

Shanghai Cooperation Organisation's development within the Greater Eurasian Partnership – Russian viewpoint

Yury V. Kulintsev, *Institute of Far Eastern Studies of the Russian Academy of Sciences (Moscow, Russia)*

E-mail: kulintsev.y@ifes-ras.ru

ORCID ID: 0000-0002-4906-6866

Abstract

The author analyses new directions of development of the Shanghai Cooperation Organisation (SCO), examines the geopolitical reasons of their emergence, and identifies the role and place of the Organisation in the framework of the Greater Eurasian Partnership (GEP). The author also presents the *Development Strategy of the SCO until 2025* and identifies the areas of common interests with the GEP's development ideas, which are focused on the economic and trade-related measures along with the issues of political interaction and cooperation in the field of social security.

In conclusion the author claims, that SCO countries are acting as "drivers" of regional development and making a concerted effort to create the necessary conditions for ensuring sustainable social and economic development. The new development directions of the SCO demonstrate that the Organisation is able to adapt to new conditions of the changing world, while its participation in new formats of interaction is in demand among the countries of the Eurasian continent.

Keywords: Eurasian integration, Shanghai Cooperation Organisation (SCO), Greater Eurasian Partnership (GEP), Russia, China, Belt & Road Initiative (BRI), Silk Road Economic Belt (SREB)

Rozwój Szanghajskiej Organizacji Współpracy w ramach Wielkiego Partnerstwa Euroazjatyckiego – rosyjski punkt widzenia

Streszczenie

Autor przedstawia nowe kierunki rozwoju Szanghajskiej Organizacji Współpracy (ang. SCO), bada geopolityczne przyczyny ich powstania oraz identyfikuje rolę i miejsce Organizacji w ramach Wielkiego Partnerstwa Euroazjatyckiego (ang. GEP). Autor także omawia *Strategię rozwoju SCO do 2025 roku* oraz identyfikuje obszary będące przedmiotem wspólnego zainteresowania z ideami rozwojowymi GEP, które koncentrują się na działaniach gospodarczych i handlowych oraz zagadnieniach interakcji politycznych i współpracy w dziedzinie bezpieczeństwa społecznego.

W podsumowaniu autor wnioskuje, że państwa SCO działają jako "motory" rozwoju regionalnego, podejmując wspólne wysiłki w celu stworzenia warunków niezbędnych do zapewnienia trwałego rozwoju społecznego i gospodarczego. Nowe kierunki rozwoju SCO pokazują, że Organizacja potrafi dostosować się do nowych warunków zmieniającego się świata, a jej udział w nowych formatach współpracy jest pozytywnie oceniany w krajach kontynentu euroazjatyckiego.

Słowa kluczowe: integracja euroazjatycka, Szanghajska Organizacja Współpracy (SCO), Wielkie Partnerstwo Euroazjatyckie (GEP), Rosja, Chiny, Inicjatywa Pasa i Szlaku, Nowy Szlak Jedwabny.

The Shanghai Cooperation Organisation (SCO) continues its activity on international arena, remaining a classic example of the open regional organisation¹. In 2021 the SCO will celebrate the 20th anniversary of its establishment by the leaders of Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Initially, the Organisation focused on building an institutional framework, on joining their ranks with observers and dialogue partners. However, in the last few years the SCO pays more attention to the trade and economic cooperation and the processes of Eurasian integration.

Development Strategy of the SCO until 2025 and Russian viewpoint

In May 2015, the leaders of Russia and China underlined in a joint statement that the SCO would become the main platform for the implementation of economic integration in Eurasia. The conjunction of the Eurasian Economic Union and the land-based part of Chinese BRI² – the Silk Road Economic Belt (SREB) will be implemented on this platform. Moreover, this work will be carried out in bilateral and multilateral formats of interaction (see: Joint statement... 2015). Two months later, during the SCO summit held in 2015 in Ufa the heads of member states adopted the *Development Strategy of the SCO until 2025*, which focuses on trade and economic cooperation measures along with issues of political relations and security cooperation (see: Development Strategy... 2015). In the medium term, these measures comply with the objectives of the Silk Road Economic Belt initiative (the initial name of BRI). These objectives include the creation of the favourable investment and business climate, support for business initiatives, implementation of projects in priority areas of cooperation and development of infrastructure, cooperation in the development of production capacities, promoting integration into the global economy, minimising the negative effects of globalisation and crises in the international economic processes on national economies. Within the framework of the SCO, practical measures are planned for the implementation of specific economic and investment projects (Development Strategy... 2015).

Speaking at the SCO Summit in Ufa in July 2015, president Vladimir Putin expressed the Russian viewpoint concerning the prospects for trade and economic cooperation and joining the Chinese SREB initiative. He claimed: "Colleagues, we place particular emphasis on continuing to develop trade and economic cooperation within the SCO. It is

¹ See more in previous publications: Kulintsev 2015b, 2019.

² The *One Belt One Road*, or *Belt & Road Initiative* (BRI) includes: *Silk Road Economic Belt (SREB)* and "*The 21st Century Maritime Silk Road*".

clear that if we join our efforts together, we can handle crises in the global economy and finances more effectively and have easier tasks in overcoming various restrictions and barriers. We think it important to develop our cooperation in ensuring food, transport, energy and financial security. We are ready to work closely together to coordinate and build links between the two integration projects – the Eurasian Economic Union and the Silk Road Economic Belt” (Speech... 2015).

When Donald Trump took his office in the White House, the experts noticed some changes of the U.S. foreign policy. They claimed that the positions of the West countries were weakening (Rolland 2019: p. 9). But in fact the narrative of the U.S. administration was still directed against Moscow and Beijing. The U.S. policy was oriented to the restraint of economic development of Russia and China. It was one of the reasons to introduce the idea of the Greater Eurasian Partnership, as well as Chinese Belt and Road Initiative.

The form of the international order, where the countries of the West are dominated and impose their own conditions to other countries, cannot be accepted by Moscow and Beijing. In order to maintain the social and political stability in Eurasia both countries (Russia and China) have to expand its economic and political relations.

The Greater Eurasian Partnership

Nowadays the regional integration in Eurasia is implemented by two main players – Russia and China. Russia makes it via mechanisms of Eurasian Economic Union³, China implements the Belt and Road Initiative⁴, and both countries work together in Shanghai Cooperation Organisation.⁵ There are several large scale integration projects have been coexisting in Eurasia. Those projects have intercrossing member states and similar declared aims. It requires finding out a new approach to set up a common directions for integration processes development in Eurasia.

This situation has stipulated the initiation of idea of Greater Eurasian Partnership, which was announced to the international community during the St.Petersburg International Economic Forum (*Stenogramma...* 2016). President Putin offered to create the Greater Eurasian Partnership involving the SCO member states and the Eurasian Economic Union (EAEU) participants, including China, India, Pakistan, Iran, CIS countries and several other states. The activity of the above-mentioned partnership should be aimed at establishing a new format of international cooperation in Eurasia by supporting the idea of conjunction of the Eurasian integration with the Chinese BRI.

From the very beginning, the GEP was oriented to the support for political stability and security, as well as to the creation of conditions for trade-economic, financial and investment development. At the same time the GEP reflects the perception of Russian political leadership about future regional order. The GEP as a political project is aimed to protect international positions of Moscow and to strengthen its regional influence.

³ See more: Kinyakin, Kucheriavaia 2019.

⁴ See more: Amighini 2017; Kulintsev 2015a.

⁵ See more: Kulintsev 2015b.

The GEP concept has been repeatedly discussed at various conferences and in the expert society. It has become a flagship Russian initiative to develop Eurasian integration, but there are challenges have been identified (see more: Petrovsky 2017). Among the main risks are the too large geographical scale of the project, the lack of specific working mechanisms, the lack of joint interests of the countries involved. Some experts even call it "vague and elusive, which makes it possible to fill it with any substance, fearing no consequences, and boost its own image, taking no risks whatsoever" (Gabuev, Zuenko 2018: p.158).

The concept of the Greater Eurasian Partnership gains advantage of the SCO's potential as a part of new integration project. This means that starting from 2016, Russia pays more attention to the new development direction of the SCO, implying that SCO should be one of the main pillars of the new world order in Eurasia.

China pays high attention to the SCO's development and since its establishment wants to increase the Organisation's economic potential and to include it into the integration formats. The Chinese experience demonstrates that Beijing is ready to adopt all aspects of SCO's participation in regional economic integration. China has been precisely, methodically and gradually entering into economic integration by building a network of international relations, contributing to its development strategy and correcting irregularities in its economy, while at the same time solving political problems (Zakić 2019: p. 45).

At the same time, Russia called for combining the potential of all the integration formats like the EAEU, the BRI, the SCO and the ASEAN to build the foundation for the Greater Eurasian Partnership (see: Belt and Road International Forum 2017).

The new SCO's function is highlighted in the proposed scenario for the creation of the new integrated structure in Eurasia – the SCO should link the SREB and the EAEU. In this case Russia pursues its geopolitical goals, trying to align the asymmetry of economic opportunities between Moscow and Beijing in Central Asia and to keep this region as a sphere of traditional influence of Russia without damaging the processes of Eurasian integration.

Directions of the SCO's development

The geography of central part of Eurasia provides the SCO participants with a strategic advantage in implementing integration projects. Almost no one of the SCO members, observers or dialogue partners opposed the idea of participating in the Greater Eurasian Partnership. Most SCO countries also supported the China's Belt and Road Initiative. On the one hand, the heads of the SCO member states see economic and geopolitical prospects of new integration projects. On the other hand, the initiators of the Eurasian integration understand the importance of incorporation of their own projects into the SCO agenda. For almost two decades the SCO has successfully acted as a guarantor of peace and stability in the region. In other words, it provides vital conditions for the sustainable economic development of the member states.

The uniqueness of geopolitical and geoeconomic situation of the SCO countries in the system of international relations in Eurasia led to the signing of the *Agreement between the governments of the SCO member states on creation of favourable conditions for international road transport*, which came into force in January 2017.

In November 2019, the SCO Council of Heads of State adopted the Concept of interaction between railway administrations (Joint communique... 2019). This document became the basis for the creation of general legal provisions in the field of railway transport, which fits the common direction of development of the GEP integration potential and provides the floor for unleashing the SCO transit potential through transcontinental freight in Eurasia. According to experts, annually more than 23 million containers are sent from China to Southeast Asia and Europe, and the volume of container cargo traffic from China to Europe over the previous 9 years has shown a 40-fold increase (*SCO Secretary General... 2020*).

The improvement of transport infrastructure and creation of optimal cargo transportation routes are the priorities for the development of the SCO and the creation of the GEP. The SCO has the Special Working Group on Customs Cooperation, which in November 2019 organised the signing the Memorandum between customs services on mutual integration of national transit systems by the Council of Heads of Government (Joint communique... 2019). In this context the efforts of the SCO member states contribute to improving transport connectivity in Eurasia, allowing to implement innovative technological solutions and to develop multimodal transport and logistics centers within the GEP.

The SCO is constantly searching for new ways of cooperation. As one of the drivers of global economic development, the participating countries are making concerted efforts to create the necessary conditions for ensuring sustainable social and economic development in Eurasia.

In November 2019, in order to enhance economic cooperation and improve the investment climate, the Council of Heads of Government approved the updated *Programme of multilateral trade and economic cooperation of state members of the SCO* (see: Joint communique... 2019). The programme is aimed at consistent strengthening of the open, transparent and non-discriminatory multilateral trading system in the Eurasian region. According to the SCO Secretariat, in 2018 the SCO's economic importance was also determined by the fact that the SCO member states produced GDP worth over 18 trillion dollars (or more than 22% of world GDP). It is supposed that by 2025 this figure will reach 38–40% (Ran 2019; p. 20).

The promotion of trade and economic cooperation allows balancing the previous direction of development of the SCO focused primarily on ensuring political interaction and regional security. The development of the Organisation is becoming more stable, that contributes to the growing importance of the SCO on the international arena, as well as increases the interest of participants in mutual development.

Currently one of the main challenges for the Organisation is to maintain new development directions in the difficult external environment. After the enlargement of

the SCO, the total power and influence of the Organisation has increased significantly, allowing to set more ambitious goals objectives.

Russian presidency in SCO in 2019–2020

The priorities announced by the Russian presidency in SCO in 2019–2020 completely correspond with the needs of the Organisation. First of all, one of the key points for Moscow will be to ensure continuity in the work of the Organisation. The efforts of the country holding the presidency always focus on strengthening the SCO's position in the sphere of maintaining security and stability. Fighting against "three evils" and drug trafficking is a traditional area of cooperation for the SCO. Additionally, the work will be continued on resolving crisis situations and ensuring peaceful settlement of conflicts near the external borders of the SCO countries⁶.

Secondly, Moscow sees great opportunities in expanding economic cooperation, primarily in transport and logistics, infrastructure, science and technology, and innovation. It is expected that special emphasis will be placed on strengthening inter-regional cooperation within the SCO. Among the planned events Russia announced the First Forum of Heads of Regions of the SCO member states.

The development of cultural and humanitarian relations, promotion of common moral and ethical values, intensification of cooperation in the fields of education, health, ecology, culture, tourism and youth contacts will be continued. It is planned to hold a series of large-scale events dedicated to the 75th anniversary of the victory in World War II.

Thirdly, Russia is planning to consolidate the SCO member states and to deepen foreign policy coordination in order to harmonise positions on topical international and regional issues and to develop joint initiatives. It is expected that the SCO countries will strengthen coordination of positions within the United Nations (UN), as well as increase practical cooperation with the Association of South East Asian Nations (ASEAN), the Collective Security Treaty Organisation (CSTO), the Commonwealth of Independent States (CIS), the Organisation for Economic Cooperation and Development (OECD) and the Eurasian Economic Union (EAEU), including exchange of experience and promoting joint projects and initiatives (Tarasenko 2019; p. 6).

At the same time, the Russian presidency priorities include new directions for the SCO's development. Firstly, this implies promoting synergy between the potentials of national development strategies and multilateral integration projects. In this context the goal is to establish the SCO as one of the pillars of the space of broad, equal and mutually beneficial cooperation in Eurasia in the interests of ensuring reliable security and sustainable development within the framework of the idea of a Greater Eurasian Partnership.

Secondly, Moscow is planning to launch inter-parliamentary cooperation in the SCO by creating a mechanism for interaction between the legislative bodies of the SCO mem-

⁶ Author means the complex of problems in Syria and Afghanistan, as well as the situation around the Iranian nuclear programme.

ber states, which also allows to advance the practical implementation of the Eurasian integration initiatives (Priorities... W/WW).

In relation to the outbreak of new coronavirus in the world, in the first quarter of 2020 the Shanghai Cooperation Organisation began to develop proposals for rapid response to infectious disease outbreaks. In particular, the SCO Secretariat sent several proposals to the relevant departments of the member states for consideration. They include the development of multilateral mechanism for prompt notification in case of emergence of epidemic hotbeds which have the potential for wide dissemination.

Previously, in 2018, the Organisation showed deep concern with the persistent threat of epidemics, including the flu, severe acute respiratory syndrome (SARS) and other particularly dangerous infections. At the summit in Qingdao (China), the Heads of State of the SCO made the Statement on joint efforts against the threat of epidemics in the SCO space and pointed out the need to enhance the sanitary and epidemiological safety and the protection of public health, which is vital for the sustainable development and prosperity of the regional countries (Statement by the Heads 2018).

This direction is also becoming one of the new development vectors of the Organisation. Within the SCO, the countries develop close relations with each other at the level of heads of ministries and departments responsible for health and the epidemiological situation. A number of documents have already been adopted, and working mechanisms have been created to ensure cooperation between the relevant organisations of the SCO countries in the field of health. The meetings of Ministers of health and Heads of services of the SCO member states responsible for the maintenance of the population's sanitary and epidemiological wellbeing are held. Despite the fact that a number of SCO's events were postponed due the spread of the COVID-19 pandemic, the existing mechanisms of cooperation allowed to continue conducting meetings in the format of video-conference.

Conclusions

The new development directions of the SCO, presented in this paper, demonstrate that the Organisation is able to quickly adapt to the new conditions of the changing world, and its participation in new formats of interaction is in demand among the countries of the Eurasian continent.

The structural change in the composition of the SCO and the acceptance of new states as full members allows considering the Organisation as a kind of platform of the Eurasian alternative to the Western world. While implementing trade and economic initiatives within the Greater Eurasian Partnership, the SCO with its clearly defined organisational structure can be assigned the role of a political and ideological basis representing the interests of the non-Western world.

The vector of regional development of the SCO has expanded significantly. It should be expected that in the medium term the SCO will begin to develop in the direction of a global integration institution and will move away from the status of an organisation,

whose priority was Russian-Chinese relations in the post-Soviet space. The SCO format provides additional guaranties to the states participating in the construction of the Greater Eurasian Partnership to develop mutually beneficial cooperation and to implement integration economic projects based on their national interests.

Yury V. Kulintsev – Associate Researcher at the *North-East Asian Strategic Issues and SCO Center* in the Institute of Far Eastern Studies of the Russian Academy of Sciences (IFES RAS), an expert of Russian International Affairs Council (RIAC). Research interests include actual problems of Asia Pacific Region, Eurasian integration, Shanghai Cooperation Organisation's development, the contemporary Russian-Chinese relations, Belt and Road Initiative dynamics.

Yury V. Kulintsev – pracownik naukowy w *Centrum Studiów nad Strategicznymi Problemami Azji Południowo-Wschodniej i Szanghajskiej Organizacji Współpracy* w Instytucie Studiów Dalekowschodnich Rosyjskiej Akademii Nauk, ekspert Rosyjskiej Rady ds. Międzynarodowych (ang. RIAC). Zainteresowania badawcze obejmują aktualne problemy regionu Azji i Pacyfiku, integrację euroazjatycką, rozwój Szanghajskiej Organizacji Współpracy, współczesne stosunki rosyjsko-chińskie, dynamikę Inicjatywy Pasa i Szlaku (Nowego Szlaku Jedwabnego).

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