

# Global tensions overshadow Shanghai Cooperation Organisation summit

John Chan

14 December 2012

The Shanghai Cooperation Organisation (SCO) summit held in Kyrgyzstan last week focussed on the integration of the Central Asian region and Russia as a corridor connecting the economies of North East Asia, especially China, with their largest export markets in Europe.

The SCO was formed in 2001 by China and Russia with four former Soviet Central Asian republics: Kyrgyzstan, Kazakhstan, Tajikistan and Uzbekistan. Observer states now include Mongolia, Iran, India, Pakistan and Afghanistan. Moscow and Beijing established the SCO in response to the growing US intervention in Central Asia, signalled by the US-led invasion of Afghanistan under the name of the “war on terror”.

Chinese Premier Wen Jiabao pushed for the speeding up of Central Asian rail, road and energy projects. In June, China offered a \$US10 billion line of credit for a range of projects, such as a rail link from Uzbekistan through Kyrgyzstan to China. Wen and Russian Prime Minister Dmitry Medvedev agreed at the summit to establish a SCO Development Fund and a Development Bank to expand finance for infrastructure projects.

Beijing’s quest for closer integration with Central Asia is a reaction to the Obama administration’s aggressive “pivot” to Asia that includes strengthening military alliances and ties, including in South East Asia, through which China’s vital shipping routes pass. By developing transport and pipeline infrastructure across the Central Asian republics, China will have a “land bridge” to Middle East and Europe, as well as access to vital Central Asian energy and mineral resources.

Uzbekistan’s first deputy prime minister, Rustam Azimov, told the media that two Chinese state-owned banks had lent the country \$5 billion on favourable terms for industrial projects, in exchange for Uzbekistan becoming a supplier of natural gas to China last August via a 2,000-kilometre pipeline originating in Turkmenistan. The China Development Bank provided \$4 billion in 2009 and another \$4.1 billion in 2011 for the pipeline in order to transport gas from new fields in southeastern Turkmenistan.

Kazakhstan has been supplying China with 200,000 barrels of oil per day via another pipeline. China’s oil companies now control 25-30 percent of Kazakhstan’s oil output, after a wave of investment following a Chinese takeover of Petrokazakhstan in 2005 for \$4.18 billion. At the time, Petrokazakhstan was the largest private oil company among the former Soviet republics of Central Asia.

Chinese companies are also looking to expand exports via an 11,870-kilometre rail link connecting the Chinese city of Liangyuangang to Rotterdam in the Netherlands. Guo Minjie from the China Transportation Association told the *China Daily*: “More and more imported and exported goods between China and other Eurasian countries are delivered via railway on the new Eurasian land bridge. This method saves time, offers protection of goods and rapid turnover of cash flow for importers and exporters.” Delivery times for goods from China to Europe via rail are one-fifth those for ocean shipping.

Russia is uneasy over China’s penetration into what it regards as its traditional sphere of influence in

Central Asia, but the two countries share a common concern over the aggressive US moves internationally. Moscow regards the US-led efforts to oust Syrian President Bashir al-Assad as a major threat to Russian interests in the Middle East that will pave the way for regime-change in Iran. China has backed Russia in opposing Western interventions in Syria and Iran, the latter a major Chinese oil supplier.

In a joint communiqué at the SCO summit, Wen and Medvedev declared: “Russia and China will continue to safeguard the fruits of World War II and the post-war political order, comply with the UN Charter and the basic principles of international law, and push the international political and economic order toward a fair and equitable development.”

The message was directed above all at Washington, which both Moscow and Beijing have criticised for violating international law in Iraq in 2003 and Libya in 2011. The state-owned *Voice of Russia* noted: “Members of the SCO have established effective cooperation to safeguard their interests against some of the global powers that are used to settling problems by force.”

Chinese Premier Wen announced that Russia and China had completed a feasibility study for a satellite telecom service for the SCO to deal with terrorism and other emergencies—a step that has clear military implications. The SCO has conducted joint military exercises since 2005.

Washington opposes the steps to Eurasian integration under Russian and Chinese auspices. US Secretary of State Hillary Clinton bluntly warned Russian Foreign Minister Sergei Lavrov last Thursday that the US was determined to thwart Russia’s attempt to “re-Sovietise” the Central Asian republics. “It’s going to be called a customs union, it will be called Eurasia Union and all of that. But let’s make no mistake about it. We know what the goal is and we are trying to figure out effective ways to slow down or prevent it,” she declared.

Russia, Belarus and Kazakhstan signed an agreement last month, based on a proposal by Russian President

Vladimir Putin, to form a Eurasian Union with a Eurasian Economic Commission, along similar lines to the European Union, by 2015. Some analysts are predicting that the body could expand to include not only former Soviet republics, but ex-Eastern bloc countries like Hungary and Bulgaria, as well as China and Mongolia.

Clinton’s comments are a warning that the Obama administration will be just as aggressive in blocking Russian influence, in the former Soviet republics and beyond, as the previous Bush administration, which encouraged Georgia to launch a reckless war against Russia in 2008. In his 1997 book, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, former US national security adviser Zbigniew Brzezinski stressed the central importance for the US of preventing the emergence of any power or group of powers that controlled the heartland of the Eurasian landmass—home to the world’s largest energy resources, population and economic activities.

The invasions of Afghanistan in 2001 and Iraq in 2003, and now the threats to topple the Syrian and Iranian regimes, are driven by these imperialist calculations, raising the danger of a devastating conflict with Russia and China.



To contact the WSWWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**