Multilateral Summits in Asia: Their Evolution and Implications

Zhang Xiaoming
The Shanghai Co-operation Organization, initiated by China, has evolved into a major locus of regional summit diplomacy, especially for Beijing.

Jiang Jiying & Shi Weiyi
The Belt and Road Forum in Beijing in May 2017 attracted many world leaders. But it remains to be seen if it can be a new venue for Chinese influence.

Zhang Muhui
If the leaders of China, Japan and South Korea could together address regional and even global problems, their summits could help peace and prosperity in Asia.

Gregory T. Chin
Pressure is on for China and other countries to complete the Regional Comprehensive Economic Partnership trade agreement. It will be hard work.
Locus of Chinese Regional Diplomacy: The Shanghai Co-operation Organization

By Zhang Xiaoming

It began as a modest grouping of five nations to tackle border issues and common security concerns, but the Shanghai Co-operation Organization, initiated by China, has evolved into a major locus of regional summit diplomacy, especially for Beijing. It remains to be seen whether the SCO can be as effective in promoting economic ambitions as it has been in pursuing security matters, writes Zhang Xiaoming.

**BEGINNINGS: BORDER SECURITY AND THE SHANGHAI FIVE**

The origins of the SCO can be traced back to the Sino-Soviet/Russian border negotiations in the late 1980s and early 1990s. In 1991, shortly before the disintegration of the Soviet Union, Beijing and Moscow signed a treaty on the eastern part of the Sino-Soviet border, which runs to about 4,300km. After the Soviet Union collapsed, the three newly independent Central Asian states — Kazakhstan, Kyrgyzstan and Tajikistan — became China’s neighbors, sharing more than 3,300km of borders, and the three joined the Sino-Russian border negotiations. From 1994 to 2000, China resolved almost all of the boundary issues and signed border treaties with Russia (on the 55km western part of the Sino-Russian border) and the three Central Asian countries, respectively.

In April 1996, at a summit meeting on border security hosted by China in Shanghai, the heads of state of the five countries signed the Agreement on Confidence-building in the Military Field in the Border Area. This was followed by more related agreements on border security signed by the five countries in the following years. The April 1996 Shanghai Summit ushered in the era of annual meetings of the five heads of state. That international platform was later named the “Shanghai Five,” with border security at the top of the agenda.

With their border issues settled and confidence-building measures established, the Shanghai Five member states began to move the organization’s agenda beyond border security by focusing on the growing threat of the “three evil forces” in the region. The Shanghai Five thus became a forum not only on border security, but also on anti-terrorism co-operation and efforts to counter transnational trafficking in drugs and weapons, illegal migration and other transnational criminal activity. As we know, Beijing has been particularly concerned with the spillover effect of the resurgent terrorist activities in Central Asia and Xinjiang and its Uighur ethnic group, and has demonstrated a great interest in anti-terrorism co-operation with Russia and the Central Asian countries.

**THE SCO AND REGIONAL ANTI-TERRORISM CO-OPERATION**

In June 2001, several months before the Sept. 11 terrorist attacks in the US, Uzbekistan, another Central Asian country, joined the summit, and the Shanghai Co-operation Organization was formally announced to replace the Shanghai Five. The annual summit meetings among the Shanghai Five member states, however, continue to be held within the framework of the SCO.

The SCO was different from the Shanghai Five, however, because it was a regional organization instead of a forum. Nonetheless, both the Shanghai Five and now the SCO belong to the “Shanghai process” that was initiated by Beijing. Although China did not openly seek to lead the SCO, it undeniably possessed the greatest influence on it. Many of the concepts and ideas that have structured the SCO were initiatives by China, such as the “Shanghai spirit,” which refers to the familiar principles of mutual trust,
mutual advantage, equality, mutual consultation, respect for cultural diversity and aspirations for joint development.

At the initiative of China, the SCO adopted the term “three evil forces” to refer to terrorism, separatism and extremism. The mission to counter these has served as the organization’s foundation, and on the day that it was established, the SCO passed the Shanghai Convention against Terrorism, Separatism and Extremism. In 2002, it created the Regional Anti-Terrorist Structure (RATS), a standing organ responsible for security co-operation, with its headquarters initially in Kyrgyzstan’s capital, Bishkek. RATS began to function in 2004 and that year moved its headquarters to Tashkent, Uzbekistan’s capital. China and the other SCO member states have been conducting anti-terrorism military drills — both bilateral and multilateral — on a regular basis.

The SCO Secretariat was set up in Beijing in 2004, and Zhang Deguang, the former Chinese deputy foreign minister, became its first secretary general. The organization then went through a steady expansion, with India and Pakistan joining as full members in 2017. The SCO currently includes the eight member states, four observer states (Afghanistan, Belarus, Iran and Mongolia) and six dialogue partners (Azerbaijan, Armenia, Cambodia, Nepal, Turkey and Sri Lanka). To some extent, the SCO is already an institutionalized organization, and it will likely continue to be enlarged.

In the West, the SCO used to be regarded as an anti-West or anti-US regional collective security organization, even “an Eastern NATO” made up of authoritarian regimes. In fact, although the US factor could not be neglected, it was not actually critical to the origins and development of the organization, and the US did not pay it much attention before 2005.

From 2005 onwards, however, the SCO took some common positions that aroused anxiety and even anger in the US. After the Sept. 11 attacks, with the consent of Russia, the US began to station forces in two Central Asian nations by using air bases to support Operation Enduring Freedom in Afghanistan. After the overthrow of the Taliban regime, the US continued to use the two military bases. The 2005 “color revolution” in Kyrgyzstan was said to have some connection with US intervention, and Uzbekistan’s representation of the Andijan riot that same year was condemned by the US State Department.

At the 2005 SCO summit in Astana, the joint declaration suggested that the US should set a timetable to withdraw its military bases from the two Central Asian nations. The declaration and the subsequent shutting down of the Khanabad military base in Uzbekistan caused an uproar in the US. At the same time, the SCO invited Iran, a country hostile to the US, to participate in summit meetings as an observer. The large-scale “Mission of Peace 2005” military drills conducted jointly by Chinese and Russian forces in the Russian Far East and China’s Shandong Province was perceived by the West as an important geopolitical development. The US began to pay more attention to the SCO, and its suspicion, distrust and criticism of the organization increased.

The ongoing deterioration of Russia’s relations with the West and the looming US-China confrontation might give an impetus to deepening partnerships among the SCO member states, especially between China and Russia. But it is not in China’s interest to turn the organization into an anti-West military alliance or into an Eastern NATO. Nor is there any evidence that Russia or the Central Asian countries harbor any intention to turn the SCO into an anti-US military alliance. For China, co-operation to combat the “three evil forces” remains the organization’s most important mission.

The SCO has been a very important regional organization for China’s summit diplomacy. China has played a major role by initiating policy proposals for regional security and economic co-operation with the Central Asian nations and Russia. Security co-operation, especially anti-terrorism co-operation, has been the shared national interest and a common denominator.

REGIONAL ECONOMIC CO-OPERATION
From the beginning, in addition to security co-operation, economic co-operation has been another important mission of the SCO and one of the organization’s “three pillars” — politico-security co-operation, economic relations, and cultural and humanitarian ties. The SCO legal framework includes 122 documents related to economic co-operation. As a rapidly growing economic giant, China has shown great interest in promoting regional economic co-operation with the Central Asian countries and Russia.

But compared with security co-operation, the SCO has so far achieved relatively little in terms of regional economic co-operation. China is undoubtedly the locomotive for economic co-operation in the organization, by serving as its largest financial contributor, including to its administrative budget and low-interest loans to members. China has been actively promoting the establishment of an SCO development bank and is ready to contribute to it financially. As mentioned before, the Chinese leadership once even advocated for the establishment of an SCO FTA.

China’s policy goal of promoting regional economic integration, however, has not received positive responses from Russia and the Central Asian nations. The transportation network of railway and highway connections initiated by China is far from the original policy goal. An SCO Development Bank initiated by China has also yet to come to fruition. China’s co-operation with some of the Central Asian nations in the oil and gas sector has moved forward, but all energy deals between China and the states of Central Asia were signed on a bilateral basis and none were built on the SCO framework. Since 2013, the new Chinese leadership has been trying to connect the SCO and the Eurasian Economic Community, renamed the Eurasian Economic Union in 2015. But not until May 2015 was an agreement between Russia and China signed that formally links the Eurasian Economic Union and the Beijing-led Belt and Road Initiative (BRI).

In comparison with an active China, Russia is a relatively passive participant in the SCO’s economic co-operation and even a competitor of China’s. Moscow has been attaching greater importance to politico-security co-operation, and paying relatively less attention to economic co-operation. Russia did not support China’s initiatives on regional economic integration, trade and an FTA, but demonstrated a greater interest in infrastructure construction, including transport, energy, information, and agriculture. The Russians are concerned with China’s economic expansion in Central Asia — as a market for Chinese goods and a destination for investment in the oil and gas sector — and treats it as a challenge to Russia-dominated Eurasian economic integration. After 2008, Russia advocated for the expansion of SCO membership, and especially supported India joining the SCO, partly to balance China’s power in the organization. Some scholars have argued that Russia has tried to use the SCO to monitor, restrain and even control China’s behavior in Central Asia, which has traditionally been seen as a Russian sphere of influence.

Are Russia and China moving toward competition, or even confrontation, in Central Asia? In
reality, Russia enjoys much greater influence in Central Asia, and China does not have the will or the capability to drive Russia out of the region. The Chinese government is quite clear that Central Asia remains in Russia’s sphere of influence due to historical reasons, and therefore the Central Asian states remain cautious with regard to China’s growing presence.

The SCO and the Eurasian Economic Union greatly overlap in membership and functions: Russia, Kazakhstan and Kyrgyzstan are members of the union. While the two institutions might fall into competition and conflict, they could be partners as well. And the Central Asian countries are also afraid of becoming too economically dependent on China, becoming simply a natural-resource supplier to, and consumer market for, China. But after Chinese President Xi Jinping announced the BRI in 2013, the Chinese leadership called for strengthening co-operation between the SCO and the then Eurasian Economic Community, and this could well deepen as the BRI develops.

LOOKING AHEAD: CHINA AND THE SCO SUMMITS
The SCO has been a very important regional organization for China’s summit diplomacy. China has played a major role by initiating policy proposals for regional security and economic co-operation with the Central Asian nations and Russia. Security co-operation, especially anti-terrorism co-operation, has been the shared national interest and a common denominator. While continuing to address shared political and security issues, the SCO has also been searching for regional economic co-operation. In general, the achievements in security co-operation made by the SCO are much greater than those made in economic co-operation, in part because of differences in outlook among the parties on the role the organization should play.

China will continue to treat the SCO as an important platform for its summit diplomacy. What will drive the future of China’s role in it? First, the growing geopolitical competition between the US and Russia, and between the US and China, might push Russia and China closer together in the framework of the SCO. Second, the economic protectionism represented by Donald Trump’s trade policies might also provide an opportunity for greater economic co-operation among member states. The organization is considering the creation of an SCO Development Bank and a Special Account that would provide financial support for project activities. An SCO FTA is also possible in the long run, if approached in a step-by-step way, although at present a number of countries openly fear that an FTA could lead to an uncontrolled influx of inexpensive Chinese goods, undermining national economies.

Finally, SCO expansion might impact the future development of the organization. One of the most important results of the Astana summit in June 2017 was the accession of India and Pakistan as fully-fledged SCO members. The SCO is already the largest regional organization in the world in terms of population and economic potential. The expansion might even strengthen the organization’s position in world politics. But a wider membership could also lead to a loss of efficiency in the SCO decision-making process, if disputes and competition between India and Pakistan and between India and China hamper its functioning.

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