

Comment by Michael C H Jones

Does the SCO mean anything for Australia? Is the geo-strategic rivalries of North Asia relevant for this nation's security beyond any possible clash between the Great Powers, particularly the USA and PRC? The economic interests of the "stans" or indeed Russia, India and Iran are not directly important for our global economic relations.

Yet the SCO, Shanghai Cooperation Organisation, was established for a purpose in 1996. China was looking West in its historic concern for security across the land mass of Central Asia. Russia trying to recover from the breakup of the Soviet Union wished to maintain its influence in the region. The "stans" either Members or Observers wish to balance the appetites of the major powers in regular dialogue. The USA and EU continue to meddle given the opportunities provided by interventions by the US in Iraq and by NATO in Afghanistan. Membership by India, which has applied, remains pivotal for the immediate success of the SCO, whilst rumoured discussions for the extension of Observer status to the Korea(s) and Japan is not surprising. What full membership by Iran, given Israeli, US and EU concerns, would do for SCO is a breath-taking contemplation.

The bottom line is that the SCO could disappear without trace over the next decade as Russia pursues its Eurasia ambitions with the EU/Germany. China would then come to different arrangements. But if full membership of the SCO is extended to India, Iran, Pakistan, Afghanistan and Mongolia with other countries such as South Korea and Japan in the East, Bangladesh in the South and perhaps Turkey in the West being official Observers, then we have a new "ball-game" moving into the mid 21st century. For the first time in history North-South-Central-East-West Asia are regularly talking exclusively in the same forum. In that situation, USA, EU, ASEAN and the rest including Australia, "you have a problem". In a world of flux leading to fundamental transitions in geo-economic power, anything is possible even if at this point in time highly unlikely. However risk management is about contemplating the unlikely.

Recently the USA has pivoted from its traditional Atlantic-Western Europe focus, to the Pacific based on Japan and Australia with continuing arrangements in South Korea, Taiwan and a number of ASEAN countries. It is a maritime strategy. China on the other hand for all sorts of reasons has over the last decade emphasised western development from Chongqing, Chengdu and Xi'an. The Economies of Central Asia are being rapidly transformed in part due to energy resource considerations. Just as China seeks to challenge the US in the China Seas, the US is determined to derail any Chinese inspired cooperation/unity north of India.

The games are fun to watch. The US supports India but not Brazil for permanent membership of the UN Security Council, whereas China supports Brazil and not India. Putin declines to attend the recent G8 in Washington and Obama says he will not be present at the Vladivostok APEC meeting in September. China grants New Zealand agricultural concessions in a FTA signed years ago, but continues to drag its feet in long-lasting Australia China FTA negotiations. The US gives Australia "consideration" concerning legal action in its Australia-USA FTA but denies its extension in the latest Trans Pacific Partnership negotiations for additional membership. "Communist" countries Vietnam and China are treated differently. Australia hunts with the military hound and runs with the trade hare. These questions are definitely material for Tony Jones and his ABC "Q&A". Hu Jintao will soon be retiring as will Julia Gillard and both no doubt would welcome guest appearances.