



SCO pits 'Shanghai Spirit' against geopolitics

By Elisa Barwick

Samarkand, a city in south-eastern Uzbekistan, was the location of this year's Shanghai Cooperation Organisation summit, held 15-16 September. One of the oldest continuously inhabited cities in Central Asia, Samarkand is nestled in the middle of Eurasia (map). According to Chinese President Xi Jinping's speech at the forum, "Samarkand, renowned as the pearl on the Silk Road, witnessed the glory of the ancient Silk Road, a route that greatly boosted the flow of goods, spread of science and technology, interaction of ideas, and integration of diverse cultures on the Eurasian continent."

The city is a fitting location, therefore, for the latest plea to stop the decline into competing blocs and alliances, interference operations and provocations, which are leading unswervingly to world war. As Anglo-American and NATO leaders conduct a proxy war against Russia in Ukraine and attempt to create a NATO-like formation in the Asia-Pacific region, aimed against China and Russia, the meeting in Samarkand charted a pathway out of the world crisis.

Ahead of the summit, Uzbekistan President Shavkat Mirziyoyev promised "that in Samarkand we shall witness the birth of a new stage in the life of SCO—the number of its members will grow, and its future agenda will be formed." With its origins in the "Shanghai Five" of China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan, stemming from 1996 border and demilitarisation talks, the SCO was formally created in 2001 with the addition of Uzbekistan. India and Pakistan joined in 2017, and at this year's summit Iran was added as the ninth member. Procedures for full admission of "observer" Belarus were initiated (other observers being Afghanistan and Mongolia). Three new dialogue partners were formally inducted (Saudi Arabia, Qatar and Egypt), joining the six existing ones (Armenia, Azerbaijan, Cambodia, Nepal, Sri Lanka and Turkey); and a decision was taken to admit Bahrain, the United Arab Emirates, Kuwait, the Maldives, and Myanmar to the process of becoming dialogue partners.

The nine full member nations represent about 80 per cent of Eurasia's landmass, 24 per cent of global GDP and over half of the world's population. Their combined GDP is US\$23.3 trillion, which is 13 times higher than when the SCO was founded, reported *China Daily*. China's total trade with other SCO members rose 40 per cent in the last year.

With new membership applications expected, SCO is set to "become an organisation that represents the emerging nations, which will play a pivotal role in safeguarding world stability and peace", said Zhou Rong, a senior researcher at the Chongyang Institute for Financial Studies at China's Renmin University. Zhou told *Global Times* 17 September that with the potential entry of "mini powerhouses" like Saudi Arabia and the United Arab Emirates, the SCO can become the world's most influential forum that doesn't include the USA, and will represent "the emerging industrial nations, which will play a pivotal role in safeguarding world stability and peace".

In his speech, Xi summarised the basis of the "Shanghai Spirit": mutual trust, mutual benefit, equality, consultation, respect for diversity of civilisations and pursuit of common development. Those principles are the foundation of many cultures, philosophies and religions, including Confucianism, which promotes the search for harmony and unity. Modern China's founding father Dr Sun Yat-Sen argued at the turn of



the 20th century that "the primary force of human evolution is cooperation", not competition, as promoted at the time by the British free trade school.

The Samarkand Declaration issued by the forum opposed "bloc, ideologised and confrontational approaches". Member states, it said, "reaffirm the non-targeting of SCO against other states and international organisations and openness to extensive cooperation with them in accordance with the purposes and principles of the UN Charter".

In his address to the conference, Russian President Vladimir Putin described a fundamentally and irreversibly changing world order where new "centres of power" are emerging that are not predicated on the current rules-based order—rules "which nobody has seen"—but on international law. The SCO, he said, is a "non-bloc association. ... We are open to working with the whole world."

Asked by press 15 September if the SCO was the new counter to NATO, Kremlin spokesman Dmitry Peskov restated the message: "It is rather friendship for the sake of something, and not against someone. Therefore, there is a completely different philosophy here."

Ahead of the summit, Peskov on 13 September had announced: "We believe—in unison with our Chinese comrades—that the existence of a unipolar world is impossible." The current order, he said, is beginning to "seriously creak and wobble. A new reality is emerging." The responsibility to provide leadership within the new, evolving order, was taken up at the Samarkand meeting, particularly by China and Russia.

Development plans and discussions

For Xi Jinping, attendance at the SCO summit was his first trip abroad since the onset of the COVID pandemic. En route to Samarkand, he made a state visit to Kazakhstan, the large country in central Eurasia where he first announced China's Belt and Road Initiative (BRI) nine years ago. Kazakhstan's President Kassym-Jomart Tokayev received the Chinese leader with fanfares and awards. Committing to further cooperation in the BRI framework, they signed bilateral documents on trade and investment, connectivity, finance, water conservation, and the media, and announced two new consulates.

A state visit by Xi in Uzbekistan then preceded the SCO summit. He and President Shavkat Mirziyoyev renewed mutual assurances of continued BRI cooperation, with the outlook of building a new China-Uzbekistan-Kyrgyzstan railroad link as an addition to the trans-Eurasia transportation corridor. The

two also discussed security cooperation between their countries, which have both experienced terrorist activity.

On the sidelines of the SCO summit, Chinese, Russian and Mongolian officials conferred together on a possible new oil and gas pipeline from Russia through Mongolia to China, which is prepared to purchase more gas and oil from Russia as Europe rejects those supplies.

Xi met with each of the heads of member states and observer delegations, except for Prime Minister Narendra Modi of India. The most watched-for meeting was between Xi and Putin, their first face-to-face since the onset of the Russian “special military operation” in Ukraine in February. The two pledged cooperation to defend each other’s “core interests”, as well as close coordination and commitment to playing “a leading role in injecting stability into a world of change and disorder”, reported the Chinese Foreign Ministry.

Putin remarked that China’s “concerns” over the Ukraine war were a topic. While China has been supportive of Russia, understanding how NATO provoked the conflict and refusing to accept the unilateral American and other sanctions against Russia, Beijing has also made clear its preference for a negotiated solution—something made almost impossible by the refusal of the Ukrainian government and its NATO backers to negotiate.

In remarks after the meeting Putin stated: “Together, we support building a just, democratic and multipolar world order based on international rules and the central role of the United Nations, not on certain rules that someone has invented and is attempting to impose on others ... In general, I must say that the attempts to create a unipolar world have acquired in recent times an absolutely ugly configuration and they are absolutely unacceptable for the overwhelming majority of states on this planet.” This is why it is critical to “ensure the strengthening of the SCO as a platform for constructive interaction”, continued the Russian President.

Xi added: “In the face of the colossal changes taking place on a global scale in our time, which are unprecedented in history, we are ready together with our Russian colleagues to show an example of a responsible world power and to play a leading role in bringing such a rapidly changing world onto a trajectory of sustainable and positive development.”

Similar themes were discussed at the 7th Eastern Economic Forum (EEF) held in Vladivostok 5-8 September under the banner, “On the Path to a Multipolar World”. Plans for development of Russia’s Far East, and beyond, were laid out. One panel, “Infrastructure as a Growth Driver—China’s Experience”, focused on big construction prospects for mutual benefit across the continent. Prime Minister Modi said in his video address that India looks forward to increased collaboration with Russia, mentioning the Chennai-Vladivostok Maritime Corridor and the Northern Sea Route. (“Cooperation spells out Eurasia’s future”, AAS, 10 Nov. 2021.)

In his address, Putin discussed the crisis precipitated by Western attempts to preserve a collapsing world order, including aggressive efforts to force a “Western mode of behaviour” on other nations, “to extinguish their sovereignty and to bend them to its will”. The dollar, euro and pound sterling are no longer trusted as suitable currencies for performing transactions, he added. “We are taking steps to shed this dependence on unreliable and compromised foreign currencies ... even allies of the United States are gradually reducing their dollar assets”.

After attending the EEF, Standing Committee Chairman of China’s National People’s Congress Li Zhanshu travelled to Moscow to meet with his counterpart, Chairman of the State Duma of the Russian Federation Vyacheslav Volodin. Li reported, “Our relations are based on the principles of non-alignment and non-confrontation and are not directed against

other states” in order to bring “certainty and stability to a chaotic world. Our relations could be a great example of building cooperation between neighbouring and large states.”

Li also met with leaders of the Duma. The “unique model of cooperation between states based on trust and mutual respect” was discussed, with Volodin noting that its “non-confrontational nature, supporting mutual benefit and development, rather than competition, can become a good example for other states.” Leaders from various political parties in the Duma echoed these sentiments, with one remarking that “Russia and China will play a very great role” in constructing a new framework for world relations.

The two parties called for “new formats of cooperation” in the face of growing sanctions against both nations and agreed to “exchange legislative experience in the field of countering external challenges and sanctions”, according to the Russian State Duma. Li, in his address to the EEF, had stated unequivocally that “China is happy to see that under President Putin’s leadership, Russia’s economy did not collapse under harsh sanctions from the West. Instead, it has stabilised and showed resilience in a fairly short time”, he said. Volodin also spoke at the EEF, where he emphasised the need to “de-dollarise” global trade and called for “an increase in share of national currencies when making payments between our countries”.

Local currencies

The Samarkand Declaration states that SCO countries “noted the acceptance of the road map on gradually increasing the share of national currencies in mutual payments by concerned SCO member states and declared for expansion of these practices.” Also noted was progress with the SCO Development Bank and SCO Development Fund to increase investment for SCO projects.

Following his meeting with Xi and the Mongolian President, Ukhnaagiin Khurelsukh, Putin noted that in the first quarter of this year 27.5 per cent of all trade between Russia and China was conducted in local currencies. “In this context”, stated Putin, “it would be important, wherever possible, to switch to national payment platforms, such as the financial messaging system of the Bank of Russia and the Chinese system of cross-border payments. This will make it possible to maximally secure settlements between our states from external risks, including political ones.”

Following discussions between Russian and Indian representatives in August (“Days are numbered for US dollar order”, AAS, 7 Sept.), on 15 September the State Bank of India announced it was establishing accounts to settle trade with Russia in rupees. Although the Indian Reserve Bank allowed it in July, banks have been nervous to do so in case they were sanctioned by Western nations. Despite querying Putin on the duration of Russia’s special military operation in Ukraine, Modi remarked that “The relationship between India and Russia has deepened many-fold”. His address to the SCO forum focused on cooperation to develop reliable supply chains and India’s effort to transform itself into a manufacturing hub.

While the US State Department has made efforts to limit the size and reach of the Russian delegation attending the UN General Assembly on 21-23 September (limiting visas, restricting diplomats’ movements, and barring them from holding meetings outside the UN site), Indonesian President Joko Widodo has confirmed that both Putin and Xi will attend the November summit of the Group of 20 countries in person, despite pressure on host country Indonesia to block Putin in particular. Thai leaders, hosting the Asia-Pacific Economic Cooperation (APEC) summit in November, have also expressed hope that Putin will attend.