

**THE SHANGHAI COOPERATION ORGANIZATION: IS
IT UNDERMINING U.S. INTERESTS IN CENTRAL
ASIA?**

HEARING
BEFORE THE
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COOPERATION IN EUROPE**
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THE SHANGHAI COOPERATION ORGANIZATION: IS IT UNDERMINING U.S. INTERESTS IN CENTRAL ASIA?

September 26, 2006

COMMISSION ON SECURITY AND COOPERATION IN EUROPE
WASHINGTON, DC

The hearing was held at 3:07 p.m. in room 538 Dirksen Senate Office Building, Washington, DC, Hon. Sam Brownback, Chairman, Commission on Security and Cooperation in Europe, presiding.

Commissioners present: Hon. Sam Brownback, Chairman, Commission on Security and Cooperation in Europe.

Witnesses present: Richard Boucher, Assistant Secretary of State for South and Central Asian Affairs; Dr. Sean Roberts, Central Asian Affairs Fellow, Georgetown University Center for Eurasian, Russian, and East European Studies; Dr. Martha Olcott, Senior Associate, Carnegie Endowment for International Peace; and Dr. Stephen Blank, Strategic Studies Institute, U.S. Army War College.

HON. SAM BROWNBACK, CHAIRMAN, COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Mr. BROWNBACK. The hearing will come to order. Thank you all for joining me this afternoon. I welcome you to the Commission's hearing on the Shanghai Cooperation Organization.

Since its inception 5 years ago, the SCO has been touted by its members, Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan, as a multilateral security organization. The SCO's members, which have endured terrorist attacks, have sought to develop a unified approach to combating terrorism. The member states have demonstrated a long-term commitment to the war on terror with the United States in this regard.

The organization's focus has also expanded over time to include military security, economic development, trade and cultural exchanges.

The United States is not a member of the organization and has not been invited to participate in its workings. On the other hand, Mongolia, Pakistan, India, and even Iran—the world's foremost state sponsor of terrorism, I might note—are already observers. Iran is seeking full membership.

Furthermore, the SCO summit in July 2005 called on Washington to set a deadline for the withdrawal of the U.S. military presence in Central Asia, reinforcing a suspicion that one of the SCO's underlying purposes is to weaken American influence in the region.

Perhaps most relevant to this Commission are the worrying implications of the SCO for democratization and human rights in Central Asia. I raised this point with the OSCE's chair in office earlier this year when he testified before the commission.

The Central Asian states are all members of the OSCE and have assumed extensive commitments under the OSCE's human dimension. In 1991, all OSCE states accepted that these commitments, quote, "are matters of direct and legitimate concern to all participating states and do not belong exclusively to the internal affairs of the state concerned."

By contrast, the guiding principles of the SCO's work is, quote, "non-interference in the internal affairs of sovereign states," end of quote, and the SCO has vocally opposed the exportation of democracy. In a glaring challenge to the aspirations of the region's people for freedom and representative government, the SCO's Executive Secretary has been quoted as saying, "The time for color revolutions in Central Asia is gone."

In fact, Uzbekistan's President, Islam Karimov, has sought to use participation in the SCO as a way to overcome isolation and criticism he has experienced after the Andijan massacre and his failure to cooperate in an international investigation of the incident.

A further rise in SCO influence can only encourage the governments of Central Asia in more repressive and less reformist policies that will contribute to the growth of regional extremism and the terrorism that the SCO was founded to combat.

The United States has a vital interest in the transition of the Central Asian states to democracy and market economies. The region is critical in the war on terrorism. We've encouraged these states to move in the direction of reform and to adopt open energy and economic policies that support their independence and long-term stability.

Along with Senators Kyl and Hutchison, I have introduced a bill in Congress to follow up on the original Silk Road Strategy Act of 1999. This legislation articulates a strong commitment to the region and urges the development of close U.S. political, economic, and security ties with these countries. It would recognize the historic relationship among them and, through U.S. engagement, encourage their long-standing traditions of moderate Islam and tolerance.

I look forward to hearing from our panelists today on whether the rise of the SCO is compatible with these goals and what the motivations are of its principal members in setting up this organization.

I'm pleased to introduce, on our first panel, the Honorable Richard A. Boucher, Assistant Secretary of State for South and Central Asian Affairs. He previously served as the Department of State's spokesman or deputy spokesman under six different Secretaries of State and has served as chief of mission twice. October 1993 to 1996, he was U.S. Ambassador to Cyprus. He was the U.S. Consul General in Hong Kong and is a senior foreign services officer with the rank of career minister.

Mr. Boucher, it's a delight to have you here today. I look forward to your statement, and I look forward to a candid discussion with

you on what we anticipate the SCO is all about and what it's going to do. Good to have you here.

STATEMENT OF HON. RICHARD BOUCHER, ASSISTANT SECRETARY OF STATE FOR SOUTH AND CENTRAL ASIAN AFFAIRS

Mr. BOUCHER. Thank you very much, Senator.

Mr. Chairman, I want to start off by thanking you for inviting me here today to discuss the topic of human rights in Central Asia, the Shanghai Cooperation Organization, and the other relationships and organizations that affect it. I've prepared a much longer written statement, and I'd like to ask that it be entered into the record.

Mr. BROWNBACK. Without objection.

Mr. BOUCHER. Let me speak briefly then, and we'll go onto whatever questions are on your mind.

As you know, Central Asia is strategically important region. It's going through a period of very tremendous change. Secretary Rice has articulated a clear vision for Central Asia, and we're working with the states in the region to try to carry it out. Simply put, above everything else in this region, we put Central Asians at the center of our policy.

Our policy is firmly based on the premise that the nations of Central Asia are sovereign and independent states with whom we need to maintain relations on a broad range of issues. Our overall goal is simple: to support the development of sovereign, stable, democratic nations that are integrated into the world economy, cooperate with one another, the United States and our partners to advance regional stability.

Real stability, we believe, requires citizens to have a stake in their government. Long-term stability comes from a process of democratic change, and our job is to help the countries of Central Asia develop their own democracies, as they seek their security and develop their economies. All three elements work together.

Central Asian republics are members of several regional organizations whose aim is to provide multilateral security and economic coordination. We believe that cooperation among the Central Asian states with all of their states can be useful via multilateral organizations that address the concerns of all the member states.

You invited me here today to discuss specifically the Shanghai Cooperation Organization. I'd note that, in its early years, the so-called Shanghai Five focused on resolving border disputes among the members and, in fact, did some good work on that score. Today, Shanghai Cooperation Organization still has the potential to advance regional trade and economic development, but we believe that it needs to be an engine for cooperation and equal partnership among the five sovereign states of Central Asia.

It should not be a vehicle for exclusion or for domination by its larger members. We have problems when it takes excursions into more political areas, like telling the states of the region what they can and cannot do with third countries, like ourselves. And we have problems when they seek security cooperation on a no-questions-asked basis. We would hope to see the organization develop in a way that supports broader regional stability and prosperity

and focuses its energy on economic development, not on geopolitical statements.

I'd note that, in addition to the Shanghai Cooperation Organization, we believe the Collective Security Treaty Organization and the Eurasian Economic Community should also be much more transparent in how they intend to achieve their stated goals. Like the Shanghai Cooperation Organization, these other two organizations seem to be sort on a no-question-asked membership basis, as well. There's no criteria for human rights standards or other participation, and there's no effort within the organizations to achieve more stable government or political reform.

So the question in the end becomes: Are they there to strengthen the independence and the sovereignty of states, give them a better foundation for their future, or are they there as a way of outside powers trying to exercise some control over what goes on in the region? And when they slip into that latter mode, we think that's not good for the region, and that's what we've seen happen in a few areas.

As we have tried to build new economic links and other ties between Central Asian nations and South Asia, we've also tried to strengthen the multilateral ties that the nations of Central Asia have already developed to the West. So I'd note that the North Atlantic Treaty Organization, NATO, is very involved in this region, and especially for the Organization for Security and Cooperation in Europe is very involved, and the European Union is involved, as well.

All of these organizations, while they might focus on economics or military security or reforms of various kinds, they all have a basic structure that involves all three elements of a good, stable future for these countries, security, economics, and democracy, and political reform.

All five Central Asian republics are participating states in the OSCE, and they host field missions from the OSCE. And as this committee knows very well, the OSCE is a tremendous asset and platform for cooperation on security, economic and environmental development, and especially democratization and human rights.

We believe that NATO plays an important role in maintaining and strengthening relations, both among the Central Asian nations and between them in the outside world. And NATO's Partnership for Peace program has enhanced security capabilities and readiness in the region, so we offer enormous support, not only to the individual nations, in terms of their reform programs, but we consistently support the OSCE, and NATO, and some of the other organizations that try to bring this integrated approach and focus on the Central Asian nations themselves.

We're promoting multiple linkages to the world for the countries of the region. We think that countries should never be left with one option, with one market, one trading partner, or one vital interest structure link. More choices for them means more independence for them, and more independence means more ability to exercise their own sovereignty, and that's our goal for the countries of Central Asia.

We'll continue to pursue to it by working with the countries individually and with the multilateral organizations that share our goals in the region.

Mr. Chairman, I want to thank you again for the opportunity to talk about this important region, and now I'd be glad to take your questions.

Mr. BROWNBACK. Thanks, Mr. Boucher.

What's been the SCO's impact, in terms of the observation of international human rights standards in Central Asia? Has it had an impact on human rights efforts in Central Asia?

Mr. BOUCHER. I think the first thing to note is the organization doesn't take up human rights questions itself, and that is probably our big criticism of Shanghai Cooperation in the human rights field, that there's no effort at all to match economic agreements, border agreements, security cooperation, counterterrorism efforts with any standards of human rights or even, I suppose, what we would say is sort of understanding of the political environment in which those things have to operate.

And so it's kind of, as I said, no-questions-asked cooperation in these fields. And that in itself is not helpful to bring a balanced development in the region.

As far as observers, I can't remember if they've actually sent observers to specific elections, but some of these countries have observed each other's elections. And despite the fact that in some of them there have been big problems, they've been very quick to approve, and that certainly gives a bit of refuge to people who otherwise in the international arena haven't met what one would call basic standards for a decent election.

Mr. BROWNBACK. What about the fact that the SCO has vocally opposed the exportation of democracy? What do you make of that statement?

Mr. BOUCHER. Well, exactly. I mean, their doctrine of non-interference is sort of—cooperation without any questions is one that we don't think is helpful to the region. It doesn't help things move forward. And while they have many times assured us that, you know, our cooperation is not directed as any third country, that was the standard talking point when I went and talked to people in the region.

I went to Beijing in August and was talking to the Chinese, as well as I went to the headquarters of the Shanghai Cooperation Organization. And, you know, their own consistent talking point was, "This is not directed at any third parties," but it is directed. I'd say, in some ways, it's sort of insulating these countries from any criticism or any objective scrutiny from outside, and that doesn't help these countries in the end.

Mr. BROWNBACK. And so it's to form protection for countries within it so that they don't feel as much pressure to democratize or have human rights?

Mr. BOUCHER. I think it allows them—it gives them a club to go to, and be happy with each other, and not face any criticism, and therefore maybe lessen the pressure that can be brought on them from outside.

Mr. BROWNBACk. Is there an intent here to build a broader coalition of people opposed to democracy, the expansion of human rights?

Mr. BOUCHER. I don't think so. One of the interesting things in this region is, everywhere you go, people will claim that they have a strong human rights agenda. I was in Uzbekistan last month, and President Karimov pointed very proudly to the statements that he had made in the past on human rights, including some that he'd made with us. And I said, "Well, that's great, but you haven't implemented any of this."

But everywhere in the region, they know that political reform and human rights is on their agenda. Some find various excuses; some find various different ways of doing it. But the kind of pressure that we bring and the kind of pressure that the OSCE brings, the kind of pressure that relations with the Europeans, or Japan, or others bring, they don't feel it when they're inside these other organizations, when they're meeting with their collective security counterparts or their Shanghai Cooperation counterparts.

And so I think that lessens to some extent the desire of people to see them get on with that agenda and actually implement it.

Mr. BROWNBACk. Is this an effort by the Chinese in particular to get a leg up on us economically, by not asking any questions about democracy or human rights?

Mr. BOUCHER. I don't think so, I mean, to get a leg up on us. I think China is pursuing its economic interests in the region, not necessarily against us, but it's pursuing its own economic interests in the region. And China has a habit of not asking any questions about democracy and human rights.

They accept dealing with all sorts of regimes, without any questions. They look for, as they say, stability above all. And when I talk to the Chinese about this, you know, I argue very strongly with everybody that, for the long term, the only true stability is democratic stability. The only way to ensure the continuation of independence and sovereignty of your country is to build institutions that will last for a long time, build institutions that are inclusive, build institutions that allow people who have grievances to express them peacefully, and give people a peaceful role in a political process.

And that's something that, you know, we try to carry forward everywhere we go, that building democratic institutions is the way to ensure stability and the way to ensure sovereignty and independence.

Mr. BROWNBACk. What about the executive secretary of the SCO has been quoted as saying, "The time for color revolutions in Central Asia is gone"?

Mr. BOUCHER. Well, I think that's—I didn't see that precise remark. You know, frankly, it's one based on the desire to insulate, you know, what we were talking about before, to insulate their regimes from any sort of criticism or change.

But it's also kind of a smear on the United States, because we're not out there trying to overthrow governments or, you know, sponsor color revolutions everywhere we go. We're trying to support and promote democratic change wherever it exists and to build a stable

basis for the future for these countries, in terms of security, in terms of economic cooperation, and in terms of democratic reform.

So, you know, he's first of all arguing against a false target and, second of all, it's really a non-sequitur. The process of reform in these countries, the process of building an independent and sovereign state requires progress in all these areas.

Mr. BROWNBAC. I look at this, and I just have a lot of questions that really come to mind quite quickly about the intent of the people, particularly the larger countries involved in this.

And maybe it's based on a background of inexperience, but particularly, like in Africa, I've traveled a great deal in Central Asia. I've traveled in Africa. And a lot of my experience in Africa has been a lot of Chinese investment and money pouring in, with many rogue regimes and no questions asked.

As a matter of fact, many times the rougher the regime, the more their pariah status with the rest of the world, the more Chinese investment is there. It's a place that we won't go because of genocide in Darfur or other places throughout Africa, and there's extensive Chinese investment. It's almost a business plan, it seems to be, that it's followed.

Are we seeing that being replicated in Central Asia to some degree?

Mr. BOUCHER. Sure. They're looking for oil; they're looking for resources; they're looking for—

Mr. BROWNBAC. No questions asked?

Mr. BOUCHER. No questions asked, yes. That's the way the Chinese do things around the world, as you yourself have seen.

Mr. BROWNBAC. When you press the Chinese officials about this, how do they respond? I mean, here—

Mr. BOUCHER. I mean, first of all, China, because it's so fearful of people telling them what to do, takes a very rigid line on not telling others what to do. Second of all, they're looking to cooperate with other countries for the sake of resources and economic growth. They need the oil. They need the raw materials.

They need the trade and transport routes, and so that's their first goal, and that's pretty much the basis of their cooperation in this region. They have new rail lines with Kazakhstan; they have new pipelines with Kazakhstan. They're looking at road and rail links with others. They're looking at the possibility of gas pipelines from Central Asia.

To some extent, this helps the countries in the region. I mean, I have to say, if the goal is really to give them multiple outlets and multiple pipelines, then having the China option, as well as having the Caspian option, as well as having the options of sending things to the south, these are all good. All the infrastructure that was built in the Soviet period, obviously, led back up into Russia, and these countries are still very heavily dependent on Russia.

And the more options they have, including the China option, probably the better it is for each of these countries, to be able to decide on their own which is best, and which way they want to go, and how they can exercise their sovereignty and maintain their independence by having more choices. But, at the same time, I say that in itself does not lead to political reform. They need to consider what the long-term stability of their nation requires.

Mr. BROWNBACk. Doesn't it even slow political reform?

Mr. BOUCHER. I guess the answer would be: Compared to what? If it would slow—it would certainly slow political reform if their only option was to cooperate with Europe and the West. But since right now their only option is Russia for many of them, the fact of adding more options with China, and with Europe, and with NATO and the OSCE actually probably stimulates a bit more openness and cooperation.

Mr. BROWNBACk. Do you think President Karimov's participation in the SCO has stimulated human rights and democracy building in Uzbekistan?

Mr. BOUCHER. No, absolutely not. No, absolutely not. He's been very impervious to influence, shall we say, more than anybody else—

Mr. BROWNBACk. It seems like it buttresses his efforts and it gives him a club to go to, and market of a substantial size to participate in, and no pressure.

Mr. BOUCHER. Sure.

Mr. BROWNBACk. No questions asked.

Mr. BOUCHER. Sure.

Mr. BROWNBACk. And there it would seem like it would be a classic case of really slowing down the process.

Mr. BOUCHER. I can't disagree with you, sir. I guess the only thing I'd say is slowing—you know, what are his other options? If he didn't have Shanghai Cooperation Organization club to hang around in, he'd probably be hanging out in Moscow. I'm not sure that would make his policy any different. Right now, he does both.

Mr. BROWNBACk. Has the United States sought membership in the SCO?

Mr. BOUCHER. No, we haven't, sir.

Mr. BROWNBACk. Why would the SCO object to U.S. participation or wider, say, South Korean, Japanese participation? Have you thought of that?

Mr. BOUCHER. I don't know that they would. They might. They might find a reason, even though theoretically it's open to others.

We have not sought participation, I think, for two reasons. One is the purely practical and small, well, specific reason that their rules are such that they require participation by observers at the same level as the level of the meetings.

So if you had a summit meeting in the United States that wanted to go in observer, in theory, it would have to be George Bush, President Bush, sitting at a table off to the side with a few other countries watching the proceedings. And that generally is not very productive for the United States to take a role like that. That's what their own internal rules require.

But the second, I think, is a bigger picture, and that is that, in terms of our cooperation with the region, we don't think this is a particularly helpful organization. It's certainly not one that we would want to back, or sponsor, or promote in any way. We think our money, our energy, our time is better invested in working with the individual countries and working with the organizations that take a broader view, the NATO, the OSCE, the European Union, other partners, Japan, working with them in the region, people who are interested in all aspects of cooperation in that region.

Mr. BROWNBACK. What do the Kazakhs say to you as to why they are a member of this organization and seek to be actively participating in the OSCE?

Mr. BOUCHER. I think it probably applies to all the states in the region that they're members of this partly because of geography, partly because when it started out it was a useful vehicle for solving some of the border problems and working on customs and economic issues, partly because they do want the cooperation on security and counterterrorism.

The attitude is sort of, the more you can do in that area, the better. So they're looking at it from their point of view and finding some benefits for their development, for their security, for their economic relations with neighboring countries.

The Organization for Security and Cooperation for Europe, of course, takes a broader view, a more well-balanced view, where it is security, economics and democratization, three baskets that OSCE has. And their interest in OSCE is to show, to get some recognition from other countries that they have some achievements in those areas.

Mr. BROWNBACK. So a member of the Hudson Institute, Chris Brown, has termed the SCO, quote, "the most dangerous organization that the American people have never heard of." A pretty strong statement. He calls it or suggests it's more than an economic organization. He sees it as a potential Eurasian Warsaw Pact. What do you think of those concerns?

Mr. BOUCHER. I don't see it. I don't really see it that way. The Warsaw Pact was an instrument of direct control by the Soviet Union, in places where they had troops, where they had security services, where they had direct control, really, over many of these nations, and sometimes intervened forcefully to maintain it.

The countries of Central Asia have more options and they have more opportunities. And to some extent, they can get out of any organization what they want to. And the more opportunities they have, to the north, the south, the east, and the west, the more organizations they can participate in, the more options they have.

And it makes it harder for any one organization to try to control them. It makes it harder for any one organization to have the domination that the Warsaw Pact had over Eastern Europe.

Mr. BROWNBACK. It seems to me that this is one that bears very close watching, the SCO, particularly in some of these, it looks like to me, incendiary statements that their leadership has made against exportation of democracy, no more color revolutions, this sort of no-questions-asked association.

The operational techniques that have been used, particularly by the Chinese to secure more resources and ask no questions or not push at all about human rights or democracy, I think this is one that we ought to be very concerned and watching quite closely as what its trajectory is and what it's headed toward, to where it might look not as difficult right now, but that it could take a very aggressive trajectory against our interests and against the spread of human rights and democracy.

Mr. BOUCHER. I agree with you, sir. I mean, we have watched this organization very closely. We watch all the multilateral cooperation in this region. Again, our emphasis is on trying to en-

courage cooperation in this region, trying to help them with their, you know, customs efforts, with their mutual reinforcing economic efforts, with security cooperation, and other things, as well as political reform and movement toward democracy in the region.

So we watch all the organizations that are involved in one way or the other. We don't find Shanghai Cooperation at this stage, given the things they've gotten into, particularly in the last 2 years, to make that big of a contribution to this. And we've been very careful in watching it and raising it. We talk about it with the countries of the region. We raise our concerns with countries outside the region.

I think, you know, Iranian participation is quite a problem. And certainly, if you look at the meeting this year, that Iran probably detracted from the meeting and the quality of the organization rather than added anything by showing up. So we do raise this regularly with countries; we watch it closely. And we will watch its evolution as it goes forward.

But I'm not sure I agree with some of the statements you were quoting from others, but we do watch it very carefully.

Mr. BROWNBAC. And, well, thank you. Thank you for your presentation and your comments here today. I appreciate very much your attendance.

Mr. BOUCHER. Thank you very much, Senator. Pleasure to be with you.

Mr. BROWNBAC. We'll call up the second panel.

Sean Roberts is a Central Asian affairs fellow at Georgetown University Center for Eurasian, Russian and East European Studies. He's also the author of a Web site on political, social and economic developments in Central Asia. He's been living on and off in Central Asia since 1989. And when he was an exchange student at Tashkent State University, an expert on history and culture of some of the people in that region. He speaks fluent Russian and other languages.

Dr. Martha Brill Olcott has testified before in front of the Commission. A senior associate at the Carnegie Endowment for International Peace, one of the world's foremost experts on Central Asia, and also a professor of political science at Colgate University. She co-directs the Carnegie Moscow Center's Project on Ethnicity and Politics in the former Soviet Union and she has written extensively on the region.

And the final one on the second panel, Dr. Stephen J. Black, Strategic Studies Institute, U.S. Army War College. He's an expert on the Soviet bloc and post-Soviet world. He's editor "Imperial Decline: Russia's Changing Position in Asia," co-editor of "Soviet Military and the Future," and the author of "The Sorcerer as Apprentice: Stalin's Commissariat of Nationalities." He's written many articles and conference papers on Russian Commonwealth of Independent States and Eastern European security issues.

We're delighted to have this panel with us today. Your full statement will be included into the record.

Dr. Roberts, we'll start with you.

**STATEMENT OF DR. SEAN ROBERTS, CENTRAL ASIAN AFFAIRS
FELLOW, GEORGETOWN UNIVERSITY CENTER FOR
EURASIAN, RUSSIAN, AND EAST EUROPEAN STUDIES**

Dr. ROBERTS. Thank you very much for inviting me today to speak to you about the Shanghai Cooperation Organization and its impact on U.S. interests in Central Asia.

When the Shanghai Five group first met in 1996, few people foresaw that this loose alliance between China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan would be what it is today. The turning point in the organization's development took place in 2001, when the loosely aligned Shanghai Five group reformed itself into the Shanghai Cooperation Organization, or the SCO, and took on Uzbekistan as an additional member.

Since 2001, the SCO has gradually built an alternative universe to the Western military, political and economic alliances that has sought partnership with the Central Asian states. While the military potential of the SCO may be at some point an issue for the United States, much more important today are the political and economic counterbalances that the SCO presents to U.S. interests in Central Asia.

And it may be the political counterbalance of the SCO alliance to U.S. interests in the region as an alternative to the OSCE that is most critical, since this is the aspect of the organization that gives its ideological glue.

By the choice of its name alone, it is clear that the Shanghai Cooperation Organization was created in 2001 at least in part as a conscious counterbalance to the Organization for Security and Cooperation in Europe, or the OSCE. Its challenge to the OSCE, however, became much clearer with the SCO's decision to sponsor an election-monitoring delegation to the 2005 Kyrgyzstan parliamentary election. This event signaled a serious shift in the activities of the SCO and particularly China, with regards to its involvement in Central Asia's internal political development.

Since 2005, this trend has become more visible in the activities of the SCO and in its public statements. While the alliance continues to promote military, trade and security cooperation among its member states, it now articulates its geopolitical stance as an organization that is protecting the region from external political influences. In essence, the SCO has positioned itself as the protector of the sovereignties of the Central Asian states from foreign interference in internal affairs.

In doing so, it is creating various regional support mechanisms that can exist in economic, security and military development, without the commitments to democratic reform that being a member of the OSCE entails. Such a situation creates a serious threat to the observation of human rights and the development of democratic governance in Central Asia, as well as to the general *raison d'être* of the OSCE.

But the question remains as to when the desire for an alternative to the OSCE began in the region and why. And, more specifically, why do the Central Asian states now, in contrast to the early 1990s, perceive of the United States and its European allies as equal or perhaps even larger threats to their sovereignty and independence than China and Russia?

In general, there are three events that have contributed to the situation. First, in 1999 and 2000, Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan all held parliamentary and Presidential elections. None of those elections were recognized as free and fair by the OSCE, nor by the United States. The failure of this election cycle to meet international standards understandably led to significant bad international press concerning the efforts of the Central Asian states to develop democracy.

This situation one might say ended the honeymoon of Western engagement in Central Asia. It was shortly after this election cycle that the Shanghai Five group became solidified into the more formal Shanghai Cooperation Organization.

The second event was the establishment of U.S. military bases in Central Asia shortly after September 11, 2001. While there was tacit agreement among all parties that the United States and its coalition needed the use of bases to establish control over the disorder in Afghanistan, there had always been and remains distrust of the intentions of the United States in establishing those bases.

Third, in the last 3 years, there has developed a general fear of U.S. political intentions in Central Asia regarding the concept of regime change. This fear is propelled by a conflation of the United States' articulation of the goals of the global war on terror, in terms of a freedom agenda of bringing democracy to the world, and the belief that the United States was intimately involved in the developments of the so-called colored revolutions in Georgia, Ukraine, and Kyrgyzstan, as well as the Andijan protests of May 2005.

The member states of the SCO, with perhaps the exception of Kyrgyzstan, generally see the color revolutions of recent years, along with the campaigns in Afghanistan and Iraq, as parts of a unified U.S. foreign policy to selectively force regime change around the world in the name of democracy. As long as such a perception exists, the SCO is likely to be an attractive counterbalance to the OSCE and U.S. interests in the region for the Central Asian states.

There are, however, some internal dynamics within the SCO that can limit its ability to present a long-term challenge to U.S. interests and to the OSCE in the region. The Central Asian member states of the SCO continue to see the advantage of engagement with the United States, recognizing that Russia and China could also pose significant threats to their independence and sovereignty.

Along these lines, Kazakhstan may be in a position to play a pivotal role in how the SCO positions itself, vis-a-vis the United States and the OSCE. Kazakhstan is the only Central Asian country whose economic power allows it to be a significant international investor and to play an important role in the development of the other Central Asian states.

In this context, Kazakhstan seeks a wide range of international partners and often wishes to exert its independence from Russian and Chinese political and economic influence. Furthermore, while Kazakhstan seeks to control public political competition and continues to be reluctant to implement free and fair elections, the country's growing middle class has Western sensibilities that will eventually seek the reforms that are aligned with the country's commitments to the OSCE.

In this context, it is vital for the United States and the OSCE to find new means for engaging the Central Asian states on long-term democratic reforms in a way that is not seen as threatening the sovereignty and independence of these states in the short term. In order to do so, however, the fears of color revolutions in these countries must be replaced by a true sense of mutually beneficial partnership that involves the collaborative efforts of the United States and the OSCE to build free markets and democratic governance in the region over the long term.

Such an approach should not be confused with being soft on democracy, as Ariel Cohn recently suggests. The United States and the OSCE need to talk tough about democracy with Central Asian leaders but also do so realistically, respectfully, and with the assurances that they are committed to long-term engagement.

It should be remembered that the fear of U.S. democracy promotion that is prevalent among Central Asia's leaders is not as much a reaction against the idea of political reform as it is a suspicion that the freedom agenda presently promoted by the United States abroad is actually a smokescreen for ulterior motives. In order to refute such ideas, the United States needs to demonstrate to the Central Asian leadership that its interest in promoting political reform throughout the region have nothing to do with forcing regime change in the short term and everything to do with ensuring the long-term sustainability of the sovereignty and independence of the Central Asian states.

If the United States can regain the trust of the Central Asian states in this regard, the Shanghai Cooperation Organization will likely cease to be a serious threat to our interests in the region.

Thank you very much.

Mr. BROWNBACk. Thanks, Mr. Roberts.

Dr. Olcott?

Dr. OLCOTT. Thank you.

Mr. BROWNBACk. Good to have you back.

**STATEMENT OF DR. MARTHA OLCOTT, SENIOR ASSOCIATE,
CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE**

Dr. OLCOTT. Thank you very much for the opportunity to appear once again before you today. I have a longer testimony, which I've submitted to the record.

The Shanghai Cooperation Organization is becoming increasingly more active in Central Asia. Although it is not clear what the final shape of this organization will take, either in terms of its membership or in terms of its mission, right now though I believe that, rhetoric notwithstanding, that SCO is little more than a discussion forum for a group of states with shared borders or nearly shared borders, as in the case of Uzbekistan.

And it is unclear to me whether the efforts at institution-building of this organization will be any more successful than those of the rather ill-fated CIS, the Commonwealth of Independent States. Today, I don't believe that the Shanghai Cooperation Organization poses any direct threat to U.S. interests in Central Asia or in the region more generally, although I grant that its annual meetings, most particularly since 2005, have become an opportunity for mem-

ber states and for observers to vent their frustration with the United States.

I also believe that the timetable for possible expansion of this organization is uncertain, but I certainly feel that it is unlikely to come anytime soon. And I think it's important to remember that observer states in the organization have a very limited range of activities that they can participate in. And so much of the bluster comes from the observer nations, like Iran, at general meetings.

Moreover, I believe that the expanded mission for the SCO becomes less viable if the membership of the organization expanded. This is something that the membership in general is well aware of, and this is one reason why the Chinese in particular have privately resisted any proposal to increase any of the observer nations to full member status. A decision to increase membership would need to be consensual, and Chinese authorities have sent strong signals to suggest that the organization cannot be expanded until its final mission is clarified and made operational.

I believe that, although the SCO have made commitments to view security threats to one as a form of threat to all, they lack the capacity to respond to these threats in any sort of concerted fashion. And for the foreseeable future it is hard for me to imagine China becoming an equal security partner of any of the Central Asian states or of Russia. Suspicion of China simply runs too deep.

So furthermore I believe the capacity of the Shanghai Cooperation Organization to be a security organization with a mission anywhere analogous to NATO further diminishes if the SCO takes on new members. I also believe that Russia itself is against the expanding of the security mission of the SCO, because it works against bilateral Russian efforts and multilateral efforts of Russia with the Central Asian states.

The economic mission of the organization also remains somewhat ill-defined. And the fact that China and Kyrgyzstan are both WTO members and that Kazakhstan and Russia also have WTO ambitions—Kazakhstan in particular is moving toward WTO membership—I think will impede the SCO from emerging as any sort of competitive, exclusive regional trade organization.

That notwithstanding, SCO member states are likely to become important economic partners of each other, especially in the area of energy. Russia and China are to some degree competitors for Central Asian oil and gas reserves, but both realize that the SCO and the partial pooling of their efforts could work to their individual advantage. However, the mutual advantage that the SCO provides in the area of energy really begins to seriously diminish if it admits other large oil and gas competing producing states, like Iran, or other states with large markets, competing markets for energy, like India.

I would like to turn to three points before I run out of time and then a conclusion. First of all, energy. I would argue that China's priority, as we've talked about, vis-a-vis the Central Asian states, lies not with the SCO but with increasing its ownership of oil and gas assets in Central Asia. As I will return in the conclusion, as I talk about in my testimony, this is something that need not be of direct or indirect threat to the United States.

The Chinese expects the SCO to help with energy security. OK, domestic politics—again, you know, I’m going to run out of time. I think this question has come up, the question on human rights.

I would say that the Chinese have little interest in the domestic politics of the Central Asian regimes, except as they relate to the treatment of ethnic minorities, Chinese ethnic minorities, the Uyghurs in particular. And this is the one place where the Chinese Government has placed very serious pressure on the Central Asian states to restrict the political rights and to outlaw particular Uyghurs groups.

I would say that Beijing is not encouraging the Central Asian states to be autocratic, and they wouldn’t break ties with any of these regimes if they became democratic, but like the rest of the SCO member states, the leadership in Beijing—and this is really what I’d like to emphasize—believe that security threats come from groups with alien—and I would read extremist—ideologies and are not produced as a result of the domestic and, in particular, of the human rights abuses of the governments themselves.

And this really is where I think the SCO and the OSCE really differ, in the evaluation of what constitutes threat, domestic threat, and what produces domestic threat. And I will come back to that in another second, in the conclusion.

Finally, I’d like to say just a word or two about Russia and the SCO. The increased visibility of the SCO provides a useful buffer for the Central Asian states to use in trying to balance Russia and Chinese influence in the region. One Central Asian foreign minister once noted that the biggest advantage that his country gets from membership in the SCO—and this is off the record—was that they used it to oppose Moscow.

When there was a position that there had been a clash at bilateral meetings, they would bring it before the SCO if there was any evidence at all that China would take the opposing view, that it served as a great discussion place to neutralize some of Russia’s concerns.

I feel it’s very important to note that the security goals of Russia and the SCO do not fully overlap, and Russia itself would be very uncomfortable with intelligence-sharing between the Central Asian states and Beijing, if all the SCO members would just share intelligence. I’m sure some limited intelligence-sharing goes on, but not the kind of intelligence-sharing that goes on between Russia and the Central Asian states.

I’d like to make for my last minute some concluding comments. The existence of the SCO, I would argue, will never serve U.S. interests but it need not directly hinder them. It’s easy to criticize the SCO as a union of non-democratic states, but I would argue that these states are not bound together by their common interests in keeping member states from becoming democracies.

They are bound together by a shared set of security interests and a shared set of perceived risk. Unfortunately, they understand the roots of these risks in ways that are impeding the advancement of a democratic process of most of these states.

I think that China’s role in the energy sector can be quite positive. Secretary Boucher said some of that; I’d happily to go back to that in the question period.

But I think that it is not in U.S. interests to try and create chasms in the relationship between the Central Asian states and China, that Kazakhs and Kyrgyz in particular understand that there's no way that the fate of their countries can be fully separated from that of China.

For now, at least, China is behaving responsibly in Central Asia, but I think that the U.S. goal—that Beijing sees the organization as a way to parry Russian influence and, even if only indirectly, to keep these states from becoming exclusively European in outlook. The U.S. goal should be to ensure these states be Euro-Pacific in outlook and find more ways to engage with them in trying to achieve what we hope are our shared European—and by this I mean the shared OSCE democratic values.

Thank you.

Mr. BROWNBACK. Thank you, Dr. Olcott. I look forward to further discussion in our question-and-answer period.

Dr. Blank?

**STATEMENT OF DR. STEPHEN BLANK, STRATEGIC STUDIES
INSTITUTE, U.S. ARMY WAR COLLEGE**

Dr. BLANK. Thank you, Senator Brownback.

I'd like to speak today about the relationship between China and SCO, which raises many questions about Chinese policy and the SCO, which is a work in progress. As Dr. Olcott testified, it has not yet found or crystallized its final mission and, for that matter, even its final membership. And it remains to be seen where it's going to go.

But it is no doubt that China sees the SCO as its main instrument for countering the United States on a multilateral basis in Central Asia today. And this realization started with the original Shanghai Five in 1996. There is some evidence that the conclusion of the border treaties then was due to the decision by China to move to multilateralism against American foreign policy, as shown then in the Taiwan crisis.

Since then, what has become the most striking fact about the SCO is that it's a platform for all of the local governments, including Moscow and Beijing, to state firmly that Washington should not interfere in their domestic arrangements.

This pervasive fear about American calls for democratization or alleged outside American agitators, like the Open Society Institute or the CIA, are somehow conniving to launch revolutions in Central Asia may be misguided and false, because they are not doing so, but it is nonetheless widely believed. And in the absence of any countervailing public information policy by the United States, it has become an article of faith among elites in Central Asia, China and Russia that the United States is involved in trying to revolutionize Central Asia. And this has contributed in no small measure to our setbacks over there.

At the same time, both China and Russia realize full well just how fragile not only the Central Asian governments are but their own governments are, because of their democracy deficits, and as a result they continue to stoke these fires in order to wage what might be considered an ideological counter-campaign against the United States.

So, in other words, the great game in Central Asia is not just about geostrategic or energy access; it also is about political and ideological values, such as democratization. But we are not trying to overthrow governments in Central Asia, as Assistant Secretary Boucher pointed out.

Nonetheless, in the absence of any coherent statements to the contrary, this is still believed widely throughout Central Asia and allows Beijing and Moscow ample scope to influence governments which are very concerned about their own internal and external security and which, therefore, as Dr. Olcott said, find the SCO very palatable for their objectives.

We also can see that there is an identity in Russo-Chinese approaches to world politics which is not necessarily shared by the other members of the SCO and which leads them to try and drive the SCO in ways against American foreign policy objectives, not just in Central Asia, but in Asia more generally. It's no sign of this—no sign that, say, Kazakhstan or Kyrgyzstan are really concerned about the Korean issue or that they share Moscow and Beijing's view on Iranian proliferation.

Nonetheless, it is not as vital an issue to them as it is to Russia and China. And as a result, these issues prop up in the agenda of the discussions there.

At the same time, China views the United States military presence, as well as its ideological presence in Central Asia, as a source of strategic encirclement and has tried very hard to put pressure on both Kyrgyzstan and supported Uzbekistan last year in getting them to push us out. Were it not for the Taliban offensives this year, I suspect that we would be under much greater pressure in Kyrgyzstan than was the case and we would be under much greater pressure to get out of there than proved to be the case.

Furthermore, China, as Russian sources have pointed out, is trying to project its military power into Central Asia. The minute we were removed from the scene in Uzbekistan, Beijing made inquiries as to whether or not it could move into Karshi-Khanabad, and the Russians promptly stopped it, which shows you that the Sino-Russian rivalry in Central Asia still exists alongside of the talk about partnership.

And to the extent that the United States is not a factor in the Central Asian issue, you will see tensions arising, not just among Russia and China, but between the smaller states, as well as Russia and China. And, again, Dr. Olcott pointed that out in her testimony.

There are also differences between them as to where this organization is going to go. Russia flirted with the idea of it being a military organization. The Chinese have come out openly against the idea of the Shanghai Cooperation Organization being a military bloc, because that would violate one of the fundamental principles of Chinese military power and foreign policy, that is no membership in military blocs.

At the same time, China sees the SCO as a template of the future organization of Asia against the American alliance system and is in favor of a kind of concept of multilateralism from which the United States is excluded. It also has used the SCO as the platform by which to conduct military exercises, either bilaterally with

Kyrgyzstan and just recently Tajikistan, or with Russia, or with all the members together.

Ostensibly, these are anti-terrorist operations, but the exercises last year with Russia, which took place on China's coast in Shandong Peninsula, were widely regarded as being anti-Taiwan and, for that matter, anti-American, with regard to the Korean theater, in their orientation, even though they were conducted under the SCO's auspices.

What all this shows is that the SCO is a work in progress. Its final destination, its final membership have not been settled. As a matter of fact, its membership is open to some dispute. It's very unlikely that anybody really wants Iran to become a member of the SCO, because that would entail an obligation to defend Iran. And everybody in this game knows that Iran is playing with fire and they're not being entirely responsible actor, insofar as playing with fire is concerned, and they do not want to have to be called to defend Iran, lest the United States strike at it because of its proliferation.

China also is committed to bilateral deals with various Central Asian governments, most recently Turkmenistan, Uzbekistan, and Kazakhstan, in the energy sphere and is enhancing its trade relationships with all the governments in Central Asia on a bilateral as well as multilateral basis. Whereas President Putin has called recently for it to become a networking organization for Asia or an energy club, it remains to be seen exactly if that's going to happen, if that's going to command support from the other members, and whether or not it's actually going to materialize.

So, in conclusion, I would say that this is an organization whose orientation is to a significant degree anti-American but shows very little capability of developing into an anti-NATO or an anti-OSCE. Even though it may try to develop into that kind of operation, there are too many fissures and too many crises which the SCO cannot address in its present form.

And while we need to keep a close eye on it and work against its attempts to suppress calls for democratization and genuine liberalization in Central Asia, it is not going to be the answer to Central Asia's very crowded security agenda.

Thank you.

Mr. BROWNBACK. Thank you, Dr. Blank.

Dr. Blank, you noted that there was a military exercise done under the auspices of SCO or just SCO members?

Dr. BLANK. There have been several military exercises, going back, I believe, to 2002. There have been bilateral Chinese exercises with Kyrgyzstan in 2002 and, I believe, 2003. There was just a recent one that concluded last week with Tajikistan.

There was an anti-terrorist operation in both Central Asia and China, which embraced all the members of the organization, in 2004, I believe. And last year, there was a major division-size operation involving combined joint arms with Russia, which was allegedly conducted under the auspices of the SCO, but which was billed as an anti-terrorist operation. But if you look at it closely, it involved every kind of conceivable theater, conventional operation, amphibious operations, paratroop landings, and the like, leading

observers to speculate it was aimed either at Taiwan or at Korea, despite the fact that it was billed as an SCO operation.

Mr. BROWNBACk. Do we have any recent history of Russia and China doing military exercises like this outside of an SCO organization umbrella?

Dr. BLANK. There had been smaller scale naval exercises between Russia and China about 5 or 6 years ago, before the SCO formally became a security agency, at the time when it was basically a discussion club and a border-monitoring or confidence-building operation.

The 2005 exercises were significant as a new departure. The earlier operations were multilateral or involved China and a Central Asian government, Russia exercises with Central Asian states, under the Collective Security Treaty Organization, which is its attempt to build a military organization to defend against threats in Central Asia.

So last year's operations were the first of their Russo-Chinese type. And more are scheduled, I believe, for this year and next year, which may also involve India.

Mr. BROWNBACk. Doesn't that raise your awareness on this issue quite significantly, when you talk about—I don't know if it was quite you or Dr. Olcott or others, talking about the lack of ability of China and Russia to be able to cooperate or the Russians wanting it to be a military organization, but the Chinese not wanting it to be a military cooperation organization, and yet you're seeing these exercises happen at pretty significant levels?

Dr. BLANK. Yes, that does raise a flag. But the point is that the Chinese still say this is not going to be a military organization, and it is still clear to me that this is a work in progress. This is a debate that has not yet been resolved in favor of the SCO becoming a trade- and economic-security-providing organization or a hard security organization.

And the membership has not yet—the smaller states have not yet stated their position. It is, I think, a significant point that they did—Russia and China did carry out this kind of operation in 2005 and that we may see something like it again. But it is not clear what the next operations are going to look like, so we cannot say in advance what they represent.

However, it does suggest to me an attempt to create a deeper political and military alliance against U.S. interests, not only in Central Asia, but perhaps in East Asia, as well.

Mr. BROWNBACk. That seems to me to be pretty significant.

Dr. BLANK. I agree it's significant, but we haven't seen any followup as to what that may mean for the future. It certainly does not mean that if—let's say, for example, there was a scenario involving Taiwan that the Russian army would get involved in that.

On the other hand, Korea is an area where both Russia and China have vital interests, as is in Central Asia. So conceivably, if some sort of major crisis developed in either of those two theaters, we could see perhaps joint operations or joint action or the threat even of joint action by them, but that's only a hypothetical possibility. And we don't know for sure what's going to come out as a result of that.

In the meantime, though, it's very clear that there are divergences between Moscow and Beijing, with regard to the future orientation of the SCO.

Mr. BROWNBAC. Which there have been for years and years differences between Moscow and Beijing, going back to many years, in different times. But it sounds like some of those are being overcome—

Dr. BLANK. Well, they're being overcome—

Mr. BROWNBAC. By common desires here in the region or common desires to offset U.S. influence.

Dr. BLANK. Well, it's our policies that drive them together. And, you know, we have to examine why they're being driven together, and what the consequences of that are, and what we can do about it, so as to prevent what could develop into a full-fledged strategic partnership.

Mr. BROWNBAC. What policies on our part would you change to prevent them from being driven together?

Dr. BLANK. Well, it's not up to me to change U.S. policy, but it's very clear that they take exception to what they believe to be our unilateralism and disregard for their interests, for example, in going to war with Iraq without going through the final U.N. approval stage, or disregarding their interests in Iraq.

They certainly do not approve of our efforts to tie what they see as regime change to nonproliferation in both Iran and North Korea. And what certainly exercises them the most is the combination of what they believe is American efforts to spread democratization in the former Soviet Union, at the same time as we are building military bases in and around the former Soviet Union, which they both regard as strategic encirclement and as a kind of ideological campaign against the stability and integrity of their governments or of their vital interests.

Mr. BROWNBAC. Dr. Olcott, I always appreciate your opinion and thoughts. I gather from your comments you really don't have a lot of concern about the SCO, what it's doing or what it's likely to do?

Dr. OLCOTT. I don't have concern about the SCO. I accept a lot of what Steve has said. I mean, there's actually a huge amount of overlap between our positions.

I think that—I'm trying to think of how to put it—I don't think the structure of the SCO is going to turn into a structure that is used to successfully destabilize the U.S. position in Central Asia. I mean, I think what Steve said about the Russo-Chinese military activities are really interesting, and I wonder whether that would have been possible in Central Asia, you know, that this was not a theater of operations that Russia has a large military presence in.

And I think that the SCO plays a very important role in Russia for groups that want closer cooperation between the Russian and Chinese military to conceal some of what they're doing, because Russian policy, Russian public opinion is still very, very strongly anti-Chinese. And this creates an umbrella for that.

I think that the concern that we should have is what I tried to allude to in the testimony, that we understand risk in very different ways than they understand risk. And that really is our burden, if you like. We have to get these states to understand that

their policies are putting their stability at risk and that the SCO is not meeting their security burden, that it's not the ideologies that create the risk, but the policies of governments take the presence of ideologies and make them much more dangerous, as catalysts.

No one talks about Great Britain falling apart because there were the threat of Islamic terrorism on U.K. soil. But when you go to Central Asia, you have other fears, because the governments themselves are destabilizing their own situation. I think the danger that the SCO has is that it creates an atmosphere where people just reinforce each other's prejudices, and it's that, these prejudices, are what are hampering the U.S. effort to spread our policies.

One thing I'd like to very briefly say that I really disagree with Dr. Blank on, is I've had the opportunity to spend a lot of time with some of the Chinese advisers to the SCO over the past 7 or 8 months, in various settings, in China, in Central Asia. And I find that where they disagree with us is the question of what constitutes stability and destabilizing. But they're really much more interested in balance in the region than in excluding the United States.

So I don't think the U.S. military bases—rhetoric at some of these meetings notwithstanding—become the real point where we disagree with China on policies in Central Asia. I think where we have not managed to convince the Chinese is that our understanding of what's creating security risk there is really what's at stake, that they're making the situation more unstable, not less unstable, by their policies. So it's not the SCO, but the mindsets that I think we need to do battle with.

Mr. BROWNBACK. Dr. Roberts, you've spent quite a bit of time in Uzbekistan, a student and other times.

Dr. ROBERTS. Also in Kazakhstan, as well.

Mr. BROWNBACK. My experience in that region, but particularly in Uzbekistan, with the leadership that's there, is that they are deeply concerned about Islamic fundamentalism spreading and taking over. And what they kind of look for, at least the leadership looks for, probably more than anything, is somebody to be able to, no matter what, back them whenever or if some sort of threat starts to mount up in any form.

And you saw the very aggressive position that they took when there was a perceived threat. Is that what they get out of this SCO organization? That if an Islamic fundamentalist threat presents itself that Chinese and Russian troops, if it becomes serious enough, will be present?

Dr. ROBERTS. Well, I think that that's what they think they get. I agree with Professor Olcott that it's a question as to whether Russian or Chinese troops, for example, are enough to deal with a problem of fundamentalism in Uzbekistan, when you have a country that's not very effectively governed.

But certainly they perceive of working with the Russians and Chinese through the SCO as more comfortable than working with, say, the OSCE on terrorism, because they feel that the OSCE is trying to undermine their authority through democratization, which is also why I was bringing up this issue that I think one pol-

icy the United States has to seriously consider is the way we're going about democratization.

And actually, it's not as much the approach, because I actually was working in USAID on and off for the last 8 or 9 years in Central Asia doing democratization work. And the approach has not changed, but the way it's perceived has changed, partly because of other things that have happened in the world. As Dr. Blank mentioned, the Central Asian leadership definitely perceives of our campaigns in Iraq and Afghanistan as being somehow linked to assumed involvement of the United States in these color revolutions, in Ukraine, Georgia, in Kyrgyzstan.

They see this as all a large kind of plan to take selected moves for regime change that benefit U.S. interests. And part of the problem is they don't really believe that we're doing this—first of all, they believe that we're doing it conspiratorially, but they don't believe we're doing it ideologically for democracy. They believe we're doing it for our own interests and we're just using democracy as an excuse.

Mr. BROWNBACK. Well, I appreciate very much your thoughts on this. I think this one bears watching really quite closely and intensely and one that could develop quickly, as well. But I appreciate your thoughts, appreciate your expert advice and opinion on this. And we'll continue to look and listen to what people have to say about this group and how it develops further.

Thank you all for coming. The hearing is adjourned.

[Whereupon, at 4:15 p.m., the hearing was adjourned.]

APPENDICES

PREPARED STATEMENT OF HON. CHRISTOPHER H. SMITH, CO-CHAIRMAN, COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Thank you, Mr. Chairman. I commend you on holding this important hearing. The Shanghai Cooperation Organization has lately drawn substantial attention in Washington, so I welcome this opportunity to hear a dispassionate discussion of the SCO's goals and potential.

Some commentators have described the SCO as "NATO's evil twin," apparently because of the SCO's call for a timetable for withdrawal of US forces from Central Asia. Others, primarily those focusing on human rights and democratization agree that the SCO is indeed an "evil twin" but see its positive mirror image in the OCSE not NATO. I think it is a valuable exercise to assess whether the SCO is set to undermine our relations in the region or not.

When we examine the SCO's capabilities, we quickly see serious obstacles to the organization's potential for unity of purpose or action. For one thing, despite a confluence of some interests between Russia and China these two regional rivals by no means agree on basic issues of geopolitics—Russia is an energy exporter while China is a major importer. Moreover, it is not even certain that China shares Russia's desire to get the United States out of Central Asia. Both have far from perfect human rights records.

Among smaller regional powers, a similar contradiction applies, where these countries often ignore OSCE commitments on fundamental freedoms. Tashkent, smarting at Washington's criticism of the Andijan massacre, reportedly led the charge to boot us out of Central Asia. Yet, Kyrgyzstan obviously sees strategic sense, as well as financial gain, in maintaining the U.S. base on its territory since Bishkek has now signed a long-term deal on Manas.

All of us can agree on the need to fight terrorism and drug trafficking. What I find most disturbing about the SCO is its emphasis on preempting threats to the status quo and the implications for human rights. The "colored revolutions" in the former U.S.S.R. horrified the leaders of Russia, Central Asia and China. They have joined forces to ensure that their respective publics must not be allowed to influence politics, which the region's rulers see as an American "plot to export democracy". The SCO is one important organizational reflection of that policy goal. To the extent that its members support each other's efforts to thwart or violate human rights commitments, the possibilities for U.S. engagement will shrink.

Because of these concerns, earlier in this Congress I introduced the Central Asia Democracy and Human Rights Protection Act (H.R. 5382) that creates a framework for U.S. engagement in the region based on protection of human rights and respect for democracy. In addition, my bill would set aside funding for increased democracy/human rights work and increase the amount of broadcasting by Voice of American and Radio Free Europe/Radio Liberty.

I should also note that I plan to introduce this week a piece of legislation regarding the one missing Central Asian state from the SCO—Turkmenistan. Due in part to the recent death in custody of a RFE/RL journalist, but also because of the systemic human rights abuses there, I am introducing this resolution to express congressional concern and to urge President Niyazov to implement serious reforms.

Mr. Chairman, the member states of the Shanghai Cooperation Organization continue to violate human rights and pervert democracy. In addition, the SCO as an organization does not share core U.S. values of respect for fundamental freedoms. I look forward to hearing from our witnesses on whether the SCO is a threat to U.S. interests and whether we can work with this organization.

PREPARED STATEMENT OF HON. RICHARD BOUCHER, ASSISTANT SECRETARY OF STATE FOR SOUTH AND CENTRAL ASIAN AFFAIRS

U.S. POLICY ON MULTILATERAL ORGANIZATIONS IN CENTRAL ASIA

Mr. Chairman and Members of the Committee: Thank you for inviting me here today to talk with you about our policy in Central Asia as it relates to multilateral groupings. Central Asia is a strategically important region at the crossroads of Eurasia. It is going through a period of tremendous change. Many countries have interests there, not least the United States. While the United States faces challenges to its interests, I firmly believe there are opportunities for positive transformation in the region that can lead to lasting peace and prosperity.

To begin, let me clearly state that U.S. policy in the region is firmly based on the premise that the five Central Asian nations are sovereign and independent states with whom we should maintain multi-dimensional relations on a broad range of issues. We reject the idea that the region is merely an arena for larger countries to compete for influence. Our policy is not to view the Central Asians as the object of our struggle with others but to emphasize our relations with Central Asians themselves. We seek to maintain mature bilateral relations with each country based on our foreign policy goals and each country's specific characteristics and dynamics.

Our overall goal in the region is simple. We aim to support the development of fully sovereign, stable, democratic nations, integrated into the world economy and cooperating with one another, the United States, and our partners to advance regional security and stability. Our strategy rests on three integrated pillars: fostering security cooperation; expanding commercial and economic opportunity; and promoting internal political and economic reform. We see these three pillars as inextricably linked and mutually reinforcing. Genuine stability, in our view, requires citizens to have a stake in their government and thus in a process of democratic change; and democratic stability fosters economic development, accelerates growth, and broadens wealth. In case after case around the world, we have seen repression breed extremism. Thus, we are determined to pursue all three pillars.

What we are promoting are multiple linkages to the world. Countries should never be left with only one option—one market, one trading partner, one vital infrastructure link. Central Asia is a landlocked region, far from major maritime trading routes. But it was once a crossroads of global trade and can be once again. Central Asia lies next door to some of the world's most dynamic economic regions. The more options Central Asians have, the more choices they have, and the more independent they are. In sum, we want to help these nations seize opportunity in every direction of the compass. We want them to achieve enduring peace and prosperity and we believe these goals will come by way of political reforms and expanded economic opportunities, not by limiting commercial options or reinforcing unrepresentative systems of governance.

REGIONAL ECONOMIC INTEGRATION

One of the areas in which we are trying to encourage positive transformation is through greater economic interaction and integration in the region. For the Department of State, moving the five Central Asian nations into a new Bureau of South and Central Asian Affairs has provided a fresh perspective on how to help the region seize new economic opportunities. We have long supported efforts among these states to enhance regional cooperation with one another in trade, energy and border security. But we now see a new paradigm taking shape, helped by a shift in the regional strategic landscape. The opening of Afghanistan, in particular, opens exciting new possibilities to the south.

The Central Asian states recognize that it is in their long-term economic and security interests to build linkages to the south, strengthen ties to the west that complement their existing ties to the north and east. Central Asians are increasingly looking in every direction for trading partners, export markets and opportunities for security and law enforcement cooperation, including to the south. One of our goals is to revive the ancient trade and cultural connections between South and Central Asia and to help create new links, especially in the areas of trade, transport, energy and communications. Increased economic ties among the Central Asian states, and between the region and all of its neighbors, can lead to increased economic growth and, ultimately, reinforce democratic stability. This is not a question of "either/or." Central Asia's future lies in dynamic relations with all of its neighbors, old and new.

Let me give you a concrete example. To facilitate new links and increased trade between Central and South Asia, the U.S. Army Corps of Engineers is building a bridge between Tajikistan and Afghanistan. This \$36 million project will open next year and will include modern, efficient customs and border posts on both sides. The bridge will link up Tajikistan with the Afghan ring road, which is transforming Afghanistan from a barrier separating the two regions into a land bridge that can unite the continent.

Another example of the potential for regional growth through greater integration is north-south electricity trading. Central Asia has an abundance of hydro- and thermal-powered electricity to be developed for export. Central Asia already exports electricity to Russia through Kazakhstan. The growing economies of South Asia are actively seeking energy sources to satisfy their increasing needs. We believe they need only look north to Central Asia.

We are working with the World Bank, the Asian Development Bank and the countries of the region to develop a multinational project to export electricity from Central Asia through Afghanistan to Pakistan and eventually India. And we are helping by providing technical assistance and funding feasibility studies on market-driven topics related to regional integration. Realization of this goal would not only provide economic benefits for all countries involved (generating, transiting and receiving), but would also contribute to the long-term development and stability of the entire region, including Afghanistan.

WORKING MULTILATERALLY

Even as we are helping to build new economic links to South Asia, we must strengthen the multilateral ties that the nations of Central Asia have already developed to the west, especially with the North Atlantic Treaty Organization (NATO), the Organization for Security and Cooperation in Europe (OSCE), and the European Union. These relationships are important and our efforts to expand new links to the south do not signal in any way a desire to lose existing connections to the Euro-Atlantic community. All of these links support and complement one another.

OSCE

All five Central Asian Republics are participating States in the Organization for Security and Cooperation in Europe, and host field missions. As this committee knows very well, the Organization for Security and Cooperation in Europe is a tremendous asset and platform for cooperation on security, economic and environmental development, and especially democratization and human rights. The OSCE's human rights and democratization agenda flows from a series of commitments agreed to by all its participating States. Its expertise and accomplishments are unparalleled. The organization's Office for Democratic Institutions and Human Rights (ODIHR) election observation methodology represents the gold standard in this field.

Next week, ODIHR will host the annual Human Dimension Implementation Meeting in Warsaw. This is a unique forum that provides an opportunity for non-governmental organizations and civic activists to provide their views on the state of civil society in their own countries and throughout the OSCE region, participating in discussions alongside government representatives. Through this conference and its many other activities, the Organization for Security and Cooperation in Europe continues to promote basic freedoms and human rights, including religious freedom and freedom of the media; efforts that are in harmony with U.S. goals as enunciated by President Bush. We also support the organization's important work in the security, economic, and environmental spheres; it is a key instrument in helping solve regional conflicts, in countering terrorism and combating trafficking in persons.

The democratic transition in Kyrgyzstan last year is a testament to the Organization's vital role in promoting freedom and democracy. ODIHR was there to document violations in the parliamentary elections in February and March; its election observation report provided credible information that the Kyrgyz people were able to use to hold their government accountable for fraudulent election results. ODIHR was there again in July for presidential elections, documenting Central Asia's most democratic elections to date. Now ODIHR remains engaged in assisting the Kyrgyz government to bring its laws and legislations in line with its international commitments, setting a model for the region.

ODIHR is now preparing to observe the November 6 presidential election in Tajikistan. The degree to which the election is judged to be free and fair, and the progress the election represents compared to past elections, will be critical to consolidating Tajikistan's

fledging democratic gains made after a brutal civil war. The observation mission will help determine the election's fairness.

Last year, ODIHR was able to observe Kazakhstan's parliamentary elections, which unfortunately fell short of meeting OSCE commitments. We commend the improvements made in the election administration and hope the Government of Kazakhstan will avail itself of ODIHR's immense expertise to bring its electoral legislation up to international standards. We call on all member countries to fully support the Office for Democratic Institutions and Human Rights' election observation and democracy promotion activities, and to implement all recommendations for improving elections. The United States continues its record of robust participation in election observation activities, and regularly provides 10 percent of the total number of requested observers.

The Organization for Security and Cooperation in Europe's most important assets are its institutions and its field offices in all five Central Asian capitals. The United States strongly supports the Organization's field work and believes the day-to-day efforts of OSCE field offices are critical to promoting its commitments, especially democratic values and international human rights standards. In their work with host governments, Non-Governmental Organizations, and the public, field missions perform vital work in numerous areas, from institution-building, promotion of democracy, human rights, and development of civil society to coordinating international efforts at conflict prevention, post-conflict rehabilitation, good governance, and conflict resolution.

In some countries, OSCE offices are under pressure for the work they are doing. In Turkmenistan in July, a human dimension officer was accused of being involved in a spy scandal. Although subsequently found innocent of all charges, the oppressive regime continues to make it difficult for the field office to monitor human rights issues. In Uzbekistan, since the May 2005 uprising and subsequent crackdown in Andijan, the Uzbek government has regressed in areas that we believe are essential to long-term stability, including the fundamental freedoms of speech, assembly, and association. Nevertheless, the Organization for Security and Cooperation in Europe is still operating with some effect in Uzbekistan, despite restrictions that have prohibited most work on human dimension issues at its center in Tashkent. These developments present a serious challenge to the Organization. The Organization for Security and Cooperation in Europe should continue to engage with Uzbek civil society and call for adherence to the commitments Uzbekistan agreed to uphold when it joined the organization.

NATO

We believe NATO plays an important role in maintaining and strengthening relations both among the Central Asian nations and between them and the outside world. NATO's Partnership for Peace program has enhanced security capabilities and readiness in the region. NATO brings a proven track record of success supporting defense reform, training, transparency, and positive military-to-military cooperation. We are pleased that NATO strengthened its focus on Central Asia at its 2004 Istanbul Summit, and

we look to the Central Asian nations to take full advantage of these opportunities.

The North Atlantic Treaty Organization has successfully adapted to the new threats located well beyond Europe by expanding its role in Afghanistan. NATO's engagement in Central Asia is a natural outgrowth of its changing role. We hope that its new Global Partnership initiative, aimed at working with non-members to carry out missions that affect a broader area beyond the trans-Atlantic, can eventually open up new possibilities for outreach in South Asia, including India and Pakistan.

SHANGHAI COOPERATION ORGANIZATION AND OTHER GROUPINGS

The Central Asian Republics are members of several regional organizations whose stated aim is promoting multilateral solutions to security and economic challenges. These groupings that include the Central Asian states are receiving increased scrutiny around the world. The Collective Security Treaty Organization, formed under the framework of the Commonwealth of Independent States, serves as a mutual defense alliance among Russia, Belarus, Armenia and the four Central Asian states except Turkmenistan. The Eurasian Economic Community comprises a similar grouping of states but focuses on economics, including the creation of a common market, border security standards, a customs union, standardized currency exchange and joint programs on social and economic development. Both of these organizations are strongly supported by Russia and capitalize on residual political, economic, and bureaucratic linkages among former Soviet republics.

Another organization is the Shanghai Cooperation Organization (SCO). Originally known as the "Shanghai Five," it was renamed and reorganized when Uzbekistan joined in 2001. This grouping involves the Central Asian countries, again without the participation of Turkmenistan, with Russia and China with the stated goal of addressing anti-terrorism, border security, political affairs, and economic and energy issues.

Let me be clear: our position in Central Asia is to support the Central Asians' sovereignty, independence and territorial integrity; we believe cooperation among the Central Asian states and between the region and all of its neighbors can be useful. As a result, we believe that multilateral organizations, when addressing the concerns of all member states, can play useful roles in facilitating cooperation and increasing trade and economic development. But we believe the Collective Security Treaty Organization, Eurasian Economic Community, and the Shanghai Cooperation Organization also should be much clearer on the roles they intend to play in the region and how they intend to achieve their stated goals.

In its early years, the "Shanghai Five" focused on resolving border disputes among the members. This meant the organization had a clear purpose and measurable goals. Today's Shanghai Cooperation Organization has the potential to advance regional trade and economic development but its purpose and goals are broader and thus less clear. The six member states share an interest with the United States and other countries of the broader region in supporting Afghanistan's stability, reconstruction, and development—goals that coalition military operations seek to advance. Since the

six members share with us this interest, so too should the organization itself.

India, Pakistan, and Mongolia are now included as “observer” states in the Shanghai Cooperation Organization. Afghanistan, too, is bidding to move from “contact group” member to observer. All four of these nations are important U.S. partners, one is the world’s largest democracy, and three are pivotal to our effort to foster economic links between Central and South Asia. Their inclusion as observers can complement our objectives if it expands trade and broadens opportunities for economic development.

Iran’s presence as an observer, however, is problematic. While Iran continues to defy the international community and the UN Security Council by refusing to stop its enrichment-related and re-processing activities, participation in the Shanghai Cooperation Organization, even just as an “observer,” gives the regime an unhelpful platform to seek support for its activities.

The United States believes the Shanghai Cooperation Organization must be an engine for the sort of cooperation and equal partnership with the five sovereign states of Central Asia. In short, it should not be a vehicle for exclusion or domination by its larger members. We have problems when it takes excursions into more political areas, like telling the states of the region what they can and cannot do with third countries like ourselves. Its July 2005 statement calling for a deadline for the departure of U.S. and coalition forces from Central Asia was negative and of great concern to us. Such statements do not serve our shared interest in supporting Afghanistan’s stability and reconstruction. It does not serve the interests of Central Asian nations for the organization to be used to promote a negative agenda or to limit members’ sovereignty.

Should the Shanghai Cooperation Organization continue, we hope to see it develop in a way that supports broader regional stability and prosperity. We would like to believe it will complement our own initiatives in the region. We would like to see the organization focus its energy on economic development, not on geopolitical statements. We note that the 2006 summit took a more constructive approach to the U.S. regional presence, and the recently concluded heads-of-government meeting in Dushanbe focused on regional energy and communications initiatives.

We welcome any constructive effort by the five nations and interested partners to advance regional economic integration. We take the Shanghai Cooperation Organization’s growing focus on economic cooperation as evidence that our own infrastructure initiatives are helping to lead in the right direction. Especially in the fields of energy, transportation and communications, we believe that the Central Asian nations would benefit from having multiple markets for their products.

Geography placed Central Asia next to three of the largest and fastest growing markets in Eurasia—Russia, China and India. Recent history, however, has left Central Asia with infrastructure links almost exclusively to Russia and other former Soviet states. An extensive network of oil and gas pipelines, electricity power lines, railroad tracks, highways, and communications links allow Central Asians to trade north and west with Russia. These links provide the current backbone of Central Asian trade and commerce

and it is in the Central Asians' interest to maintain them. However, the most dynamic economies in the world lie to the region's east and south. Developing strong infrastructure links to the east and south—with China, Japan, Korea and the Pacific Rim, and with Afghanistan, Pakistan, and India—would complement existing links to Russia and the West, expand opportunities for trade, and provide healthy competition. We expect the Central Asians to have strong relations with Russia, China and all of their neighbors because it is in their best interests to do so. We respect their long-standing ties and cultural links.

The energy sector provides an ideal example of the benefits of competition and the importance of transparency and market-based decision making. The Baku-Tbilisi-Ceyhan oil pipeline is an international consortium that has developed a new energy infrastructure where all the countries involved benefit. We support the efforts to develop a trans-Caspian pipeline for the same reasons.

The development of new hydro and thermal power plants in Central Asia and construction of high-voltage power lines to South Asia should be pursued with the same principles in mind. The private sector is best suited to provide the needed expertise and financing for such large infrastructure projects. To attract global companies, Central Asian governments must provide transparency, regulatory reform, and respect for the rule-of-law and sanctity of contracts. U.S. and Western companies are interested in these projects and have indicated their willingness to work with Russian and Chinese firms. But for these projects to move forward, all parties must agree to compete on a level playing field.

CONCLUSION

Secretary Rice has articulated a clear vision for a stable and democratic Central Asia, with states cooperating among themselves and with the broader region for mutual benefit and where governments are accountable to the people and fundamental freedoms are respected. We are vigorously pursuing security cooperation, regional integration, and democratic and market reform, as so many other nations and organizations that work in the region, so that Central Asia can re-establish itself as a commercial and cultural crossroads. Our support for this region will also assist Afghanistan's stability as well as our own security.

In addition to our role and that of Europe, we believe that Russia, China and other neighboring countries, quite naturally, have a role to play in Central Asia as well. To the extent that their initiatives and policies foster security, expand economic and commercial opportunity, and enhance the sovereignty and independence of the Central Asians states, it will be positive for all. Transparent cooperation and market-based economic competition would be beneficial for all countries and will enhance the security and stability of the entire region. Likewise, respect for democracy and human rights is equally essential for prosperity and stability.

Mr. Chairman, members of the Committee, thank you again for this opportunity to discuss this important region. I stand ready to take your questions.

PREPARED STATEMENT OF DR. SEAN ROBERTS, CENTRAL ASIAN AFFAIRS FELLOW, GEORGETOWN UNIVERSITY CENTER FOR EURASIAN, RUSSIAN, AND EAST EUROPEAN STUDIES

Distinguished Chairman Brownback, Co-Chairman Smith, Commissioners, Fellow panelists, and guests.

Thank you very much for inviting me today to speak to you about the Shanghai Cooperation Organization and its impact on U.S. interests in Central Asia.

When the Shanghai Five Group originally met in 1996, its goals interested me primarily in terms of their impact on the Uyghur minority of China and Kazakhstan, a group that was the focus of research for my doctoral dissertation. It was evident at that time that China wanted assurances from the newly independent Central Asian states that they would not support or even tolerate their fellow Turkic-speaking Muslims' political aspirations within China. In exchange for Central Asia's cooperation in controlling Uyghurs politically, China was ready to settle outstanding border disputes and establish new cross-border trade relations.¹ Ever concerned about China and wishing to deal with its own border issues with the Chinese, Russia was also a willing but not very active member in the alliance. In 1996, however, few people foresaw that this loose alliance between China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan would be what it is today.

The turning point took place in 2001 when the loosely aligned Shanghai Five Group reformed itself into the Shanghai Cooperation Organization or the SCO and took on Uzbekistan as an additional member. Since 2001, the SCO has gradually built an alternative universe to the western military, political, and economic alliances that have sought partnership with the Central Asian states. While much has been made of the potential of the SCO becoming a military counterweight to NATO in the region, I see this being very unlikely in the short-term, as none of the states involved in the SCO presently have reason to pose a significant military threat to the U.S.² Much more important today are the political and economic counterbalances that the SCO represents to U.S. interests in Central Asia. And, it may be the political counterbalance of the SCO alliance to U.S. interests in the region that is most critical since it is this aspect of the organization that gives it its ideological glue. With the rest of my time, therefore, I wish to focus on the political counterbalance to the U.S. that the SCO represents in Central Asia and particularly its ramifications for the future of the OSCE.

By the choice of its name alone, it is clear that the Shanghai Cooperation Organization was created in 2001, at least in part, as a conscious counterbalance to the Organization for Security and Co-

¹For more on the relation between China's "Uyghur problem" and the early development of the Shanghai Five, see the testimony of Dr. Dru Gladney before the U.S.-China Economic & Security Review Commission in August 2006 (http://www.uscc.gov/hearings/2006hearings/written_testimonies/06_08_3_4wrts/06_08_3_4_gladney_dru_statement.php).

²The military potential of the SCO, however, should not be ignored. The SCO's implicit request of the United States to provide a concrete timetable for the removal of U.S. military bases in Central Asia at the 2005 Astana Summit and recent SCO-sponsored joint military exercises in Central Asia suggest a keen interest in the long-term military development of the region (see: "China, Kazakhstan stage joint anti-terror drill," *People's Daily*, August 25, 2006).

operation in Europe or the OSCE. Its challenge to the OSCE, however, became much clearer with the SCO's decision to sponsor an election monitoring delegation to the 2005 Kyrgyzstan parliamentary elections. The findings of the SCO mission, not surprisingly, were in conflict with those of the OSCE and were used by the Kyrgyzstan government to dispute the findings of the OSCE election observation mission. This event signaled a serious shift in the activities of the SCO, and particularly China, with regards to its involvement in Central Asia's internal political development.³ Since 2005, this trend has become more visible in the activities of the SCO and in its public statements.⁴ While the alliance continues to promote military, trade, and security cooperation among its member states, it articulates its geopolitical stance as an organization that is protecting the region from external political influences as well as, or as part of, protecting it from external security threats. In essence, the SCO has positioned itself as the protector of the sovereignties of the Central Asia states from foreign interference in internal affairs. In doing so, it is creating various regional support mechanisms that can assist in economic, security, and military development without the commitments to democratic reform that being a member of the OSCE entails.⁵ Such a situation creates a serious threat to the observation of human rights and the development of democratic governance in Central Asia as well as to the general *raison d'être* of the OSCE.

But the question remains as to when the desire for an alternative to the OSCE began in the region and why. And, more specifically, why do the Central Asian states now, in contrast to the early 1990s, perceive of the U.S. and its European allies as equal or perhaps even larger threats to their sovereignty and independence than China and Russia? In general, there are three events that have contributed to the increasing distrust of the U.S. and the OSCE by states in the region and that have led to the use of the SCO as a means to counterbalance western influence in the Central Asia:

1) First, one must return to the 1999 and 2000 elections cycle in Central Asia. In 1999 and 2000, Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan all held parliamentary and presidential elections. None of those elections were recognized as free and fair by the OSCE, and the OSCE even refused to monitor several of the

³The SCO election observation mission in February and March 2005 was to my knowledge the first time that the Chinese government had officially participated in election monitoring in a foreign country.

⁴This position was pronounced in the Astana 2005 declaration of the SCO that implicitly requested that the U.S. provide a timetable for the removal of its bases from Central Asia (see Paul Guang, "The Chinese Perspective on the Recent Astana Summit," *China Brief: A Journal of Analysis and Information*, Vol. 5, No. 18, August 16, 2005, the Jamestown Foundation) as well as in the SCO's July 2006 declaration that more generally discussed the importance of protecting the rights of the SCO countries to self-determination in their internal politics (see: <http://www.cagateway.org/downloads/SCO1.pdf>)

⁵The SCO, for example, is beginning to initiate various projects to promote shared technical assistance and cooperation in the military, security, rule of law, trade, energy, telecommunications, and financial sectors (see the report on the recent Dushanbe Summit of the SCO on the organization's official website: http://www.sectsc.org/news_detail.asp?id=1094&LanguageID=2). Such projects provide the Central Asian states with an alternative to the technical assistance provided through the OSCE or through unilateral U.S. government-funded assistance programs without requiring the states to contemplate the importance of democratic reform in their countries.

elections.⁶ The failure of this elections cycle in Central Asia to meet international standards understandably led to significant bad international press concerning the efforts of these states to develop democracy. This situation, one might say, ended the honeymoon of western engagement in Central Asia. It was shortly after this election cycle that the Shanghai Five became solidified into the more formal Shanghai Cooperation Organization.

2) Second, the establishment of U.S. military bases in Central Asia shortly after September 11, 2001 created another serious tension in the region, particularly in the relations between the U.S., Russia, and China. While there was tacit agreement among all parties that the U.S. and its Coalition needed the use of bases to establish control over the disorder in Afghanistan, there has always been and remains distrust of the intentions of the U.S. in establishing these bases. In particular, Russia and China are concerned that the bases represent an attempt by the U.S. to establish a long-term presence in the region that is intended to be a permanent check on the Russian and Chinese militaries. Furthermore, the thought of a long-term U.S. military presence in the region has raised suspicions among Central Asian states about the actual goals of the U.S. vis-à-vis their sovereignty and independence.

3) Third, in the last three years, there has developed a general fear of U.S. political intensions in Central Asia regarding the concept of regime change. This fear is propelled by a conflation of the United States' articulation of the goals of the Global War on Terror in terms of a "freedom agenda" of bringing democracy to the world and the belief that the U.S. was intimately involved in the developments of the so-called "colored revolutions" in Georgia, Ukraine, and Kyrgyzstan as well as in the Andijan protests of May 2005 that led to the death of numerous civilians in Uzbekistan. While the U.S. regime change efforts in Afghanistan and Iraq obviously are not even remotely tied to these revolutionary events in the former U.S.S.R., publications from the member states of the SCO regularly portray them as all parts of a unified policy of the U.S. to force strategic regime changes throughout the world in the name of democracy.⁷ A belief in a U.S. conspiracy to establish selected short-term regime change in the name of democracy is particularly intimidating to the leaders of the Central Asian states, who have been reluctant to allow for their succession through constitutional or electoral means. For Russia and China, a belief in such a conspiracy is also threatening and raises suspicions of an attempt by the U.S. to stem Russian influence in the former U.S.S.R. and to perhaps eventually undermine the legitimacy of the Chinese state. Of course, it is a practice in "reading tea leaves" to determine the degree to which such conspiracies are truly believed by all of the governments in the SCO, but it is my estimation that the leaders of these countries are not entirely ready to dismiss the idea that

⁶See the OSCE reports on the 1999 Uzbekistan and Kazakhstan parliamentary elections (<http://www.osce.org/item/1431.html> and <http://www.osce.org/item/1436.html>), the 1999 Kazakhstan presidential election (<http://www.osce.org/item/1432.html>), the 2000 Kyrgyzstan and Tajikistan parliamentary elections (<http://www.osce.org/item/1543.html> and <http://www.osce.org/item/1564.html>), and the 2000 Kyrgyzstan presidential elections (<http://www.osce.org/item/1542.html>).

⁷There are numerous examples of such literature coming out of Russia and each of the Central Asian states, but the theme is also prevalent in the Chinese media. See, for example, "Is it American Democracy or American Arbitrariness?" People's Daily, August 26, 2005.

the U.S. has a concerted plan to force regime changes in the region. And, as long as such a fear exists, the SCO is likely to be an attractive counterbalance to the OSCE and U.S. interests in the region.

There are, however, some internal dynamics within the SCO that can limit its ability to present a long-term challenge to U.S. interests and to the OSCE in the region. First, not all of the SCO countries share the same fears of the U.S., and the Central Asian member states, in particular, continue to see the advantage of engagement with the U.S., recognizing that Russia and China could also pose significant threats to their independence and sovereignty. Secondly, it is naïve to suggest that China and Russia fully trust each other as geopolitical partners, and as long as that is true, it is highly unlikely that they will endanger their engagement with the U.S. by establishing an aggressive united front that is outwardly anti-American. Thirdly, Kazakhstan in particular may be in a position to play a pivotal role in how the SCO positions itself vis-à-vis the U.S. and the OSCE. Kazakhstan is the only Central Asian country whose economic power allows it to be a significant international investor and to play an important role in the development of the other Central Asian states. In this context, Kazakhstan seeks a wide range of international partners and often wishes to exert its independence from Russian and Chinese political and economic influence.⁸ While Kazakhstan will continue to court close relations with Russia and China, it is unlikely to do so at the expense of endangering relations with the U.S. and Europe. The Kazakhs are acutely aware of the potential of their giant neighbor China to dominate their economy, and they also at times find themselves in competition with Russia for financial interests throughout the former U.S.S.R. Furthermore, while Kazakhstan still seeks to control public political competition and continues to be reluctant to implement free and fair elections, the country's growing middle class has western sensibilities that will eventually seek the reforms that are aligned with the country's commitments to OSCE membership. The sophisticated financial sector in the country, for example, appears to understand that rule of law reform is vital to the continuation of the country's relative economic success. Finally, Kyrgyzstan, which itself underwent a so-called "colored revolution," is less susceptible to the idea that these recent leadership transitions in the former Soviet Union are merely covert operations masterminded by the U.S. Furthermore, Kyrgyzstan is a fragile state at present and is ready to accept international assistance of all kinds to establish stability. Despite recent problems in U.S.-Kyrgyzstan relations, therefore, there remain significant opportunities for the U.S. to have meaningful engagement in Kyrgyzstan's development.

In this context, it is vital for the U.S. and the OSCE to find new means for engaging the Central Asian states on long-term democratic reforms in a way that is not seen as threatening the sovereignty and independence of these states in the short-term. This will be very difficult if not impossible in Uzbekistan right now, but great possibilities for continuing partnerships with Kazakhstan,

⁸A prime example of this phenomenon is the significant investment that Kazakhstan is presently undertaking in Ukraine and especially Georgia, with whom relations with Moscow have cooled significantly since the "Orange" and "Rose" revolutions.

Kyrgyzstan, and even Tajikistan still exist. The fears of colored revolutions in these countries, however, must be replaced by a true sense of mutually beneficial partnership that involves the collaborative efforts of the U.S. and the OSCE to build free markets and democratic governance in the region over the long-term. Such an approach should not be confused with being “soft” on democracy as Ariel Cohen seemed to recently suggest as a means of regaining the trust of the Central Asian states.⁹ The U.S. and the OSCE need to talk tough about democracy with Central Asian leaders, but also do so realistically, respectfully, and with assurances that they are committed to long-term engagement. It should be remembered that the fear of U.S. democracy promotion that is prevalent among Central Asia’s leaders is not as much a reaction against the idea of political reform as it is a suspicion that the “freedom agenda” presently promoted by the U.S. abroad is actually a smokescreen for ulterior motives that will make Central Asia dependent upon the U.S. and its allies economically, politically, and militarily. In order to refute such ideas, the U.S. needs to demonstrate to the Central Asian leadership that its interests in promoting political reform throughout the region have nothing to do with forcing short-term regime change and everything to do with ensuring the long-term sustainability of the sovereignty and independence of the Central Asian states. If the U.S. can regain the trust of the Central Asian states in this regard, the SCO will likely cease to be a serious threat to our interests in the region.

One concrete step in this direction would involve a committed medium-term effort by the United States to engage the present Kyrgyzstan government on a collaborative effort to implement critical and targeted technical reforms in governance that can have immediate impact on that fragile state. If the U.S. can demonstrate that such reforms will increase the stability and prosperity of Kyrgyzstan rather than destabilize it, this could have significant impact on the psychology of fear that is presently widespread in Central Asian government circles concerning the goals and impact of the United States’ promotion of democracy in their region.

Thank you for your attention, and I welcome any questions about my presentation.

⁹See Ariel Cohen, “The Dragon Looks West: China and the Shanghai Cooperation Organization,” (Heritage lecture #961), delivered August 3, 2006.

PREPARED STATEMENT OF DR. MARTHA OLCOTT, SENIOR ASSOCIATE, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

Thank you very much for the opportunity to appear before you today.

The Shanghai Cooperation Organization is becoming increasingly more active in Central Asia, although it is unclear what the final shape of this organization will take either in terms of its membership, or mission. Right now, though, the SCO is little more than a discussion forum, for a group of states with shared borders, or nearly shared borders, as in the case of Uzbekistan.

Today, the Shanghai Cooperation Organization does not pose any direct threat to U.S. interests in Central Asia or in the region more generally, although its annual meetings have, most particularly in 2005, become an opportunity for member states of that organization to vent their frustration with the U.S. in general and U.S. critiques of their non-democratic political systems in particular.

Created as a confidence-building measure for China, and the Soviet-successor states that shared borders with China, the organization is now debating an expanded future membership and an enhanced future role. Although the timetable for a possible expansion of the membership is uncertain, it is unlikely to be anytime soon. Moreover, an expanded mission becomes a less viable goal if the membership of the organization is expanded, something that the membership in general is well aware of. This is one reason why China in particular has privately resisted any proposals to increase any of the observer nations to full member status.

A decision to increase the membership of this organization would need to be consensual, and Chinese authorities have sent strong signals to suggest that the organization cannot be expanded until its final mission is clarified, and then made operational.

Although SCO member states have made commitments to view security threats to one as a form of threat to all, they lack the capacity to respond to these threats in any sort of concerted fashion. In theory the various Central Asian states and Russia could mount a common response, although in practice this would be very difficult, a point I will return to below. But for the foreseeable future it is impossible to imagine China becoming an equal security partner of any of the Central Asian states or of Russia. Suspicion of China simply runs too deep. So while members of this organization will continue to hold bilateral military exercises with China and could organize multilateral military exercises involving the entire membership, these are likely to be more symbolic than a demonstration of a shared capacity to meet common threats.

The capacity of the Shanghai Cooperation Organization to be a security organization with a mission in anyway analogous to NATO further diminishes if the SCO takes on new members.

The economic mission of the organization also remains somewhat ill-defined, and the WTO membership of China (and Kyrgyzstan), plus the WTO ambitions of both Kazakhstan and Russia also make it unlikely that the SCO will emerge as a regional trade organization. This not withstanding SCO member states are likely to become important economic partners of each other, especially in the area of trade in energy, a point I will also return to below. Russia

and China are, to some degree, competitors for Central Asian oil and gas reserves. But to some degree, both recognize that the partial pooling of efforts to be to their individual advantage. This mutual advantage would likely be lost if other large oil and gas producing nations like Iran, or large markets for energy like India were admitted to the organization.

CHINA IN CENTRAL ASIA

China has a growing presence in Central Asia, which is being expressed largely through bilateral relationships, although Beijing is using the platform of the SCO to secure these goals as well. But China's priority vis a vis Central Asia lies not with the SCO, but with increasing its ownership of oil and gas assets in Central Asia. These activities also need not be of direct or even indirect threat to U.S. interests in the region, unless U.S. policy-makers decide that they by definition are threatened by any Chinese presence in the Central Asian energy market.

The authorities in Beijing were quite pragmatic about the independence of the Central Asian countries from the very outset. Given China's own disgruntled Turkic population, there is little reason to believe Beijing thought it was a good thing. China's short term concerns were initially focused on border delineation issues, and minimizing direct and indirect involvement by the Central Asian states in China's own ethnic minority issues. And China saw issues of long-term economic and security cooperation as being medium and long-term issues, which Beijing authorities would come to address over time. As already noted, the Shanghai Cooperation Organization (originally the Shanghai 5—the number of states inheriting the old Sino-Soviet border) grew out of these demarcation efforts, as the organization was designed to be a confidence building measure that would facilitate a cooperative environment for the management of this border.

When the U.S.S.R. collapsed, the Sino-Soviet border was only partially delineated, and the Shanghai Five, was established in the mid-1990s in part to help achieve the final definition of these borders. The Chinese appeared to have bargained hard to get favorable outcomes during the border negotiations with Kazakhstan and Kyrgyzstan, and at one point Kyrgyz president Askar Akayev even turned over additional land that was not part of the originally contested parcels, creating a serious domestic political crisis. But the Kazakhs and even the Kyrgyz did not come out too badly from this exchange, although critical water usage issues on the Chinese side of the border remain unresolved.

Far more complicated from the Chinese point of view was the impact of the independence of the Central Asian states on the aspirations for cultural and national autonomy among China's own Turkic minorities. China's Kazakh and Kyrgyz population were eventually offered limited opportunities to immigrate to newly independent homelands, which dampened the potential security threat that they posed. But the challenge posed to Beijing by the Uighurs was far more complex. A much larger ethnic community, they had not achieved any of their political aspirations, and their diaspora community in Central Asia (mainly in Kyrgyzstan and Kazakhstan) was viewed by the Chinese authorities as potential

“fifth columnists” who might destabilize the territorial integrity of China.

In fact, the legal status of Uighur political groups in Central Asia is the one area where Chinese leaders clearly signaled to Central Asian authorities that they would use negative as well as positive incentives to the desired outcome. This led Kyrgyz, Kazakh and Uzbek leaders began to restrict the legal operation of pro-Uighur cultural groups that had even the remotest political agendas.

After a decade of Central Asian independence China began to move toward addressing its medium term goals. This is largely the result of the introduction of a U.S. military presence in the region, and the increase in Russia’s economic and security presence in Central Asia. As a result there has been a growing Chinese economic presence in the region, most particularly in the area of energy, and there is a deepening level of security cooperation, largely through the evolving institution of the SCO.

The Chinese expect the SCO to help with energy security vis a vis both Russia and China to try and prevent as well as neutralize future terrorist threats, good bilateral security relations and to help insure friendly regimes come to power in the Central Asian states. The Chinese understanding of “friendly” is rather straightforward—regimes that are happy to allow an open-door policy regarding Chinese economic interests and to share Beijing’s definition of which groups constitute security threats.

The Chinese have little interest in the domestic policies of the Central Asian regimes. Beijing is not encouraging them to be autocrat, and they aren’t disturbed if they become democratic. But, like the rest of the SCO member states, the leadership in Beijing believe that security threats come from groups with alien (read extremist) ideologies, and are not produced as a result of the domestic policies (and in particular the human rights abuses) of the government’s themselves.

This viewpoint, which is viewed as virtually definitional in the national capitals of SCO states is obviously wholly antithetical to the views held by the U.S. government and by leading governments in other OSCE states.

CHINA’S ECONOMIC INTERESTS

While not the subject of this hearing, these are worthy of at least brief mention, as they are currently the focus of the most sustained Chinese activity in the region. Trade with China is increasingly important to all the Central Asian states. Unlike in the first years of independence when much of the commerce was “shuttle trade”, legal trade and investment is now far more important than illegal or quasi-legal trade.

China sees itself as an increasingly more active partner for the Central Asian states, but shows no signs that it is likely to substantially increase their pace of growing engagement in the region. They will continue to acquire energy assets and buy up other strategic natural resources and industries should they become available, and with so much surplus capital they are likely to continue to pay top dollar as they do so. Moreover, the Chinese are likely to continue to tolerate bad working conditions—far worse than their Western counterparts would accept—in order to maintain

their position in these investments. And they are likely to continue to offer the region's poorer states—Tajikistan, Kyrgyzstan and Uzbekistan—economic loans and loans for the purchase of military equipment.

More relevant to today's hearing, China is a major investor in Kazakhstan's oil industry, as a way to insure increased access to Caspian oil and gas reserves. The Kazakhs and Chinese are building a new jointly owned 2,900-kilometer oil pipeline to which will run from Atyrau through Kenkiyak, on to Kumkol, Atasu, and then Alashankou on the Kazakh-Chinese border. By late 2005 two stretches were already operational. The Chinese National Petroleum Company (CNPC) owns a controlling interest in Aktobemunaigaz, a production company in Western Kazakhstan, but this will not provide enough oil to fill the pipeline, so both the Kazakhs and Chinese are exploring the possibilities of a link with western Siberia, and bringing down Siberian crude.

Chinese ambitions vis a vis Kazakhstan extend a lot further. A 2003 bid China National Offshore Oil Corporation (CNOOC) as well as China Petroleum and Chemical Corporation (Sinopec) to buy British Gas' share of Kazakhstan's massive off-shore Kashagan deposit, was blocked by the consortia partners, who in the end were forced to allow Kazakhstan's own national company (Kazmunaigaz) to acquire half the BG stake, and absorbed the other half themselves. The Chinese remain interested in buying a portion of the Kazmunaigaz stake.

CNPC did manage to acquire the small North Buzachi field, and then finally in 2005 CNPC purchased the assets of PetraKazakhstan, for \$4 billion giving them the assets from the Kumkol field and shared control of the Shymkent refinery (with Kazmunaigaz).

While the Kazakhs sometimes grumble about pressure from China, and the Chinese complain of the bad business practices of their Kazakh partners, both realize that the prospect of supplying China could create new synergies between the oil industries of both Kazakhstan and Russia, ones which leave the Kazakhs in particular less vulnerable to non-competitive transport arrangements offered by Russia.

It is less certain whether Chinese plans in Turkmenistan will prove realizable.

The Chinese have contracted to begin moving up to 30 bcm of Turkmen gas annually in 2009, through a pipeline which will go through Kazakhstan, linking up with the existing Bukhara-Tashkent-Almaty pipeline and extending it to the border at Alashankou. The Chinese also are negotiating to get Kazakh gas shipped along this route or through a new pipeline from Ishim in Russia, to Astana, through Karaganda and eventually to Alashankou. It is hard to believe the Chinese would support both options simultaneously, and Russia will certainly be lobbying hard for the second route to be built first, as most industry analysts do not believe that Turkmenistan will have enough production to support contract obligations to both Russia and China.

The China National Petroleum Company (CNPC) also signed a \$600 million agreement with Uzbekneftegaz for some 23 smaller oil fields in the Bukhara area. Very little information has been made

public about this agreement, but the location of these fields (near the main gas pipeline) suggests that Beijing is hopeful that there will be large amounts of associated gas available from these projects.

The route of the proposed Chinese gas pipeline will not be finalized until Beijing is confident that Chinese companies have finished cherry-picking available gas projects in Kazakhstan, Turkmenistan and Uzbekistan, with the eventual routing also likely to be designed with an eye of tying up otherwise stranded gas projects to east-west export pipeline routes. This is particularly important for the Uzbeks, many of whose gas fields are now linked only to Central Asian markets.

China too is an interested client for surplus electric power. The Russians are also interested in supplying this market, as are the Kazakhs, who are planning a joint project with China to develop a \$4 billion coal-fired power plant at Ekibastuz, near the Russian-Chinese border. Kyrgyzstan also is interested in selling hydroelectric power to China (which seems more interested in developing its own hydroelectric power than buying foreign-produced electricity).

And in both the Kazakh and Kyrgyz cases the hope is that such purchases might make China less aggressive about diverting upstream water that traditionally flowed into Central Asia. Tajikistan too is attracted by the Chinese market, but not as much as by the prospects of exporting surplus energy to Afghanistan, and then on to the large markets in India and Pakistan. The latter route is particularly interesting to U.S. authorities.

Kyrgyzstan, with its own potential to develop exportable hydroelectric power, hopes to be a gateway to China for manufactured goods, because they are both members of the WTO. Small and medium sized investors from China are now dominating a number of economic sectors in Kyrgyzstan, especially in the north, and the Chinese represent virtually the only group eager to invest in that small and poor Central Asian country.

CHINA'S SECURITY INTERESTS

The increased U.S. presence in Central Asia brought Washington's military presence to within a few hundred miles of the Chinese border, and left Beijing feeling that they had to give more thought to protecting their long-term interests in the region.

Beijing has focused on bilateral as well as multilateral initiatives. The SCO's first-ever joint military exercises held in the summer of 2003. The SCO Anti-Terrorism Center was opened in January 2004 and formally inaugurated at the SCO head of state meeting held there in June 2004.

The Chinese are also pushing hard for bilateral military cooperation with other SCO states, and have made real inroads in this regard with the Kyrgyz, Kazakhs, and most recently and significantly, most recently, with the Uzbeks. As they do not share a border with China, Tashkent sees only positive aspects to bilateral military cooperation with Beijing. The SCO also represents the best opportunity for intelligence cooperation by China with Russia or with the Central Asian states, although this cooperation still appears to be at its earliest stages.

RUSSIA AND THE SCO

The increased visibility of the SCO provides a useful buffer for the Central Asian states to use in trying to balance Russian and Chinese influence in the region. It is the one meeting place where Russia sits down with the leaders of these states and is immediately confronted with a strong leader of nearly equal influence and with very different economic goals. One Central Asian foreign minister confided at an off-the-record meeting at Carnegie that the biggest advantage his country gained from membership in the SCO was that it could use China to bolster its position vis a vis Russia, when those in his national capital disagreed with those in Moscow.

Nor do the security goals and Russia and the SCO fully overlap, as Russia would much prefer the Collective Security Organization, of which China is not a member to be the primary security organization for the Central Asian states. This is obviously not in Beijing's interest.

There is also little evidence to suggest that Russia is eager to have the intelligence sharing by Moscow, or the Central Asian capitals with Beijing. This seems even truer today, than it would have been a few years ago, as Moscow and the intelligence establishments of the various Central Asian countries are working together more closely than has been the case any time since independence.

CONCLUSION

From the point of view of U.S. and Western interests more generally, the existence of the Shanghai Cooperation Organization does not directly serve U.S. interests, but it also need not hinder them.

It is easy to criticize the SCO as a union of non-democratic states. This may be factually accurate, but these states are not bound together by a common interest in keeping member states from becoming democracies. They are bound together by a shared set of security interests, and a shared sense of perceived risk. Unfortunately they understand the roots of these risks in ways that are impeding the advancement of a democratic process in most of the member states.

The difference between how the U.S. defines the roots of terror and how it is defined in the various Central Asian states, in Russia and in China should be an object of concern for U.S. policy-makers, but this rather than the SCO should be the focus of our attention.

China's increased presence in Central Asia, both within the context of the SCO and on a bilateral basis should not be a threat to U.S. interests in the region. Their role in the energy sector in particular could be quite positive. China, unlike the western countries, is happy to finance improvements in the oil and gas transport system within the Central Asian region itself, and not just potential international export routes. China is predominantly buying assets that the West has passed on, and paying more than their market worth to get them. Shipping oil and gas through China further reduces the Central Asian states dependency upon Russia.

It is also not in U.S. interest to try and create chasms in the relationships of the Central Asian states and China. The Kazakhs and the Kyrgyz understand that there is no way that the fate of

the future of their countries can be fully separated from that of China. Yet there is little indication that they have become more nervous about China in the past few years. In fact, the opposite seems to be true. Both countries seem a bit more comfortable in their ability to manage this relationship. But they recognize that China's potential power seems almost limitless, and the needs of its growing population could overwhelm those of the Central Asians. For the near term, however, China's posture toward the Central Asian states seems quite predictable and generally supportive.

For now at least, China is behaving responsibly in Central Asia., and there is no evidence that they will use the SCO as a tool of imperialism or neo-imperialism. Rather Beijing sees the organization as a way to parry Russian influence (even if only indirectly) and to keep these states from becoming exclusively European in outlook. The U.S. goal should be to insure that these states be Euro-Pacific in outlook, and find more effective ways to engage with them and what we hope our shared "European" and by this we mean the shared OSCE democratic values.

**PREPARED STATEMENT OF DR. STEPHEN BLANK, STRATEGIC
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Senator Brownback, members of the Senate, House, and the Commission, I'd like to thank you for inviting me to testify before you today concerning China's relationship to the Shanghai Cooperation Organization (SCO). This relationship raises many significant issues relating to both Chinese policy in Central Asia and towards the United States as it seeks to maintain its position in that increasingly critical region. It also highlights some of the dilemmas that now confront both China and the SCO as they move forward in Central Asia.

Undoubtedly, and to the unforeseen chagrin of American officials as well as the delight of both the Russian and Chinese governments, the SCO has become a force to be reckoned with in Central Asia. Today American officials well know that Chinese policy in Central Asia is openly anti-American and that the SCO is China's main policy instrument for operating there on a multilateral basis. This realization of the SCO's stature is a somewhat recent development even if it was always clear that China intended the SCO to be used, among other things, for purposes of anti-Americanism in Central Asia. In early 2005 some State Department officials stated that they had never had occasion to deal with it in their work on Central Asia. After the SCO's summit in 2005 that was quickly shown to be a misguided approach and one that Washington is still paying for.

For example, as the most recent and fifth annual summit of the SCO in 2006 showed that one of the few things its members are united about is that Washington should not interfere in their domestic arrangements. The pervasive fear that earlier American calls for democratization, or alleged outside American agitators, e.g. NGOs like the Open Society Institute or the CIA might somehow stimulate hardy souls to demand reforms or launch uprisings in Central Asia that threaten the existing leaders remains widespread throughout the media and political elites of Central Asia. Such arguments are regularly disseminated by both the Chinese and Russian media which, in the absence of a countervailing American public information strategy, have the field to themselves. On the other hand, this continuing argument by both local leaders and the Chinese and Russian governments that all the dissent comes from outside underscores the continuing fragility and pervasive illegitimacy of local regimes in Central Asia. And that fragility and sense of illegitimacy are among the factors that drive the leaders of those regimes to seek support for their domestic structures of power from Moscow and Beijing.

Thus whatever else Moscow, Beijing, and the other members might say, the SCO functions as a kind of holy alliance against democratization and even liberalization. Indeed, those liberalizing and democratizing trends are regarded by the leaders of the members and observers of the SCO except for India and possibly Mongolia with unfeigned alarm. Consequently the so called new great game in Central Asia in which the SCO plays an important part is not just about energy access or military bases, it is also very much a political and ideological struggle over the proper organiza-

tion of the domestic politics of local regimes and their approaches to international organization at the regional if not global level.

For their part, Beijing and Moscow too also know how unstable the Central Asian states as well as their own regimes are and fear the same kind of democratizing forces that have unseated earlier post-Communist regimes in Georgia, Ukraine, and Kyrgyzstan. Therefore they too see the SCO as a primary instrument by which to advance their ideological, political, economic, and possibly military objectives in Central Asia. Anti-Americanism and anti-democracy objectives are both prominent among those objectives and are linked together by China and Russia because they regard the U.S. threat as being both ideological as well as political and military in nature.

Certainly the SCO's summit communiqué in 2006 made clear its continuing opposition to the influence of American calls for democratization in Central Asia and implicitly reflected the belief that Washington is behind all opposition or revolutionary trends in Central Asia. But in this respect that communiqué only followed in the wake of the SCO's 2005 communiqué and the earlier Russo-Chinese declaration of June 1, 2005 that formally stated the identity of their approaches to contemporary issues in world politics against American objectives and ideas. This notion of an American ideological as well as military-political threat plays well in China as well as in the other members' capitals, including Moscow, not least because it corresponds to the Chinese (and Russian) leadership's assessment that America and its ideology of exporting democracy (which is how it is perceived by the Chinese leadership) represent the number one threat to the domestic stability and possibly integrity of the state. But this threat assessment hardly provides an accurate basis for dealing with locally generated challenges to security either in Central Asia or in China, or in Russia.

At the same time, China's antagonism to the U.S. presence in Central Asia is also strategic. China views U.S. bases in Central Asia as constituting a potential source of its strategic encirclement. So while President Hu Jintao proclaims that the SCO is a non-aligned organization not directed against anyone else, he is not only dissembling but he is also hinting at one of its key purposes from China's standpoint. Not only is this organization intended to provide a platform for China's comprehensive engagement with Central Asia, it also is a mechanism for ousting any American presence there and thus neutralizing America's perceived effort to line up alliances in some form of an anti-Chinese bloc. At the same time there is no doubt that China wishes to project its military power beyond its borders into Central Asia in order to defend against threats like terrorism and Islamic insurgency to its own government—most notably in Xinjiang—and to defend its growing and ever more important interests—among them energy access—in Central Asia. Indeed, during 2005 Russian sources candidly revealed that China sought to replace Washington's military bases in both Uzbekistan and Kyrgyzstan, something not to Russia's taste.

In addition, the Chinese campaign against the American presence in Central Asia suggests that statements to the effect of a common Sino-American opposition to Islamic terrorism must be greatly qualified. At best such cooperation is quite limited and co-

exists alongside of an unconcealed rivalry for influence throughout Asia, not just Central Asia. Attempting to oust Washington from its bases in Kyrgyzstan and Uzbekistan at a time of heightened insurgency by the Taliban hardly squares with such a common interest in fighting terrorism. Indeed, Chinese spokesman Li Jianchao said that antiterrorism should not become a basis for “double standards”, i.e. American leadership in the war. Instead, it was only the unforeseen and from Moscow and Beijing’s standpoint somewhat “inconvenient” resurgence of the Taliban and its decision to attack the allies in Afghanistan in force in 2006 that probably held Kyrgyzstan back from submitting to Sino-Russian pressure to force Washington out of its base at Manas. The statements made then by prominent Russian leaders like Defense Minister Sergei Ivanov, and by those present at the SCO’s 2005 summit that the violence in Afghanistan had subsided, bringing into question the continuing need for U.S. bases are no longer heard.

And indeed, under conditions of the Taliban’s resurgence and the earlier ouster of U.S. forces from Kyrgyzstan, the alleged threat posed by those bases to either Beijing and/or Moscow no longer seems quite so important either to them or to frightened regimes in Central Asia. Given the Taliban’s resurgence and the continuing fear of these regimes about the purported growth of terrorist groups like Hizb ut-Tahrir and the Islamic Movement for Uzbekistan, that U.S. presence may be reassuring for local governments and even lucrative for the Kyrgyz regime. Therefore the 2006 summit of the SCO had to seek other positions on which it could agree and act. Although more attacks on Washington were widely expected at the 2006 summit of the SCO they did not take place. In other words, the SCO needs to find new missions beyond anti-Americanism and opposition to so called “color revolutions” in Central Asia.

So while the SCO’s fifth anniversary summit in Shanghai in June, 2006 certainly displayed its inherent anti-American proclivities, it also revealed other interesting aspects of this organization and the policy dilemmas facing China in Central Asia. One policy dilemma for the SCO is the question of its future profile. China and Russia both say they want the SCO to evolve into a regional provider of security through intelligence and economic cooperation. And indeed recent ministerial conferences suggest a consensus emphasis on economics, transportation and infrastructure projects, and trade might become the key day to day activities of the SCO which has launched 127 economic projects as of September, 2006.

Yet this commonality belies certain visible and potentially significant differences with Moscow. Russia and China are energy rivals in Central Asia with Russia striving to monopolize Central Asian exports, a stance that by definition constrains China’s ability to deal directly with these states. Russia’s political and economic system could not survive unaltered without monopolizing Central Asian energy while China’s government believes that it must have independent access to energy according to its own lights and not be excessively dependent on any one power. This principle applies as much to Russia as it does to America. And despite the existence of the possible use of the SCO as an “energy club” as advocated by President Putin, Russian and Chinese behavior still shows a pref-

erence for bilateral energy deals with Central Asian states where they can monopolize their power vis-à-vis those governments. This continuing bilateralism cannot but erode the foundations of the regional cooperation which are and have always been weak and introduce more competitiveness into regional diplomacy.

Meanwhile Russian President Putin has called for the transformation of the SCO into an energy club which represents a continuation of Russian efforts to establish a gas, and if possible, oil cartel in Central Asia where it determines the destination of Central Asian energy flows. It is difficult to see how the Central Asian members could voluntarily accept such limitations on their most important economic asset and sovereignty with respect to international trade. And it is equally difficult to see how such an energy club benefits China which, as a consumer, has interests opposed to those of producers like Russia who are addicted to monopolistic schemes of energy organization. Efforts to turn Central Asia into a Russian-dominated energy cartel also contradict China's basic and vital interest in diversifying its sources of reliable energy supply as well as Central Asian regimes' equally compelling interest in diversifying their customer list and in getting their goods out to world markets.

Thus both Moscow and Beijing use the SCO as a facade behind which they compete for bilateral deals with member states. Russia seeks to monopolize natural gas, uranium, and other energy assets and achieve military bases while China pursues military bases much more indirectly and quietly and competes with Russia for access to energy holdings and pipelines. Simultaneously China also is undertaking massive infrastructural projects of rail and road transportation with these states, making it a potential trade rival to Russia. China has enjoyed considerable recent success in consummating these deals with Kyrgyzstan, Uzbekistan, and Tajikistan, as well as with neutral Turkmenistan. In these deals Beijing offered credits to Tajikistan, loans to Uzbekistan, is conducting feasibility studies for pipelines with both Uzbekistan and Turkmenistan, and is discussing funding a highway through Tajikistan. Beijing is also financing construction of cement factory in Kyrgyzstan that will provide many jobs there and has begun discussion of a gas pipeline connecting Turkmenistan and Uzbekistan to China, and to a projected Kazakhstan-China gas pipeline to go along with the existing oil pipeline between those two states. And finally it is steadily enhancing its penetration of local consumer goods markets. So, if the SCO is to be a trading, economic security, and cooperation forum, then the competing energy policies of Russia and China will have to be adjusted.

Moscow is also pushing a new scheme to unify its nuclear energy resources and hydropower systems with those of Central Asia to checkmate American and Indian projects for tying Central Asian electricity and hydropower sources to South Asia. Russian success in all these schemes not only means subordinating Central Asia to Russian economic and political dominance. Uzbekistan, perhaps with Russia's covert support, has also raised the prospect of unifying Russia's economic and military organizations in Central Asia, the Eurasian Economic Community (Eurasec) and the Collective Security Treaty Organization. (CSTO) As Richard Weitz of the

Hudson Institute recently observed, the merger of these two organizations would create an institution whose functional responsibilities and mandates would then dwarf those of the SCO. That would certainly give Russia a superior position vis-à-vis China in Central Asia.

But Russia's plans for energy cartels in gas, nuclear energy and hydropower not only lead to situations enhancing its own superiority, reducing Chinese influence, and excluding Western influence in the energy and defense sectors. Those policies also entail perpetuating and extending an inherently undemocratic, unstable, corrupt, repressive, and often vicious status quo that is at the root of the potential for instability in all these countries. To the extent that China might choose to support such schemes—and it certainly supports continuation of the political status quo in Central Asia—it also would then be complicit in that extension and perpetuation of what is an inherently unstable status quo in Central Asia.

On the other hand, if the SCO becomes primarily an organization whose purpose is the promotion of trade and energy deals its role in providing security will then become open to question. And then the hidden rivalry between Moscow and Beijing over its future trajectory will also possibly come out into the open. And we may also then see more overt signs of Central Asian governments' anxiety that their aspirations for the SCO are being disregarded and marginalized, fears that have already been expressed in Kazakhstan.

Since the SCO charter portrays it as a classic example of a collective security organization where all members are obliged to come to the aid of any member menaced by terrorism, separatism, or extremism, we must ponder the issue of security here. Both Russia and China claim that the SCO will not be a new NATO or clone of it. In other words it is not to be a military alliance. This represents a victory for China which has long claimed that the SCO would not be a military bloc whereas Russia visibly flirted with that idea. This posture could also represent the views of local regimes who do not wish to be swallowed up in a military bloc with such major powers as Russia and China.

Yet if we consider the evidence to date it points in an ambivalent direction. As I stated above, the original charter of the SCO is a classic document of collective security, mandating that each member come to the aid of any other member who requests help from an attack by terrorists, separatists, or extremists. China, like Russia, has also sought military bases in Central Asia and we can safely assume that should new opportunities arise it will do so again. Since 2001 China and Russia have also conducted a growing number of exercises either with Central Asian states or together that are allegedly under the auspices of the SCO. And these exercises are growing in scope and size and continuing as we speak. If the SCO is not a military organization than why should there be a need for such exercises and what is their ultimate purpose?

In this connection it is noteworthy that every commentary on the Sino-Russian exercises of 2005 commented that they were intended as anti-American in nature, whether the message be directed at U.S. policy in Central Asia, Taiwan, or even Korea. Indeed, the size and scale, as well as the scope of those exercises clearly went be-

yond anti-terrorist operations in Central Asia and fostered considerable speculation as to the larger purposes behind them.

Therefore the destiny and purposes of the SCO remain undefined. It simply is unclear if it will be just a political and economic association or a true provider of hard security and under what form of organization. This point pertains as well to the question of its future membership. India, Iran, and Pakistan have applied for membership here. Iranian membership was a bridge too far because of the current delicate stage of the six-power talks over Iranian nuclearization. Russia and China held back on support for Iran out of a desire not to confront Washington directly on this subject at a particularly delicate time in the negotiations over a proposed package to bring Iran back to nuclear negotiations. But beyond that, it is clear that members like Kazakhstan and Kyrgyzstan publicly opposed such membership and Iran's nuclear program. They fully realize that either the success of that program or an American attack on Iran entails new threats to regional security and potential disturbances that they prefer not to confront. Furthermore, under the SCO charter, members might be asked to defend Iran if it is attacked by Washington even though such attacks hardly are due to terrorism, separatism, or extremism, the three *casus belli* in that charter. Since nobody wants to face these possibilities the issue was temporarily shelved despite Iran's hopes for membership and clear signs of Moscow's and Beijing's inclination to favor this if it could be done at no cost.

Similarly Pakistani President Pervez Musharraf emphasized Pakistan's location as the bridge to the Indian Ocean as a justification for membership. But its continuing tolerance of Taliban and al-Qaeda incitement precludes its being too trusted in Central Asia or Moscow, not to mention New Delhi. Moreover, Pakistan's membership without Indian membership immediately would prejudice the organization in dangerous ways.

Since either Iranian or Pakistani membership would then formally oblige all the other members to protect it against the three kinds of attack cited above even though it is hardly clear that any of them wishes to be locked into such a commitment *vis-à-vis* Iran or Pakistan such membership remain unlikely for now. Moreover, giving Pakistan and probably Iran membership forces the existing members to also consider giving India membership and vice versa. Clearly nobody here wishes to be tied to one country in South Asia or to Iran should a war break out in those areas. Indeed Russia championed India's observer status and China Pakistan's status, thereby indicating their own divergent approaches to South Asia and neither of them is prepared to actually go to war on for Iran if it is attacked due to its nuclear program. So the differences between them are visible.

And for all the talk of a strategic triangle including Russia, China, and India, Beijing, despite its *détente* with New Delhi, is not eager to see India play a major role in Central Asia. After all, it is busy trying to expand its ties to Iran and Pakistan as well as Central Asia in both energy and strategic affairs, e.g. help for constructing the Pakistani port at Gwadar. Its strategic aims are still tied to supporting Pakistan in order to confine India and Indian power to the subcontinent.

Indeed, Indian President Manmohan Singh did not even show up at the June summit, suggesting Indian wariness about the SCO's military potential. And the Indian Energy Minister who did represent New Delhi used this occasion to advocate the primacy of an economic and energy agenda for the SCO. India obviously cannot be a party to a direct attack on Washington which is what Russia and China wants the SCO to be and which this summit was. India also cannot afford to be seen in public with Iran even though it could usefully emphasize to the Iranian government the risks that Tehran is running by its program of nuclearization.

So while it is prepared to cooperate with Russia and China on energy and direct security issues affecting the three of them, India will not and cannot be part of the grand design for the SCO now being hatched in Moscow and Beijing. The presence of its energy minister and his speech suggests that its principal interest in the SCO is access to energy and broader trade with Central Asia, not anti-American gestures. Indeed, India is clearly involved in Washington's new grand design to help reorient Central Asian economies to South Asia through the provision of common links in trade, transport, and power generation. That is too big an opportunity for Delhi to risk at the present moment.

The diverging Russo-Chinese answers to the question of the future role and direction of the SCO also obliges Russia to rethink its goals for the SCO. The aforementioned divergences between Russia and China obliged Moscow to accept that the SCO could not be a provider of hard security. So it has had to embrace the Chinese idea of the SCO being primarily an organization for the coordination of anti-terrorist activities (of which an alleged 250 were intercepted last year) and trade. Russia, until 2005, largely saw the SCO as a Chinese initiative which it did not have to take quite so seriously. But as China pursued bases in Kyrgyzstan and Uzbekistan in 2005 and the SCO failed to ward off either the Tulip revolution in Kyrgyzstan or the Andijon uprising in Uzbekistan, it and China both rethought the value of the SCO and determined to breathe new life into it and advance their own agenda where feasible and wherever possible also a common agenda as well for the SCO. Russia, as stated by President Putin in a June 14, 2006 article, sees it as a part of a network of Asian security organizations, but following a much narrower agenda than does China. This network would supposedly provide a basis for Russia's enhanced standing in Asia as well as for its becoming a major economic actor in the region. After all a Russia left alone in Asia with China almost automatically would become a junior partner to Beijing, hardly an appealing alternative for Moscow's elites. But Putin refrained from dealing with specific issues. Still, Russia's vision of Asia does not entail a complete U.S. withdrawal from it but rather an American withdrawal from Central Asia which is vital to the continuation of the present Russian political system.

Therefore Russia now views the SCO as an organization in which it must vigorously take part as opposed to its earlier view that it was mainly a Chinese initiative which it need not take too seriously. Accordingly President Putin suggested that it become a basis for networking with other Asian security organizations Beijing's stance, on the other hand, has always been that the form of multi-

lateral cooperation embodied in the SCO is a template for a new, essentially anti-American, and alternative system of relations in Asia and the world. That is, the SCO is actually the embryonic form of a future anti-American system in Asia as a whole in which China plays a major role and leverages its new pro-multilateralism policy as a means of influencing these organizations in its direction.

Politically too China sees the SCO as a model of its relations with all of Asia as regards questions of global international order. It has always emphasized that while this organization is supposedly non-aligned, it is in fact, something of a template for China's view of a future world or at least Asiatic order from which American military power and calls for democratization would be either excluded or at least restricted to a minimum. In this respect it is the opposite of the U.S. alliance system in Asia. As Joshua Cooper Ramo demonstrated recently, China's policies toward Central Asia, particularly the development of the SCO exemplify the process by which China hopes first to build a prosperous neighborhood under its auspices and thus shelter its exploding economic development from both internal and foreign threats. But beyond that Beijing also hopes to reshape successfully Asian security agendas to attenuate the U.S. alliance system and replace it with one that is ideologically and politically more congenial to Beijing's insistence on its unfettered sovereignty and freedom to maneuver in world affairs.

Step one for the SCO was to build the group, the first multilateral group China had started on its own. Step two: expand it to discussions of trade, economics and energy. Step three: begin discussions on more substantive security partnerships. The SCO has gone so far as to conduct its own joint military maneuvers, in China's Xinjiang Autonomous Region. This approach of deepening regional multi-level ties will likely be repeated in other forums, such as ASEAN+ 3 grouping (ASEAN plus Japan, Korea, and China).

Although the SCO has built structures of cooperation and achieved a certain level of influence, it is by no means established as a successful security provider. Russia prefers the CSTO as a vehicle for providing military security and EURASEC as a vehicle for economic cooperation with Central Asia. Yet among the members of the SCO economic cooperation is limited and bears the signs of incipient Sino-Russian rivalry. Ultimately the internal and external security of Central Asia cannot be built exclusively or even primarily on the basis of an anti-democratic or anti-American platform. Therefore the SCO will have to confront and adapt to new challenges if it is to continue being both relevant and effective. In other words, the SCO must find new reasons for its existence and justify its continuation. On the other hand, given the SCO's importance to China as the first international organization headquartered there and as its first membership in a collective security project, we can hardly expect China to simply let it fail to come to grips with its new challenges. Thus the fifth birthday summit of the SCO is not only an occasion for self-congratulation and anti-Americanism, but also an occasion for new assessments concerning China's program for Central Asia.

Thus behind the facade of agreement on stopping calls for democratization and for pursuing a war on terrorism that is opposed to America's—e.g. the attempt to oust Washington from its last base at Manas, a move that hardly signifies any sense of real threat from Afghanistan-based terrorism—Moscow, Beijing and the other members and observers face serious differences of opinion. These comprise the members' posture towards Iran, towards Pakistan, and India's relationship to the other members, these also being issues that divide the observers—India, Pakistan, and Iran from the members.

And so while NATO has had and still has its problems, the SCO is not going to become an Asian NATO anytime soon. It clearly lacks NATO's ability to forge a consensus either on interests or on positive values. The SCO's consensus is a negative one, where the parties agree what it is they don't like. But unlike NATO which had one leading party, the SCO has two, Russia and China. And since they show every sign of using this organization for their own individual interests and domination of the region at the expense of smaller and external powers, it is quite possible that differences will emerge behind the facade of unity and that those differences will weaken rather than enhance the SCO's unity. If that be the case, Washington must be alert to exploiting those possibilities and not neglect this organization as it did until 2005. It must also bring home to members and observers alike that they pay a demonstrable price for attacking American and their own anti-terrorist interests and display that price if need be. While the political, ideological, and military dimensions of the great game continue to heat up, it should be clear that this is along game with many twists and turns and one whose outcome is still inconclusive. While the SCO may claim to be riding high, a more serious examination shows that with new stature come new and possibly more difficult challenges whose outcome cannot yet be predicted.



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