This article deals with the concept of a Silk Road Economic Belt put forward by Chinese President Xi Jinping in September 2013. It argues that this concept has two major dimensions: “the Road” and “the Belt.” Accordingly, the concept pursues the following two main objectives. First, it aims to revive the ancient Silk Road that led to the exchange of knowledge, goods and technology between the East and West. Second, it aspires to create an “Economic Belt,” i.e. an economic alliance of countries along the Silk Road in order to forge closer economic ties, facilitate trade and investment, improve transportation networks, enhance monetary circulation and promote people-to-people exchanges. Also, the article argues that the realization of the Silk Road Economic Belt requires strengthening the role of the Shanghai Cooperation Organization (SCO) and the transformation of this organization from a security-oriented coalition to an alliance that also pursues deep economic cooperation. Furthermore, the article provides a comprehensive examination of the background, the legal nature and major areas of cooperation of the SCO. Having analyzed the activities of the SCO the article concludes that “the Road” can be built when and if the SCO will transform into “the Belt,” i.e. its member states will start to pursue pragmatic cooperation in various areas, promote mutual trust and expand its agenda from primarily security-oriented to one encompassing deep economic cooperation. Furthermore, the transformation of the SCO into the “Belt” will require making the SCO and the emerging Eurasian Economic Union to be complementary and mutually reinforcing in building the Silk Road of the XXI century. As a result, the Silk Road Economic Belt will effectively connect the Asian and European markets and significantly facilitate the idea of common prosperity.

I. INTRODUCTION

During his speech at the Nazarbayev University (Astana) on 7 September 2013 and few days later at the summit of the Shanghai Cooperation Organization (SCO) in Bishkek on 13 September 2013 Chinese President Xi Jinping put forward a concept foreseeing the establishment of a Silk Road Economic Belt. As it is clearly seen, this concept has two major dimensions: “the Road” and “the Belt.” Accordingly, the concept pursues the following two main objectives. First, it aims to revive the Silk Road, the ancient trade route that, linking China and Europe, led to the exchange of knowledge, culture, religion, goods and technology between the East and West. Second, it aspires to create an “Economic Belt,” i.e. an economic alliance of countries along the Silk Road in order to forge closer economic ties, facilitate trade and investment, improve transportation networks, enhance monetary circulation and promote people-to-people exchanges and in particular among young people.

It is not incidental that the concept of the Silk Road Economic Belt was proposed by the Chinese leader in Kazakhstan, one of the major countries between China and Europe and an enthusiastic supporter of Chinese economic initiatives, and at the SCO summit in Kyrgyzstan as the realization of the Silk Road Economic Belt requires strengthening the role of the SCO. The success of the Silk Road Economic Belt depends on the ability of the SCO to transform itself from primarily security-oriented coalition to an alliance pursuing also deep and comprehensive economic cooperation.

The aim of this article is to examine the background, the legal nature and major areas of cooperation of the SCO and to provide an answer whether and how the SCO can facilitate the creation of the Silk Road Economic Belt.

II. BACKGROUND OF THE SCO

The SCO's background traces its roots to the process of the rapprochement between the People's Republic of China and the Union of Soviet Socialist Republics that began in late 1980s after a long period of sporadically bloody confrontation. As a result of this process these two major world powers concluded an Agreement on Guidelines for Mutual Reduction of Armed Forces and Military Confidence-Building in the Border Area on 24 April 1990 and an Agreement on the Eastern Section of the Boundary on 16 May 1991. After the breakup of the Soviet Union rapprochement between the parties continued in the framework of the so-called “One plus Four Formula” i.e. China and four post-Soviet countries: Kazakhstan, Kyrgyzstan, Russia and Tajikistan. As a matter of priority, the five countries started to settle all border disputes along the western section of the former Soviet boundary by concluding a number of bilateral agreements (with the major among them being China-Kazakhstan Border Agreement signed on 26 April 2001, China-Russia Agreement on 3 September 1994, China-Kyrgyz Republic Agreement on 4 June 1996 and China-Tajikistan Agreement on 13 August 1999).

Simultaneously with the adoption of border agreements the parties significantly expanded their cooperation in the border region and started to build an institutional mechanism to guarantee and maintain regional peace and security. As a result, on 26 April 1996 in Shanghai five nations affiliated to the Organization for Security and Co-operation in Europe (OSCE) signed the Treaty on Strengthening Confidence in the Military Field in the Border Areas. In particular the parties agreed not to attack each other, not to conduct military exercises targeted against each other and other dangerous military activities, to inform each other of important military activities scheduled to be conducted within 100 kilometers of the border, to invite each other to observe military exercises and to promote friendly communications between military forces and frontline guards. Most importantly, this Treaty gave birth to the political grouping that became known as the “Shanghai Five”.

One year later, on 24 April 1997 in Moscow the “Shanghai Five” signed the Treaty on Mutual Reduction of Military Forces in Border Areas. The Treaty foresees the reduction of military forces deployed in border regions to a level necessary to defense, the refusal of the parties to seek military superiority and their duty to exchange pertinent information on military forces in the border regions. The successful resolution of border and security issues gave a great impetus to the activities of the “Shanghai Five”. The presidents of the five states agreed to meet on an annual basis and in the period 1998-2000 they alternately met in Almaty, Bishkek and Dushanbe in a friendly atmosphere based on equality, mutual trust, joint consultations, respect for cultural variety and aspiration for common development. In the atmosphere that became known as the “Shanghai spirit”, they discussed not only key issues of regional security, but also significantly expanded their agenda, which now also included the issues of global security, economic development, environmental protection, water resource management, social and cultural cooperation, etc. Celebrating its fifth anniversary on 15 June 2001 in Shanghai the group expanded to receive new member. In 2005, the SCO became to include five states. The same day these six countries decided to create permanent institutional structures for facilitating their cooperation by establishing the Shanghai Cooperation Organization. During the next summit on 7 June 2002 in St. Petersburg the presidents of the six states adopted the Charter of the newly created Organization.

III. LEGAL STATUS OF THE SCO

The SCO is a classic intergovernmental organization based on the principles of sovereign equality, territorial integrity of states and inviolability of state sovereign rights of all member states. The SCO guarantees the peaceful settlement of disputes between the member states through consultations and negotiations. Even though the SCO members are different in their size and role in international relations, the SCO emphasizes that it is a multilateral framework respecting sovereignty of each member and taking decision only by consensus of all members.

The legal status of the SCO is regulated by a number of basic legal acts - the Constitution of the SCO, the Protocol to the Constitution of the SCO, the Statute of the SCO, the Agreement on the Legal Status of the SCO, the Agreement on the Functioning of the SCO and the Agreement on the Principles of Operation of the SCO. The principal legal act is the Constitution of the SCO that is the highest legal act in the organization and forms the basis of all other legal acts that implement the Constitution. The SCO has two main legal bodies: the Council of Heads of States and the Council of Heads of Government that are permanent organs of the SCO. TheSCO has six permanent organs: the Secretariat that is located in Beijing. Decisions in all SCO bodies are adopted by consensus.

The SCO was explicitly endowed with the international legal personality. It may interact and maintain dialogue, in particular in certain areas of cooperation, with other states and international organizations. Thus, the SCO concluded memoranda of understanding and established partner links with the United Nations (UN), Commonwealth of Independent States (CIS), Collective Security Treaty Organization (CSTO), Economic and Social Commission for Asia and the Pacific (ESCAP) and Economic Cooperation Organization (ECO). Also, the SCO may grant states or international organization concerned the status of an observer or a dialogue partner. Currently the SCO includes the following observer states: Afghanistan, India, Iran, Mongolia and Pakistan, as well as three dialogue partners: Belarus, Turkey and Sri Lanka. Furthermore, the SCO may be joined by new members upon the decision of the Council of Heads of States based on a recommendation of the Council of Ministers of Foreign Affairs provided they will respect and comply with the provisions of the SCO treaties and instruments. In fact, in recent years the SCO considered the candidacies of Iran, India and Pakistan as potential members. Even though the SCO members could not yet find a consensus on the membership expansion, these developments show clearly that the SCO's membership is becoming increasingly attractive for many countries.
on sovereignty equality of its members and aimed primarily at ensuring and maintaining peace and security both at the global and the regional levels. Achieving these major objectives remains the main priority of the Organization.4

With respect to the global security the SCO member states agreed to promote “a new democratic, fair and rational political and economic international order”. This goal clearly reflects the concept of multipolar world that was incorporated by Jiang Zemin into Chinese foreign policy in 1992 to support China’s position that a fair, just and peaceful world is only possible through respect of diversity of civilizations and different models of development. From the very beginning on, this position was reinforced by support from other SCO members (and in particular Russia and Kazakhstan),5 that are also committed themselves to the idea of multipolarity as opposed to attempts to establish domination of one (or a group of) states holding a significant amount of power economically, militarily and politically. The SCO Charter provides clearly that the SCO member states desire to jointly contribute to the strengthening of international peace and security by developing political multipolarity.6

Also, the presidents of the SCO member states pledged themselves in numerous declarations to establish new global security architecture based on universally recognized principles of international law, the balance of interests of all subjects of international relations and peaceful co-existence and consensus-based dialogue between various civilizations.7 Furthermore, the adherence to the principle of multipolarity is confirmed by the fact that the SCO member states firmly believe that an effective global security system can only be built under the auspices of the UN and in strict accordance with its Charter. In particular, they emphasize the primary role of the UN Security Council (with China and Russia being permanent members of this body) in ensuring and achieving international conflicts.

Regarding the regional security the SCO Charter stipulates that the member states will pursue the goal of strengthening mutual trust, friendship and good neighborhood in accordance with universally recognized principles of public international law.8 In particular, they agreed to settle all disputes between them peacefully, to respect each other’s right to choose ways of political, economic, social and cultural development, to respect principles of state sovereignty, territorial integrity and inviolability of borders. They committed themselves to prevent on their territories the activities aimed at destabilization with these principles and undertake all efforts to build confidence in the military sphere with the purpose to transform mutual borders to borders of permanent peace and friendship. Therefore, taking into account that the total area of the SCO member states amounts to more than 30 million square km (more than 20% of the Earth’s surface) and the total population of six member states is 1 billion 556 million people (representing 22 % of the world population), we can argue that the SCO is one of the major pillars of global security architecture making an invaluable contribution to the maintenance of international peace and security. Unlike the NATO or the Russia-led Collective Security Treaty Organization, the SCO is not a collective security system. Still, in case of a situation threatening its security, a SCO member may hold consultations with other member states Parties to provide an adequate response to the situation that emerged.9 Moreover, the SCO member states agreed not to seek unilateral military superiority in adjacent border areas. Also, they decided to develop various forms of cooperation between their defense ministries and not to participate in alliances or organizations directed against other members and not to support any activities hostile to other members.10 Furthermore, they agreed to prevent any illicit acts directed against the SCO interests11 but at the same time made clear that the SCO is not directed against any other states or organizations.12

Other major goals of the SCO with respect to the regional security are: 1) joint counteraction of terrorism, separatism and extremism in all their manifestations; and 2) fighting against illicit narcotics, arms trafficking and other cross-border criminal activities and illegal migration.13 Terrorism, separatism and extremism (called “three evils”) are considered to be major threats to the national security and public stability in all SCO countries. In this respect, the member states of the SCO adopted the Shanghai Convention on Combating Terrorism, Separatism and Extremism of 15 June 2001 (on the same day when they decided to create the SCO and the SCO Counter-Terrorism Convention of 16 June 2009). In both conventions they agreed to promote close cooperation between their law enforcement and judicial authorities. Also, at 16-17 June 2004 SCO summit, held in Uzbekistan, they established Regional Anti-Terrorism Structure (RATS) with the headquarters in Tashkent, an operational body that coordinates counter-terrorism cooperation among SCO member states. Furthermore, starting from 2005, the SCO member states conduct annual anti-terrorism military exercises named “Peace Mission”.14

Combating the “three evils” is closely related to fighting transnational criminal activities and illegal migration, and in particular illegal circulation of drugs. In this regard the SCO member states adopted Agreement on Cooperation in Combating Illicit Trafficking of Narcotic Drugs, Psychotropic Substances and Precursors of 17 June 2004 that aimed to strengthen cooperation between their defense ministries and not to participate in alliances or organizations directed against other members and not to support any activities hostile to other members.15

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Regarding the economic dimension of the SCO’s work, the member states’ agreement on the need to develop trade and economic cooperation on the basis of equality and mutual benefit and to create favorable conditions for developing trade, economic and financial cooperation in the framework of the SCO. The Business Council is a non-governmental body established by the Member States of the Shanghai Cooperation Organization was created at the 2nd Shanghai Cooperation Council held in Tashkent on 14 September 2003. Its main goal is to develop all kinds of forms of cooperation between the member states of the SCO in order to promote “a new democratic, fair and rational political and economic international order”.

The idea of multipolarity was clearly expressed in the Joint Declaration of China and Russia of 25 April 1996 and the Joint Declaration of China and Kazakhstan of 5 July 1996.16

See Charter of the Shanghai Cooperation Organization of 7 June 2002 (at Preamble).


See Treaty on Long-Term Good-Neighborliness, Friendship and Cooperation Between the Member States of the Shanghai Cooperation Organization of 16 August 2007, Art. 4.6

Ibid, Art. 4.


Ibid, Art. 4.


15Charter of the Shanghai Cooperation Organization of 7 June 2002, Art. 2.

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V. CONCLUSIONS

As illustrated above, the SCO is an active and dynamic alliance that primarily seeks to present itself to the world as a guardian of global and regional security. In doing so, it advocates the idea of multi-polarity and non-aggression. Thus, unlike Western bodies it took a strong position against externally imposed regime change in and acts as an opponent of the West. Thus, unlike Western bodies it primarily seeks to present itself to the world as a guardian of global and economic integration along the Silk Road “in the spirit of seeking agreements he called those countries to give “green light” to regional cooperation within the SCO.

It is obvious that the success of the Silk Road Economic Belt depends on 1 January 2010 and the most recently on 29 May 2014 created even EurAsEC. That is especially true because the most advanced EurAsEC

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