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[Table 2]

### **China, Central Asia and Regional Cooperation**

In this section I trace the development of the SCO and aim to provide qualitative evidence to support the main argument that the SCO is devised to deal with separatist movements that threaten the political survival of autocratic leaders of SCO members.

#### *Central Asia Joins the World*

Shanghai Cooperation Organization is an intergovernmental organization founded on June 15, 2001. Its members include China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan. Since 2000 years ago, people living in this region had been connected by the fabled Silk Road. External relations for these states, except China, were severed after they became part of Czarist Russia and then the Soviet Union.<sup>51</sup> Since the dissolution of the Union of Soviet Socialist Republics (USSR) in 1991, former Soviet republics have become new independent states. Prior to their independence, they were isolated, and any foreign contact was controlled by the USSR. Also, there were almost no direct communications or transport links with and between adjacent countries. As a consequence, these countries were without experienced diplomats and foreign policy experts when they sought to join the international community after gaining their independence. Without the USSR's shelter, they had to adapt themselves to survive in an anarchic world and secure their interests.<sup>52</sup> They expected to position themselves appropriately, identify friends and partners around the world, and have a voice in the international arena. For these newly independent authoritarian states, one of the primary goals was to secure domestic political power amidst uncertain and unstable internal and external environments. The

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<sup>51</sup> Chien-peng Chung, "The Shanghai Co-operation Organization: China's Changing Influence in Central Asia," *The China Quarterly*, Vol. 180, No. 1, 2004.

<sup>52</sup> Shirin Akiner, "Regional Cooperation in Central Asia," *Economic developments and reforms in cooperation partner countries, Colloquium/Colloque 2001, NATO*, Vol., No. 1, 2001.

policies that they carried out reflected this concern, and consolidated their authoritarian regimes.

In response to these challenges, these Central Asian countries first established diplomatic relations with United States, Europe, and Asian countries. They also sought to secure international recognition by joining international organizations. These five Central Asian countries were formally admitted as member states of the United Nations on March 2, 1992, and since then they have actively participated in many organizations affiliated with the UN. In addition, joining regional organizations was another one of their top policy goals. After breaking away from the USSR, countries that neighbored the Central Asian states, such as Afghanistan, India, Iran, and Pakistan, expected to engage and cooperate with Central Asia through regional organizations. Although the USSR had collapsed, Russia still wanted to exert influence on its former republics through multilateral cooperation in economic, defensive, and external affairs. As a result, the Commonwealth of Independent States (CIS) whose members included eleven former Soviet republics was established toward the end of 1991. Because they only possessed limited resources and governing capability after their independence, countries in Central Asia could not rely solely on themselves to survive in the world. The CIS thus served as a regional mechanism through which they could achieve cooperation. Under the framework of the CIS, several regional organizations such as the Eurasian Economic Community (EEC) and the Central Asian Economic Forum (CAFE) were established with the goal to create custom unions and integrate their respective governments into the global economic institutions.<sup>53</sup> In addition to these CIS-affiliated organizations, in 1992 Central Asian states joined the Tehran-based Economic Cooperation Organization (ECO), which aimed to facilitate economic and trading cooperation with Central Asia.<sup>54</sup> Through the ECO, Iran, Pakistan, and Turkey sought to deepen interaction with energy sectors in Central Asia and facilitate the trade of energy resources.<sup>55</sup> As these examples reveal, during the 1990s many regional organizations focusing on Central Asian affairs were established. On the one hand, the newly independent countries in this region strove to secure foreign relations with the outside world through IOs; on the other hand, many other countries coveted their potential strategic, economic, and energy resources. Although there were many regional organizations emerging then, none of them were effective. Against this backdrop, the Shanghai Cooperation

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<sup>53</sup> For example, the article 2 of the Agreement on Foundation of Eurasian Economic Community prescribes that “The purpose of formation of the EAEC is for the Contracting Parties to effectively promote the process of formation of the Customs Union and the Single Economic Space.”

<sup>54</sup> Paul Kubice, "Regionalism, Nationalism and Realpolitik in Central Asia," *Europe-Asia Studies*, Vol. 49, No. 1, 1997.

<sup>55</sup> Kaveh Afrasiabi, 'Economic Cooperation Organization Presses Energy Initiative,' *EurasiaNet*, Dec. 5, 2000.

Organization was created, and it has surprisingly become a prominent and functional organization that attracted the attention of other Asian countries such as India, Iran, and Pakistan.

### *Border Disputes and Separatism*

Before the emergence of the SCO, territorial disputes and threats from separatist movements troubled Central Asian states and the bilateral relationship between them and China. During the 1990s, the Chinese government was troubled by unclear border demarcations with its Central Asian neighbors. The unrest in Xinjiang also further aggravated the situation in the northwest frontier, raising the cost for Beijing to claim the region. Deng Xiaoping once said that “on a border this long ... if the issue of ethnic minorities is not resolved, then the matter of national defense cannot be settled.”<sup>56</sup> The Chinese government believed that if it could acquire assistance from adjacent countries, the separatist problem in its own provinces could be managed more effectively. Based on the unsolved border disputes at the time, however, deeper cooperation with Central Asia was still unlikely.

The goal of the East Turkestan Independence Movement, which formed in Xinjiang, was to wrest the region away from Chinese control. They had been accused by China of launching several armed attacks against the government, military facilities, and innocent civilians.<sup>57</sup> They allegedly received resources and supports from Islamic extremist groups in Central Asia and Taliban under Afghanistan’s protection,<sup>58</sup> while other Central Asian states were facing threats from this Uyghur separatist movement. These Uyghur communities have been cooperating with each other, aspiring to establish an independent state called “Turkestan.”<sup>59</sup> Aside from the East Turkestan Independence Movement, several other Islamic extremist groups in Central Asia, such as Islamic Movement of Uzbekistan (IMU) in Ferghana Valley and the Hizb-ut-Tahrir that harbor the vision of establishing an Islamic Caliphate in Central Asia, have also been accused of colluding with the Taliban (Rashid, 2002).<sup>60</sup> They collaborated with each other on several terrorist attacks inside Central Asia and

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<sup>56</sup> Xiaoping Deng, *Deng Xiaoping Wenxuan ('Deng Xiaoping's Selected Works')* (Beijing: Remin Chubanshe, 1994).

<sup>57</sup> 'Beijing's claims of Xinjiang violence rejected by critics,' *Taipei Times*, Sep 07, 2005, 2005.

<sup>58</sup> Marika Vicziany, 'Islamic Terrorism in Xinjiang,' in Marika Vicziany, David P. Wright-Neville and Peter Lentini eds. *Regional security in the Asia Pacific : 9/11 and after* (Cheltenham, UK ; Northampton, MA: E. Elgar, 2004).

<sup>59</sup> Robert G. Sutter, *Chinese foreign relations : power and policy since the Cold War* (Lanham, MD: Rowman & Littlefield, 2008). p. 316-17.

<sup>60</sup> The Islamic extremism mentioned here includes Islamic Movement of Uzbekistan (IMU) in Ferghana Valley and Hizb-ut-Tahrir that harbor the vision of establishing an Islamic Caliphate in Central Asia. For more detail, see Ahmed Rashid, *Jihad : the rise of militant Islam in Central Asia* (New Haven: Yale University Press, 2002).

seriously undermined the authority of their governments. This common concern ultimately prompted China and the Central Asian countries to collaboratively crack down separatist movements. As a consequence, China was more willing to settle territorial disputes with Central Asian states, which in return would prevent the Uyghur movement from strengthening. After the collapse of the USSR, Beijing had the opportunity to assertively reclaim the territory of 34,000 square kilometers from Central Asian countries. However, to improve their relationship with Central Asia, China chose to make huge concessions in the territorial negotiation in return for acquiring assistance to crush regional separatist movements. Since the internal unrest was a major threat to the security of the communist regime, Beijing was forced to cooperate with adjacent countries to settle territorial disputes and separatist issues.<sup>61</sup>

When unrests in Xinjiang became a grave threat, Beijing, from the end of 1991 to 1995, started negotiating with Russia, Kazakhstan, Kyrgyzstan, and Tajikistan as a group to settle territorial disputes.<sup>62</sup> In April 26, 1996, a summit with the heads of these five countries was held in Shanghai. During the summit they signed “The Agreement on Deepening Military Trust in Border Regions,” which announced that they would put behind boundary disputes involving China, and turn to other issues of mutual interest and concern.<sup>63</sup> One year later, they further signed “The Treaty on Reduction of Military Forces in Border Regions” in Moscow. This multilateral negotiating framework, agreed upon by the five states, was subsequently called the “Shanghai Five.” Under the agreement, from 1994 to 1999, armies that had been stationed along the disputed borders were to be gradually withdrawn. China also made huge concessions during the negotiation. Beijing only reclaimed 22 percent of the disputed lands from Kazakhstan and 32 percent from Tajikistan.<sup>64</sup> But China consequently received promises from other members to crack down on Uyghur separatists in their own countries.<sup>65</sup> This showed that the basis of the multilateralism between China and Central Asia was to make concession on territorial disputes in exchange for collectively solving the problem of separatism.

### *Creation of the Shanghai Cooperation Organization*

After the territorial issues were addressed in the Shanghai Five framework, the

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<sup>61</sup> M. Taylor Fravel, "Regime Insecurity and International Cooperation," *International Security*, Vol. 30, No. 1, 2005.

<sup>62</sup> Ibid. p.78.

<sup>63</sup> Chien-peng Chung, 'The Shanghai Co-operation Organization: China's Changing Influence in Central Asia.' p.900.

<sup>64</sup> M. Taylor Fravel, 'Regime Insecurity and International Cooperation.' p.80.

<sup>65</sup> Jean-Christophe Peuch, 'Central Asia: Uighurs Say States Yield To Chinese Pressure,' *Radio Free Europe*(2001), <http://www.rferl.org/features/2001/03/29032001104726.asp>.

countries involved started building the mutual trust needed to broaden the scope of multilateralism. After the admission of Uzbekistan as the sixth member on June 15, 2001, the Shanghai Five evolved into the “Shanghai Cooperation Organization” (SCO). During the conference, all of the six members signed the “Declaration on Establishment of Shanghai Cooperation Organization” and “The Shanghai Convention on Fighting Terrorism, Separatism and Extremism.” Article 6 stipulated that all members shall cooperate and assist each other through various ways, such as the exchange of information and experience and the training of military forces. The content of this declaration showed that their goals were not limited to cooperation in fighting terrorism, separatism, and extremism, but they also anticipated to broaden the scope of regional cooperation to include political, economic, cultural, scientific, and technological issues. Many of the summits that followed focused on combating problems of extremism, crime, and the trafficking of illegal narcotics. For example, on June 17, 2004, the heads of six states signed and adopted “Agreement among the member states of the Shanghai Cooperation Organisation on combating the trafficking of illegal narcotics and psychotropic substances” and “Convention on privileges and immunities of the Shanghai Cooperation Organisation.”

On the eve of the Summit of Heads of State of 2004, the “SCO Regional antiterrorist structure” (RATS) was established in Tashkent. In addition to SCO Secretariat, RATS was one of the two permanent functioning bodies in action under the SCO framework. Its coordination function can strengthen mutual beliefs among members regarding their resolve to tackle separatist or terrorist movements. This might reflect that the core objective so far does not divert from the main tasks of Shanghai Five. The Tashkent Declaration of Heads of Member States of Shanghai Cooperation Organization stated that “SCO member states will strengthen cooperation in security field, with the purpose of increasing efficiency of countering against terrorism, separatism and extremism and protecting their common interests. The Heads of States make note of the expediency of carrying out of joint antiterrorist exercises with the participation of law enforcement bodies and special services aimed at strengthening coordination in struggle against these threats.” Aside from signing security agreements, under the SCO framework, joint military drills in combating regional extremism had been regularly conducted since 2002. For example, in 2002, China and Kyrgyzstan jointly conducted an anti-terrorism drill on their border. In 2003, China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan jointly conducted an anti-terrorism drill. In 2005, China and Russia jointly conducted a military drill for the first time under the SCO framework. In 2006, China and Tajikistan jointly conducted anti-terrorism drills.

As the repeated game-theoretic model would predict, Russia, China, and the

Central Asian states need a regional institution to deal with the stag, which in our study is represented by extremism, separatism, and terrorism; each of them could not achieve this alone. If they did not act as soon as possible, the discounted factor would cost governments more for the problem, which means that the later they start cooperation, the higher the cost and the lower the payoff.

The shadow of the future, in this regard, can effectively encourage them to build up cooperation framework, which in the beginning was the Shanghai Five and later the Shanghai Cooperation Organization. With the basic cooperation principles set by the Shanghai Five, the countries involved went further to deepen their cooperation in repressing domestic unrests through the sharing of information, experience, and law enforcement bodies. Though the SCO is expected to expand its current scope, the initial goal of the members was to eliminate the immediate threats against their regimes. In our model, an authoritarian regime whose legitimacy is precarious cares more about surviving rather than providing public goods; therefore, the SCO's survival and expansion may result from its effectiveness in helping its authoritarian members to survive domestic challenges. The goal of other regional organizations, such as CAFE, EEC, or ECO, however, were seen as less attractive to these authoritarian states because they aimed at facilitating economic or trade issues, objectives which did not have much priority. Such explanation might shed light on why the SCO is more successful than other regional organizations in Central Asia.

## **CONCLUSION AND IMPLICATIONS**

In this paper, I tested the validity of several IR theories that seek to explain China's active stance in boosting its relationship with Central Asian countries through the establishment of the Shanghai Cooperation Organization. The result shows that domestic unrest indeed constituted a threat that forced Beijing to seek security cooperation with its neighbors. Such finding further corroborates with China specialists' argument that domestic unrests constitute a great challenge to Beijing. Although China is an authoritarian country, it cannot act at will as its leadership is bound by internal politics. Domestic factors have certainly played important roles in shaping Beijing's foreign policy. Aside from separatism, other problems that affect China's external behavior are the power struggle within the party, nationalism, and rural protests. Currently there is much literature that advances these hypotheses, but they fall short of theoretical foundation and valid empirical evidence. Further research should put more emphasis on the relationship between China's domestic factors and its foreign policies and run tests with falsifiable data. In this way we can make better contributions by testing existing arguments. Aside from domestic factors, I also find

that constructivist, and issue linkage arguments, can account for China's Central Asian policy. Such finding implies that authoritarian norms might have started to gain more importance around the globe. With several other autocratic countries currently participating in the SCO as observers, such phenomenon might further develop and acquire the capabilities to counter Western norms in other international organizations. China's oil diplomacy in Central Asia also works well, which is beneficial to the Chinese economy but might trigger more serious competition among emerging countries in securing energy from the Caspian Sea. A new Great Game becomes more likely.

This research also offers some policy implication for countries that seek a stake in Central Asia. Since countering extremism, separatism, and terrorism are matters of great concern to SCO members, those who encourage these movements may not find any support. When Russia tried to legitimize the secession movements in Abkhaz and South Ossetia of Georgia by seeking recognition from the SCO in 2008, all of the other members refused to endorse Moscow's action.<sup>66</sup> Russia's bilateral relations with Central Asian states are an issue of interest. Since there are reasons for former Soviet republics to worry about Russian-sponsored secession on their soil, provoking these issues may further alienate Central Asia from Moscow's influence. In addition, Washington may continue to seek security cooperation with Central Asian countries since the SCO does not seem to create significant obstacles to U.S. military deployment in the region. Because domestic energy insecurity also constitutes a problem for the United States and European Union, they may continue to expand their influence in Central Asia without triggering China's realist nerve.

It remains skeptical that the SCO will become a NATO in the East. Once the separatist problems are successfully managed, the legitimacy and function of the SCO may disappear. If security issues disappear in the future, cooperation in exchanging energy resources may become a critical pillar to sustaining the SCO. According to the findings in this paper, China's energy issue seems to have relaxed a bit after the creation of the SCO. To China, the major player in the SCO, energy cooperation with Central Asia is more important than trade. In this respect, countries that seek natural resources in this region through seeking membership in the SCO might face opposition from Beijing. Because the quantity of resources is fixed and finite, fewer competitors in the SCO will best serve China's interests. In this regard, the SCO is not likely to accept more members, since no country can be accepted if there is even one dissenting party. China may be inclined to oppose the enlargement of the SCO.

For academic purposes, this research examines how authoritarian institutions

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<sup>66</sup> Mark N. Katz, 'Russia and the Shanghai Cooperation Organization: Moscow's Lonely Road from Bishkek to Dushnbe,' *Eurasian Insight*, Sept. 3, 2008

trigger cooperative behaviors. Such institutions exert a greater influence on authoritarian leaders than expected since seeking domestic survival should be the most important task for the regime. This reveals that the linkage between comparative political theories of authoritarian regimes and international relations theories are a promising path for scholars to explore further. Different types of authoritarian regimes have different domestic institutions and might therefore behave differently. Consequently further investigation of different institutional features among military juntas, one-party states, personalistic regimes, monarchies, and theocracies should be conducted to study their relationship with foreign policies. An open mind is also needed while assessing authoritarian leaders' behaviors. Sometimes they enact a policy not at their own discretion, as argued by people with dichotomous judgment toward democracy and non-democracy, but from their rational calculation of interests that weighs the repercussions caused by the domestic politics. An authoritarian regime is not destined to be intransigent. From this research we can see that under certain circumstances, autocrats compromise.

## APPENDIX

The sum of payoff for player A under a scenario of continuous cooperation equals

$$\alpha + \alpha\delta + \alpha\delta^2 + \alpha\delta^3 + \dots + \alpha\delta^n$$

$$\text{Let } K = \alpha + \alpha\delta + \alpha\delta^2 + \alpha\delta^3 + \dots + \alpha\delta^n$$

$$\frac{K}{\delta} = \frac{\alpha}{\delta} + \frac{\alpha\delta}{\delta} + \frac{\alpha\delta^2}{\delta} + \frac{\alpha\delta^3}{\delta} + \dots + \frac{\alpha\delta^n}{\delta} = \frac{\alpha}{\delta} + \alpha + \alpha\delta + \dots + \alpha\delta^{n-1}$$

$$\frac{K}{\delta} - K = \frac{\alpha}{\delta} - \alpha\delta^n \rightarrow K - \delta K = \alpha - \alpha\delta^{n+1}$$

Give the discounted factor  $\delta$ , where  $0 < \delta < 1$ ,  $\alpha\delta^{n+1} \cong 0$

$$K - K\delta = \alpha - 0 \rightarrow K(1 - \delta) = \alpha \rightarrow K = \frac{\alpha}{1 - \delta}$$

The sum of payoff for player A under a scenario of grim trigger equals

$$\beta + \beta\delta + \beta\delta^2 + \beta\delta^3 + \dots + \beta\delta^n$$

Using the same method, we can find the sum of payoff equals  $\frac{\beta}{1 - \delta}$

The sum of payoff for player A under a scenario of tit for tat equals

$$\beta + \beta\delta^2 + \beta\delta^4 + \beta\delta^6 + \dots + \beta\delta^n$$

$$\text{Let } K = \beta + \beta\delta^2 + \beta\delta^4 + \dots + \beta\delta^n$$

$$\frac{K}{\delta^2} = \frac{\beta}{\delta^2} + \beta + \beta\delta^2 + \dots + \beta\delta^{n-2}$$

$$\frac{K}{\delta^2} - K = \frac{\beta}{\delta^2} - \beta\delta^n \rightarrow K - K\delta^2 = \beta - \beta\delta^{n+2}$$

Give  $0 < \delta < 1$ ,  $\beta\delta^{n+2} \cong 0$

$$K - K\delta^2 = \beta - 0 \rightarrow K(1 - \delta^2) = \beta \rightarrow K = \frac{\beta}{1 - \delta^2}$$

Table 1. A Repeated Stag Hunt Game

	<i>Cooperation</i>	<i>Grim Trigger</i>	<i>Tit for Tat</i>
<i>A's strategy</i>	C, C, C, C	D, D, D, D	D, C, D, C
<i>B's strategy</i>	C, C, C, C	C, D, D, D	C, D, C, D
<i>A's Payoff*</i>	$\frac{\alpha}{1 - \delta}$	$\frac{\beta}{1 - \delta}$	$\frac{\beta}{1 - \delta^2}$

\* See Appendix for the calculation of A's payoff

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Table 2. ANOVA Test Results

<i>SEPARATISM</i>	N	Mean1	Mean2	Levene	F Test	B-F Test
CHN-KAZ	15	7.67	2.17	.524	40.642*	46.144*
CHN-KYZ	15	9.00	4.00	.864	18.281*	18.987*
CHN-RUS	15	19.78	15.83	.425	3.188	4.042
CHN-TAJ	15	6.89	1.67	.341	26.467*	32.038*
CHN-UZB	15	6.00	2.00	.308	28.800*	26.916*
<i>USTROOP</i>						
CHN-KAZ	18	6.90	8.00	4.292	.424	.485
CHN-KYZ	18	2.80	8.88	.442	5.141*	4.493*
CHN-RUS	18	71.90	65.63	.129	.694	.723
CHN-TAJ	18	.40	2.63	71.614*	4.279	7.262
CHN-UZB	18	1.10	3.88	7.654*	9.161*	7.855*
<i>TRADE (log)</i>						
CHN-KAZ	18	-2.764	-2.353	4.726*	29.649*	26.745*
CHN-KYZ	18	-3.628	-3.569	1.279	.158	.136
CHN-RUS	18	-1.715	-1.743	2.440	.258	.299
CHN-TAJ	18	-4.518	-4.038	3.624	13.693*	12.213*
CHN-UZB	18	-3.524	-3.284	2.789	3.986	4.457
<i>UNVOTE</i>						
CHN-KAZ	18	.615	.805	5.830*	40.850*	48.107*
CHN-KYZ	18	.639	.837	8.561*	20.927*	24.314*
CHN-RUS	18	.506	.756	14.075*	15.649*	19.508*
CHN-TAJ	18	.651	.849	4.289	11.323*	13.421*
CHN-UZB	18	.317	.765	.841	20.302*	21.980*
<i>OIL</i>						
CHN-KAZ	15	417.26	4,277.1	11.025*	3.963	11.278*
CHN-RUS	19	386.91	114,54	13.072*	28.83*	40.085*

\* Statistical significance is smaller than .05

Note: Column "N" is the sample size of each ANOVA test; column "Mean1" and "Mean2" are the average value before and after 2001; column "Levene", "F Test" and "B-F Test" respectively report the Levene, F and Brown–Forsythe statistics

Figure 1. A one-round Stag Hunt Game

		<i>Player B</i>	
		Cooperate (Stag)	Defect (Hare)
<i>Player A</i>	Cooperate (Stag)	$(\alpha, \alpha)$ ← $(0, \beta)$	$(0, \beta)$
	Defect (Hare)	$(0, \beta)$	$(\beta, \beta)$

\*  $\alpha > \beta$

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