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**Development of the Shanghai Cooperation Organization and
Diplomacy of Japan Towards the Central Asia**

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Introduction

On the modern stage the Shanghai Cooperation Organization attracts great interest of the international community. Leading actors of the international relations, such as the United States of America, Japan and European countries carefully observe over the process of development of the organization. The interest of these countries is mainly related with the lack of information on true activities of the SCO and the real essence of the organization. Leaders of the SCO member-states constantly assure that the organization has peaceful intentions and that the SCO is not going to start the confrontation with the West. Nevertheless, some steps and decisions have taken by member-stated in frame of the SCO arouse suspicions and distrust of leading global powers. Thus, any significant event organized in frame of the organization is often considered as challenge to the West and first of all to the United States.

Japan, as one of the leading world powers and close partner of Washington on the international arena, shows the interest to the Shanghai Cooperation Organization as well. More and more Japanese experts and researchers start thinking on the SCO development issues. In particular, they want to understand and get an exact idea of the organization and possibilities of cooperation with the SCO. Current interests of Japan in the Central Asia can explain attention of Japanese scientists and some politicians to the SCO. It is well known that in recent times Japan is becoming more active in cooperation with Central Asian countries in the sphere of atomic energy. Another important factor, which arouses interest of Japan to the SCO is participation of Russia and China to this organization. In particular, Moscow and China can put obstacles on the way of Japanese policy in the Central Asia and even use the mechanism of the SCO for that purposes.

In this regard, in frame of my research I would like to find answers on the following questions:

1. What is the Shanghai Cooperation Organization today?
2. What are the prospects of further development of this organization? In particular, will it transform into a kind of AntiNATO military alliance or not?
3. What kind of interests does Japan have in the Central Asia today and how can we describe current positions of Tokyo in the region?
4. Is cooperation between Japan and the SCO possible in future?

Part I

Historical Background of the SCO

1.1 Starting the Shanghai Process

After the collapse of the USSR and gaining independence by new states geopolitical situation in the Central Asian region has radically changed. New independent states of the region as well as other former parts of the USSR faced a lot of economic and political problems. Their economies were still interdependent but they had to create absolutely new relations not only with each other but also with great powers, such as Russia, China and the United States. In this regard Uzbek scientist Farkhod Tolipov stated the following: “The newly independent countries found themselves, so to speak, doubly confused: by the process of the new World Order formation that they have to enter on the one hand, and by the necessity to understand their selfness on the other. In other words, they are in an awkward state of confusion regarding concept of independence and interdependence”¹.

That time one of the instruments of creating and strengthening new relations was forming new regional structures or frankly speaking international organizations. Following that way (trend), new states accompanied mainly by Russia started creating different regional forums and organizations. For example: CIS, Collective Security Treaty, Customs Union, GUAM etc. So “Shanghai Five” became one of the ways of starting relations between People’s Republic of China on the one hand and Central Asian states and Russia on the other hand.

Actually that was how Shanghai process started. That time main agenda for “the Shanghai Five” was solving boundary issues.

The history of the SCO standing can be divided on two parts. **First part includes the period from 1996 until the end of 2000.** This period can be characterized as an early development of the organization. This time the “Shanghai Five” participants made their first steps towards the cooperation and started creation the legal base for the SCO. Of course it was not made as a kind of goal-seeking steps. Actually nobody knew that time what will happen after the ten or even five years of cooperation. Parties just wanted to get friendly relations for solving primarily border security issues.

On April 26, 1996 heads of states of Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan first met in Shanghai. As a result they signed an **“Agreement on confidence measures strengthening in military sphere along the borders”** between China from one hand and Russia, Kazakhstan, Kyrgyzstan, Tajikistan from the other hand. The “April meeting” became historical one because it started Shanghai process in fact. During the meeting five heads of states showed their

¹ Farkhod Tolipov. *The Foreign Policy Orientation of Central Asian States: Positive and Negative Diversification*. Eager eyes fixed on Eurasia (Hokkaido University, Sapporo, 2007), p. 24-25

readiness and strong will for starting cooperation in the new, post cold war age. As a result of signing the agreement tension along Chinese and post-soviet states border sufficiently decreased. There were created demilitarized secure areas along borders and each party had a right to conduct mutual military inspections.

With the beginning of the Shanghai process member-states gained visible progress in border issues. From that time members of the “Shanghai Five” started to organize meetings on the highest level on a regular basis. Also there was started tradition of arrangement meetings on the levels of Heads of governments, Ministers, National coordinators etc.

One year later after the first meeting, leaders of the “Shanghai Five” met in Moscow on April 24, 1997. This meeting became fruitful as well. Parties signed another document called **“Agreement on armed forces mutual reduction in the border area”**. That was one more effective step on the way of mutual confidence building.

Next meeting of the “Shanghai Five” was held in 1998 in Almaty, Kazakhstan. Heads of states of the “Shanghai Five” discussed issues of regional security cooperation. And the main event of the meeting was signing **“Mutual declaration of the Almaty Meeting participants”**. By signing that important document “Shanghai Five” member-states defined their vision of the world order and their future intention to create security and maintain regional stability.

In frame of the Shanghai process a new trend appeared in this period. The “Shanghai Five” participants started giving more attention to the issues of regional economic cooperation.

Fourth meeting of the “Shanghai Five” was organized on August 24-26, 1999 in Bishkek, Kyrgyzstan. During that meeting parties exchanged their views on regional security situation and mutual cooperation in that sphere. The main result of the meeting was signing the **“Joint Declaration on struggle against national separatism, religious extremism and trans border criminality”**. Thus in this period the “Shanghai Five” started transforming into a new regional mechanism for solving current security problems mainly related with terrorism and separatism. These issues were very important for all participants of the Shanghai process at that time. Russia had serious problems with strong separatist movement in Chechnya². China had to deal with Uigur separatists in Xingjiang Uigur Autonomous Region³. As for Central Asian states they also had a list of security problems. Tajikistan faced a civil war, which caused political instability and activation of radical Islamic movements. From time to time religious extremist movements invaded Kyrgyzstan and Tajikistan from the territory of Afghanistan. Kazakhstan did not face that problems directly but it was living in permanent waiting of destabilization of its Southern neighbors and was ready to any aggravation of the political situation in Central Asia. Regarding the existed situation it was easy to understand why actually three comparatively small Central Asian states were eager to intensify security and economic cooperation with such

² That time Russia just started the Second Chechen War which lasted from 1999 until 2006

³ East Turkestan Islamic Movement (ETIM) – Uigur, militant organization. The main aim of ETIM is creation independent Islamic state on the territory Xinjiang region of China.

great powers as Russia and China. Each state of the “Shanghai Five” required support of each other.

In November 1999 in Bishkek parties organized the first meeting of heads of the law-enforcement structures of the “Shanghai Five”.

Starting from 2000 one can see the unprecedented activation of the Shanghai process. Parties started intensifying their relations. In fact this year was marked by several important events in the “Shanghai Five”, such as different meetings on the various ministerial levels. In March 2000 Heads of the “Shanghai Five” Defense Ministries first met in Astana. They discussed military aspects of cooperation related to the creation of security in the region. In April 20-22, heads of law-enforcement structures met second time in Moscow. 23-rd of June there was organized first session of national coordinators of the “Shanghai Five” member states. On July 4 Ministers for Foreign Affairs of Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan met in Dushanbe, Tajikistan. That was the first meeting on the level the Ministers of Foreign Affairs. As a result parties officially created the system of regular meetings of heads of Ministries for Foreign Affairs and published mutual communiqué.

On July 5 Dushanbe organized fifth meeting of the heads of states of the “Shanghai Five”. This meeting indicated interest of Uzbekistan in the Shanghai process. The President of Uzbekistan Islam Karimov first time participated to the “Shanghai Five” meeting as an observer. Another result was signing by the heads of states the “Dushanbe Declaration”.

21st of November the “Shanghai Five” experts first met in Moscow to conduct discussions on the issues related with Afghanistan.

December 18-19 the “Shanghai Five” military experts gathered in Moscow to finalize the results of military cooperation in the 2000 passed year. By the end of the meeting the experts accepted the “Shanghai Five” military cooperation plan on 2001.

1.2 Creation of the SCO as a complete international organization

The second part of the Shanghai process development includes the period starting from 2001 until present. This period can be characterized as creation of the SCO as true international organization. The SCO becomes a new actor of international relations. There was started intensive institutional work inside of the SCO. There were created new organs such as Secretariat and Regional Antiterrorist Structure. SCO members started giving more attention to the economic issues of cooperation. So in this period we can see the institutional and functional development of the Shanghai Cooperation Organization.

After the 9.11.2001 terrorism issues becomes the main security problem in the world as well as in the region of Central Asia, especially taking into consideration geographic proximity of Afghanistan to the region. This factor along with other important political, economic and geopolitical factors played the role of impetus for deepening security cooperation in frame of the SCO. So let's get some brief historical background.

With the beginning of 2001 in frame of the "Shanghai Five" was started process of inclusion of Uzbekistan into the organization. January 19, 2001 Uzbekistan informed Chinese party that Islam Karimov will take part in Shanghai summit 2001. Moreover official Tashkent reported that Uzbekistan is ready to become a member of the Shanghai forum.

As a response to the statement of Uzbekistan Assistant to the Chinese Minister of Foreign Affairs Liu Guchan met his Central Asian colleagues in Uzbekistan, Kazakhstan, Tajikistan and Kyrgyzstan and discussed with them prospects of Uzbekistan's membership in the "Shanghai Five".

April 7, 2001 national coordinators of the "Shanghai Five" met in Almaty and considered issues related to the Uzbekistan's future membership in the organization. After that in the end of April and the first part of June the "Shanghai Five" members organized several meetings in Moscow and Beijing on the levels of national coordinators, deputy ministers and Ministers of Foreign Affairs.

Annual summit of 2001 was organized in China in the middle of June. Leaders of Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan met in Shanghai and came to several important decisions which can be fairly called historical.

- Uzbekistan was admitted to the "Shanghai Five" mechanism and automatically transformed it into the Shanghai Six.
- The "Shanghai Five" was recalled to Shanghai Cooperation Organization (SCO) and on June 15 member-states accepted the Declaration of Shanghai Cooperation Organization. Main aim of the declaration was to transform the Shanghai process into a higher level of cooperation.
- SCO members signed "Shanghai convention on war on terrorism, separatism and extremism". Actually parties developed a concept of three evils in frame of the organization.

- Leaders of the SCO member-states signed “Mutual declaration of heads of states of the Republic of Kazakhstan, People’s Republic of China, Kyrgyz Republic, Russian Federation, Republic of Tajikistan and republic of Uzbekistan”.
- Also during the Summit SCO Ministers of Foreign Affairs signed “Temporary regulations on activity order of the member-states’ National Coordinators Council. SCO Ministers of Defense signed mutual communiqué as well.

During the final press conference leaders of states emphasized importance of the above-mentioned results. President of People’s Republic of China Xian **Xemin** called birth of a new organization as a historical step. He declared that new regional structure would form the basis for long-term neighborliness, friendship and cooperation in the new century. Russian President Vladimir Putin called the SCO as a very perspective organization. And he marked that the goal of the SCO member-states is intensification of political and economic partnership, development of scientific and cultural cooperation.

September 13-14, 2001 SCO Heads of Governments met in Almaty. They discussed further prospects of economic cooperation and signed Memorandum of main aims and directions of regional economic cooperation and starting the process of creation of favorable conditions for trade and investments. Another issue considered during the meeting was terrorist attacks against the United States of America. In particular Heads of Governments of the SCO member-states declared that Shanghai Cooperation Organization is ready to use effective measures and to cooperate in war against terrorism.

On January 7, 2002 an extraordinary meeting of Ministers of Foreign Affairs of the SCO member states was held in Beijing. Ministers of six states exchanged there opinions on the current issues in Afghanistan, international cooperation in struggle against terrorism, and strengthening the role of the SCO in regional security issues.

Also in 2002 SCO member states gained significant success in the institutionalization of the organization. Thus in the first part of 2002 SCO member-states conducted several meetings on different levels to discuss and develop the problems of further SCO institutionalization. On April 26 SCO Ministers of Foreign Affairs gathered in Moscow to work out above-mentioned issues. Meeting of Heads of law-enforcement structures of SCO member-states was held on May 23 in Astana. Meeting of Ministers of Economy and Trade was held in the end of May in Shanghai.

As a result during the second Summit of the SCO Heads of states held in St. Petersburg on June 7 parties signed several important documents such as SCO Charter, Agreement on Regional Antiterrorist Structure and Mutual declaration of Heads of states. Signing of these three documents marked intensification of institutionalization process in Shanghai Cooperation Organization.

The Charter of the SCO became a basic document, which defined main principles, intentions and aims of the organization. In particular there were defined following prior aims of the SCO:

- Strengthening confidence and friendship between member-states;

- Development of multilateral cooperation to maintain and strengthen peace, security and stability in the region. Assistance in building new, fair and democratic international order;
- Mutual resistance to terrorism, separatism and extremism, countering illegal drug and arms trafficking. Countering transnational criminal activities and illegal migration⁴.

Thus SCO Charter clarified main directions in political, economic, social and cultural cooperation as well. But of course security issues always make main agenda of the SCO⁵.

Decision to create Regional Antiterrorist Structure (RATS) became very important in solving Central Asian security issues. Document on creation of RATS signed on St. Petersburg Summit defined following functional tasks of this structure:

- Antiterrorist cooperation inside the SCO area and strengthening coordination with other international organizations on terrorism, separatism and extremism issues;
- Participation in development of international projects of documents aimed on countering terrorism, separatism and extremism. Cooperation with United Nations' Security Council and it's Antiterrorist Committee as well as with other international organizations to create effective mechanisms that will regulate global challenges and threats;
- Collection and analysis of information related with issues of terrorism, separatism and extremism. Information should be regularly presented by the SCO member-states. Creation of RATS data base which will include all collected information and will help development of antiterrorist cooperation within the SCO area;
- Preparation and organization of international conferences dedicated to issues of terrorism and the other regional threats. And there is no doubt that this measure will force exchange of opinions and useful information and stimulate further cooperation in countering regional security challenges⁶.

During the St. Petersburg Summit another interesting thing took place. **China started using the SCO as an instrument for realization of its political interests. Due to Chinese efforts SCO Ministers of Defense accepted communiqué, which emphasized that Chinese government is only one legal government and Taiwan is an integral part of China. Taiwan issues were considered as internal business of China.**

April 29, 2003 Ministers of Foreign Affairs of the SCO member-states met in Almaty. During the meeting they mainly discussed institutional building of the SCO, economic cooperation and security issues in Central Asia and in the world.

One of the most important events of 2003 became Annual SCO Summit, which was held in Moscow on May 28-29. During the Summit Heads of States

⁴ SCO Charter // www.sectesco.org

⁵ SCO Charter came into a force on September 19, 2003

⁶ SCO Official website // www.sectesco.org

signed an agreement on forming and implementation of the SCO budget. Main agenda of this Annual meeting was improvement of the organization's institutionalization. Thus during the meeting parties signed series of documents to strengthen institutional level of the SCO such as: "Regulations on Council of Heads of states of the SCO member-states", "Regulations on Council of Heads of Governments", "Regulations on Council of Ministers of Foreign Affairs", "Regulations on Council of National Coordinators", "Regulations on consultations between the Heads of ministries and departments", "Regulations on the SCO Secretariat", "Regulations on the SCO RATS Executive Committee" and "Regulations on permanent representatives in the SCO Secretariat". Also during that meeting parties approved the SCO Executive Secretary, Ambassador Zhang Deguang and symbols of the SCO.

From August 18 until 23 of 2003 five SCO member-states organized first joint antiterrorist exercises. That time Uzbekistan did not take part in.

September 1-2 OSCE meeting on prevention of acts of terrorism took place in Lisbon, Portugal. SCO representative, ambassador of China to Portugal Ma Enhan informed meeting participants on position and policy of the SCO concerning terrorism.

September 5 Ministers of Foreign Affairs of the SCO member-states met in Tashkent (Uzbekistan) to discuss issues of further SCO institutionalization as well as current international and regional problems. Also Ministers of Foreign Affairs signed protocols on modification of the SCO Charter, Shanghai convention on struggle against terrorism, separatism and extremism, Agreement on the SCO Regional Antiterrorist Structure. Finalizing their work Ministers published Joint Communiqué.

At the same time Ministers of Economy and Trade of the SCO member-states gathered in Kyrgyzstan to conduct exchange of opinions on further development of regional economic cooperation inside the SCO area. Finally Ministers of Trade and Economy accepted a program of the SCO multilateral trade and economic cooperation.

September 10 Ministers of Transport of the SCO member-states met in St. Petersburg. Participants of the meeting studied issues of creation of multilateral agreement on auto transport, joining of the SCO members to the European highway transport agreement as well as of further development and improvement of auto transportation highways inside the SCO area.

September 23 meeting of Heads of Governments of the SCO member-states took place in Beijing. During the meeting participants discussed main SCO development issues such as economic cooperation and institutionalization of the organization. There was signed Memorandum on technical start of permanent SCO organs, ratified program of multilateral trade and economic cooperation between the SCO member-states as well as budget of the organization in 2004.

On January 15, 2004 Official inauguration ceremony of the SCO Secretariat took place.

June 17, 2004 the meeting of Heads of states of the SCO member-states took place in Tashkent – the capital of the Republic of Uzbekistan. There was held

official ceremony of establishment of the SCO Regional Antiterrorist Structure in Tashkent. **Establishment of Secretariat in Beijing and Regional Antiterrorist Structure in Tashkent marked complete institutionalization of the SCO and started a new age in the organization's development.**

Also during the Tashkent Summit six Heads of States signed several important documents such as “Regulations on observer status in SCO”, “Agreement on combating illegal drug trafficking and psychotropic substances”, “Convention on privileges and immunities in the SCO”, “Tashkent Declaration” etc.

First time in the history of the SCO Annual Summits representatives of countries that geographically far from the traditional SCO area attended it. Thus Leader of Afghanistan Khamid Karzai and Mongolian Minister of Foreign Affairs Luvsangiin Erdenechulun were invited to take part in the summit. As a result of the Summit Mongolia became first official observer to the SCO.

In 2004 and 2005 SCO started intensifying its contacts with other international organizations. Thus in December 2004 Shanghai Cooperation Organization became an observer in the General Assembly of the United Nations Organization. In April 2005 there were signed several memorandums on mutual understanding between the SCO and ASEAN and between the SCO and CIS.

One of the most sensational events in the history of the Shanghai Cooperation Organization took place in Astana (capital of the Republic of Kazakhstan) during the next Annual SCO Summit held on July 5. The Summit was represented by the President of the Republic of Kazakhstan Nursultan Nazarbayev, President of the Kyrgyz Republic Kurmanbek Bakiyev, President of the Republic of Tajikistan Emomali Rakhmonov, President of the Republic of Uzbekistan Islam Karimov, President of People's Republic of China Hu Jintao and the President of Russian Federation Vladimir Putin. Also this Summit was participated by the President of Mongolia Nambaryn Enkhbayar, First Vice-President of Iran Mokhammad-Reza Aref, Prime Minister of Pakistan Shaukat Aziz, Indian Minister of Foreign Affairs Natvar Singh and Executive Secretary of the SCO Zhang Deguang.

As one of the results of the Astana Summit several countries got an observer status in SCO – Iran, India and Pakistan.

Main result of the Astana Summit became Joint Declaration of the SCO member-states. Actually parties admitted the importance of countering international terrorism, destruction of its financial base by combating illegal trade of weapons, drugs and organized transnational criminality. SCO member-states obliged to cooperate actively in investigation and capture of terrorist, separatist and extremist groups.

At the same time Joint Declaration of the SCO member states signed in Astana included a statement, which had a strong political and even geopolitical effect. Actually in that document member states declared the following:

“We support and we will continue supporting international coalition which conducts antiterrorist operation in Afghanistan. We mark positive dynamic in stabilization of political situation in Afghanistan. Several SCO countries provided

their infrastructure for temporary use by military contingents of coalition participants as well as their territory and air space for military transit in the interest of coalition.

Taking into account completion of the active phase of the antiterrorist operation in Afghanistan, SCO member-states consider that it is necessary for appropriate participants of the antiterrorist coalition to define final terms of staying of their military contingents on the territory of the SCO member-states”⁷.

In simple terms it means that SCO member-states asked United States to withdraw its military bases and contingent from the territory of Central Asian states in a very polite form. In particular that time United States had military base in Uzbekistan (Karshi Khanabad) and they used civil airport Manas in Kyrgyzstan for refilling its planes and helicopters operated in Afghanistan.

Generally speaking **Astana declaration evoked strong negative reaction in the West. Most of political scientists and experts in international relations started considering the SCO more like a kind of Anti-NATO or Anti-Western alliance than a regional security organization. Getting the observer status in SCO by Iran just complicated the situation and strengthened these kind of critics and suspicions.**

Nevertheless SCO continued developing in its prior directions. In the middle of September 2005 SCO delegation headed by Executive Secretary Zhang Deguang attended as an observer the High-level plenary Meeting of the 60th session of the United Nations General Assembly.

October 6, 2005 meeting of Heads of the SCO Governments took place in Moscow. As a result parties signed an Agreement on Inter-bank cooperation and Agreement on cooperation in case of emergency situation. There was held a meeting of the SCO Business Council as well.

June 15, 2006 Annual SCO Summit took place in Shanghai. Heads of six states signed different documents on security issues including: “Agreement on conditions of organization and conduction of joint antiterrorist exercises on the SCO member-states territory”, “Agreement on countering the activity of terrorist, separatist and extremist groups on the territory of the SCO countries”, “Program of the SCO member-states on struggling terrorism, separatism and extremism in 2007 – 2009”. During the Summit several economic documents were accepted as well. In particular “Program of support regional economic cooperation between banks – members of Inter-Bank Union created in frame of the SCO”, “Agreement between the governments of the SCO member-states on cooperation in the sphere of education” etc.

In 2007 SCO organized two main events, which should be pointed out. First was conducting of joint military exercises “Peaceful mission 2007” on the territory of Russia on August 9-17. Antiterrorist exercises “Peaceful mission 2007” became the largest in the history of the SCO. About 4 000 military staff from all SCO member-states were involved in the exercises. And it is no wonder that these

⁷ SCO Astana Declaration // www.centrasia.ru

exercises were considered by most of western analysts as a demonstration of power directed mainly against the United States of America.

The second event was traditional Annual SCO Summit that took place in Bishkek on August 16, 2007. Most of experts expected that SCO would make another offensive declaration concerning the policy of the United States and even West as a whole. But it did not happen. Parties signed three main documents that did not become a sensation in the international life. Those were “Agreement on long-term neighborliness, friendship and cooperation between the SCO member-states”, “Bishkek declaration of Heads of states” and “Joint communiqué of the SCO Heads of states”.

Analyzing historical background of the SCO we can see the evolution of multilateral cooperation between Central Asian states and Russia on the one hand and China on the other hand. Initially the “Shanghai Five” was created as an instrument for solving border issues between member-states. And it really succeeded in that sense. Later participants of the Shanghai process decided to transform the forum into a multifunctional organization. Thus, leaders of the SCO member-states signed several documents for development of relations in spheres of security, economy, transport, communications, culture, education etc.

It is also seen that international contacts of the SCO are growing up last years. In 2004 Mongolia became a first observer state in the SCO. In 2005 Pakistan, Iran and India became SCO observers as well. Byelorussia and Sri-Lanka officially declared on their intension to become SCO observers. SCO is getting a great interest of the European Union, CIS and East Asian countries. In December 2004 SCO became an observer to the General Assembly of the UN. In spring 2005 SCO signed Memorandums of Mutual Understanding with such international organizations as ASEAN and CIS. On May 2006 the same agreement was signed between the SCO and Integration Committee of the Eurasian Economic Community.

Thus, we can mark following trends appeared during the SCO development in the second historical period (i.e. starting from 2000):

- The process of institutionalization was started inside of the SCO.
- SCO member-states started giving more attention to the economic part of the cooperation.
- Some SCO member-states started using the organization as an instrument for achievement of political goals on the international arena.
- Western countries and the US started considering the SCO negatively.
- At the same time SCO extend its contacts on the international arena.

Part II

SCO: Interests of Powers

In the second part of the research author will try to give analysis of the interests of main powers and main actors of the SCO. Those are Russia, China and Central Asian states. At the same time it is necessary to consider modern relations between the SCO and the United States of America, because activities of the SCO sometimes counter the US strategic interests in Central Asia. One more important fact is that US is a still global power and it is able to have influence on the regional processes and the SCO as well. On the other hand the SCO can not ignore the policy of the United States in Central Asia, because this region is the main interest sphere of the organization.

Author believes that analysis of the interests of powers in the SCO will give a full portrait of modern trends that take place inside the organization. It will help to understand different approaches to the SCO as well, which come from its member-states.

2.1 Russia. Interests of Russia in the SCO are closely related with its geopolitical ambitions in the region of Central Asia. On the modern stage Russia needs the SCO first of all because of the necessity of strengthening leadership of Moscow in the region. Moscow considers Central Asia as an area of its legal and traditional interests. In this regard the SCO is a quite effective instrument for strengthening political ties with heads of Central Asian states.

For example, during the SCO Summit 2005 held in Astana participants of the organization let the United States see that they are not interested in long term military presence of the US military forces in Central Asia. I consider that this step was made first of all in the interests of Moscow. With the beginning of the US military operation in Afghanistan “Operation Enduring Freedom” Russia starts worrying about the Washington’s intentions (to reduce Russia’s impact) in Central Asia. In particular, the United States sufficiently enlarged military and political cooperation with Central Asian countries. US deployed military bases in Uzbekistan and Kyrgyzstan. NATO set its base in Tajikistan. Turkmenistan started helping the US in humanitarian assistance to Afghanistan and trans-border security strengthening issues. Kazakhstan gave the United States’ air forces access for using its air space for the needs of antiterrorist coalition. In this regard the SCO declaration signed in Astana contributed to strategic defeat of the United States in Central Asia. Of course such kind of situation comes first of all close to Russian interests. Therefore after that declaration Washington had to withdraw its military base “Karshi-Khanabad” from the territory of Uzbekistan. Disputes around the issues of using Kyrgyz airport by American military forces appeared as well. Nevertheless as a result of series of negotiations held between Kyrgyz and American government United States saved its military base in Kyrgyzstan, but annual rent sufficiently increased. American expert Martha B. Olcott describes

appeared situation as following: “Kyrgyz president Kurmanbek Bakiev reaffirmed the status of the base during a visit by Secretary of Donald Ramsfeld to Kyrgyzstan in August 2005, shortly after Bakiev’s election, but the negotiations over the base continued for over a year, after the new government demanded \$200 million annually in rent. In the end, the Kyrgyz and US governments agreed to base arrangement that included rent for the base as a part of a larger and broader foreign assistance package. But the basing issue will continue arise, and is likely to remain a factor causing friction between the two countries, as both the opposition and the government remain “suspicious” of the US, the government in part because it is committed to trying to balance relations with the US with close ties with both Russia and China, and the opposition because they feel that the US has not been supportive enough of their efforts to continue the “Tulip Revolution” that ousted Akaev until a real democratic system is introduced in Kyrgyzstan”⁸. Thus, the SCO declaration signed in Astana had great political and impressive effects as well. The image of the United States of America as the only one global superpower trembled. United States could not stand against the common will of Central Asian states (in particular of Uzbekistan) decisively supported by Moscow and Beijing. Thus, one can mark that Russia tries to use the SCO as an instrument for realization its own geopolitical interests in Central Asia.

On the other hand SCO is one of the basic platforms for creation of effective cooperation with China. Annual summits on the level of heads of states contribute to strengthening personal contacts between leaders of Moscow and Beijing. And it certainly helps the development of bilateral Russian-Chinese comprehensive relations in the spheres of economy, policy, energy and security.

Actually political cooperation with China is one of the most important issues for Russia, because it helps to counter ambitions of the United States in the Central Asia. In this regard Russia considers the SCO as an important construction for strengthening political relations with China as well. There is no doubt that it is much difficult challenge for the United States to stand against united position of two regional powers than if Russia will do it itself.

At the same time a lot of experts consider that Russia and China started latent rivalry inside the Shanghai Cooperation Organization along with the evident fruitful cooperation. I think that the main reason of that trend lies in historical background or traditional distrust between China and Russia appeared during the soviet past and still remained at present. Military and political establishment of Russia still consider China as a potential rival. Suspicions of Russia are strengthening against the background of the Chinese economic activity in Central Asia. Actually trade between China and Central Asian states has positively growing dynamics and the volume of trade doubles every two years. Chinese companies and corporations occupies sufficient niche in the energy sector of Central Asian countries. Development of trade with China is highly important for all Central Asian states. Investments coming from China to Central Asian states are

⁸ Martha Brill Olcott. *Eyes on Central Asia: How to Understand the Winners and Losers*. Eager eyes fixed on Eurasia (Hokkaido University, Sapporo, 2007) p. 7-8

growing. For example, today China is one of major investors in Kazakhstan's oil industry. There are several oil and gas transportation projects developing between China and Kazakhstan as well. Kyrgyzstan hopes to become a gateway for flow of Chinese products to the West⁹. In this connection it is important to mark that Kremlin considers Central Asia as a zone of its traditional interests and any country which can counter or even argue that interests becomes potential rival of Russia. Growing military potential of China worries Russia as well. China is a nuclear power which is able to make sufficient influence on development of political processes on the regional and global scales. On the top of all China have very ambitious plans in domesticating space.

Current latent rivalry between Russia and China in frame of the SCO can be seen in the following example. At present time China is planning to realize costive railway project that will connect the territories of Uzbekistan, Kyrgyzstan and China. At the same time during the last SCO Summit held in Bishkek in 2007 Russian President Vladimir Putin proposed Kyrgyz President Kurmanbek Bakiyev the amount of \$2 billion for the development of joint economic project in case of Kyrgyz part will be able to propose Moscow concrete project of technical and economic reason.

Murat Laumulin characterizes current Russian-Chinese relations in frame of the SCO in the following way: "Russian military community views the promotion of cooperation with China within the framework of the SCO as indispensable, but remain divided over the extent of such strategic military cooperation in light of possible rivalry between the two. The Russian General Staff does not consider China to be a reliable partner, and refuses to sell certain military equipment and technologies deemed too sensible. Russia is also unwilling to sell China any kind of license to manufacture complex arms systems. Moscow is clearly becoming concerned about growth of Chinese influence in Central Asia and the region's increasing dependence on China"¹⁰.

One more important interest of Russia in the SCO is that Moscow is more than any other member-state is interested in strengthening of the military and political component of the organization. In this regard joint military exercises "Peaceful Mission 2007" conducted in frame of the SCO on Russian territory (in August 9-17) are very illustrative. In particular, Russia became the main initiator, donor and the most active participant of the exercises as well. According to the Mass Media information 4 700 soldiers, helicopters Mi-8, Mi-24, Mi-28H and jet-planes Su-25 presented Russia in that exercises. At the same time Chinese presence at the exercises was comparatively less, especially taking into consideration the quantity of regular People's Liberation Army of China. Thus, 1 700 soldiers, helicopters G-9, Mi-17 and jet-planes G-7A presented Chinese party. Participation of Central Asian states in these trainings was comparatively insignificant. Amphibious companies presented Kazakhstan and Tajikistan. Uzbekistan did not

⁹ Martha Brill Olcott. *Eyes on Central Asia: How to Understand the Winners and Losers*. Eager eyes fixed on Eurasia (Hokkaido University, Sapporo, 2007) p. 17

¹⁰ Murat Laumulin. *The Geopolitics of XXI Century in Central Asia* (Kazakhstan Institute for Strategic Studies, Almaty, 2007), p. 146

send its soldiers at all. Uzbek officers took part only during the exercises in headquarters ¹¹.

On more interesting fact is that Russia covered almost all expenses related with organization of these exercises. The total sum was more than 2 billion Russian rubles. These facts clearly indicate that Russia is more than other participants is interested in strengthening military and political component of the Shanghai Cooperation Organization. Actually it is not hard to understand this kind of intentions of Moscow. They are strongly related with deterioration of relations between the Russia and the United States of America. The speech presented by President Putin in February 2007 in Munich clearly indicated modern mood of Kremlin, which mean that Russia is not going to bear with global unilateral leadership of Washington. Current Russian-American relations have a list of problems and it can be estimated as very complicated. Mutual critics come along with almost any significant international issue. For example the issues around Kosovo independence, bilateral relations between Russia on the one hand and Georgia and Ukraine on the other hand, Iranian nuclear problem, plans of the US on deployment of Anti-Ballistic Missile System in Eastern Europe, NATO enlargement, democracy problems in Russia etc. **The policy of the United States bothers strategic interests of Russia and Moscow as a response try to counter the policy of Washington starting its own initiatives. In this regard the SCO is a demonstration of Russian political power in the Central Asian region. Strengthening of military and political component in frame of the SCO will indicate the US that Russia is still leading power in Central Asia.**

Moreover during the SCO Summit held in August 2007 in Bishkek, Russian leader Vladimir Putin made several claims, which gave rise to concern in the United States. Thus, he marked the necessity of strengthening the military component of the organization and made a proposal on conducting annual military exercises on the territories of the SCO members. On the top of all Vladimir Putin announced that Russian strategic aviation starts air alert in far regions.

Thus, it is necessary to mark that Russian interests in the SCO are determined by the following factors:

First, Russia tries to use the SCO as an instrument for protection of its interests in the Central Asia.

Second, Russia needs political cooperation with China to counter ambitions of the US in Central Asia.

Third, Russia is interested in enlargement of military component of the Shanghai Cooperation Organization.

¹¹ www.shos2007.ru

2.2 China. Starting of the Shanghai process gave China the possibility to start cooperation with countries of Central Asian region. The prior interest of China in its relations with Central Asian states at that time was security provision for Chinese western borders. One of the most important concerns of Beijing at that moment was regulation and getting control over Uighur separatist movement in Xing Jiang. In this regard China strived for getting overall support from its Central Asian partners. Beijing wanted to receive guarantees that none of Central Asian states would ever support Islamic separatists in Chinese western province. Shanghai process became an effective mechanism in solving that problem for China.

After receiving the guaranties of western borders security China starts changing its priorities in frame of the SCO. Today, Beijing considers the SCO as a platform for enlargement of Chinese impact in Central Asia. In contrast to Russia, China does not have a lot of possibilities for multilateral cooperation with Central Asian states. In this regard SCO is only one structure giving such kind of chance to China.

On the modern stage China is trying to get the image of peaceful economic power. It wants to be seen as a leading Asian country, which promotes economic development and stability and stands for the interests of developing countries on the international arena. For example Chinese author Sun Zhuangzhi gives following description of the modern China: *“China has an active economy and adheres to the policy of reform and opening to the world. The opportunities provided by its large market have a strong appeal to every country. China can also firmly and unshakably represent the interests of the developing countries in international affairs”*¹². Regarding these principles China supports the ideas of strengthening economic cooperation in frame of the Shanghai Cooperation Organization. Current Chinese position in the SCO is determined by the following factors:

- **One of the main factors is geopolitical.** At the present times China does not want to aggravate relations with West and escalate rivalry with the United States of America in Central Asia. In this regard Beijing is against the transformation of the SCO into a kind of military alliance/block, which will definitely work against the USA. In this case interests of Russia and China in the SCO are totally different.
- **Economic factor.** China considers Central Asian region as a prospective market for Chinese products. Reasonable prices of Chinese production make it attractive and competitive on this market. Thus, China actively promotes the idea of creation of Free Trade Zone in frame of the SCO¹³.
- **Energy factor.** On the modern stage energy resources of Central Asian states attracts more and more interest of Chinese investors. Chinese energy companies such as CNPC are highly presented in the Central Asian energy market. In this

¹² Sun Zhuangzhi, *The Relationship between China and Central Asia*. Eager eyes fixed on Eurasia (Hokkaido University, Sapporo, 2007), p. 45

¹³ Chinese promote idea of creation of Free Trade Zone in frame of the SCO. Partners against // June 9, 2006 www.centrasia.ru

connection for China the SCO may become an effective mechanism for deepening relations with Central Asian states and Russia in the sphere of energy.

- **Strategic factor.** China considers that strengthening of economic cooperation in frame of the SCO will contribute to enhance Chinese positions and influence in the region. Beijing understands that Russia has very strong ties with Central Asian countries, which are determined by common history, culture, language, mentality and the other important factors. Thus, enlargement of economic cooperation in frame of the SCO and as a result growing of Chinese capital in the economies of Central Asian states will afford China strengthen own influence in the region in future. Taking into account that fact Chinese representatives in the SCO periodically perform with the ideas of necessity of starting large-scale economic projects in frame of the SCO, which will be conducted under the Chinese financial support. For example, at the end of October 2005 during the regular session of Council of Heads of Governments, which was held in Moscow, Chinese representatives attempted to steer the development of the SCO toward strengthened economic cooperation. Wen Jiabao, Chinese Premier declared that China is ready to give \$900 million for financing of joint economic projects. Chinese part was promoting the idea of heavy subsidizing the economies of the SCO member-states and attempting to transform the political organization into an economic one¹⁴.

There is no doubt that China as well as Russia does not exclude the prospect of confrontation between Moscow and Beijing because of the rivalry and collision of interests in the Central Asia. In this regard one can suppose that China is developing its own tactics towards the Central Asia, the SCO and Russia.

At the same time one cannot deny that China needs political support of Russia as well. Moscow and China traditionally hold the common position in several issues of current international policy, such as reforming the United Nations Organization, OSCE, countering terrorism etc. In frame of the SCO after presenting Astana declaration in 2005 China received own profits of that as well. Weakening of positions of the United States in Central Asia corresponds strategic and security interests of China.

¹⁴ Murat Laumulin. *The Geopolitics of XXI Century in Central Asia* (Kazakhstan Institute for Strategic Studies, Almaty, 2007), p. 139

2.3 Central Asian States. There are different opinions about the advantages for Central Asian states in participating at the SCO at present times. Diversity of views is closely related with the fact that four Central Asian countries – Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan – are totally different from their partners at the Shanghai process – China and Russia. It is very easy to understand the difference if we compare economic potential, territory, political power and the other important factors of the member-states of the SCO. On the one hand there are four young and small Central Asian countries, which gained their independence only after the cold war. And on the other hand the SCO includes two powerful and mature states, both pretending to be regional powers at least. Taking into account marked features it is very hard to compare Central Asian states with Russia or China as equal participants of the SCO. This fact arouses interest of many experts and forces them to think on the following question: “Are there any real advantages for Central Asian states in participating to the SCO?” In this part of the research I will try to give answer on this question.

For example the following description of the SCO today was given by well known Kazakh expert Murat Laumulin: “*What initially stands out about this organization is the disproportion between its members: it includes giants such as China and Russia on the one hand, and considerably smaller Central Asian states on the other – in terms of their political weight, the scale of their economies, their demography and the size of their territories*”¹⁵.

Uzbek scientist Farkhod Tolipov describes modern SCO in a same manner: “*It consists of two global powers and four relatively small, weak Central Asian states. These are not just six states but rather, six unequal states, from the viewpoint of political, economic, military, demographic and social potential. So in reality, the SCO is a potentially asymmetric organization*”¹⁶.

I think that participation of Central Asian countries to the SCO gives them advantages and disadvantages as well. Let’s consider them in details further.

Participation to the Shanghai Cooperation Organization gives Central Asian states following advantages:

- **Participation in the SCO correspond the multi-vector policy of Central Asian states, which is the main principle of their foreign policy.** Being member of the SCO and at the same time collaborating with security organizations (for example with NATO in frame of the “Partnership for Peace Program”) Central Asian states get a possibility of balancing between the interests of East and West. Again, participating to the SCO allow Central Asian states balancing between the interests of Moscow and Beijing, especially taking into account latent rivalry between these two powers. Such kind of tactics, which is called “multi-vector policy”, is the most effective one for the Central Asian countries and they use it from early creation of their own foreign policy.

¹⁵ Murat Laumulin. *The Geopolitics of XXI Century in Central Asia* (Kazakhstan Institute for Strategic Studies, Almaty, 2007), p.135

¹⁶ Farkhod Tolipov. *The Foreign Policy Orientation of Central Asian States: Positive and Negative Diversification*. Eager eyes fixed on Eurasia (Hokkaido University, Sapporo, 2007), p. 29

- **Some Central Asian states, the same as Russia and China, are trying to use the SCO in their own political interests.** For example, Uzbekistan has radically changed its foreign policy vector after the well-known disorders in Andijan took place in May 2005. Uzbek President Islam Karimov started close cooperation with Kremlin and cut off his friendly relations with West and the United States. After establishment of allied relations with Russia¹⁷ Uzbekistan starts strengthening cooperation with the SCO as well. And such situation is beneficial for Uzbekistan, taking into account that all participants of the SCO support regime of Islam Karimov. For example, in case of West start criticizing Uzbek regime and making pressure-using OSCE, Shanghai Cooperation Organization is able to make a stand for Uzbekistan as a very authoritative organization. Thus, after the last presidential elections held in Uzbekistan in December 2007, Election Observation Mission from the SCO published declaration where they marked that the elections were legitimate and complied with all international and democratic standards¹⁸. The declaration was made in spite of the numerous critics, which came from the West and international organizations such as the OSCE. Thus, political benefits that give membership in the SCO to Uzbekistan are well seen.
- In order to achieve leadership in Central Asia Russia and China promote different economic projects in frame of the SCO. **Major financial projects, which can be realized under the aegis of the SCO, are potentially very profitable for the economic development of the Central Asian countries.** For example, there is list of plans for development of regional transport and communication potential, construction of modernized highways, rebirth of the legendary Silk Way in frame of the SCO etc.
- One more important issue for the Central Asian countries is security. In case of appearance of terrorist threat in the CA (that kind of threat can not be excluded in future, taking into account geographic proximity of such countries like Afghanistan or Pakistan, where political situation is far from stability), **SCO can become an effective tool for collective cooperation in this sphere and neutralization of activities of different religious and extremist organizations.**

Along with evident benefits for Central Asian states in participation to the SCO, it is necessary to mark some negative aspects of such cooperation as well, which can threaten national interests of the Central Asian countries. In particular, we can emphasize that some unfavorable consequences for the CA states coming from the participation to the SCO have latent feature:

- **The prospect of escalation of rivalry between the key players in the SCO – Russia and China, do not correspond the interests of the Central Asian states.** In case of situation will develop according to this scenario Central Asian countries will be forced to make a choice between Russia and China. And there is no doubt that the choice will be made in the prejudice of relations with one of

¹⁷ In November 2005 Uzbekistan and Russia signed an agreement on allied relations, which guaranteed the safety of Islam Karimov's regime and political support from Moscow.

¹⁸ December 24, 2007 //www.sectsc.org

the parties. Of course this kind of prospect does not fit interests of any Central Asian country because both of Russia and China are important political and economic partners.

- **The possibility of transformation of the SCO into a kind of specific mechanism to promote mutual control of Russian-Chinese tandem over the Central Asian region can not be excluded as well.** This prospect also is not corresponding interests of Central Asian countries, which will become completely dependent on political and economic decisions of Moscow and Beijing and as one of the negative results loose the possibility of strengthening cooperation with Western countries. There is also no benefit for the Central Asian countries in case of only one power inside of the SCO (Russia or China) will get major positions. For example, Farkhod Tolipov marks that even nowadays politicians and analysts percept the SCO as a kind of Russian-Chinese joint project to establish control over the Central Asia and prevent entrance of the United States. *“In any case, however, with or without the US presence, Russian-Chinese geopolitical control of this kind is just another form of external dominance of the region’s countries and of their falling into a new form of dependence”*¹⁹.
- **The prospect of strengthening anti-western moods inside of the SCO is also undesirable for the Central Asian states.** But it can easily happen, especially if one will take into account aggravation of bilateral relations between Russia and the US.

In this regard an interesting point on the SCO perception by Kazakhstan was given by Murat Laumulin: *“The SCO in the mode seen in Moscow and Beijing may become another sizable challenge to the development of Kazakhstan. That is to say, as an influential international organization of geopolitical dimensions, in which China and Russia will undoubtedly dominate, Central Asian states are likely to be assigned the role of “guided”*”²⁰.

At the same time, considering listed negative moments of cooperation for the Central Asian countries, one have to mark that unfavorable consequences of cooperation in frame of the SCO have mostly hypothetic and not evident character. All these listed negative scenarios can happen in future but at the same time one should not exclude the possibility that the SCO will develop in a more constructive and favorable way for its Central Asian members. At least, until the present times Central Asian states have not felt any negative consequences, which came out of the cooperation in this organization. For example, if existing economic projects in frame of the SCO will be successfully realized (which are aimed on common regional development) Central Asian states will definitely get their profit. On the other hand the SCO could become less politicized organization and concern more about the current regional security problems such as countering illegal drugs traffic, which comes from Afghanistan. Countering illegal drug trade correspond the

¹⁹ Farkhod Tolipov. *The Foreign Policy Orientation of Central Asian States: Positive and Negative Diversification*. Eager eyes fixed on Eurasia (Hokkaido University, Sapporo, 2007), p. 29

²⁰ Murat Laumulin. *The Geopolitics of XXI Century in Central Asia* (Kazakhstan Institute for Strategic Studies, Almaty, 2007), p. 153

interests of all members of the SCO. Weather or no we cannot deny that there are common interests inside the SCO. Thus, member-states should concentrate on cooperation in these critical spheres to achieve significant results. In case of using the SCO as an instrument for realization of only own political interests by each member-state it is hardly to believe that the SCO will ever become an organization, which is able to solve effectively current vital issues of the Central Asian region.

2.4 The United States and the SCO. Considering modern development of the Shanghai Cooperation Organization it is necessary to give some attention to the development of relations of the organization with the outer world, in particular with global powers. In this regard the most interesting thing for analysis is relations between the SCO and the United States of America. Western Mass Media often calls the SCO as an anti-western military block, which has primarily anti-American activity – countering its interests in the Central Asia.

Activity of the Shanghai Cooperation Organization attracts more and more attention of George W. Bush Administration. In comparison with the past times American politicians and scientists are more interested in the issues of the SCO development in our days.

Nevertheless at present United States does not have any clear strategy towards the SCO. For example, in spite of evident political and economic activity of the organization, SCO was not even mentioned in the National Security Strategy of the US published in 2006. Thus, current policy of the United States towards the SCO can be characterized as not active and mostly contends of wait-and-see attitude. Position of the United States towards the SCO can mainly be seen in declarations and performances of high-ranking officials of the US government and the other officers, which are made as a response on particular actions of the organization. Thus, for example, after the Astana declaration of the SCO Heads of states regarding the terms of withdrawal of American military bases from Central Asia²¹, Chamber of Representatives of the American Congress accepted resolution where United States “expressed concerns” about the SCO declaration. Such kind of American position is determined by the following objective factors:

- **At present stage USA analyzing the potential of the SCO.** On the back of other important international issues (such as Middle East policy, military operations of the US in Iraq and Afghanistan, nuclear program of Iran etc.) SCO becomes the second level problem for the US. Moreover last years SCO did not make any provoking steps against the USA. Member-states of the Shanghai Cooperation Organization continue declaring that the SCO is not an anti-western military block on the official level.
- **American politicians, scientists and experts do not know much about the real essence of the Shanghai Cooperation Organization.** This fact does not

²¹ SCO Summit in Astana took place in June 2005

contribute to creation of determined American policy or even position regarding the SCO. For example, Assistant to the State Secretary for South and Central Asia Richard Baucher during his performance in the Chamber of Representatives of the American congress in 2007 did not even mention the SCO. Moreover R. Baucher – the person who in fact is charge of policy making in the regions of Caucasus and Central Asia, answering on the question related to the SCO could not correctly give the information on present member-states of this organization. Indeed, the lack of information about the SCO among American experts and politicians contributes to making wrong valuation of the SCO by the White House.

On the top of all vacuums in the critical information on the Shanghai Cooperation Organization creates predominantly/mainly negative image in minds of American political elites.

At the same time SCO has some potential threats for the strategic interests of the United States in the Central Asia. In particular, development of the SCO as a regional organization includes following trends which give rise for concerns in administration of the White House:

- **Enhancement of the cooperation between Russia and China.** Moreover one can not exclude that present cooperation between these two powers will transform into a real union, which will actively protect own strategic interests in the Central Asia. And of course such activity will go against the interests of the Washington in the region.
- **Different regional actors and powers give more and more attention to the SCO.** First of all India and Pakistan expressed their desire to become members of the SCO. Iranian interest in the SCO raises specific concerns of the USA. In case of Teheran will finally get membership in the SCO it would be much harder for the United States continuing political pressure on this state regarding Iranian nuclear program. Moreover membership of Iran in the SCO will prevent the plans of the US to isolate Iran from all external political and economic processes. On the top of all Iranian membership in the SCO will completely make this organization anti-western.
- **Concentration of military, political, economic and geopolitical processes in Central Asian region around Russia and China.** Enlargement of complex cooperation of the Central Asian states with Russia and China in frame of the SCO, especially in spheres of energy, transport, communications and security does not fit the interests of the Washington.
- **SCO is completely ignoring the United States of America during its activities.** Thus, United States were not presented on the last SCO Summit, took place in Bishkek on August 16, 2007. United States requested to send their observer to the SCO military exercises “Peaceful Mission 2007” as well. The request was declined at first. 13th of August representatives of the American Embassy in Beijing and Authorities of the exercises declared that Americans would not accept permission to take part in the event. Nonetheless the SCO gave permission the US and NATO to send their representatives.

Listed trends, which have regular development in frame of the SCO contributes the Administration of George W. Bush to percept the SCO as a potential threat for the American interests. The popular opinion on the West that the SCO is military alliance created against NATO attracts special interest.

Taking into account negative trends developing inside the SCO United States make steps directed on weakening the political role of the organization in the region of the Central Asia. Thus, one of the most significant political initiatives of the Washington regarding the SCO for the last years became strategic plans of the US to create alternative regional organization in the Central Asia. In particular, after the well-known SCO Summit, which took place in Astana in June 2005, Washington proposed new initiative of creation regional forum on cooperation and development of Great Central Asia (Project of Great Central Asia). In August 2005 famous American expert Frederick Starr published an article where he was proving the necessity of creation of such kind of forum and on its economic benefits for the Central Asian states.

According to the strategic plans of the Washington PGCA Forum should duplicate functions of already existing regional organizations, first of all the SCO and the OSCT and finally push them out of the geopolitical space of the Central Asia. Thus, the United States are intended to lead Central Asian states out of the influence of Russia and China and establish own strategic dominance in the region.

However, considering the reality of the development of political situation in Afghanistan, active support and realization of the Project of Great Central Asia as an alternative to the SCO is not possible in our days. Creation of economic and politically stable Afghanistan is key condition for further development of the American Project PGCA.

At the same time one cannot exclude the possibility of activation of NATO in the Central Asia as an American response in case of strengthening military component of the SCO. At present time programs of NATO on strengthening military and political cooperation with Central Asian states becoming the most real counterbalance to the SCO.

Generally, position of the United States towards the SCO is not critically negative, yet the administration of George W. Bush does not deny the possibility of threat coming from the SCO. Thus, statement of the US Assistant State Secretary for South and Central Asia Richard Baucher regarding the SCO, which he made on April 10, 2007, is very illustrative. In particular, he marked that the SCO is economic organization. And United States does not have any problems with the SCO regarding the economic issues. At the same time he emphasized that the United States hope that during the next SCO Summit in Bishkek participants of the meeting would not go out of the law sides and that the United States does not want other countries to dictate their policy on any meeting participants. Therefore, US Assistant State Secretary gave the SCO members to understand that the Washington did not want the aggravation of relations with the SCO.

In general we have to mark that there is no SCO member (who somehow participate to the SCO development) who is interested in unilateral enhancement of only one power in the Central Asia. On the contrary, each of external actors is trying to strengthen its own strategic, economic and geopolitical positions in the region and use the SCO for that purposes. Such kind of situation constantly creates potential for escalation of rivalry in the Central Asia.

As for the Central Asian countries, they are not interested in domination of only one power in the Central Asia as well, because it will reduce vital space for their diplomatic maneuvers. In this regard the aim of Central Asian states in frame of the SCO is to prevent unilateral enhancement of positions of particular actor. Therefore, leaders of the Central Asian states are trying to develop equal relationships with West as well as with East. Unfortunately, at present times they do not have other reasonable alternatives.

Part III

The Policy of Japan in the Central Asia and the SCO

3.1. Development of Japanese Diplomacy in the CA

The policy of Japan towards the Central Asia after the end of the Cold War passed through several stages. With appearance of new independent players in the region Japan starts making steps towards developing relations with post soviet states. On its first stages regional policy of Japan was mainly concentrated on the development of bilateral relations with Central Asian countries. Thus, in 1992 Japan established first diplomatic contacts with Uzbekistan. Later, gradually and in a stable manner Japan established bilateral relations with other Central Asian countries – Kazakhstan, Turkmenistan, Tajikistan and Kyrgyzstan.

The first regional strategy of Japan towards the Central Asia was “Eurasian Diplomacy”, declared by Japanese Prime Minister Ryutaro Hashimoto in 1997. It is necessary to mark that the strategy of “Eurasian Diplomacy” appeared as a practical result of Obuchi Mission, which was conducted from July 28 until June 9, 1997. Obuchi Mission became first significant diplomatic initiative of Japan towards the Central Asia. Members of the mission visited Russia, Kazakhstan, Turkmenistan, Kyrgyzstan, and Uzbekistan and laid a foundation for the long-term cooperation in future²². At that time one of the most important tasks of Japan was creation of new relations with countries of the post soviet union and strengthening own positions in the region. It is important to emphasize that at the same time Japan considered the Central Asia only as one of parts of broader space – Eurasian continent, i.e. at that time Japan did not have any defined strategy towards the concrete region – Central Asia. “Eurasian Diplomacy” had broader destination. But anyway there is no doubt that “Eurasian Diplomacy” of Prime Minister Hashimoto became significant contribution to strengthening relations and enlargement of contacts between Japan and Central Asian countries.

Starting from 2004 Japan changes its previous approach towards the Central Asian region. In particular, in 2004 under the management of Minister of Foreign Affairs Yoriko Kawaguchi Japan developed and launched new project, which was called “Central Asia + Japan” Dialogue. Due to the new regional project initiated by Japan relations between Tokyo and Central Asian countries reach institutional character. In particular, members of the “Central Asia + Japan” forum defined main aims and tasks of the new structure, which included the strengthening of regional security and economic development of Central Asian states. Participants of the forum started important tradition. In particular, “Central Asia + Japan” Dialogue members started organizing meetings of Ministers of Foreign Affairs on the regular basis. During the meetings parties normally discuss current issues of regional economic and security cooperation.

²² Yuasa Takeshi. *Japan's Multilateral Approach toward Central Asia*. Eager eyes fixed on Eurasia (Hokkaido University, Sapporo, 2007), P. 70

Thus, in June 2006 during the second meeting of Ministers of Foreign Affairs of the participants to the “Central Asia plus Japan” Dialogue parties accepted an important document, which determined prior directions of cooperation between Japan and the Central Asian countries for the middle term perspective, which was called Action Plan of the “Central Asia plus Japan” Dialogue. In frame of the Action Plan participants to the Forum came to the following key decisions:

- ✓ **Cooperation in the international arena.** Japan and Central Asian states agreed that the reform of the United Nations Organization and Security Council is needed, in order to deal with current global threats and challenges. Japan supported idea of creation Nuclear Weapon Free Trade Zone in the Central Asia. Parties decided to continue cooperation on the international arena through such international organizations as United Nations, the Conference on Interaction and Confidence-Building Measures in the Central Asia (CICA) and Asia Cooperation Dialogue (ACD).
- ✓ **Promotion of cooperation on the regional level.** Japan confirmed its readiness to support efforts of Central Asian states in creation of stability on the regional level. In particular, in such vital spheres as countering terrorism and illegal drug trafficking, clearance of anti-personnel mines, reduction of poverty, improvement of health and medical care standards on the regional level, support in solving regional environmental issues, reduction and prevention of natural disasters, development of the regional water and energy potential, activation of regional trade and investment process, providing assistance for the development of transport infrastructure in the Central Asia.
- ✓ **Promotion of business.** Japan and Central Asian states expressed their intention to set up a joint government-business working group on economic issues within the framework of the "Central Asia plus Japan" Dialogue with a view to studying cross-regional projects and other related matters. Kazakhstan and Uzbekistan expressed their intention to work on a framework for promoting regular discussions with Japanese chamber of commerce in each country so as to identify problems that Japanese companies operating in the countries are faced with. The Central Asian states agreed to hold business forums and round-table meetings to promote exchanges between Japanese and Central Asian companies.
- ✓ **Mutual support for the intellectual dialogue.** Parties agreed that intellectual exchange is an important element, which would serve promoting political dialogue, bringing closer stance and coordination in relation to perspectives for economic integration of the Central Asia, and developing new directions for broad-ranging cooperation.
- ✓ **Development of Cultural and Human Exchanges.** Participants to the “Central Asia plus Japan” Dialogue agreed to promote mutual cooperation in the spheres of cultural exchange and education²³.

²³ “Central Asia plus Japan” Dialogue Action Plan. According to the information on the official web-site of the Ministry of Foreign Affairs of Japan // <http://www.mofa.go.jp/region/europe/dialogue/action0606.html>

Moreover, during the meeting of Ministers of Foreign Affairs of “Central Asia plus Japan” Dialogue in Tokyo 2006, participants agreed to continue cooperation in the sphere of development of projects on creation of new routes for export of oil, natural gas and raw materials from Central Asia to global markets through the territory of Afghanistan to the Indian Ocean. In this regard Japan actively supports the projects on creation of oil and gas pipelines from the Central Asia towards Southern direction with prospects of reaching the markets of South East Asian region and Japan in future.

On December 13, 2007 “Central Asia plus Japan” Forum continued its activity holding the third Senior Officials Meeting (SOM) in Dushanbe, Tajikistan. Delegations from four Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan) were represented on the levels of Deputy Foreign Ministers. Turkmenistan was represented by country’s Ambassador to Tajikistan, what marks the interest of new Turkmen government to the Dialogue. The Japanese delegation was led by Mr. Keiichi Katakami, Special Representative in charge of Central Asia, Ministry of Foreign Affairs (Deputy Director-General of the European Affairs Bureau), and consisted of officials of the Japan International Cooperation Agency (JICA). During the meeting parties reviewed the progress of the adopted action plan and exchanged views on further cooperation development. Participants also confirmed the importance of holding the third Foreign Ministers’ Meeting of the “Central Asia plus Japan” Dialogue and agreed to coordinate its schedule and venue²⁴.

One of the most important events in the history of development of Japanese diplomacy towards the region of Central Asia became first visit of Prime Minister of Japan D. Koidzumi to Central Asian countries. In frame of the official tour in 2006 Koidzumi visited Kazakhstan and Uzbekistan. In fact, during these visits Koidzumi indicated new priorities of Japanese foreign policy in the Central Asia. In particular, this visit marked growing interest of Japanese business in the development of nuclear energy of the region. During the meeting with President of Kazakhstan N. Nazarbayev, Koidzumi emphasized that Japanese party is intended to deepen relations with Kazakhstan, especially in cooperation in the sphere of nuclear energy – development of uranium fields. As a result of the visit, parties signed Memorandum of intentions between the governments of Kazakhstan and Japan on advancement of cooperation in the sphere of utilization of atomic energy.

Analysis of regional initiatives of Tokyo on the modern stage shows that at present time main interest of Japan in the Central Asia is provision of national energy security through enlargement of access to the energy resources of the region. For example, Japan imports oil mainly from countries of the Middle East region. Considering high conflict potential in this region (escalation of Israeli-Palestinian conflict, permanent pressure of the US and the Western countries on Iran due to its national nuclear problems, destabilization of Iraq), Japan is interested in searching new partners, who will be able to guarantee

²⁴ The Third “Central Asia plus Japan” Dialogue Senior Officials Meeting (SOM) // http://www.mofa.go.jp/announce/announce/2007/12/1176649_840.html

uninterrupted supplies of energy recourses to the country. Diversification of import routes will reduce dependence of Japan on Arab world. In August 2006 before coming to Astana Prime Minister of Japan D. Koidzumi stated that Japan is interested in the energy recourses of the Central Asia. In particular, Koidzumi emphasized: “Regarding our energy recourses strategy, it is not good when Japan is too much dependent on the Middle East. But Kazakhstan and Uzbekistan possess vast reserves of resources”²⁵.

After D. Koidzumi resigned from his post and after several changes of governments Japan, the strategy of Tokyo towards the Central Asia in general remains unchanged.

For today one of the key priorities of Japan in the Central Asia is uranium. Thus, regarding the previous agreements between governments of Central Asian states and Japan on cooperation in the sphere of nuclear energy, Japanese companies gradually settle on perspective energy markets of the region. For example, one of the most recent achievements of modern Japanese diplomacy in Central Asia is agreement, signed with Kazakhstani government on enrichment of the uranium. According to the agreement Kansai Electric Power Corporation and trade-investment Sumitomo Corporation along with Kazakhstani Kazatomprom Company will enrich uranium on the territory of Kazakhstan. Japanese companies will start enrichment of the uranium from 2010. Agreements also include technical reconstruction and modernization of the old type uranium production plant, which will cost about \$600-700 millions. Total sum of investments in frame of the project is expected to reach several billion American dollars. As a result the volume of the enriched uranium on the Kazakhstani territory is expected to exceed twice current Japanese uranium demand²⁶.

Thus, as we can see on the modern stage Japan is becoming more and more involved in the regional affairs of the Central Asia. Main aim of Japanese current policy in the Central Asia is to strengthen own positions in the regional energy market. In this regard due to the strong involvement of Russia, China and the US in the regional oil and gas markets, Japan seems to hold active positions in the sphere of uranium production and enrichment.

²⁵ August 30, 2006 // <http://www.kommersant.ru>

²⁶ Japan will start enrichment of uranium in Kazakhstan. December 26, 2007 // www.centrasia.ru

3.2 The future of Japanese policy in the Central Asia

At present time on its way of strengthening positions in Central Asia Japan faces several problems to resolve. First of all Japan has to define its future role in the Central Asia and give an answer on the crucial question: does Japan really need to involve more deeply into the region, especially considering the fact that the Central Asia is not an area of Japanese traditional interests? Or may be it would be more reasonable for Japan to develop relations with Central Asian countries on a bilateral level and mainly in the commercial spheres? Such as signing perspective agreements and making deals. At the same time Japan have to take into account the fact that more active involvement into affairs of the Central Asia will require significant financial and material costs as well as strong efforts.

On the other hand Japan needs to develop clear strategy and policy towards the Central Asian region, which will define future role of Japan in the region and importance of the Central Asia for Japan. For this purpose it is necessary to give more attention to problems of the region. In this regard establishment of governmental think tanks and research centers, which will conduct reports on current issues of political and economic development of Central Asia, would be helpful. Laying research foundation will definitely contribute to reach the outlined task.

In this regard development of contacts with Central Asian research centers and think tanks would be helpful as well. It will give new possibilities for organization of mutual scientific conferences where experts from both sides will be able to exchange useful information and opinions.

Another important thing is strengthening cultural ties between Japan and Central Asian countries. For that matter one of the most significant problems is lack of information about each other. For example, common citizens of Kazakhstan do not know much about the modern Japan, its culture, moral system and far less about its current foreign policy priorities and modern diplomacy. The same situation faces Japan. Common Japanese people almost know nothing about Kazakhstan and the other Central Asian countries. Existing vacuum of information creates mutual misunderstanding and negatively effects development of bilateral cooperation between Central Asian states and Japan and moreover, Japanese multilateral cooperation initiatives in the region.

For example, on the modern stage Japan is not represented enough in Kazakhstan. Bilateral relations are developing mainly on the basis of Japanese energy interests in Kazakhstan. To my mind development of cultural ties and exchange of important information is very helpful as well. Organization of cultural events, seminars and forums on the regular basis will give additional opportunities for common people to know more about each other. As a result Kazakhstani society will be more interested in Japanese culture and way of life. Japanese people will know more about culture and traditions of Kazakhstan. There is no doubt that such kind of activities will contribute to the development of bilateral cooperation

in the sphere of education. Parties will create and launch new programs of students exchange.

In general, Central Asian states consider Japan as attractive, economically developed country, which has peaceful foreign policy. In contrast to Western states and especially USA, Japan has more soft policy. For example, Japan supports development of democracy in Central Asian countries but never make pressure on them regarding lack of some democratic standards. In this regard Japan always try to take into account cultural and historic development specifics of the region. Such kind of Japanese position is highly appreciated by Central Asian states. And it lays a good foundation for development of further comprehensive and mutually beneficial relations between Japan and Central Asian states.

3.3. Japan and the SCO: is cooperation possible?

Position of Japan towards the SCO is closely related to its interests in the region of Central Asia and to bilateral relations with Russia and China. For successful provision of own policy in the Central Asia Japan needs to create constructive and confidential relations with Russia and China first. Otherwise, these two regional powers may counteract Japanese initiatives in the Central Asia.

In this regard Shanghai Cooperation Organization attracts more and more attention of Japanese politicians and experts. There are no doubts that along with creation of own policy towards the Central Asia, Japan has to take into account the SCO factor, because in our days Shanghai Cooperation Organization shows itself as active, powerful and authoritative enough regional structure. Moreover, along with the Central Asian states SCO includes Russia and China – both of them are able to make significant impact on the development of regional economic and political processes. Regional security and stability issues depend much on these two powers as well.

The foreign policy of new Japanese Prime Minister Yasuo Fukuda can be called as very diplomatic. For example, new Prime Minister did not continue tradition of visiting Yasukuni shrine (which always had negative reaction of some Asian countries) and declared the necessity of perfection relations with Japanese close neighbors – Russia and China²⁷. Considering new approach in Japanese foreign policy Japan has chances to become more active player in the Central Asia. At the same time one cannot deny the possibility of future cooperation between Japan and the Shanghai Cooperation Organization.

²⁷ Yasuo Fukuda, a moderate, is chosen to lead Japan // September 23, 2007
<http://www.iht.com/articles/2007/09/23/asia/japan.php>

To my mind at present times cooperation between Japan and the SCO is mutually beneficial for Japan and the SCO member-states as well. Through activating own foreign policy on the Eurasian continent Japan can strengthen its international positions and prestige as peaceful power acting in the role of mediator. For example, Japan can perform as a mediator in creation of dialogue between the SCO and the West. It can be reached if Japan will get supervisor status in the SCO. Such kind of situation would be beneficial for Japan itself, the SCO members and the Western world as well. The SCO will get rid of “AntiNATO” labels and Western countries, in particular the USA, will have an opportunity to start new mutually beneficial relationships with the SCO. According to Japanese expert Akihiro Ivashita: “Japan, as a trustworthy ally of the U.S., should persuade the U.S. to make a more positive commitment toward the SCO, to reshape the Eurasian security situation together. As a historic gateway to Asia, Japan has an incentive to invite other western countries to back up this mission”²⁸.

At the same time Japan has possibilities to support development of relations between the SCO and the other regional structures, which has the same aims with the SCO, such as provision of regional security, stimulating of economic cooperation of member-states etc. For example, on the modern stage Shanghai Cooperation Organization is highly interested in development of relations with ASEAN. The interest of the SCO members to ASEAN is related to the fact that the Asian Pacific region is one of global centers for economic growth on the modern stage. Thus, in April 21, 2005 secretariats of the SCO and ASEAN signed memorandum of understanding, which defines directions of cooperation and interaction in the spheres of economy, finances, tourism, ecology, utilization of natural resources, issues of transnational crime etc²⁹. In this regard in February 2008 Deputy Minister of Foreign Affairs of the Republic of Kazakhstan N. Yermekbayev emphasized the following: “Member-states of the SCO and ASEAN are tied with geographical proximity and common interests in the Asia Pacific region. Participants of both organizations are interested in strengthening peace and stability in the “areas of activities”, in starting mutually beneficial cooperation in such spheres as economy, transport, culture and tourism. At the same time the SCO is interested in broad and diverse forms, methods and mechanisms of interaction in frame of the Association. ASEAN has 40 years working experience and it can give much positive things to such comparatively young structure as the SCO”³⁰. In this regard Japan, using its international authority and experience can contribute to the development of comprehensive relations between the SCO and ASEAN.

For the Central Asian states participation of Japan to the SCO is very beneficial as well. Regarding the long-term interests of small members of the organization (CA countries) participation of Japan to the SCO is enlargement of space for economic and political balancing in fact.

²⁸ Akihiro Ivashita. The Shanghai Cooperation Organization and Japan: Moving Together to Reshape the Eurasian Community // http://www.brookings.edu/articles/2008/0128_asia_ivashita.aspx?p=1

²⁹ February 25, 2005 <http://www.rian.ru/politics/20050225/39459836.html>

³⁰ From the interview of the Deputy Minister of Foreign Affairs of the Republic of Kazakhstan N. Yermekbayev “on prospects of interaction between the SCO and ASEAN // 25.02.2008 www.sectSCO.org

As for positions of two regional powers Russia and China, Japan is more western state. In spite of the fact that the SCO is not a military block (Russia and China officially reject such claims) Moscow and Beijing are suspicious to the activities of the US and NATO in the Central Asia. Therefore, Russia and China try to use diplomatic instruments of the SCO to keep back other players. Nevertheless, Kazakhstani experts do not deny the possibility of getting observer status to the SCO by Japan, if Tokyo will show interest for cooperation³¹.

Thus, it is necessary to emphasize that on the modern stage Japan has enough opportunities to involve more actively in the region of the Central Asia and for starting cooperation with the SCO as well.

³¹ Sanat Kushkumbayev. Development of the SCO as a Regional Organization: Potential for Enlargement // July 3, 2007 www.kisi.kz

Conclusion

Today, Shanghai Cooperation Organization is important and authoritative international organization. During the years of development SCO evolved into a full-fledged international institution, with own charter and well formed structure. SCO members actively cooperate to resolve current regional economic, political and security problems. It is also necessary to point out that the SCO is active and effective organization, which builds and sustains mutual confident relations between Russia and Central Asian states on the one hand and China on the other hand.

The territorial area of the organization is really huge. At present time common territory of six SCO member-states is more than 30 million square kilometers or almost 3 of 5 parts of the whole Eurasian continent. The population of the SCO area exceed 1,5 billion people what is nearly quarter of the world population³².

Taking into account these amazing figures and the fact of participation to this organization of to giant-states, it is not hard to understand growing interest of international community to the SCO. As for western political experts and politicians, they often criticize the SCO and sometimes call it anti-western military alliance or some kind of AntiNATO.

At the same time it is necessary to mark that at present time SCO has a lot of objective problems and obstacles inside, which do not afford it to become or transform into a military alliance:

First. There is no clear and common foreign policy course of the SCO member-states. Most of Central Asian states still use the “multi-vector policy” or the policy of balancing between the interests of big external powers – Russia, China and the United States. Central Asian states are always trying to keep good and stable relations with West as well as with East. Otherwise they can come to the “geopolitical dead end”. For example, Central Asian states cannot afford themselves to spoil relations with the United States. In that case they will become too much dependent on Russian political will or even on Chinese. As for other SCO members, Moscow and Beijing, policy of these countries in frame of the SCO strongly depend on their strategic interests in the Central Asia, which sometimes counter to each other.

Second. Last years functions of the SCO are going broader. Today, parties are intensively developing cooperation not only in the security area, but in economy, communications, energy, science, ecology, education, tourism and sport as well. Extension of functions sometimes leads to misunderstanding and loosing

³² Regarding the SCO official web-site information // www.sectSCO.org

true or initial tasks and aims of the organization. Thus, SCO is becoming a regional organization, which duplicates the function of other existing structures, such as OSCT in the security area or EurAsES in the sphere of economy. At the same time, military component of the organization is still insignificant.

Third. The character of the SCO is mainly declarative. Practical activity of the organization is not so visible. It mainly includes joint antiterrorist exercises and organization of Annual Summits of the SCO heads of states, which sometimes arouse disputes in the international community.

Fourth. SCO has features of latent rivalry between its key members – Russia and China.

Listed problems allow us to conclude that the SCO is rather transforming into an ordinary regional organization, with ordinary routine tasks than into a kind of military alliance. On the other hand, today, **SCO is only a part of great geopolitical game in the Central Asia – the region, where interests of big powers periodically come into collision.**

Along with leading players on the international arena, Japan is also much interested in the SCO and observes over the development of the organization. Mutually beneficial cooperation with this organization can give Japan new opportunities for successful provision of own strategic interests in the Central Asia. Japanese participation to the SCO may contribute to warming relations with Russia and China as well. Therefore, they will not counter much against the Japanese initiatives in the Central Asia.

As for Central Asian states, they are only for the Japanese participation to the SCO, because it will give them new possibilities and space for diplomatic balancing between the regional powers. They will be able to go out of the frames marked by Russian and Chinese strategic interests in the region.

As one of the most economically developed states of the world and using its weight in the international community Japan can contribute to creation of constructive dialogue between the SCO and leading western countries. There is no doubt that SCO members will appreciate such kind of mediator activities of Japan, because speaking frankly there is no member-state in the SCO, which would really like to spoil relations with West.

To reach that goal and to strengthen positions in the Central Asia, Japan needs to develop comprehensive approach towards the Central Asian region, taking into account the interests of Central Asian states, Russia, China and the United States. In this regard it is necessary to mark, that Japan as first of all peaceful power with developed economy has enough opportunities to enhance own positions in the Central Asia.

At the same time, considering all positive and negative factors Japanese government should choose the right way for further conducting of its Central Asian strategy. Is it reasonable for Japan to activate own multilateral initiatives in the Central Asia in future? (Especially taking into account the fact that it will require huge financial support and a lot of efforts) Or it would be more effective to continue current approach, which mainly includes concentration on development

of bilateral relations with Central Asian states, based on practical strategic interests of Japan?