

# Shanghai summit: China and Russia strengthen bloc to counter the US in Asia

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The fifth summit of the Shanghai Cooperation Organisation (SCO) held on June 15 was a further sign of sharpening international tensions. Confronted with an increasingly threatening US stance, Russia and China are seeking to strengthen the SCO as a counterweight to Washington and a means to assert their strategic and economic interests.

The SCO summit took place in the wake of a frosty visit by Chinese President Hu Jintao to Washington in April and public brawling between US Vice President Dick Cheney and Russian President Vladimir Putin. Last month Cheney used a visit to former Soviet republics to accuse Russia of using energy as a tool of “intimidation and blackmail,” prompting a thinly veiled attack by Putin on the predatory character of US policies and a call for increased Russian defence spending.

Chinese officials described the summit as the most important diplomatic event of the year. Shanghai residents were given a special three-day holiday. An unprecedented security operation, involving 60,000 police, shut down large portions of the busy Pudong district near the conference centre. Authorities rounded up known dissidents.

Chinese and Russian leaders pointedly welcomed Iranian President Mahmoud Ahmadinejad even as the Bush administration was pushing for tough UN measures against Tehran over its alleged nuclear weapons programs. Iran along with India, Pakistan, and Mongolia attended as observers. Afghanistan was invited as a “guest”. Apart from China and Russia, the SCO members are the Central Asian Republics of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

The SCO was formed in 2001 to combat “terrorism” before the September 11 attacks on the US. Like the Bush administration, Russia and China are using the “war on terrorism” for their own geo-political ends.

Washington has exploited its “war on terrorism” to occupy Afghanistan, establish US military bases in Central Asia, subjugate Iraq and menace Iran. Moscow and Beijing formed the SCO to counter US influence in resource rich and strategically sensitive Central Asia and justify the suppression of separatist movements in Chechnya and China’s Xinjiang province.

At last year’s summit, the SCO called for the US to set a deadline to shut down its military bases in Uzbekistan and Kyrgyzstan, arguing they were no longer required for US operations in Afghanistan. Uzbek President Islam Karimov, bitter at US attempts to support opposition to his rule, immediately gave Washington notice to quit. He bluntly declared this year that the “foreign forces” stationed in Central Asia were trying to “rope” in the region for their own interests.

The latest summit made clear that Russia and China have ambitious plans to wield a broader regional influence, using China’s economic

power and the large oil and gas reserves in Russia and Central Asia as levers. Iran, which has the second largest reserves of gas and fourth largest reserves of oil, would only add to the SCO’s energy clout.

On the eve of the Shanghai meeting, US Defence Secretary Donald Rumsfeld voiced Washington’s displeasure at these developments, declaring that the SCO should not have invited “one of the leading terrorist nations in the world” to a summit about fighting terrorism. The US campaign against Iran has nothing to do with alleged “terrorism” but is aimed at furthering Washington’s ambition to bring Tehran and its resources under US dominance.

Russia and China have repeatedly refused to back US demands for UN economic sanctions against Iran and have opposed any use of US military force to effect a “regime change” in Tehran. Both countries have substantial economic interests in Iran. Russia has multi-billion dollar contacts to build nuclear power reactions. China has long-term contracts with Iran for the supply of \$100 billion worth of gas and oil in the coming decades.

At the summit, Russian President Putin proposed the formation of “an SCO energy club,” cutting directly across US plans for dominance in the Middle East and Central Asia. He noted that SCO members and observers together hold over one fifth of the world’s oil reserves and half its natural gas. On the other hand, China, currently the world’s second largest oil importer, has huge and growing demands for energy.

Ahmadinejad was obviously keen to use Iran’s energy reserves as an entree card to the SCO and as a means of countering Washington’s belligerent campaign. Iran is seeking full SCO membership and Ahmadinejad called for a regional energy conference to be held in Iran. “The SCO group involves both energy-producing nations and energy-consuming ones. Energy has been playing an increasing role in national development and progress,” he noted.

According to the Russian news agency RIA Novosti, Ahmadinejad met with Putin and suggested the two countries might wield bigger clout by collaborating over gas sales. “We can closely cooperate from the standpoint of setting natural gas prices... in the interests of global stability,” he reportedly said. Russia has already used gas prices to put pressure on neighbouring Ukraine, and, in response to US military threats, Iran has guardedly warned that it may cut gas and oil sales.

Ahmadinejad appealed for mutual political and military support. He urged the SCO to become a strong institution able to “block threats and unlawful strong-armed interference from various countries”. Russia and China, however, are seeking to avoid an open confrontation with the US over Iran. Chinese and Russian officials have explicitly ruled out Tehran becoming an SCO member and indeed, any further expansion of the SCO membership in the near

future.

On the eve of the summit, SCO secretary-general Zhang Deguang said the SCO would not become a military alliance. He told RIA Novosti the organisation “is not an eastern equivalent of NATO. It will never become a military grouping because its charter envisages no such status.” Putin also told journalists there was no comparison between the SCO and the former Soviet-led Warsaw bloc during the Cold War.

Nevertheless, Russia and China support closer military and political, as well as economic, cooperation. An essay by Putin entitled “SCO as a New Model of Successful International Cooperation” was published for the summit. He called for a “Shanghai spirit” so as to “avoid unnecessary duplication and parallel action, working for our common interests without any ‘exclusive’ clubs and lines of divide”.

Chinese President Hu proposed negotiations toward a non-aggression treaty among the SCO states that would preclude member states from engaging in activities that undermine the security, sovereignty and territorial integrity of others. Such a treaty could be used to block Washington’s activities aimed at fomenting so-called colour revolutions to install pro-US regimes in Central Asia.

Significantly Russia and China held their first joint war games last year, called “Peace Mission 2005”. Far from being aimed at “combatting terrorism”, the large-scale exercise, which was held on the Chinese coast and involved amphibious landings, was a thinly disguised threat against Taiwan. The next joint exercise also has a political message: Russia is proposing it be held in the Caucasus, adjacent to Chechnya.

It is, however, the SCO’s economic weapons that immediately concern Washington. The Bush administration has been seeking to forge a close strategic and economic alliance with India, as part of its broader plans to contain China. The prospect of obtaining guaranteed energy supplies as part of the SCO is also attractive to New Delhi, which has now attended consecutive summits as an observer.

The leader of the Indian delegation was Petroleum and Gas Minister Shri Murli Deora. India has decided to join China in bidding for oil contracts in Kazakhstan worth \$2 billion—as a part of New Delhi’s strategy to diversify energy supplies from the increasingly volatile Middle East. India and Pakistan are planning a multi-billion dollar gas pipeline from Iran.

Pakistan is also recognised by the US as a major non-NATO ally. However, Pakistan’s President Pervez Musharraf attended the Shanghai summit and appealed for his country to be made a full SCO member. “Pakistan provides a natural link between the SCO states to connect the Eurasian heartland with the Arabian Sea and South Asia.” Beijing has financed the construction of a southwestern Pakistani port near the Persian Gulf, and is planning a road linking the port to western China.

Even Afghan President Hamid Karzai, who is completely reliant on Washington for financial and military support, attended the summit and is seeking closer ties to the Shanghai grouping. Before leaving for China, he declared that Afghanistan “belongs to the region where SCO also lies. Afghanistan has no other ways, and can’t be outside the region.” After the summit, he travelled to Beijing and signed a “friendship” treaty with China to cooperate on the “war on terror”.

While Russia offers oil and gas, China is using its growing economic clout to strengthen the SCO. At the summit, Beijing offered \$900 million in low-interest loans to other SCO members. In addition, China has promised to build a highway and finance two power transmission lines in Tajikistan and agreed to provide loans to

Kazakhstan to construct a hydroelectric power station. It is also offering to buy electricity as well as oil and gas from other SCO members.

Not surprisingly, the SCO summit provoked disquiet in Washington. In a comment on June 15, the *Wall Street Journal* declared that the group’s “aggressive anti-American bent and growing political clout” was “cause for concern”. The article’s main preoccupation was not with the SCO’s potential as a military threat. It noted that an Eastern version of NATO was feasible, but would take time.

“It’s the SCO’s growing political weight that currently worries us. The grouping clearly has grand pretensions. Russian President Vladimir Putin dubbed it an ‘influential regional organisation’ in an article this week. The United Nations inaugurated an SCO secretariat in 2004, and SCO representatives have reached out to the [European] OSCE and the Association of Southeast Asian Nations,” the newspaper stated.

The article went on to question why “democratic” countries would join this “authoritarian” club. “[B]eyond energy interests—which admittedly are large—it’s hard to see why New Delhi or Kabul would itch for closer political ties to the SCO, a grouping that, for instance, Belarussian dictator Alexander Lukashenko is itching to join.” In a parting warning shot to New Delhi, it added: “That’s one more point for the US Congress to examine as it considers the recently negotiated US-India nuclear deal.”

This rather bitter tirade against the “autocratic” SCO has nothing to do with any concern for democracy or democratic rights in any of the member states. Rather, the mouthpiece of American capital is concerned that the SCO is undermining Washington’s long-held plans to solve the “admittedly large” question of energy by establishing its hegemony in Central Asia and the Middle East. The menacing tone of the comment makes clear that the US ruling class will not sit by and watch the growth of a Russian-Chinese bloc on the Eurasian landmass, but will respond aggressively to break it up.



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