

# The Shanghai Cooperation Organization and Global Governance in the New Era

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*Deng Hao*

It has always been a primary concern for the Shanghai Cooperation Organization (SCO) to make lasting contributions to the improvement of global governance. As global affairs are undergoing drastic changes and the SCO's regional influence has been constantly on the rise, the importance and urgency of the SCO's involvement in global governance has been increasingly reflected in its development agenda. At the 2018 Qingdao summit, the SCO's member states explicitly put forward an organization-wide position paper on global governance, which reaffirmed their commitment to building a more equitable and balanced world order based on an equal, cooperative, indivisible, comprehensive and sustainable security, promoting a new type of international relations featuring mutual respect, fairness and justice, and win-win cooperation, and advancing the common vision of building a community for a shared future for mankind.<sup>1</sup> This declaration represents a major political consensus based on the common needs of the member states. Amid the global emergence of unilateralism and protectionism, the SCO countries, specifically by issuing a joint communique on simplifying trade procedures at the Qingdao summit, have sounded a strong and unified call for actively participating in globalization and resolutely safeguarding the multilateral trading system, which marked a milestone in the SCO's proactive involvement in

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**Deng Hao** is Senior Research Fellow at China Institute of International Studies (CIIS) and Secretary-General of China National Center for the Shanghai Cooperation Organization.

1 "Qingdao Declaration of the Council of Heads of State of Shanghai Cooperation Organization," *Xinhua*, June 11, 2018, [http://www.xinhuanet.com/2018-06/11/c\\_1122964988.htm](http://www.xinhuanet.com/2018-06/11/c_1122964988.htm).

global governance. The Bishkek Declaration of the SCO's 2019 summit re-emphasized that we should further improve the global economic governance system, jointly safeguard the multilateral trading regime with World Trade Organization (WTO) rules as the cornerstone, and create a transparent, predictable and stable environment for cooperation in trade and investment. The aim of these efforts is to establish an open world economy in strict opposition to any fragmentation of global trade and to all forms of trade protectionism.<sup>2</sup> The joint communique issued at the 2019 meeting of the SCO Council of Heads of Government equally stressed the urgency of reforming the WTO through an overhaul of key functions such as negotiation, supervision and dispute settlement, in order to improve the efficiency of its operations.<sup>3</sup> Global governance has quite obviously become a central theme and major priority of the Shanghai Cooperation Organization in the new era. This future of global governance not only concerns the development of the SCO itself, but also has fundamental implications for the future international and regional order.

## History of SCO Participation in Global Governance

The Shanghai Cooperation Organization was established on the basis of the “Shanghai Five” mechanism as a new type of regional intergovernmental organization.<sup>4</sup> With more members and expanding cooperation areas and cooperation mechanisms, the SCO shifted its focus from primarily regional governance to greater involvement in global governance. Since its inception in 2001, the SCO's degree of engagement in global governance has undergone three successive stages.

### **The 2001-2008 period was the SCO's initial stage of participation**

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2 “Bishkek Declaration of the Shanghai Cooperation Organization's Heads of State Council,” Shanghai Cooperation Organization, <http://eng.sectsc.org/load/550977>.

3 “Joint Communique of the 18th Meeting of the Council of Heads of Government (Prime Ministers) of the Member States of the Shanghai Cooperation Organization,” *Xinhua*, November 3, 2019, [http://www.xinhuanet.com/world/2019-11/03/c\\_1125185470.htm](http://www.xinhuanet.com/world/2019-11/03/c_1125185470.htm).

4 Qi Zhenhong, ed., *Shanghai Cooperation Organization: Looking Back and Looking Forward (2001-2018)*, World Affairs Press, 2018, p.4.

**in global governance.** Firstly, the SCO identified global governance as one of its main fields of activity. In its founding declaration the SCO explicitly committed itself to “establishing new, democratic, just and rational international political and economic order,”<sup>5</sup> which was later reaffirmed in the SCO Charter passed in 2002 and the Treaty on Long-term Good Neighborliness, Friendship and Cooperation among the SCO Member States in 2007. This series of policy guidelines made global governance, in parallel with safeguarding regional stability and promoting regional development, one of the SCO’s three major tasks. The SCO’s acquisition of observer status in the United Nations General Assembly in December 2004 marked the official recognition by the UN, the world’s most authoritative global governance institution, and offered the organization an effective platform for its participation in global governance. Secondly, the SCO contributed new concepts to the idea of global governance. The organization was the first to propose the “Shanghai Spirit” of mutual trust, mutual benefit, equality, consultation, respect for diverse civilizations, and pursuit of common development in international relations. It suggested an active practice of these new concepts of security, cooperation, and civilization with win-win cooperation at the core, thus contributing the “SCO philosophy” to the global governance framework. And lastly, the SCO put forward new propositions for global governance. In view of the severe challenges facing international politics and security, the SCO raised its voice and presented solutions typical for the SCO approach. These include calling on the international community to “develop, as soon as possible, a Comprehensive Convention on Combating International Terrorism and Convention for the Suppression of Acts of Nuclear Terrorism acceptable to all parties,”<sup>6</sup> and establish a global system to “address new threats and challenges where the central coordinating role would belong to the UN and its Security

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5 “Declaration on the Establishment of the Shanghai Cooperation Organization,” Shanghai Cooperation Organization, <http://eng.sectsc.org/load/193054>.

6 “Joint Statement by the Ministers of Foreign Affairs of the Member States of the Shanghai Cooperation Organization,” Shanghai Cooperation Organization, <http://eng.sectsc.org/load/193506>.

Council.”<sup>7</sup> Furthermore, the SCO heads of states issued appeals to conclude a “comprehensive agreement on non-deployment of weapons in outer space and non-use of force or threat of force against outer space objects,”<sup>8</sup> to support “rational and necessary reforms of the United Nations,”<sup>9</sup> and to consolidate the international system so that it can guarantee strategic stability, non-proliferation of weapons of mass destruction, and strong international cooperation in the field of information security.<sup>10</sup>

In this initial stage of its development, the SCO was mostly concentrating on building its organizational structure, and the condition of its member states did not allow for more proactive involvement in global governance. Among the SCO states, only Kyrgyzstan and China had acceded to the World Trade Organization (WTO) at the time, while the others remained outside of the WTO. During this period, the SCO was still a rather inconspicuous follower of global governance affairs, with limited real influence and contributions.

**From 2008 to 2017 the SCO made first steps to actively participate in global governance.** First of all, China and Russia each began to play a leading part in the establishment of international bodies equipped with global governance functions, which in turn created favorable conditions for the SCO’s involvement in global governance. The two nations, which serve as the SCO’s dual engine, both joined the Group of 20 (G20) in 2008, and together helped establish the BRICS mechanism in 2009, a multilateral policy framework composed of emerging countries. The fact that China and Russia are also permanent members of the UN Security Council, gave them additional weight and credibility for getting involved in governance matters on a global scale. In this context, the SCO became a major platform

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7 “Declaration by the Heads of the Member States of the Shanghai Cooperation Organization,” Shanghai Cooperation Organization, <http://eng.sectsco.org/load/193445>.

8 *Ibid.*

9 “Declaration by the Heads of the Member States of the Shanghai Cooperation Organization (Astana, July 5, 2005),” Shanghai Cooperation Organization, <http://eng.sectsco.org/load/197543>.

10 “Statement by the Heads of the Member States of the Shanghai Cooperation Organization on International Information Security (Shanghai, June 15, 2006),” Shanghai Cooperation Organization, <http://eng.sectsco.org/load/197770>.

for the two countries to more actively exercise significant global governance functions. Secondly, China and Russia both elevated the status of global governance in their diplomacy, and respectively put forward major initiatives with global governance implications, using the SCO as their indispensable central hub for implementation. In addition, China proposed and launched the Belt and Road Initiative in 2013-2014, which has been hailed as a uniquely Chinese approach to global governance, incorporating a global governance concept of wide consultations, joint contributions, and mutual benefits. Concurrently, China initiated and supported the establishment of the Asian Infrastructure Investment Bank and the BRICS New Development Bank, which significantly enriched the SCO's policy framework and scope of action, and thus gave it more confidence to shape the global governance arena. At the same time, Russia put forward the vision of a Eurasian Union and the initiative of a Greater Eurasian Partnership, with the intention of claiming its rightful role in shaping the regional and international order.<sup>11</sup> More importantly, the joint statement on aligning the Silk Road Economic Belt with the Eurasian Economic Union signed by China and Russia in 2015 explicitly identified the SCO as the main platform for the synergies between the two initiatives, thus giving the organization a strong momentum to contribute more effectively to global governance with the support of China and Russia. Finally, as most of its member states joined the WTO, the SCO began placing greater emphasis on getting involved in global economic governance, with equal importance attached to political and economic aspects. The fact that all SCO countries except Uzbekistan had become WTO members has done much to create positive conditions in this regard. In this second development period, the SCO not only continued to pursue international political and security issues, but also began to acquire a growing reputation on issues that affect the global economy and economic governance. Proposals were submitted which included establishing a more just, equal, all-embracing, well-regulated and balanced international financial

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11 Караганов С. С Востока на Запад, или Большая Евразия. // Российская газета. 24 Октября 2016, <https://rg.ru/2016/10/24/politolog-karaganov-povorot-rossii-k-rynkam-azii-uzhe-sostoialsia.html>.

regime that caters to the interests of all participants and provides all states with an equal access to the benefits of globalization.<sup>12</sup> Recommendations were made for a profound transformation of the global economy through large-scale structural changes, diversification, improvements in the competitiveness of economies and innovative development.<sup>13</sup> Other important suggestions included ensuring economic and financial stability under conditions of economic globalization; conducting world trade by using the principles of transparency, non-discrimination and rules that apply equally to all participants; countering trade protectionism in all manifestations, including the removal of existing trade barriers and preventing the emergence of new ones; advocating the formation of an open global economy and the consolidation of the multilateral trading system.<sup>14</sup>

**The membership enlargement in 2017 empowered the SCO to make proactive contributions to improving global governance.** First, the exceptional expansion of membership of the SCO has significantly elevated its status and influence in global governance, boosting its confidence for playing an even greater role. With the accession of India and Pakistan, the SCO has developed into the largest regional and international organization, simultaneously incorporating China, Russia and India. The combination of these three global emerging powers has transformed the SCO into a truly major force capable of competing with traditional Western powers in the realm of global governance. Furthermore, the goal of fostering a new type of international relations and building a community with a shared future for mankind provides a new and strong conceptual underpinning for the SCO's enhanced role in global governance. The commitment to "promoting the construction of international relations of a new type based on mutual respect, justice, equality, mutually beneficial cooperation, and

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12 "Yekaterinburg Declaration by the Heads of the Member States of the Shanghai Cooperation Organization," Shanghai Cooperation Organization, <http://eng.sectsc.org/load/198293>.

13 "The Tashkent Declaration of the Fifteenth Anniversary of the Shanghai Cooperation Organization," Shanghai Cooperation Organization, <http://eng.sectsc.org/load/207886>.

14 "The Astana Declaration of the Heads of State of the Shanghai Cooperation Organization," Shanghai Cooperation Organization, <http://eng.sectsc.org/load/297146>.

the formation of a common vision of building a community for the shared future of humankind,” as it was first expressed in the Qingdao Declaration of the SCO Council of Heads of State, was again reiterated in the 2019 Bishkek Declaration, clearly indicating that global governance had become a new major growth factor for the organization. Consequently, the SCO’s global governance ambitions have resulted in more proactive international engagement. The release of a ground-breaking joint communique on simplifying trade procedures at the Qingdao summit demonstrates the member states’ resolute position and determination to promote world trade facilitation and liberalization. The 2018 Qingdao Declaration and the 2019 Bishkek Declaration were manifestations of the SCO’s attitude and position specifically on the global economic governance system. Both of them firmly opposed unilateralism and protectionism, and advocated the building of an open world economy, thus declaring a steadfast commitment to actively seek participation in global economic governance affairs. In July 2017, China and Russia signed the Joint Declaration of the Joint Feasibility Studies on the Eurasian Economic Partnership Agreement. Along with the formal signing of an agreement on trade and economic cooperation between China and the Eurasian Economic Union in May 2018, this represented an additional substantial step taken by the SCO to enhance its further participation in global governance.

## **Motivation behind the Enhanced Global Governance Participation**

The first successful membership expansion in 2017 has considerably accelerated the SCO’s global governance participation, most notably characterized by its proactive attitude to submit an increasing number of own contributions. Motivated by three major factors, global governance has become a new top priority and growth factor of the SCO in the new era.

**First, the acceptance of India and Pakistan as members has injected strong impetus for the SCO’s in-depth engagement in global governance.** The incorporation of these two South Asian countries has been

applauded as an epoch-making event in the SCO's development. It clearly marked the advent of a whole new historical period for the organization, and significantly empowered the SCO's position in global governance. The expansion increased the number of formal SCO members from six to eight, and the SCO countries' share of the world's total population rose from 25 percent to 44 percent. The collective size of SCO countries expanded from 30.17 million to 33.84 million square kilometers, accounting for about one quarter of the earth's land area, and the share of their combined GDP grew from 15 percent to nearly 25 percent of global GDP.<sup>15</sup> Having become the largest international organization in terms of population and territory, the overall power and international influence of the SCO were both significantly enhanced, leading to a sharp rise in status and governance potential not only for the Eurasian region, but even for the world. At the same time, the accession of India and Pakistan signifies the strong intrinsic appeal and attractiveness of the SCO's new concepts and proposals for global governance, with the "Shanghai Spirit" at its core. This has greatly enhanced the SCO's confidence to advance the building of a new framework for conducting fair and reasonable international politics and trade. While India and Pakistan are developing countries, India is also a major rising power and emerging market economy in the world. The entry of these two states further highlights the SCO's advantageous nature of being a high-ranking global governance mechanism for developing countries. As the organization can now be a leading voice representing the interests of developing countries within the global governance system, the hope is justified that the global governance landscape and the international order can be led into a direction more favorable to developing countries.

**Second, stronger institutional synergy and cooperation between China and Russia has added momentum to the SCO's participation in global governance.** Chinese-Russian cooperation exerts decisive influence on the SCO's involvement in global governance. By combining forces

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15 Qi Zhenhong, ed., *Shanghai Cooperation Organization: Looking Back and Looking Forward (2001-2018)*, pp.3-4.

and making more joint efforts in recent years, the institutional synergy and character of China-Russia cooperation in terms of global and regional governance has entered a new period. In the Joint Statement on Cooperation on the Construction of Joint Eurasian Economic Union and the Silk Road Projects signed by Chinese and Russian leaders in May 2015, the SCO was explicitly identified as the responsible cooperation platform,<sup>16</sup> which laid the legal foundation for bilateral coordination in matters of regional governance. The completion of joint feasibility studies in connection with the Eurasian Economic Partnership Agreement by the two countries marked a new phase of institutional synergy of the Chinese Belt and Road Initiative and the Russian Greater Eurasian Partnership initiative. This new dimension of bilateral cooperation in global and regional governance is paving the way and removing obstacles for the SCO's participation in global governance from a higher vantage point.

By paying significantly more attention to and making greater investments in global governance issues, China and Russia have effectively driven the SCO's global governance participation forward. China's main objective when conducting major-country diplomacy has been to foster a new type of international relations and building a community with a shared future for mankind, making it show stronger commitment and confidence to play a more important role in global governance. By introducing this objective into the Qingdao Declaration and the Bishkek Declaration, China has turned its proposals into a collective consensus of SCO member countries, thus equipping the SCO with a powerful theory tool for its proactive global governance engagement. In his speech at the SCO Qingdao summit, Chinese President Xi Jinping called for the SCO countries to advocate extensive consultation, joint contribution and shared benefits in global governance and push for reform of the global governance system, and jointly build a community with shared future for humanity. On this occasion, he also presented his vision of development, security, cooperation,

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16 "Joint Statement on Cooperation on the Construction of Joint Eurasian Economic Union and the Silk Road Projects," *Xinhua*, May 9, 2015, [http://www.xinhuanet.com/world/2015-05/09/c\\_127780866.htm](http://www.xinhuanet.com/world/2015-05/09/c_127780866.htm).

civilization, and global governance,<sup>17</sup> which interpreted and summarized the “Shanghai Spirit” in a new context, and set out the basic principles to be followed in fostering a new type of international relations and building a community with a shared future for mankind. In his speech at the Bishkek summit, President Xi further proposed that we must make the SCO an example of solidarity and mutual trust, common security, mutually beneficial cooperation, and inclusiveness and mutual learning.<sup>18</sup> This serves as the Chinese approach to the SCO assuming a more prominent role in global governance, and has provided continuous momentum to the organization’s engagement in global governance.

Russia has consistently played a crucial role in matters of global governance. Faced with increasing uncertainties in the global governance framework, and confronted with escalating sanctions imposed by the United States and the European Union in recent years, Russia has stepped up its participation in the construction of a new international political and economic order. It has also more frequently put forward propositions and initiatives for a reform of the global governance mechanism, in an effort to shape the discourse for an overhaul of the global governance system. In June 2016, Russian President Vladimir Putin formally initiated the Greater Eurasian Partnership at the St. Petersburg International Economic Forum, with more than 40 prospective participants including countries of the Commonwealth of Independent States, the SCO and ASEAN, as well as South Korea, Japan, Israel and Egypt. According to Putin, the initiative is also open to the European Union despite current tensions in relations between the two sides.<sup>19</sup> In essence, the Greater Eurasian Partnership is Russia’s global governance blueprint and also its approach to enhancing

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17 “Full Text of Chinese President Xi Jinping’s Speech at the 18th SCO Qingdao Summit,” *Xinhua*, June 10, 2018, [http://www.xinhuanet.com/english/2018-06/10/c\\_137244587.htm](http://www.xinhuanet.com/english/2018-06/10/c_137244587.htm).

18 “Xi Jinping Attends the 19th Meeting of the Council of Heads of Member States of the Shanghai Cooperation Organization (SCO) and Delivers an Important Speech,” Ministry of Foreign Affairs of China, June 14, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/wjb\\_663304/zzjg\\_663340/dozys\\_664276/dqzzywt\\_664402/t1673206.shtml](https://www.fmprc.gov.cn/mfa_eng/wjb_663304/zzjg_663340/dozys_664276/dqzzywt_664402/t1673206.shtml).

19 Путин В. В. Выступление на пленарном заседании XX Петербургского международного экономического форума. 17 Июня 2016, <http://www.kremlin.ru/events/president/news/52178>.

the SCO's global governance participation. Currently, Russia is vigorously promoting and refining the initiative, whose successful implementation will objectively advance the SCO's involvement in the global governance process.

**Third, deepening global governance participation is essential for the SCO to respond to the United States' unilateralist and conservative tendencies.** Since taking office, US President Donald Trump has followed the "America First" doctrine, abandoning the liberal international order it once promoted. Instead, the US has abruptly turned towards unilateralism and conservatism, severely undermining the global governance process and damaging the prestige and effectiveness of relevant governance mechanisms. The global governance landscape is thus becoming more and more fragmented, as the regular and steady operation of major multilateral institutions such as the United Nations, the Asia-Pacific Economic Cooperation (APEC), and the Group of 20 (G20) are experiencing severe disruptions. Simultaneously, as US guided only by its self-interest, it has been recklessly instigating great-power competition and even confrontation, by defining both China and Russia as "strategic competitors," and trying at all costs to build an international and regional order excluding these two countries. After the United States introduced its so-called Indo-Pacific, Afghanistan, and Central Asia strategies, the fair and reasonable international order promoted by China and Russia, with the UN and the spirit of multilateralism at its core, has come under unprecedented strain. By causing serious disorder and imbalances in global governance, the US is posing tremendous challenges to global and regional stability. It is under these circumstances that the SCO, as an important force for safeguarding regional and global stability, has thrust itself forward without hesitation to uphold multilateralism and win-win cooperation, prevent the reversal of global governance and ensure the sustaining momentum for building a just and equitable international order. This is the only option for the SCO to effectively relieve the pressure stemming from American hegemony and power politics, safeguard an international and regional environment favorable for peace and development, and steer global governance in a reasonable direction.

## Favorable Conditions for the SCO's Enhanced Global Governance Participation

The SCO is presently standing at a critical juncture of preserving the achievements of the past and forging ahead into the future. Whether in relation to its external environment or to serve its own development purposes, the SCO is in urgent need of getting more involved in global governance. As its character is that of a multilateral institution that has considered global governance improvement as its responsibility from the outset, the SCO will not only play its due part, but is highly capable of making even greater contributions to the global governance process.

**First, the SCO's future-oriented governance ideas possess a conceptual underpinning, which is able to lead global governance toward a hopeful future.** Avoiding the mistakes and the mentality of the Cold War, rejecting the zero-sum mindset and the pattern of civilizational clashes, the SCO has instead advocated the "Shanghai Spirit." It represents a paradigm contrary to the conventional Western concepts that dominate today's international organizations, and sets itself apart from the more or less closed, exclusive, and compulsory nature of traditional and many contemporary international organizations and blocs. The SCO embodies a new pattern of partnership, not an alliance, with cooperation instead of confrontation as its main function. The "Shanghai Spirit" is promoting a new vision of cooperation, which ensures that consultations are held on an equal footing, that a consensus for all countries can be reached regardless of their size, and that peace, development through cooperation and other core interests of member countries are guaranteed. Concerning regional cooperation, it endorses an equal and mutually beneficial approach to achieve win-win outcomes. The "Shanghai Spirit" has established a new security concept of mutual trust, mutual benefit, equality, upholding the basic principles of non-alignment, non-confrontation, and non-targeting of any third party. It opposes interference in the internal affairs of member countries, and

supports open and strategic cooperation to enhance mutual trust and create a stable security environment for regional development. It promotes a new type of civilizational model characterized by inclusiveness, full respect for cultural diversity, and free choice of development paths for all countries involved. Inclusiveness is exercised by seeking common ground while shelving differences, advancing exchanges and cross-civilizational dialogue to strengthen regional identity and facilitate harmonious conditions for regional construction.

This new approach, which the SCO has not only proposed but is already practicing, is clearing the way toward building a fair and reasonable international political and economic order, pointing to a new level for global governance in the post-Cold War era. The strong commitment shown at the Qingdao summit to fostering a new type of international relations and building a community with a shared future for mankind is an echo of the original “Shanghai Spirit” and gives it fresh relevance in the new era. It not only guides the SCO’s future development, but also contributes forward-looking ideas to global governance in the present situation. In his speech at the Qingdao summit, President Xi put forward his vision to carry forward the “Shanghai Spirit” in five aspects,<sup>20</sup> which won him extensive endorsement from other member states. They specify the commitment to building a new type of international relations and a community with a shared future, and clarify the underlying method for realizing that goal, thus integrating it with the “Shanghai Spirit.” They represent the trend of the times and the aspirations of the vast majority of developing countries, and they constitute a realistic guideline for improving the values of global governance and enabling the construction of a new international order that better reflects the interests of emerging countries in the midst of a fragmented global governance landscape.

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20 They include upholding innovative, coordinated, green, open and inclusive development, pursuing common, comprehensive, cooperative and sustainable security, promoting open and inclusive cooperation for win-win outcomes, championing equality, mutual learning, dialogue and inclusiveness between civilizations, and following the principle of achieving shared growth through discussion and collaboration in engaging in global governance.

**Second, the SCO values rules and institution-building, which serves as a useful example for the global governance system and can help avert disintegration of global governance.** One major problem concerning all countries around the world irrespective of their specific circumstances, is how to formulate a set of rules and institutions for an effective global governance system that is acceptable to all sides. The practical experience the SCO has gained through their activities so far is of crucial value to the resolution of difficulties in global governance management. Since its inception, the SCO has been actively and steadily advancing its internal capabilities for institution-building, following a gradual approach of advancing from easier to more difficult tasks, seeking common ground while shelving differences, and achieving mutually beneficial outcomes. Shortly after its establishment, the SCO passed the Shanghai Convention on Combating Terrorism, Separatism and Extremism, making it the world's first institution to clearly define these "three evils" in a binding legal document, thereby warranting cooperation between member states for fighting them together. On this basis, the SCO successively adopted the Convention against Terrorism in June 2009 and the Convention on Countering Extremism in June 2017, which specified the legal code for a more systematic and effective combat against the "three evils". This has helped accumulate valuable experience in building the institutions needed for similar efforts on a global level. At the same time, in response to regional cross-border crime such as drug and illegal arms trafficking, the SCO has passed additional legal documents, including the Agreement on Cooperation in Combating Illicit Traffic of Narcotic Drugs, Psychotropic Substances, and Precursors in June 2004, the Agreement on Cooperation in Combating Illicit Trafficking in Arms, Ammunition and Explosives in August 2008, and the Agreement on Cooperation in Ensuring International Information Security in 2009. These agreements constitute a comprehensive legal and institutional basis for the SCO's security cooperation, and they have effectively safeguarded regional stability. The SCO's legal institution on security cooperation has not only enhanced the security governance within the region, but is also regarded as a blueprint for



The Chinese Hospital Association and the Committee of Good-Neighborliness, Friendship and Cooperation of the Shanghai Cooperation Organization (GNFCC SCO) hold a webinar on combating COVID-19 on July 7.

global security governance.

The SCO is also institutionalizing economic cooperation among its member states. In 2014, leaders of the SCO countries signed the Agreement on Creating Favorable Conditions for International Road Transportation, which marked a milestone in the establishment of appropriate institutions for the SCO's economic cooperation. In the new Program of Multilateral Trade and Economic Cooperation until 2035, approved by the SCO Heads of Government Council in 2019, the SCO countries agreed to further promote the facilitation and liberalization of regional trade and investment, and to constantly improve the institutional arrangements of regional economic cooperation. At present, the member countries are actively negotiating an agreement on trade facilitation and a framework agreement on trade in the services sector. This will lay an indispensable legal foundation for regional trade facilitation and serve as the SCO's new benchmark for global economic governance. The SCO's approach and practice in terms of institutional cooperation brings important insights for building a more reasonable

international political and economic order.

**Lastly, by advocating openness, strengthening international cooperation, and actively building a multilateral network of partnerships, the SCO's participation in global governance is on a sound footing.** Establishing contact and ways of coordination with global governance bodies is one of the main paths for the SCO to get directly involved in matters of global governance. Regarding the United Nations as the core of global governance, the SCO is dedicated to safeguarding the UN's authority, building relationships and conducting cooperation with the UN and its subsidiary bodies, and engaging in reform of global governance through the UN platform. In 2004, the SCO was invited to participate as an observer in the sessions and proceedings of the General Assembly. In 2009, the 64th session of the General Assembly adopted a resolution on cooperation with the SCO, in which it emphasized the importance of strengthening dialogue, cooperation and coordination between the two sides. In 2010, the UN and SCO Secretariats agreed in the Joint Declaration on Cooperation to work together in responding to new challenges and threats facing the international community. From 2011 on, memoranda of understanding on cooperation were signed between the SCO Secretariat on one side and the UN Office on Drugs and Crime, the Secretariat of the UN Economic and Social Commission for Asia and the Pacific (ESCAP), and the UN Educational, Scientific and Cultural Organization (UNESCO) respectively.<sup>21</sup> In March 2019, the Executive Committee of the SCO Regional Anti-Terrorist Structure (RATS) and the Counter-Terrorism Committee Executive Directorate (CTED) of the UN Security Council signed a memorandum of understanding aimed at enhancing the strategic framework of cooperation between the two entities. Moreover, the SCO has been conducting irregular communication and dialogues with the UN Development Program, the UN Regional Centre for Preventive Diplomacy for Central Asia, the International Monetary Fund, and the World Bank.

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21 Qi Zhenhong, ed., *Shanghai Cooperation Organization: Looking Back and Looking Forward (2001-2018)*, pp.95-96.

This close contact and cooperation network between the SCO and the UN and many of its subsidiary entities has naturally created favorable conditions for the SCO to play a greater role in global governance. At the same time, the SCO has attached importance to establishing ties with regional international organizations or institutionalized coordinating bodies. Since 2005, the SCO has successively formalized cooperation with the Commonwealth of Independent States (CIS), the Association of Southeast Asian Nations (ASEAN), the Collective Security Treaty Organization (CSTO), the Economic Cooperation Organization (ECO), and the Conference on Interaction and Confidence-Building Measures in Asia (CICA), while also building relationships with the Organization for Security and Cooperation in Europe (OSCE), the BRICS mechanism, and the Eurasian Economic Union. By constantly expanding external outreach and multilateral cooperation, the SCO is improving its abilities to participate in global governance in a more effective way.

## **Major Challenges for the SCO's Global Governance Participation**

In the midst of the most far-reaching changes in a century and enormously serious turbulences for global governance, the SCO will inevitably encounter a multitude of challenges in its involvement in global governance.

Western countries, especially the United States, who still dominate the agenda of global governance, constitute the most powerful external constraint through their relentless interference with and even suppression of the SCO's global governance participation. Especially those conservative forces in the US and other Western countries who are desperately clinging to a Cold War mentality are looking at the SCO through a geopolitical lens, labeling it as the "oriental NATO" and distorting the "Shanghai Spirit" as an "authoritarian paradigm" that menaces Western values.<sup>22</sup> Simultaneously, they are doing their utmost to play up the SCO's internal differences,

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22 Thomas Ambrosio, "Catching the 'Shanghai Spirit': How the Shanghai Cooperation Organization Promotes Authoritarian Norms in Central Asia," *Europe Asia Studies*, October 2008, pp.1321-1344.

claiming that the incorporation of India and Pakistan was undermining the organization's cohesion, diluting its original agenda, and reducing it to an ineffective debating club.<sup>23</sup> The misunderstandings and prejudices by the West have had serious negative implications for the SCO's participation in global governance. Ever since the Trump administration entered office, the US has publicly identified China and Russia as "revisionist powers" and strategic rivals, and have put "systemic competition" for global influence at the center of its contention against the two countries. This has severely undermined China's and Russia's efforts to promote the SCO's role in global governance. Moreover, the US has been recklessly discrediting, stigmatizing, and sabotaging China's Belt and Road Initiative, which it sees as China's attempt to seize rules-making power and to challenge the US-led international order. It has also introduced and advertised for their own alternative infrastructure building and connectivity program, while cooperating with the EU to split off countries from the Belt and Road Initiative. The United States' increasing competition with China and Russia in global governance has posed a direct challenge to the SCO's ambition to enhance its presence in the arena of global and regional governance.

The SCO region is still lagging behind in terms of global governance participation and has to deal with ample governance deficits. Currently, multiple governance mechanisms and programs are coexistent in the region, competing with or even excluding each other. With a complex security situation and mounting economic difficulties, the SCO's tricky regional governance environment has raised doubts about its factual ability to participate in global governance affairs.

With the accession of India and Pakistan, the internal diversity and the disparities within the SCO have become more pronounced, adding to the difficulties of coordinating any joint action. The SCO members are all unique in terms of political system, economic development, and cultural

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23 Evan A. Feigenbaum, "Shanghai Cooperation Organization, Central Asia, and the United States," Carnegie Endowment for International Peace, June 23, 2016, <http://carnegieendowment.org/2016/06/23/shanghai-cooperation-organization-central-asia-and-united-states-pub-63907>.

tradition, with a complex web of mutual relationships and interwoven interests. Therefore, they are rarely in complete agreement on the issue of the SCO's global governance participation, and have yet to further coordinate their positions and build consensus on key matters such as defining the SCO's role and objectives in global governance and how to improve regional cooperation. For the SCO, it has always been an arduous task to reinforce the common values and collective identity of its member states. At the same time, the SCO has not fulfilled expectations in terms of integrating its progressive concepts into regional realities and effectively promoting cooperation in various fields. The progress in terms of regional economic cooperation is particularly slow and limited, as member states have not yet reached an agreement on establishing the SCO Development Bank, the SCO Development Fund (Special Account), and the SCO Free Trade Zone. The deficiencies in the SCO's own strengths and capacities have been serious obstacles to its global governance participation, and have weakened its exemplary and pioneering role.

## **Primary Approaches of the SCO's Global Governance Participation**

The next five to ten years will be a critical period of decisive opportunities for the development and prosperity of SCO members, including for the SCO's involvement in global governance, despite having to face numerous difficulties along the way. The SCO should therefore think in a long-term perspective, formulate a comprehensive plan and carefully draw up a roadmap of how to optimally participate in global governance, and how to make due contributions to building a fair and reasonable international political and economic order.

### **Elevating the role of global governance in SCO cooperation**

Global governance is still not at the same level on the SCO agenda as the three cooperation areas of security, economy, and people-to-people exchanges. It is all the more necessary for the SCO to seize the opportunity

of the situation, actively tap its enormous unused potential, and make efforts to turn global governance into a new area for growth and cooperation.

First of all, SCO member states need to truly raise their awareness of the importance and urgency of participating in global governance. Their collective commitment to building a community with a shared future for mankind, which has been incorporated into the documents of SCO summits, sets the direction for the SCO's development in the new era. To build such a community inevitably and practically requires more participation in global governance. Therefore, the true meaning of global governance for the SCO's development in the new era can only be fully understood from the vantage point of building a community with a shared future for mankind, and that vision should always guide the SCO community in all their activities concerning global governance affairs. Meanwhile, all fields of SCO cooperation should be reassessed from the perspective of how they benefit global governance. The SCO countries should not only cooperate to maintain security and stability and promote development and prosperity within the region, but should also step forward as paragons and provide more public goods at the global level in terms of cooperation concepts, rules, and models.

Secondly, SCO cooperation models should include more elements of global governance. While the joint statements or declarations of successive summits have expressed the SCO's general principles and positions on major international and regional issues, specific documents have so far not been produced. Based on the outcomes achieved so far, the SCO should solicit all member states for their opinions and build a broad consensus in preparation for issuing a specific joint statement by heads of state on major issues, which will demonstrate the importance the organization attaches to global governance. When conditions are favorable, an SCO common diplomatic and security vision can be formulated to guide the organization's engagement in global governance. The mounting global challenges and regional emergencies demand more active and more timely responses from the SCO, which should consider expanding the competencies of its

permanent secretariat, authorizing it to issue statements and clarify positions on global and regional hotspots in a timely manner on behalf of the SCO. Working groups can be set up under the secretariat to enhance the SCO's responsiveness and efficiency.

Finally, the SCO should make participation in global governance a priority and objective of its external cooperation. All SCO member countries, observer states and dialogue partners should actively communicate and exchange views with each other on issues that involve global governance, so that positions can be coordinated and a consensus can be reached. A number of legal documents of universal nature, such as the Treaty on Long-term Good Neighborliness, Friendship and Cooperation among the SCO Member States and the Shanghai Convention on Combating Terrorism, Separatism and Extremism, can be made available to be signed by observer states and dialogue partners. By so doing, the scope of regional influence and geographical coverage of the SCO can be expanded, and the observer states and dialogue partners can be turned into reliable allies of the SCO when participating in global governance. In the meantime, the SCO should explore the potential for cooperation with the UN and other global and regional entities even further, and make efforts to put these relationships on a solid base. Those global and regional organizations with which the SCO has already established cooperative ties, can be involved in more detailed discussions and operable cooperation and exchange programs. Such programs should focus on enhancing policy coordination, rules alignment, and similar “soft” forms of cooperation, in order to transform consensus into concrete action. The SCO should conduct consultations with external actors in a more hands-on manner, and strive for common positions and joint actions on urgent issues humanity is facing.

In response to the current COVID-19 pandemic, the SCO should strengthen contact with the World Health Organization (WHO) to promote global public health security and effectively curb the virus. It should continue to expand its range of cooperation and establish regular and institutionalized ties with the G20 and BRICS. Members of the SCO and BRICS should

particularly set up a closer cooperation mechanism and put forward joint proposals and initiatives for global governance at the appropriate time. When dealing with Western-dominated global and regional organizations, the SCO should adhere to the perspective of building a community with a shared future for mankind, and make confident use of the initiative to build relationships with the EU and the OSCE. With these actions the SCO can truly implement its global governance concept of wide consultation, joint contribution, and mutual benefits.

### **Building the capacity for participation in global governance**

The current strength and influence of the SCO has not yet allowed the organization to play a leading role in global governance. In view of this, the SCO should proceed from reality and start with regional governance to enhance its inherent capacities and unleash its potential.

First, the SCO should advance strategic synergy and policy communication among its member states. China and Russia, as the dual engine of the SCO, should actively promote the alignment of the Silk Road Economic Belt with the Eurasian Economic Union, implement the China-EEU Agreement on Trade and Economic Cooperation, and accelerate the completion of the Eurasian Economic Partnership Agreement, to jointly provide more public goods for both the SCO's regional governance and the higher-level global governance. China, Russia and India should work toward positive interaction under the SCO framework, and establish a consultation mechanism on SCO cooperation. By optimizing coordination of positions on major issues and building consensus on global and regional governance, the three countries can collectively lead the SCO to make substantial contributions to global governance. Within the SCO, the major powers should follow the principle of equality among sovereign states and respect the concerns of small and medium-sized countries, while fully promoting their enthusiasm and their respective contributions to global governance, and generously supporting their relevant initiatives and proposals. By so doing, the smaller SCO members could also become indispensable

participants, promoters, and contributors to the organization's global governance ambitions.

Second, the SCO should keep its concepts future-oriented and up to date. While upholding the "Shanghai Spirit" and the principles of non-alignment, non-confrontation and not targeting any third party, the SCO should keep pace with the demands of the times and incorporate the recognized ideas of forging a new type of international relations and building a community with a shared future for mankind into its core value system in the new era. The new vision on security, development, cooperation, civilization, and global governance, which has been widely endorsed by the member states, can also serve to upgrade the "Shanghai Spirit" as the central guideline for SCO cooperation in various fields.

Third, the SCO should commence institutional reform and improvements from the perspective of doing more for global governance. The limited number of adopted binding documents has severely impaired the SCO's mobility and efficiency, and has diluted its exemplary character. Therefore, establishing institutions with binding power should be the SCO's main focus from now on. Given the importance of economic cooperation and the practical requirements of participation in global governance, the SCO should accelerate the institutionalization of its economic cooperation, starting from establishing a trade and investment facilitation system. The member states should accelerate the implementation of the Agreement on Creating Favorable Conditions for International Road Transportation, and sign the Agreement on Trade Facilitation at the earliest possible date. They should continue negotiations for the agreement on trade in services, and explore the possibility of a multilateral cooperation agreement on investment, customs, and quality inspection. To ensure proper implementation and efficiency, the SCO should also reinforce relevant working mechanisms and step up supervision, to give full play to the regulatory effect of its institutions.

### **Focusing on the reform of global economic governance**

The United States with its reckless unilateralist and antiquated

approach, as reflected in its arbitrary imposition of tariffs and bullying behavior in trade matters, have exacerbated chaos and disorder in global economic governance. Reforming the economic governance system has thus become an urgent demand in contemporary global affairs. The US has always been seeing a distorted image of the SCO, and has therefore intensified its all-round suppression against China and Russia. The SCO's internal differences in terms of interests and expectations among member states have also increased after the accession of India and Pakistan. Under such circumstances, it is more difficult and challenging than ever for the SCO to pay a significant contribution to global political and security governance. Given the member states' common concern about the SCO's increased economic power after its enlargement, economic governance should be at the forefront of the SCO's global governance participation.

The SCO's involvement in global economic governance should be oriented to the demands of the overall situation and of its own development, while following a gradual approach of working from the easier tasks up to the more challenging ones. Firstly, the SCO should resolutely uphold and safeguard the multilateral trading system based on WTO rules. The WTO's core values and basic principles, most notably of openness, inclusiveness, transparency, and non-discrimination, should be respected, and the rights, interests and policy space of emerging and developing countries should be guaranteed. Reform should be gradually advanced and based on extensive consultation. Considering the urgency of WTO reform, the SCO can draft a joint statement, in which it clarifies its principles and positions, and proposes its own solution to the issue. Secondly, the SCO can drive forward the reform of the international monetary and financial system, to enhance the representation and voice of emerging market economies and developing countries, facilitate the diversification of international currencies, and build a more solid and reliable global financial security network. Moreover, the SCO can contribute to the implementation of the Paris Agreement on climate change under the principle of common but differentiated responsibilities. Lastly, by prioritizing the factor of development in the reform of global

economic governance, the SCO can support the effective implementation of the UN's 2030 Agenda for Sustainable Development, while urging developed countries to fulfill their aid commitments to the developing sector, and maintaining the development interests and space of developing countries.

### **Innovating the pattern of global governance participation**

The SCO's current mode of participation in global governance is primarily realized through the issuance of statements and declarations, which is to a large degree a repetitive exercise with limited efficiency. This is partly due to the consensus-based approach of SCO decision-making. While that approach fully reflects the basic principle of equality among sovereign member states, there is also the downside of increasingly negative implications for the efficiency of the SCO's policy-making and its participation in global governance. Against this backdrop, an innovative application of the consensus-based approach is worth serious consideration. While preserving the requirement of unanimity on major issues, the concept of a simple majority could be adopted on other decisions to avoid self-restraint and increase efficiency. Furthermore, some flexibility could be introduced for the principle of non-interference in other countries' internal affairs. A too rigid interpretation of this notion may lead to indifference and inaction on hotspot issues among member states or in the neighborhood, which would seriously undermine the influence and cohesion of the organization and weaken its capacity for global governance. Therefore, the SCO should actively consider the approach of a "constructive intervention." While adhering to the non-interference principle and fully respecting the sovereignty and territorial integrity of member states and relevant countries, the SCO can nonetheless resort to necessary forms of intervention at the request of the parties concerned to help resolve conflicts and mitigate crises. By preventing a downward spiral and steering the situation in a positive direction, the SCO can effectively safeguard the security and stability of the countries concerned and the entire region, and truly establish its reputation as a responsible international organization. 