

What the Shanghai Cooperation Organisation means for the global order

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The emergence of countries like Iran, India, Pakistan, Afganistan and Turkey with Observer status dramatically changes the outlook, perception, and international dynamics of the Shanghai Cooperation Organisation (SCO). It renews questions how a largely uni-polar world order has changed.

The SCO is significant enough for being led by China and Russia, both Permanent Members of the UN's Security Council and very large countries with increasing international gravitas in their own right. The high-profile attendance of Iran at a sensitive time of international concern about its nuclear intentions immediately sharpens the mind.

A central objective of the SCO is energy cooperation. It is not difficult to see why an energy-hungry China should conceive the SCO as one of its important links with the world's main supply lines. Another consideration is China's continuing vigilance in containing the spread of the so-called 'Colour Revolutions' in Central Asia.

The SCO is very much in line with China's proactive efforts to strengthen links with the world's other key energy players, including Saudi Arabia and Venezuela. It also explains China's diligence with oil producers in Africa (which supplies a third of China's oil import), including countries like Sudan and Angola.

Not only is quantity vital but diversity of supplies, in particular, avoiding over-dependence on countries largely outside China's sphere of influence i.e. the Persian Gulf.

With 1.3 billion mouths to feed and the imperative to sustain relatively high growth, energy security appears to be no more than prudence for China.

As for India, it is also set to become the world's major oil consumer. With rapid economic growth, it is predicted that by 2020 or sooner, India will consume 250 million tons of oil, surpassing South Korea as the world's fourth largest energy consumer after the US, China and Japan. India is already cooperating with China in developing Iran's Yadavaran (one of the world's largest undeveloped oil fields) as well as extraction projects in Kazakhstan and Sudan.

The participation of Iran, Pakistan, Afghanistan and Turkey flags up another interesting possibility of the SCO umbrella, that of a potential Islamic alliance. Iran is likely to play a leading role on account of its Islamic influence and energy status, accounting for 11% of the world's proven oil reserves and 15% of the world's natural gas. How this will play out through the SCO is certainly a space to watch.

Indeed, the concurrent emergence of 'Three Billion New Capitalists' (a term used by Clyde Prestowitz) embracing market economy with a vengeance has turned fossil oil, highly concentrated in a few less stable countries, into a potential weapon of mass disruption.

So the increasing awareness of the need for alternative and environmentally-friendly energies has implications beyond natural sustainability. It also begs the question whether overwhelming global military and economic superiority, the linchpin of unilateral, confrontational Neo-Conservatism, will be the answer to the prayer for global order.

The question is looming larger by the day as incommensurate with its economic might, US's soft power, the power to win hearts and minds, has begun to drain. Even the unbeatable

greenback seems to be losing its shine. In a globalised world, national objective now increasingly requires multi-dimensional solutions across national and ideological boundaries. For this is the flipside of globalisation, driven by inter-dependence, connectivity, and asymmetric leverage across boundaries. In a multi-dimensional global village, the old concept of bi-polar 'blocks' based on ideology or creed is fast becoming obsolete.

China's remarkable economic growth notwithstanding, it still remains a large developing country with per capita GDP ranking below the world's 100th place. Beset by a multitude of growth challenges including unbalanced development, income disparity, environmental degradation, energy and water shortage, corruption and rising expectations, China has no option but to grow in harmony with other nations. Hence, China's ideology-blind foreign policy and continuing efforts to cultivate international partnerships, including the SCO.

Harmony, of course, is part and parcel of China's ancient civilisation. In his speech of 21 April at Yale University during his US visit, President Hu Jintao explained how much the Chinese civilization valued Harmony, and how the sea grows strong by being inclusive of the rivers.

With the spectacular growth of China (and India) challenging the West-dominated global order, it is no surprise that much of China's peaceful endeavours are being taken with a grain of salt.

But looked in the context of a globalised world of inter-dependence and inter-connectivity, not only between nations, peoples, cultures, and beliefs, but also between Man and Nature, Harmony may well be the best policy.

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