The SCO – Eurasia's Paper Tiger?

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An international organisation covering 42% of the world's population, consisting of diverse member states as China, Russia, India and Pakistan and expanding significantly in the last couple of years – yet still the Shanghai Cooperation Organization (SCO) often remains below the radar. Recently, the organisation expanded into the Middle East with the accession of Iran in 2023 and further into Europe with Belarus in 2024. Simultaneously, existing cooperation is further institutionalised through expanded competencies of SCO bodies and the addition of new agencies. Still, even a first look

at the organisation's member states reveals competition and rivalry within the SCO. Some authors diagnose the organisation with a lack of concrete policy output due to the growing diversity of its member states, which it attempts to hide through strong announcements and visionary statements. What are the driving forces behind the SCO's institutional deepening and its territorial expansion? And how successful is the SCO in realising and implementing its growing ambitions?

Hints for answering these questions are found in the SCO's historical trajectory. In 2001, the SCO emerged from the Shanghai Five, a meeting format for countries in Central Asia and its neighbourhood to manage border disputes after the dissolution of the Soviet Union. Its original member states were Tajikistan, Uzbekistan, Kazakhstan, Kyrgyzstan, Russia and China. India and Pakistan became observer states in 2005 and eventually full members in 2017. From the beginning, the SCO has had a significant focus on anti-terrorism cooperation, for which in 2004 it formed the SCO's first additional permanent body, the Regional Anti-Terror Structure (RATS) with its office in Tashkent. This initial thematic focus and its manifestation in the frequently announced combat against the so-called three evils (Terrorism, Separatism, Extremism) has defined the SCO and still strongly influences its cooperation.

Slowly but steadily, this thematic focus was extended through announcements and eventually projects in the economic and infrastructure domains. The Programme of Multilateral Trade and Economic Cooperation comprised several energy infrastructure projects and introduced measures to loosen trade restrictions. Today, the SCO consists of different pillars that implement the goals mentioned in its charter. The goals can be grouped into four dimensions: security, (energy) infrastructure, economic and environmental cooperation. These fields are coordinated by Councils of Ministers consisting of every member state's minister for the respective area. These meetings mostly serve the purpose of tracking the progress of established goals. These goals are formulated at the annual SCO summits. Within the SCO's economic cooperation, the important institutional additions have been the SCO Business Council (BC), which connects businesses from all member states, and the SCO Interbank Consortium (IBC), coordinating the monetary policies between the member states' central banks. The recent enlargement of the SCO's RATS with further competencies for anti-drug trafficking shows how cooperation develops in the security domain. Also, the Memorandum of Understanding between the SCO and the United Nations Environment Programme (UNEP) on combating climate change in Central Asia exemplifies how the SCO has accessed the area of environmental cooperation. Within the infrastructure domain, there is a centrality of the Chinese Belt and Road Initiative and the Eurasian Economic Union (EAEU) through which most projects are coordinated and financed. This centrality has been challenged, particularly by India, which continuously

refuses to voice its support for the BRI. Due to the SCO's unanimous decision-making, India's rejection prevents an official endorsement of the BRI.

The lack of agreement between India and China on the BRI's inclusion in the SCO shows the most obvious disagreements that hinder decisions by the SCO. China aimed to achieve the SCO's support for the BRI's China-Pakistan Economic Corridor (CPEC), which India sees as a security threat. This exemplifies how power constellations below the organisation's surface impact its development. The early years of the organisation were mostly driven by competition between Russia and China for the prevailing power position in the organisation. This was reflected by the accession process of Pakistan and India. Russia has been a strong supporter of India's membership for several years before its eventual accession in 2017. The motive behind this is straightforward, as India and Russia's relations have been close, and Russia hoped to shift the power distribution within the SCO further towards its side. China only agreed to India's accession with the concession of also including Pakistan. A potential Russian-Indian bloc within the SCO was aimed to be weakened through the Sino-Pakistani partnership.

Staying with the dynamics behind the SCO's membership expansion, the accession of Iran and Belarus resulted from the SCO's increasing focus on global power distribution. In recent years, the SCO started its "BRICS-like" agenda of calling for a recalibration within global institutions towards a changing world order. The accession of Belarus and Iran can thus be seen as an amplifier of the SCO's voice on the global stage, giving it more legitimacy to call for changes in multilateral political and financial institutions.

The explanations for the SCO's enlargement also hint towards explanations for its policy output and implementation of its voiced goals. Inarguably, the SCO's cooperation within anti-terrorism through RATS is the most successful when it comes to measurable outcomes. Terrorist attacks prevented by the RATS are documented and show that the SCO succeeds in parts of its security domain. However, these documents also show that the prevented terror attacks were almost exclusively in the Central Asian region. Especially within the newly accessed countries, anti-terrorism cooperation is almost impossible due to highly differing definitions of terrorism. India and Pakistan mutually accuse each other of being the region's source of terrorism. The SCO's security cooperation has not adapted to its increasing scope and rather focuses on the SCO's initial territory. In the SCO's other areas, there is a strong discrepancy between the envisioned goals on the annual summits and its capacity to agree on the details and implement the goals. This is best exemplified through the decision to establish the SCO Development Bank and the SCO Development Fund in 2016. While its planned implementation is repeated in every annual declaration, the member states cannot agree on its details. This scheme reaches across most policy areas and verifies the SCO's diagnosis of decisive lacks in policy output.

For this reason, the SCO should not be understood as an organisation with the purpose of enabling cooperation in different policy fields with joint projects. Rather, its description as an institutional scenery expressing the competition for influence in Central Asia is appropriate. Competition and conflict between states aiming to exert influence in Central Asia shape the organisation's dynamics and prevent many joint projects. However, the SCO's symbolic power of being the largest regional organisation and enabling exchange between conflicting powers makes the SCO an increasingly relevant actor in world politics. This institutionalised exchange will not lead to overcoming this conflict in the foreseeable future, but the joint wish for global institutional reform hides these differences in the SCO's external image and makes it a decisive actor in world politics.

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