

## **Facelift of the Shanghai Cooperation Organization: Does Softer Balancing Continue?**

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For the past 15 years, the Shanghai Cooperation Organization (SCO) has preserved its non-Western (and sometimes anti-Western) identity and its policy toward the West has been based on a “soft-balancing” strategy. This paper aims to examine the SCO’s identity positioning and understand the implications of its strategy and policy toward the West in terms of three recent global events relating to the SCO. India’s membership effect will be able to soften the SCO’s image of the club of authoritarian states or an anti-Western group as well as to make less-assertive its non-Western identity. China’s economic power projection aiming at the “peaceful rise” is inclined to make the SCO’s identity less anti-Western. Russia’s policy of expanding partners and widening cooperation in greater Eurasia is also likely to weaken not only the rhetoric, but also the substance of the anti-Western narrative. The SCO’s shift of identity positioning, in general, from the non-Western to a less assertive non-Western is likely to soften the SCO’s soft balancing against the West, and the anticipated range and effect of the softer balancing could be greater due to the widened platform and the improved image.

**Keywords:** Shanghai Cooperation Organization, soft balancing, non-Western identity, club of authoritarian states, Ufa summit, Tashkent summit, India and Pakistan

### **Introduction**

Recent global events—including the decision of the Shanghai Cooperation Organization (SCO) to grant membership status to India and Pakistan at the SCO Summit in Ufa (Bashkortostan, Russia) on July 10, 2015; the adoption of a memorandum on admitting India and Pakistan as full members at the Tashkent Summit on June 24, 2016;

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China's assertive projections for economic power; and Russia's strategic responses to challenges since the Ukraine crisis—have drawn attention in terms of the future course of development of the SCO. Indeed, these events are significant factors that are likely to have lasting effects on the identity and policy preferences of the SCO. Seemingly, these events are indicative of geopolitical rivalry and conflict. In fact, they involve a confrontation between conflictive identities representing respective liberal-democratic values (and political systems) and authoritarian values (and political systems).

Against a backdrop of rivalrous globalizing tendencies between these conflicting identities,<sup>1</sup> identity positioning and the role of the SCO are increasingly significant aspects of multilateral cooperation in Eurasia.<sup>2</sup> Within the global architecture of rivalry between conflicting identities, the question of how the SCO will position its identity and, on that basis, what strategy the SCO will seek toward the West stands to have a profound impact on the reconfiguration of global power relations, as well as on processes of revision and the formation of international norms.

The reasons for the centrality of the SCO can be understood as follows: First, the portion of the global economy controlled by the West has been decreasing, while the portion of the global economy controlled by non-Western countries such as China and India is continuously increasing.<sup>3</sup> Second, the SCO is the only non-Western regional cooperation organization that involves three regional key players in greater Eurasia. Third, the members of the SCO have raised questions about the liberalist world order, the legitimacy of international norms underpinning that order, and the ability of the liberalist world order to provide public goods.

Thus, on the basis of a non-Western identity, the members of the SCO have sought an ideational and institutional alternative. The components of the Western identity vis-à-vis the non-Western identity represented by the SCO can be summarized as follows: liberal democratic values versus authoritarian ones; a development model of a liberal market economy versus the state-led management of economy (or “state-directed capitalism”<sup>4</sup>); the post-Westphalian principles versus the Westphalian principles; and a security preference for alliance/association with NATO or the United States versus a preference for non-NATO cooperative security with a multipolar view of the world.<sup>5</sup>

For the past 15 years, the SCO, in terms of its identity, has preserved a non-Western (and sometimes anti-Western) identity, and its policy toward the West has been based on a “soft balancing strategy.” What would be the impact of the above-described factors on this non-Western identity and soft balancing strategy of the SCO? This paper aims to examine the identity positioning of the SCO, and to discern the implications of its strategy and policies toward the West.

## **Non-Western Identity and Soft Balancing**

Various interpretations have been presented on the objectives and role of the SCO. The existing interpretations on the motivations of the SCO are closely related to the organization's identity positioning and policies toward the West in global politics,

and can be categorized according to the following three viewpoints: First, the SCO is opposed to humanitarian intervention and regime change, advocating non-intervention regarding the sovereignty and internal affairs of other countries<sup>6</sup> and aiming to check the expansion of the influence of the West—in particular, the United States—in Eurasia, and to counter U.S. hegemony.<sup>7</sup> Second, in line with the official view of the member states, the SCO aims to deal with non-traditional threats facing the member countries, including “the three evils” (i.e., ethnic separatism, terrorism, and religious extremism), drug and arms trafficking, transnational organized crimes, and illegal migration. Accordingly, the main military thrust of the SCO is not to establish an anti-Western bloc.<sup>8</sup> Moreover, the geopolitical narratives of the SCO are not exclusively opposed to the geopolitical motivations of the West, and instead, the organization is at times cooperative with Western states when the SCO shares interests with the West.<sup>9</sup> Third, from an eclectic viewpoint, these interpretations “need not be mutually exclusive,”<sup>10</sup> because they have their own explanatory power. Due to the different national interests and motivations of the member countries, the SCO itself has multifaceted motivations and objectives.<sup>11</sup>

The position of this paper is in line with the third interpretation. That is, the SCO has in fact dealt with non-traditional security threats with substantial outcomes, and as a “club of authoritarian states,”<sup>12</sup> it seeks regime stability for its member countries and plays a role in curbing the penetration of U.S. influence in Eurasia. Furthermore, the SCO has positioned itself as a guarantor of the basic norms of the modern (Westphalian) nation-state system,<sup>13</sup> thereby defining itself as an opponent to West-led postmodern (post-Westphalian) international norms such as the “responsibility of protection” and “humanitarian intervention.”

This non-Western approach to basic interstate norms has been clearly expressed in a number of official documents of the SCO. The Preamble to the Charter of the SCO adopted in 2002 underlines “respect for cultural variety” and Article 2 (Principles) stipulates “mutual respect of sovereignty, independence, territorial integrity of States and inviolability of State borders, non-aggression, non-interference in internal affairs.”<sup>14</sup> “Declaration on the Establishment of the SCO”<sup>15</sup> and “Declaration on the Fifth Anniversary of the SCO”<sup>16</sup> imply that the identity of the SCO is based on the different civilization and culture, values, socio-political system, and development model from those of the West and demand that the identity of the SCO be recognized and respected equally as that of the West. Such a different perception of the Self or self-identity from the Other (the West) is well formulated by the tenet of the “Shanghai Spirit,” which, according to the former secretary-general of the SCO Zhang Deguang, represents shared components of the SCO’s identity by the member countries: “a common concept of security, a civilization formula, a concept of development and a system of values.”<sup>17</sup>

From the viewpoint of the SCO, the Western norms allowing interference in internal affairs of sovereign states such as the responsibility of protection and humanitarian intervention are merely one set among the sets of conflicting norms, and have been often used as the pretext of regime change. Therefore, the norms relating to post-Westphalian principles advocated by the West should not be applied to the other regions. Differences in identities, in any case, could not become a pretext for interference in internal affairs

of sovereign states.<sup>18</sup> In this vein, the SCO's non-Western identity has been clearly demonstrated in emphasizing "the importance of the diversity of identity and values in the international system and the right to protect this regional identity and its prevailing norms and practices from"<sup>19</sup> the West seen "if not as an antagonistic Other, then as a very different Other, with little similarity to the SCO in-group."<sup>20</sup> Consequently, in terms of world politics, the SCO might be "the institutionalization of the opposition of Moscow and Beijing to the American-dominated, unipolar international order."<sup>21</sup>

It was in the Kosovo War that China and Russia faced a clash between the different identities in international conflict. NATO's bombing of Serbia in 1999 due to ethnic cleansing of Kosovar Albanians by Serbian security forces and the Yugoslav Army, which gained no approval of the UN Security Council, was a typical case of a clash between the two opposed norms with regard to the "non-interference" principle in the post-Cold War world. China and Russia regarded the use of armed forces against sovereign state on the basis of responsibility of protection and humanitarian intervention as a critical security threat, and have consistently stood against the attempts of legitimation by the West. The SCO's self-perceived non-Western identity has been more legitimized and reinforced through the events following the bombing of Serbia leading to the independence of Kosovo in 2008, the United States' invasion of Iraq in 2003, the "color revolutions," and the Arab Spring.

Drawing on these non-Western-identity features, the leading members of the SCO—China and Russia—have approached the United States (the only superpower at this stage) within the framework of a strategic partnership based mainly on the concept of "soft balancing" rather than on "hard balancing."<sup>22</sup> Traditionally, the strategy of "hard balancing" draws on measures "such as military buildups, war-fighting alliances, and transfers of military technology to U.S. opponents."<sup>23</sup> In contrast to this concept, "soft balancing" refers to "limited, tacit, or indirect balancing strategies largely through coalition building and diplomatic bargaining within international institutions, short of formal bilateral and multilateral military alliances."<sup>24</sup> The "strategic (cooperative) partnership" between China and Russia, which was officially proposed by President Yeltsin when he visited Beijing in 1996 and has since then developed, is neither "a formal defense treaty" nor a "security alliance." Instead, this term (i.e., strategic cooperative partnership) "falls under the alignment concept and could be considered soft balancing."<sup>25</sup> A typical example of soft balancing in the context of the SCO was the request for a "final timeline" for the withdrawal of U.S. forces stationed in Central Asia in the Declaration of Heads of Member States of the SCO on July 5, 2005.<sup>26</sup> Consequently, the U.S. forces stationed at the Karshi-Khanabad air base in Uzbekistan had no choice but to follow through with the eviction in November 2005.

### **The Striving of India and Pakistan for Strategic Autonomy**

Analysis of the reasons behind India and Pakistan's efforts to attain SCO membership will suggest part of the effects of the expansion of member states on the identity of the

SCO. The main motivations of India to attain membership (India will become a full member of the SCO more than 10 years after it received observer status in 2005) are that India seeks a system of joint response to non-traditional security threats, as well as seeks to increase connectivity with greater Eurasia and to reinforce strategic autonomy in the context of world politics.

First, India wants to participate in the joint response system—including the Regional Anti-Terrorist Structure (RATS) based in Tashkent—to non-traditional security threats, against which the SCO has produced some positive results so far. In the regional context of Eurasia, the SCO is advantaged in that it would provide India with a forum to concurrently communicate and cooperate with China and Pakistan, as well as with Russia and Central Asian states.<sup>27</sup> Since the end of the Cold War, India has suffered many large-scale terror attacks, starting with the Bombay bombings of March 1993, which killed 350 people. Because these terror attacks are connected to international terror groups in the context of religious extremism and territorial disputes, membership of the SCO for India would provide India with advantages of being able to share the consequences of terror experiences and to share information among SCO member states that jointly respond to international terror groups in Afghanistan and Pakistan.

Second, India wants to sustain its rapid economic growth by way of access to energy resources in Central Asia, development of new regional markets, and active participation in infrastructure construction projects in greater Eurasia (a set of motivations that is similar to India's objectives in pursuing its "Connect Central Asia" policy). Compensation for Delhi's efforts to garner energy security would be membership of the SCO energy club with support from Russia. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline proposed by India for the importation of natural gas from Central Asia had its groundbreaking ceremony in December 2015, ten years after the drafting of the initial plans. This project, covering a total of 1,735 kilometers, is set for completion by the end of 2018, with a construction cost of US\$10 billion. Once the TAPI project is completed, India will be supplied with up to 33 billion cubic meters of gas from Turkmenistan annually. In July 2015, just before the Ufa summit meeting, Indian Prime Minister Modi visited five Central Asian states in one trip, thereby setting a new milestone in Indian diplomatic history for Central Asian regions. The Connect Central Asia policy of Delhi stands to be expanded and converted into an official pivot to Eurasia, which centers on India becoming a full member of the SCO.<sup>28</sup>

However, there is an obstacle to India's revitalization of economic cooperation in the SCO. The main theme of the Raisina Dialogue conference in March 2016 in New Delhi was focused on fostering India's connection to Central Asia, and indeed, India continues to emphasize connectivity between the Asian states. Practically speaking, however, India takes no active position to cooperate with the One Belt One Road (OBOR) initiative. This is quite a striking contrast to the position of China, for example, which anticipates synergy effects through cooperation between India's "Act East" policy and the OBOR.<sup>29</sup> Nevertheless, the Green Energy Highway gas pipeline project proposed by India at the beginning of 2014, which would serve to connect gas producers including Iran, Central Asia, Bangladesh, and Myanmar with gas consumers (including India,

China, and Pakistan), is a project covering a total of 150,000 kilometers.<sup>30</sup> This is a huge project across Asia, the completion of which is impossible without the investment and cooperation of China. Thus, to truly accomplish sustainable growth, India is expected to gradually increase its cooperation with the OBOR project on the SCO stage.

The third reason why India seeks membership of the SCO is the final but most important reason. India aims to consolidate strategic autonomy predicated on the principles of “non-alignment” and “multi-track” diplomacy,<sup>31</sup> and to enhance its weight and prestige on the global stage by joining the greatest non-Western regional security organization in the world. The decision to allow India and Pakistan member status in the SCO took place amid the readjustment of the relationships between the three great powers (i.e., the United States, China, and Russia) and the two nations (i.e., India and Pakistan), and was a function of strategic interactions among the five major powers. India’s achievement of SCO membership is one important vector of its multi-track foreign policy, which has become particularly serious since Prime Minister Narendra Modi seized power in May 2014. Delhi has had strong aspirations to join the SCO because it believes that SCO membership would not damage, and instead would further reinforce, the strategic autonomy of India in its relationship with the major powers. Recently, India has scaled back its weight in its relationship with Russia, traditionally an ally of India. In spite of the fact that it has nearly attained full-member status in the SCO, New Delhi is strengthening its cooperative ties with the United States on a greater scale and at a higher speed. The reason behind India’s efforts to concurrently strengthen its relationship with the United States and to attain SCO membership is that the United States would serve as a reliable platform for India to counter China and Russia.

A shift in India’s perspective on the rearrangement of power relations among the great powers (i.e., the United States, China, and Russia) was demonstrated by India’s strategic cooperation with the United States. India’s rapprochement with the United States began with their agreement upon a framework for nuclear cooperation in July 2005.<sup>32</sup> Practically speaking, the framework for strategic cooperation between the United States and India was formulated with the “Joint Strategic Vision Statement for the Asia-Pacific and Indian Ocean Region,” which was announced by President Obama and Prime Minister Modi in 2015. The strengthened security/military cooperation between the United States and India includes wide-ranging defense deals, joint military operation, and India’s efforts to join the Nuclear Suppliers Group (NSG), among other initiatives. The Obama administration has strategically assessed that the support of India is essential to hold China in check, and the United States has requested support from India with regard to the South China Sea disputes in particular. During the recent visit to India of U.S. Defense Secretary Ashton Carter in April, with the United States keeping an eye on the military movement of China in the South China Sea, Delhi agreed to a joint military drill with the United States targeting China in the East China Sea.<sup>33</sup> In return, Washington promised to support the efforts of India to become a NSG member, despite objections from China and Pakistan.<sup>34</sup> In addition, military officials from both nations, with support from the U.S. Department of Defense, coordinated the production of F16 and F/A-18 fighter aircraft in India.<sup>35</sup> Currently (2013-2015), India still ranks first in

importing Russian weapons, but has attempted to decrease the percentage of Russian weaponry on which it relies. In contrast, the amount of the arms trade between India and the United States has been recorded at US\$9 billion, the highest in history.<sup>36</sup>

Of course, these policies on the part of Delhi toward the United States do not mean a change in the policy line toward Russia. It is unlikely that Delhi will hastily break the verified and stable relationship with Russia (a nation with which India shares some aspects of, if not all, foreign policy identity and interests in many fields) just to gain a new, still-suspicious ally in the United States. It seems that Delhi is trying to secure the United States as a new strategic partner by improving its estranged relationship with Washington, while at the same time maintaining its traditional friendly relationship with Russia. These efforts on the part of India reflect decreased trust in Russia which has been deepening the strategic partnership with China. Thus, in the eyes of India, Russia's reliability and capacity have decreased, whereas Delhi's perceived threat from the power projections of China in South Asia and the Indian Ocean is rapidly increasing. In response to this perceived security dilemma, India is trying to preempt China's likely predominance in the region, which has been regarded as its natural sphere of influence,<sup>37</sup> by strengthening its relationship with the United States. In other words, India is in desperate need of a foreign policy reorientation to complement Russia's decreased reliability and the relative weakening of its national power in order to hold rising China in check. Considering the current antagonism between the United States and Russia, however, India's strategy of straddling friendly relations with both powers is not likely to continue without some degree of friction.

Delhi's participation in the joint military drill in the East China Sea led by the United States and Japan in June 2016 was driven by the presumption that the Maritime Silk Road of China is a "string of pearls," intended to contain India, and thereby a perceived threat.<sup>38</sup> The joint military drill signifies that India is committed to playing a role in "a strategic containment" of China by the United States.<sup>39</sup> In this case, the desired outcomes of an SCO membership for India far exceed the effects of extra leverage with Central Asia. If India's close relationship with the United States is one side of a coin, then membership of the SCO is the flip side of the coin for India. In other words, India can use the SCO as a platform to curb the United States, insofar as the SCO stands for a multipolar world order.<sup>40</sup> At the same time, membership of the SCO for India would be a safety valve to prevent the possible side effects of a strengthened relationship with the United States (i.e., the loss of strategic autonomy caused by excessive bias to the United States). Considering the multi-track stance of Delhi in its relationships with the major powers, SCO membership for India stands to further reinforce the efficiency and trend of soft balancing, upon which this organization relies.

The first motivation of Islamabad to join the SCO is to strengthen the protective film of the regime by participating in the club of authoritarian states. The United States has long supported Pakistan's pro-American regime, and has long played the role of a guardian. Regardless, suspicion has been growing in Islamabad with regard to comments in which President Obama referred to Pakistan as a failed state and to the deepening strategic partnership between the United States and India. As its trust in Washington

decreases, Islamabad is trying to strengthen its relationship with China (its neighboring ally) as an alternative, as well as to revamp the estranged relationship with Russia as a complementary measure. It is the SCO that provides Islamabad with a regular and institutionalized meeting place with these two powers. In this way, Islamabad's efforts to attain SCO membership have occurred amid a shift in the long-time friendly relationship of Pakistan with the United States, dating back to Ayub Khan's military coup in 1958. This shift in the bilateral relationship is the reverse side of a mirror that reflects the strategic cooperation between the United States and India. Nevertheless, Washington is likely to maintain its stance in order to keep a reciprocal relationship between the two nations at the level of a pragmatic working relationship.<sup>41</sup>

Pakistan, in permanent opposition to India, is sufficiently motivated to readily become a partner of the SCO (which is led by China, a competitor of India). Islamabad is trying to mitigate its deteriorating relationship with the United States by improving its estranged relationship with Russia, another axis of the SCO. Pakistan has been the greatest importer of Chinese weapons for a long time, and recently concluded a contract with China for the construction of eight submarines. Also recently, however, Pakistan announced that it would import RD-93 engines for its JF-17 multipurpose fighters and Mi-35 armed helicopters directly from Russia, instead of China. Furthermore, Oleg Salyukov, Commander-in-Chief of Russia's Land Forces, announced that both nations are planning a special military drill in mountainous regions.<sup>42</sup> These moves by Islamabad indicate that it is pursuing strategic autonomy with as much calculation as Delhi by checking the United States through the SCO membership and by checking China through access to Russia.

Pakistan, a transportation and logistics hub that connects the inland of Central Eurasia with the Indian Ocean, is expecting great benefits from the expansion of China's economic sphere of influence. From the standpoint of Beijing, Pakistan is an economic gateway for China to the Indian Ocean and the Persian Gulf, as well as a foothold for a strategy to effectively deny the containment policies of the United States. Therefore, the long-term stabilization of Pakistan is essential for Beijing. Pakistan's all-out efforts to reduce its former dependence on the United States and to secure strategic autonomy will act positively on China's and Russia's soft balancing against the United States. Accordingly, both China and Russia are actively supporting Islamabad so that its efforts can bear fruit.

## **Economic Power Projections of China**

With the grand design of the OBOR, China's power projections have become more aggressive, in economic spheres in particular. Under preconditions of stable borders among SCO member states and the functional operation of the joint response system to the three evils, the basic stance of Beijing on the developmental direction of the SCO is that it will prioritize close economic cooperation and joint prosperity over strengthened politico-military association between the member states. China's policies



for the expansion of global leverage—which has been realized in initiatives including the OBOR project, the Asian Infrastructure Investment Bank (AIIB), and the New Development Bank—covers the entire Eurasian continent, even reaching as far as the continent of Africa. Given the current situation wherein President Xi Jinping is promoting the OBOR project as a roadmap for the long-term development of China, the geographical expansion of the SCO stands to become an advantageous basis for the formation of a China-led economic and normative network. At the Ufa SCO summit meeting, Xi suggested that “the Silk Road Economic Belt” should penetrate all the territories of SCO member states.<sup>43</sup> In fact, many SCO member states are supporting Beijing’s plan to make the SCO “a representative economic alliance that promotes the peace and development of the Eurasia region as a part of the Silk Road Economic Belt.”

The largest investment that China has carried out as part of the OBOR initiative is a project that connects the western inland of China with an Indian Ocean port in Pakistan. During the visit of President Xi to Pakistan in April 2015, an investment agreement of US\$46 billion was confirmed. The core project of the agreement is the construction of a China-Pakistan Economic Corridor (CPEC), which is set to connect the Gwadar port in the Baluchistan area in the south of Pakistan with Kashgar, the far western region of the Xinjiang Province of China, by railways, roads, and pipelines. Because this project will construct infrastructure that connects the Silk Road Economic Belt with the “New Maritime Silk Road,” the project is central to the realization of the OBOR. In terms of economic security, the CPEC allows China to circumvent the long sea lane in the Indian Ocean through which goods and energy resources are transported. If this project is completed, then Pakistan will play a role as a core regional hub for the economic development of the western part of China and Central Asia as well.

At the Ufa summit, President Xi emphasized that he would consistently promote the establishment of an SCO Development Bank for construction of a regional infrastructure network and to provide financial support for the SCO’s foreign trade projects. Russia initially expressed opposition to the plan of establishing the SCO Development Bank, because Russia was worried about the excessive leverage that would be required for Beijing to pay US\$8 billion of the total US\$10 billion needed for the Bank. Recently, however, Russia has changed its tune, and is taking a positive stance on multilateral infrastructure project promotion between the member states and observer states, asserting that the states may expect to receive financial support from the SCO Development Bank.<sup>44</sup> According to the decision of the BRICS summit in Ufa, the New Development Bank (which is planned for establishment in 2016 in Shanghai with capital of US\$100 billion) will support large-scale development projects in BRICS states. Within the parameters of the SCO charter,<sup>45</sup> it is difficult for the SCO to expand its role as a multilateral security cooperation organization beyond the joint response system and cooperation against non-traditional security threats. If the SCO intends to consolidate its role and to function as a regional cooperation organization beyond being a “loose forum” in areas of security, it has no other way but to expand and deepen cooperation in the economic sector in the context of a growing SCO (but not within the Russia-led Eurasia Economic Union). Indeed, this is one of the reasons behind Beijing’s change of

position on SCO membership for India.

From the perspectives of value and ideational rivalry, it appears that both China and Russia are expecting an expanded SCO to powerfully stress the autonomy of values pursued by non-Western states. The SCO, comprising a population of three billion, will serve as a regular meeting place in which member states can spread and expand the values and international norms they uphold, such as mutual respect for sovereignty and non-intervention. At the Ufa summit, the heads of the member states requested that the West respect the values of the non-Western world. In addition, the “SCO Development Strategy towards 2025” adopted at the summit stressed respect for cultural and civilizational pluralism. Taking all this into consideration, it is highly likely that China and Russia have no intention to form an anti-Western military bloc, despite suspicion among Western states caused by the annual joint anti-terror military operation (known as the Peace Mission since 2005) within the framework of the SCO and the bilateral joint military drill between China and Russia (which began in 2012). Nevertheless, the level of jointness between China and Russia remains very low in comparison to that of military drills by other allied forces in general, and has inherent limitations in that there is no aim to form any kind of military alliance between China and Russia. While the conflict between the United States and China is increasing due to the Obama administration’s rebalancing efforts in Asia<sup>46</sup> and China’s projections of military power in the South China Sea, some predict that Beijing will not continue to use low-profile strategies regarding issues of core national interests such as territorial disputes.<sup>47</sup> Regardless, there is no possibility of the SCO becoming entangled in the territorial disputes of member countries, because the SCO has no rules or regulations stipulating an obligation to intervene in the disputes. In principle, each member country has to address the territorial disputes individually.<sup>48</sup> Like the case of the Crimean conflict, China’s territorial dispute in the South China Sea is unlikely to impact the identity of the SCO or its policies toward the West.

All things considered, it appears that the assertive power projections of Beijing still depend more on policies of soft balancing than hard balancing. President Xi, in a contribution he made just before the Dushanbe SCO summit in 2014, pointed out that the SCO shows a new model of international relations, namely, “partnership instead of alliance.”<sup>49</sup> This comment of President Xi summarizes Beijing’s strategy and approach to the SCO in the simplest and clearest way. Beijing wants to use the SCO for effective soft balancing—not hard balancing—against the United States. The position of Central Asian states, “to rule out any kind of bloc mentality,”<sup>50</sup> as well as the newcomers’ multi-vector foreign policies toward the major powers will further soften the SCO’s balancing against the West. Accordingly, Beijing’s consent to expand SCO membership to include India and Pakistan can be understood as evidence that the SCO’s policies of soft balancing are likely to go on.

## **The Greater Eurasian Partnership Initiative of Russia**

Since the Ukraine crisis, Russia, faced with triple distresses including economic sanctions, devaluation of the ruble, and falling oil prices, has concentrated on avoiding diplomatic and economic isolation. Russia's core efforts have gone into strengthening diplomatic and economic ties with other states that are equally inclined to curb the Western-led world order, with Moscow defining itself as a guarantor of key non-Western principles including a multipolar world order and more democratic governance in global politics, respect for sovereignty and non-intervention in the internal affairs of other countries, and respect for values that are distinct from Western ones.<sup>51</sup>

These efforts have mainly been concentrated on Asian regions. Moscow's "pivot to the East" strategy, which is "a 'comprehensive focus' on Asia,"<sup>52</sup> is increasingly present in Russia's efforts to broaden diplomatic and economic cooperation with China, India, Pakistan, Iran, and other countries in the region. Beyond Russia's "big deal" with China in May 2014 to establish natural gas supply and pipeline construction contracts, as well as provision to China of Russia's latest S-400 anti-ballistic missile defense system, Russia's focus on Asia also appears in its leadership of the Eurasia Economic Union (EAEU) and other integration organizations and infrastructure projects. When the EAEU plan was first promoted, Moscow was reluctant to go along with Beijing's prioritization of the importance of economic connections among the SCO member states over close politico-military relationships. At the Moscow summit on May 8, 2015, however, Putin with Xi announced that they were ready to connect the EAEU with the OBOR project,<sup>53</sup> and in December of the same year, the Russian Prime Minister Medvedev also expressed his opinion that the SCO should carry out its projects based on Beijing's OBOR plan. In other words, Russia changed its stance following economic sanctions from the West because it could be alienated from the economic network of the SCO unless it keeps pace with various infrastructure construction and development projects in Central and South Asian regions, which are being carried out in line with the OBOR project.

Behind these Sino-Russian relations, a quiet adjustment in Russo-Indian relations has been going on. Russia and India have maintained a friendly relationship since they concluded the Indo-Soviet Treaty of Friendship and Cooperation in 1971. Since the mid-2000s, when Russia began to formalize its non-Western identity through the adoption of a state-led economic development model and application of "sovereign democracy," Russia's relationship with the West has worsened, while its strategic cooperative relationship with China has been further strengthened. In this rearrangement of global power relations, the gap between Moscow and Delhi, in terms of their perceptions of and interest in their own political positions, has gradually widened. This marks the point in time when the strategic interests of Russia and India started to diverge from each other. In particular, this divergence is more tangible because the sanctions on Russia and the conflict between the West and Russia continue. Nevertheless, there is almost no possibility for Russia and India to discard the existing reciprocal relationship that has solidified over time. As both India and Russia had to simultaneously bandwagon with and balance against China's aggressive projection of economic power and found

themselves similarly circumstanced in this respect, they wanted to show off the continuation of the long-time friendly relationship between themselves in military and economic spheres. Indeed, during the visit of President Putin to India in December 2014, the delivery of military equipment and technology, construction of nuclear power plants, and energy resource cooperation were reconfirmed between the two countries.<sup>54</sup>

Russia has tried to shore up its weakened relationship with India with the establishment of a new relationship with Pakistan. Russia's lifting of the embargo on arms exports to Pakistan and establishment of a military cooperation agreement with Pakistan in November 2014 were striking signals that Russia-Pakistan relations have been launched in a new framework. From the perspective of a balanced approach to both India and Pakistan by Moscow, the degree of intimacy between Russia and Pakistan will develop in proportion to the strengthened India-West relationship.<sup>55</sup> For Moscow, securing a basis of regular and institutional cooperation with its traditional ally India, with Pakistan, a nation that is increasingly important on the geo-strategic stage, and with Iran, an energy power with strategic autonomy, is greatly meaningful in its potential to increase Russia's diplomatic and economic leverage to overcome the triple distresses it now faces. It is high time for Moscow to widen the SCO's platform of association with many states.

Taking this conclusion one step further, in terms of widening the economic platform of Eurasia, at the St. Petersburg International Economic Forum on June 17, 2016, President Putin suggested the grand integration of the Eurasian continent by calling it the "Greater Eurasian partnership." From the standpoint of Moscow, if the range of economic cooperation is extended from the OBOR and the EAEU (as conceptualized before the Tashkent summit) to India and Pakistan, then the new architecture of economic cooperation will include the OBOR, the EAEU, and an expanded SCO.<sup>56</sup> In other words, the geographical and spatial range of the Greater Eurasia project potentially includes the east-west axis that connects Shanghai with St. Petersburg together with a north-south axis covering the Barents Sea in the Arctic Ocean to the Indian Ocean. President Putin declared that the Greater Eurasia project is open not only to the Association of Southeast Asian Nations (ASEAN), but also to European nations, indicating that this architecture covers the entire Eurasian continent. The total population of the SCO, including India and Pakistan, comprises about three billion, but the Greater Eurasia project stands to include "supra-SCO economic grouping" with a far greater capacity.<sup>57</sup> Thus, Moscow has tried to dilute the leadership potential of China by helping India and Pakistan attain membership of the SCO, which is economically led by China, and more recently is sowing seeds for an economic grouping far greater than the SCO. This proposed architecture is an integration initiative that covers the Russia-led EAEU and the SCO, as well as including rapprochement with the EU. Therefore, Putin's initiative includes an ambitious design to attempt the resolution of geopolitical conflict between the EU and EAEU, which directly triggered the Ukraine crisis.

In summary, from the standpoint of Moscow, a partnership with a democratic India within the SCO framework sends a message to the West (or stands as a friendly gesture) that SCO members, including Russia, are not anti-Western nations. This corresponds

well with the diplomatic aim of Moscow to mitigate the anti-Western image of Russia, which was highlighted by the Crimean annexation and Moscow's support of the Donbas insurgents. It appears that Moscow has calculated that the strategic and economic benefits produced from a Russo-Pakistani alignment might compensate for the losses caused by a weakened Russo-Indian relationship. The comment of Patrushev, the Secretary of the Russian Security Council, that Russia will contribute to the common interests of the SCO not through military power or a military bloc, but rather through the "strengthening of influence and authority"<sup>58</sup> (by expanding the number of member states) well indicates the basic preference of Moscow for soft balancing. The internal and external situations faced by Russia suggest that Moscow will push the policies of the SCO regarding the West further toward softer balancing.

### **Less-assertive Positioning and Softer Balancing**

The effects of the identity positioning of the SCO analyzed in terms of the three factors on the soft balancing pursued by the SCO so far are as follows: First, membership of the SCO for India and Pakistan will weaken the persuasive power of existing Western hardliners who try to frame the SCO as anti-Western, and will mitigate the SCO's image as the club of authoritarian regimes. This will occur due to the effects of participation by democratic India, as well as the friendly relationships of the two newcomers with the United States. Of course, it is difficult to relieve or change the authoritarian character of the existing member states simply by the joining of one democratic nation. In addition, the image of the SCO may be damaged by the membership of Pakistan, which is regarded by Western countries as an autocratic and failed state. However, because the former effects far exceed the latter, the effects of SCO expansion to include a population of three billion and huge territories will serve to increase the SCO's prestige and influence on international society. As a member of BRICS, India shares a vision for a multipolar world, but unlike China and Russia, India has not played the role of an active opponent to the United States' predominance in important international affairs. Within the framework of the SCO, India is likely to take into account the Western perspective more than China and Russia take it into account. Accordingly, an expanded SCO should dispel Western suspicions that the SCO stands to become a kind of "China-led NATO."<sup>59</sup> Moreover, it will soften the image of the SCO as an anti-Western or anti-U. S. group, and practically increase the range and effects of soft balancing. On the other hand, it looks like one tenet of the "Primakov Doctrine," namely a strategic triangle—in this case comprising China, Russia, and India—that can balance the United States<sup>60</sup> is being shaped in Eurasia. In contrast to what it appears to be, however, because Delhi has had little enthusiasm for the "trilateral strategic initiative,"<sup>61</sup> the strength and range of balancing the United States with a Eurasian triangle is very limited. The existing soft balancing of the SCO is anticipated to become much softer with the SCO membership of India and Pakistan.

Second, two goals prioritized by Beijing for the SCO are the joint response system

to non-traditional security threats and deepening economic cooperation. After securing proper security and stability, Beijing, according to the guidelines of the grand design (a plan that includes the OBOR, for example), wants to achieve a “peaceful rise” and a “harmonious world” by concentrating on the expansion of economic networks that target greater Eurasia. Accordingly, China’s military show in 2015-2016 with regard to the territorial disputes in the South China Sea seems to be an isolated case, occurring only because certain “core interests” (territorial sovereignty and maritime rights) were at stake. To date, the projection of military power upon external affairs is not the general approach of China, and instead lies beneath the main stream of China’s economic power projections. Indeed, it appears that Beijing’s preferred path to power is based on its economic, diplomatic, and cultural resources, which will further reinforce the SCO’s preference for soft balancing, as long as the challenges facing China are not related to its core national interests.

Third, since the imposition of economic sanctions by the West, Moscow has concentrated its efforts on expanding its relations with cooperative partners and on neutralizing its anti-Western image, thereby avoiding economic and diplomatic isolation. In supporting the membership of democratic India in the SCO, Moscow is trying to send a message to the West that its identity is not anti-Western. The core of Moscow’s argument is that the SCO is not anti-Western, but only wants to be treated as an equal partner with the West. For Moscow, in the SCO framework, it is highly unlikely that the concurrent association with India and Pakistan will develop into a bolstered anti-Western identity or the formation of an anti-Western military bloc. On the other hand, Moscow will start to consider a way to execute an “honorable retreat,” even without achieving its greatest goal of Ukraine’s federalization, if a higher level of practical autonomy is guaranteed for the two self-proclaimed republics in Donbas. Russia’s amicable gesture to the West to “pull back the foot” from Donbas will further soften the identity image of an expanded SCO, and more greatly widen the room for soft balancing against the West.

## **Conclusion**

The effects of India’s membership of the SCO will be to soften the SCO’s image as a club of authoritarian states or an anti-Western group, as well as to make its non-Western identity less assertive. China’s economic power projections, aiming ultimately at a “peaceful rise,” are also likely to make the SCO’s identity less anti-Western. Russia’s current policies of expanding its group of partners and widening cooperation in greater Eurasia are likely to weaken not only the rhetoric, but also the substance of its anti-Western narrative. In general, the SCO’s shift of identity positioning from non-Western to a less assertive non-Western stance is likely to soften the SCO’s soft balancing against the West. Due to this widened platform and improved image, the anticipated range and effects of this softer balancing could be great.

Against the backdrop of rebalanced U.S.-Asia relations, heightened tension between the United States and China, and protracted confrontation between the United States

and Russia since the Crimea annexation, the possibility of an alliance between China and Russia—two rivals of the United States—has stirred up occasional wariness in the West. In most cases, however, the wariness has proved to be unfounded. The approach of the SCO to regional multilateral cooperation and its strategy are vividly expressed in the reiterated emphases of Xi and Putin that the SCO is suggesting a new model of international relationship, which is based on “partnership instead of alliance.” The SCO’s main approach to power projection is, in fact, more focused on economic and diplomatic competencies than on military prowess. Considering that one of the fundamental tenets of the SCO is non-alliance, and that India and Pakistan are striving for strategic autonomy, the possibility of the SCO evolving into an anti-Western military bloc is increasingly unlikely. The SCO, softening its already soft balancing policies, is likely to develop into a “looser forum” in areas of security cooperation.

The economic integration projects that China and Russia plan to push ahead with are transforming the geostrategic contours of greater Eurasia. Whether Beijing’s long-term grand design for national development, and whether Moscow’s new initiatives can produce the desired synergy effects will determine the future of the expansion of the SCO’s role in greater Eurasia as an economic cooperation organization. The proposed infrastructure projects requiring huge amounts of capital and the subsequent increase of connectivity among the regional economies (including the countries of South and Central Asia) are, above all, in need of a peaceful international environment for their success. The more capital that Beijing and Moscow invest in the OBOR project, in economic cooperation within a growing SCO, and in furthering efforts to establish a greater Eurasia, the lesser is the necessity on the part of the SCO for any hard balancing against the United States.

## Notes

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