

## Regional Cooperation and SCO: Analyzing China's Role in Regional Integration

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### Abstract

The Shanghai Cooperation Organization (SCO), a transcontinental intergovernmental alliance, serves as a critical regional body across Eurasia. It was originally established to address border disputes among China, Central Asian states, and Russia. China's active engagement in the SCO reflects a broader shift in its foreign policy toward fostering regional integration, emphasizing political dialogue, security, and economic interdependence under the principles of the "Shanghai Spirit." Although the SCO has strengthened regional security and expanded its membership, various challenges persist, including conflicting national interests and rivalries among member states—particularly between India and Pakistan, and between China and India. Despite these challenges, the SCO remains a cornerstone of China's strategy to promote a multipolar world order, counter Western dominance, and reinvigorate its regional and global influence through peaceful multilateral engagement. This research aims to examine China's evolving role within the SCO, highlighting its transition from a cautious participant to a leading force driving counterterrorism efforts, economic cooperation through initiatives such as the Belt and Road Initiative (BRI), and regional stability.

Keywords: shanghai cooperation organization (sco), eurasia, regional cooperation, economic security, china

### Introduction

The Shanghai Cooperation Organization is a coalition of states of Central Asia, Far East Asia, and Western European nations. Founded in 1996, the SCO's primary aim is to counter any external hostility (Albert, 2015). The states of China, Russia, Kyrgyzstan, Kazakhstan, Uzbekistan, and Tajikistan collaborated to deter danger and enhance their presence globally. Initially formed as the Shanghai Five, comprising China, Russia, Kyrgyzstan, Kazakhstan, and Tajikistan, this organization aims to resolve boundary disputes between China and Russia.

In 2001, Uzbekistan joined this group and changed its name to the SCO, which worked collectively to dissuade terrorism, radicalism, and separatism (Tolipov, 2015). Indeed, nearly 60% of the total territory of Eurasia is covered by the member states of the SCO (Answers to the Questions of the Video Conference "SCO – Shaping Eurasia," 2020). The member states share

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one-fourth of the world's population and, most importantly, comprise Russia and China, two key players in the international order. Most of the time, the SCO was not considered important in the field study of international relations, as this organization was comparatively new among other regional organizations. However, the importance and dynamism of regional institutions in the international order later increased the SCO's visibility.

China is an ardent advocate of peaceful coexistence, and following its open-door policy in the 1970s, it adopted measures that are strategically important for its coexistence with other states. China was initially reluctant to join any international or regional organization, as they were considered extensions of imperialism. However, after adopting its open-up policy, China developed influential and result-oriented foreign policy objectives in dealing with other states. China's fundamental foreign policy goal in the 1970s was to maintain its cordial relations with various states through active support in regional organizations.

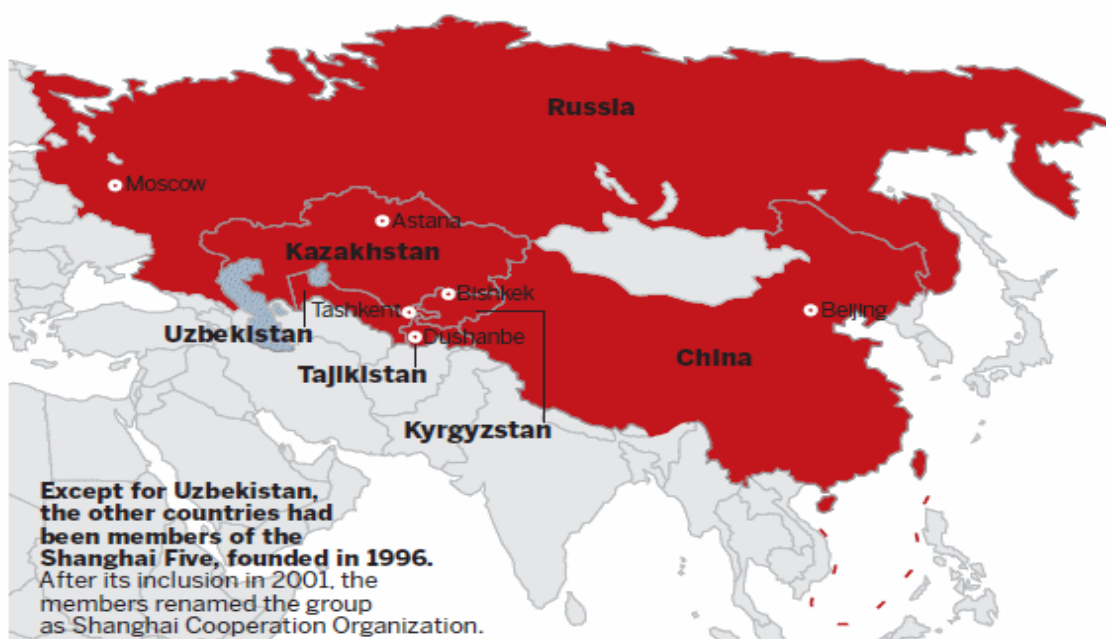
Analysts from around the world have consistently observed China's strategy towards its relations with other states, as its economic growth and political development have positioned it among the emerging regional powers (Roland, 2021). By participating in regional organizations, China sought to secure its position in the international political arena and engage in regional issues crucial to its survival and security. As a developing state, China has shifted its stance from a reluctant participant to an active participant in regional and international organizations, and has improved its stance on ideology and interdependence among states. The SCO has concentrated chiefly on issues of regional security issues, ethnic separatism, the fight against regional terrorism, and religious extremism.

Nonetheless, the SCO holds the potential to both bolster and amplify China's ascent, primarily due to its regionalization and the allied nature of its member states. The collaborative approach of these states toward global affairs and politics is crucial in facilitating a peaceful rise for China. Despite recognized divergences and shortcomings in other regional entities, the SCO stands out as a promising success story, particularly in South and Southeast Asia, encompassing socio-economic, political, and security realms.

Figure 1: Shanghai Cooperation Organization

## SHANGHAI COOPERATION ORGANIZATION

Founded in Shanghai in 2001, the SCO is comprised of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan



Source: Xinhua

### **Analyzing Chinese Integration through Regional Integration Theory**

China's regional integration policy is firmly rooted in a strategic vision to cultivate and strengthen regional economic interdependence and cooperation. The Belt and Road Initiative (BRI), an ambitious and expansive framework that aims to catalyze infrastructure development, reinforce trade relations, and facilitate people-to-people exchanges among countries across Asia, Europe, and Africa, is central to this policy (Bharti & Kumari, 2024). The BRI embodies a multifaceted and comprehensive approach, encompassing diverse sectors such as transportation, energy, and communications, with the overarching objective of fostering regional connectivity and mutually beneficial interactions.

Centered on the BRI, China's regional integration policy epitomizes a visionary and holistic approach to fostering economic interdependence, promoting connectivity, and nurturing collaborative partnerships within the region and worldwide. By leveraging the BRI's multifaceted framework, which spans economic, cultural, and developmental dimensions, China endeavors to create a more interconnected and prosperous regional community that benefits all participating nations. The BRI is a testament to China's commitment to an inclusive, sustainable, and mutually beneficial path to regional integration and global cooperation.

The Shanghai Cooperation Organization (SCO) provides a compelling example of regional integration within the context of China's involvement. China actively participates in economic collaboration, trade agreements, and infrastructure projects within the SCO, contributing to regional economic integration (Alimov, 2018). Additionally, the SCO serves as a platform for political dialogue and joint efforts on global issues, fostering political integration. Initially formed to address security challenges, the SCO involves China in collective security mechanisms, joint military exercises, and intelligence sharing. Beyond security and economic aspects, China's engagement in the SCO promotes cultural and social integration through people-to-people exchanges and cultural events. China's active role in SCO institutions, such as the SCO Secretariat and the Regional Anti-Terrorist Structure (RATS), contributes to institutional integration (Khan et al., 2023). The functional spillover effect is evident in the SCO's broadening areas of cooperation, encompassing economic initiatives like the Belt and Road Initiative (BRI) and collaboration in health and technology. China's participation in the SCO reflects a multifaceted approach to regional integration across economic, political, security, and social dimensions.

#### **Evolution of the SCO**

Following the disintegration of the USSR, border disputes arose between these countries, prompting them to resolve the issue of the former Soviet-Chinese state borders. For this purpose, China initiated bilateral negotiations with the former Soviet Republics to reduce the burden of border troops and prevent any problems on its western borders. On the contrary, Russia and the Central Asian states sought to avoid a power vacuum with China following the collapse of the Soviet Union. The Central Asian states also wanted to avoid any territorial claims in Central Asia by the economic giant China.

The negotiations spanned five years, culminating in 1996, when the leaders of these nations convened in Shanghai, China, to formally sign the "Treaty on Strengthening Trust in Military Affairs in the Border Regions." This treaty marked a significant milestone in the evolution of what was then known as the "Shanghai Five," the precursor to the Shanghai Cooperation Organization (SCO) (Küçük, 2009).

One year later, in April 1997, leaders from these states gathered in Moscow to sign "The Treaty on Mutual Reduction of Military Forces on the Borders." This agreement stipulated the deployment of 130,400 military personnel and the establishment of a demilitarized zone extending 100 kilometers along the Chinese border with the other four participating states (Çayan, 2019). The third summit of the member states took place in Almaty, Kazakhstan, in July 1998. During this summit, the leaders signed a joint agreement aimed at countering various transnational threats, including ethnic separatism, terrorism, religious fundamentalism, drug trafficking, arms

smuggling, and cross-border crimes. The subsequent summit, held in Bishkek in August 1999, saw the leaders of the five nations sign the “Bishkek Declaration.” This declaration underscored their commitment to combat separatist, terrorist, and religious fundamentalist forces in the region (Chung, 2012).

In July 2000, the annual summit of the Shanghai Five convened in Dushanbe, Tajikistan. During this summit, the fight against the “three evils” – separatism, terrorism, and religious fundamentalism – took center stage (Lynch & Helms, 2024). As a result, the organization evolved from the “Shanghai Five” to the Shanghai Cooperation Organization (SCO). Notably, Uzbekistan participated as an observer member for the first time during this summit. The “Dushanbe Declaration” was signed, emphasizing increased cooperation among member states to combat the “three evils” and the establishment of an anti-terrorism center. At this juncture, Chinese leader Jiang Zemin proposed the transformation of the annual summits into a permanent institutional organization, marking the conclusion of the “Shanghai Five” era at the Dushanbe summit in 2000. The subsequent summit took place in Shanghai on June 14-15, 2001, marking a historic moment as it formally established the Shanghai Cooperation Organization (SCO), with Uzbekistan becoming a new permanent member. During this pivotal summit, the original Shanghai Five member states, now joined by Uzbekistan, signed the “Declaration on the Establishment of the SCO.” This landmark agreement reaffirmed the collective commitment to combat the “three evils,” thereby fortifying the principles initially articulated in the “Bishkek Declaration” of 1999.

The Declaration highlights the importance of the “Shanghai Spirit,” a concept succinctly encapsulated by five core principles, often referred to as the five “C’s”: confidence, communication, cooperation, coexistence, and common interest. It is crucial to emphasize that the “Shanghai Spirit” does not entail the formation of a traditional alliance; instead, it signifies an open framework for cooperation and partnership among participating states within the realm of politics (Yang, 2012). A pivotal moment in the evolution of the Shanghai Cooperation Organization (SCO) occurred during the landmark Summit 2002, hosted in St. Petersburg. This summit catalyzed the signing of two seminal agreements: “The Charter of the SCO” and the “Agreement on the Regional Anti-Terrorist Structure.” “The Charter of the SCO” comprises 26 articles that elucidate the organization’s fundamental principles. These articles outline essential aspects, including administrative structures, financial mechanisms, organizational objectives, membership criteria, interactions with other member states, and the decision-making processes within the SCO. This charter serves as a comprehensive framework guiding the operational aspects and governance of the SCO, laying a solid foundation for its continued development and cooperation among member states (Ali et al., 2019).

Furthermore, the Charter emphasizes the importance of fostering cooperation across various areas, including trade, energy, economics, science and technology, environmental conservation, and cultural exchange. These aspects collectively embody the essence of the five “C’s” encapsulated in the “Shanghai Spirit”: mutual benefit, respect for sovereignty and the territorial integrity of other states, a commitment to non-interference in the internal affairs of sovereign nations, the pursuit of equitable relations, the peaceful resolution of disputes, and the fostering of cooperation among member states within the purview of the organization.

It is also significant that the only non-administrative body of RATS (Agreement on the Regional Anti-Terrorist Structure) was established to combat the “three evils.” The RATS provides information on any terrorist activities to other member states and creates a database of terrorist organizations linked with any terrorist activities. The RATS also accumulates information on the dynamics, status, and trends that contribute to the spread of terrorism. Several agreements have been signed within the SCO to regulate various aspects of combating international terrorism.

It should be noted that the Convention of the SCO addresses the desires of its member states more cooperatively. It not only defines the definition of terrorism but also helps to indicate

the principles of jurisdiction regarding terrorism, with the establishment of national laws to criminalize terrorist activities and offenses considered a crime by universal counterterrorism conventions. The Convention also provides an environment of international peace and security within the framework of the SCO. The cooperation includes the fight against the illegal trafficking of narcotic drugs, explosives, ammunition, and weapons. Joint exercises, sharing valuable information, and training of officials are also a part of the cooperation. In this respect, joint anti-terrorist exercises were held as “Peace mission 2012” in Tajikistan with troops from China, Russia, Tajikistan, Kyrgyzstan, and Kazakhstan (Jingxi & Yinan, 2013).

The organization’s member states also foster cooperation in all spheres, including the economy, agriculture, law, trade, finance, energy, transportation, aviation, telecommunications, space technology, culture, art, innovation, healthcare, sports, and tourism. At the same time, treaties are signed between the member states in cooperation outside the military-political sphere within the framework of the SCO.

### **Regionalism and Chinese Foreign Policy:**

The relations between China and other states have been traditionally dealt with under the principle of “LI,” officially named the “Confusion Rule of Propriety” under the dynasty of Zhou (Qin, 2008). These principles governed social and domestic relations within the peripheries of China. The relations between China and its peripheral states compelled its neighbors to acknowledge the superiority of China’s traditional legacy by paying tribute to the emperor.

The emperor of China adopted peaceful measures of persuasion in the peripheries by bringing non-Chinese entities into his empire without taking control over their territories. China sought to establish a legacy with the only known civilization of its own, which was termed ‘Sino-centric.’ They planned no formal expansion, as stated earlier in the 15<sup>th</sup> century, when the Ming’s policy on foreign affairs was one of isolationism. During the Ming dynasty, when China expanded under Admiral Zheng to the western oceans, it did not develop overseas colonies. However, Chinese interest in the Xinjiang region continued till the 16<sup>th</sup> to 17<sup>th</sup> centuries.

After the beginning of the 19<sup>th</sup> century, China faced problems of colonization and foreign influence. Following the Opium War of 1842, China’s territories were divided among the Western powers. This event evoked a sense of nationalism, accompanied by simultaneous feelings of pride and shame, which led to China’s steps towards adopting a national rhetoric that emphasized the use of force to resolve the Taiwan issue if necessary. The Anti-Secession Law of 2005, passed by ‘The National People’s Congress,’ compelled China to invade Taiwan under a legislative umbrella (Mendenhall, n.d.).

The Chinese leaders have acclaimed their growing role on the international level. A struggle for domination describes the philosophy of Realpolitik on the international level and China’s interest in pitting its adversaries against each other, such as the United States. The free trade agreements between the Association of Southeast Asian Nations and China, as well as the development of the SCO as a regional forum of cooperation, define China’s influence in its peripheral region. Militarily, China has also developed its policies by elevating its traditional philosophy of isolation and seeking to develop relations outside its boundaries. Currently, China has emerged as a regional political and economic power with aspirations to expand its interests globally. If it continues to progress at this level, its aspirations will likely be realized as a world power soon.

China’s foreign policy has significantly influenced the principles and philosophy underlying the SCO’s cooperation, which aims to promote the inclusiveness of this organization. Its preamble from the 2002 Charter of SCO signifies the “Shanghai Spirit” as a mutual advantage, equality, mutual trust, respect for culture, mutual consultations, and joint development.

Moreover, the SCO, as a basis of international law, broadly reflects China’s traditional foreign policy principle, also known as the “Five Principles of Coexistence,” which dates back to the 1950s and 1960s and was incorporated into China’s New Diplomacy in the region. The basic

principles of SCO form an essential part of China's vision for a multipolar world, combating a world order shaped by hegemonic US influence and unilateralism. China and Russia have often asserted the uniqueness of the SCO as a new model of cooperation in international relations and a strategic partnership, rather than a traditional alliance (Vuori, 2024).

This 'New Regionalism' model of China with allies of new types is defined as functional and interest-based cooperation among member states, primarily based on respect for mutual state sovereignty. The SCO has huge symbolic significance for China, as it marks the first time in its history that China has demonstrated its capacity to contribute its norms and values through its soft power diplomacy in a multilateral strategic partnership with Russia. The objectives of SCO are rooted in an absolute sense of security, which defines China's concept of 'New Security.' Practically, during the initial phase, the SCO's engagements were focused on cooperation in security, as evidenced by the creation of a joint anti-terror specialized structure and a substantial legal framework for combating crime in other territories.

In contrast, the development of SCO was prolonged. The energy and infrastructure cooperation program for multilateral development needs significant improvement in the future. The Regional Anti-Terrorist Structure (RATS) was the only permanent working body of the SCO; consequently, three non-governmental institutions—the Interbank Consortium, the Business Council, and the SCO Forum—were established to enhance this cooperation. China supports the creation of the SCO Development Bank to provide funding for various projects. China is the largest sponsor, contributing approximately US\$8-10 billion, which will enhance its economic and political development within the SCO (Grieger, 2015). On the other hand, Russia has opposed this move, as it would put China in a stronger position. However, it is suggested that a multilateral strategic development of these projects among permanent and observer members of the SCO will be financed by the Development Bank of the SCO.

The Chinese new concept of 'regionalism' is based on the desire to uphold a multi-polar system with the least military intervention from the other states. Chinese regionalism promotes 'globalism,' which is against any political affiliation, military alliance, or specific grouping. New regionalism, a product of globalization that reduces the world's interference in individual issues, has become the common practice of powerful states. As the victim of the foreign invasion, China discourages any other power's interference in any country's domestic issues. A multi-polar world would provide a secure atmosphere where every state is equally important and distances itself from the complexities.

### **China's Strategic Engagement with the SCO: Interests, Integration, and Regional Influence**

China's new diplomacy dates back to the 1970s with its open-up policies toward the West. Since then, its enormous economic development has stunned the world. For developing states, China stands out as a victorious state; for the West, China was perceived as a potential threat to the existing status quo. However, the primary focus of China was to emerge as a peaceful state by engaging in certain activities that added to China's peaceful rise. One such instrument is the engagement in regional and international organizations.

China's comprehensive involvement in the world, politics, and multilateral engagements with the rest of the world portrayed that China is in favor of a multi-polar world and that is, however, considered as a threat to Western hegemony, whether in an international forum such as the United Nations or regional level, such as the SCO is considered a divergence for the world against Western power. Additionally, China noted that becoming a part of regional and international organizations could bring recognition to the People's Republic of China. That is why China wanted to join the United Nations Organization. China's participation extended to more than 50 international organizations (IOs) and involved engagement with over 1,275 international non-governmental organizations (INGOs) by 2021 (Kent, 2001). China has also participated in numerous ad-hoc negotiations on topics ranging from public health to arms control and climate change.

In the 1990s, China emerged as a significant economic power, and its sustained growth sparked unease in the West. At the same time, scholars believe that China is a revisionist state that wants to change the world's existing status quo; thus, China's emergence is perceived as a threat, and its comprehensive involvement in regional and international organizations is considered an act of hegemony (Ambassador Chas W. Freeman, Jr., USFS (Ret.), 2010). As Napoleon had predicted, "*When China woke from its slumbers, it would astonish the world.*"

China envisioned new security, economic, and political arrangements through its new diplomacy in the post-Cold War era, when the United States emerged as a dominant economic, political, and military power following the disintegration of the Soviet Union. Under this arrangement, China ensured its security through dialogues, mutual confidence-building measures, and equality of rights. The new arrangement pushed China to adopt those concrete measures crucial for its development. One such step is the formation of the SCO.

This desire led China to create the SCO to resolve existing disputes with the newly emerged Central Asian States, and the consequent Russian desire to maintain friendly relations with China and the CARs was another important factor. China's 'new security idea' prompted efforts to unite these states and Russia to foster confidence-building and address common dangers and concerns. SCO established itself as an influential organization in the Central Asia region. That is why SCO was conceived by two major powers that play a significant role in international politics. China has numerous interests related to the formation and progress of the SCO.

#### **i. Security Interests**

China's active involvement in the SCO is chiefly driven by its commitment to fostering security cooperation. Given its proximity and shared borders with several SCO member states, China places considerable importance on regional stability to safeguard its national interests. Particularly, China is deeply concerned about countering the "Three Evils" - terrorism, separatism, and extremism. China collaborates with fellow member states within the SCO framework to address these security challenges, enhance intelligence sharing, and conduct joint military exercises.

The Regional Anti-Terrorist Structure (RATS) plays a pivotal role in coordinating counterterrorism efforts among its member countries. China's active participation in security cooperation through the SCO is geared towards averting the spillover of instability from neighboring regions and safeguarding its territorial integrity. By actively engaging in security initiatives, China seeks to foster a secure environment and contribute to regional peace and stability within the SCO's purview.

Following the creation of Central Asian countries, it was feared that numerous boundary conflicts would heighten the region's security and threat perception. Through SCO, China and Russia have attempted to mitigate those threats through mutual dialogues and security parameters. What is important for Central Asian states is that the SCO, unlike NATO, is not a military alliance. Besides that, the presence of China as a member would create a relaxing environment for CARs, in which Russia would not intervene in its former territories.

The 'Great Western Development Plan' of 2000 in China has been ineffective due to instability in the resource-rich but economically backward Xinjiang province, a window for Central Asia to China (Kong, 2021). The concept of 'Marching West' in China aims to enhance connectivity between Central Asia and the Xinjiang Province, thereby securing and opening up energy supplies to Chinese manufacturers' markets (Zhu et al., 2022).

The SCO has been established to promote China's interests in its domestic security and counter external threats through joint anti-terror policies among SCO members. This policy is supported by every member state of the SCO, which has been facing problems of religious extremism, regional terrorism, and ethnic separatism in their countries. The

members of the SCO have agreed to cooperate in fighting against the three evils mentioned above, which are addressed in the 2000 and 2009 Conventions against Terrorism.

Development and a legal framework for workable national laws over inter-regional crime are the prime dynamics of the SCO. China has gained support against region-wide religious extremism, terrorism, and separatism through the creation of an anti-terror unit of RATS in Tashkent. After its creation in 2004, the mechanism of RATS has prevented around 1000 terrorist attacks and has successfully arrested around 650 terrorists (Alimov, 2017).

The greatest achievement of the SCO in terms of security cooperation is the arrangement of joint military exercises in various member states, which have been conducted in bilateral or multilateral formats since 2002. In August 2014, the SCO Peace Mission 2014 brought together around 7,000 troops to arrange anti-terror exercises on Chinese territory in the Mongolia province. These exercises were primarily arranged as a tool of deterrence because the Charter of the SCO does not provide for collective intervention in another member state's territory (Wang Xu, 2014).

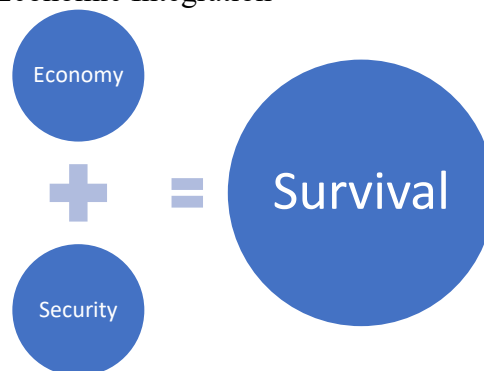
The "Peace Mission 2021", an intergovernmental military exercise focused on counter-terrorism, was officially inaugurated in Orenburg, Russia, on Monday under the auspices of the SCO (Bin, 2022). It represented the collective commitment of SCO member states, including China, Russia, Kazakhstan, Tajikistan, Kyrgyzstan, India, Pakistan, and Uzbekistan; the exercise involved approximately 4,000 military personnel. Notably, China contributes a contingent of 558 troops to the multinational undertaking.

## ii. Economic Integration

China's involvement in the SCO is closely tied to its regional economic interests. As the world's second-largest economy, China seeks to promote its ambitious Belt and Road Initiative (BRI) through the SCO framework. The SCO enables China to enhance trade and connectivity with Central Asian states, thereby facilitating greater regional economic integration.

Economy, following security, is among the most important foreign policy objectives that China has adopted. Economy and security are considered crucial for its survival in the international system.

Figure 2: Economic Integration



*(Made by the Authors)*

The Chinese economy is largely dependent on energy imports and raw materials, which are abundant in Central Asia. The SCO forum has enabled China to foster its strategic relationships with Central Asian nations through bilateral and multilateral channels. China aims to connect Xinjiang to its peripheral economic giants through large-scale projects, aiming to boost the province's economic development and energy resources. China has strengthened its ties with Central Asian states and signed significant agreements with these states under the framework of the SCO. China has also developed a mixture of trade, investment, and loans as a trade partnership in Central Asia. It has achieved

significant bilateral trade gains among SCO members and China, increasing from US\$12.1 billion in 2001 to US\$130 billion in 2013. This Central Asian trade accounts for only a marginal portion of China's comprehensive trade (Grieger, 2015).

Through the platform of the SCO, China has successfully achieved its two major goals; firstly, through cooperation and mutual

dialogue, China has successfully secured its border of Xinjiang sector from the Muslim fundamentalists and gained Central Asian support in crushing the Uighurs' revolt. Secondly, by promoting cooperation, China has successfully maintained its economic relations with the Central Asian states and the USSR. Through this, China maintained its economic prosperity and contributed to the economic growth of other member states.

### **iii. Political Interests**

The disintegration of the Soviet Union in 1991 reshaped the geopolitical landscape of Central Asia. China seized this opportunity and utilized the SCO platform to transform its economic and political interests into a geopolitical space, competing with countries like Russia, Europe, and the USA in the 'New Great Game.' China's interest is to build a stable peripheral territory in the region through soft power based on mutual economic and security interests.

China and Russia emerged as the major powers in Central Asia following the US withdrawal from Afghanistan. SCO became a forum to maintain a balance of power between the two traditional rivals of Central Asia. This balance resulted in mutual support for political assistance at the global level, as seen in the United Nations. China refrains from criticizing Russia, such as regarding the annexation of Crimea, and Russia abstains from discussing China's growing assertiveness in the South and East China Sea, while supporting it against US containment.

China has provided an alternative to Russia for Central Asian states through its regional forum. It has successfully dominated Russia and has notably expanded its investment and trade in Central Asian states, while developing strategic and diplomatic footholds, allowing it to decrease Western influence in the region. China has significantly achieved its regional security interests, but does not want to enter any competition or rivalry with Russia. China and Russia have complementary interests in energy matters, as Russia's economy is largely dependent on energy exports, while China relies on external energy resources and supplies. One of the best examples of this complementarity is the recent Sino-Russian gas deal, projected to be worth US\$400 billion (Anishchuk, 2014).

### **China's Achievements in the SCO:**

As a regional organization, the SCO has developed gradually over the past few years. It has developed significantly from six to nineteen members, including observer states and dialogue partners. The SCO's most significant achievement is that it has mitigated emerging tensions between member states and fostered a self-sustaining mechanism for cooperation in both the political and economic spheres. China is associated with its members through different means of cooperation. For example, Russia and China have a strategic partnership. Kazakhstan and China also have a strategic partnership. Uzbekistan and China have a cooperative and friendly partnership. Most recently, tensions between Iran and Saudi Arabia have cooled down over the SCO forum. Moreover, the SCO influences the policies of its member states, neighboring countries, and other regional and international organizations through its collaborative approach.

The concept of China's New Diplomacy is realized in the development of regional cooperation (Medeiros & Fravel, 2003). Under the New Security Concept, China and the SCO member states have resolved traditional border disputes, cooperated on anti-terrorism policies, and fostered mutual trust and confidence. It has promoted cooperation in energy and trade under the New Development Approach, and has fostered culture and social institutions in line with the concept of a Harmonious World and a New Civilization. China has made significant progress by

resolving border disputes and fostering economic and cultural cooperation. Moreover, with the development of the SCO, China has shifted its position from an international challenger to a more responsible world power, establishing bilateral and multilateral relations with other states and transforming its communist nation into an effective, economically and culturally enriched country (Abbasi & Liaqat, 2024).

### **Challenges for China and Member States within the SCO:**

Several problems impede regional cooperation among its member states within the framework of the Shanghai Cooperation Organization. Some of them are explained below:

#### **National interest over regional cooperation:**

The SCO members lack a common set of targets in the region. The diverse and wide-ranging agendas of the organization weaken its potential for success. The member states have their agendas to meet based on their national interest. China seeks a potential market for its products, a growing economy, and energy resources to sustain and expand, while Russia wants to regain its status as a regional power within the CIS and on the international forum. The Central Asian states seek China's support for their survival, while India and Pakistan look towards the West, demonstrating that they are following their own course. The newly upgraded permanent status of Iran poses a stance of anti-Americanism. This mixture of divergent aspirations signifies that not all member states of the SCO share many common interests (Hasnat & Awan, 2016).

#### **Cooperation versus Divergence**

The annual summits of the SCO mark its expansion through cooperation. The deliberation of agencies and ministers shows strategic partnerships between the states. It is also observed that not every decision is made at these summits, but rather is taken up in other forums. For example, the Bishkek Summit in 2007 demonstrated a mutual agreement on the foundation of an 'Energy Club' in the region, which the Moscow administration announced on August 1 in the capital city of China. It is a good example of SCO cooperation as a growing regional organization, which emphasizes a more developed infrastructure than the respective Heads of State can pursue in their annually held meetings (Afzal-ur-Rahman, 2008).

#### **Conflicting Stances**

The possible areas of difference in objectives are not limited to the traditional Sino-Soviet relationships, but are also present in other areas within the SCO. The relationship between China and Kazakhstan appears strained due to conflicting issues related to the 2007 Peace Mission. Despite having permanent membership and exercising the SCO, the Kazakh government severely failed due to its reluctance to pass legislation allowing foreign troops to cross its borders. The most suitable route for troops in central Russia to cross from Xinjiang to Chelyabinsk is through Kazakhstan. When it was not allowed to enter its territory, the PLA troops were forced to choose an alternative route to Russian training fields, which was more than 10,000 km (Military and Security Developments Involving the People's Republic of China, 2024). However, after failing to repel Chinese troops from its territory, Kazakhstan made several agreements with China, including cooperation in the energy sector, to lower the tension between the countries. It decided to maintain better trade relations with the West, which was totally against Russia's interests in the region.

Another problem lies between Kazakhstan and Uzbekistan, which have rivalries in the region. Moreover, relationships between India and Pakistan have been antagonistic for a very long period. Due to these opposing interests among member states, cooperation under the SCO's umbrella might again transform into an arms confrontation. The consequences of this conflict could be dangerous and counter to the central idea of unity within the SCO. Furthermore, if Iran supports radical Islamist groups within these countries, then the national security of one or more states would be challenged.

Recently, several issues have also exacerbated tensions between China and India. One significant challenge is the Doklam standoff in 2017, where both countries faced off over a

disputed border area near Bhutan(Saran & Dong, 2017). This confrontation highlighted the complexities of border demarcations and territorial claims, leading to military brinkmanship and heightened concerns about regional stability.

Another contentious issue is China's close alliance with Pakistan, India's arch-rival, particularly evident in the context of the China-Pakistan Economic Corridor (CPEC). The CPEC, a major component of China's Belt and Road Initiative (BRI), passes through Azad Kashmir, a territory that India has long claimed as its own. This development has further strained bilateral relations and heightened geopolitical rivalries.

Moreover, China's assertive territorial claims in the South China Sea affect India's strategic interests in the Indo-Pacific region. India has expressed concerns over China's expanding maritime influence, which affects the freedom of navigation and regional stability.

### Conclusion

In conclusion, the Shanghai Cooperation Organization (SCO) serves as a platform for Central Asian States, China, and Russia to peacefully resolve territorial disputes and collectively combat the "three evils": terrorism, separatism, and extremism. The Shanghai Cooperation Organization (SCO) operates across key domains, particularly on security, political development, and economic integration, which are considered pivotal components. Member states are committed to regional advancement, demonstrating a collective pledge to refrain from employing force against one another while actively considering mutual interests. Initially conceived as a confidence-building mechanism to address territorial disputes, the SCO underwent a notable transformation, particularly in its military and economic dimensions, following the events of September 11, 2001. In response to evolving geopolitical challenges, member states are increasingly focused on enhancing security cooperation to bolster the effectiveness of counterterrorism, counter-separatism, and counter-extremism efforts, thereby safeguarding shared interests.

As a multilateral institution, the Shanghai Cooperation Organization (SCO) offers a platform for member states to express their concerns on a range of issues. Conversely, China has emerged as one of the world's most influential and powerful nations, garnering global attention through its remarkable economic progress and political development. Notably, China's foreign policy is distinguished by a longstanding commitment to non-expansionist principles, reflecting a historical pattern of peaceful coexistence. Nonetheless, SCO plays a pivotal role in China's regional engagement, providing a unique platform for member states to interact politically and collaboratively in pursuit of common goals.

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