



THE GEO-ECONOMIC RELEVANCE OF SHANGHAI COOPERATION ORGANIZATION. IMPLICATIONS FOR ENERGETIC SECURITY ENSURANCE IN THE WIDER BLACK SEA REGION

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Abstract: *The present paper has as a main objective the analysis of the importance and the catalyst which gives the basis of the multi-side co-operation within SCO, in a broader context emphasizing the geo-political changes and tendencies which have modified the international security environment after the Cold War and the keen interest in the competition for the geo-economic supremacy in the Euroasian area. The present academic debates emphasize the idea of competition in order to acquire access and give proper value to the energetic resources, the global dimension of the issue being given by the unprecedented taken proportions. Therefore, we will explain the potential and the geo-economic relevance of the Eurasian area for its actors' interests (members or non-members) of SCO, which have developed their capability of co-operation within a very select "energy club", taking into account the possible implications for energetic security ensurance in the Wider Black Sea Region.*

Keywords: *multi-side co-operation, strategic partnership, geo-economic space, "energy club"*

1. FROM MILITARY-POLITICAL COMPETITION TO PARTNERSHIPS FOR STRATEGIC EQUALITY

The post Cold War evolution of the political-strategic situation has favored the radical transformation of the geopolitical configuration of central and eastern European area, after the demise of the Warsaw Treaty and the shaping of a scanty security space, thus determining a new face of the security environment. The Cold War meant conflict, confrontation and competition. It started with the confrontation of the two superpowers – USA and USSR – continuing with that of their military blocks, "it is mirrored by the clashing of intermediaries from the Third World or their own interventions, it is expressed through ideological struggles and propaganda, it is an economic competition, where the concept of capitalist market slams against totalitarian rule of the socialist camp economies, and, finally, it scars populations and whole generations with the seal of fear and uncertainty, threatening a nuclear war,

from which, ultimately, the great powers have resorted to" (Malița, 2007:190-191).

The mutations that have arisen as a follow-up of the disappearance of the bipolar world have favored the transition from military-political competition for strategic equality to the gathering of the world's countries, especially great powers, to strategic partnerships, in order to avoid the confrontation among themselves in the competition of markets and resources. In the opinion of two Romanian military specialists, the major objectives of these partnerships are "the prevention of war and the ensuring of security environment which will allow, on one side, the management of crises and conflicts and the stopping of their expanding and, on the other side, the realization of some associations regarding the access (privileged or unchained) to resources, finances and markets" (Mureșan, Văduva, 2005:26). If we were to judge in terms of paradigm of modern security, it would be concluded that the change from the security strategy paradigm "us against everybody", typical for the Cold War, to the

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security strategy paradigm "granting peaceful cohabitation based on generally accepted principles" has occurred (Udrescu, 2010:101-111). To this model of security, which has been imposing itself since the beginning of the 21st century, it is subordinated/included the current construction between state entities, once rivals, special both by their delicate position in the global architecture, as well as the configuration and the materialization of their cooperation in the fields of politics, society, culture and military. The engine of this endeavor is represented by the strategic partnership between Russia and China which is based not only on huge spaces and vast populations, but also on millenary histories and exceptional traditions, on civilizations that have created and still create values, life styles and, especially, on the fact that they are reorienting themselves on a strategic space based on resources.

The two different civilizations, great nuclear powers and permanent members of the UN Security Council, find themselves in competition regarding supremacy in the huge Eurasian space that still cannot find its rhythm and balance, thus being "a space that separates and a pillar that does not pull together, but apart" (Udrescu, 2010:77). Considering the evolution of their relationship, from tensions to ambiguity and cooperation, one may advance the hypotheses according to which the economic strengthening of China, of Russia, and recently, of India, in this immense area represents, on one hand a modern frontier process and, on the other hand, the creation of powerful turning points on which an eventual strong Asian entity be based upon (Bădăluță, 2006:38-43; Mircea, 2006). From this point of view, the strategic partnership between Russia and China, of the "axis of convenience" (Lo, 2008), as one the most respected annalists of this matter names it - is, at the same time, a pragmatic one, as well as a perspective one, in the sense that, through this system of relationships, the two desire to actively participate in the building of a stabile and flexible security environment, which, in the

stage of multi-polarity, is able to resist possible confrontations.

Following a more careful analysis, we have opted to characterize the relationship of strategic partnership between Russia and China as a pragmatic relationship controlled by a tactical opportunism, born from a real and perceived necessity, rather than from a natural belief. At least for now, this tactical opportunism is an evidence beyond all doubt, which in the current context, represents the logical answer both to the security and economic challenges of Central Asia, as well as strategic imperatives of each country. On the other hand, it will not come out as a surprise that the strategic partnership between Russia and China be transformed into a competition, to tend towards an even increasing transparent rivalry, especially in Central Asia, because both of them are guided by the vital national interests clearly defined by their own external policies, or, in Russia's case, on the base of a powerful enough feeling towards its historical mission. Basically, the manifestation and the materialization of these vital national interests may represent the circumstances of a future competition (Munteanu, 2006). Taking all this into account, the geopolitical confrontation between Russia and China is not imminent (Lo, 2008:114). For now, both of them have to gain from the stability and security of Central Asia and will continue to cooperate with other states in the region, acting against Islamic terrorism, of separatism and of extremist policies, against the appearance of other security arrangement, against the pressure of the West, which desires a greater democratization and respect for human rights in this geographical area.

2. THE SHANGHAI COOPERATION ORGANIZATION: GENERAL PRESENTATION

In the context of an international environment of security that is dynamic and fluid, the mutations and tendencies that are

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beginning to shape at the start of the XXI century almost come as no surprise at all. The interactions and/or power oppositions between actors of the international stage generate great geopolitical changes, thus determining diverse evolutions and political-strategic polarities in the new world order. Along these lines we can talk about the inception and evolution of the Shanghai Cooperation Organization, international intergovernmental organization that is made up of states that are different one from the other by unequal profile concerning policy, economy, military, social and religious, the regime in power being more or less democratic and also by their involvement in the competition for hegemony. Member states such as Iran, Mongolia, India and Pakistan and dialogue members such as Sri Lanka and Belarus have joined them.

One of the main goals in creating the SCO is to handle the threats that member states of the organization are facing, including terrorism, extremism and separatism, but also ensuring the stability and regional security in Asia and not aggression against a certain state, alliance of coalition. Without under or overestimating the dimension of security that is characteristic to this type of multilateral regional cooperation, the creation of the Organization in 2001 is in favor of settling the new system of international security.

The institutionalizing of this organization seems to be still fragile, where as the structures, the institutions, functioning procedures and the decision making process are forming as they go, especially due to internal policy that promotes the lack of transparency, determining some analysts to characterize it as an obscure group. This description is not backed-up by arguments, considering that we are talking about a space in which we find a fair share of the world's resources and depict a substantial growth in the interests of its strong states. Evermore, in a short time frame, we are witnessing a multiplying of cooperation sectors within the SCO, unseen in other security groups until now, although there are sufficient premises of

appearance and settling of various instability sources in the region, such as regime changes, poor governing, weak legislation etc. Also in a short period of time, SCO, as an international security organization has been capable to create its own intelligence organism – Antiterrorist Regional Structure, whose leadership, data bases, exercises and military applications prove the fact that the intelligence activity, as well as policies and promoted strategies up until now by the organization have been relying on some fundamental principles of modern intelligence: knowledge, prevention and cooperation, therefore, an intelligence of integrated security. In the last years, the issue of depletion of the energy resources and that of energy security has been dominating agendas of global stage actors. The competition for energy resources in contemporary world still remains as an important source of crisis and conflicts, with a crucial role in polarizing and/or catalyzing forces, as long as the demand is rising faster than the offer, and major energy reserves are located in areas characterized often by profound lack of equilibrium in policy and economy. USA, EU, China and Russia are all in competition as well as in cooperation in the process of access, control and exploiting these resources. By taking a recently shared idea – 2009, by Romanian military experts, Teodor Frunzeti, Mihai Manolache and Lucian Stăncilă, center of gravity of global production is gradually moving towards southern spaces, Central Asia, Caucasus, thus making up the interests of energy consuming states. The focusing of attention on these areas often leads to quarrels between energy consuming competitors. The global transportation grid is daily facing all sorts of projects and modifications that are intended to ease the requirements.

3. GEO-ECONOMIC SPACES IN EXPANSION

Academic debates concerning security highlight more and more the building

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tendencies of the new world order by stating and consecrating new centers of power from the security environment that have as priorities the reorganizing of the global market on energy-economy blocks of alliances, their complete liberalization, the modifying of the oil-quota system and the pinning-down of reference prices on the global market etc.

The theory according to which "geopolitics is geo-economy", is revalidated in the context of a global economic crisis, poor budgetary planning and the impossibility to estimate with a minimum of certainty which will be the financial resources available on a medium term impose a new approach in the system of international relationship. Today's geopolitics rivalries increasingly tied to the control and transport of energy resources towards great consumers, the global dimension of the problem being given by the unprecedented grandeur of demand of these resources.

By amplifying the interdependency grade of countries regarding the maximizing of energy resources, there appear new and complex issues regarding the necessity of ensuring the access of all states to them, so as their economic growth is sustained. Quite the contrary, the loss of access to these resources may have unpredictable consequences, from economic losses with immeasurable internal effects to modifications in international rankings that may throw the world off-balance. Even more important is this effect as developed economies depend on energy resources everywhere on the globe, and the limited character and the spectrum of their depletion is becoming more and more obvious. That is why, geopolitics and geostrategies desire, in essence, access, free circulation, but also taking advantageous positions or placing the competition in difficulty.

The most important spaces, geo-economic, geopolitical and geostrategic thinking, where main actors of the international stage, in issues such as energy and security, are in cooperating relationships as well as competitive ones. The areas are Middle and Near East, Caucasus and

Central Asian. Here, the energetic geography of the world "is being thought", "the moving force" in sketching the strategies of states and in defining condition of peace, war and instability" (Maier, 2009:114). Also, here we are faced with the "interference of regional centers of power (Russia, China, an ascending European Union), an actor with global tendencies (USA), as well as non-state actors, from Al-Qaeda to financial multinationals and great companies with global interests" (Maier, 2009:114), the stake being the same, that of competition for energy resources.

Geo-economics interests of SCO member states are stated and, mainly focused on the Caucasus space, the Central Asian, not long ago found under the control of the ex-USSR, now representing the close vicinity of the Russian Federation. They are highly unstable areas, but important when it comes to geo-economy and geostrategic, due to their oil and natural gas reserves.

4. "THE ENERGY CLUB" – "OIL DIPLOMACY" TOOL

In creating a new type of structure for the regional security on the base of mutual trust, equality in rights and without double standards, leaders of the SCO are aspiring to the democratization of international relationships, the marching towards a model of no confrontation which will exclude the mentality of the Cold War times and will position itself on ideological differences. As an alliance that is open towards multilateral cooperation and having as principles partnership, non-alignment, mutual trust, respect and equality of cultural diversity, SCO becomes, in our opinion, an organization that evolving in real-time, demonstrating strength and dynamics in the shaping and implementing of proposed projects. All levels of cooperation are equally important to the SCO, thus becoming a model doveted by other similar security arrangements.

As far as the creation of the energetic club is concerned, it seems that it is a long term

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plan - of extraction, transport and export policies towards Eurasia, which is comprised of more than half of the conventional energetic resources of the world.

The concept of "energetic club" suggested by Vladimir Putin, in December 2006, represents an idea turned into reality on the SCO agenda, tracing the path from a simple, but bold, political declaration to its institutionalization, alongside with other organisms from within it. Specialists argue on the possible dimensions the *Club* would reach by creating energetic patterns, and namely: *global* (a long term perspective), *regional/Eurasian* (at the level of the SCO members) and *national* (at the level of each of the SCO member country). For now, only the regional dimension is satisfied, considering that all other dimensions are compared to hard-to-achieve projects (for example, the difficult dialogue between Russia and the European Union regarding the Energy Charta).

The concept assumes an energetic cooperation not only between SCO states, but also between themselves and their observers: Iran, India, Pakistan and Mongolia. In such a context, the *Club* would become a more flexible version, with a huge geoeconomic potential, if the Kazakhstan president's, Nursultan Nazarbaiev, proposal were to materialize to create an Asian Energetic Market, and the announcement of the Iranian president, Mahmud Ahmadinejad, according to who, his country could host the meetings of the responsible ministers and new exploitation, extraction, transport and refining possibilities of the carbohydrates.

"The pipe transportation system in the SCO space, which links Russia, Kazakhstan, Central Asia and China, make up the necessary base for creating a single energy market of the SCO", states the Kazakhstan leader at the same reunion (2007). "Kazakhstan - adds Nazarbaev - has elaborated the project for the Asian energetic strategy which assumes the founding of an unique energetic agency, while actual commercial operations will be made on the energetic resources market by means of the

energy stock exchange of the Shanghai Organization." What started out as a forum of Anti-American rhetoric is considered today by some analysts either a "NATO of the East", or an elite club for petroleum giants.

The energetic club may be defined as a *geoeconomic* combination (Luzinian, 2009:100-109) among various groups: that of energy producers/suppliers (Russia, Kazakhstan and Uzbekistan) and that of energy consumers/importers (China, Kirgizstan and Tajikistan). If we were to extend the analysis at the SCO observers, we may talk about an *axis of energy producers* (Russia-Kazakhstan-Uzbekistan-Iran) and a *energy consumers axis* (China-Kargastan-Tadjikistan-India-Pakistan-Mongolia). In this context, the Organization would become a self-sufficient energy system with global and regional opportunities, thinks Serghei Luzianin, if in the equation we would introduce an *axis of energy transporters* (Luzinian, 2009:100-109), similar to the OPEC.

Concluding, we are facing difficult goals, given the inequality of the SCO countries economically speaking, as well as the divergent interests that generate competition for supremacy amongst producers and energy suppliers. Basically, everyone is looking to impose their national interests, both to become a major carbohydrate supplier on the global market, but also to have direct access to sources and their transport routes. Hard fact is that the presence in this energetic club has not excluded the strategic preoccupation of great actors of being competitors, to obtain control over some of the biggest energetic resources of the planet and, implicitly, over their price. We are considering the most important players of the SCO, The Russian Federation and the People's Republic of China.

On one side, Russia's energy strategy (Ivanov), approved on 23 May 2003, underlines the necessity of strengthening Russia's position on the global energy market, the maximization of efficiency in exports in the Russian energy sector, the ensuring of

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access of Russian companies in equal conditions to external markets, technology and finance. On the other hand, as great energy consumer, China will promote energetic development, saving policies, energy security and external cooperation. China has engaged in promoting a new model of economic growth based on low entries, low energy consumption, minimum pollution and high efficiency.

In this context, it is highly probable that the energy geopolitics may play a primordial role and deeply modify the landscape of international alliances, anticipating a dynamic, fluid world..

5. CONCLUSIONS

Possible Implications for Energetic Security Ensurance in the Wider Black Sea Region. In Romania's vision, the region of the Black Sea is a connector of primordial importance of the Euro-Atlantic community (as security provider and energy consumer) to the strategic area of the Middle East – Caspian Sea – Central Asia (as energy supplier and security consumer), aspect that has been stated in a chapter in Romania's National Security Strategy (2006), with the purpose of consolidating a climate of security and cooperation in the Black Sea region, as well as the elaboration of a Euro-Atlantic strategy for the Black Sea and the Caucasus region.

Due to its position, the current relevance of the Extended Region of the Black Sea is maximized, through the expanding of NATO and that of the EU, but also "made vulnerable", through the diversity of economic, political and strategic interests that are present in this space, thus high-lighting the complexity of dynamic relationships manifested here. An important pillar in the equation of reconfiguration the Euro-Asian space from the perspective of development potential, the Black Sea is an area of great geostrategic interest for international actors. Tracking external interests, in the current context of insufficient political, social, economic and civilization development

transforms, however, the region in a particularly weak point from what security is concerned. This aspect is much more put in the spot under the conditions in which the transforming of the Black Sea in a border between huge conglomerates of power transforms it a space targeted by competition, of clashing efforts to win influence. In other words, the Black Sea space is becoming a buffer zone between extremely important powers in the system – NATO, EU, Russia, China, and Middle East. As "a geopolitical space of synergistic and decompensation", this region might be suited for the building of inter-civilization links that are meant to last, which are to represent the bases of the extension of cooperation by implementing useful and efficient politics and strategies in the involved parties.

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