

Putin, Xi meet as Shanghai Cooperation Organization summit opens in Uzbekistan

Alex Lantier

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Russian President Vladimir Putin and Chinese President Xi Jinping met yesterday at the opening of a two-day security summit of the Shanghai Cooperation Organization (SCO) in the Uzbek city of Samarkand.

The SCO is a Eurasian regional organization founded in 2001 by the “Shanghai Five”: China, Russia, and former Soviet Central Asian republics of Kazakhstan, Kyrgyzstan and Tajikistan. They have since been joined by India, Pakistan and Uzbekistan. Afghanistan, Belarus and Mongolia have “observer status” in the SCO, which also has Armenia, Azerbaijan, Cambodia, Nepal, Sri Lanka and Turkey as “dialogue partners.” SCO member states account for one-quarter of the earth’s surface, 30 percent of the world economy and 40 percent of its population.

The summit is however overshadowed by the US-NATO war with Russia in Ukraine, combined with growing US threats against China over Taiwan. A week before the Samarkand summit began, Russian troops suffered a devastating defeat at the hands of Ukrainian troops trained, armed and coordinated by the NATO powers.

Speaking to Xi, Putin acknowledged Chinese concerns with the Kremlin’s invasion of Ukraine and the debacle suffered by the Russian army in Kharkov. “We highly value the balanced position of our Chinese friends when it comes to the Ukraine crisis,” Putin said. “We understand your questions and concern about this. During today’s meeting, we will of course explain our position.”

Putin also explicitly condemned US moves to arm Taiwan and, repudiating the “One China” principle that Washington adopted in its 1972 Shanghai Communiqué, press Taiwan to formally declare independence and break with Beijing. “We intend to firmly adhere to the principle of ‘One China,’” Putin said. “We condemn provocations by the United States and their satellites in the Taiwan Strait.”

Putin asserted that the “Moscow-Beijing tandem” plays a “key role” in ensuring global stability and indirectly criticized Washington, declaring: “Attempts to create a unipolar world have recently acquired an absolutely ugly form and are completely unacceptable.”

Calling Putin an “old friend,” Xi replied: “China is willing to make efforts with Russia to assume the role of great powers, and play a guiding role to inject stability and positive energy into a world rocked by chaos.”

In a press release, China’s Ministry of Foreign Affairs said: “President Xi emphasized that China will work with Russia to extend strong mutual support on issues concerning each other’s core interests, and deepen practical cooperation in trade, agriculture, connectivity and other areas.”

Putin’s public acknowledgment of Chinese concerns over the Ukraine war point to the enormous tensions and political crisis inside the SCO as Washington and its NATO allies intensify operations against Russia and China. During the war in Ukraine, Beijing has pursued a delicate balancing act. It rejected NATO calls to impose sanctions on Russia but, at the same time, took no overt action in support of Moscow that could provide a pretext for NATO sanctions against China.

Last week, Li Zhuanshu, the president of the Standing Committee of China’s National Popular Assembly and number three official in the Chinese state hierarchy, traveled to Russia and made a more direct statement of support for Moscow, declaring: “Just like the Ukraine issue now, the United States and NATO had pushed straight to Russia’s doorsteps. This involves Russia’s national security and the safety of its people’s lives. In light of this, China understands that Russia needed to do what is appropriate and is giving coordinated support on multiple fronts.”

Clearly, however, concerns are mounting behind the scenes in Beijing that the Kremlin has no solution to avert an escalation and end its war with NATO in Ukraine.

The SCO, and its predecessor, the “Shanghai Five” association formed in 1996, has developed under the shadow of imperialism and the Stalinist bureaucracies’ restoration of capitalism and the dissolution of the Soviet Union in 1991. The Soviet bureaucracy’s final act of treachery against the Soviet workers and socialism threw Eurasia open to imperialist military intervention. After the SCO’s foundation, Washington seized on the September 11 attacks

to occupy Afghanistan and set up military bases in Central Asian countries.

This unleashed a bloody imperialist drive to dominate strategically vital areas of Central Asia and the Middle East and plunder their resources. US and NATO forces have since intervened militarily in Iraq, Pakistan, Libya, Syria and Ukraine, where in 2014 the NATO powers backed a far-right putsch in Kiev that split Ukraine and set into motion the current war. Collectively, these wars cost millions of lives and turned tens of millions into refugees.

Deepening US economic decline and military defeats in Afghanistan and Iraq, coupled with China's growing economic influence in Eurasia, has brought the struggle over Eurasia to a new peak of intensity. In this, military and financial considerations are inseparably linked. NATO's waging of war against Russia in Ukraine is in the final analysis, like the world wars of the 20th century, the product of the insoluble contradiction between global economy and the capitalist nation-state system.

A September 14 editorial in China's state-run *Global Times* titled "Non-dollar settlement in energy trade will break US hegemony" called on Russia and China to "step up cooperation to break the US dollar's dominance in the energy market." It pointed to the devastating inflationary effects of the Ukraine war and the current surge in prices for energy, which is traded in dollars, combined in the dollar's rise in value against other currencies as the US Federal Reserve raises interest rates.

The *Global Times* wrote, "A strong dollar means energy products will become more expensive in terms of other currencies. When energy and raw material prices rise, the prices of other products will go up, leading to high inflation globally. ... The reason why the US can, time and again, export its own inflation crisis caused by its previous monetary easing policy to the world is mainly because the dollar still holds the dominant position in the global foreign exchange market, reserve assets, trade settlement and other fields."

It called for using the SCO as a forum to develop trade in oil and gas in non-dollar currencies. It noted that China buys Russian oil and gas with a mixture of Chinese yuan and Russian rubles, while India has paid for Russian energy in dirhams, the currency of the United Arab Emirates.

US imperialism is bitterly hostile to such a policy. In 2019, Denmark's Saxo Bank calculated that a shift of intra-Eurasian trade out of the US dollar could lead the dollar to collapse, losing 30 percent of its value against gold.

A significant event at yesterday's summit in Samarkand was the announcement that Iran, previously an SCO "observer" state, will formally join the SCO next year. Iran has faced two decades of US war threats and crippling

sanctions, as Washington cut it out of all dollar-denominated financial transactions. Last year, it signed a 25-year military alliance with China and held naval exercises with Russian and Chinese warships in the Indian Ocean.

"The relationship between countries that are sanctioned by the US, such as Iran, Russia or other countries, can overcome many problems and issues and make them stronger," Iranian President Ebrahim Raisi said while meeting Putin in Samarkand. "The Americans think whichever country they impose sanctions on, it will be stopped. Their perception is a wrong one."

The various capitalist regimes in the SCO are however neither willing nor able to wage a consistent struggle against imperialism or resolve the bitter legacy of the Stalinist dissolution of the Soviet Union. The case of Putin, who launched his ill-fated intervention in Ukraine while denouncing the Bolshevik revolutionaries who founded the Soviet Union for making too many concessions to Ukrainians, is the starkest illustration of this point.

It is impossible to unify Eurasia against imperialism under the leadership of capitalist regimes. Indeed, shortly before the Samarkand summit, two former Soviet republics and SCO observer states, Armenia and Azerbaijan, plunged back into war over the disputed Nagorno-Karabakh region. It is unclear, moreover, whether Xi will meet Indian Prime Minister Narendra Modi, after clashes in 2020 along the unresolved Sino-Indian border inherited from British rule over India.

The task of unifying Eurasia in opposition to imperialism falls to the working class in a renewed struggle for socialism. Only a mass movement of the workers and oppressed masses of the region can oppose war, appeal to mounting antiwar sentiment and social opposition among workers in the imperialist countries, and use the vast industrial power that is emerging in Eurasia to satisfy social needs, instead of private profit.



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