The Chinese economy has become the second-largest in the world. It has become deeply enmeshed in the global economy, and the People’s Republic of China (PRC) has become an active member in global financial multilateral institutions. Most of China’s foreign relations today are based on trade and economic contacts. In fact, Beijing’s attempt at mixing economic interests with political and strategic interests has been the highlight of China’s foreign-policy success so far. Scholars on Chinese economic theory describe how China has maximized its wealth, blending Marxism with modern capitalist theories in ways that have persuaded many countries, both neighboring and remote, to establish close trade and economic contacts with it (Bing 2005). Being a trading nation and searching for energy resources has equally compelled China to galvanize its relationship with the developing powers and economies (Zweig 2010). Keeping in view the trade and eco-
nomic opportunities that the SCO members offer in the Central Asian and South Asian regions, the PRC takes the course of SCO expansion quite seriously.

The political and economic paradigms just described need not be seen in isolation. Overall, they suggest that while seeking to promote its wealth, welfare, security, and identity, the PRC will take the SCO seriously, as it has always done, without compromising on its core national interests. Beijing further seems disposed to support the expansion process even if it has to adjust its strategy by going beyond the defined Central Asian region, indicating that Chinese view the scope of the SCO in two different contexts: (1) moving on from the current SCO composition and beginning a prolonged, uncertain systemic evolution with a multipolar regional structure in mind, one that the Chinese intend to lead along with several other powers under new regional conditions; and (2) continuing the evolution of the SCO but with the Chinese and the Russians in the lead. On the whole, the dialogue of SCO membership expansion still indicates that the Chinese are the principal hegemonic power in the SCO, while the scope of SCO expansion permits a larger Chinese-Russian, Chinese–South Asian, and Chinese–Central Asian enterprise. These strategic enterprises carry huge global implications, since they have the direct aim of checking US predominance in the greater Central Asian and South Asian regions.

The Chinese perspective on SCO expansion also invites greater insights in global politics at the structural level. The progress of the world in terms of institutional dynamics permits one to think that the maturity of established multilateral groupings and understanding among its member states have become the hallmark of the evolving regional and global order. These groupings or organizations have started addressing more areas of policy than ever before in global history, which seems to be the case with the SCO as well. It may be on the verge of becoming a “comprehensive organization,” depending on the expansion of its mandate and membership. Various policy and empirical studies are emerging to explore the new order of multilateral cooperation—that is, those factors that motivate member states to shape or influence formal institutions that operate to increase interstate or regional security
and political, military, and economic cooperation (Downs, Rocke, and Barsoom 1998, 397).

To date, the “supply side” of multilateralism—the norms and guidelines that are set for admission of new members, the order and speed with which new members are admitted, the possible impact of secretarial expansion and growth, and the position taken by leading individual powers over expansion—has been relatively understudied (Downs, Rocke, and Barsoom 1998). In consequence, policymakers have had little input to anticipate how any multilateral group will evolve and the policy consequences of such expansion for regional or global politics (Downs, Rocke, and Barsoom 1998). The SCO is an example of this prism, where the debate on membership expansion and expansion of the organizational mandate needs to be watched. The presence of observer members such as India, Pakistan, Mongolia, and Iran in the SCO makes this prism interesting and permits taking the debate about the scope of the SCO beyond the Central Asian region.

China and the Course of Expanding the SCO

The Tashkent (June 2010) and Astana (June 2011) SCO summits discussed SCO expansion at some length. Both also discussed the “active participation” of SCO observer states, cooperation between the SCO and multilateral organizations, the reconstruction of Afghanistan, and countering terrorism, among other issues. In Tashkent, Russia was open to the idea of expanding the SCO membership. Beijing agreed, reluctantly, to consider the expansion. The Tashkent summit approved a set of documents, including rules of procedure and, notably, a “regulation on procedure for future membership expansion” (Sun 2010c). Chinese experts call the Tashkent SCO summit a “new chapter” in the history of the SCO (Downs, Rocke, and Barsoom 1998).

In terms of size, the SCO’s membership covers a huge geographic area: over 30 million square kilometers from Kaliningrad to Vladivostok and from the White Sea to the South China Sea. If observer members India, Pakistan, Mongolia, and Iran are included in the future as core members, the SCO’s geographic
scope will extend to the Indian Ocean and the Middle East (Bailes and Dunay 2007). Additionally, it will establish linkages among Central Asia, South Asia, and the Middle East (see Map 1). Currently, the SCO is a landlocked region (see the distance table in the map), and most outside powers will find it difficult to reach its core region of Central Asia (Yang 2009).

The Chinese authorities have time and again stressed that SCO membership expansion has to be done on a “consensual” basis and after the organization’s mission is clarified and made operational. This stance is akin to that of the Chinese on UN Security Council reform, which is to talk about building a “consensus” to bring new permanent members into the Security Council without really addressing the issue of how to expand the Security Council. The Chinese see that the process of SCO membership expansion is a time-consuming and long-haul affair. As Zhang Xiao, the PRC’s deputy director-general for European and Central Asian affairs at the Ministry of Foreign Affairs, commented, “In order to accept new member states SCO members have to work out a range of new documents. In other words, the job already done represents only one percent, we have another 99 percent to do” (“SCO Group Considers Expansion” 2010).

Started as an intergovernmental organization, the SCO consists of two parts: the meeting mechanism and the permanent organs that have dealt with the membership expansion debate. Article 13 of the SCO Charter states that “membership shall be open for other states in the region that undertake to respect the objectives and principles of this Charter and to comply with the provisions of other international treaties and instruments adopted in the framework of the SCO” (Charter of the SCO 2009). “Region” here is understood loosely. The SCO’s fundamental problem is that its central institutions are sparse and miniature, consisting of a Regional Anti-Terrorist Structure (RATS) in Tashkent and a secretariat in Beijing. There are substantial disagreements among the member states, mainly between China and Russia, about the SCO’s structure, membership, and procedures. The execution of SCO’s nonsecurity features has been delayed primarily because of these differences. Russia sees the SCO as a platform for its own revival as a force in global politics and as an
Map 1: Chinese Design of SCO and South Asia

Source: Economic Intelligence Unit, 2010; CIA World FactBook 2010.

### SCO Member States

<table>
<thead>
<tr>
<th>Country</th>
<th>Area (Sq.km)</th>
<th>Population</th>
<th>GDP Growth (Annual %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazakhstan</td>
<td>2,712,300</td>
<td>16 Million</td>
<td>7</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>199,951</td>
<td>5.22 Million</td>
<td>3.5</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>143,100</td>
<td>7.37 Million</td>
<td>6.3</td>
</tr>
<tr>
<td>Russia</td>
<td>17,075,400</td>
<td>141.9 Million</td>
<td>4</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>447,400</td>
<td>27.77 Million</td>
<td>8.2</td>
</tr>
<tr>
<td>China</td>
<td>9,561,000</td>
<td>1.32 Billion</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Economic Intelligence Unit, 2010; CIA World FactBook 2010.

### SCO Observer States

<table>
<thead>
<tr>
<th>Country</th>
<th>Area (Sq.km)</th>
<th>Population</th>
<th>GDP Growth (Annual %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>3,287,263</td>
<td>1.3 Billion</td>
<td>6.4</td>
</tr>
<tr>
<td>Iran</td>
<td>1,648,195</td>
<td>55.8 Million</td>
<td>2.9</td>
</tr>
<tr>
<td>Mongolia</td>
<td>1,564,116</td>
<td>2.7 Million</td>
<td>6.1</td>
</tr>
<tr>
<td>Pakistan</td>
<td>785,050</td>
<td>156.8 Million</td>
<td>4.4</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>652,230</td>
<td>29.64 Million</td>
<td>8.9</td>
</tr>
</tbody>
</table>

* Likely to be Observer

Source: Economic Intelligence Unit, 2010; CIA World FactBook 2010.

### Distance of the Capitals of SCO Member Countries from the Nearest Coastline (Km)

<table>
<thead>
<tr>
<th>Capital Cities</th>
<th>Pacific (Shanghai)</th>
<th>Indian Ocean (Karachi)</th>
<th>Black Sea (Novorossyisk)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astana</td>
<td>4200</td>
<td>3300</td>
<td>3000</td>
</tr>
<tr>
<td>Bishkek</td>
<td>4000</td>
<td>2300</td>
<td>2000</td>
</tr>
<tr>
<td>Dushanbe</td>
<td>4000</td>
<td>1700</td>
<td>2400</td>
</tr>
<tr>
<td>Tashkent</td>
<td>4000</td>
<td>2100</td>
<td>2400</td>
</tr>
</tbody>
</table>

instrument that might not only tackle transnational threats but also check Western influence across Asia (Cooley 2009). One Russian expert commented that “the body is entering a new phase, transforming into not only a regional outfit, but also a supranational one that can compete with such bodies as the EU in future.”

The Chinese, in turn, have been economy-centric with regard to the SCO in recent times. While they support the Russian proposition of combating regional and transnational threats, which will help them check the problem of ethnic violence in Xinjiang and any possible terrorist attacks on Chinese territory, the Chinese are cautious not to project the SCO as a military unit or, notably, as a distinctly anti-Western grouping (Cooley 2009). Both bilaterally and within the SCO, the Chinese have maximized their security interests in terms of intelligence sharing and counterterrorism exercises with the individual member states in Central Asia. China also sees the SCO as a viable mechanism to promote the stabilization and reconstruction of Afghanistan (Cooley 2009). But building the SCO to counter both the North Atlantic Treaty Organization (NATO) and the West is not a realistic notion for China, as it would endanger China’s bilateral relations with Europe and especially with the United States (“China, Kyrgyzstan, Tajikistan” 2011). At the same time, China understands that the SCO’s dynamism needs to be reinvigorated as the influence and credibility of the Russian-led Commonwealth of Independent States (CIS) and the Collective Security Treaty Organization (CSTO) are waning (Zhao 2010).

Explaining Beijing’s Perspective

China’s Objectives in the SCO

Policymakers in Beijing understand that China is a “local power” in the Central Asian region. Over the years, China’s multilateral approach with the SCO has helped it to construct various cultural, economic, political, and security ties with the Central Asian countries (Pan 2007, 45). To prevent the emergence of an anti-China alliance in the Central Asian region, Beijing originally wanted a
well-knit organization that would emphasize economic cooperation. China supported Mongolia’s membership as an observer in 2004, and was open to the inclusion of Iran, Pakistan, and India, all of which joined later. Afterward, the PRC’s clout within the organization increased when the SCO adopted RATS and formed a Business Council and an Inter-bank SCO Council, which is headed currently by a Chinese. Beijing has also supported the inclusion of SCO members, particularly Russia, in the World Trade Organization (WTO). Beijing has long sought to establish free trade agreements (FTA) among SCO members and regional transportation networks (Paramonov 2010).

Debate among scholars and experts in China’s People’s Liberation Army (PLA) concerns the notion of the SCO as a credible security organization. They all seem to appreciate that the SCO has achieved far less on the strategic side than its scope allows. Sun Zhuangzhi argues that “the SCO can develop into a powerful regional bloc only if it enhances political trust, strengthens security cooperation aimed at safeguarding regional stability, and makes serious efforts to resolve the Afghanistan issue” (Sun 2010b). Zhao Mingwen, an expert in the China Institute of International Studies (CIIS), is of the view that “the SCO is the only regional organization allowing China to play a relatively bigger role in its activities. . . . It bears strategic significance for China in resisting attempts by US-led Western countries to contain China’s peaceful development” (Zhao 2010, 12). One argument is that while President Jiang Zemin was moderate toward the United States, President Hu Jintao is pro-Russian, relying on the Russians for diplomatic as well as politico-military support to undercut the West’s anti-China containment policy (Lam 2005). Experts like Pan Guang argue that the SCO has always been a model in Chinese foreign-policy thinking and has a strong “demonstration effect” over Chinese diplomacy (Pan 2007, 46).

The PLA is also serious about the progress of the SCO. It has always taken the lead in arranging meetings of SCO defense and security officials from time to time and in pushing counterterrorism operations and joint military exercises. Chiefs of the general staff of SCO members met on April 25, 2011, to discuss cooperation in the military and security areas. In the Chinese military’s
perception, the SCO has made progress in three areas: establishing laws and regulations in security fields; institutionalizing cooperative mechanisms; and conducting joint military exercises (Liu 2011). The predominant thinking in the Chinese military, however, is not to develop the SCO as a counter to NATO (Guo and Lv 2010), but to use it as a platform for security and military purposes. This approach also permits China to showcase to the Western and European powers that it has adequate control over Central Asia. The joint military and law enforcement exercises complement Beijing’s longtime effort to bring stability within and around the Xinjiang Uyghur Autonomous Region (XUAR).

The PLA’s ability to continue these activities mainly implies two things for China’s military diplomacy: first, the PLA has taken adequate initiatives to reassure other SCO members of its peaceful intentions; second, it has cultivated young soldiers to be familiar with the dynamism of the Central Asian region. A third feature of this military diplomacy is not usually publicized: using joint exercises and operations to counter threats in the Central Asian region such as terrorism, drug trafficking, and smuggling. The Peace Mission 2010 exercise held among SCO members in Kazakhstan was the seventh of its kind under the SCO framework (see Table 1) (Lin 2010). Significantly, the Chinese have also started joint military exercises, though on different scales, with Pakistan and India, which are observer members in the SCO.

These political and military dialogues need to be understood in the context of Beijing’s evolving foreign policy. Historically, China’s practice has been to give bilateralism preference over multilateralism when it comes to tackling security issues. In fact, China’s foreign-policy practitioners used to be somewhat skeptical about multilateral dealings in security matters (Wang 2005). The Shanghai Five, from which the SCO has evolved, was originally planned as a bilateral arrangement between China and Russia, with the three Central Asian countries off to one side. The Shanghai grouping was basically intended to promote security confidence-building, whereas its offspring, the SCO, has progressively moved into the economic domain.

China’s current thinking on global politics is based on the neorealist premise that the current global power distribution will
have immense impact over future conflicts. As a result, Beijing is in the process of managing this power distribution at various levels and is preparing to face an unstable future. In Beijing’s thinking, strain in the relations between nations is a normal structural circumstance that can be managed to some extent, although it cannot permanently be resolved between established and emerging powers (Lee 2011). Beijing thinks that new powers like India and Pakistan may be engaged structurally at some level through the SCO rather than being denied space in the organization.

Table 1 SCO Anti-terror Military Drills and Chinese Involvement

<table>
<thead>
<tr>
<th>Exercise</th>
<th>Date</th>
<th>SCO Members</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peace Mission 2010</td>
<td>Sept. 10, 2010</td>
<td>Antiterror exercise among the SCO members</td>
<td>Under the SCO framework; held in Kazakhstan</td>
</tr>
<tr>
<td>Peace Mission 2009</td>
<td>July 22–26, 2009</td>
<td>China-Russia</td>
<td>Held in Khabarovsk, Russia, and the Taonan tactical training base of the PLA in China’s Jilin province</td>
</tr>
<tr>
<td>Peace Mission 2007</td>
<td>Aug. 9–17, 2007</td>
<td>SCO member states</td>
<td>Held in Chelyabinsk in Russia’s Ural Mountainous region and in Urumqi, in China’s Xinjiang region</td>
</tr>
<tr>
<td>Coordination 2006</td>
<td>Sept. 22–23, 2006</td>
<td>China-Tajikistan</td>
<td>Held in Kulyab, Tajikistan</td>
</tr>
<tr>
<td>Peace Mission 2005</td>
<td>Aug. 18–25, 2005</td>
<td>China-Russia</td>
<td>Held in Vladivostok in Russia and China’s Shandong province</td>
</tr>
<tr>
<td>Coalition 2003</td>
<td>Aug. 6–12, 2003</td>
<td>SCO Members</td>
<td>Held in Kazakhstan’s border city of Ucharal and Ili, and northwest China’s Xinjiang Uygur Autonomous Region</td>
</tr>
<tr>
<td>Exercise-01</td>
<td>Oct. 10–11, 2002</td>
<td>China-Kyrgyzstan</td>
<td>Held in the Chinese-Kyrgyzstan border areas</td>
</tr>
</tbody>
</table>

The debate on enlarging the SCO’s scope and membership itself indicates the progressive thinking in Chinese foreign policy. First, the Chinese are open to the idea of cross-regional partnerships. The South Asian powers, Pakistan and India, may be welcome in the SCO, which has largely been a Central Asian organization up to this point. Second, the Chinese now seem to believe that the era in which countries are “either enemy or friend” is over; they need to build new partnerships if they are to tackle new strategic situations (Wang 2005, 184). Therefore, the SCO may well be expanded to new geographic zones, but not hastily.

Third, building cooperative models with smaller powers in and beyond Asia has been a new thrust in Chinese foreign policy. Beijing reports that it has recently “maintained frequent high-level contacts with other Asian nations and played a constructive role in Asian political affairs” (“Chinese Foreign Policy Puts Greater Emphasis on Asia” 2011). Hu Jintao’s advocacy of an “Asian spirit” at the Boas Forum for Asia (BFA) is a prominent example of China’s greater emphasis on Asia (“Chinese Foreign Policy Puts Greater Emphasis on Asia” 2011). Accordingly, Beijing will probably consider how SCO expansion will help it at the larger Asian regional level rather than merely within the SCO or Central Asia.

Beijing’s perspective on and relationship with the existing observer members pointedly explain its outlook on SCO expansion. Beijing’s official stance is that the “SCO is engaged in a ‘pragmatic cooperation’ now with its observers and partners,” and that “enlargement is a complicated issue which bears on the further development of the SCO.” An SCO expert panel will be studying the issue, says the PRC foreign ministry, and “we believe SCO members will decide by consensus according to their own development” (“Foreign Ministry Spokesperson” 2010). The Chinese seem to favor moving slowly on the expansion issue, consolidating its position both at the regional and global levels before making a final call over SCO expansion. The reason for the caution was well expressed by two Chinese analysts: “for a regional bloc, it is definitely not the more the better. Now the European Union has 27 members and we can see more complex problems.
The same reason also resulted in a loose APEC [the Asia-Pacific Economic Cooperation forum]” (Wu and Li 2010).

**China’s Stance on Iran**

The SCO’s approach to Iran’s membership is security-based, touching on both economic and ideational elements (Reeves 2011). Iran joined the SCO as an observer in June 2005 along with India and Pakistan, with China vigorously pushing Iran’s case. President Mahmoud Ahmadinejad of Iran has used every opportunity to promote his country’s interests both within and outside the SCO, particularly against the Western powers. One reason that Iran always wanted to join the SCO is the soft Chinese and Russian stance on Iran’s nuclear program. For the Chinese, the Iranian oil reserves remain a major attraction, and Iran, to date, remains a major oil supplier to Beijing. The Iranian government has shown great interest in energy cooperation with China as well as with the other SCO members (Dyer 2006). For China, Iran remains a potential candidate for full membership in the SCO and a potential partner on many strategic issues in and beyond Central Asia.

**Mongolia**

Situated between China and Russia, Mongolia shares a boundary of about 2,800 miles with China. Mongolia was the first country to join the SCO as an observer state, in 2004. The Chinese stance on Mongolia’s prospective membership may be understood under three broad contexts: the expanding Sino-Mongolian relationship, Mongolia’s geographic proximity to China, and Mongolia’s attractiveness as a business destination and source of abundant natural resources. China has supported Mongolia’s case for membership in a number of global organizations, including Asia Cooperation Dialogue (ACD), APEC, and Asia-Europe Meeting (ASEM). China’s cooperation with Mongolia extends to other platforms, such as the North East Asia Economic Forum and, with the Russians and the South Koreans, the Greater Tumen Initiatives (GTI) (Freeman and Thompson 2011).
In the words of Batkhuu Gavaa, deputy speaker of Mongolia’s parliament, “China and Mongolia are eternal neighbors.” Statistics indicate that, during the last decade; China has been Mongolia’s top foreign direct investment and trade partner (“China, Kyrgyzstan” 2011). The Chinese would like to wait and watch Mongolia’s enthusiasm for SCO membership before granting any exclusive support to it through SCO. At present, Mongolia does not appear to be very interested in SCO membership.

**India and Pakistan**

Pakistan and India are outliers as far as the SCO is concerned, since they belong to the South Asian region and the SCO was originally meant to be a regional organization for Central Asia (Bailes and Dunay 2007). China is cold to India’s association with the SCO but vigorously supports Pakistan’s candidature. Any support to these two states’ membership in the SCO would imply extending the scope of SCO to the South Asian region. Still, given the geographic proximity of the two regions, the possibility of membership for Pakistan and India has not been ruled out entirely. China’s support of Pakistan is balanced by Russian support for India. As noted, the Chinese are well aware that SCO expansion will happen through a “consensus.” Thus, Russia and other Central Asian countries will have a vital say, which will favor India’s case. Hence, China does not want to take an explicitly anti-India stance. Added to this, the United States is a principal factor in India’s and Pakistan’s foreign policy, something Beijing can hardly afford to neglect. China must also consider that India and Pakistan share borders with China and are players in Afghanistan’s civil war.

Beijing would like to see Pakistan, its all-weather friend, inside the SCO if the organization is expanded; in regard to India’s presence in the organization, however, China is wary about losing some of its turf. After ignoring the SCO all these years, India has finally started showing a serious interest in SCO membership, though it has, as yet, not officially applied. There is a feeling in India that Beijing would bargain hard over India’s SCO membership application as an opportunity for its own inclu-
sion in the South Asian Association for Regional Cooperation (SAARC) as a full member (Parashar 2010).8

The observer members’ interest in becoming full SCO members is to open trade connections across the Central Asian region and gain access to the trans-Asian energy networks. China, of course, will not want to facilitate this advantage without a quid pro quo. Nevertheless, new global developments may veer Chinese thinking toward becoming more accommodating. Among these developments are the rise of BRICS (Brazil, Russia, India, China, South Africa) as an informal influence group, the planned US troop withdrawal from Afghanistan (Hu 2011), and China’s aspiration for SAARC membership. The BRICS group permits China to talk with India over global issues, and the US withdrawal from Afghanistan compels China to think seriously about extending the SCO’s mandate to Afghanistan.

While China plans to keep its predominance intact in the SCO even after its possible expansion, Chinese writings seem to suggest that China plans to persuade more powers from greater Central Asia to be with it in checking US influence in Asian strategic affairs (Ma 2010; Zhao 2007; Yan 2008; Zhang 2008). While the broader Chinese strategic vision is mostly focused on relations with the United States, the factors that remain vital in China’s stance over SCO expansion are India’s membership, the Afghanistan situation, and US plans in the larger Central Asian–South Asian region. For Beijing, the key challenge is to work out what strategic benefit there is to supporting India’s SCO membership and thereby extending the SCO’s scope to South Asia.

The everlasting complexities in China-India relations, ranging from the unresolved boundary problem to the recent water problems in the Himalayan region, may give the impression that Beijing is quite conservative in its approach to supporting India’s candidature because of their rivalry. However, the recent maturity in the China-India discourse indicates strongly that China will be taking an open approach to the Indian SCO membership issue. This Chinese standpoint needs to be further located within China’s dialogue on globalization (quanqiuhua) and multipolarization (duojihua), where the central concerns are power relations and the global structure that features “one superpower and several
great powers” (*yichaoduqiang*) (Xu 2009). Despite seeing India as recently being close to the United States on strategic matters, the Chinese have sat comfortably with India in various multilateral gatherings. In the end, they both belong to Asia, both are third-world countries, and both are developing countries at the greater global level. Most recently, both have joined an array of multilateral initiatives at the regional and cross-regional levels, including the BCIM (Bangladesh, China, India, and Myanmar, known as the Kunming Initiative) for greater regional economic cooperation and the CIR (China, India, and Russia) trilateral framework of TrackII initiatives, now on the way to becoming a TrackI (official-level) group.

Since its founding in 1949, the PRC has identified and defined its interests quite closely with the third world in the belief that the globe is divided because of imperialist tendencies rather than simply ideological differences between the capitalist and socialist worlds (Clegg 2009). The origin of that perspective was the momentous agreement with India in April 1954—formulation of the Five Principles of Peaceful Coexistence, widely known as the Panchasheel agreement (Cohen and Chiu 1974). Since then, China has sought to preserve its identity as a developing country by making a point of promoting the interests of other developing countries (Chin 2008). Fu Ziyi, the vice commerce minister, has been quoted saying that “China is the world’s largest developing country and to strengthen relations with developing countries is a focal point of China’s foreign policy” (“Developing Countries Meet” 2010). The developing world is generally in agreement, China believes, that US power is adverse to its global agenda and interests (Zhao Gancheng 2009; Uberoi 2008), and the Chinese have tried to use the depth of this conviction to their advantage. Although China should have shown courage in openly supporting India’s case for SCO membership, China has been unable to do so, as it is uncertain of India’s choice, given India’s apparent closeness to the United States on strategic and other issues.

Regional multilateral initiatives, however, give China a political opportunity to work with India to counter US unilateralism. The CIR, for instance, is said to be the result of the “post–Cold War international system” under which the United States is the
“sole superpower” and holds “absolute superiority” in the global power structure (Zhao Gancheng 2009, 128). Consequently, strategic compulsions dictate the need for multilateral cooperation among China, India, and Russia, according to Chinese sources. Their conviction is that the United States still wants to “prevent the rise of other large developing countries . . . what it opposes is that the emerging countries represented by China, Russia, and India may conceivably challenge its hegemony” (Zhao Gancheng 2009, 128).

Thus, the consensus among Chinese scholars appears to be that the scope for Chinese-Russian-Indian institutional engagement at a broader regional level has widened (Zhao Gancheng 2009; Rong 2009). An example of this understanding is the 2009 Joint Communiqué of the Ninth Meeting of Foreign Ministers of India, Russia, and China (Bengaluru, India), which states that the “Foreign Ministers of China and Russia welcomed India’s constructive engagement in SCO activities” (Joint Communiqué of the Ninth Meeting 2010, 97–101). Chinese scholars also see great potential for China-India cooperation in the Central Asian region—for example, in countering terrorism, energy, and construction.

**Afghanistan**

In Afghanistan, various external powers’ strategic interests converge. Chinese scholars believe that to attain “shared interests,” the regional players must have a shared security vision to deal with the changing geopolitical situation in Central and South Asia (Rong 2009). China does not see South Asia and Afghanistan in isolation from the issue of SCO membership expansion. In fact, the most immediate factor that urges the Chinese to expand both the mandate and membership of the SCO is the current and future of Afghanistan in the regional context (Ma 2010). Chinese experts are trying to establish strategic linkages between Afghanistan, CIR, and the SCO. Advocating three Cs (consensus on policy dialogue, coordination in Eurasia, and connectivity among regional states), Rong Ying, a Chinese strategist, argues that the “CIR’s interactions and involvement in Afghanistan make political and
pragmatic sense if it closely coordinates with and is incorporated into the SCO framework” (Rong 2009).

Direct and forceful security measures by China conceivably could help stabilize Afghanistan, but an extended Chinese security presence in the region would probably antagonize potential competitors like India and neighboring countries of Central Asia, upsetting interstate relations (Panda 2011b). It seems, therefore, that China’s current strategic calculus for Afghanistan is more geoeconomic and resource driven. Most of Afghanistan’s neighbors are either members or observers in the SCO. The Chinese envision that the SCO should play a bigger and more constructive role in Afghanistan’s reconstruction process (Leghari 2010a; 2010b). In fact, the Chinese media have engaged in debates about a possible security role in Afghanistan, such as by having cities like Kashgar and Urumqi serve as logistical hubs for NATO’s operations in Afghanistan, or even by deploying troops to the country (Rajan 2009). The latter step is unlikely, however, because the Chinese would have to have Russian consent.

In a nutshell, China has thus far pursued a delicate policy toward Afghanistan that combines verbal support for the country’s stability, participation in the dialogue process on reconstruction, and conscientious avoidance of any semblance of interference in Afghan domestic politics or of involvement in the US-led campaign against al-Qaeda or the Taliban. Overall, China’s policy planning on Afghanistan corresponds with its larger policies toward Central Asia, which cover a range of political, economic, and security collaborations, bilaterally and multilaterally, through the SCO. Although China shares only a forty-six-mile-long border with Afghanistan, Chinese investment in that country is constantly increasing, to exploit its energy and mineral resources. Yet going beyond the conventional strategy of engaging Afghanistan bilaterally, Beijing is considering an alternative strategy through multilateral links where the SCO is the prime medium (Panda 2011a).

The principal consideration here for Beijing is to offer Afghanistan observer membership in the SCO, and stay connected with it at both the bilateral and multilateral levels. China and the SCO have both expressed keen interest in Afghanistan recently, supporting the construction and stabilization process in that coun-
try (Zhao Huasheng 2009a; Sun 2010a). The two previously mentioned SCO summits—Astana and Tashkent—have expressed interest in having the SCO play a deeper role in Afghanistan. The SCO is taking part in a five-year-long counter-narcotics strategy in the Central Asian region that started in 2011. Afghanistan’s involvement will be important. Eventually, Beijing may consider Afghanistan for full membership after granting it observer status, as it will be useful to China’s broader strategic objectives.

China, the United States, and South Asia: The Corollary of SCO Expansion

While India, Pakistan, and Afghanistan compel Beijing to have a fresh look at SCO expansion, the presence and dynamism of the United States in the broader Central Asia–South Asia region are China’s primary concerns. Overall, two interrelated factors may compel the Chinese to look at the SCO expansion debate critically, namely the US exit strategy in Afghanistan and its future planning in the adjacent Afghanistan–Central Asian region where the focus is on South Asia.

Inspecting US Progress

The Chinese believe that “the US will certainly not leave Afghanistan completely as the country is a strategic bridgehead where it can further pin down surrounding countries and work on the situation in Central Asia” (Yuan 2011). The area comprising Central Asia–Afghanistan–South Asia offers strategic advantages to the United States in terms of energy and geopolitical resources. The United States would, therefore, like to maximize its geostrategic and economic interests in the region even after the troop withdrawals announced for 2014. As regards seizing the strategic and geoeconomic opportunities that would be available thereafter, Chinese scholars, foreign-policy experts, and journalists are discussing “multiple considerations” (Zhao Huasheng 2009b; Zhu 2009; Fu 2011; “Test for New US Strategy in Afghanistan, Pakistan” 2010; “US Begins Afghanistan Strategic Review” 2010). Many scholars argue
that the US exit strategy is a “comprehensive plan covering military, political, and diplomatic aspects,” and that the “US overall strategy on Afghanistan and South Asia deserves even greater attention than the withdrawal plan” (Li 2011). Li Yan hints at the “six-plus-two” (6+2) approach that Washington may propose in the reconstruction of Afghanistan. A US-proposed trade and energy corridor connecting Central Asia and South Asia is an issue that also gets serious attention among Chinese experts (Li 2011).

Computing the Greater South Asian Politics

Opening membership in SCO to South Asian states would not only indicate that its geographic scope has expanded. It would also have a huge impact on the balance of power within the SCO itself, dramatically altering the Sino-Russian relationship and complicating the SCO’s internal processes (Aris 2008). Inducting India and Pakistan will also mean that there is an opportunity for countries from still other regions in Asia to apply for SCO membership in the future. Even previously, when the Russians unilaterally proposed the idea of SCO expansion, Beijing rejected it as “excessive expansion” (Aris 2008). Yet bringing India into the SCO club as a full member may, for China, help check India’s influence in Central Asia through institutional collaboration under the SCO guidelines.

Pakistan facilitates Chinese strategic objectives in various ways. For example, the two countries have an intelligence-sharing understanding to prevent any possible linkages between Uyghur separatists and the radical extremists and terrorist groups in Pakistan and Afghanistan. In addition, China wants to use Pakistan to ensure the safety of its energy supply routes; hence, Beijing is investing heavily in Gwadar and other areas in Pakistan-occupied Kashmir (POK) (Torjesen 2010; Chellaney 2011). As for India, the Chinese are conscious of the strategic advantage India carries over Central Asia. By and large, China recognizes that India’s vision for itself in Central Asia is conditioned by its own blend of economic, security, and geostrategic interests. Central Asia forms an important part of India’s extended neighborhood, a fact closely linked to Chinese regional interests and activities. Recent politics
over energy resources and pipelines makes it easy to explain why India needs to take the Central Asian region seriously in its foreign policy. All these considerations undoubtedly contribute to Beijing’s view of SCO expansion as a vital issue worth approaching with great caution.

To date, India has held the view that the SCO is primarily a security organization (Parashar 2010). But the Chinese are now concerned about India’s recently developed seriousness regarding its interests in Central Asia as a whole. Whether by sending numerous official delegations to the region, planning to open an Indian cultural center, or promoting increased Indian investment in Central Asian markets, a newly designed Indian Central Asian policy is visible. A Chinese expert writes, “From the perspective of energy and economic security, Central Asia is of great strategic significance to India, which has been expanding communication and cooperation with the oil-supplying countries in the Persian Gulf and in Central Asia as well” (Yang 2006, 96–97). The reference is to the Iran-Pakistan-India (IPI) and Turkmenistan-Afghanistan-Pakistan-India (TAPI) energy projects. The Chinese would not hesitate to undercut India. If, for example, India should pull out of TAPI, China could build a pipeline link from Gwadar to China along the Karakoram Highway in Pakistan via the Khunjerab Pass.

Above all, China closely watches the politics of Pakistan and India. India’s most important strategic concern in the region is Pakistan’s growing attempts to acquire strategic depth. In the light of the numerous terrorist episodes that have beset India in recent years, policymakers there have realized the need to formulate an inclusive policy not only to tackle terrorism with the help of the Central Asian states, but also to gain control over the extremism generally in the region. By and large, India has the benefit of reaching the Central Asian region directly with security measures because of its historical connection with the former Soviet Union. While Russia has always supported India’s case for SCO membership, most of the Central Asian countries have been equally vocal in supporting India’s candidacy. Given this shared interest to include India, the Chinese would probably support inducting Pakistan into the fold to promote balance (Swanstrom 2010).
The SCO and China’s Strategic Planning

Extending the Good-Neighbor Policy

*China Daily* in Beijing conducted an online opinion survey in 2011 about the future of the SCO, which itself should indicate how seriously the Chinese take this organization. In answer to the question “What kind of organization do you think the SCO should become in the future?” four options were offered: a regional security organization, a regional political organization, a regional economic organization, and a regional comprehensive organization. More than 59 percent of the respondents were in favor of making the SCO a comprehensive body, while 26 percent favored it as an economic organization. The results accord with China’s apparent aim to build a non-Western order in which the SCO stands out as an important component despite the fact that in Central Asia most of the interactions in the region are bilateral (Swanstrom 2010)—primarily because of the trust deficit not only among the Central Asian states themselves but also between China and the other countries in the region. Though the Chinese have always preferred to deal with SCO members bilaterally using the SCO platform, Central Asia itself is rapidly moving toward multilateral groupings.

Energy and Internal Security

Pursuing an integrated periphery policy (*zhoubian zhengce*), popularly known as the “good-neighbor policy” (*mulin zhengce*), has been a deliberate effort in Chinese foreign policy strategy since the 1980s (Zhu Zhiqun 2010). A leading objective of this strategy has been to explore common security and economic interests, and thereby to portray China as a “responsible power” (Zhu Zhiqun 2010, 111). SCO core members and observer countries are mostly on China’s periphery. Over the last decade or so, the Chinese have expanded their interests in the Central Asian region from maintaining stability in the bordering regions to promoting trade and investment, focusing on energy security, and combating the “three evils”: separatism, terrorism, and extremism (Zhu Zhiqun 2010, 113). During the Dushanbe SCO summit, Premier Wen Jiabao...
made a six-point proposal to expand the SCO’s activities in several areas: trade and economy, energy, infrastructure construction, agriculture, financial and monetary cooperation through a SCO development bank, and people-to-people and cultural exchanges (“Wen Calls for SCO Development Bank” 2010).

The recent Chinese reach into Central Asia is seen by some as an effort to revive the old Silk Road policy (Deng 2011). One way is to “economically integrate” Central Asia with Xinjiang Province and adjacent areas by removing trade barriers (Wong 2011). But an array of security issues noted previously, such as the three evil forces, cross-border criminal activities, and drug trafficking, stand in the way. The SCO helps China counter some of these threats in a more acceptable—that is, multilateral rather than unilateral—manner, mainly in Xinjiang under cover of counterterrorism exercises within the SCO. For example, the Tianshan-II exercise (2011) was conducted in Kashi (Kashgar) in China’s XUAR. The important aspect of this exercise was that not only did SCO officials gather from member states but they also discussed counterterrorism with the UN Security Council’s Counter-Terrorism Committee.

The Chinese have always wanted to ensure that the Uyghurs do not link up with extremist forces in Afghanistan and Turkmenistan, especially al-Qaeda (Rumer 2005). China has depended on Pakistan in this regard because of its closeness to those countries and Xinjiang. Xinjiang is the world’s largest unexplored oil basin (Rumer 2005) and home to China’s nuclear ballistic missile arsenal, twelve army divisions, and six air force bases. Xinjiang has also been China’s prime location for nuclear testing. In recent years it has emerged as a key strategic location in the oil and gas trade. The region boasts China’s biggest petroleum reserves, such as the Tahe oilfield and Dushanzi refinery. In a way, China’s quest for energy security depends on stability in Xinjiang (Jiang 2009). This apart, Xinjiang also produces much of China’s cotton and other cash crops. All these factors have attracted Han Chinese to settle in Xinjiang, where they have come into conflict with the Uyghurs (Panda 2010).

Central Asian energy is one of the best options when it comes to diversification of China’s energy sources. In the last few years,
China has taken steps to build the first ever West-East gas pipeline and has completed the first Kazakhstan-Xinjiang pipeline (see Map 2). The former helps in sending natural gas directly from Xinjiang to Shanghai; the pipeline from Kazakhstan transports oil from the Central Asian republics directly to China. Several other pipelines are also under construction from Central Asia to China, most of them through Xinjiang. These strategic features encourage Beijing to have sound control over the region, and SCO has a part to play for China in this regard.

The close relationship between energy security and ethnic and religious militancy goes beyond Xinjiang. Along with Russia and the other SCO members, China is concerned about the rising Islamist militancy across Eurasia. The possible interruption of energy imports from the Middle East by terrorist groups is another Chinese concern (Frost 2008; “SCO to Have Counter-terrorism Exercises” 2011). A specific group that worries Beijing is the East Turkistan Islamic Movement (ETIM). China would have to depend heavily in the future on SCO members and observers to counter any threat or initiate actions against it (Pan 2007).

**Economic Opportunities**

A strong linkage exists between China’s Western Development Strategy and its pursuit of the SCO as a platform for trade and economic cooperation with the region. Xinjiang, in western China, offers adequate area for land-based energy import networks and transport routes. Officials see the region as a “critical frontier” in terms of China’s energy security, ethnic stability, trade expansion, and military defense (Wong 2011). Chinese businesspeople and state enterprises have planned to construct pipeline projects, highways, and roads in remote areas of Chinese Central Asia. Chinese military personnel view the region as “the thickest piece of cake given to the modern Chinese by the heavens” (Wong 2011).

Wen Jiabao had proposed setting up a free-trade zone within the SCO in 2003. Expanding regional economic cooperation with the Central Asian and South Asian countries is closely linked with China’s SCO strategy. The Chinese idea is to expand bilateral investment channels in Central Asia through infrastructure, com-
Map 2: Important Oil and Gas Pipelines, China and Central Asia
modities, and energy sources using the SCO network (Cooley 2009). The China–Central Asia natural gas pipeline, launched on December 14, 2009, with Turkmenistan, Kazakhstan, and Uzbekistan, is the world’s longest. Chinese experts see the potential of this pipeline in a wider perspective, namely, as an important ingredient in China’s energy transport security that also facilitates close political and security cooperation within the SCO (Qiang 2010). Promoting the spirit of SCO’s “mutual benefit” slogan, the pipeline also meets the interests of supplier and transit countries (Qiang 2010).

Beijing argues that the SCO could be developed further as a credible regional trade and investment organization. The trade volume between China and the Central Asian SCO members reached $86.8 billion by 2008, compared with $12.1 billion in 2001, an annual average growth rate of more than 30 percent. In 2006, total trade surpassed the $80 billion targeted for 2010 by Premier Wen (Wan 2010). Table 2 reflects the growing Chinese trade contacts with the Central Asian countries in 2009 and 2010. Most of China’s economic cooperation in SCO is limited currently to the bilateral level except for some minor multilateral collaboration in transportation. An idea has been floated about establishing a development bank to maximize intra-SCO financial cooperation. China expects to be the main investor in the proposed fund of $8 billion to $10 billion.14 The underlying Chinese motive is to have a greater say in the SCO in terms of voting rights equivalent to the proportion of money it contributes for establishment of the bank (“China Calls for SCO Development Bank” 2010; Ren 2010; “Wen Calls for SCO Development Bank” 2010).

Conclusion

Beijing makes no pretense that the SCO is a vital organization in its foreign-relations strategy or in checking US strategic planning in Central and South Asia. Neither its option of accommodating rival powers such as India nor expanding the SCO’s periphery to South Asia is now urgent; it is limited to the hypothetical realm only. Debate continues in China over SCO expansion. Much will,
in fact, depend upon how the Russians take the debate ahead. An early Chinese proposal, in 2002, to expand the SCO’s mandate in the economic sphere was blocked by the Russians. The Chinese proposed to make the SCO a free-trade zone; the Russians objected that the economic development levels of SCO members differed too much to make the idea workable. The matter rests there. Concerns exist among countries like Kazakhstan that they will become Chinese economic protectorates in the free-trade zones as currently proposed (Peyrouse 2008). Lack of a consensus within the SCO on membership enlargement, however, permits Beijing to gather enough time to consider the advantages and disadvantages of a possible expansion beyond Central Asia (Panda 2011a).

The SCO’s enlargement, if it comes about, will radically alter balance-of-power politics at the regional level when the United States withdraws its troops from Afghanistan. Enrolling Afghanistan as an observer member and eventually upgrading it to full membership might be an option that Beijing will exercise. That would imply Beijing’s replacing US dominance over Afghanistan, which will make China the predominant power in

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**Table 2 China’s Trade with Central Asian Countries, 2009 and 2010 (in $US)**

<table>
<thead>
<tr>
<th>Trade Country</th>
<th>Total Exports</th>
<th>Total Imports</th>
<th>Trade Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>7,748,172</td>
<td>6,255,600</td>
<td>1,492,572</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>5,227,522</td>
<td>48,450</td>
<td>5,179,072</td>
</tr>
<tr>
<td>Russia</td>
<td>17,513,771</td>
<td>21,282,952</td>
<td>–3,769,181</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>1,217,574</td>
<td>184,985</td>
<td>1,032,589</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>1,560,539</td>
<td>349,419</td>
<td>1,211,120</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>9,322,387</td>
<td>11,057,699</td>
<td>–1,735,312</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>4,128,153</td>
<td>71,819</td>
<td>4,056,334</td>
</tr>
<tr>
<td>Russia</td>
<td>29,614,438</td>
<td>25,742,737</td>
<td>3,871,701</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>1,376,535</td>
<td>56,022</td>
<td>1,320,513</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>1,181,313</td>
<td>1,300,679</td>
<td>–119,366</td>
</tr>
</tbody>
</table>

the Central and South Asian regions as a whole. For China, the
importance of regional cooperation and multilateral security
mechanisms is derived largely from the emerging politics. China
would aim to focus on these new developments and turn them into
opportunities “to form a countermeasure to alliance relationships
and US-led security cooperation” (Masuda 2010).

This approach meshes with the Chinese conception of secu-
rity, which broadly consists of three elements: comprehensive
security (zonghe anquan), cooperative security (hezuo anquan),
and common security (gongtong anquan), to maximize its global
strategic interests at various levels. China’s internal dialogue both
over the SCO and the entire Central Asia–South Asia region is a
combination of all three of these security concepts. It talks about
resources, security, politics, and identity at the regional level. The
discourse of SCO expansion narrates the broader strategic con-
tceptual elements in China’s new diplomacy. The Chinese discus-
sion suggests that China is in favor of slowly developing an image
of a “responsible major power” and is in favor of building a
regional order by taking along various new regional countries
rather than only banking upon regular partners to undermine US
supremacy in the region.

The current movement in Chinese foreign policy is not only to
depend upon bilateral relations within the SCO framework but also
to embrace and rely on multilateral relations at a broader regional
level (Gao 2010). While aiming to act as a “responsible major
power,” Chinese diplomacy is moving from “responsive diplo-
macy” (fanying shi waijiao) to “proactive diplomacy” (zhudong
shi waijiao), very much open to various considerations and oppor-
tunities (Zhu Zhiqun 2010, 7). Discussion in China about SCO
expansion and politics in the Central Asia–South Asia region
reflects this shift. The very fact that China is open to regional dia-
logue on SCO expansion implies that China’s foreign-policy inter-
est have “extended to regions near and far,” revealing the
expansion and reconstruction (chongjian) aspects of its diplomacy

This attempt to go “extraterritorial” is innovative in Chinese
foreign policy. Some Chinese specialists describe the trend as
“flexible multilateralism” (Pang Zhongying 2010, 30–35), sug-
gesting the capacity to adopt a more flexible, open, and considerate foreign-policy approach in multilateral dealings. In fact, strategic elites in Beijing seem to understand that the cost-benefit balance arising from possible dialogue over SCO expansion favors the path of being a responsible power. But China must be careful not to damage its relations either with the Central Asian countries—which give it economic and resource opportunities—or with the Russians, who are a potential anti-Western ally in the region. China is therefore most likely to expand SCO membership only after a good deal of consultation with SCO members, while seeking to exercise dominant control over most of the decisions.

Notes

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The article was written before Afghanistan was accorded observer status at the Beijing SCO summit. Readers are requested to read and contextualize the thesis accordingly.

1. “Beijing consensus” was not coined by the Chinese. It was first used in the 1990s, but was popularized in 2004 by Joshua Cooper Ramo in his book, The Beijing Consensus. “Beijing consensus” is believed to be a counter to “Washington consensus.” Its crux is “to summarize the developmental model based on economic liberalization under tight political control.” See Zhu Zhiqun 2010, 206.

2. The SCO grew out of the Shanghai Five mechanism, formed in 1996 by all the current SCO members except Uzbekistan. The main objective of the Shanghai Five was to strengthen confidence building, promote disarmament in the border regions, and foster regional cooperation. The Chinese used the Shanghai Five mechanism to solve border problems with the Central Asian countries and tackle separatist efforts by various ethnic groups in the region. In June 2001 Russia and China signed the Treaty of Good-Neighborliness and Friendly Cooperation. A year later the heads of the SCO mem-
ber states signed the SCO Charter in St. Petersburg, expounding the organization’s purposes, principles, structure, and operational mode.

3. Referred to by Xu 2009, 64; for the original source, see Zheng and Yang 2000.

4. Both these offices were established in 2004. The Chinese were influential enough to convince the SCO members to designate Zhang Deguang as the first secretary general of the secretariat. See Bailes and Dunay 2007, 5.

5. Elena Ponomareva of the Moscow Institute of International Relations holds this view. See Wu and Li 2010.

6. The request of Belarus for observer membership in the SCO was declined in 2006 on the grounds that it was a non-Asian country. However, in June 2009 Belarus was granted dialogue partner status. See Paramonov 2010, 74–75.

7. According to President Jiang Zemin, the “Shanghai spirit” consists of mutual trust, mutual advantages, equality, joint consultation, respect for cultural diversification, and the desire for common development. Scholarly interpretation in China summarizes it with five Cs: confidence, communication, cooperation, coexistence, and common interests. See Lu 2002, 10, as well as Wang 2005, 178.

8. From the bilateral dialogue of the Institute for Defence Studies and Analyses (IDSA), New Delhi, with various mainstream Chinese think tanks in Beijing and Shanghai, one gets a similar impression from the Chinese interlocutors: Chinese experts are already making a case that “China’s presence in SAARC means more opportunities for India and other SAARC members” (Fu 2007).


10. Rong Ying (2009, 150), an influential Chinese expert, argues that “the SCO, a regional grouping that all the three countries are closely involved with, has been not only proactive but constructive, in terms of its commitments to rebuilding Afghanistan.”

11. The “six-plus-two” approach has been proposed by Richard Haass, president of the US Council on Foreign Relations. The crux of this unofficial idea is to bring Afghanistan’s neighbors into the effort to solve the conflict (Li 2011).

12. India’s main security concerns in the region may be listed as promoting stability in the Central Asia–South Asia region, extirpating radical Islamist terrorism, checkmating Pakistan and balancing China’s growing power and influence in the region, ensuring safe passage of energy supplies, and opening bilateral trading and economic opportunities through regional cooperation.

13. For instance, Uzbekistan’s ambassador to India, Salikh R. Inagamov, has noted that “Uzbekistan has been supporting India’s joining the SCO as full member since it will add to the Organization’s profile and influence on [the] global political arena.” Also see “Kazakh President Calls for Further Deepening Ties with India” 2011.

14. According to Wang Haiyun, senior consultant with the China Inter-
national Institute for Strategic Studies, this bank will be planned with an eye on the experiences of the World Bank and the International Monetary Fund. Also see Ren 2010.

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