CHINA'S PARTICIPATION IN THE SHANGHAI COOPERATION ORGANIZATION (SCO): A THREAT PERCEPTION ANALYSIS

ATAMA NAVACIONO

THESIS SUBMITTED IN PARTIAL FULFILMENT FOR THE DEGREE OF MASTERS OF SOCIAL SCIENCE IN STRATEGY AND DIPLOMACY

FACULTY OF SOCIAL SCIENCES AND HUMANITIES
UNIVERSITI KEBANGSAAN MALAYSIA
BANGI

2011
DECLARATION

I hereby declare that the work in this thesis is my own except for quotations and summaries which have been duly acknowledged.

29 April 2011

ATAMA NAVACION

P55427
ACKNOWLEDGEMENT

First and foremost, I would like to express my heartfelt gratitude to the Permanent Secretary from the Ministry of Foreign Affairs, International Cooperation and External Trade of Fiji Islands, Mr Solo Mara for allowing me to pursue this Masters Programme. The same goes to the responsible officials, professors and lecturers from the Institute of Diplomacy and Foreign Relations (IDFR) Malaysia, National University of Malaysia (Universiti Kebangsaan Malaysia - UKM) and the Colombo Plan Secretariat for their educational, financial and administrative support to me in the course of this M.A Programme which enabled me to conduct this project.

I am particularly grateful to my supervisor Dr. Cheng Chwee Kuik for his valuable guidance and encouragement. I am deeply thankful to Dr. Ravichandran, Programme Coordinator of UKM for his kind and precious assistance rendered to me. My thanks are also due to the professors and lecturers of the esteem Faculty of Social Sciences and Humanities and the Faculty's office staff members for their kind assistance. Furthermore, I am thankful to the Director General of the IDFR, for his moral support and advice to all of us. My sincere gratitude goes to the officials of the Training Division of the IDFR, Programme Coordinator in particular his team for their friendly support and arrangements throughout my study.

I am also thankful to the High Commissioner of the Fiji Mission in Kuala Lumpur particularly First Secretary Ms Vani Samuwai from the mission for their kind support.

I would like to express my appreciation to the librarians and staff members of the resourceful libraries of the IDFR and UKM for their kind support.

I thank my family, especially my parents for their continued moral support and encouragement though far apart.

Finally, I would like to express my thanks to my fellow classmates for their encouragement and assistance throughout my study.
This paper analyses factors that cause China to participate actively in the Shanghai Cooperation Organization (SCO). One of the many reasons is because of threat perception. China perceives threat both internally and externally. Also it has vested interest in Central Asia through the Shanghai Cooperation Organization. Through this paper I will be highlighting China's perception of threat and how it balances these threats both domestically and externally. Through balancing these threats it will look at relations between China, Russia and the United States in the region. Current researches not only has little to say about China's motivation to participate, but also little regarding the level of its participation in or support for regional security institutions such as the SCO. To explain why China's post-cold war participation in regional multilateral security institutions varies, this paper argues that threat perception helps explain China's conditions for participating at the Shanghai Cooperation Organization. There are useful variables that can explain China's behavior with respect to the Shanghai Cooperation Organization.
CONTENTS

DECLARATION II
ACKNOWLEDGEMENT III
ABSTRACT IV
ABSTRAK V
CONTENTS VI

CHAPTER 1 INTRODUCTION

1.1 Background 1
1.2 Research Question 3
1.3 Problem Statement 4
1.4 Research Objectives 5
1.5 Literature Review 6
1.6 Conceptual Framework 11
1.7 Framework 14
1.8 Hypothesis 14
1.9 Methodology 17
1.10 Scope 19
1.11 Significance 19
1.12 Limitation 21
1.13 Brief Outline of Chapters 22
CHAPTER 2  HISTORY AND EVOLUTION OF CHINA'S INTEREST IN CENTRAL ASIA UNTIL THE END OF COLD WAR

2.1 Introduction 23

2.2 The Cold War 24

2.2.1 Sino Soviet Relations (1949-1969) 25

2.2.2 Territorial Controversy 28

2.2.3 Sino-US Alignment (1970-1989) 30

2.2.4 President Nixon's Administration 31

2.2.5 President George Bush's Administration 32

2.3 The Central Asian States 33

2.4 China and the Central Asian States 35

2.4.1 Economic Ties 37

2.5 Conclusion 39

CHAPTER 3  CHINA'S INITIATIVE BEFORE AND AFTER SHANGHAI FIVE

3.1 Introduction 41

3.2 The Evolution of the Shanghai Five 43

3.3 The Period from 1989 to 1996 47

3.4 The Period from 1997 to 2001 53

3.4.1 Chinese Elites Changing Threat Perception 56

3.5 Conclusion 58
## CHAPTER 4

**CHINA'S PARTICIPATION IN THE SHANGHAI COOPERATION ORGANIZATION (SCO)**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Introduction</td>
<td>60</td>
</tr>
<tr>
<td>4.2</td>
<td>Transformation from Shanghai Five to SCO</td>
<td>63</td>
</tr>
<tr>
<td>4.3</td>
<td>The Shanghai Spirit and SCO</td>
<td>65</td>
</tr>
<tr>
<td>4.3.1</td>
<td>Chinese Perception of Threat</td>
<td>68</td>
</tr>
<tr>
<td>4.3.2</td>
<td>Chinese Economic Interest</td>
<td>70</td>
</tr>
<tr>
<td>4.4</td>
<td>Chinese Aspirations for Regional Cooperation in SCO</td>
<td>72</td>
</tr>
<tr>
<td>4.4.1</td>
<td>The SCO: Sino-Russian Relations in Central Asia</td>
<td>74</td>
</tr>
<tr>
<td>4.4.2</td>
<td>The SCO: Sino-US Relations in Central Asia</td>
<td>76</td>
</tr>
<tr>
<td>4.4.3</td>
<td>China Opposed to the US Military Presence in Central Asia</td>
<td>78</td>
</tr>
<tr>
<td>4.4.5</td>
<td>Institutionalizing the SCO</td>
<td>80</td>
</tr>
<tr>
<td>4.5</td>
<td>Conclusion</td>
<td>83</td>
</tr>
</tbody>
</table>

## CHAPTER 5

**CONCLUSION**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Overview</td>
<td>85</td>
</tr>
<tr>
<td>5.2</td>
<td>Main Findings</td>
<td>88</td>
</tr>
<tr>
<td>5.3</td>
<td>Theoretical Implication</td>
<td>91</td>
</tr>
<tr>
<td>5.4</td>
<td>Suggestion for Future Research</td>
<td>92</td>
</tr>
</tbody>
</table>