# **BOOK REVIEW NOTES**

The Eurasian Tiger: How Deep Are its Claws?\*

#### Nazreen Shaik-Peremanov,

University of Fort Hare (East London, South Africa)

https://doi.org/10.21684/2412-2343-2024-11-1-149-164

**Abstract.** The Shanghai Corporation Organisation arose from a set of desired ideals in the Eurasian region bolstered primarily by countries such as Russia and China. With diverging cultural, political, religious, and economic values, the security and economic values were primate on the Organisation's Agenda giving way to the formation of a strong regional alliance that grew from a five Member State Organisation. Within the Organisation, the ideals of human security, regional security, information sharing and economic development with cooperation find common ground. Though challenged differing values, the work traverses the historical, legal, and other journeys to one that has successfully found its way into the international arena with the likes of the United Nations. This paper reviews the work.

**Keywords:** Shanghai Spirit; Three Evils; economic cooperation; regional security; regional entity.

**Recommended citation:** Nazreen Shaik-Peremanov, *The Eurasian Tiger: How Deep Are its Claws?*, 11(1) BRICS Law Journal 149–164 (2024).

### **Table of Contents**

Introduction

1. At a Glance: "The Shanghai Corporation Organisation: Exploring New Horizons"

Book review of Sergey Marochkin & Yury Bezborodov (eds.), The Shanghai Cooperation Organisation: Exploring New Horizons (2022).

- 2. The SCO's Ideals
- 3. Historical Evolution
  - 3.1. 1996-2004
  - 3.2. 2004-2008
  - 3.3. 2008-2014
  - 3.4. 2017 Onwards
- 4. Legal Aspects of the SCO and its Legal Values
- 5. Security and Regional Peace on the SCO's Agenda
- 6. SCO Cooperation
  - 6.1. Humanitarian Cooperation
  - 6.2. Labour Cooperation with Laws
  - 6.3. Economic Cooperation
  - 6.4. The SCO 2025 Development Strategy
  - 6.5. The Environment
  - 6.6. Information Sharing
- 7. New Opportunities and Expanding Horizons for the SCO
  - 7.1. Russia-India Trade
  - 7.2. China's Exports
- 8. Transport Logistics
- 9. The Energy Club
- 10. The SCO's Evolving Mandate

#### Introduction

In 2001, some Eastern Europe and Asian countries formed a strong regional alliance to combat extremism, terrorism, and separatism, notoriously known as the "Three Evils" with the ultimate objective of realising regional and domestic security. Such was the formidability of this regional alliance that eighteen States became part of the initiative mandated to ensure unhindered growth and development against the backdrop of territorial security. This regional alliance culminated in the birth of the Shanghai Cooperation Organisation (hereinafter referred to as the "SCO" or the "Organisation").

Factually, the most poignant is that the Organisation traverses a geographical land mass of approximately 60% of Eurasia, which is physically more than 34 million square kilometres. Moreso, the geographical area comprises more than 3 billion inhabitants, making up half the world's population and more than 30% of the

<sup>&</sup>lt;sup>1</sup> Olga Porshneva et al., *The Formation and Institutional Development of the SCO: Historical and Legal Aspects*, in Sergey Marochkin & Yury Bezborodov (eds.), The Shanghai Cooperation Organisation: Exploring New Horizons 16 (2022).

global GDP.<sup>2</sup> Put together, all these facts make the SCO the world's largest regional organisation. Indeed, it is a formidable entity to reckon with.

In its evolution, the SCO succeeded the Shanghai Five and remains entrenched in the "Shanghai Principles" and the "Shanghai Spirit." Whether the Organisation was a five or an eighteen-member entity, the premise was firmly embedded in the formation of a regional entity that focussed primarily on its considered "Three Evils," as contained in the SCO's founding document, the Shanghai Declaration 2001 which sets forth the Organisation's goals, ideals, aspirations, requirements, *inter alia*. <sup>4</sup>

# 1. At a Glance: "The Shanghai Corporation Organisation: Exploring New Horizons"

The book, "The Shanghai Corporation Organisation: Exploring New Horizons," undertakes a complete overhaul of the Organisation's work from inception until 2022 bringing to the fore perceived and potential deficiencies, highlighting the triumphs, and making recommendations to the Organisation for meaningful, relevant, sustainable, and sustainable future. Comprising sixteen chapters, the book's authors diligently examine, and analyse the various areas of cooperation as has been expanded, and the traditional ethos underpinning the Organisation's formation.

This paper reviews the book. Every chapter meticulously investigates, analyses, and makes recommendations on salient areas of cooperation toward the betterment of the Organisation's functioning, concentrating on the history of the Organization since 2001, economic, humanitarian, legal, trade, labour, migrant, and environmental issues as it currently exists with the SCO and providing foresight for enhanced future functioning. Brilliantly so, the chapters are informed by scholars from Member States thereby providing a full picture of the various nuances within the Organisation.

In the strive toward the two-pronged goal, namely security and regional cooperation which made for founding the Organisation, the SCO was formed through common understandings, which did not materialise without painstaking compromises as evidenced in the ensuing sixteen chapters of this book. Three major themes underpin the book. In Part I, the book explores the Organisation's formation since its inception. Part II looks at the SCO's Eurasian ideals interfacing with present global norms and some salient points of cooperation. Finally, Part III explores the future of the SCO on the various possibilities that may arise from regional and global cooperation, compromises, and advances for its betterment.

<sup>&</sup>lt;sup>2</sup> Porshneva et al. 2022, at 16–17.

Marat Sarsembayev & Yury Bezborodov, *International Legal Background and Aspects of the SCO Member States Intercommunication*, in The Shanghai Cooperation Organisation, *supra* note 1, at 35.

Ekaterina Mikhaylenko et al., The SCO and Security Cooperation, in The Shanghai Cooperation Organisation, supra note 1, at 39–40.

## 2. The SCO's Ideals

The development of a synergy between Asia and Europe for cooperation on mutually beneficial goals, inclusive of economic, political, social and security goals is at the core of the formation of the SCO. Unsurprisingly so, synergies had to be found and developed in a concerted attempt to make for good business sense across the continental spaces with its unique spirit, cultural, and social norms spanning the eighteen countries, of which eight countries are permanent Member States. These eight counties are called the "G8." Endemic to the formation of all entities, especially regional entities, are the inextricable underlying impetuses fostering well-being and continuity as a nation State because this fundamental principle not only ensures a fair measure of independence for States; but also allows for broader inter-State and regional cooperation toward an otherwise weakened objective.

Today, the SCO is an organization with an extensive sphere of interaction espoused in Article 1 of the 2002 SCO Charter.<sup>6</sup> The SCO has secured sustained cooperation with international organisations (IOs) such as the United Nations (U.N.), G20, NATO, ASEAN, BRICS, SCO observer corps and dialogue partners.<sup>7</sup> The Organisation's work has taken firm roots.

The book discusses the common narrowed objectives of regional entities against the backdrop of universalism toward regionalism, the ultimate aim being stability in the domestic sphere that feeds into the regional sphere. So-called traditional threats of terrorism and the like have assumed different levels of importance as the gales of forced changing winds are met upon Member States. Being acutely mindful of these changes, SCO Member States have embarked on a trajectory toward fostering regional and domestic stability informed by common ideals and goals.

The evaluation of the historical and legal aspects of the SCO in its formation and development in the past two decades includes academic discourses covering Eurasia, the Americas and Eastern Europe identifying four distinct stages of legal development of the SCO.

<sup>&</sup>lt;sup>5</sup> Zhanna Iskakova & Amanulla Mukhamedjanov, SCO Transport and Logistic Assistance to the CAR States, in The Shanghai Cooperation Organisation, supra note 1, at 190–191.

<sup>&</sup>lt;sup>6</sup> Kartikeya Dwivedi & Amika Bawa, Prospects of the Evolving SCO Mandate: From a Security Focus Towards an Increased Economic and Strategic Partnership with India, in The Shanghai Cooperation Organisation, supra note 1, at 190; Larisa Zaitseva & Kubanychbek Ramankulov, SCO and Convergence of Member State Labour Legislation: Foundation, Opportunities, and Prospects, in The Shanghai Cooperation Organisation, supra note 1, at 118.

<sup>&</sup>lt;sup>7</sup> Figure 2.2 The SCO Organizational Structure. Source: SCO Charter; official SCO website.

## 3. Historical Evolution

#### 3.1.1996-2004

Of importance is to understand the Member State composition of the SCO. In 1996, the Shanghai Five, comprising China, Russia, Kazakhstan, Tajikistan and Kyrgyzstan were formed.<sup>8</sup> In 2001, Uzbekistan became part of the SCO with India and Pakistan becoming Member States as late as 2017.<sup>9</sup> Mongolia, Afghanistan, Belarus and Iran form the four observer States with six dialogue partner States comprising Armenia, Azerbaijan, Cambodia, Nepal, Sri Lanka, and Turkey. 19 In the three years between 2001 and 2004, the SCO in its developmental foundational stage focused on "institution building," which was absorbed by questions on the war against the "Three Evils."

#### 3.2. 2004-2008

Between 2004 and 2008, the second developmental stage witnessed the SCO embarking on intensive promotion, especially by China, of trade, economic, and cultural agendas. During this stage, the SCO was adage with a substantial increase in the number of questions on economic and cultural cooperation occupying almost 55–60% of its agenda; and trade and economics. What came thereafter, were precisely these notions that continue to occupy the SCO Agenda in present day. Despite Member States' differing political domestic agendas, political fusion was direly sought.

#### 3.3.2008-2014

Between 2008 and 2014, a major weakening in the impulse for further development and the "bureaucratization" of the SCO ensued. Primarily, this arose from a split between Russian and Chinese views on the direction of the SCO's future Agenda. As of 2015 onwards, the SCO found significant time and resources spent on effective cooperation as enunciated in the SCO Development Strategy.

## 3.4. 2017 Onwards

In 2017, the SCO took a milestone decision in admitting India and Pakistan as Member States whilst also expanding its observer and dialogue partner Member States.<sup>13</sup> With this expansion, the SCO's Establishment Declaration 2001 and the

<sup>8</sup> Porshneva et al. 2022.

<sup>&</sup>lt;sup>9</sup> *Id*. at 11.

<sup>10</sup> Id.

<sup>11</sup> Id

<sup>&</sup>lt;sup>12</sup> Alexander V. Lukin (ed.), Shanghai Cooperation Organization: From Formation to All-Round Development (Materials of the Third Meeting of the SCO Forum, China, Beijing, 19–21 May 2008) (2008).

Porshneva et al. 2022, at 11.

Convention against Terrorism, Separatism and Extremism commonly known as the Shanghai Convention 2001 gained recognition as official U.N. documents thus making clear the SCO's adherence to the U.N. Charter principles.<sup>14</sup>

In discussing the historical developments, the book identifies salient weaknesses and strengths. The strengths point to economic stability against the backdrop of a security agenda. The SCO's geopolitical space lends itself to vulnerability in the region. Cultural clashes also impeded development as an all-inclusive cultural agenda was nigh impossible. Drug trafficking is quite clear in Afghanistan, for example. Thus, the chapters address key concerns arising from the SCO's objectives, speaking to the instability that may arise from the Indian and Pakistani inclusion onto the SCO platform as a key example of concern. 16

Additionally, the roots of terrorism emanating from Afghanistan were informed by religious separatism that gave way to terrorism.<sup>17</sup> Accordingly, regional stability arising from terrorism, human rights and humanitarian instability are real threats to the SCO's role and efficacy. Much decision-making halted when the Shanghai Spirit, as outlined in the SCO Charter, was juxtaposed against other Member States' cultural hegemonies.

# 4. Legal Aspects of the SCO and its Legal Values

When discussing the international legal background and particular aspects of SCO Member States intercommunication, the principal legal foundation of the Shanghai Five was two regional interstate agreements. The first interstate agreement addressed confidence-building between Kazakhstan, Russia, Kyrgyzstan, and Tajikistan, and the second addressed China in the military sphere in the border area in 1996 and on the mutual reduction of armed forces in the border area between Kazakhstan, Russia, Kyrgyzstan, Tajikistan, and China in 1997 gave the SCO significant impetus. Having acquired the legal status of a regional organisation, the SCO's legal personality enabled it to create its institutions to achieve the goals set out in the Charter including the SCO Business Council; the SCO Interbank Association; the SCO Development Fund; and the SCO University, *inter alia*. 19

<sup>&</sup>lt;sup>14</sup> Porshneva et al. 2022, at 11–12.

<sup>&</sup>lt;sup>15</sup> Zhanat Kulzhabayeva & Assem Oinarova, *International Legal Forms of Interaction Between the SCO and EAEU*, in The Shanghai Cooperation Organisation, *supra* note 1, at 139.

<sup>16</sup> *Id*. at 140.

Olga Arkhipova & Andrey Chukreyev, Economic Interactions Within the SCO: New Horizons in the Era of Turbulence, in The Shanghai Cooperation Organisation, supra note 1, at 149.

<sup>&</sup>lt;sup>18</sup> Sarsembayev & Bezborodov 2022, at 25.

<sup>&</sup>lt;sup>19</sup> Mikhaylenko et al. 2022, at 39–42.

Article 1 of the SCO Charter states that the Organisation will provide "assistance in promoting human rights and fundamental freedoms in accordance with the international obligations of the Member States and their national legislation." With its acquired legal personality, the SCO can act where the U.N. is unrecognised. Indeed, this is a most laudable achievement for the SCO because the goals, aspirations and objectives of the SCO are consonant with the U.N. Charter's principles.

The Organisation also adopted soft law documents which are, political and diplomatic cooperation, trade and economic cooperation, and cultural and humanitarian cooperation with a few exceptions. Based on diversity, inclusivity and tolerance, the "Shanghai Spirit" makes the SCO attractive to many States but also creates challenges. Until 2015, the SCO agenda on security was on CA members and Afghanistan. Security and trade were the two foremost considerations impetuses to form the SCO. With the entry of India and Pakistan as Member States and Afghanistan as an observer State, the security dynamics altered. The Indo-Sino and Indo-Pak conflicts as well as Afghanistan's situational Taliban analysis awaiting the exit of U.S. Armed Forces from Afghanistan reshaped the SCO's regional security agenda.<sup>20</sup>

Now, the expansion of South Asia and the Middle East leads to broader security concerns; but also paves the way for broader collaboration making the SCO a force to be reckoned with encompassing non-proliferation of weapons of mass destruction, ballistic missile defence, and regional security matters in the Middle East. Much was happening at the same time and the SCO had to demonstrate readiness. Considering the geographic proximity of Afghanistan, and the latter's opiates production, the SCO also prioritized combating illicit drug trafficking. In 2011, the USA sought to become a dialogue partner with the SCO, with the latter rejecting the U.S.'s bid. In 2012, Afghanistan joined the SCO as an observer.

Oddly, when comparing national jurisdictions, the SCO has a unique sense of "Asian values." The phenomenon of "Asian values" refers to certain political, economic, and cultural circumstances that reject the notion of universal human rights, and this rejection has been a subject of academic debate and inquiry, as scholars and thinkers seek to understand and unpack the implications of this phenomenon. It is worth noting that collectivist traditions, which are prevalent in certain societies, stand in stark contrast to the emphasis placed on individual human rights in Western civilizations. Ethnocentrism refers to the prioritization of moral and religious values over the law in certain circumstances and is a prominent feature of human mentality. This tendency is particularly evident in the formation of legal consciousness and has significant implications for legal systems and their enforcement because legal

Mikhaylenko et al. 2022, at 42.

<sup>&</sup>lt;sup>21</sup> Oleg Vinnichenko et al., *Convergence of Western and Asian Legal Values in the SCO Perspective*, in The Shanghai Cooperation Organisation, *supra* note 1, at 76.

<sup>&</sup>lt;sup>22</sup> *Id*. at 76–77.

consciousness is the most important feature of people's mentality. The main values are absolute goodness, obligations, justice, selflessness, service, heroism, and conscience. Moral norms supersede legal rules.

The general approach of SCO countries is to integrate universal values of Western civilization into national frameworks but, implementation becomes difficult because of Eurasian particularities. The Eurasian concept of human rights may become a tool to balance traditional values and attitudes of Asia and, therefore, the Eurasian Declaration of Human and Peoples' Rights may be adopted within SCO countries aiming to reflect their specificity and, in this way, can significantly contribute to the palette of international and interstate acts on human rights.<sup>23</sup>

# 5. Security and Regional Peace on the SCO's Agenda

Another complexity that impacted the SCO agenda is the Russia-Ukraine crisis in 2014, where Russia and Western countries have "further underscored the divergence in regional Eurasia policies between the SCO's two largest Member States, Russia and China." While Russia continues to view the Organization as a security regime with a strong military dimension, China takes a more holistic and diverse approach toward cooperation and strives to develop a broader economic and diplomatic identity.

Terrorism remains on the SCO's agenda. Internationally, there is no universally accepted definition of "terrorism." Absent other treaty-level definitions, the Organisation defines all Three Evils. The SCO views "terrorism" on a level inclusive of ideologies that cause harm. The U.N. Special Rapporteur on the Promotion and Protection of Human and Fundamental Rights' 2009 comment on the SCO having kept the RATS list a secret as the SCO's list of terrorist, extremist and separatist organisations was larger than the U.N.'s list. Simultaneously, the U.N. Special Rapporteur also expressed concern over the lack of effective oversight of the Shanghai Five's intelligence services information exchange. The U.N.'s observations were commendable and simultaneously damaging for the Organisation. Even though the SCO Conventions go beyond the parameters of the U.N. in addressing terrorism, the SCO remains at odds with addressing the act of terrorism. Currently, legal acts have been concluded to facilitate cooperation between the RATS and the UNSC Counter-Terrorism Committee, the U.N. Office on Drugs and Crime, and Interpol.

<sup>&</sup>lt;sup>23</sup> Vinnichenko et al. 2022, at 78.

Marc Lanteigne, Russia, China and the Shanghai Cooperation Organization: Diverging Security Interests and the 'Crimea Effect', in Helge Blakkisrud & Elana Wilson Rowe (eds.), Russia's Turn to the East 119, 120 (2018); Mikhaylenko et al. 2022, at 44.

<sup>&</sup>lt;sup>25</sup> Qin Tianbao & Alexander Solntsev, Environmental Protection as a Challenge to the SCO, in The Shanghai Cooperation Organisation, supra note 1.

# 6. SCO Cooperation

China is working to build multilateral cooperation and views the SCO as a multilateral platform. The SCO Member States view China as shaping and pushing its position on security issues and resolving unconventional security challenges, whilst Russia prioritises political and military cooperation within the SCO resembling the NATO security model. This caused Russia to promote the merging of the SCO and the CSTO as a basis for the regional security system, which China rejected. The Organization's deviation from the Western institutional models in the realm of security could be construed as a positive development. While the SCO has been established to resolve security challenges through military means, it is unlikely to become a full-fledged military institution. However, the Organisation may serve as a platform for discussion and cooperation among its member nations.

Part II of the book contains five chapters that explore the facets of cooperation, which inform the Eurasian regional entity as it explores the levels of cooperation. In examining the convergence of the Asian and the Western legal values informing the foundation of the SCO, chapter 6 highlights the G8's legal systems. The law is a social science seeking to meet the needs of the society(ies) which it serves. It is ever-changing and dynamic. When eight States come together to form a regional alliance, then challenges may arise but at the same time, commonalities come to the fore. Seized with differing jurisdictions, and cultural, social, and religious values, *inter alia*, the SCO Member States managed a breakthrough of common ground, at its very foundation, which was conceived and derived from values.

Whilst the G8's legal systems have much in common, each of them represents unique and distinctive features. SCO countries have in common the declarative nature of law, tradition, and religion unique to each country. Soviet law has dominated the formation of national legal systems in most SCO countries. Despite the variegated notions of tradition, religions, and philosophies, *inter alia*, SCO countries inform their laws, there are also distinct peculiarities embedded in each legal system as the law is informed by the subscription of peculiar notions and ideologies that are pervasive in the SCO societies.

## 6.1. Humanitarian Cooperation

Chapter 7 delves into the current state of humanitarian cooperation and development within the SCO. This segment scrutinizes the accomplishments, concerns, and possibilities of cooperation in the humanitarian sector. Additionally, it assesses the operations of USCO, the Organization's primary humanitarian initiative, and its position within the Eurasian higher education arena. The humanitarian sphere in the SCO is important in two aspects, intercultural dialogue, and self-identification. "Soft power" becomes invaluable in this space. The concept of soft power implies "the ability to persuade through culture, values, and ideas, as opposed to "hard

power," which conquers or coerces through military might."<sup>26</sup> The lack of shared values and language hinders cooperation within the SCO and hampers the creation and functioning of the humanitarian cooperation infrastructure.

## 6.2. Labour Cooperation with Laws

Chapter 8 deals with the SCO Member States' merging of labour legislation. Because legislation differs across the SCO Member States, the prospect of converging labour legislation, at least of unifying minimum labour standards, is almost impossible. Aligning minimum labour standards to the ILO Conventions will help avoid issues of unfair competition in goods and services markets in priority areas of economic cooperation.<sup>27</sup> The various impacting factors such as religion, Sovietism, socio-cultural nuances, political ideologies, and the like make for different labour relations and labour legislation, not all of which conform in substantial part to the U.N. and ILO's prescripts.<sup>28</sup> Minimum wage standards, labour working conditions, and the formation of trade unions are significant hurdles to creating uniformity in labour laws, especially in fostering economic growth and trade relations in the SCO.

In considering policies on employment in SCO States, it is important to not only take into account the traditional peculiarities of national labour law but also to develop new and dynamic technological structures and mechanisms for regional labour regulation. According to the authors, this will ensure the socio-economic security and sustainability of the region. Thus, the authors recommend accession and ratification of the U.N.'s ILO Charter is recommended.

Seamlessly, chapter 8 gives way to chapter 9's possibilities of regulating labour migration in SCO Member State countries. Labor migration issues are resolved in the CAR not only through bilateral agreements but also through international acts within the framework of the CIS and EAEU. In a common partnership, SCO States could achieve more by introducing a more attractive migration management scheme. Effective regulation is absolutely necessary. There is an urgent need for the development, harmonization, and unification of the SCO regulatory framework, which would better regulate labour migration. The authors recommend that the regulatory documents should reflect a coordinated social and legal policy to ensure the rights of migrant workers and issues of their social protection in the event of social risks.

Joseph S. Nye, The Paradox of American Power: Why the World's Only Superpower Can't Go It Alone 58 (2002); Olga Bogatyreva & Aida Orozobekova, Humanitarian Cooperation in the SCO: Current Situation and Development Features, in The Shanghai Cooperation Organisation, supra note 1, at 84.

<sup>&</sup>lt;sup>27</sup> Zaitseva & Ramankulov 2022, at 101.

<sup>&</sup>lt;sup>28</sup> Bogatyreva & Orozobekova 2022, at 84.

## 6.3. Economic Cooperation

The legal personality of the SCO and the EAEU demonstrates the possibility of inter-unit cooperation and the signing of international agreements, thereby creating benefits in regional cooperation and global integration processes. Undoubtedly, the key aspect of cooperation between the two Organizations is economics. Growing interregional trade is characterized by a lack of symmetry in exports and imports since China's economy is many times larger than the total economy of the EAEU countries. In addition, there is a tendency for China to export more than it imports in trade with the EAEU countries. SCO States are not blind to the Chinese economy's dominance. Present internal barriers, restrictions and exemptions do not contribute to the positioning of the EAEU as a single cohesive bloc bearing in mind the SCO State's varying economies. External trade factors as informed by China and her appetite for financial investments coupled with both organisations' needs will determine the level of cooperation.

# 6.4. The SCO 2025 Development Strategy

Yet another impetus was the establishment of the Asian Infrastructure Investment Bank established with the BRI in 2014, aimed at promoting sustainable economic development and improving infrastructure connectivity in Asia by investing in infrastructure and manufacturing sectors.<sup>29</sup> A significant impact on the regional economic architecture will depend on implementation.

Another identified impetus is SCO Development Strategy 2025 which rated the world economy at risk.<sup>30</sup> Of noteworthy importance is the fact that the SCO Development Strategy does not address military, and political alliances of economic integration. Considering the goals of the Organizations, and the existing relations between the Member States, the most significant areas of cooperation are trade, transport, energy, and the environment as evolved, remain.

## 6.5. The Environment

Through the opportunities that present themselves to the SCO, the issue of the environment received little attention. Even though the SCO was established two decades ago, environmental cooperation began development quite recently. No international agreement in this area of international cooperation has yet been developed, but over the past four years, three policy documents of a recommendatory nature have been adopted.<sup>31</sup> In 2015, the "Development SCO Strategy until 2025" was adopted, which contains among other things the environmental issues. The

<sup>&</sup>lt;sup>29</sup> Porshneva et al. 2022.

<sup>&</sup>lt;sup>30</sup> Tianbao & Solntsev 2022, at 222.

Porshneva et al. 2022, at 10.

SCO started to adopt special documents on environmental cooperation in 2018, that are unpublished.

# 6.6. Information Sharing

Also, although the SCO Members share their information on the Information Sharing Platform, the environmental goals differ with a one-state-one treaty approach. Among the variety of prospects for environmental cooperation, two come to the fore, and they are combating climate change and implementing the SDGs. In particular, the U.N. Secretary-General called on the SCO for regional expertise.<sup>32</sup>

# 7. New Opportunities and Expanding Horizons for the SCO

Part III examines new opportunities and expanding horizons for the SCO. Chapter 11 looks at the economic interaction within the SCO, exploring possibilities in an era of turbulence followed by another five chapters.

In September 2003, the SCO heads of the governments signed a 20-year Program of Multilateral Trade and Economic Cooperation (SCO, 2003), establishing the Organization's long-term goal of creating a free trade zone across SCO territory. This opportunity must be realised with meticulous detail to opportunities for the SCO. The opportunity for trade is significant as the total GDP of SCO Members is more than USD 19 trillion. The largest part of the GDP belongs to China, India, and Russia, at more than USD 14 trillion, USD 1.4 trillion, and USD 2.7 trillion, respectively. In September 2013, the Chinese President announced the launch of the BRI aimed at creating a single Eurasian economic trade space and a transcontinental transport corridor.<sup>33</sup>

#### 7.1. Russia-India Trade

Russia's trade with India in commodities such as precious metals and stones has considerable potential for bilateral trade development. Russia is the world's largest exporter of natural diamonds, and India is the largest manufacturer of diamond products. Moreover, the interests of India and Pakistan in the SCO energy are almost identical because both countries require energy resources from CA. Pakistan has a special relationship with China, which is actively investing in infrastructure and plans to build a trade corridor to the Pakistani port.

#### 7.2. China's Exports

China's imports with SCO countries of manufactured goods including machinery, equipment, vehicles, textiles, and shoes remain strong. For Russia, India is a strategic partner for supplying electric machinery equipment and pharmaceutical products.

<sup>&</sup>lt;sup>32</sup> Tianbao & Solntsev 2022, at 221–222.

<sup>33</sup> Arkhipova & Chukreyev 2022, at 152.

Pakistan, Tajikistan, and Kyrgyzstan are strategic partners in the supply of clothing and accessories, and agricultural products like fruits and nuts, while Uzbekistan is an important supplier of cotton. Based on this analysis of trade turnover, one can characterize each SCO country's international specialization.

Despite existing trade and economic ties between SCO countries, economic cooperation is one of the Organization's weakest areas of integration. Initially, Russia resisted China's efforts to promote economic initiatives, but over time, each SCO country began to see the benefits of Chinese investments. The development of international trade between SCO members is not possible without interconnected logistics and customs areas. Thus, since its establishment, the SCO States have attached significant importance to the development of transport infrastructure designed to link Europe and Asia. Today, 70% of global cargo turnover and 20% of the world's roads are found in SCO countries, including 13 million kilometres of roads and 244,000 kilometres of railways.<sup>34</sup>

# 8. Transport Logistics

Realizing the importance of transport and logistic assistance, the G8 recognised that the building of comprehensive cooperation in the field of international transport development was critically important as evidenced in the Multilateral Trade and Economic Cooperation of the SCO member States until 2035 (The SCO Secretary General, 2019), "aimed at achieving the tasks of balanced development of efficient transport infrastructure and expanding the scope of digital technologies and intelligent systems in transport." <sup>35</sup>

Trade is contingent upon effective transportation and its associated logistics. Particularly, the G8 needs to focus its efforts on the harmonisation of transport corridors its processes; simplification of phyto- and customs procedures and the form; application of digital technologies and intelligent systems in transport; synchronization of work schedules at checkpoints, mutual recognition of driver's licenses and implementation of infrastructure projects. These aspects require work and are entirely possible with a solid foundation.

In addition to transport, the opportunity for energy is also discussed. Adding to traditional energy cooperation, Member States also collaborated on some emerging energy fields, such as water resources and wind energy. Russia has been relatively active in expanding energy cooperation with CA countries. Nuclear energy development is a new energy source developed by Member States. China and Russia have actively carried out nuclear energy development cooperation to jointly build

A.Yu. Bukhanov, Development of Transport Infrastructure Within the Framework of the SCO, 1(25) Post-Soviet Continent 114 (2020).

Iskakova & Mukhamedjanov 2022, at 186.

new nuclear power plants.<sup>36</sup> India and Pakistan also have vested nuclear interests that bolster this item on the SCO agenda that has regional and international security as contingent.

# 9. The Energy Club

Despite these developments, obstacles to SCO energy cooperation remain because of the Sino-Indo and Indo-Pak conflicts; competing interests competing energy interests among SCO members. The Energy Club is designed to contribute to deepening interaction between energy producers and consumers. In the interests of the SCO States, the SCO should expand its dialogues on improving energy security, expand its dispute resolution mechanisms streamlining strategies, coordinate efforts, and engage in cooperation with the necessary funding made available to relevant States.<sup>37</sup>

# 10. The SCO's Evolving Mandate

Another horizon is the prospect of evolving the SCO mandate from a strategic focus to an increased economic strategic partnership with India as is enunciated in Chapter 14. There are strategic and economic realities of the Eurasian region and the need for an evolution in the mandate of SCO. Rapidly, the SCO has moved from a primarily security Three Evils founded agenda to one that is economically – politically motivated.

India's trade with other SCO members is about USD 97.2 billion, but about 87% of it occurs with China. India's trade with four CA SCO members was USD 1.96 billion in 2019, which accounts for only 1.9% of India's total trade with SCO members. While India initiated the Connect CA Policy in 2012, it had multiple challenges like Russia's strategic drift to China which made the development of ports and highways difficult. The Sino-Pak alliance also hindered the policy's translation into active strategic gain. Yet, India is keen on enhancing the trade partnership as it is a huge potential market for SCO members, particularly Kazakhstan for goods like machinery, base metals chemicals and minerals. Present trade with SCO Member States Kazakhstan and Uzbekistan was approximately USD 1.56 billion in 2019, making it the largest

Meng Qihong & Gong Nan, Research on the Legal Mechanism for SCO Energy Cooperation, in The Shanghai Cooperation Organisation, supra note 1, at 168.

<sup>37</sup> Id. at 170.

<sup>&</sup>lt;sup>38</sup> Dwivedi & Bawa 2022, at 208.

<sup>&</sup>lt;sup>39</sup> Id.

<sup>&</sup>lt;sup>40</sup> RIS, 2019.

trading partner for India among the CAEs.<sup>41</sup> It must be borne that India's delivery needs much improvement.

#### Conclusion

On the SCO's sustainable and long-term betterment as a formidable regional entity to be reckoned with, some pertinent points are apparent.

The SCO is a complex regional entity where three different regionalism models, Russia's "post-Soviet regionalism," China's "Asian regionalism," and the CA members' "virtual regionalism," compete. Competing issues also arose and will continue to arise. Despite commonalities identified in the SCO Member States, States still reserve a measure of discretion as is tritely informed by the notions of "state sovereignty" and the "margin of appreciation" doctrine. To think that a State will give up these international legal concepts is indeed simply ridiculous. As States transition to more liberal labour regulations to attract foreign investment, the tendency toward optimal alignment is present. However, despite the proximity of the legal systems, there is a significant imbalance between the rights declared by law and real labour market conditions today. Significant harmonisation of laws, at minimum, is necessary.

In especial consideration of Member State Parties, the so-called doctrine of the "margin of appreciation" is quite evident as States are permitted to focus on those areas of concern within their domestic jurisdictions focussing on religious issues of concern whilst other State Parties focus on ethic concerns by way of examples. Of concern, then, notably are conceptual and structural issues that must be given appropriate attention for the SCO to speak with a singular voice combatting the likes of terrorism and drug trafficking.

What has been seen through the book is the salient work that the SCO has undertaken in the past two decades with its primary foci points on security and regional cooperation and the slow move toward economic cooperation with all the attendant facets such as transport, logistical constraints, technological advancement, customs, and border controls. Outstandingly what comes to the fore is the age-old debate of national and regional priorities that is more complicated with the SCO's diverse.

Member States flanking different political, cultural, religious, economic, environmental, humanitarian, and military systems should have a common understanding in the face of differences. These factors also gravely affect the national ideals against regional ideals. Thus, the demand for harmonisation of national legal systems into the SCO's common sustainable ideals must be addressed. The book offers recommendations that are manageable and achievable with the necessary commitment, and the ultimate notion of real commitment in the face of political

Dwivedi & Bawa 2022, at 208.

pragmatism demonstrating that this Eurasian Tiger has shown its deeply rooted claws as a formidable force to be reckoned with.

#### References

Bukhanov A.Yu. *Development of Transport Infrastructure within the Framework of the SCO*, 1(25) Post-Soviet Continent 114 (2020).

Gatev I. & Diesen G. Eurasian Encounters: The Eurasian Economic Union and the Shanghai Cooperation Organization, 17(suppl 1) European Politics and Society 1 (2016). https://doi.org/10.1080/23745118.2016.1171364

Lanteigne M. Russia, China and the Shanghai Cooperation Organization: Diverging Security Interests and the 'Crimea Effect', in Blakkisrud H. & Rowe E.W. (eds.), Russia's Turn to the East 119 (2018). https://doi.org/10.1007/978-3-319-69790-1 7

Lukin A.V. (ed.). Shanghai Cooperation Organization: From Formation to All-Round Development (Materials of the Third Meeting of the SCO Forum, China, Beijing, 19–21 May 2008) (2008).

Nye J.S. The Paradox of American Power: Why the World's Only Superpower Can't Go It Alone (2002). https://doi.org/10.1093/0195161106.001.0001

#### Information about the author

**Nazreen Shaik-Peremanov (East London, South Africa)** – Senior Lecturer, Faculty of Law, Nelson Mandela School of Law, University of Fort Hare (50 Church St., East London, Eastern Cape, 5200, South Africa; e-mail: nsnazreen19@gmail.com).