

THE SHANGHAI COOPERATION ORGANIZATION: RUSSIA'S VIEW ON IRAN'S CANDIDACY

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ABSTRACT

The Shanghai Cooperation Organization (SCO) first came into being as a result of border negotiations between Russia and China, but evolved shortly thereafter into more than this. It is a regional organization comprised of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan with its mandate now encompassing trade and security. Afghanistan, India, Iran, Mongolia, and Pakistan have been granted observer status, which increased the world's attention to the SCO.

However, none of the observer states were upgraded to full membership, despite their willingness to do so. Such circumstances may cause misunderstanding between existing observer states and other nominated countries planning to apply to the SCO. In addition to that, the failure of a rational decision on expansion of the Organization raises doubts about the concordance and harmony within the SCO.

Although it has six full member states, the Shanghai Cooperation Organization identifies itself as an organization in which decision-making is dominated by China and Russia. These two main actors, with their giant markets, make the Shanghai Region attractive, as well as politically independent of the West.

Iran is one of the five observer states that applied for full membership during President Ahmadinejad's administration in early 2005. However, even though almost a decade has passed since this intention was expressed, Iran continues to cooperate with the SCO. Newly elected President Hassan Rouhani's pragmatic approach has almost resolved the country's conflict with the West after the six plus one meeting achievements in November 2013, when Iran agreed to decrease uranium enrichment in return for lighter sanctions by the EU and other states. The Iranian president paid his first international visit to Bishkek in September 2013, where he participated in the annual Shanghai Meeting. Iran still considers this region to be important, and it is no doubt a country that could strengthen the role of the Organization.

Meanwhile, Iran remains an observer state and this research paper will focus on the expansion of the Shanghai Cooperation Organization, more precisely on Iran's intention to join, and the implications of this for Russia's academic and political circles. What do Russians expect of Iran, and what do they think are the pros and cons of Iran's accession to the Shanghai Cooperation Organization?

KEYWORDS: *Shanghai Cooperation Organization (SCO), Iran, Russia, International Atomic Energy Agency (IAEA), United Nations Security Council (UNSC), Shanghai Region, observer state, North Atlantic Treaty Organization (NATO).*

Introduction

The Shanghai Cooperation Organization (SCO), the successor of the Shanghai Five, was created in 2001 as the result of successful border negotiations among China, Russia, and four Central Asian states—Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. The Shanghai Five (Kazakhstan, Kyrgyzstan, Russia, and Tajikistan) was a grouping of five countries that signed the Treaty on Deepening Military Trust in Border Regions and the Treaty on Reduction of Military Forces in Border Regions in 1996 and 1997, respectively. Such attainment in the border dilemma inspired the countries to diversify and strengthen cooperation.

Thus, with an 18-year history, the SCO has enjoyed countless achievements and faced many challenges. The SCO with its huge market attracts countries with different political ambitions. Countries like Turkey and Sri Lanka, which are partner states, could form a bridge between the SCO and the different regions. Meanwhile, the SCO cooperates with observer states—Afghanistan, India, Iran, Mongolia, and Pakistan, each of which may sooner or later plan to join the club as a full member. Enlargement of the Organization depends on the inclination of the member states via the SCO mechanisms. However, it is important to point out the key role of the main actors of the Organization—China and Russia. Both countries, with different concepts (economy and defense), have been exerting efforts to make the Shanghai Cooperation Organization successful. Each of them makes compromises to retain the Organization's image. China's cooperation with each of the Central Asia states as an independent country started in 1991 after the collapse of the Soviet Union. Despite their common borders, the former Soviet republics did not have any political and economic relations among themselves during the Soviet period, as they did with Russia, which was part of a single country—the U.S.S.R. Russia has specific relations with the region and with the SCO observer states. Being supportive of enlargement of the SCO, Russia invited several countries to join the Organization. President Putin calls the SCO an open organization, which aims to expand its relations with various countries and organizations. In his speech, he “welcomed those who aspire to cooperation with the SCO.”¹

Expansion of the SCO became a dilemma after Iran applied to join the Shanghai family in 2005. Its candidacy was twice declined due to the U.N. sanctions, and according to Kirill Barskiy, a Russian representative in the SCO, “Tehran may join organization as soon as the sanctions are lifted.”² Such circumstances divided the opinion of the Iranian experts. Some of them invoked the government to follow a non-aligned orientation, which is written in the Constitution. Others warned Iran to stay away from an “organization that is a collection of conflicts, which is the major reason why it has failed to achieve its goals so far.”³

¹ V. Putin, *Statement in the SCO Meeting of Head of States*, Beijing, 2012.

² S. Strokan, “Shankhaiskaia organizatsiia razryvaetsia mezhdu organizatorami,” *Kommersant*, 7 June, 2012, available at [www.kommersant.ru/doc/1952696].

³ “Iran's Accession to SCO: Conflicts and Threats,” available at [http://www.iranreview.org/content/Documents/Iran's_Accession_to_SCO_Conflicts_and_Threats.htm], 21 June, 2011.

Iranian experts advised the government “to wait for an invitation from the SCO because Iran has massive potential to play all kinds of regional games.”⁴ However, the U.N. sanctions against Iran and the unclear trade cooperation with the EU and other trade partners do not give Tehran much choice but to engage in closer cooperation with China and Russia. Iran feels secure if it has partners in the U.N. Security Council. Thus “China and Russia, with their huge investment capabilities, are very attractive as investors in the Iranian economy, especially at a time when many Western companies and banks have been retreating due to the U.S. and European Union sanctions.”⁵

However, the Shanghai Cooperation Organization values its relations with other international organizations, including prestigious institutions like the United Nations and the International Atomic and Energy Agency (IAEA), and does not want the Iranian issue to cause confrontation with them. In April 2010, the SCO signed a Declaration on Cooperation with the United Nations and, valuing its cooperation with the U.N., it may try to negotiate and call for a dialog, without challenging the UNSC policy against Iran. This is important and such an agreement reflects the Organization’s positive image. The declaration stated: “Noting that SCO has become an essential regional organization for addressing security in the region in all its dimensions, convinced that strengthening cooperation between the United Nations and other organizations of the United Nations system and the Shanghai Cooperation Organization helps to promote the goal and objectives of the United Nations—[the U.N. General Assembly] takes note of the activities of the Shanghai Cooperation Organization aimed at strengthening peace, security and stability in the region, countering terrorism, separatism and extremism, drug trafficking and other types of criminal activity of a transnational character and promoting regional cooperation in various areas such as trade and economic development, energy, transportation, agriculture and agro-industry, the regulation of migration, banking and finances, information and telecommunications, science and new technology, customs, education, public health, environmental protection and reducing the danger of natural disasters, as well as in other related areas.”⁶

This paper focuses on what Russian experts have to say about Iran’s accession to the SCO. Are they supportive or not, and how do they see future expansion of the SCO, with or without Iran? These countries have a long history of cooperation, including tension and interests in specific areas like Central Asia and the Caspian. In modern history (including the Cold War period), Russia has always considered Iran an important country for securing its southern borders, and the Soviet-Persia Treaty of 1921 is the best example of that. The Soviet Union has disappeared, but Iran remains a country of Russian concern.

The Theoretical Approach

It is rational to look at the importance of the region and the Organization’s position and role internationally from the theoretical approach. Unlike realism, which predicts states will act in their own national interest in defiance of moral consideration, liberalism welcomes cooperation with and within international institutions. Therefore, if two or more states share preferences, their aligned interests may result in “absolute gain” from cooperation. On the other hand, realists do not believe in

⁴ Ibidem.

⁵ A. Pikaev, “Enlarging SCO: Is Iran Valuable Member?” *PONARS Eurasian Policy Memo*, No. 15, 2008.

⁶ “Cooperation between the United Nations and the Shanghai Cooperation Organization,” available at [<http://www.sectsc.org/EN123/show.asp?id=257>], 2 December, 2010.

the concept of absolute gain, instead viewing the international contest as a zero-sum game, in which one player wins, while the other must lose.⁷

Neo-liberalism emphasizes cooperative behavior among states. Robert Keohane and Joseph Nye stated that the increasing level of interdependence between states forces them to cooperate and integrate.⁸ For example, Keohane recognized that cooperation is not an easy feat and can lead to tension, but states could potentially benefit from cooperative strategies.

Neo-liberals describe regional integration as a move toward maximizing state welfare and interests through cooperation, especially as dictated by the new international order.⁹

Joseph Griego also supports the idea of cooperation and stated that countries will be better off if they all will cooperate. He also explains regional integration as an increment process through which collective action problems are resolved and formalized within institutions.¹⁰

Neo-liberals explain regional integration as a rational response by states to the dynamics of the new reality created by globalization and increased interdependence in the post- Cold War era. The region should not step away from the “new reality,” but take action toward resolving it. David Lake and Patrick Morgan define the region as the geographical closeness of the countries.¹¹

According to Rosenau and Czempiel, regional cooperation in the security sphere can range from stabilization of the regional balance of power to negotiation of a region-wide security regime.

Louise Fawcett and Andrew Hurrell defined regionalism as regional cooperation that may entail the creation of formal institutions, but it can often be based on a much looser structure, involving patterns of regular meetings with some rules attached, together with a mechanism for preparation and follow-up.

Samir Amin explained regionalization as a “building block for the reconstruction of a different global system.” He also argues that regionalism “is the only efficient response to the challenges of a continuously deepening polarization generated by the capitalist globalization processes.”¹² Regionalism has turned into an umbrella that covers social and economic cooperation, increasing regional awareness, identity, and interstate institutions.

Realities of the Observer States

It seems to me that the situation around the future of the SCO is very critical. It has been 13 years since its first and last expansion and almost 10 years since one or more of the observer states applied to join the Organization. Does the SCO needs to be expanded or not? It is crucial to decide this considering the number of candidate states. This situation makes it even more unclear. How might it affect the Organization’s image, the reaction from outside the region, and further development with-in the SCO?

⁷ See: A. Hurrell, “The Regionalism Dimension in International Relations Theory,” in: *Global Politics of Regionalism Theory and Practice*, ed. by M. Farrell, B. Hettneand, L.V. Langenhove, Pluto Press, London, 2005, pp. 39-41.

⁸ See: R.O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*, Princeton University Press, Princeton, New Jersey, 2005.

⁹ See: *The Political Economy of Regionalism*, ed. by E. Mansfield, H. Milner, Columbia University Press, New York, 1997.

¹⁰ See: J.M. Griego, “Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism,” in: *Neorealism and Neoliberalism*, ed. by D.A. Baldwin, Columbia University Press, New York, 1993.

¹¹ See: “The New Regionalism Security Affairs,” in: *Regional Orders: Building Security in a New World*, ed. by D.A. Lake, P.M. Morgan, The Pennsylvania State University Press, Pennsylvania, 1997, pp. 11-12.

¹² S. Amin, “Regionalization in Response to Polarizing Globalization,” in: *Globalization and the New Regionalism*, ed. by B. Hettne, A. Inotai, O. Sunkel, Vol. 1, Macmillan Press, Basingstoke, 1999, p. 54.

Mongolia was considered an attractive country for the SCO and an ideal potential member. It borders on Russia and China only and has cultural roots in the region. Mongolia was first to apply for full membership and its main trade and security partners are China and Russia. It has a population of less than three million people, and it can neither drastically change the structure of the SCO nor arouse a negative reaction from the outside, rather each side could benefit from the cooperation. Most Russian researchers and officials are in favor of expanding the Organization starting with Mongolia.

India is another candidate country. Despite its huge population, India has the potential to strengthen security, defense, and trade within the SCO. India could upgrade the level of the Organization. It belongs to a different part of Asia, but “the integration processes in different parts of the world can be characterized as regional even if participating countries do not necessarily belong to the same geographic region.”¹³ According to the experts, India’s tension with China is in the past and they are improving their relations with each other. It also suffers from terrorism as others do, which could compel them to join the SCO’s policy to fight it. India reconstructed the Aini military aerodrome in Tajikistan, which could be used for common regional security purposes. Moreover, India’s economy is among the world’s top ten in terms of nominal GDP, and the Organization would then have three countries that are among the world’s ten largest economic states with nuclear capabilities. In addition, India is the most populous democratic country, with its market-based economy. Considering the transition period of the Central Asian states, cooperation with India would be valuable experience. India’s full membership could change the image of the SCO to a liberal-oriented organization.

Other candidate states are Afghanistan, Iran, and Pakistan. Some Russian experts agree on the instability of these states. Despite their support and contribution to the fight against terrorism, there are still terrorist camps in Afghanistan and Pakistan, which was proved by the U.S. operation to kill al-Qa’eda leader Osama Ben Laden. The paradox is that the government of Pakistan spends a big portion of its budget on defense, including on the fight against terrorism, but terrorist camps still exist in its territories.

Iran’s membership evokes an ambiguous response by member states, including Russia. Most experts point to Iran’s nuclear program as a bone of contention in Iran’s integration.

The Security Controversy

A group of Russian experts considers or wishes to regard the SCO as a counterbalance to NATO, at least to challenge NATO projects in the region. According to Klimenko, Iran wants to use the SCO as a “safety net” against the U.S., Israel, NATO, and other international institutions. In addition, there is mutual commonality between Iran and Russia. “Iran and Russia share commonality on regional stability and security, which is based on opposing dislocation of NATO forces within or around the region.”¹⁴ Such circumstances, however, can hardly be considered an argument for counterbalancing NATO, especially considering that in June 2012, Turkey, NATO member state, was granted the status of dialog partner of the SCO and further “Ankara would abandon its quest to join the European Union if it was offered full membership in the Shanghai Cooperation Organization.”¹⁵

¹³ T. Dadabaev, *Towards Post-Soviet Central Asian Regional Integration*, Akashi Shoten Co. Ltd, Tokyo, 2004, p. 36.

¹⁴ A. Klimenko, *Strategiia razvitiia Shangkhaiskoi organizatsii sotrudnichestva: problema oborony i bezopasnosti*, Nauka Publishers, Moscow, 2009.

¹⁵ “Turkey Renews Plea to Join Shanghai Cooperation Organization,” 8 December, 2010, available at [<http://www.centrasia.ru/newsA.php?st=1292128920>].

Iran has been under international pressure, especially from the United Nations Security Council, IAEA, and other influential organizations, including the European Union. Sergey Luzianin stated that Iran has been pushed into a corner by the U.S. and its allies, including the U.N. and IAEA, and that is why Iran wants to be a member of the SCO so badly in order to prevent or secure itself against the possibility of a Western attack. Experts warn that Iran may be out of control and could be the cause of a confrontation with the West.¹⁶ However, in this case, the SCO can be a mediator between parties and solve this issue, especially considering that Russia and China have already persuaded Iran to resolve its problems with the mentioned institutions if it wishes to join the SCO. For example, Iran participated in the meeting with the six powers on its nuclear file with successful outcomes in some of the negotiation rounds. Since Russia and China were part of this meeting as separate states, the SCO could also contribute to a better outcome of the situation between EU, U.S., and Iran.

However, are sanctions the real reason for halting or delaying Iranian membership in the Organization? Iran belongs to Russia's strategic and geopolitical dilemma, but what is the real reason behind the rejection?

It may be a "prohibitive excuse."¹⁷ Experts claim that Russia and China do not want to take responsibility in the event that the U.S. and Israel attack Iran.¹⁸ Most probably this action would show disrespect toward Washington, with which both Russia and China are trying to revamp relations. Rajab Safarov assures that Iran's sanctions are just an "excuse" and "not being a member state of SCO under the U.N. sanction" is something created by China and Russia only against Iran to please the EU and the U.S.¹⁹ However, according to Levan Jagarian, Russian Ambassador to Iran, "Russia does not recognize any of the U.S. or EU sanctions against Iran."²⁰ The Russian Ambassador stated that "Russia is a sovereign country and has an independent policy." He stressed that the Russian decision on Iran would be based on the country's national interests.

The decision to increase the number of member states is based on the Organization's current status. Today, the SCO still continues to draw debate about its function and mechanism. That's why the member-states want "new countries to ameliorate the Organization and enlarge its potential but not worsen it with their own local problems."²¹

Considering Iran's potential and natural resources are the sanctions against Iran really a "problem" for the SCO? Iran is drawn closer to the SCO precisely due to the existing sanctions against this country. This makes Iran eager to rely on China and Russian support in the U.N. Security Council. In turn, former Russian President Dmitri Medvedev welcomed Iran's interest in cooperating with the SCO, making him happy to see larger countries of the region joining the SCO. He stated, "expansion of the SCO with larger countries refines the Organization and enhances it."²²

Some Russian experts are concerned about worsening relations with the West only because of Iran. However they suggest that Iran's issue be resolved rationally and not "under curtain" intrigues.

Meanwhile, Russia is considering expansion of the SCO, but with the priority on India and Pakistan. Russian Foreign Minister Sergey Lavrov stated that the SCO has to be expanded, most

¹⁶ See: S. Luzianin, *Shankhaiskaia organizatsiia sotrudnichestva: model obraztsa 2008 goda*, Moscow, 2008.

¹⁷ R. Safarov, "ShOS bez Irana: Shankhaiskaia organizatsiia sotrudnichestva teriaet dinamiku," 8 December, 2010, available at [<http://zavtra.ru/cgi/veil/data/zavtra/10/890/42.html>].

¹⁸ See: Ibidem.

¹⁹ See: Ibidem.

²⁰ Levan Jagarian, Interview to *Kommersant*, 3 June, 2010, available at [<http://www.kommersant.ru/doc/2398503>].

²¹ Muratbek Imanaliev, Interview to RIA Novosti, 3 June, 2010, available at [http://www.conventions.ru/view_news.php?id=277].

²² [<http://infoshos.ru/ru/print.php?idn=7453>].

probably by means of India and Pakistan. He claimed that it is good if states jointly oppose the threat to regional security. In this regard, he stated, “we believe that the time has come.”²³

Russia believes that India and Pakistan, which are currently observer states in the SCO, may explore the potential of the SCO and internationalize its image. Each country that is part of the Shanghai community, no matter what its status, could pump fresh blood into the Organization and promote its modernization. However, Lavrov did not mention Iran when he talked about expansion of the SCO, and this may have been because of the sanction issue regarding Iran.

The SCO has not closed its doors to Iran and continues to cooperate with it. Both sides necessitate cooperation through the Organization’s mechanism to ensure that Iran’s intentions are taken into consideration. Iran suggested hosting a meeting of the SCO member states’ energy ministers, it has participated in several undertakings of the SCO and expressed its intention to take part in military exercises of the Organization’s members.

The role of Iran is important to the region, its location is very strategic, and it is part of several regions, including the Caspian. Russia and Iran share the same Caspian basin, and Russia is always concerned about the countries it shares borders or regions with. Some Russian experts consider Iranian sanctions to be a common threat. Thus Russia applied its right to veto against any military operation in Iran. According to Dmitri Babichev, defeat of Iran’s army and military infrastructure would mean changes in the balance of power in such a strategic and important region, which would increase the role of the U.S. in the Persian Gulf and Caspian Sea.²⁴ The importance of the Caspian region is no doubt part of Russia’s international policy. Russia (the Soviet Union) and Iran (Persia) historically always cooperated regarding the situation around the Caspian. Russia has always considered this region to be an area of its control. The Soviet Union, and now Russia, has tried to avoid any conflict in the Caspian and has always been against any international intervention in Iran.

Russian State Duma Vice-Speaker Sergey Baburin at one time suggested designating real power to the SCO, regardless of whether it can or is willing to protect Iran from the West. His parliamentary colleague Vice-Speaker Vladimir Zhirinovskii stressed that if Iran wants to join SCO, it should be granted membership. Because “it may ameliorate the SCO and secure Iran itself.”²⁵ Iran acknowledges the importance of its proximity to Russia and both have commonality in regional policy. According to Iranian Foreign Minister Ali Akbar Salehi, “Iran is Russia’s most significant neighbor and opposes the U.S.’s strategic plan to surround Russia.”²⁶

At the 12th SCO meeting in China in 2012, the SCO stressed the need to adopt a diplomatic resolution against the Western nations’ determination to strike Iran because of its nuclear enrichment program and warned it that any aggression against Iran would have a catastrophic outcome for the world. According to the statement, any attempt to resolve the Iranian problem with force would be unacceptable and could lead to unpredictable circumstances that would threaten stability and security in the region and the entire world. The statement articulated concern about the situation developing in Iran and stressed that Iran was important for “security in the region.”²⁷

²³ “Russia Supports India’s Bid to Join the Shanghai Cooperation Organization—Russian Foreign Minister,” available at [http://indian.ruvr.ru/2013_10_02/Russia-India-SCO/], 2 October, 2013.

²⁴ See: D. Babichev, “Rasshirenie ShOS: pozvolit li vstuplenie v nee Irana izbezhat voyny s Izrailem?” [<http://azerros.ru/maintheme/3745-rasshirenie-shos-pozvolit-li-vstuplenie-v-nee-irana-izbezhat-voynu-s-izrailem.html>], 5 June, 2012.

²⁵ “Zhirinovskii predlaget priinat Iran v ShOS,” 11 October, 2007, available at [<http://xn--80aa2bkafhg.xn--p1ai/article.php?nid=22794&sq=19,22,289&crypt>].

²⁶ “Iran—poslednij rubezh Rossii pered NATO,” 28 July, 2011, available at [<http://russian.rt.com/inotv/2011-07-28/Iran---poslednij-rubezh-Rossii>].

²⁷ *Declaration of the Heads of State of the Member States of the Shanghai Cooperation Organization on Building a Region of Lasting Peace and Common Prosperity*, 7 June, 2012, available at [<http://www.sectsco.org/EN123/show.asp?id=442>], 7 June, 2012.

The Iranian Nuclear Program is causing concern not only in the U.S., Israel, and the EU, but also in China and Russia. During his meeting with President Ahmadinejad, Chinese Premier Wen Jiabao said that Beijing opposes any Middle Eastern nation seeking to acquire nuclear weapons.²⁸ Kirill Tanaev claims that Iran is enriching nuclear fuel not to satisfy its ambitions, but mainly to secure itself. “Of course no one in the region is happy to see Iran’s nuclear improvements, but we have to understand that hypothetical Iranian action toward enriching nuclear weapon is not just for satisfying its ambitions, rather to secure itself.” His suggested that the SCO continue cooperating with Iran to decrease the tension in the region. That could be a reason to “better secure regional interests.”²⁹

The SCO holds a reasonable and well-balanced position on international issues and is pursuing a very cautious policy, never giving analysts reason to treat it as a serious political, let alone military alliance. However, times have changed, and the SCO has changed along with them. The crisis in the Middle East, including that triggered by the Arab Spring, the Syrian conflict, the newly established so-called Islamic State of Iraq and Syria (ISIS), and withdrawal of U.S. troops from Afghanistan this year call for a major revision of the SCO’s approaches and prompted the Organization to step up its foreign policy efforts. Afghanistan’s situation remains unstable and may become even worse after withdrawal of the U.S. troops, which may raise many questions about security in the region. Iran, which has enormous experience in fighting regional terrorism, could share it to figure out the Afghan issue and strengthen security and stability in the region, which is an asset for the SCO.

The Value of Economic Cooperation with Iran

Iran could attract any organization or states with its natural resources and stable economy, which is not based only on exploiting its natural resources. Despite the economic sanctions, which harshly affected its economy, Iran is still considered one of the biggest economies in the region. However, the sanctions make it difficult for Iran to expand trade and business with many countries, including its traditional trade partners like South Korea, Japan, and the European Union. Despite its increased trade with Russia and China, Iran is seeking alternative and larger markets to cooperate with. China, which has the second largest economy in the world, is valued as Iran’s most important trade partner; India is another one. Iran does business with Russia, especially in the atomic power industry, transportation corridors, and military cooperation.

Iran and the SCO leaders exalt the importance of their economic cooperation, even after global financial and economic Crisis in 2008. On China’s initiative, the Shanghai Region examined the circumstances of the financial crisis and adopted several programs relating to trade and the economy. This initiative has turned the SCO away from the political vector to embrace the economic sphere. According to A. Yastremskiy, China wants equality on political and economic cooperation, but in the future economic strategy may take priority in the Organization.³⁰ Russia, in turn, found a positive solution to the global financial crisis and, according to Vladimir Putin, this crisis highlighted the loss

²⁸ [http://russian.china.org.cn/news/txt/2012-06/07/content_25586505.htm].

²⁹ “Doverie mezhdou ShOS i Iranom sposobno gorazdo luchshe snizit gradus napriazhennosti v regione nezheli zhestkie sanktsii,” 16 August, 2007, available at [http://www.toptj.com/m/news/2007/08/16/ekspert_doverie_mezhdou_shos_i_iranom_sposobno_gorazdo_luchshe_snizit_gradus_napriazhennosti_v_regione_nezheli_zhestkie_sankcii].

³⁰ See: A. Yastremskiy, “Politika Rossii po obespecheniiu bezopasnosti na postsovetском prostranstve,” Intelros journal club *Mir i politika*, No. 6, 2012, available at [<http://www.intelros.ru/readroom/mir-i-politika/m6-2012/14918-politika-rossii-po-obespecheniyu-bezopasnosti-na-postsovetском-prostranstve.html>].

of monopoly on the world's finances and policy of economic egoism.³¹ According to him, the world has entered into an important transition period in its development, where the main aim is to form multipolar financial and economic systems, which basically means strengthening the multipolar architecture of international relations.³² Considering these factors, Russia and China are ready to continue development and cooperation in the region. None of the SCO observer states are permanent yet, and the question is still open, which country is first and next.

Russian experts are also concerned about the relationship among the observer states—Iran, India, and Pakistan. However, despite the tension between the U.S. and Iran, neither India nor Pakistan have eased cooperation with Tehran. Instead, India and Pakistan are planning to implement a pipeline project with Iran. Pakistan is supporting this project for two reasons:

- first, it will help Islamabad to reaffirm its independent foreign policy from the U.S., and
- second, it has taken economic responsibility for the project and backing out of the project may cost it fines.

Relations between Iran and India are positive and, considering their development projects, they are on the upward trend rather than deteriorating. Such cooperation between observer states is an advantage for the SCO, which may become the biggest market organization in the future.

Some experts in Russia prefer the SCO to focus on economic cooperation rather than political. As Head of the Friendship and Cooperation Society of Russia and Iran Alexander Polishchuk stated, “the SCO has been created as the union which is not directed against any third world states, or any other states that are not part of this Organization. The SCO focuses on advancing mutual trust and economic cooperation in order to secure the region.”³³ His “secure” refers to securing the economy from recession, which is why the region has to cooperate and back up its business institutions in order to intensify development. Experts believe that Iran has the potential to enhance economic cooperation in the SCO, which is why it is keen to see Iran participating in all of its programs, including cultural, economic, and business forums. On the one hand, the participation of the Iranian delegation in such projects may create a platform, while on the other hand, it provides an opportunity for Russian companies to find various projects to invest in Iran. Russian companies have found it difficult to invest in Iran because of the international sanctions, problems with bank transactions, etc. According to Vladimir Onishchenko, many companies are aware of Iran's rich potential, however they lack detailed investment information about it. Therefore, “most Russian companies and private businessmen contact the Embassy or Trade Mission to obtain relevant information, and that is why the SCO is a white spot for resolving this problem.”³⁴ Engaging in trade and business through the SCO can save time for business groups and motivate companies to consolidate their interest in order to benefit from the cooperation.

In 2008, at the SCO summit in Astana, Russian experts were expecting President Putin to construct Russia's “new pragmatic line” toward Iran in order to restore Iran's positions in world politics and begin to draw the Islamic Republic into economic integration through the SCO. A. Kniazev stressed that the SCO's potential was not being realized nor its policies being implemented. According to him, we have seen no real achievements so far. The SCO must start implementing its projects (at least), because it has everything to achieve.³⁵

³¹ [<http://www.ereport.ru/articles/ecunions/sco.htm>].

³² See: “Shankhaiskiy chas,” available at [<http://www.rg.ru/2008/10/31/putin.html>].

³³ “Rol Irana v ShOS neuklonno vozrastaet,” 12 November, 2011, available at [<http://russian.irib.ir/analitika/reportazh/item/136909>].

³⁴ Vladimir Onishchenko, Interview (see: *ibidem*).

³⁵ See: A. Kniazev, *New World Reality and the SCO as a Geopolitical and Geo-economic Phenomenon: Problems, Functionality and Historical Chance*, Kniazev Foundation, Moscow, 2009.

It is still not clear where the SCO is targeting its regional and global policy. During the George W. Bush Administration, the U.S. profiled its way of cooperating with the SCO, however it did not find support from the Organization itself. American and European experts reacted negatively to this rejection, stating that the SCO has an anti-American and anti-European policy. However, the SCO's willingness to accept Turkey as a full-member casts doubt on this hypothesis.

Nevertheless, there are groups of experts who look skeptically on Turkey as a full member. For example, expert I. Shevyrev is skeptical about Turkey's intention and urges the Organization not to share "access to some secret materials." According to him, Turkey is of interest to the region, which is in Russia's scope of influence. In addition, Turkey may take advantage of the fact that it shares the same religion and traditions with most of Central Asians, which may decrease Russia's influence on the region. According to Shevyrev, Russia should remember the historical rivalry between Turkey and Iran, which periodically turned into conflict and may in the future cause confrontation in the region. He stressed that, considering the above-mentioned factors, the U.S. could use them to destabilize region and dissolve the Organization.³⁶

Turkey, which has been having difficulty negotiating for EU membership for 30 years, is seeking an alternative market for its exports, and relies on energy from several members of the SCO. The Chinese, Russian, Indian, Iranian, and Central Asian markets attract any country, including Turkey, which could boost its economy. In addition, Turkey has already faced problems on its borders with Syria and Iraq and, considering all the above factors, it might be very difficult and absolutely unnecessary for Turkey to be in confrontation with the Shanghai region.

Turkish-Iranian relations are stable. Despite the sanctions, Turkey continues importing oil from Iran. Iran continues a dialog with Turkey and other NATO allies on the Syria issue, although Iran was not invited to the January 2014 meeting.

A Russia-China-India-Iran-Pakistan-Turkey economic trade union might surpass any other trade union. And in this scenario Iran's membership could help Russia to realize the idea of a so-called Gas OPEC in order to strengthen its position in the global energy market. According to Iranian First Vice President Muhammad Reza Rahimi, without Iran's participation, it will be impossible to implement many of the SCO's joint projects, including cargo transportation. Iran is seeking opportunities to extend its trade borders, especially after the successful agreement with the Six Powers in Geneva in January 2014, which enabled Iran to partially restore cooperation with several EU states, as well as other former trade partners. Russian expert Rajab Safarov advises Iran not to rely on SCO membership but to engage in bilateral cooperation with each of them. Because "being out of the SCO provides Iran with an opportunity to freely trade with any region and any states,"³⁷ regardless of SCO priorities.

Iran is historically linked with the region, and it shares borders with most of the member states. Afghanistan, which may attract international focus on its internal situation after 2014, is an observer state of the SCO and shares very long border with Iran. Afghanistan considers Iran to be an important trade partner. What is more, Iran shelters millions of Afghan refugees and migrants in its territory and plays a key role in peace process in this neighboring country. Many Afghans and Iranians share the same language, which enables refugees and migrants to work and live comfortably and consider Iran their homeland. Apart from Afghanistan, Iran shares close ties with other SCO member states, such as Tajikistan. Iran and Russia both played a key role in bringing peace to Tajikistan. Tajik political expert Dr. Saifullo Safarov considers Iran's intention to join the Organization very positive. Accord-

³⁶ See: I. Shevyrev, "ShOS: put cherez desiatiletia," 15 November, 2011, available at [<http://www.proza.ru/2011/11/17/194>].

³⁷ R. Safarov, op. cit.

ing to him, Tajikistan must use all its diplomatic support, including its strategic partnership with Russia, in order to ensure Iran becomes a member of the SCO, because it could help to strengthen stability in the region.

Conclusion

The issue of SCO expansion has been discussed since 2005, and the Organization itself was expanded by Uzbekistan in 2001. Unfortunately many countries are on the waiting list, which has a very negative effect on the Organization's policy.

On the one hand, the SCO is interested in extending its borders further to Asia and then the Middle East, where Iran could act as a bridge improving their transportation infrastructure. Besides, along with Iran, the Shanghai region could control almost 30% of the global oil resources.

However, despite its impressive years of existence, the conceptual aims of the SCO are still unclear. The Organization could consider various ways to expand, via a direct expansion process, starting with countries like Mongolia, and see how this process proceeds. Other option is to expand the number of observer states and dialog partners. Nevertheless, any of the above options could still postpone the Iran's issue. However, Iran should continue to cooperate with the SCO and its partner states, such cooperation would be beneficial to the region. It is important for the region to strengthen stability, especially in view of post-2014 Afghanistan. The SCO will face a challenge and has to play a prominent role in sensitive stability issues as mentioned above. Iran, with its traditional influence on Afghanistan, could coordinate with the region via the SCO framework to deal with this issue. Iran could be a mediator in the Afghan issue with its excellent track record (eg. The Tajikistan Peace Process). However, having suffered from different radical religious groups, the region might feel anxious about Iran's domestic political situation and existing theocracy. Despite such circumstances, Iran continues cooperating and initiating positive and beneficial collaboration with the Organization and its member states.

As for the sanctions against Iran, since the new Rouhani administration came to power, Iran has achieved some success in the six plus one talks, at least it has agreed to decrease its uranium enrichment in exchange for lightening of the sanctions, although not their total lifting. As mentioned above, Russia and Iran have more in common, including sanctions, which were launched on Russia due to the events in Ukraine. Both countries are concerned about the situation around Iraq involving the newly growing so-called ISIS. Iran cooperates with Russia in many aspects, and it seems like Russia needs Iran to join the SCO, not only because of its rich natural resources, but also to mediate the never-ending squabbles among the Central Asian states, as well as the threats of spill-over in ethnic violence, including extremism, emanating from Afghanistan. Unlike other observer states, such as India or Pakistan, Iran's membership will not complicate inter-SCO dynamics, because Iran has good political and trade relations with both China and Russia, which are the Organization's main actors.