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Tel.: 962 6 5300100
Fax: 962 6 5355515

css@css-jordan.org

CSS Papers

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behind Joining the the
Shanghai Cooperation
Organization*

*Michael Bell &
Mahjoob Zweiri*

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*Center for Strategic Studies
University of Jordan*

The Iranian Intentions behind Joining the SCO

On the 25th March 2008, China welcomed Iran's desire to strengthen cooperation in all spheres with the Shanghai Cooperation Organization (SCO) following its official application in April 2007 to become a full member. With the SCO currently growing into strategic alliance between several of the worlds leading energy producers and two of its most hungry consumers; the United States saw an opportunity to establish itself in the region and therefore lobbied for observer status in 2005, however the request was denied. Since then, we have seen the SCO assume an ideological mantle of growing anti-Americanism.

Committed to establishing a new international political and economic order, the association of East Asian states known as the SCO was founded as an intergovernmental organization in Shanghai on 15th June, 2001. Its six founding countries; China, Russia Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, with Iran, Mongolia and Pakistan holding roles as country observers, have aspired to mitigate the influence of US power in the region, therefore Iran's application for full membership has crucial, and possibly underlying aspects to its reasoning. Therefore we would like to present some information about the SCO to specifically present the benefits Iran would gain by full membership.

An Overview of the SCO

The SCO's predecessor, the Shanghai Five mechanism, originated and grew from the endeavour by China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan to strengthen confidence-building and disarmament in the border regions. In 1996 and 1997, their heads of state met in Shanghai and Moscow respectively to sign off on the treaty for Deepening Military Trust in border regions and the treaty on Reduction of Military Forces in Border Regions and thereafter this annual meeting became a regular practice and has been held alternately in the five member states. The topics of the meetings gradually extended from building up trust in the border regions to mutually beneficial cooperation in politics, security, diplomacy, economics, trade and other areas of interest among the five states.

On the fifth anniversary of the Shanghai Five in June 2001, the heads of state of its and the President of Uzbekistan met in Shanghai and signed a joint declaration admitting Uzbekistan as a member of the Shanghai Five mechanism and thereafter, jointly issued the Declaration on the Establishment of the SCO. Meeting in St Petersburg in June 2002 they signed off on the charter which clearly expounds the SCO purposes and principles, organisational structure, form of operation, cooperation orientation and external relations, marking the establishment of the new organisation in the sense of international law.

According to its charter and declaration on the establishment of the SCO, its main purposes are:

- Strengthening mutual trust and good neighbourliness and friendship among member states.
- Developing their effective cooperation in political affairs.
- Economy and trade.
- Science and Technology.
- Culture, Education and Transportation.
- Environmental and Energy protection.
- Working together to maintain regional peace.
- Security and Stability.
- The promotion and creation of a new international political and economic order featuring democracy, justice and rationality.

In abiding by the basic principles of: adhering to the purposes and principle of the charter of the UN: respect for each others independence, sovereignty and territorial integrity, mutual non-use or threat of use of force; equality among member states; and settlement of all questions through consultation, the SCO aimed to build a new security concept based on mutual trust, disarmament and cooperative security and a new model of regional cooperation based on mutually beneficial economic cooperation. Therefore the SCO was developed as an organisation concerned with energy cooperation and regional security, focusing particularly on counter-terrorism and defence. Today, the SCO covers 44% of the world's population, approximately 1.455 billion people and spreads over an area of over 30 million km². With control of 18% of the world's military forces, including Chinese and Indian economies, the SCO controls 23% of the world's known petroleum reserves and the two largest proven natural gas deposits.

Iran's Strategic Positioning within Eastern Affairs.

Iran has increasingly appeared interested in joining the SCO, in particular to form a powerful axis with its twin pillars, China and Russia, as a counterweight to US power. The SCO was initially set up as an open and non-aligned organization and it was not initially targeted at a third party. However while attending the June 15th, 2006 summit, Mahmoud Ahmadinejad applauded steps taken by the organisation to “throw out threats of domineering powers to interfere in the affairs of other states” and emphasised the need for a “strong powerful organisation to protect [them] from unreasonable outside interference,” a vaguely veiled attack upon US aspired dominance in the region.

The incentives for letting Iran become a full member of the SCO are obvious. Iran has massive hydrocarbon deposits and concurrently governs the two largest natural gas deposits in the world. Iran is ranked 3rd in terms of proven hydrocarbon deposits and governs the second largest natural gas field in the world behind Russia. Petroleum sales constitute 80% of Iran's total export earning, 50% of its gross domestic product and as the 4th largest petroleum producer in the world, oil exports earn Tehran more than \$40 billion a year. Iran has also taken measures to strengthen its natural gas industry with the unveiling of the largest ethane plant in the world. The new complex is capable of producing enough liquefied natural gas to earn the Iranian government an estimated \$2 million a day. Therefore, if Iran were to gain full membership to the SCO it would undoubtedly be in the interest of all involved.

The SCO's decision to welcome Iran into its fold, as an observer for now, constitutes a political statement on two folds. Firstly it shows that two of the world's most powerful nations have no qualms about aligning with Iran. Both Russia and China in the past, and in particular recently with vetos on a third round of sanctions by the UN on Iran's nuclear programme, have politically aligned themselves with Iran, and the decision to initiate them into the SCO fold is no different. Therefore, if America and the EU instigate more pressure on Iran, Iran's possible full initiation into the SCO heralds the beginning of certain China and Russia backing on political matters.

To this respect, Iran's invitation highlights that a distinctive anti-Western fault line is growing deeper throughout the SCO. Becoming a full SCO member would help Iran counter the US led strategy to isolate Tehran to compel the regime to curb its nuclear energy program. China will fight their corner to ensure it can continue its massive oil consumption; securing its path of becoming the world's second superpower on a par or even superseding US domination. Furthermore, this makes military action against Iran less likely because of Chinese support.

Secondly, acceptance carries enormous strategic implications. In addition to reducing American influence in Central Asia, Iran's acceptance as a full member in the organization could help facilitate the SCO's influence in the Persian Gulf and its surrounding states, and potentially in Europe. Though the SCO has not been a central organization in global affairs, the membership of Russia and China, and now possibly Iran, means the SCO cannot be marginalised. The SCO will have the capability to begin to throw its political weight around on the world scene, and Iran knows this. Together with Russia and China, the SCO will likely seek to establish a stronger position of influence in Western and Central Asia. Surrounded by SCO members, American and NATO forces in the region could be squeezed out. Moreover, thanks to the support it will receive from other nations, Iran's influence in the region will only grow stronger and will possibly thereafter, increasingly attempt to push foreign policy. As this occurs, America and Europe will grow more frustrated in their attempts to manage the region whereas Iran's influence will only grow stronger, and more importantly, will go unchallenged, much to the distaste of the US and the EU.

The Implications of SCO Membership.

With tensions at a continual high with the West concerning their nuclear programme, both the Russian and Chinese governments have delayed in making a decision over Iran's full membership. The essential issue is the fear that because of the Iranian position in world politics at the moment, initiation of Iran as a member will only bring those problems upon the SCO, i.e. Russia and China in particular are assessing what they have to lose by accepting Iran. Economically, both China and Russia have large ties to America and have recently moved closer to the West. An association with Iran could possibly jeopardise fiscal prosperity.

Finally, in highlighting these doubts, questions arise if China and Russia would be prepared to militarily engage alongside Iran to protect its borders. Russian Defence Minister Sergei Ivanov has already stated that the SCO would not intervene militarily on behalf of Iran.