

China's leading role in the Shanghai Cooperation Organisation

SUMMARY

China is one of the six founding members of the Shanghai Cooperation Organisation (SCO), which was established in 2001 as a regional organisation for non-traditional security cooperation between China, Russia and four Central Asian states: Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Although the SCO Charter sets out a broad array of objectives and potential areas of cooperation, the SCO has so far focused on, and gained most visibility through, its fight against regional terrorism, ethnic separatism and religious extremism. For China, as for the other members, the SCO represents a new and unique cooperation model, reflecting its vision of a multipolar world order as opposed to cooperation models based on US hegemony and unilateralism.

Since the SCO's inception, China has pushed its agenda and has successfully pursued its national security, geopolitical and economic interests. It has used the SCO umbrella as a multilateral platform to address external threats posed by non-state actors on its vulnerable western border; to gain a strong economic and political foothold in Central Asia without putting the Sino-Russian strategic partnership at risk; and to enhance its energy security through large-scale infrastructure investment in, and trade with, the Central Asian member states.

A first expansion in SCO membership, expected for July 2015, and the looming security vacuum in Afghanistan could both raise the SCO's regional and international profile and present new challenges.

For further information on the SCO as a whole, please see our companion briefing which provides an [overview of the Organisation](#).



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Background

China was the main driver¹ behind the 2001 inception of the Shanghai Cooperation Organisation (SCO) as a regional security organisation replacing its predecessor, the informal 'Shanghai Five' mechanism, which brought together China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. China has been the most active member in pushing the SCO's agenda beyond security cooperation, by submitting ambitious [proposals](#) for economic integration projects such as the establishment of an [SCO free trade zone](#) as early as 2003 and a US\$10 billion [SCO development bank](#) in 2010.

China has also sought to set the agenda in security matters. At the 2014 SCO Council of Heads of State summit in Dushanbe, Tajikistan, China [suggested](#) establishing a security challenge and threat response centre, to expand the scope of the SCO's security cooperation to include internet terrorism, to launch work on a convention on the fight against extremism and to step up cooperation on drug trafficking.

While China has long been hesitant about enlarging SCO membership, rising Islamist extremism in Afghanistan and the threat associated with foreign fighters returning from Iraq and Syria have made China – as well as the other SCO members – more supportive of expansion. Thus, after years of debate, at the September 2014 summit, the SCO Heads of State finally [formalised](#) the administrative, financial and legal requirements for admitting new members. The current SCO observers India and Pakistan are [set to](#) become fully fledged members at the July 2015 SCO summit in Ufa, Russia, under the Russian presidency, which will also finalise the SCO [2025](#) development strategy.

With this first-ever enlargement, a comprehensive strategy in the making, as well as a looming security vacuum in Afghanistan resulting from the end of the International Security Assistance Force (ISAF) mission and the transfer of security responsibility from NATO and the US to the Afghan National Army in 2014, the SCO is poised to increase its regional clout. However, new members may pose new challenges and will certainly lead to a new balance of power within the SCO, from which China will also be affected.

The development of a China-driven regional security organisation

The 'Shanghai Five'

The disintegration of the Soviet Union in 1991 and the need for **China** to solve border demarcation issues with **Russia** and the newly independent states bordering China, **Kazakhstan**, **Kyrgyzstan** and **Tajikistan**, provided the background for the creation of the informal 'Shanghai Five' mechanism, in place from 1996 to 2001. The 'Shanghai Five' not only settled long-standing territorial disputes, agreed on frontier lines on China's long north-west border and launched the demilitarisation of border areas, it also relied strongly on confidence-building measures to avoid future conflicts.²

Beyond determining its territorial boundaries and removing military threats, China was anxious to prevent the infiltration of foreign terrorist, extremist and separatist groups in the restive [Xinjiang Uighur Autonomous Region \(XUAR\)](#) in its north-western periphery, who jeopardised the security of both the Chinese state and its ruling regime. Xinjiang, which was incorporated into China in 1949, borders the Central Asian states of Kyrgyzstan, Kazakhstan, and Tajikistan.

'Shanghai Five' milestones

1996	creation of the 'Shanghai Five'
1996	Agreement on Deepening Military Trust in Border Regions
1997	Agreement on Reduction of Military Forces in Border Regions

A considerable part of Xinjiang's population are not Han Chinese but Turkic-speaking Muslim Uighurs who share strong historic, ethnic, cultural, linguistic and religious [ties](#) with Uighurs residing in neighbouring Central Asian countries. Separatist militants such as the [Eastern Turkistan Islamic Movement](#) (ETIM) and the [Turkistan Islamic Party](#) (TIP), known to be operating partly from neighbouring countries, have committed terrorist attacks in Xinjiang in their fight for an independent state of East Turkestan. Terrorist activities in Xinjiang peaked at the end of the 1990s and the beginning of the 2000s, coinciding with the rise of the Taliban and Al-Qaeda in Afghanistan.³

Against this background, China sought to engage the four Central Asian countries and Russia in the development of common policies and measures to fight collectively against regional terrorism, religious extremism and ethnic separatism. To foster such cooperation China envisaged transforming the informal 'Shanghai Five' format into a formal cooperation framework for transnational security challenges.

Deviating from its usual preference for a bilateral approach, China's attempt at regional institution-building was in line with an increasing acceptance of participation in regional organisations in general,⁴ as evidenced for instance by its engagement with the Association of Southeast Asian Nations (ASEAN) Regional Forum ([ARF](#)) during the same period. In addition, the new platform was intended to open new opportunities for China to pursue its multiple interests in the geo-strategically important Central Asian region, with which no significant relations previously existed.

The Shanghai Cooperation Organisation (SCO)

The [SCO](#) was established in Shanghai, China in June 2001 –as a regional organisation with legal personality replacing the informal 'Shanghai Five' process.⁵ Adding Uzbekistan, which does not border China, as a sixth member underlined the founders' intention to move beyond border security to more comprehensive cooperation. No further members had been admitted since, but the SCO now has five observers and three dialogue partners.

Figure 1 - Map of SCO's members, observers and dialogue partners



Source: [International Peace Institute](#), 2013.

Principles

China's [foreign-policy thinking](#) has considerably shaped the philosophy and principles underlying the SCO's cooperation which, inter alia, are aimed at inclusiveness. The so-called **Shanghai spirit** includes 'mutual trust, mutual advantage, equality, mutual consultations, respect for cultural variety and aspiration for joint development'. It is enshrined in the preamble of the 2002 SCO [Charter](#).

Furthermore, the SCO's principles – basic principles of international law – broadly correspond to the traditional Chinese foreign-policy principles (known as the 'Five principles of peaceful coexistence') which date back to the 1950s, and have since the mid-1990s formed part of China's 'New Diplomacy'.⁶

The SCO principles form an integral part of China's vision – shared by the other SCO members – of a multipolar world, as opposed to a world order characterised by US hegemony and unilateralism.⁷ China and Russia have repeatedly asserted the SCO's uniqueness as a '[new model](#)' of [cooperation in] international relations – a partnership instead of [an] alliance'.⁸

This model of [allies of a new type](#) is reminiscent of China's 'New regionalism', defined as 'open, functional, interest-based cooperation among contiguous states' based on mutual respect for state sovereignty.⁹ For China the SCO is of huge symbolic importance as, for the first time, it showcases China's capability to promote its norms and values through its soft power diplomacy, in a multilateral setting which it co-leads with Russia.

Results

The SCO's objectives translate a comprehensive security concept which also underlies China's 'New Security Concept'.¹⁰ In practice, during the first years of the SCO's operation, emphasis was put on deepening cooperation in the area of security, as evidenced by the creation of a specialised anti-terror structure and a considerable common legal framework on transnational crime.

In contrast, work on the multi-sector pillar has been very slow. A 2003 [programme for multilateral trade and economic cooperation](#) setting out more than 100 projects has so far shown [little progress](#). The area of energy and infrastructure cooperation, where the interests of members converge most clearly, is set to develop more strongly in the future. The only permanent body under the SCO is the Regional Anti-Terrorist Structure (RATS). But, three non-governmental institutions were established, to foster informal cooperation: the Interbank Consortium, the Business Council and the SCO Forum.

China advocates the creation of an SCO [development bank](#) to provide funding for common projects. Since China would be the biggest sponsor and – through its financial contribution of [US\\$ 8 billion](#) of the total US\$ 10 billion – increase its economic and political clout within the SCO. Russia has long [opposed](#) this initiative, since it would turn it into China's junior partner. Recent statements, however, seem to suggest that multilateral infrastructure projects both within the SCO and in the SCO observer countries will be [financed](#) by the future SCO development bank.

China's security interests

China's interest in SCO security cooperation has both internal and external security dimensions, which are inextricably linked. Stability in Xinjiang and in the Central Asian states, i.e. regime security, has been crucial for the implementation of China's 2000 [Great Western Development Plan](#) for the resource-rich, but economically backward, Xinjiang, which for China constitutes a window to Central Asia.¹¹ The idea of enhancing interconnectivity between Xinjiang and Central Asia as a prerequisite for securing energy supplies from energy-abundant neighbouring countries and opening up new markets for the export of Chinese manufactures has recently been geo-strategically framed as '[Marching West](#)'.

Achievements

China's interest in enhancing its domestic security and eliminating external threats from non-state actors, through joint anti-terrorist efforts by the SCO member states has been taken into account as the core objective of SCO cooperation. This goal is shared by all SCO members, who have all been hit by regional terrorism, ethnic separatism and religious extremism to varying degrees. The SCO member states have adopted China's terminology and have agreed on common definitions for the three terms, as incorporated in the 2002 SCO Convention and the 2009 Convention against Terrorism.

The development of [common approaches](#), a shared legal framework on transnational crime and the harmonisation of national laws and policies have been very dynamic. Through the creation of the anti-terrorist unit RATS in Tashkent, China benefits from a support mechanism for the region-wide fight against terrorism, separatism and religious extremism. Since its creation in 2004, RATS is said to have contributed to preventing '[some 1 000](#)' terrorist attacks and to have arrested 650 terrorists.

The most visible element of SCO security cooperation is the joint military exercises which have been carried out since [2002](#) in different member states, either in bilateral or multilateral formats.¹² In August 2014, the SCO [Peace Mission 2014](#), bringing together 7 000 troops from the member states, staged their joint anti-terror exercise on Chinese territory in Inner Mongolia province. These joint military anti-terror drills are mainly conceived as an intimidatory signal and deterrence tool, since the SCO Charter does not provide for collective intervention in the territories of other member states. [Despite](#) these anti-terror measures, Xinjiang saw a series of [terrorist attacks](#) during 2014 and the first-ever terrorist attack in China's capital, Beijing, in [Tiananmen Square](#) in 2013.

Challenges

The biggest new security concern for China arises from the 2014 withdrawal of ISAF forces from Afghanistan and the emerging security vacuum in that country. Afghanistan, which is known to have hosted Uighur separatists fighting for an independent East Turkestan in the past, could play an increasing role as a safe haven and training environment for Uighur separatists, who have [reportedly](#) linked up with Islamist extremists such as the 'Islamic State' (ISIL/Da'esh) in Afghanistan, Iraq and Syria.

Mounting fears of a new wave of terrorist attacks by Uighur separatists or ISIL/Da'esh fighters in Xinjiang or elsewhere in China [seem](#) to have been a crucial driver behind the Chinese Government's decision to support extending SCO membership to India and Pakistan, with a view to including these countries in the SCO's anti-terror action. It remains to be seen whether SCO members will use the non-traditional security tools they have at their disposal under the SCO umbrella more actively, to engage with Afghanistan and contribute to stabilising the country.

Coupled with security issues are economic interests, as China has invested [heavily](#) in Afghanistan. China appears to have adopted a [dual approach](#) to this new security threat. It acts bilaterally and multilaterally under the SCO umbrella.¹³ Bilaterally, China has taken several initiatives, such as enhancing intelligence cooperation with Kabul, which [demonstrate](#) that China is moving away from being a peripheral actor in Afghanistan to taking on more responsibility.

China's geopolitical interests

The demise of the Soviet Union in 1991 shifted the geopolitical landscape in Central Asia. This opened a window of opportunity for China to use the SCO as a platform to

project its political and economic interests into this geopolitically important space, and to compete with Europe, Russia and the US in what has been coined the '[New Great Game](#)'. Making its soft power felt in its neighbourhood is in line with China's interest in building a stable periphery around its territory ('[peripheral diplomacy](#)') based on shared economic and security interests.¹⁴

For China, the proximity of the Central Asian states, most of which are rich in oil, gas and mineral resources, is particularly interesting in terms of China's huge raw material and energy needs. Sourcing energy and raw materials from the Central Asian countries allows China to diversify its suppliers, and diminish the risks of disruption of supplies. Whether China has been able to substantially lessen its reliance on seaborne energy supplies, considering the increasing volumes it needs, and whether transporting these resources to China through pipelines or by rail is safer than by maritime transport (where possible problems relate to transit through the [straits of Malacca](#) or potential US blockades) is [controversial](#). China is anxious to develop [energy trade](#) with the landlocked Central Asian states, and to ensure that oil and gas is channelled through its own pipelines.

Achievements

After the US withdrawal from Afghanistan, China and Russia are the major powers in Central Asia, on an equal footing. In this regard, the SCO acts as a forum to balance the powers of the two rivals in Central Asia. This has resulted in mutual political [support](#), for instance at UN level, where China abstains from criticism of Russia (annexation of Crimea), while Russia remains silent about China's increasing assertiveness (in the East and South China Sea) and [backs](#) it against [alleged](#) systematic US containment.

Thanks to its SCO membership, China has largely benefited from offering the Central Asian states an alternative to Russia. China has successfully penetrated into Russia's 'backyard' and has significantly expanded its trade with, and investment in, the Central Asian states. It has established a diplomatic and strategic foothold in the region, which also allows it to gradually dilute Western influence. China has been able to pursue resource security interests, but has so far been cautious in not entering into energy competition or mining rivalry with Russia. In energy matters, Chinese and Russian interests are often complementary, as the Russian economy depends greatly on income from energy exports while China's economy depends on external energy supplies. The recent Sino-Russian [gas deal](#) worth US\$400 billion is evidence of this complementarity.

Challenges

Some analysts have argued that, with a diminishing US presence in Central Asia, competition between China and Russia for economic influence in the region may become stronger.¹⁵

Despite the Sino-Russian strategic partnership, which has been repeatedly [strengthened](#) since 1996, tensions have arisen from China's increasingly assertive mega-projects, such as the [New Silk Road Economic Belt](#) and the 21st century Maritime Silk Road. The first project, with an infrastructure investment fund of US\$[40 billion](#) announced, is designed as a regional integration initiative. It runs through Central Asia which serves as a transport corridor. The project has been perceived negatively as [competition](#) against Russia, since the route originally bypassed the country. The plans were changed, and the route will now [pass](#) through Russian territory. Chinese plans for a [Maritime Silk Road](#) would profit from good relations with [India](#) and Pakistan – another reason why China is an eager proponent of SCO enlargement to these countries.

China's economic interests

China's economy is largely dependent on raw material and energy imports, which most Central Asian countries possess in abundance. The SCO has provided China with a forum to develop its relations with Central Asian states both bilaterally and multilaterally. China is interested in linking Xinjiang to the neighbouring economies, inter alia through large-scale infrastructure projects, thus fostering the economic development of its province and securing energy supplies.

Achievements

China has stepped up its ties with Central Asian states and struck significant deals with them (mainly bilaterally rather than multilaterally) under the SCO umbrella. China has made considerable [inroads](#) into Central Asian markets through a mixture of trade, investment and loans, as evidenced by recent trade figures. Starting from a low level, [bilateral trade](#) between China and the other SCO member states soared from US\$12.1 billion in 2001 to US\$[130 billion](#) in 2013. However, China's trade with Central Asia accounts for only a marginal share of China's overall trade.

In 2012, China became Kazakhstan and Turkmenistan's largest trade partner, Uzbekistan and Kyrgyzstan's second largest [trade partner](#), and Tajikistan's third largest trade partner. But China's economic expansion appears to have come primarily at the expense of Western, not Russian, business.¹⁶

Table 1 – China's trade with Central Asia in 2012

Country	Trade value in US\$ billion	Export value in US\$ billion	Import value in US\$ billion	Trade value 2011 in %	Export value 2011 in %	Import value 2011 in %
Kazakhstan	25.6	11.0	14.6	2.9	15.0	-4.7
Kyrgyzstan	5.1	5.0	88.9	3.7	4.0	-9.4
Tajikistan	1.8	1.7	10.8	-10.3	-12.5	50.7
Turkmenistan	10.3	1.6	8.6	89.4	116.7	84.8
Uzbekistan	2.8	1.7	1.0	32.7	31.2	35.2

Data source: [China's role and interests in Central Asia](#), B. Mariani, Saferworld, October 2013, p. 10.

The data show that China's trade with Turkmenistan, which is not an SCO member, increased most (by 89.4%), while all SCO members have seen a smaller growth in trade with China. This suggests that the role of the SCO umbrella for China's trade expansion in Central Asia should not be overestimated.

Challenges

Despite the Sino-Russian rapprochement, there are also limits to China's interests in Russia's traditional sphere of influence. China and Russia have indeed very [contradictory](#) views on the integration model to be adopted by the SCO, and on economic integration and security cooperation in the larger Central Asian area, with Russia using its historical, cultural, political and institutional ties with the Central Asian countries to advance its interests. Russia has been using its long-standing ties with Central Asia as leverage to keep these states attached to its military alliance under the umbrella of the [Collective Security Treaty Organization](#) (CSTO), a true military alliance with a rapid multinational

reaction force, and the economic integration project [Eurasian Economic Community](#) (EurAsEC), replaced as of 1 January 2015 by the [Eurasian Economic Union](#) (EEU).

While the SCO is the only regional organisation in Central Asia to which China is a party, and the country has therefore been using this platform to its maximum advantage, the other SCO members have overlapping membership in the CSTO, EurAsEC/EEU and are also members of the Western-led Organization for Security and Co-operation in Europe (OSCE) and take part in NATO's Partnership for Peace programme.

Table 2 – Membership/participation of SCO members in regional organisations/programmes

	SCO	CSTO	EurAsEC	EEU	OSCE	CICA	NATO Partnership for peace (PFP) programme
China	√	–	–	–	–	√	–
Kazakhstan	√	√	√	√	√	√	√
Kyrgyzstan	√	√	√		√	√	√
Russia	√	√	√	√	√	√	√
Tajikistan	√	√	√		√	√	√
Uzbekistan	√	–	–		√	√	√

Source: author's elaboration, NB CICA = [Conference on Interaction and Confidence-Building Measures in Asia](#).

In Russia's view, the SCO complements Russian-led military and economic organisations.¹⁷ Russia has therefore shown a low level of ambition to support far-reaching SCO economic integration projects, such as the free trade zone proposed by China, which, due to the comparative cost advantage of Chinese goods, would [jeopardise](#) Russia's economic interests.

Other SCO members also prefer to trade with China through a Customs Union with high external tariffs, which shield their national economies from Chinese competition. How China's proposal to create a free trade zone in the SCO's geographical area can be made [compatible](#) with the Customs Union remains to be worked out. Considering the current SCO member participation in the region's multilateral organisations, it is not very likely that China's proposal will materialise any time soon, but China has already signalled its preparedness to [cooperate](#) with the EEU.

Analysts have [argued](#) that the current deadlock facing China's SCO free trade zone project will not disrupt its large-scale infrastructure investment projects in Central Asia, and the EEU's negative impact on Chinese trade with the region will be more manageable than worsening economic and political relations with Russia.

However, differences as to the direction of the SCO in the military sphere also exist. Russia strongly advocates that the SCO should enhance its military capabilities, and supports deeper cooperation between the SCO and the CSTO. China, being in favour of a more multifaceted SCO, which has developed [slowly](#) so far, is opposing Russia's proposal by, for instance, vetoing joint SCO-CSTO operation in 2007.¹⁸

Implications for the EU

Energy security

As a result of the shifting geopolitical landscape in Central Asia, China's SCO membership further boosts its opportunities to leverage its rising political and economic

weight in its relations with the Central Asian states. In terms of securing energy supplies from the region, competition between the EU and China is likely to increase. During the past few years, China has invested intensively in the construction of [oil](#) and [gas](#) pipelines across Central Asian states leading to Chinese territory, which has led to a steep growth in oil and gas exports from Kazakhstan and Turkmenistan to China. Kazakhstan is the EU's most important energy supplier among the Central Asian countries. Kazakh oil and gas supplies to the EU account for more than [80%](#) of the country's exports to the EU.

Security cooperation

Analysts assert that China's growing footprint in Central Asia could offer [opportunities](#) for EU-China cooperation. China and the EU share a vital interest in Central Asian regional stability, to protect energy supplies, investment and other economic interests.

In line with the 2007 [EU Strategy for Central Asia](#), however, the EU relies heavily on the OSCE, which includes the

Central Asian countries, to enhance cooperation in regional security and stability. The 2012 [Council conclusions](#) confirmed the EU strategy, while adding a stronger security dimension. This led to the first [EU-Central Asia High Level Security Dialogue](#) in Brussels in 2013 and is interpreted as an [adjustment](#) to new security challenges.

With the SCO having concluded memoranda of understanding with the [UN](#) and [Interpol](#), the question arises whether the EU should explore ways of engaging in a [structured dialogue](#) with the SCO on non-traditional security issues. However, this raises human rights concerns. Some commentators assert that suspended NATO and EU cooperation with Russia on Afghanistan could be an opportunity to enhance [cooperation](#) with the SCO in order to remain a crucial actor in Afghanistan's stabilisation process. [Analysts](#) argue that in shared high-priority fields such as [countering terrorism](#), China has the potential to become an increasingly important partner. With respect to crisis areas such as Afghanistan, Europe 'should be seeking to develop a deeper level of political cooperation, intelligence-sharing, and long-term coordination of economic policy and aid'.

Further reading

China's Energy Geopolitics, The Shanghai Cooperation Organization and Central Asia, Marketos T. N., 2009.

Eurasian Regionalism, The Shanghai Cooperation Organisation, Aris S., 2011.

Endnotes

- ¹ A Chinese perspective on the Shanghai Cooperation Organisation, Guang P., in [The Shanghai Organization](#), Bailes, A., Dunay P., Guang P., and Troitskiy M., SIPRI Policy Paper No. 17, May 2007.
- ² [The Shanghai Co-operation Organisation: China's Initiative in Regional Institutional Building](#), Cheng J.Y.S, Journal of Contemporary Asia, 41(4), November 2011, pp. 632-656.
- ³ China and the Shanghai Cooperation Organization: The Dynamics of "New Regionalism", "Vassilization", and Geopolitics in Central Asia, Clarke M., in: The New Central Asia. The Regional Impact of International Actors, Kavalski E. (ed.), 2010, p. 123.
- ⁴ The Shanghai Co-operation Organisation: China's Initiative in Regional Institutional Building, op. cit., pp. 632-656.
- ⁵ In 2004, the SCO obtained observer status at the UN General Assembly ([A/RES/59/48](#)). In several subsequent UNGA resolutions on cooperation with the SCO ([A/RES/64/183](#); [A/RES/65/124](#) and [A/RES/67/15](#)), the SCO has

EP position

In its [resolution](#) of 14 March 2013 on EU-China relations, the EP took note that China's main objectives within the SCO 'are to achieve peace and stability in Central Asia by collectively combating the so-called 'three evils' of extremism, separatism and terrorism'. It welcomed 'the developing ties between China and Afghanistan'. It also took the view that China could 'play a key role in stabilising Afghanistan through a soft power approach'. The EP urged that the EU and China cooperate closely on this issue.

been commended for its work. A [Joint declaration](#) on cooperation between the SCO and the UN Secretariat dates from 2010. The SCO has reached out to [ASEAN](#) and several other regional organisations which have guest status.

- ⁶ Given the presence in all SCO member states of ethnic minorities potentially claiming independence and notably the existence in China of strong separatist tendencies in Tibet and Xinjiang as well as the Taiwan issue, the emphasis placed on these principles is not surprising in terms of state and regime security. However, as the 2008 Russian invasion of Georgia and the 2014 Russian annexation of Crimea demonstrate, these principles – despite their importance on paper – may from time to time not be so strictly complied with in practice.
- ⁷ Declarations to this effect abound, such as the 2005 SCO summit [declaration](#) requiring the Western-led anti-terrorist coalition to set a final deadline for its withdrawal from Central Asia in the wake of the so-called 'colour' revolutions in Georgia (2003) and Ukraine (2004) and the tulip revolution in Kyrgyzstan (2005). The Charter's wording appears to be against the Western export of democracy promotion and human rights, which has been perceived as endangering regime security.
- ⁸ Although its leaders have repeatedly reaffirmed that the SCO is not a military alliance, the organisation has raised concern among Western analysts that the SCO could be an 'alliance-in-waiting'. The anti-US and anti-NATO rhetoric voiced at several SCO summits and by individual SCO members in the mid-2000s has prompted labels such as 'counterweight to NATO' or 'Asian NATO'. However the SCO is devoid of a NATO-style [collective defence mechanism](#) and of other military structures such as common headquarters. The national armed forces are, however, used to combating regional terrorism, ethnic separatism and religious extremism. Security, strategy and the former USSR. China and the Shanghai Cooperation Organization, Lanteigne, M., in: Handbook of China's International Relations, Breslin S., (ed.) 2010, pp. 166-176.
- ⁹ China and the Shanghai Cooperation Organization, op. cit., p. 118.
- ¹⁰ China presented 'The New Security Concept' for the first time at the 1997 ASEAN Regional Forum. It consists of four crucial elements: 'multilateral coordination, cooperation, comprehensiveness of security also including economic, technical, social and environmental fields, and institution building. It promotes also more informal cooperation and networking diplomacy rather than hierarchical alliances. [The Shanghai Cooperation Organization and China's New Diplomacy](#), Gao F., 2010, p. 3.
- ¹¹ China and the Shanghai Cooperation Organization, op. cit., pp. 118-119.
- ¹² A list of all exercises from 2002 to 2012 can be found in: [China's Views of and Expectations from the Shanghai Cooperation Organisation](#), Zhao H., Asian Survey, 53(3), May/June 2013, p. 443.
- ¹³ [China's Central Asia Problem](#), International Crisis Group, Asia Report No. 244, 27 February 2013, p. 18.
- ¹⁴ China and the Shanghai Cooperation Organization, op. cit., p. 121.
- ¹⁵ [Central Asia: Regional Developments and Implications for U.S. Interests](#), Nichol J., Congressional Research Service, pp. 10 and 15.
- ¹⁶ According to aggregate data for 2010, the EU was Central Asia's largest export destination (US\$ 31.9 billion), with Russia ranking second and China third, while the EU was in second place (US\$ 11.1 billion) for Central Asia's source of imports, with Russia ranking first and China third. The evolution of export and import flows between 2000 and 2010 from and to the individual Central Asian states [shows](#) that China has increased its market share nearly across the board, while the EU has more often lost market share than Russia.
- ¹⁷ Interests, Power and China's Difficult Game in the Shanghai Cooperation Organization (SCO), Song W., Journal of Contemporary China, Vol. 23(85), 2014, pp. 85-101.
- ¹⁸ Security, strategy and the former USSR. China and the Shanghai Cooperation Organization, op. cit., p. 174.

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