



THE NEW MODEL OF THE CHINESE INTERNATIONAL DIPLOMACY: THE SHANGHAI COOPERATION ORGANIZATION CASE

In more than thirty years of reform and implementation of open economy policies, great changes have taken place in China. With the country's high engagement with the world, it became obvious that China did not isolate itself from the global developments. The rapid growth of China's economy and the country's growing ties with the rest of the world necessitates the development of new concepts and approaches in the Chinese diplomacy. China's emerging role in the international arena triggers a change in current international political environment and causes further rebalancing of multipolar system. Therefore, strengthening multilateral cooperation with the other regional powers and international organizations provides suitable atmosphere for development of China's New Diplomacy. The basis of China's New Diplomacy is formed by the New Security Concept, the New Development Approach, and the New Civilization Outlook, which were introduced in early 2000s. China's New Diplomacy has first been visible in China's diplomacy towards the Asian region, because the neighboring countries have always been crucial for Beijing to create a favorable and stable international environment. The New Security Concept encourages nations to build trust through consultations and to seek national security by means of multilateral coordination. It emphasizes: (1) multilateral ties, which stress interdependence among nations in terms of security; (2) cooperation, which replaces confrontation as the effective route to security; (3) comprehensiveness of security, which is not only confined to military and political fields alone, but also includes economic, technical, social and environmental fields; (4) institutional construction as the legitimate road to security. The New Security Concept rejects power politics and the Cold War thinking. The main reason for this rejection is that the SCO member states agreed that the Cold War Era should never come back, because this period was marked by struggles among antagonist blocs for regional or world hegemony. Beijing formally proposed the New Security Concept during the conference of the ASEAN Regional Forum held in March 1997. In April 1997, the Concept was enshrined in the China-Russia Joint Statement on World Multi-Polarization and a New World Order.

The ideals of the New Security Concept were echoed in the New Development Approach. Proposed at the forum of the Central Committee of China's Communist Party in March 2004 by the President Hu Jintao, the New Development Approach stated that all countries should strive to achieve mutual benefit

and win-win situations in their pursuit of development. Moreover, the New Civilization Outlook as a part of Hu Jintao's concept of the Harmonious World encourages intercivilization dialogue and aims at building a harmonious world on the basis of equality. The key idea of the Concept is that each civilization has the inalienable right to choose its own and independent development path, which is suitable for its own conditions.

On the other hand, the Shanghai Cooperation Organization (SCO), which is a successor of the Shanghai Five Mechanism encouraged by Beijing in 1996 in order to resolve the border issues among China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan, initiated the practice of China's New Security Concept. Established in 2001 the SCO requires member states to develop state-to-state relationships based on partnerships rather than alliances. The SCO hints at new regional cooperation model under which member states coordinate their actions but do not have treaty obligations on specific issues, particularly in the military field. After settling border disputes, the SCO members promoted cooperation fighting terrorism, separatism and extremism in line with China's New Security concept.

The SCO member states unanimously agreed to follow to seek common ground while putting aside ideological differences, which is the essence of the Harmonious World Concept. Mentioned principle provided a basis for the Shanghai Spirit, which forms the core value of the SCO in safeguarding regional security and promoting regional development. Moreover, the Chinese Government does not consider the SCO as an alliance or bloc that could confront any third country, regional group, or organization. Therefore, Beijing insists that the SCO refused to be shaped as an anti-NATO bloc.

In keeping with the principles of the New Civilization Outlook such as non-alignment and non-confrontation, the SCO respects the traditions of every member state and their right to independently choose their own development paths. Mentioned ideals were entrenched in the Charter of the Organization signed in 2002, as well as in the Declaration on the 5th anniversary of SCO inked in 2006. For instance, during the SCO Summit held in August 2007 in Bishkek, the heads of member states jointly signed the Treaty on Long-Term Good-Neighborly Relation, Friendship and Cooperation, in which China's New Security Concept and the New Civilization Outlook are embodied. Moreover, the Action plan for 2013-2017 that specifies implementation of the provisions of the Treaty was approved by the parties in 2013.

Since the SCO has gradually moved to explore the possibilities of economic collaboration along with security cooperation, the New Development Approach is also well expressed in the plans and actions of the Organization. In 2003, the Program of multilateral trade and economic cooperation among the SCO member states was signed defining the basic goals of economic cooperation within the framework of Organization. In particular, the economic cooperation within the SCO includes the liberalization and facilitation of trade and financial systems, cooperation in the fields of investment, communication and mineral resources.

Furthermore, the ministers of economy of the SCO member states reached agreement on establishing the SCO Interbank Consortium and the SCO Business Council in 2005. In 2006, the leaders of the SCO reaffirmed that cooperation in the field of energy was a priority for their economies and member states proposed to establish an SCO's Energy Club aiming to deepen energy cooperation among the member states and to update their energy strategies.

To conclude, the process of establishment of the SCO started with the shaping of Shanghai Spirit, which was first announced by the former President Jiang Zeming at the Summit of the Shanghai Five heads of state in Dushanbe in 2000. This process fully corresponds with the China's New Diplomacy principals. The SCO was developed and institutionalized within the framework of Hu Jintao's Harmonious World Concept. Nowadays, the SCO brings together 18 states, which are inhabited by over 3 billion people or over 45% of the world population. In 2015, they correspond to \$41.5 billion GDP, which accounts for 11.1% of the world's GDP.

Therefore, establishing of the SCO could be considered as the first Chinese experience on the implementation of China's New Diplomacy. The transformation of the Shanghai Initiative from the Shanghai Five Mechanism to Shanghai Cooperation Organization corresponds with the transformation of China's international diplomacy. By initiating and developing the SCO, China started to focus on multilateral relations in its foreign policy rather than bilateral relations. It should be admitted that China is still in the process of developing the comprehensive and multidimensional approaches of its New Diplomacy. However, there is no doubt that with its New Diplomacy, China will aim to guide the SCO member states in their political and economic activities.

Written by Azhar Serikkaliyeva,
Eurasian Research Institute, Kazakhstan

Politics, Foreign Affairs and Security

- During his official visit to Azerbaijan, the President of Belarus, Alexander Lukashenko and his Azerbaijani counterpart, Ilham Aliyev, discussed the ways to expand mutually beneficial cooperation between the two countries, including trade and economic cooperation, concrete cooperation projects in agriculture, light and heavy industry, the enhancement of cultural and humanitarian ties. The parties also confirmed the mutual interest in the development of interstate cooperation.
- According to the Foreign Minister of Kazakhstan, Erlan Idrissov, the country will provide a platform for two-round negotiations on Iran's nuclear program in 2017.
- During his official visit to Ashgabat, the President of Georgia, Giorgi Margvelashvili, and his Turkmen counterpart, Gurbanguly Berdimuhamedov, discussed prospects of deepening trade and economic relations between two countries. The sides noted that the Silk Road project creates broader prospects of cooperation between the two countries in transportation.
- The Press Service of the General Staff of Kyrgyzstan reported that a joint mountain training of units of the Shanghai Cooperation Organization (SCO) member states started at the training center of Korla in Xinjiang Uyghur Autonomous Region of China. At the invitation of the Chinese side, the special forces of Kyrgyzstan, Kazakhstan and Russia consolidated military experience, increased their field training and worked out joint actions in the mountain areas.
- During his official visit to Moscow, the Minister of Defense of Uzbekistan, Kabul Berdiev, and his Russian counterpart, Sergei Shoigu, signed an Agreement on development of military-technical cooperation and a Plan of bilateral cooperation for 2017.
- During his official visit to Moscow, the Defense Minister of Azerbaijan, Colonel General Zakir Hasanov, and his Russian counterpart, General of the Army Sergei Shoigu, signed a cooperation plan for 2017 that includes expanding military cooperation including trainings. The parties also discussed the current state and prospects of the military and military-technical cooperation between the two countries, as well as the issues of regional security.
- The President of Ukraine, Piotr Poroshenko, announced about the successful missile launches as a part of military exercises that started air missiles in drills in the Kherson region, which borders Crimea. Ukrainian forces conducted 16 successful launches of S-300 medium-range surface-to-air missiles during the two-day drills.

Economy, Finance and Energy

- During the meeting in Vienna, the members of the Organization of the Petroleum Exporting Countries (OPEC) agreed to its first oil production cuts in eight years. The deal, designed to drain record global oil inventories, overcame disagreements between the group's three largest producers, namely, Saudi Arabia, Iran and Iraq. The OPEC agreed to remove 1.2 million barrels a day (b/d) from global oil production and to cut its collective output down to 32.5 million b/d, if non-OPEC countries such as Russia also cut its production about 0.6 million b/d.
- According to the Kazakhstan's state-owned gas transportation operator, Kaz-TransGas, the company built a booster compressor station between the main gas pipelines such as Bukhara-Tashkent-Bishkek-Almaty pipeline and Kazakhstan-China pipeline. The new booster compressor station located in Zhambyl region will allow to have gas pumping between these pipelines, despite different designed pressures. This is the first compressor station of its kind built in Kazakhstan. The station's annual capacity is 6 billion cubic meters of gas.
- According to the Vice-President of BP Azerbaijan, Bakhtiyar Aslanbayli, the company plans to suspend gas output at the Shah Deniz platform in 2017 due to technical-preventive, repair and adjustment work at the Sangachal terminal of the Baku seaport, which receives products from the offshore gas field.
- During the Turkmen-German Business Forum held in Ashgabat, the President of Turkmenistan, Gurbanguly Berdimuhamedov, noted that more than 60 business entities with German capital have opened their branches and representative offices in Turkmenistan. To date, 167 investment projects and contracts with the participation of the German capital in the total amount of \$540 million and about €555 million was registered in the country. It was also noted that, the trade turnover between two countries reached \$306 million in 2015.
- The President of Turkmenistan, Gurbanguly Berdimuhamedov, and the President of Afghanistan, Ashraf Ghani, opened the first section of a \$2 billion worth link connecting the two countries by rail. The first train carrying 46 freight cars completed the 3-kilometre journey from Turkmenistan's Imamnazar customs point to Akina in Afghanistan.
- The European Bank for Reconstruction and Development (EBRD) reported that it would provide the Kazakh ForteBank with \$60 million loan. The loan will be issued in Kazakh national currency tenge and directed to the support of micro, small and medium businesses and financing of female entrepreneurship under the EBRD's Women in Business Program.

The state-owned Damu Entrepreneurship Development Fund of Kazakhstan provides guarantees for this loan.

- According to the Ambassador of France to Russia, Jean-Maurice Ripert, Renault will invest additional capital worth €1 billion to the Russian Avtovaz. This investment will make Renault the major shareholder of the Russian carmaker, but the Russian state-owned corporation Rostec will still hold the blocking stake.
- The Finance Ministry of Azerbaijan reported that the country's GDP amounted to \$28.02 billion in January-October 2016, which is 3.7% less than the same period last year. It was noted that the main reasons of this reduction were a 27.4% decrease in the construction sector, high dollarization, low trade turnover, difficulties in the banking sector and deterioration in the quality of loan portfolio.

Society and Culture

- According to the Foreign Ministry of Uzbekistan, the delegations of Uzbekistan and Tajikistan signed a protocol on the resumption of flights. Under the protocol, the Dushanbe-Tashkent-Dushanbe flight will be carried out by the Somon Air and Uzbekistan Airways twice a week. The flights are expected to begin in early January 2017.
- The European-Mediterranean Seismic Center stated that 6.9 magnitude earthquake occurred the day before at 8.24 p.m. not far from China-Kyrgyzstan border. It was noted that the epicenter was located 173 kilometers southeast of Osh city and 408 kilometers south of Bishkek.
- During the 34th meeting of the International Organization of Turkic Culture (TURKSOY) held in Azerbaijani Sheki city, the parties decided to elect the Kazakhstani city of Turkestan as the cultural capital city of the Turkic world in 2017. It was also announced that a number of activities such as the celebration of the vernal equinox of the Turkic people, the Central Asian festival of crafts and the traditional music festival "Uly Dala" would be organized in Turkestan in 2017.
- According to the Government of Uzbekistan, the country plans to launch two new projects on construction of metro stations in Tashkent. Currently, two projects on construction of 8 metro stations with the length of 10 km in Tashkent are developed. The projects will be implemented in 2017-2020. The cost of the projects will be \$295 million. The projects will be financed by the state budget and the Fund for Reconstruction and Development of Uzbekistan.
- According to the UNESCO, the intergovernmental commission on protection of intangible cultural heritage adopted a decision on the inclusion of Palov culture and tradition of Uzbekistan on the Representative List of the Intangible Cultural Heritage of Humanity.