

## JAPAN'S PROSPECTS IN THE SHANGHAI COOPERATION ORGANIZATION

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**A**t the present stage, the Shanghai Cooperation Organization (SCO) is arousing great interest in the international community.

The leading actors in international relations, such as the U.S., Japan, and the European countries, are keeping a careful watch over the organization's

development. The interest of these countries is mainly related to the lack of information about the SCO's actual activity and the organization's real essence. The leaders of the SCO member states constantly assure everyone that the organization has peaceful intentions and is not going to start a confrontation with the West. Nevertheless, some steps and decisions taken by the member states within the SCO arouse suspicion and distrust among the leading global powers. Thus any significant event organized within the framework of the organization is often regarded as a challenge to the West and to the United States in particular. Japan, as one of the leading world powers and Washington's close partner on the international arena, is showing interest in the Shanghai Cooperation Organization as well. An increasing

number of Japanese experts and researchers have begun reflecting on SCO development issues. In particular, they want to form a clear idea of the organization and understand the cooperation possibilities that can be pursued with the SCO. Japan's current interests in Central Asia can explain the attention Japanese scientists and some politicians are paying to the SCO. It is a well-known fact that Japan has recently become more active in its cooperation with the Central Asian countries in the sphere of atomic energy. Another important factor which arouses Japan's interest in the SCO is Russia's and China's participation in this organization. In particular, Moscow and China can create obstacles for Japanese policy in Central Asia and even make use of the SCO's mechanisms to that end.

## Development of Japanese Diplomacy in Central Asia

Japan's policy toward Central Asia after the end of the Cold War passed through several stages. With the appearance of the new independent players in the region Japan began taking steps toward developing relations with the post-Soviet states. At its first stage Japan's regional policy mainly concentrated on the development of bilateral relations with the Central Asian countries. For example, in 1992 Japan established its first diplomatic contacts with Uzbekistan. Later, Japan gradually and steadily established bilateral relations with the other Central Asian countries—Kazakhstan, Turkmenistan, Tajikistan, and Kyrgyzstan.

Japan's first regional strategy toward Central Asia was the so-called Eurasian diplomacy declared by Japanese Prime Minister Ryutaro Hashimoto in 1997. It should be noted that the Eurasian diplomacy strategy appeared as a practical result of the Obuchi Mission conducted from 28 June to 9 July, 1997. The Obuchi Mission was Japan's first significant diplomatic initiative with respect to Central Asia. Members of the mission visited Russia, Kazakhstan, Turkmenistan, Kyrgyzstan, and Uzbekistan and laid the foundation for long-term future cooperation.<sup>1</sup> At that time, one of Japan's most important tasks was to establish new relations with the post-Soviet countries and strengthen its own position in the region. It is important to emphasize that Japan regarded Central Asia as only one part of a broader space—the Eurasian continent, i.e., at that time Japan did not have any defined strategy toward Central Asia as a specific region. Eurasian diplomacy had broader objectives. But there can be no doubt that the Eurasian diplomacy of Prime Minister Hashimoto became a significant contribution to strengthening relations and broadening contacts between Japan and the Central Asian countries.

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<sup>1</sup> See: Y. Takeshi, "Japan's Multilateral Approach toward Central Asia," in: *Eager Eyes Fixed on Slavic Eurasia: Volume 1, Russia and Its Neighbors in Crisis*, ed. by Akihiro Iwashita, 21st Century COE Program Slavic Eurasian Studies, No. 16-1, Slavic Research Center, Hokkaido University, Sapporo, June 2007, p. 70.

In 2004 Japan began changing its previous approach toward the Central Asian region. In particular, in 2004, under the supervision of Minister of Foreign Affairs Yoriko Kawaguchi, Japan developed and launched a new project called the Central Asia + Japan Dialog. As a result of the new regional project initiated by Japan relations between Tokyo and the Central Asian countries became institutional in nature. In particular, members of the Central Asia + Japan forum defined the main aims and tasks of the new structure, which included strengthening regional security and promoting economic development of the Central Asian states. The participants in the forum started an important tradition. In particular, the Central Asia + Japan Dialog members began organizing regular meetings of the ministers of foreign affairs. During these meetings the parties normally discuss current issues of regional economic and security cooperation.

For example, in June 2006 during the second foreign minister meeting of the participants in the Central Asia + Japan Dialog the parties adopted an important document which determined the primary directions of cooperation between Japan and the Central Asian countries for the midterm. This document was called the Action Plan of the Central Asia + Japan Dialog. Within the framework of the Action Plan, the forum participants came to the following key decisions:

- **Cooperation on the international arena.** Japan and the Central Asian states agreed that reform of the United Nations Organization and Security Council is needed in order to deal with the current global threats and challenges. Japan supported the idea of creating a Nuclear Weapon Free Trade Zone in Central Asia. The parties decided to continue cooperation on the international arena through such international organizations as the United Nations, the Conference on Interaction and Confidence-Building Measures in Asia (CICA), and the Asia Cooperation Dialog (ACD).
- **Promotion of cooperation at the regional level.** Japan confirmed its readiness to support the efforts of the Central Asian states in establishing stability at the regional level. This particularly applies to the following vital spheres: countering terrorism and illicit drug trafficking; rendering anti-personnel mines harmless; reducing poverty, improving health and medical care standards at the regional level; providing support in resolving regional environmental issues; reducing and preventing natural disasters; enhancing regional water and energy potential; activating regional trade and investment processes; and providing assistance for the development of transport infrastructure in Central Asia.
- **Promotion of business.** Japan and the Central Asian states expressed their intention to set up a joint government-business working group on economic issues within the framework of the Central Asia + Japan Dialog with a view to studying cross-regional projects and other related matters. Kazakhstan and Uzbekistan expressed their intention to work on a framework for promoting regular discussions with the Japanese Chamber of Commerce in each country so as to identify problems that Japanese companies operating in the countries are faced with. The Central Asian states agreed to hold business forums and round-table meetings to promote exchanges between Japanese and Central Asian companies.
- **Mutual support of the intellectual dialog.** The parties agreed that intellectual exchange is an important element that can help to promote a political dialog, coordinate positions with respect to the prospects for economic integration of Central Asia, and develop new directions for broad cooperation.
- **Development of cultural and human exchanges.** The participants in the Central Asia + Japan Dialog agreed to promote mutual cooperation in cultural exchange and education.<sup>2</sup>

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<sup>2</sup> See: "Central Asia plus Japan" Dialog Action Plan, According to the information on the official web-site of the Ministry of Foreign Affairs of Japan [<http://www.mofa.go.jp/region/europe/dialog/action0606.html>].

Moreover, during the foreign minister meeting of the Central Asia + Japan Dialog in Tokyo 2006, the participants agreed to continue cooperation in developing projects to build new routes for the export of oil, natural gas, and raw materials from Central Asia to the global markets through Afghanistan to the Indian Ocean. In this regard Japan actively supports the projects to build oil and gas pipelines from Central Asia in the southerly direction with the prospect of reaching the markets of the Southeast Asia region and Japan in the future.

On 13 December, 2007, the Central Asia + Japan Forum continued its activity by holding the third senior officials meeting (SOM) in Dushanbe, Tajikistan. Delegations from four Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan) were represented at the deputy foreign minister level. Turkmenistan was represented by the country's ambassador to Tajikistan, which marks the interest of the new Turkmen government in the dialog. The Japanese delegation was led by Mr. Keiichi Katakami, Special Representative for Central Asia, Ministry of Foreign Affairs (Deputy Director-General of the European Affairs Bureau), and consisted of officials from the Japan International Cooperation Agency (JICA). During the meeting the parties reviewed the progress of the adopted action plan and exchanged views on further cooperation development. The participants also confirmed the importance of holding a third foreign ministers' meeting of the Central Asia + Japan Dialog and agreed to coordinate its schedule and venue.<sup>3</sup>

One of the most important events in the history of the development of Japanese diplomacy toward Central Asia was the first visit of Japanese Prime Minister D. Koizumi to the Central Asian countries. In framework of the official tour in 2006 Koizumi visited Kazakhstan and Uzbekistan. In fact, during these visits Koizumi indicated the new priorities of Japanese foreign policy in Central Asia. In particular, this visit marked the growing interest of Japanese business in developing nuclear energy in the region. During the meeting with Kazakhstan's President Nursultan Nazarbaev, Koizumi emphasized that the Japanese party intended to deepen relations with Kazakhstan, especially in nuclear energy cooperation—the development of uranium fields. As a result of the visit, the parties signed a Memorandum of Intent between the governments of Kazakhstan and Japan on advancing cooperation in the utilization of atomic energy.

**An analysis of Tokyo's regional initiatives at the current stage shows that Japan's main interest in Central Asia is to provide national energy security by increasing access to the region's energy resources.** For example, Japan imports oil mainly from the Middle East region. Keeping in mind the high conflict potential in this region (escalation of the Israeli-Palestinian conflict, permanent pressure from the U.S. and the Western countries on Iran due to its national nuclear problems, and destabilization of Iraq), Japan is interested in searching for new partners who will be able to guarantee uninterrupted delivery of energy resources to the country. Diversification of import routes will reduce Japan's dependence on the Arab world. In August 2006, before coming to Astana, Japanese Prime Minister D. Koizumi stated that Japan is interested in Central Asia's energy resources. In particular, Koizumi emphasized: "Regarding our energy resources strategy, it is not good when Japan is too dependent on the Middle East. But Kazakhstan and Uzbekistan possess vast resource supplies."<sup>4</sup>

After D. Koizumi resigned from his post and following several changes in Japanese leadership, Tokyo's strategy toward Central Asia in general remains unchanged.

As of today, one of Japan's key priorities in Central Asia is uranium. Thus, regarding the previous agreements between the governments of the Central Asian states and Japan on cooperation in the nuclear energy sphere, Japanese companies are gradually settling for the prospect of the region's energy

<sup>3</sup> See: The Third "Central Asia plus Japan" Dialog/Senior Officials Meeting (SOM), available at [[http://www.mofa.go.jp/announce/announce/2007/12/1176649\\_840.html](http://www.mofa.go.jp/announce/announce/2007/12/1176649_840.html)].

<sup>4</sup> See: "Junichiro Koizumi ottesniaet Rossiiu ot Uzbekistana," *Kommersant*, 30 August, 2006, available at [<http://www.kommersant.ru/doc.aspx?fromsearch=b54f7d76-d289-4923-8931-5309959b4f2a&docsid=701051>]

markets. For example, one of the most recent achievements of modern Japanese diplomacy in Central Asia is the agreement signed with the Kazakhstani government on uranium enrichment. According to the agreement, the Kansai Electric Power Corporation and Sumitomo Trade-Investment Corporation, along with the Kazakhstani Kazatomprom Company, will enrich uranium in the territory of Kazakhstan. Japanese companies will start uranium enrichment in 2010. The agreements also include technical reconstruction and modernization of the old type of uranium production plant, which will cost about \$600-700 million. Total investments within the framework of the project are expected to reach several billion American dollars. As a result, the volume of enriched uranium in Kazakhstani territory is expected to exceed Japan's current uranium demand two-fold.<sup>5</sup>

Thus we can see that at the current stage Japan is becoming more and more involved in Central Asia's regional affairs. The main aim of Japan's current policy in Central Asia is to strengthen its own position in the regional energy market. In this regard, due to the strong position of Russia, China, and the U.S. in the regional oil and gas markets, Japan seems to be playing an active part in the sphere of uranium production and enrichment.

## The Future of Japanese Policy in Central Asia

At the present time Japan faces several problems as it strives to gain a firmer foothold in Central Asia. First of all Japan has to define its future role in Central Asia and find an answer to the crucial question of whether Japan really needs to become more deeply involved in the region, especially considering the fact that Central Asia is not an area of Japanese traditional interests. Or would it be more reasonable for Japan to develop relations with the Central Asian countries at the bilateral level and mainly in commercial spheres, such as signing promising agreements and making deals? At the same time, Japan must keep in mind that more active involvement in Central Asian affairs will require significant financial and material costs as well as immense efforts.

On the other hand, **Japan needs to develop a clear strategy and policy toward the Central Asian Region**, which will define Japan's future role in the region and Central Asia's importance for Japan. For this purpose more attention should be given to the region's problems. In this regard it would be helpful to establish government think tanks and research centers which will compile reports on current issues of political and economic development in Central Asia. Laying a research foundation will definitely contribute to achieving the outlined task. In this regard developing contacts with Central Asian research centers and think tanks would be helpful as well. It will create new possibilities for organizing mutual scientific conferences where experts from both sides will be able to exchange useful information and opinions.

It is also important to **strengthen cultural ties between Japan and the Central Asian countries**. For that matter one of the most significant problems is the lack of information about each other. For example, the common citizens of Kazakhstan do not know much about present-day Japan, its culture and moral system, and even far less about its current foreign policy priorities and contemporary diplomacy. Japan is in the same boat. The ordinary Japanese people know almost nothing about Kazakhstan and the other Central Asian countries. The existing information vacuum creates mutual misunderstanding and negatively affects the development of bilateral cooperation between Central Asia and Japan, as well as Japanese multilateral cooperation initiatives in the region.

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<sup>5</sup> See: "Iaponia nachnet obogoshchat uran v Kazakhstane," 26 December, 2007, available at [www.centrasia.ru].

For example, at the current stage Japan does not have enough representation in Kazakhstan. Bilateral relations are developing mainly on the basis of Japanese energy interests in Kazakhstan. To my mind, the development of cultural ties and exchange of important information is also very helpful. Organizing cultural events, seminars, and forums on a regular basis will create additional opportunities for the ordinary people to find out more about each other. As a result Kazakhstani society will become more interested in Japanese culture and the country's way of life. The Japanese people will gain more information about the culture and traditions of Kazakhstan. There is no doubt that such activities will contribute to the development of bilateral cooperation in education. The parties will create and launch new student exchange programs.

In general, the Central Asian states regard Japan as an attractive, economically developed country with a peaceful foreign policy. In contrast to some Western states, and especially the U.S., Japan implements a soft policy. For example, Japan supports the development of democracy in the Central Asian countries but never puts pressure on them regarding the lack of some democratic standards. In this regard Japan always tries to take into account the region's cultural and historic development specifics. This position on the part of Japan is highly appreciated by the Central Asian states. And it lays a good foundation for developing further comprehensive and mutually beneficial relations between Japan and the Central Asian states.

## Japan and the SCO: Is Cooperation Possible?

Japan's position with respect to the SCO is closely related to its interests in the Central Asian region and to bilateral relations with Russia and China. In order to successfully maintain its own policy in Central Asia Japan first needs to create constructive and confidential relations with Russia and China. Otherwise these two regional powers may counteract Japanese initiatives in Central Asia.

In this regard the Shanghai Cooperation Organization is attracting more and more attention from Japanese politicians and experts. There is no doubt that along with creating its own policy toward Central Asia, Japan also has to take into account the SCO factor, because in our day and age the Shanghai Cooperation Organization is manifesting itself as an active, powerful, and sufficiently authoritative regional structure. Moreover, along with the Central Asian states, the SCO includes Russia and China, both of which are able to have a significant impact on the development of the regional economic and political processes. Regional security and stability issues greatly depend on these two powers as well.

The foreign policy of new Japanese Prime Minister Yasuo Fukuda can be called very diplomatic. For example, the new prime minister did not continue the tradition of visiting the Yasukuni shrine (which always aroused a negative reaction in some Asian countries) and declared the need to improve relations with Japan's close neighbors—Russia and China.<sup>6</sup> Keeping in mind the new approach in Japanese foreign policy Japan has the opportunity to become a more active player in Central Asia. At the same time, we cannot deny the possibility of future cooperation between Japan and the Shanghai Cooperation Organization.

To my mind, at present, cooperation between Japan and the SCO is mutually beneficial for Japan and the SCO member states as well. By activating its own foreign policy on the Eurasian conti-

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<sup>6</sup> See: "Yasuo Fukuda, a Moderate, is Chosen to Lead Japan," 23 September, 2007, available at [<http://www.iht.com/articles/2007/09/23/asia/japan.php>].

nent Japan can strengthen its international position and prestige as a peaceful power acting in the role of mediator. For example, Japan can act as a mediator in establishing a dialog between the SCO and the West. This can be achieved if Japan acquires a supervisor status in the SCO. This would be beneficial for Japan itself, the SCO members, and the Western world as well. The SCO will rid itself of its anti-NATO labels and the Western countries, in particular the U.S., will have the opportunity to start new mutually beneficial relations with the SCO. According to Japanese expert Akihiro Iwashita: "Japan, as a trustworthy ally of the U.S., should persuade the U.S. to make a more positive commitment to the SCO and to reshape the Eurasian security situation together. As a historic gateway to Asia, Japan has an incentive to invite other western countries to back up this mission."<sup>7</sup>

At the same time, Japan has the possibility of supporting the development of relations between the SCO and other regional structures which have the same aims as the SCO, such as ensuring regional security, stimulating economic cooperation among the member states, etc. For example, at the current stage the Shanghai Cooperation Organization is highly interested in developing relations with ASEAN. The interest of the SCO members in ASEAN is related to the fact that the Asia Pacific Region is one of the global centers of economic growth today. For example, on 21 April, 2005 the secretariats of the SCO and ASEAN signed a memorandum of understanding that defines the directions of cooperation and interaction in the economy, finances, tourism, ecology, utilization of natural resources, transnational crime, etc.<sup>8</sup> In this regard in February 2008 Deputy Minister of Foreign Affairs of the Republic of Kazakhstan N. Yermekbaev emphasized the following: "The member states of the SCO and ASEAN are tied by means of geographical proximity and common interests in the Asia Pacific Region. The participants of both organizations are interested in strengthening peace and stability in the 'areas of activity' and in establishing mutually beneficial cooperation in such spheres as the economy, transport, culture, and tourism. At the same time, the SCO is interested in broad and diverse forms, methods, and mechanisms of interaction within the framework of the Association. ASEAN has 40 years of working experience and it can give many positive things to such comparatively young structures as the SCO."<sup>9</sup> In this regard Japan, using its international authority and experience, can contribute to the development of comprehensive relations between the SCO and ASEAN.

Japan's participation in the SCO is very beneficial for the Central Asian states as well. Regarding the long-term interests of the organization's small members (the CA countries), Japan's participation in the SCO in fact means enlargement of the space for economic and political balancing. Compared with the positions of the two regional powers, Russia and China, Japan is a more Western state. In spite of the fact that the SCO is not a military bloc (Russia and China officially reject such claims), Moscow and Beijing are suspicious of the activities of the U.S. and NATO in Central Asia. Therefore, Russia and China are trying to use the SCO's diplomatic tools to keep back other players. Nevertheless, Kazakhstani experts do not deny the possibility of Japan acquiring observer status in the SCO if Tokyo shows an interest in cooperation.<sup>10</sup> So it is necessary to emphasize that at the current stage Japan has enough opportunities to become more actively involved in the Central Asian region and to establish cooperation with the SCO as well.

<sup>7</sup> A. Iwashita, "The Shanghai Cooperation Organization and Japan: Moving Together to Reshape the Eurasian Community," available at [[http://www.brookings.edu/articles/2008/0128\\_asia\\_iwashita.aspx?p=1](http://www.brookings.edu/articles/2008/0128_asia_iwashita.aspx?p=1)].

<sup>8</sup> See: "Ministry inostrannykh del stran ShOS podpisali riad dokumentov," 25 February, 2005, available at [<http://www.rian.ru/politics/20050225/39459836.html>]. [<http://www.rian.ru/politics/20050225/39459836.html>]

<sup>9</sup> From the interview of the Deputy Minister of Foreign Affairs of the Republic of Kazakhstan N. Yermekbaev "on prospects of interaction between the SCO and ASEAN," 25 February, 2008, available at [[www.sectco.org](http://www.sectco.org)].

<sup>10</sup> See: S. Kushkumbaev, "Development of the SCO as a Regional Organization: Potential for Enlargement," 3 July, 2007, available at [[www.kisi.kz](http://www.kisi.kz)].

## Conclusion

Today the Shanghai Cooperation Organization is an important and authoritative international organization. During its years of development, the SCO has evolved into a full-fledged international institution with own charter and well-formed structure. The SCO members actively cooperate to resolve current regional economic, political, and security problems. It is also necessary to point out that the SCO is an active and effective organization that builds and sustains mutual confident relations between Russia and the Central Asian states, on the one hand, and China, on the other. The organization's territorial area is really huge. At present, the common territory of the six SCO member states is more than 30 million square kilometers or almost 3/5 of the whole Eurasian continent. The population of the SCO area exceeds 1.5 billion people, which is nearly one quarter of the world's population.<sup>11</sup> Taking into account these amazing figures and the fact that giant states participate in this organization, it is not hard to understand the international community's growing interest in the SCO. As for Western political experts and politicians, they often criticize the SCO and sometimes call it an anti-Western military alliance or some kind of anti-NATO organization.

At the same time, it should be pointed out that the SCO currently has many objective problems and internal obstacles which do not permit it to become or transform into a military alliance:

- **First. There is no clear and common foreign policy course among the SCO member states.** Most Central Asian states still use a multi-vector policy or the policy of balancing between the interests of big external powers—Russia, China, and the United States. The Central Asian states always try to retain good and stable relations with the West as well as with the East, otherwise they may reach a geopolitical dead end. For example, the Central Asian states cannot afford to spoil their relations with the United States. If they do, they will become too dependent on Russia's political will or even on China's. As for other SCO members, Moscow and Beijing, the policy of these countries within the framework of the SCO strongly depends on their strategic interests in Central Asia, which sometimes run counter to each other.
- **Second. The SCO's functions have recently become broader.** Today the parties are intensively developing cooperation not only in security, but also in the economy, communications, energy, science, ecology, education, tourism, and sport. The extension of its functions sometimes leads to misunderstanding and the organization losing its true or initial tasks and aims. Thus the SCO is becoming a regional organization which duplicates the functions of other existing structures, such as the OCST in security or the EurAsEC in the economy. At the same time, the organization's military component is still insignificant.
- **Third. The character of the SCO is mainly declarative.** The organization's practical activity is not so visible. It mainly includes joint antiterrorist exercises and organizing annual summits of the SCO heads of state, which sometimes arouse disputes in the international community.
- **Fourth.** SCO has features of latent rivalry between its key members—Russia and China.

The listed problems allow us to conclude that the SCO is more likely transforming into an ordinary regional organization with ordinary routine tasks than into a military alliance. On the other hand, today **the SCO is only one part of the great geopolitical game in Central Asia—a region where the interests of the big powers periodically come into collision.**

Along with the leading players on the international arena, Japan is also very interested in the SCO and is watching over the organization's development. Mutually beneficial cooperation with this

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<sup>11</sup> Regarding the SCO official web-site information, available at [www.sectSCO.org].



organization can provide Japan with new opportunities for successfully realizing its own strategic interests in Central Asia. Japan's participation in the SCO may contribute to warming relations with Russia and China as well. Therefore they will not hinder Japan's initiatives in Central Asia.

As for the Central Asian states, they are all for Japan's participation in the SCO because it will provide them with new possibilities and space for diplomatic balancing between the regional powers. They will be able to step beyond the frameworks delineated by Russia's and China's strategic interests in the region.

As one of the world's most economically developed states and using its weight in the international community Japan can contribute to the creation of a constructive dialog between the SCO and leading Western countries. There is no doubt that the SCO members will appreciate this kind of mediator activity by Japan because, frankly speaking, there is no member state in the SCO that would really like to spoil relations with the West.

To reach that goal and to strengthen its position in Central Asia, Japan needs to develop a comprehensive approach toward the Central Asian region taking into account the interests of the Central Asian states, Russia, China, and the United States. In this regard it should be noted that Japan as first a peaceful power with a developed economy has enough opportunities to enhance own position in Central Asia.

At the same time, keeping in mind all the positive and negative factors, the Japanese government must choose the right way to further conduct its Central Asian strategy. Is it reasonable for Japan to activate its own multilateral initiatives in Central Asia in the future (especially taking into account the fact that it will require huge financial support and much effort)? Or would it be more effective to continue the current approach, which mainly includes concentrating on developing bilateral relations with the Central Asian states based on Japan's practical strategic interests?