

# INFO SCO

2009 May №1



Event of the Year  
SCO Summit

Investment as an  
Anti-Crisis  
Instrument /16/

In the Forefront of Fight with  
the “Three Malign Forces” /23/

Youth Wing Has Joined  
the Shanghai Cooperation  
Organization /32/

Children Paint Fairy Tales /60/

**Dmitry  
MEDVEDEV**

“Russia Suggests That Priority  
Should Be To Consolidate Peace  
And Security...”







# Tea Route

The Route of Tourism  
and Cooperation

Travel on the Road, Paved by  
the Russian Tea-Merchants from  
China to Europe!



Dear friends!

You are keeping in hand a unique publication able not only arouse a keen interest, but also become a document of its time.

The InfoSCO journal is an offering to the Shanghai Cooperation Organization summit. It was initiated and prepared by the Russian journalists in the partnership with their colleagues from other SCO countries. The main advantage of this publication is a bright thematic palette providing nutriment to the mind and joy to the heart, and, certainly, obvious inspiration of the writing team that worked at this issue.

The journal is entirely dedicated to SCO, its success and problems, values and ideals, as well as concrete projects. You will find here answers to many SCO-related questions, get an idea about the Organization, whose activity is noble in essence and so necessary by its sense, because there is nothing more valuable in the vast expanses of the human civilization, than peoples' and states' respect of each other, honest and open dialogue, even in difficult questions, mutual aid in dramatic situations, equal cooperation. As a matter of fact, this is just the "formula of peace" on the Earth, the Shanghai Cooperation Organization does its best to realize in its activity.

I hope the journal will justify Your hopes.

Bolat Nurgaliev  
The Shanghai Cooperation Organization  
Secretary-General





## THE PRESIDENT OF RUSSIA DMITRY MEDVEDEV:

“THE SHANGHAI COOPERATION  
ORGANIZATION  
HAS ALREADY REALLY BECOME  
AN AUTHORITATIVE FORCE”



June 15-16  
2009  
Yekaterinburg

# SCO SUMMIT

Russia is actively working with various international organizations, and one of them is the Shanghai Cooperation Organization. Its potential grows from year to year. This shows up in strengthening of our cooperation in various projects, and in a number of states wishing to join SCO. Today it is considered, so long as it is able to draw up not only recommendations, but also real solutions.

In 2008-2009 Russia's presidency of SCO has taken place. We have tried to fulfill such a high mission with all responsibility and soundness. We have elaborated proposals for the further development of cooperation in the SCO. We are hoping that our initiatives, made with due account of the interests of all member countries, will be received positively and be supported by them.

Russia suggests that priority for the SCO member countries should be to consolidate peace and security in the SCO space. It will be recalled that one of the key motives for the SCO creation was per-

ception of necessity for coordination of efforts in strengthening of regional security and stability. In course of time this task's urgency has just increased. Our region is not the easiest one and we can not set aside surrounding realities that require cooperation in all kinds of questions, naturally including maintenance of our states' security and defense on a collective basis. We do and will proceed from the fact that achieving solutions of the most burning problems must be carried out on the basis of compliance with the rules of International Law and renunciation of confrontational block mentality. In addition, SCO has never undertaken the function of a counterbalance to NATO. NATO is a military block, and SCO is an organization that acts in its unique format. It has different functions and a different field of activity.

Nevertheless, the Shanghai Cooperation Organization must in accordance with the constituent documents help its member states to solve questions of security as-

insurance, protection from the most difficult, heaviest threats of today, such as terrorism, narco-crime, other threats and challenges, our states are now facing.

A special heightened attention is given to struggle against drug trafficking that became one of the main sources of the replenishment of terrorist activities. Russia suggests developing the SCO joint actions strategy and program in struggle against drug trafficking. The mechanism of activity coordination of the counter-drugs services of ministries of home affairs and public security of the SCO member states is launched; in this field we will work together with Afghanistan, counteracting to drug trafficking and other threats.

Economic cooperation also ranks among the most important and established areas of the Shanghai Organization activity. Our actions in this sphere must take into account both this organization's specificity and general trends of economic development. To our opinion, it would be wise to focus on so-

called project activities, including those with the participation of big business, on development of direct ties between entrepreneurs while enhancing the authority of the SCO Business Council and Interbank Consortium.

The following areas of cooperation seem to be promising: enhancement of ground infrastructure, establishment of trans-continental routes, strengthening business connections between energy companies of our countries, expansion of interbank cooperation in financing so-called venture or other projects, proliferation of goods and modern information technologies.

I think that we can do much to activate all kinds of projects to be implemented within the framework of the Shanghai organization. We have got several large energy projects, and we can well arrange for new areas of cooperation, including that in the energy sector. I also mean energy resources market and their further processing. Within bilateral and multilateral

cooperation with involvement of all SCO's potential we have possibilities for development of large energy projects. I am sure that they will be actual.

We believe that deepening humanitarian ties, cooperation in education and health care, youth and cultural exchanges are also of importance for SCO. Many projects, such as creation of the SCO University, establishment of a youth association, cooperation in the sphere of sanitation, infectious diseases prevention and epidemic control not only meet the SCO member states' interests, but also can be attractive for the observer states.

The Shanghai Cooperation Organization has already really transformed into an authoritative force; it is necessary to continue to use its increased potential in solving actual challenges of the present, tighten links with other international associations acting for our nations' good.

## CONTENTS

<b>4</b>	<b>DMITRY MEDVEDEV:</b> The Shanghai Cooperation Organization Has Already Really Become An Authoritative Force
<b>7</b>	<b>ANATOLY KOROLEV</b> Yekaterinburg. Capital of SCO Summit-2009. The City. The Energy
<b>10</b>	<b>State Leaders about the SCO</b>
<b>12</b>	<b>SERGEY LAVROV</b> Interview of Russian Minister of Foreign Affairs
<b>15</b>	<b>ILYA KRAMNIK</b> SCO Ministers of Defense Intend to Strengthen Cooperation
<b>16</b>	<b>MAXIM KRANS</b> Investment as an Anti-Crisis Instrument
<b>18</b>	<b>ANDREY VASILIEV</b> A Border that Unites
<b>20</b>	<b>BOLAT NURGALIEV</b> The Organization is Developing Persistently and Steadily
<b>23</b>	<b>PETR GONCHAROV</b> Afghanistan. Barack Obama Could Not Do without SCO
<b>24</b>	<b>ANDREI FEDIASHIN</b> SCO through the Eyes of America and Europe
<b>26</b>	<b>LEONID MOISEEV</b> SCO Has Already Taken Its Place in World Architectonics
<b>28</b>	<b>MYRZAKAN SUBANOV</b> In the Forefront of Fight with the "Three Malign Forces"
<b>31</b>	<b>ALEXANDER VOLKOV</b> Does Globalization Have New Leaders?
<b>32</b>	<b>TATIANA SINITSYNA</b> Youth Wing Has Joined the Shanghai Cooperation Organization
<b>34</b>	<b>PETR GONCHAROV</b> The Caspian Requires Regional Cooperation
<b>35</b>	<b>NATALIA ZADEREI</b> "Far Eastern Dimension" of SCO
<b>36</b>	<b>PAN GUANG</b> What the "Shangain spirit" is?
<b>38</b>	<b>ANDREY KISLIAKOV</b> A Turnpike for the Cooperation: Motion Speed - Light Speed
<b>39</b>	<b>TATIANA SINITSYNA</b> The Russian Atom in India: It is for a Long Time
<b>40</b>	<b>ANDREY OSTROVSKY</b> China will make external economic ties with the SCO countries
<b>42</b>	<b>MAXIM KRANS</b> Oil and Gas Resources of SCO: How to Use in a Reasonable Way?
<b>44</b>	<b>MAXIM KRANS</b> Risks Are Mounting, But the Shanghai Six Insures Them
<b>46</b>	<b>DENIS TURIN</b> New Paradigm of Internet
<b>48</b>	<b>ALEKSEY MASLOV</b> University Unique in the World
<b>51</b>	<b>ALISHER FAIZ</b> Tashkent's spirit and embedded codes
<b>54</b>	<b>ALEKSEY SMIRNOV</b> "Second Spring" of the Russian Language in the Celestial Empire
<b>56</b>	<b>VLADIMIR MATVEYEV</b> SCO Can Form Its Eurasian "Gas OPEC"
<b>60</b>	<b>YULIA KUZNETSOVA</b> Children Paint Fairy Tales



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# YEKATERINBURG

## Capital of SCO Summit-2009

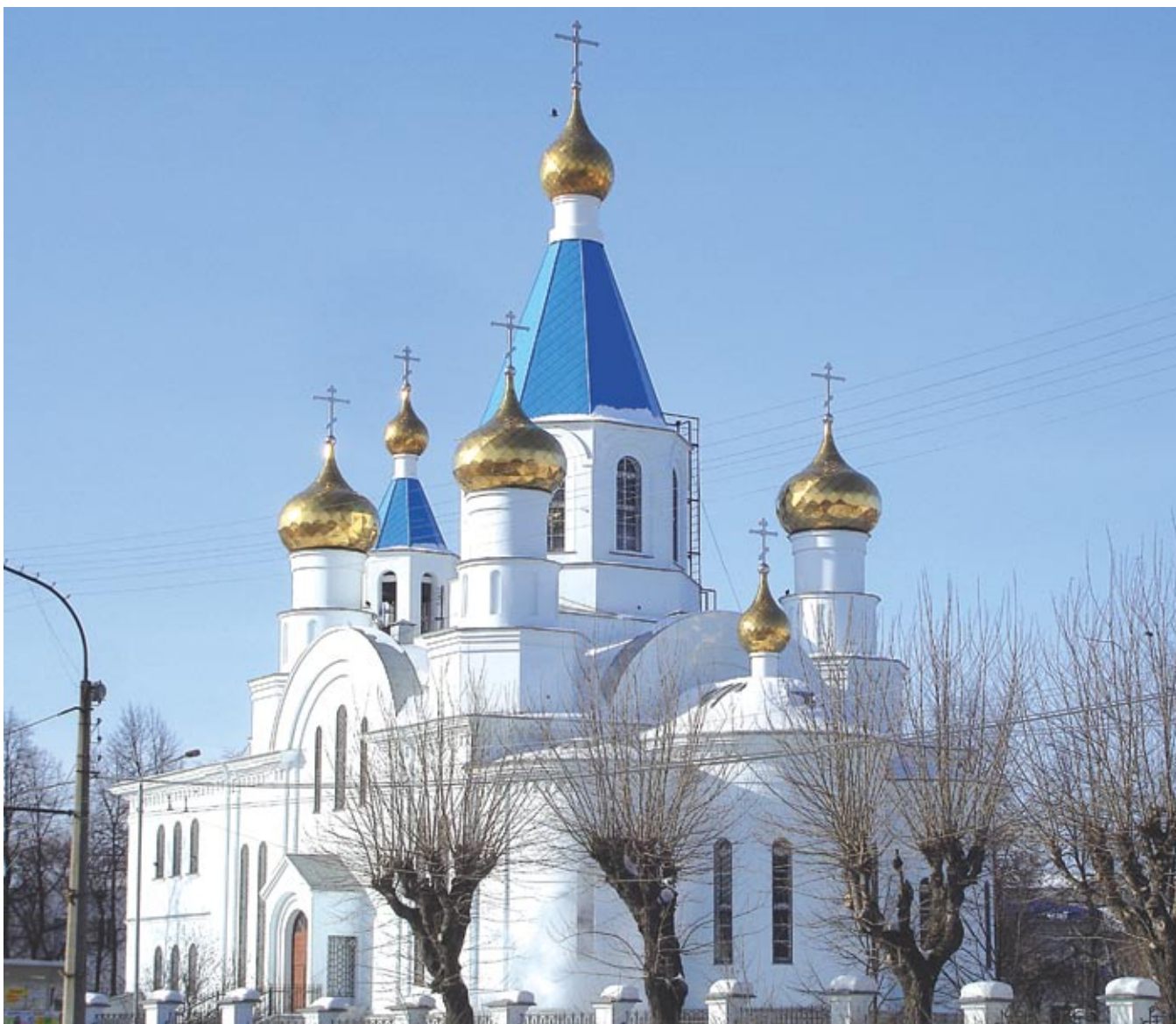
### The City. The Energy.

I have not been to my native land for 27 years. And now the train "Russia" (Moscow-Vladivostok) starts braking at the platform... I am already standing in the vestibule to be the first to get out of the coach. On the pediment of the station-house there are twelve scarlet neon letters of a man's height: YEKATERINBURG. It's only five minutes stop. The unfriendly damp night embraces me. For another ten minutes I am running in the rain to the station hotel with a room reserved.

The morning's here, I withdraw the curtain. It shines. Not a cloud in the sky. But what a view! From a height of the tenth floor I see a view of... Hong Kong. Can it really be Sverdlovsk!? High-rise modern buildings. Avenues. Streams of cars. Marble-golden palace of Temple on blood in honor of all saints, in commemoration of the Emperor Nikolai II and his family. Everything is new and shining as if created miraculously...

In front of me - one of the most dynamic cities of the modern Russia, "the heart of Ural", powerful bundle of urbanist energy on the Euroasian boundary and, finally - the capital of the forthcoming June Summit-2009 of the Shanghai Cooperation Organization.





I was born here in the distant postwar year, and then my family moved to suburb, in the mining town of Degtyarka, where my father, a mining engineer, obtained a flat. Having lived three years among waste banks and mines, we moved to Molotov. Today these two cities of my childhood, Sverdlovsk and Molotov, do not exist on the map: they were given their original names - Yekaterinburg and Perm. But however the life "twists", I have always loved both cities, jealously treating each other and perfecting themselves in this competitive passion.

It is clear today that it is just the competitiveness between the two strong centers of Ural that eventually partly gave rise to the phenomenon of Yekaterinburg. Both cities were outlined on the map of Russia for Yekaterina I by the same person - the energetic noble officer and manufacturer, Earl Tatischev. And it happened the same year - in 1723. In Perm and Yekaterinburg there are monuments to Vasily Tatischev as the city's founder.

But if the location of Perm was chosen comparatively easy (the left bank of the mighty Kama where the Yegoshikha river meets the Kama), then to locate a position for Yekaterinburg was much more difficult, there were no outstanding sticking points to

do it. A proper respect should be given the founder's intuition that could see the outline of future megalopolis in the depths of the forest along the forest Iset river.

Here! We will build stronghold walls, set up a dam and... start the course of history. The geographical point on the map was turned into an industrial community by Lieutenant General Villim de Gennin, Ural factories manager, favorite of Peter the First, Dutchman on Russian service. It was he that named the town after Peter's wife, Empress Yekaterina - Yekaterinburg.

At first Perm gained the lead. A town of Gogol's bureaucrats grew around the governor with drums beating. But Yekaterinburg showed its own customs at once. If Perm was the last outpost of Russia, then Yekaterinburg became the first Russian city in Asia, some sort of a cowboy capital of Wild West. Yekaterinburg issued a challenge not to Moscow, not to Siberian spaciousness, not to Tatar tents, not to Mongolian tilt carts, but directed its passionate goals straight to the Chinese Wall of the Celestial Empire, to the faraway golden Beijing.

The young Yekaterinburg strengthened its forces in the Russian expanses in different ways, both legal and illegal ones, up to underground coining money. And eventually

savage spirit of the pagan forest, multiplied by immoderate range and grip of manufacturers, became so strong, that it exceeded the limits of a chief town of a district of the Perm province, where it was officially included.

To the beginning of the XX century Yekaterinburg's intellectual leadership in the Urals became irrevocable. It is here that Pavel Bazhov's talent matured. His tales - "Malachite box" - formed the Urals' spirit. It was a heroic deed, quite comparable with Homer's exploit, who saw at once the antique world from a height of a galley on the crest of the sea wave.

Bazhov shaped the primitive Ural folklore into epos. Mountains and people received a myth about a willful mistress of a Copper mountain that wears a malachite dress and lives in spacious underground halls. The great racer is obedient to her; copper lizards, bewitched stone cutters and other mountain forces serve her. The Mistress' suite became blue snakes, goats with golden hoofs, old women and other many-colored miracles. A Mistress is appointed from above to guard natural wealth. The mere fact of the Ural epos creation is unique. Times of "Nibelung", "Kalevala", "Elder Edda" creation had long ago passed into oblivion. And



suddenly - such a powerful spiritual energy at an early age of the Russian capitalism formation.

In part just that very root blind force concentrated in Yekaterinburg drew a line under the last Russian Emperor's life. He had much wandered, travelled guarded across the Russian land and Siberia, and only in Yekaterinburg were found braves-murderers that committed a deep sin. Negative energy is energy too. The same fatal 1918 the Ural Council of Workers' and Peasants' Deputies acted at its own risk.

Later the Urals' energy sector put the first President of Russia Boris Yeltsin on the podium of History. This kind of a man could probably be brought up only on the Ural ground.

majority of cases. In the provinces there are simply no forces for competitive breakthrough. And there now! Just Yekaterinburg could give birth to its own voice and drive, which simply crushed capital groups of those times. In early 80th the "Nautilus Pompilius" group had no peers in our country. But besides "Nautilus" another two powerful rock groups started in Sverdlovsk - "Agatha Christie" and "Chaif" ...

Perestroika of 90th and Russia's return to capitalist development inspired the city with triple energy. Capitalism for the Urals is its own sphere. The Uralians took to like a duck to water! Yekaterinburg turned out to be able not only gain evolutionary impetus from Moscow, but also develop it to methodical

of this city as capital of SCO Summit-2009 is a happy choice. Firstly, it is a city directed toward the East, twin city of the Chinese Guangzhou, worthy partner of the Central Asian states. Within the framework of the "In search of an ideal city" international project Yekaterinburg enters the top of the most dynamic cities of the world. Its powerful industry is headed by the giants such as "VIZ-Steel" and "Uralkhimmash" that approximately 24 thousand small-scale enterprises had joined.

It is a city of brain and energy where new outlines of the City consisting of four skyscrapers have been already appeared: the "Ural" tower (higher than the Eiffel Tower), the "Iset" tower and two more giants -



Inside him, like a spring, was contracted a bearded pathfinders' force, tractive power of string of sledges bringing Uralian guns to the capital city. Yeltsin was just one of these leaders ready for duels with vicissitudes on their way. Being partly a seer, insomniac bear, man the helm, provincial leader, he clothed himself in the mantle of Caesar the reformer, broke the Soviet power, stopped the counter-revolution, and assumed the responsibility for the transforming Russia. In this might of spirit, in high-energy mixing of contradictions I see just that Uralian character.

Another resident of Sverdlovsk also became a cult personality - the legendary rocker Viacheslav Butusov, the "Nautilus Pompilius" group leader. Russia is a monocentric state. Moscow or Petersburg can be a place of birth of a new kind of art in the

offensive.

A renovated with great violence city unfolded before my eyes. Preparing for SCO Summit Yekaterinburg changed into a big construction site, surprising not only by its scale, but also by civility of the process.

I wandered in the center, as if I was not born here. I did not recognize the Vainer street: it was now a building workshop with a crowd of people walking through it. And the Institute of culture, where I, as a capital writer, was invited for a meeting with students, amazed by abundance of nice young faces. The institute was buzzing as a beauty production machine, rehearsals were held on each floor, people were juggling with maces, riding on wheels, reciting poetry, marching in gym, learning their parts, trying on costumes, playing the guitar ...

One can not help remarking that selection

"Tatischev" and "Gennin".

... Half an hour's run from Yekaterinburg, at the side of the motorway there is a steel obelisk, designating a geographical point of the border between Europe and Asia. The monument is surrounded by a gloomy fir forest, where all nearest spruces are densely covered with thousand of colored ribbons. In such a way people of the XXI century like heathens surround this place, which has, as is thought, a magic force, with their spiritual secrets, various personal requests and lurking hopes. Standing in the middle of this sacral heathen temple, I involuntarily thought how much of unspent force and strong faith in its fortune the Yekaterinburg land still has, and how great its rise to light of new times will be...

Anatoly KOROLEV  
writer, member of the Russian PEN Club

# State Leaders about the SCO



## Kurmanbek Bakiev the President of Kyrgyzstan:

"The creation... of the Shanghai Cooperation Organization can be rated without exaggeration among the key international events of the beginning of the 21st century not only on a regional, but also on a global basis. That is why from the date of our Organization foundation it has been continually within sight of the world community that recognized in SCO one of the most perspective multilateral associations of modern times having high political and trade and economic potential.

In relationship with the Shanghai Cooperation Organization partners the Kyrgyzstan side proceeds from the fact that SCO is a unique multilateral association, whose main objectives include regional security and stability maintenance. Moreover, it is an important and effective instrument for strengthening of trust, friendship and neighborliness, strengthening of versatile cooperation between the region countries in the political, trade and economic, as well as cultural and humanitarian fields. The Kyrgyz Republic maintains the attitude that just economic cooperation should become in time a cementing factor in the cause of this Organization consolidation."

"Kyrgyzstan attaches exceptional importance to strengthening cooperation within the framework of the Shanghai Cooperation Organization and is profoundly interested in active coopera-

tion in this area with all the Organization member states. And we consider it imperative to ensure not only a new contribution, but also continuity of the Organization work. It is obvious that such an approach will make it possible to substantially increase the positive capital accumulated by SCO over recent years."

"I think that the Shanghai Cooperation Organization has a great future. In consequence of modern challenges, the SCO activity has begun to increase and now it covers not only security issues, but also trade and economic, as well as cultural and humanitarian fields. SCO is distinguished by principles of its functioning and cooperation between its members, based on the "Shanghai Spirit", consensus, and equal partnership."

## Emomali Rahmon the President of Tajikistan:

"The past years have confirmed the vital importance and need for the Shanghai Cooperation Organization appearance. It was to some extent the region countries' response to global changes occurred in the world. As noted in the Declaration on the Creation of the Shanghai Cooperation Organization, this fact corresponds to the tendencies of the modern age, this region's realities, and cardinal interests of all the nations of the organization.

Over a short period by historic measures the organization has become a considerable factor of regional and

global policy, having a positive impact on the world processes development.

Its agenda is formed not only by vital but also long-term strategic interests of the SCO member states. SCO has become an entirely new mechanism of international cooperation in matters of counteraction to modern threats, intensification of political, economic and cultural ties. Today this organization in fact unites the countries being the half of mankind, a huge economic potential, including considerable world reserves of energy resources, as well as representing different civilizations and cultures."

"New type of intergovernmental relations in the SCO area is fully free of cold war mentality. This new security conception is the base of the Organization creation..."

Neither Russia nor China and other SCO member states aim to conclude a military alliance. In all SCO's documents an idea is advanced that our friendship is not directed against anybody. We (the Organization members) are strategic partners, and all of us are interested in the maintaining our countries' border areas security and stability at a proper level. Therewith we have come to a uniform understanding that it must be done, in the first place, by political and diplomatic measures, especially, by means of instruments of preventive diplomacy and the SCO member states' capacity building."



“There can be no doubt that the Organization will be successively and purposefully striving for the stated in the Charter objectives, solving actual tasks on behalf of its citizens, pinning their aspirations and hopes on SCO. I do think that with the SCO chairmanship passing to the Russian Federation, our Organization potential will grow even more, and multilateral cooperation will reach new frontiers.”

## Hu Jintao

the Chairman of the People's  
Republic of China:

“At the end of the last and at the beginning of the new century sweeping changes occurred in the international situation. Geopolitical situation on the Eurasian continent underwent serious changes as well. The countries of the region have both chances and challenges. The determination of the six adjoining states represented by China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan by common efforts to strengthen neighborliness, mutual trust and mutually advantageous cooperation, to ensure stability in the region and contribute to joint development is conditioned by the situation at hand. When creating SCO, we proceeded only from the following...

By common efforts to ensure peace, security and stability in the region - here are the reasons, for which SCO was created, and they were and remain to be among its major tasks at the present point of time. Because this is not by accident that exactly on the day of SCO creation the Heads of state of the Organization member states signed the Shanghai Convention on Struggle against Terrorism, Extremism and Separatism, and hereupon in Tashkent the Regional Counter-Terrorism Structure was founded. Hereby SCO was the first of the international organizations to raise their voice against terrorism and it played an important role in coordinating anti-terrorist efforts.”

“Facing the difficult international and regional situation, the SCO countries, united for the interaction in the use of chances and counteraction to threats, have achieved appreciable success in stability assurance, economic development, and search of a development strategy corresponding to national realities. At the same time we should

also note that “three malign forces” (terrorism, separatism and extremism), drug dealing and transnational crime permanently repress the region development, even transgress, being still tyrannical. All that impedes joint development of the organization member states and disharmonizes the situation in the region. That is why we have to permanently use chances and meet the challenges in order to achieve mutually advantageous cooperation and joint development of all the organization members.”

“The SCO member states lend great assistance to each other in crucial questions concerning their independence, sovereignty and security; promptly lend a helping hand, when one member of the organization or other is confronted with serious difficulties, in which all the members feel the collective force. The SCO members actively conduct consultations and coordinate their positions in international and regional matters of common interest, protecting interests of the organization members in whole.”

## Nursultan Nazarbayev

the President of Kazakhstan:

“The Shanghai Cooperation Organization... for a short historical period has got stronger and shown the whole world its justifiability in capacity of an important factor of modern international relations. It is already difficult to imagine today's world without SCO.... We note with satisfaction that by common efforts SCO successively strengthened its positions as a regional security and stability guarantee.”

“Kazakhstan supports this organization very significantly. It was created for the benefit of our states, our countries. Its first task is the economic cooperation, the second one is the struggle against challenges of the present: terrorism, extremism and separatism. Interaction between the organization members in trade and economic sphere are raising to a new level, because there is confidence, goodwill and friendship between the countries. I think that SCO has great prospects.”

## Islam Karimov

the President of Uzbekistan:

“SCO... has made considerable prog-

ress almost in all areas of cooperation, achieved the status of generally acknowledged international structure, whose significance and influence go beyond the scope of the region.

During the past short by historic measures period SCO not only succeeded in proving its viability, but also became firmly established in the world policy in the capacity of international forum on a large variety of regional problems solving: from policy and security to issues of economic and humanitarian cooperation...

Developments and global changes in the world, the growing security and stability threat, the persisting “hot spots”, the increasing danger of international terrorism, extremism, separatism and drug trafficking in different regions, and in the first place, in the close to all of us Central Asian region, confirm once more timeliness and need for the creation and formation of such an international organization as SCO.

It is security, stability and sustainable development throughout the whole space of SCO that are among the key conditions of the intensification of cooperation in the trade and economic, as well as social and humanitarian spheres.

I am sure that in the future the economic vector of cooperation within the framework of SCO will grow. This is evident by the successful beginning of the activity of new structures of the Organization such as the Business Council, Forum of manufacturers and entrepreneurs, Interbank Consortium.”

“It is safe to say that SCO today is becoming an important center of struggle against international terrorism, separatism, extremism and the increasing narcotic aggression.

The “Shanghai process” has created a reliable platform for the cooperation in political and diplomatic sphere, in the implementation of large-scale economic and humanitarian projects, directed to rational and effective use of rich natural energy sources, human resources and intellectual asset of the region states.”





## **Russia and China have considerable untapped potential for the development of cooperation in different fields**

Interview of Russian Minister of Foreign Affairs  
Sergey Lavrov to the Keji Ribao, China

**- How do you assess the state of, and prospects for the Russian-Chinese strategic partnership?**

**Foreign Minister Lavrov:** The friendly and mutually beneficial Russia-China relationship is today characterized by steadily high dynamics, by a solid legal base and by a ramified institutional structure of bilateral collaboration at every level. As a Chinese proverb goes, "A close neighbor is better than a distant relative." Russia and China objectively have the closest relations, owing particularly to geographical proximity and long historical ties.

The basic principles for relations and the chief directions and areas of bilateral cooperation are fixed in the Treaty on Good-Neighborliness, Friendship and Cooperation between the Russian Federation and the People's Republic of China, signed in Moscow on July 16, 2001. Intergovernmental and interdepartmental agreements operate practically in all fields.

In the political sphere, bilateral cooperation has reached the highest level, that of a strategic partnership. The Heads of State meet regularly - both in the format of official visits and on the sidelines of summits of the Shanghai Cooperation Organization, the Asia-Pacific Economic Cooperation and the Group of Eight. Last year President Dmitry Medvedev and PRC President Hu Jintao met five times.

The approaches of Russia and the PRC toward fundamental issues of the contemporary world order and toward key international problems are identical or very similar. Close foreign policy cooperation is maintained between our countries, based on this.

The mechanism of regular meetings between the Heads of Government of Russia and China, in place since 1996, is a system-forming factor for the onward development of bilateral cooperation in all fields. It helps discuss and tackle problems in the course of the direct communication of heads of ministries and departments. Also, there is between our countries a mechanism of consultation on strategic security issues, which has become an important channel for coordinating Russian-Chinese collaboration in this sphere.

Humanitarian collaboration remains one of the major areas of bilateral relations. After the successful holding of

the National Years, which have brought the peoples of our countries even closer together, we are now jointly carrying out an extensive new project in humanitarian cooperation - the Year of Russian in China in 2009 and the Year of Chinese in Russia in 2010.

All of this provides a reliable basis for strengthening further the Russian-Chinese strategic partnership and mutually advantageous cooperation in all major areas. I am certain that the potential of our relations is enormous, and its consistent unfolding meets not just the interests of the two countries, but of the rest of the world as well.

**- What areas of cooperation do you think are in need of an additional impulse? How should coordination and cooperation be strengthened in conditions of the global financial crisis?**

**Foreign Minister Lavrov:** Russia and China have considerable untapped potential for the development of cooperation in different fields. This applies to the economy and to science and to culture.

The amount of economic and trade cooperation between our countries has been steadily growing in recent years. At the same time the structure of trade needs improving. This primarily concerns the necessity of raising the proportion of machinery-and-equipment and high technology products. And this calls for close cooperation among large industrial entities, research organizations and financial institutions. For the time being, large joint projects are not being carried out actively enough, the levels of reciprocal investment are insignificant, and the huge potential for scientific cooperation is far from being fully realized. There are also successes, of which the recently signed bilateral agreements on the construction of a China-bound branch line of the Eastern Siberia-Pacific Ocean pipeline and on Russia's crude oil supply to China on a long-term basis and on China's extension of a credit to Russia to the tune of 25 billion dollars are evidence.

There is a need for more effective actions to intensify cooperation between our countries at the regional level. A Program of Cooperation between the Far East and Transbaikalia regions of the Russian Federation and the provinces of the Northeastern area of the

People's Republic of China is currently being worked out that will be very useful for accelerating the economic development of the neighboring territories of our two countries.

The negative consequences of the continuing world financial crisis, which grows ever deeper, unfortunately, are being felt in all countries. Russia and China are not exceptions. In these conditions the leaders of our two countries maintain close contacts and regularly exchange views on the problems with which the world economy is confronted. The coordination of our approaches to these problems also proceeds in multilateral formats, in particular BRIC. Thus, the finance ministers of the four countries held another meeting in London recently. The approaches of Russia and China to ways for overcoming the crisis are very close.

In this regard, a lot will depend on the ability of major nations to establish conditions for the sustainable development of their national economies. On the instruction of the Russian and Chinese leaders, the finance ministers of the two countries recently exchanged information on the measures of macroeconomic regulation, aimed at minimizing the consequences of the financial crisis and at preserving the stability of financial markets.

From the viewpoint of Russian-Chinese bilateral relations, it is necessary to try and use the present crisis for search of new, not yet tapped potential to build up bilateral economic cooperation and thus make it inure to the benefit of our countries in these difficult times

**- What has changed in Russian-American relations after President Barack Obama's assumption of office? How do you evaluate the prospects for Russian-American relations under the new administration in Washington?**

**Foreign Minister Lavrov:** The state of Russian-American relations has been far from ideal in the last few years. This needs to be changed. I like the thesis that has emerged recently about the need for a reset of collaboration between our countries. Good opportunities are opening up for this endeavor with the coming of the new administration to the White House.

The Russian and US presidents have already communicated twice and ex-

changed messages on a broad range of bilateral and international questions. I met US Secretary of State Hillary Clinton in Geneva on March 6. My impressions are good. It seems that the Obama team is in a constructive mood. Of course, it would be an exaggeration to say that our views fully coincide. But the chief thing is that they across the Atlantic seem to have developed a taste for positive joint work again. I am convinced that if we act pragmatically, relying upon coinciding interests, trying not just to listen, but also to hear, showing the readiness for reasonable compromises and respecting the national interests of each other, then we shall be able to advance substantially in addressing the major tasks facing our countries.

It's important that it shouldn't take long to get into the swing of things; we need to immediately shift to concrete actions. We will of course pay the main attention to the maintenance of strategic stability. Serious work is ahead on the preparation of a new accord on strategic offensive arms to replace the START Treaty expiring this year. The dialogue on missile defense themes isn't going to be easy.

A broad field for joint work is opening up in the nonproliferation sphere. The priority thrusts here are strengthening the NPT regime, increasing control over the prevention of mass destruction weapons from falling into nonstate actor hands, fighting nuclear terrorism and engaging in peaceful atomic energy cooperation. We expect the new administration to revise the United States' negative attitude to the CTBT. We also hope for an attentive examination of the Russian-Chinese initiative for consideration of the Draft Treaty on the Non-placement of Weapons in Outer Space at the Conference on Disarmament in Geneva.

We intend to continue to work with the American side in tackling international and regional questions, such as the Afghan settlement, the Middle East peace process, the Iranian nuclear problem, the situation on the Korean Peninsula and many others. Strengthening European security is a promising area of cooperation.

We presume that our cooperation should extend beyond security issues to encompass the whole spectrum of relations, including economic and trade

ties. There is something to work on here. The task now is to bolster the structures and mechanisms of dialogue in this sphere with a view to imparting extra dynamics to it.

So our agenda is most extensive. We have already begun joint work and hope that it will produce concrete results soon.

**- A SCO summit will take place in Yekaterinburg this summer. How are the preparations for this summit proceeding? What tasks will be on the agenda? How do you evaluate the SCO development prospects?**

**Foreign Minister Lavrov:** The Shanghai Cooperation Organization is a relatively young association, created by Russia, Kazakhstan, Kyrgyzstan, China, Tajikistan and Uzbekistan. At the base of its activities lie the principles of mutual respect, equal partnership and consensus. The organization has confidently demonstrated its ability to adequately react to the challenges of our time in the interests of its participants, and the effectiveness of the collaborative mechanisms in providing security and stability for the region.

Today the fight against terrorism, organized crime and illicit drug trafficking, assistance to comprehensive and balanced economic growth in order to improve the living standards of the peoples of our states and the furtherance of humanitarian and cultural ties have firmly established themselves among the chief objectives of the SCO.

After the 2008 Dushanbe Summit Russia took over the chairmanship of the Organization. We consider it our priority task to further consolidate member states on the principles set forth in the Charter and other fundamental documents of the SCO, to solidify the international prestige of the Organization as an interstate structure capable of becoming an important element of the emerging multipolar world and to build up mutually advantageous cooperation along different azimuths.

The intensive plan of joint measures proposed by us is now being successfully implemented. In particular, launching a mechanism of conferences of ministers of internal affairs and public security, creating a SCO Youth Council, establishing a SCO Network University and promoting cooperation in health, culture

and education are on the cards.

Our chairmanship will end with a meeting of the SCO Council of Heads of State in Yekaterinburg on June 15-16 this year. We are actively gearing up for it. All our partners in the Organization have declared their agreement with the proposed date and new format for the meeting including the participation of the heads of the observer states.

The summit participants will focus mainly on how to further streamline the Organization's activities and to develop many-sided cooperation in light of new security threats and challenges, and the consequences of the financial and economic crisis. I am convinced that the decisions to be adopted at the end of the debate will contribute to the further building-up of our interaction.

Activities of the SCO meet the interests of all its participants, member states and observer states - India, Iran, Mongolia and Pakistan - alike. The SCO is in high demand, to which the growing number of countries ready to establish dialogue-partnership relations with it is another testimony. In a word, the SCO has a great future and good prospects.

**- This year marks 60 years since diplomatic relations were established between Russia and China. Can you please tell us what events are planned on this occasion and what influence these events will exert on the further development of Russian-Chinese relations?**

**Foreign Minister Lavrov:** We regard the sixtieth anniversary of the establishment of diplomatic relations between Russia and China as an important event. Of course, a plan of commemorative events is being prepared in both Moscow and Beijing, which must be content-rich and memorable. Plans are to hold meetings of the publics of the two countries, concerts, thematic exhibitions and the presentation of a collection of archival materials. But the preparatory work is not yet over, and it is probably too early to speak about all specific events.



# SCO Ministers of Defense Intend to Strengthen Cooperation

The Shanghai Cooperation Organization member states Defense Ministers meeting took place on April 29 in Moscow. The regular summit of heads of military departments of one of the largest political organizations of the world is of particular significance in today's conditions of global crisis and growing tensions. The meeting was held within the framework of preparation for the scheduled for the middle of June summit of the SCO member states in Yekaterinburg

Moscow meeting's importance was confirmed by the meeting of the SCO member states Ministers of Defense with the President of Russia Dmitry Medvedev that was held for the first time and deserves to become a benchmark of new practice for the Shanghai Six. As reported by the representative of the Administration of the RF President, "at the meeting of the President of Russia with the SCO Ministers of Defense the issues concerning prospects of the Organization development were discussed as well as strengthening of its role in ensuring the regional stability and security."

SCO's role in this quality is impossible to overestimate, at the same time the organization does not intend to turn into a military block - "By augmenting joint efforts in current challenges and threats counteraction, the SCO countries and their defense agencies do not seek to create a military block. The relevant collaboration within the framework of SCO is by no means directed against other countries," the source of information from the Administration of the President of Russia underlined.

However the military component of the SCO countries cooperation is quite important all the same and these countries' actions within the frame of such a cooperation is attentively watched in the entire world.

The SCO states collaboration is directed, first of all, to struggle against terrorism, separatism and extremism - the most urgent threats to the countries of the region. However it is not confined by these areas. The parties' military-technical cooperation is also of primary importance. It should be remembered that the SCO countries actively use the armament of Russian make - to a greater or lesser extent, - and cooperation in the field of arms deliveries, development of new battle and policing systems are of great importance for ensuring the organization member states' security.

Cooperation within the framework of SCO, particularly in the military field, will be undoubtedly strengthened. At the meeting, the SCO countries armed forces exercises due to be held in Kazakhstan in 2010 were discussed. They must become the largest since 2007, when the Peaceful Mission-2007 manoeuvres were conducted.

The 2010 exercises will be certainly of anti-terrorist "tint", but it is already known that on these maneuvers Russia intends to use the experience gained in the course of the Five-day war in August 2008.

As is reported by a number of mass media, there is no legend worked out for the 2010 exercises so far. Chairman of the Chiefs of Staff Committee of Kazakhstan Mukhtar Altynbaev said that they will be held at the far south of the country - in Djambul'skaya oblast, near the Gvardeysky settlement. There are assumptions that exercises will include warfighting experiments in the mountains, because next to Gvardeysky there are mountain ridges - the Kirghiz Alatau and Karatau.

It is known that while developing the exercises plan the militaries take into account the most important military and political events occurred since the date of the previous exercises. Up to date such an event is, certainly, the Five-day war, which allows to suppose its experience use while preparing and in the course of manoeuvres.

SCO is interested in security maintenance not only on the territory of the organization member states, but also on a global basis - this subject was touched upon in the talks of the Ministers of Defense of Russia and China, in particular discussing issues of boating safety off the African coast.

At present there are both Russian and Chinese ships off the Eastern African coast, ensuring commercial crafts safe navigation. India maritime forces ships situated off the African coast have the same mission - India has a status the

Shanghai Cooperation Organization observer state.

In the course of the meeting the Russian and Chinese Ministers of Defense noted that cooperation in the sphere of struggle against piracy has to be disseminated also for other regions of the world, that face this adversity.

It should be noted in addition that, unfortunately, SCO, just as any other organization in the contemporary context does not have a recipe for struggle against piracy - commercial ship security is just control of symptoms, but not of the disease itself. Piracy's background consists in misery and political instability of some coastal states or others, and this problem can not be solved within the framework of one, though so strong international organization.

However other big players on the international arena can not boast about availability of recipes as well. Much attention was given during the meeting the Ministers of Defense to the situation in Afghanistan, where NATO operation continues, with the contingent growing - during the next six months its number can increase by thirty thousand people.

Obviously NATO still stakes on the Afghan question solution by force, the USSR suffered from in due time, and before it - the British Empire, so there are no reasons so far to believe that the North Atlantic block will succeed in doing it.

From the viewpoint of the SCO countries, the Afghan problem must be solved at multilateral negotiations with the participation of all personages, but for the time being a consensus required to elaborate a single position on the matter is absent.

As a result, the SCO countries have now to deal with consequences of another's hasty decisions, drawing away funds for enhancing its security that in conditions of crisis could be spent more efficiently.

Alongside with that - nothing is done immediately. At the present time SCO already represents a respected international organization with a significant political and economic weight. There remains one thing to do - to wait results of the long and difficult work on this weight transformation into real results in form of consolidation of peace and security in the Asian region. The organization has all the things needed for this.

Ilya KRAMNIK  
RIA Novosti's military observer -  
specially for InfoSCO

# Investments as an ANTI-CRISIS INSTRUMENT

The subject of the Roundtable held the other day in the Moscow Alexander House business center by the Shanghai Cooperation Organization Business Council, seems to sound strange for our days of crisis - "International investment cooperation within the framework of SCO: problems and prospects." Because today's problems are clear as it is: the entire world is trembling with financial and economic shocks, so that who will take the liberty of investing money in major projects, therewith in other countries and the more in risk ones? And indeed what prospects in such a situation can be talked about, when the shores of the sea of crisis are not yet in sight? Nevertheless, the mood of the participants of the meeting was not at all alarmist, but rather, businesslike and even, it may be said, optimistic.

16

Besides the SCO Business Council the co-initiator of this Roundtable became the Russian Venture Company (RVC). I will recall that it was created almost three years ago and is aimed at stimulating of the national venture capital industry creation in Russia, developing innovative branches of economy and introducing of Russian knowledge-intensive technological products into the international market. The company's interest in this subject is clear - huge potential of the Shanghai Organization offers wide opportunities for work, as, by the way, all the post-Soviet space does.

The subject of the meeting in the Alexander House awoke many people's interest - representatives of ministries and departments of the SCO countries, big banking and finance and investment structures, diplomatic body, scientific and consulting organizations.

"Within the framework of SCO there is an obvious need for closer, more practical cooperation in the area of investment and business support," said, opening the discussion, Leonid Moiseev, the Special Representative of the President of Russia for the Shanghai Cooperation Organization affairs and the national coordinator of SCO from Russia.

As regards the area of investments, as Moiseev said, a possibility of development and signing of the six countries' agreement on protection of investments was discussed in the Organization. In the meantime the parties rely on the existing bilateral documents and the agreement signed in EurAsEC where the five SCO countries take part. China is not included in this community, but the majority of its participants have bilateral agreements with it.

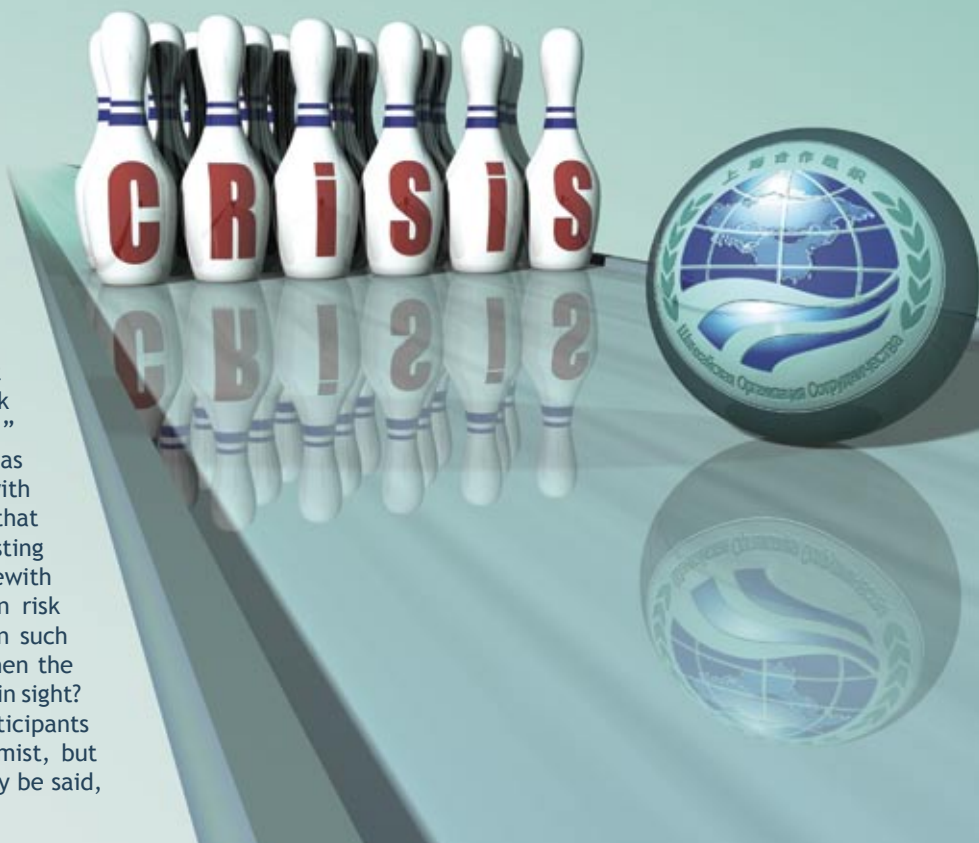
Aside from that, the idea of creating a Development Fund has been worked out for two years; it is aimed at encouraging entrepreneurship in the Shanghai Six countries. Primarily this conception had been prepared by Chinese, and now it is decided to form a special expert group to complete it. These questions are of paramount importance on the SCO agenda, because all its participants understand that for the common projects advancement serious investments are required.

There are not many projects like that, Leonid Moiseev noted, but all of them are quite promising. Let us say, Russia promotes the project of electronic digital signature, China - that of a high-speed information highway. There are other interesting ideas. Cer-

tainly, for their implementation, there will need to be considerable capital investments.

Yan Riazantsev, Chief Investment Officer of the Russian Venture Company, in his speech at the Roundtable told of the situation with venture capital investments in Russia. According to the estimates of RVC, the current funds, and those who are just beginning investment activities, over thousand innovation projects have been already considered, and their flow is increasing. These data, according to him, mean that the initial period of the venture capital funding formation in Russia has already accomplished. And it is significant at that, he underlined, that in spite of dynamic crisis, significant funds are invested today in various sciences and technologies developments. Thus, according to him, the good groundwork is laid for preparation and adoption of new technologies in production of the post-crisis period that is expected to come after 2010-2011.

Riazantsev believes that our situation is now more favorable than that on the West. In point of fact, a moratorium on investing in venture projects is announced there. Not only their implementation but also fulfilments of inves-



tors' financial obligations to funds are stopped. Those companies especially suffer that after having developed new technologies did not come to a normal sales level, and today to get fresh funds is very difficult for them, if at all possible.

"There are mechanisms in Russia that allow financing such projects, and these mechanisms can be developed jointly with the SCO countries," said the representative of RVC. "However with this aim in view it is necessary to harmonize our countries' regulatory and legal framework in the field of venture capital funding. Our proposals on its improvement here in Russia were sent by us to the Ministry of Economic Development and Trade. At the request of the State Duma relevant committees and Presidential Administration a version of the concept of law on an integral innovative system creation in the Russian Federation and its further effective development has been also prepared. And subsequent to the results of the Parliament proceedings, held on February, a decision on preparation of a framework law on an innovative system in Russia has been taken, that would allow eliminating many gaps in legislation."

This subject was developed in the speech at the Roundtable by Andrey Zyuzin, Managing Director at VTB Asset management - one of the leading companies at the Russian venture projects investment market: "Any innovative activities all over the world are not being built on the country or region principle - they are all globalized initially. It means that entrepreneurs, scientists, the people willing to invest in business, find for themselves the most suitable regulatory mode for their innovations' application, as well as their talents. Brain capital today is very mobile, and funds, in spite of the crisis, are available in the different parts of the world. That is why the Russian innovative system should be competitive to attract talents and keep those who are now choosing whether stay here or leave their home country. For the time being our investment rules and terms are not so comfortable, as international investors would like they are."

The rapporteur informed that now the total volume of funds allocated by his company to venture capital fund in the format of public private partnership makes up almost 5 billion roubles. Herewith investors consciously assume risk, perfectly knowing that these "seeds" can yield only in 5-7 years, if not later.

Vladimir Remyga, advisor of the International Industrial Bank, devoted his report to the innovative development's role in crisis negotiation. "It is absolutely obvious that under crisis nobody will manage to sit out behind the armour," he noted. "Neither of

the countries is not capable of struggling against emergent challenges by itself. There are two ways: one way is passive - forming a strategy of "dragging oneself out" of the crisis, and the other way is active, proceeding from the necessity to take advantage of the opportunities opened, in order to gain tangible benefits, increase its share in world economy and financial system. Russia has chosen its alternative: in the President Dmitry Medvedev's message it is directly said that now it is necessary to pursue a preemptive tactic, be in the front line of innovations in the key economic spheres."

Remyga believes that creation of a new world financial center in Moscow can contribute much to the capital inflow to breakthrough, high-technology projects. Already this year a legislative package is to be adopted that will permit to proceed to its formation in reality. "And it is the general strategy in the SCO countries," the advisor of the International Industrial Bank underlined. "For example, on March 26 the State Council of the PRC made a decision on Shanghai transformation by 2020 in an international financial center. And the government of Kazakhstan began to create such a regional center in Alma Ata as far back as some years ago, and today it has already worked. All the same it is not an end in itself, but rather a necessary instrument. The main task of the strategic long-term plan of Russia and other SCO member states is to make an innovative breakthrough. And it is obvious: if we do not master basic innovations that constitute the main body of a new technology structure, then we will undoubtedly find ourselves at the tail of the world civilization."

Recently in the Shanghai Cooperation Organization economic cooperation has been more and more emphasized, Vladimir Remyga noted. This is evident from the fact that its forthcoming summit will be held not in the capital city, but in the big industrial center of Russia - Yekaterinburg. Also the long list of events to be held in the nearest time in this city is indicative of the attention paid to the economic component. In spite of specificity of each country, main vectors of our economies coincide. And it offers hope that with strengthening cooperation between the SCO countries differences of approaches will smooth and cooperation will be strengthened between them.

It should be said that one of the steps forward in this direction became the foundation conference (December 2008) of the International Strategic Innovative-Technology Alliance, where the SCO countries play an active role. This is Nursultan Nazarbayev's idea, and it is Kazakhstan that mainly finances the new alliance work.

And in accordance with the EurAsEC Interstate Council this February a decision was made on creation of a Centre for High Technology. So far it includes the Russian Venture Company and the National innovation fund of the Republic of Kazakhstan. Other countries' similar structures are expected to also join the Center activity in time.

Another challenging idea is establishment of an Intergovernmental venture capital fund of SCO. It was formulated and grounded last May at the Roundtable in Yekaterinburg that was held within the framework of the XIII Russian economic forum. The assembled there officials and business representatives, as well as experts of the SCO Business Council from Russia, China, Kazakhstan and Kirghizia discussed problems of innovative projects promotion, issues of high risk business plans investment search. Negotiating parties then recommended the SCO Business Council to look into the possibility of formation of a joint venture capital fund to support innovative enterprises. According to the experts, to finance high risk projects would be easier for several countries, and the result from the successful introduction of innovations will belong to all the countries invested in this good cause.

At the Board of the SCO Business Council meeting this January in Shench-zhen, China, it was confirmed that such a fund will be created in foreseeable future, and the SCO BC Secretariat was assigned to submit concrete proposals after their coordination with all the parties.

By the way, similar organizations are being already created on bilateral basis. Thus, last year in the course of Dmitry Medvedev's visit to Astana an agreement was signed between the Russian "Rosnanotech" and the Kazakh "Sustainable Development Fund "Kazyna" on formation of a joint venture capital fund. In accordance with it, the parties will invest in the fields of nanotechnology and nanoindustry of both countries. The project of establishing the production of ground and space-based solar battery using technology of the Russian research and development enterprise "KVANT" is now being discussed as a pilot project.

The Shanghai Organization states have a big work to do. Because the question is now not only to withstand in the vortex of the current financial-economic storm, but also to pave the ways that would enable the SCO countries to make rapid progress. Discussions similar to that held in the Alexander House just help the "navigators" in the matter.

Maxim KRANS  
InfoSCO analyst





# A BORDER that UNITES

Cooperation between Kazakhstan and Russia is multilateral and versatile. But particular importance in it is attached to inter-regional ties and local projects. As once Nursultan Nazarbayev exactly noted, "There are no little affairs in the movement towards each other".

This is clear and absolutely justified: it is often much cheaper for the regions located at thousands of kilometers from capital cities to establish business contacts with adjoining areas of other countries than with industrial centers inside the country. It became the main stimulus for conclusion of thousands of agreements, contracts, and treaties already in force between Kazakhstan's and Russia's neighbors, made it possible to establish a great number of business contacts between enterprises, working now in the close relationship. And this is not by accident that the subject of cross-border cooperation was included in the Joint Operating Plan of Russia and Kazakhstan.

For further development of cooperation in this field a special program for 2008-2017 was approved, the cross-border cooperation subcommittee is actively working. The parties' aspirations towards further profound strategic partnership of the two countries at the regional level are also confirmed by annual Forums of Kazakhstan's and Russia's border areas with the participation of the two countries presidents. The fifth in succession regular meeting that was held this September in Aktobe was also attended by Nursultan Naz-

arbayev and Dmitry Medvedev.

Impressive facts: 76 regions of the Russian Federation have established trade and economic relations with the Republic of Kazakhstan. In border areas over 350 joint ventures function, among which are, in particular, large scale intergovernmental associations, such as "Kazroskhrom", the automobile complex on the base of UralAz and the Kostanai diesel plant, as well as a number of JV relating to the sphere of the fuel and energy industry.

It is known that the share of cross-border cooperation is more than two parts of our countries' total turnover. In 2007 it already accounted for \$7 billion. However it is not even these figures that strike, but the furious pace, with which regional ties are developing. Thus, the same last year's increase of goods turnover volume between the two states as compared with 2006 was 27.2%, and only for the first seven months of 2008 - 28.4%. And the biggest contribution to this growth was made just by inter-regional business contacts. So it may be said with good reason that the real integration of Kazakhstan and Russia is initiated not only "from above", but also to a greater degree - "from below", i.e. by the regions

themselves.

There are already acknowledged leaders among Russian partners of Kazakhstan, such as Chelyabinskaya and Orenburgskaya oblasts, whose turnover with neighbors amounts to sums with many zeros. There are beginners, who have most recently established the first contacts, but have already become aware of promised advantages. And some only try out in the field of the Russian-Kazakh cooperation. But its advantageousness is obvious to everybody.

Thus, the Governor of Omskaya oblast Leonid Polezhaev believes that there is no point in building a new metallurgical combine in his territory or looking for a new raw materials base, when it is possible to arrange for mutually beneficial supplies with a neighbor. "Fortunately, drunkenness with reckless acquisition of sovereignty has passed, in the first place, by efforts of Russia and Kazakhstan," he says. "Now "improvement" shows up in politicians' views, and in the evident ambition to establish economic cooperation, both at central level, and between territories and oblasts. I will not conceal that Nursultan Nazarbayev's position has always impressed me in this matter. It was he

that some years ago expressed an idea of formation of a Eurasian space. And I have no doubt that in the former USSR territory some steady economic structure will appear. But it is on a national scale. And what to say about adjoining territories! Omskaya oblast can not do without Ekibastuz coal. Kazakhstan will not be able to do without Omsk oil refinery, Omsk oil products.”

In fact, a territorial feature of the Omskaya oblast power complex is technological dependence on raw materials import from Kazakhstan. The local power supply system annually consumes 5 million tons of Kazakh coal. That is why one of the most interesting projects for both partners became an inter-regional energy company creation.

Another point of contact of Omskaya and Severo-Kazakhstanskaya oblasts' interests - agriculture. Both regions have a developed agribusiness industry. Long-term developments of scientists of Siberian State Agrarian University and Siberian Research Institute of Agriculture interest very much North Kazakhstan agrarians. The Kazakh partners would like to participate in joint projects in the aerospace industry with the Omsk “Polet” Federal State Unitary Enterprise Production Association. The short-range and strategical plans include a new biofuel industry creation, high-protein feed production, poultry factories and processing enterprises building, joint work in the aerospace complex.

Wood, boiler equipment, cokechemical and electrotechnical products constitute a considerable part of export to Kazakhstan from another western Siberian region - the Altai Territory. Besides, construction sector enterprises of the territory, located in the border area, deliver construction materials to neighbors. They are crushed stone, gravel, lime, brick etc. More intensive research and development cooperation in the field of mechanical engineering, energy, chemical industry, agriculture, implementation of joint programs in the sphere of timber and extractive industry, science and education can be mentioned as promising directions of partnerships development between neighboring regions.

Special attention is also given to development of border transport infrastructure of our countries. The Aqtau-Astrakhan, Aqtau-Makhachkala ferry line is already open, the flow of freight traffic and carriage of passengers by Kazakh and Russian vessels in the Irtysh basin is growing. In October 2007 a bridge across the Kigach River was commissioned connecting Atyrauskaya and Astrakhanskaya oblasts and opening Russia a way to Central Asia. And on the initiative of the President of the Republic of Kazakhstan Nursultan Nazarbayev the question of water transport connection of the Caspian and Azov-Black Sea basins is being worked out. It would allow hastening a process of Kazakh-

stan's and Russia's transport systems integration. Now two versions are being considered - construction of the Eurasia channel in the Kuma-Manych Depression and broadening of the Volga-Don Waterway.

There are only a few examples of versatile cooperation. And there are not hundreds of them but already thousands. It is significant that within recent years structure of Kazakhstan's exports to Russia has changed to a large degree: if earlier it was chiefly concentrated on raw materials exportation, then now the share of industrial products in it is growing.

However, no matter how important the direct trade barter is for our economies, creation of general goods, services, capitals and manpower market comes today to the fore. Though hundreds of joint ventures are already functioning today, it is important that their further growth in volumes should be also accompanied by quality changes and towards high-tech industries at that. Today this direction is supported by many heads of Russian regions.

Thus, Governor of Samarskaya oblast Vladimir Artiakov sees good outlook for the Russian-Kazakh cooperation in the innovation sphere, in joint work on implementation of strategic, “break-through” projects in the field of space and health technologies, telecommunications and software, in development of international transport infrastructures and environmental protection programs.

Practically all participants of the Russian-Kazakh border dialog have their own interesting projects that, they are sure, will be implemented in the nearest time. Say, the Head of the Administration of the Altai Territory Alexander Karlin has a project to create a special economic zone of recreational type that could receive hundreds of thousands of tourists from Kazakhstan (by the way, this project has already been presented at the latest forum in Aktobe). Governor of Saratovskaya oblast Pavel Ipatov aims at construction of the Ozinki-Taskala international center of border cooperation that could serve the Central Asian transportation corridor, act as a technological, trade and finance holding company, as well as facilitate communication between inhabitants of neighboring districts. And leadership of Orenburgskaya oblast is concerned with creation of a Russian-Kazakh enterprise that by 2012 must bring the Kazakh gas throughput at power of the Orenburg gas-works up to 15 billion cubic meters...

There are a lot of other not less interesting plans. Big and small ones. Though, as once Nursultan Nazarbayev exactly noted, “There are no little affairs in the movement towards each other”.

Andrey VASILIEV

## Masters of Russian Contest among Kazakhstan Youth

The first contest “Language is a key to all knowledge” that assembled masters of the Russian language and literature among Kazakh speaking youth, took place in Astana in the Russian center for science and culture. Participants were schoolchildren and students from 14 to 20.

In Kazakhstan Russian still remains popular and sought-for. Not only senior citizens, accustomed to communicating in Russian, feel the necessity for it - the youth learn Pushkin's and Tolstoy's language too. It is the native population that mainly lives in the south of the republic. Thus, in Kyzylordinskaya oblast Kazakhs are estimated at 95%. Practically they do not speak Russian there, but do learn it in schools. Adilet Ashirbek's grandmother and mother teach the Russian language and literature. Thanks to them the boy became a winner of the regional round and arrived in Astana for the finals. Adilet thinks that today one should speak as more languages as possible.

Aidana Zhumagalieva is the youngest competitor, but she was holding her own. Already in the first task - presentation of the “Literary map of my land” - she got the top marks. The girl has a good knowledge both of the Kazakh and Russian languages.

The four creative tasks enabled the children not only to make a brilliant display of their knowledge of the Russian language and literature, but also show their creativity.



The world undergo a trial of financial and economic crisis. SCO is faced with this mournful fact too. On the other hand, any crisis, as it becomes, also causes a quite creative thing such as “art of the way out” requiring a new approach to the existing problems, unconventional solution of the “charade” in question. What instruments is SCO going to use in the situation of the global financial and economic crisis? Does the Organization have any individual approaches, original solutions, special combinations of measures?

**B.N.** - Under the conditions of crisis phenomena in the world economy SCO intends to demonstrate both creative approach to actual political and economic problems solving, and consistency and persistence in fulfillment of the tasks specified by the Organization as long-term priorities.

solving problems of resources provision to meet mankind's needs without detriment to the environment, in achieving goals of global development, including technology gap crossing between countries and eradication of poverty on basis of ensuring equal access to advantages of globalization for all of the states. In principle there is probably no novelty in these approaches. It is necessary to come down from generalities to particulars. In any case it is clear that after surmounting the present crisis the world will be different.

- In spite of sad atmosphere caused by the crisis, it is impossible to cancel out the positive things that SCO has done recently. What new steps can SCO, the world's biggest system of regional cooperation, speak about? It would be also interesting to know new level

agricultural, transport, and energy infrastructure on the SCO member states territory.

- SCO has been developed with its home policy not being static. In the Charter a struggle against terrorist threat was enunciated. When consistent collective measures on this direction yielded, things were deemphasized.

Major priorities have become economic cooperation on basis of equal codevelopment, as well as rapprochement through humanitarian field and active cultural exchange. But terror continues to approve itself in the world, particularly, in India's Mumbai. India is an observer country of SCO, after all. How is the Organization going to meet this challenge, are there planned new counter-terrorism steps?

**B.N.** - Thank you for appreciating effectiveness of our diverse activity.



# THE ORGANIZATION IS DEVELOPING

It is possible to effectively ensure peace, security and stability in the SCO space, jointly stand up to challenges and dangers, if progressive economic development and steady growth in prosperity of our six nations are ensured.

According to the SCO leaders' general assessment, at present, conduct of responsible monetary and fiscal policy, capital movements control, ensuring food and energy security come into importance. It is necessary to augment coordinating efforts of Ministries and Agencies responsible for conduct of economic and financial policy. An important role is already designated to be played by well-established non-governmental instruments - the SCO Business Council and Interbank Consortium.

Saying about “combination of measures” for global economic recovery, note that our Organization stands for broad international cooperation in

creative proposals for enhancement of any of the Organization's activities.

**B.N.** - We are optimistic about the future. In spite of objective difficulties, most of our states maintain positive dynamics of economic growth and strong social policy.

SCO is successively developing as a multilateral organization. Dialogue development between the member states on ensuring energy security, closer cooperation in the agricultural field to ensure food security and stimulation of agricultural production can be rated among new upcoming trends.

Good prospects are connected with cooperation development in science and technology, in particular, in assimilation of new power technologies (in the context of struggle against global climate changes as well), introduction of environmentally sound power engineering and technologies, use of renewable energies and innovation techniques to modernize industrial,

The SCO member states make joint efforts, including closer cooperation with other interested countries, international regional organizations to establish a wide partnership network for opposition to terrorist threat. First of all it concerns observer countries of SCO. Ways of their practical involvement in counter-terrorism struggle under the aegis of SCO are being discussed now.

We have decidedly condemned terrorist acts in India's largest city of Mumbai followed by numerous human losses. The SCO's statement underlined that organizers and executives of this inhuman attack must be punished according to the law. Thus solidarity with Republic of India, an observer country in SCO, was confirmed. As circumstances of the terrorist attack clear up, extremist forces' plans become obvious. They tried to frustrate process of India-Pakistan relations normalization.

It is significant that a number of the



Western mass media publications about Lashkar-e-Taiba underground group that had masterminded the act of terror in Mumbai, declared its complicity in gunmen training for operation in Chechnya. Threat of international terrorism is of transboundary nature, so this reality must be reflected by means of appropriate counter-terrorism measures. Without question that the SCO member states cooperation in struggle against terrorism, separatism and extremism will be consolidated. It is planned to further extend possibilities of the Regional counter-terrorism structure that has already proved to be effective mechanism of special services coordination and established systematic exchange of corresponding information on the basis of common data bank.

While planning special services and defense agencies counter-terrorism exercises, new elements of regional

of interests and agreement of opinion remain prevalent in the organization activity?

**B.N.** - The SCO bodies' decisions, as is known, are taken by consensus. They are considered accepted if not a member state in the process of endorsing raised an objection. Consideration of each state's opinion is a fundamental principle of true democracy in our Organization. Matters of principle, strategic questions discussed at various SCO forums invariably reflect coincidence or similarity of partners' positions, united by the common purposes and uniform understanding of nature of problems we have to deal with.

That is why the Shanghai Spirit principles, harmony in relations and patience are of so much importance in case of inevitable disputable moments. There are not any insuperable

peaceful, non-militaristic nature of the Organization, its emphasis on multilateral equal cooperation, humanitarian and cultural enrichment that are constantly stressed. What can you tell those who are wary of SCO, its ill-wisher and opponents?

**B.N.** - As for ill-wishers and SCO's opponents I can say the Organization has given no rise to such an attitude.

Unbiased experts and journalists should not be allergic to genuine understanding of the SCO military constituent.

Not a programming document, to begin with the SCO Charter, contains formulated military or defensive purposes and tasks. SCO considers terrorism, separatism, extremism and drug offense as the main source of menace to the world peace, security and stability. You must admit that to see anything ominous in this approach

# PERSISTENTLY AND STEADILY

The Shanghai Cooperation Organization Secretary-General Bolat Nurgaliev gave an exclusive interview to the Editor-in-Chief of InfoSCO Tatiana Sinitsyna.

developments and international terrorist organizations' tactics are certainly taken into account. Special care will be given to relevant authorities' personnel joint training, in order to ensure high level of their operational cooperation. Positive experience accumulated while safeguarding the Olympic games in Beijing, will be in demand when preparing and conducting forthcoming big international events, including the APEC summit in Vladivostok, the 2010 World's fair in Shanghai and the Winter Olympics in Sochi.

- Analysts and experts call SCO "the most successful international project of the last decade." Yet they point out "not unclouded prospects" and existing disagreements. For example, Uzbekistan preferred not to participate in establishing Association of Youth Organizations; it also keeps away from the activity connected with the SCO University model development. Does the principle of accommodation

disagreements here. We have always managed to find out a reasonable balance of interests and approaches. With regard to questions you have raised about Uzbekistan's position I can specify that they do not object in principle. The Uzbek partners endorse ideas of cooperation establishment between our countries' youth, humanitarian ties development, including education sphere. It is another matter that versions of entering into cooperation are different. It is normal, however, and to my opinion, further process of political, economic and humanitarian SCO space formation will only gain from pluralism and innovative ideas.

- SCO is a community of nations, arousing interest all over the world, attracting attention of political establishment, various experts, analysts etc. Many, especially in the West, are concerned about the fact that SCO may develop into a powerful military alliance. And this is despite

would be allogical.

The annual Defense Ministers meeting agenda items relate to joint opposition to international terrorism. SCO has no military command and planning structure. Counter-terrorist orientation is clearly seen in the military training exercises scenario with the participation of military contingents within the framework of SCO. Military attaches from various countries not specified by political blocs are invited to attend large-scale exercises.

Documentation on relationship with other core international organizations specifies cooperation in struggle against terrorism, illegal drug and weapon dispensing, opposition to organized transnational crime. In practice measures taken jointly are transparent, because we have nothing to conceal.

- The SCO structure is developing and it is known that it will have a "youth wing." A model of the SCO University is now being created. How do you

estimate integration process dynamics in SCO in whole? What can you tell about the course of the SCO University project? What other new elements of its "building" does SCO intend to construct in the nearest time?

**B.N.** - One of the priority cooperation areas designated in the SCO Charter includes cooperation expansion in science and technology, education, public health, culture, sports and tourism. These spheres are promising for youth's energy and knowledge application. The younger generation education in the spirit of rectitude, inculcation of tolerance and respect for other nations' cultures are guarantee of further strengthening of friendship and neighborliness between our countries.

Establishment of the SCO international University would be a step towards formation of a common educational SCO space, as well as a practical contribution of the member states to the process of professional training systems enrichment with experience and innovations.

In terms of concepts the University is planned to be a network of the universities already existing in the SCO countries. Skill formation within the SCO University must be carried out in the priority cooperation areas (regional studies, environmental science, energetics, nano- and information technologies). An idea to promote additional opportunities for youth to enable them to receive a modern education of high quality and, after all, preconditions for effective political, trade and economic, scientific and technical cooperation.

To date there is practically no experience in such universities formation. The SCO member states experts have to follow unbeaten tracks, arriving at solutions of problems such as mutual admission of documents confirming education, harmonization of educational standards etc. The problem is set so that in 2010-2011 the SCO University may begin function and in several years there may be graduating students having got degrees in special subjects both of their base institute and SCO University.

- SCO was founded as a regional organization with an Asian vector. However in the today's world it is difficult to shut oneself off by geographical boundaries, to live in isolation. In the West the voices have already come addressing to the European Community and NATO. They urge these structures to "make advances and join SCO." It is also known that a lot of states want to become the SCO member, and others want to obtain

a status of an "observer country" or become a "dialogue country" in the SCO structure, to cooperate within the scope of consultations. What principles is the SCO model development prospects based on?

**B.N.** - Difficult questions of our international activity further expansion should be solved taking into account increasing attention to SCO on the part of world community and the Organization membership applications from a number of countries. This process must be well-ordered and systematic. For this purpose an appropriate legal framework is being developed; in particular, a document of membership criteria. An observer and a dialogue partner status provisions were adopted earlier and have been already working. So we do not mark time, we take yet every step advisedly, first of all pursuant to the Organization further consolidation.

SCO has a status of a UN observer. We successively develop relations with regional and non-regional organizations; we have signed memorandums of cooperation with some of them, for example, with CIS, EurAsEC, ASEAN, CSTO, OEC, and ESCAP. We consult on questions of mutual concern with OSCE, EU and other. Range of cooperation with them is very wide: security issues, struggle against terrorism and drug trafficking, trade, migration, transport, and environmental protection.

- There are hazy ideas of single currency establishment in the SCO space. Now when dollar has lost confidence and absolute authority, there is much emphasis on its replacement necessity in the world. Still more frequent yet are suggestions to refuse the single currency domination and create a multipolar financial payment system, stable and suitable for all. Does an idea of "the SCO single currency" become topical in this situation? And what could be to your opinion hypothetical features of such a currency?

**B.N.** - A single currency can be introduced at the stage of integration completion. For example, in the EU that was only possible after forty years of the date of the organization founding, even then not for all of the member states. Actually, in today's conditions of global financial crisis the SCO member states are discussing ideas of national currencies use for international payments. But it rather concerns bilateral relations, and not the Organization in whole.

- SCO is a unique sub-regional organization, based on a noble idea of just cooperation, mutual assistance and protection. It follows an unbeaten

pioneer track, sometimes not without inaccurate moves. What is required to make the SCO course optimal?

**B.N.** - Any international organization development is above all connected with how adequately processes taken place within its framework meet diverse interests of all of the participants. There will be no progress without constant adaptation to new realities and consolidation of approaches. SCO is developing simultaneously in three dimensions - political, economic and humanitarian. And it is crucially important to ensure their well-balanced cooperation so that processes dynamics of each dimension may reflect basic interests of each member state. As well as a fundamental mission agreed in the SCO Charter of joint development for progress and prosperity of our nations.

- What are prospects for the development of SCO? Will new areas of cooperation appear within the framework of the organization? At what stage are the questions of admission to membership of SCO?

**B.N.** - The organization is persistently and steadily developing. Cooperation spectrum broadening for account of new promising areas confirms it. Thus, the SCO participants are interested in the use of cumulative potential as much as possible for their own development. Public health, agriculture, ecology, regulation of migratory movements, science and technologies can be noted among new spheres of cooperation. Appearance of new areas of cooperation reflects the need for development of the Organization itself and dynamism of multilateral ties of the SCO process participants.

Considering the raising interest in SCO on the part of states and organizations that want to become our partners, issues of further institutionalization of the Organization international activity are of integrated nature. Provision of observer status under SCO and Provision of the SCO dialogue partner status were adopted earlier. Steps toward expansion of the Organization, which is, to my mind, inevitable, should be carefully considered, pursuant to the interests of further strengthening of the base, on which the six states had united into SCO in due time. Now formulation of a document on the mode of admission in SCO is being carried out. Membership criteria are strict enough, because the Organization can be increased only by candidates worthy in all respects.

# Barack Obama Could Not Do without SCO

After the Moscow conference on Afghanistan, recently held in Moscow under the aegis of SCO, a conference took place in the Hague with similar subject profile under the aegis of UN. No wonder: the world is in real earnest anxious about the Afghan problems and probably intends to solve them seriously and in common. It is appropriate to mention here that Afghanistan is situated not somewhere in the background of the SCO responsibility area, but in its very heart.

In the Hague World Center of Forums and Congresses up to two thousand people gathered - foreign ministers and other representatives of 72 countries, as well as about 20 international organizations - UN, EU, NATO, World Bank, IMF, non-governmental humanitarian organizations. Here also were represented the states participating in the operation of International Security Assistance Force in Afghanistan (ISAF) conducted under the auspices of NATO, other countries rendering all kinds of assistance to Afghanistan. It means once more how much the Afghan subject disturbs the world community.

The general thesis of the conference is worded as "comprehensive strategy in a regional context". It must be noted that the international conference on Afghanistan is held in this format and vein for the first time. The focus is on the new US strategy for Afghanistan and Pakistan. The strategy named "all-round" or "comprehensive" was declared by the US President Barack Obama on March 27. On the same day a one-day international conference on Afghanistan was held in Moscow. It was surely not pure coincidence.

In Moscow the sun was already down, and in Washington the day just started. It may be suggested that the US President needed to know results of the Moscow conference on Afghanistan - if only conceptually - before he voices his new strategy. It was necessary to have time to amend the project of new American strategy as far as possible if needed, on the basis of the Moscow conference results. It is no secret that for the USA and NATO SCO in Afghanistan is a delicate surprise, requiring due care.

The most sensational element of the strategy declared by Obama, as almost all the observers admit, became the proposal to create under the aegis of UN a contact group for Afghanistan that would include along with the NATO countries, Russia, China and Iran. Nobody expected this. Because the USA does not merely state readiness to "share responsibility" for Afghanistan alongside with its western allies also with Russia, China and even with its old opponent - Iran. The USA, actually, stated its readiness to "share" Afghanistan with the regional states such as Russia, China and Iran.

All correct. But it is worth wondering what preceded this, and coming back to the Moscow conference.

A peculiarity of the Moscow international conference on Afghanistan is just that it was held under the aegis of SCO. And it meant that in spite of the declared "traditional" issues for discussion, i.e. the threats of terrorism, drug trafficking



and transboundary crime coming from Afghanistan, the regional cooperation was accentuated. It is not difficult to understand transformation of priorities. As was underlined by everybody who spoke at the Moscow conference, the problems at hand can be solved only when closely cooperating with direct and regional Afghanistan's neighbors that, except Turkmenistan, are either permanent members of SCO, or its observers.

Knowing jealous attitude of the USA and NATO toward this organization, there were some concerns, that it is the idea of regional cooperation against which undercover soft boycott will be declared. But surprisingly the contrary proved to be the case. Practically all the participants of the Moscow conference supported the regional cooperation as the only possible key approach in solving the Afghan problem.

And this position was initiated at that by nobody else but the western allies of the USA - Great Britain, France, Germany, Italy and Canada, arriving in Moscow in the group of "eight". It was them that (unlike U.S. Deputy Assistant Secretary of State for South and Central Asian Affairs Patrick Moon) granted the regional cooperation the status of "the only possible key approach" in solving the Afghan problem.

It was so unexpectedly and originally that when at the final meeting a proposal was raised to agree with the fact that at the Moscow conference "reconsideration of the international community's efforts strategy in Afghanistan" in favor of the regional cooperation occurred, everybody agreed all at once.

And what was there to be done for Barack Obama in this situation? Naturally, to declare creation of a new contact group for Afghanistan and Pakistan that will consolidate everybody who participates in maintenance of security in the region. According to Obama, this group should include not only traditional allies of Washington from among the NATO countries and the States of the Gulf, but also Central Asian countries, Russia, China, India and Iran. Simply speaking - the Shanghai Cooperation Organization countries (that the USA and NATO, to say the least, often try not to notice, though they should.)

"We understand the necessity of looking for collective solutions to the Afghan problems. It is of critical importance that Russia and the USA should consider these two conferences as mutually supporting each other, and not as competitive

ones," said the Russian President Dmitry Medvedev.

It is appropriate to mention here that Afghanistan is situated not somewhere in the background of the SCO responsibility area, but in its very heart. From the east, south and west it is surrounded by the SCO observer countries - Pakistan and Iran, from north - by the permanent members - China, Tajikistan and Uzbekistan. In the north there is also a "neutral" (not joined) Turkmenistan, but it actively participates in Afghanistan's fortune too. And exclusively in close liaison with Central Asian republics at that - such are the traditions.

But the point is not only in geography. It is enough to remind that the active stage of SCO creation fell on winter 2001-2002, after the launch of the US operation "Invincible freedom" in Afghanistan. Among initial ideas of SCO there is an attempt of the countries of the region to form their own policy toward what is going on in Afghanistan.

Here is the key question of everything what has been going on in the Central Asia region already for several decades. Answering the question is not possible without knowing what Central Asia is, how its countries relate to each other and with other "outer" forces.

Certainly, the USA and NATO do not want Afghanistan to suddenly enter SCO, nor SCO will be particularly enthusiastic about Afghanistan's membership in NATO. This truth is clear to everybody. But there is another, not less significant truth.

Perhaps today any voluntary block alliances are not possible for Kabul - whether with NATO, CSTO, SCO or other; by the way, it constantly reminds of it. But to organize with the help of Afghanistan cooperation between NATO and SCO on the Afghan problem - this scenario is quite real. The main thing is to find a format for this cooperation.

Practically NATO is in Afghanistan neither formally, nor officially. Here is only the related to UN international peacemaking contingent ISAF. In regard to NATO, it has voluntarily, at request of the same ISAF, undertaken duties of these forces coordinator. In this case why does not SCO undertake duties of Afghanistan neighbors' actions coordinator, with whom Kabul has established good relations on the basis of bilateral communications? By this scenario NATO will have no formal reasons to suspect Moscow and Beijing in striving to involve Afghanistan in their regional organization. On the contrary, this is an example of cooperation.

At present these thoughts seem to be idealistic. Nevertheless now the USA seriously began to think over: why it needs Afghanistan and how to exercise control here? In any case, the "comprehensive strategy" for Afghanistan comes for the first time on the initiative of the USA "in a regional context".



# SCO THROUGH THE EYES OF AMERICA AND EUROPE



24

The 2009 year seems to be critical for the Shanghai Cooperation Organization from every side. It will be a year of transition to new quality standards. In all respects.

In 2008-2009 Russia is Chairman of the SCO. According to the European Union experience, where chairmanship of member states is changeable too, the state, taking over the leading duty, always tries to draw attention by something significant, to influence the organization development, further movement vector. The President Dmitry Medvedev and the Prime Minister Vladimir Putin believe that the world financial crisis, ironically enough, will help the SCO to become firmly established in a new geopolitical situation. World's remagnetization to multipolarity (and there is no doubt this process is getting under way) must give an impetus to SCO too: the Organization is obliged to get its special "polar" attraction.

And the fact is not somebody from the "Six" tries to use "difficulties of the moment", to practice on the fact that the US previous administration has already left, and the new one has not come into force yet. This thesis is advanced mostly by neoconservatives from the Bush administration that does not want to understand, how far the world has gone

since the beginning of the 1990s. And how Russia, China and attitude toward America changed as well; what new international organizations are now. But there is another problem. Numerous examples of history show that global crisis, generating new decisions, at the same time give new instruments and mechanisms. SCO is just the case.

Any organization activity is determined by what it has "under its belt", and what it is working on now. But there is another very important indicator, it is necessary to take into account when defining influence and efficiency of each international structure. Its sense is the following: who, what, how and how much is mentioned. Frequency of abbreviation of any international organization's name in the press, expert circles, scholarly disputes, at seminars, in diplomats' and state officials' mouth? It is almost like a barometer: the more frequently a name is heard - the higher its authority is.

I always liked to look at things through "somebody else's eyes" - in such a way they look more prominent, the good and the bad become more apparent. So, how does SCO look "sideways"?

America and Europe looked attentively at SCO a long time and wouldn't un-

derstand, where to place this exotic, by Western standards, organization? Mixture of the Russian bear and the Chinese dragon, flavoured with "Shakhrezada tales" from the Central Asian part of the Silk Route. There was so much exotism in the new establishment, while distinctions between countries seemed so big, that it could make everyone pause.

Many things were incomprehensible for the European mind. But as for the American one, in the Bush era that confirmed a primitive representation of the world around to a wonder, almost nothing was understandable. Since 2001, when SCO was formed, the USA could not believe that these very "bear and dragon" without prejudice to anyone can become established on the Silk Route and create something useful. That is why Washington reacted very sluggishly to all SCO's movements. However in 2005 the Americans made a lukewarm attempt to become the SCO observer, but the matter did not advance.

When SCO became more serious than they thought, they made an attempt to pass it for something like a new "Warsaw pact", a counterbalance to NATO, and scare the whole Asian region. But eventually they had to refuse this unjustified postulate.

Presently, the Americans assert that as yet they can not understand at all, what SCO is and where it is going to. "Ask the Russian, Chinese, Kirghiz or Uzbek, what the SCO agenda should be, and you will hear four quite different answers. Somebody wants to focus on security, somebody on economics, somebody on the "three evils" (narcotics, terrorism, smuggling), and somebody else - on pressure on international organizations." Such an assessment was recently given by Evan Feigenbaum, Assistant Secretary of State for South and Central Asian Affairs, and yet there are no other opinions.

But without knowing what SCO is, the Americans begin to prescribe where it is to go. "May be It would be best for them to begin with agenda, we and our partners carry out in the region." No more, no less. Feigenbaum further unscrambles, what exactly it means: to offer comprehensive aid to the USA in Afghanistan and to abandon attempts to create certain "energy clubs." The USA understands by this the SCO countries integration with the view of mining activities in the Caspian and oil transmission pipeline construction towards China, India, and Pakistan. All that happens without the USA's taking part in it is already considered as foreign-policy and economic heresy, for it affects and infringes upon Washington's interests, so they begins to cross swords with it.

Actually neither of the SCO members affirms that the Americans hold no interests in the Silk Route. Sure enough, they do. But nobody can understand why Washington also wants to control traffic here?

As far as SCO is concerned the USA begins increasingly to bring up a subject of absolute incompatibility of Russia's and China's interests. There are two theses. The first one: Moscow and Beijing, on a stand-alone basis are no good match as partners in view of deep difference of foreign-policy aims. And the second one: Moscow and Beijing together do not suit all the other SCO members, so long as they would depress their national interests, sovereignty and aspiration for democracy... All the same the President Medvedev was absolutely right, when he told that American Sovietologists are endangered species because they use the last century's templates.

In the offing China and Russia, no matter what reaction it can cause from outside, will remain major players of SCO. Their participation there is a principal benefit of the organization. To some degree they resemble the two most voluminous passengers of one boat, which have to coordinate their bodily movements to prevent the boat's turnover.

It is them which the USA starts hunting for.

Under new administration of President Barack Obama the Central Asia becomes ever more important region in geopolitical games of Washington. There is something behind a sudden change of his tone in his treatment of this part of the world. A refrain is heard from American diplomats like this: "to call all the Central Asian republics by a term "Central Asia" is pejoratively, disrespectfully" etc. Only those can do like this who practically do not respect national sovereignty of original nations being part of the region, and use them as pawns in their geopolitical chess. But as for us (Washington), we do not do it; that is why they should reach for us solely. While Moscow and Beijing "uses" Central Asia.

If to take the trouble to think over such assertions, their absurdity will become obvious at once. Generally speaking, "art of use" is what diplomacy is all about. On their part the Central Asian countries "use" Moscow, Beijing, Washington, and the EU as well.

Membership in SCO, for example, does not prevent Kazakhstan, Kirghizia, Tajikistan and Uzbekistan from being the most active partners of NATO's "Partnership for Peace" programme or others jointly with the USA or North Atlantic Alliance in the field of military security. Tajikistan receives from the United States a solid support for the development of its state border. To date Washington has granted to Dushanbe \$40 million for reconstruction, building and equipment purchasing for 15 frontier posts at the Tajik-Afghan border. American instructors train Tajik border guard, and, at the same time, supply their Kazakh and Uzbek colleagues with special cutters to control the Caspian and the Aral. The USA has almost completed the Kirghiz and Tajik drug enforcement administration with hardware and equipment. It also helps Kirghizia to upgrade Russian MI-8 helicopter gunship. In Kazakhstan American companies altogether are on a level with Russia and China by size of foreign investments - 30% of the whole portfolio...

The Americans have never been notable for refinement of their foreign-policy propaganda, whereas Europe is much more tactful in respect to SCO. It has already begun the process of its relations reconsideration with Central Asia. Last year Brussels developed and approved the "The EU and Central Asia: Strategy for a New Partnership" long term programme valid till 2013. One of the leading European experts of the Central Asian region, former director of the well-established Stockholm International Peace Research Institute (SIPRI)

Alyson Bailes believes that SCO is a very solid mechanism to maintain stability and security not only in Central Asia, but in the Asian region as a whole.

"However high or low we assess the possibility of conflict between China and Russia after the cold war period", she writes in a special research for the Council of the European Union, "SCO is constructed so that to avoid, either by a deterrent device, or positive management of both states and their common interests in Central Asia. It is of somewhat ironic that SCO's manageable format also offered Central Asia a basis for accurate calculation of their traditional exercise in balancing between Moscow and China, western and oriental friends.

SCO advanced much farther than others in the case of the Central Asian nations' involvement in real tasks performance. If SCO manages to open channels for Chinese investments in coordinated infrastructure projects and other plans of specific development in the whole Central Asia, then everybody will only gain from it. Moreover, a wide "cooperation menu" offered by SCO to its members, also means cooperation at "prior national" level - between businessmen, parliamentarians, various types of players. And that is already "progressive versatility." A western expert's very capacious thought.

After all, there is no use to have illusions that "good Europe" unlike the USA, is ready to accept SCO as an equal international partner. Europe is just looking closely at it so far.

As a matter of fact, SCO, to be quite frank, has just confined itself to declaring its readiness to consolidate its relations with European organizations. For the time being links are formalized only with UN and ASEAN Regional Forum on Security. Europe is informed of SCO from its member states, and not from the very organization. Though, according to the European Commission experts, Brussels is ready for relations development - just to the level of observers' exchange.

Brussels, unlike Washington takes as positive the fact that Iran is an observer in SCO. Europe believes that Tehran's participation in any multilateral organization can help to "cultivate" the Iranian regime. Therefore, if the Shanghai Cooperation Organization takes step towards Europe in the future, it will only gain from it.

Andrei FEDIASHIN  
RIA Novosti political observer



The Special Representative of the President of Russia for the Shanghai Cooperation Organization affairs and the national coordinator of SCO from Russia, Ambassador-at-Large Leonid Moiseev gave an interview to the Editor-in-Chief of InfoSCO Tatiana Sinitsyna.

## SCO Has Already Taken Its Place in World Architectonics



- Within our sight a new world image is being created - the political and economic one. What place in this architectonics can the Shanghai Cooperation Organization take?

**L.M.** - SCO is a quite young international structure, it was created eight years ago, but I am sure, it has already taken its place both in the regional and world architecture. First of all, on the strength of its uniqueness. The organization consolidates the two big countries, Russia and China, and at the same time - four Central Asian countries - Kazakhstan, Kirghizia, Tajikistan and Uzbekistan. And SCO propagates at that the philosophy of which the main point is the following: all countries, regardless of spatial quantity, economic power, political culture, traditional peculiarities, should have absolutely equal constituent power in world affairs and to participate fully and equally in discussion of paramount questions of the present.

This philosophy is inevitably perceived as a challenge to the tendencies that have lately especially distinctly appeared, when there were attempts to model all out-of-doors by templates of a certain standard, by subjective yardsticks, when the only someone's value systems were imposed. And SCO upholds the principle of parity when all the countries can fully cooperate not only on absolutely equal terms, in spite of differences, but herewith also develop cultural traditions in cooperation with other states. It is this philosophy that imparts uniqueness to the organization, serves as the main attractive moment.

- Intergovernmental alliances do not appear for no particular reason; everything has its causal relationship. What passionate forces have promoted SCO's idea, what objective conditions have predetermined the organization appearance?

**L.M.** - The point of SCO's departure was an intensive cooperation with China near the common border that was in progress in last years of the Soviet Union. Then the two states took the lead of working out unique for the Asian Continent measures of military confidence and reduction in force near the common border. There was no similar precedent in Asia's history (by the way, our example was later used by China and India at their borders). This absolutely new for Asia process had an important result - it was the start of creating an atmosphere of mutual trust. And this atmosphere did not disappear at that following the breakup of the Soviet Union. In Central Asia new sovereign states arose that also turned out to be aimed at cooperating and trusting. This positive process contributed to creation of intergovernmental relations of new quality in the post-Soviet political realities in this part of world.

- Was not it a challenge to the same unipolar policy imposing its standards, a desire to harmonize forces in the Global area? The nature of things, as is known, seeks equilibrium.

**L.M.** - Maybe, subconsciously, hiddenly, it advanced the states as well. However none of the participants of the first new format meetings did not aim any opposition. That is, there was no task to create an anti-western coalition, as was no aim to create some sort of "antiNATO" instead of the broken Warsaw Pact. Unfortunately, exactly these motifs are often ascribed to SCO. The main task was different, quite pragmatic. At that date in the Central-Asian region a disturbing entity was formed: terrorism and extremism forces made a move. The regional situation in whole turned out to be very fragile. This is precisely why it was necessary to concentrate on some joint steps, foremost on opposition to these forces. It was these tasks that were made the corner-stone. It was not without reason that the first elaborated documents underlined the need for joint struggle against these dangerous tendencies. The organization initially showed a new, unique for the unipolar international practice example of communication, when the countries of various civilization traditions and cultures were conducting equitable dialogue on a wide range of questions. Apart from security problems primordially brought to a focus, a theme of cooperation development in other areas naturally arose too. In this way an economic dimension and a comprehensive humanitarian component part appeared. The organization was harmonized, became universal.

- It would seem, the SCO countries are not valent by their territorial dimension, historical experience, economic potential, integration possibilities, and finally, by their mentality, and cultural traditions. How is possible to count all that, to fairly order? Apparently, it is the most difficult task for the organization. What do You think?

**L.M.** - Yes, indeed. It is not so easy to combine everything in a single fabric. At the very beginning of its existence SCO enunciated quite ambitious goals: say, a mission was officially set to create economic conditions towards 2020 for capital, services, and investment free flow. Actually the matter was about a serious full-fledged economic integration. However the reality showed that these missions are not so easy to solve. And now, in conditions of global financial crisis, they can even become more complicated. Gradually what could be solved rather easily at the first stage was singled out, whereas outstanding problems were adjourned. New topics and unexpected points of contact appeared. Things went naturally, with application of various countries' efforts. That is, it was not the situation when one or

two countries were imposing others a certain instruction. It was a free and plain exchange of opinions. Thereby both positive and negative experience of other regional associations was taken into account, say, that of EurAsEC. We did not seek after excessively ambitious things, but we tried to do what was in the organization's power at a particular stage of existence. If the economic integration is not today's and even not tomorrow's mission, perhaps, then infrastructure projects implementation, in the first place - auto-roads and railroads construction - is a feasible task. And the matter is about an important thing at that - establishment of a communication element connecting all the SCO states in a single economic organism. Except China, other countries in the times of the Soviet Union were integrated in one system. However in view of new realities it was necessary to create a new fabric of a common space, intergovernmental relations in the region. Certainly, without denying what had existed before.

- SCO's way is pioneer, and it is quite natural that it is covered by trial and error. Not all of the declared projects are equally successful, some of them are pending, and others, on the contrary, have got a good perspective. What areas of cooperation would You single out as successful?

**L.M.** - Things are good enough in the anti-terrorist direction. We have created a special structure engaged in quite specific things. The anti-narcotic cooperation is being actively developed - a burning issue because it concerns everybody. Cooperation between the ministries of emergency situations is worked out not bad, headquarters are being created to coordinate actions in this field; an emergency diplomatic response mechanism is being established. A new area has appeared - an opposition to epidemiological situation. It is paid more and more attention, so long as all the SCO member states are interested in it. Disaster medicine can also pronounce on, program of struggle against the outbreak of the odious diseases such as avian influenza, non-typical pneumonia, enterovirus diseases etc. is being actively filled with specifics. Specialist contacts in this field have been considerably intensified.

Several big areas of cooperation within the framework of SCO were initiated by the Russian party. The question is, in the first place, about creation of the SCO Youth association and University. The sense of the educational project is to create a network of leading higher education institutions of the organization member states that should coordinate educational programs for students, train various specialists on behalf of SCO.

Certainly, not all the organization member states are enthusiastic about particular projects; there are times when they are assessed differently, which is quite natural. In the meantime, cooperation can be developed with a velocity of unequal significance - the countries ready for cooperation can join one project or another, while others can abstain and join in later.

- And yet, it is no secret that at the SCO roundtable there is disagreement, different points of view, and particular opinions. How is possible here to reach a consensus, the ideal SCO is striving for?

**L.M.** There are different ways to do it. Remember that on March 27 a conference on Afghanistan took place in Moscow initiated by the Shanghai Cooperation Organization and turned out to be very successful - 34



countries and international organizations participated in it. Uzbekistan was not presented at this conference. On the strength of special approaches to the Afghan problem Tashkent considered it unreasonable to take part in this SCO initiative. In the meantime, the convocation of a conference coordinated with it. One of the documents that became the result of this special conference is the further SCO's plan of actions in the Afghan area. I think that many things provided in this plan will be implemented with the participation of Uzbekistan as well.

**- It may be said that SCO is a laid friendly table, but some of the presents, for some reason or another, do not perceive, say, a spicy or a sweet dish. Is this image acceptable?**

**L.M.** - Perfectly. I think the organization must take into account each member's specifics of the approach to one problem or another, a peculiarity of international organizations lies here. The consensus principle - a single approach elaboration - certainly, should be used, but at the same time it is not improbable that various countries have a different speed of motion in a particular direction. If one of the parties is not ready to participate in one common goal or another (the SCO documents admit it), the interested countries can participate in it. And here is no need to seek contradictions or any element of confrontation inside the organization. This is the essence of everyday life where not everything can be ideal. And when the organization is increased, I do not exclude these "discrepancies" the more so. However different positions should not impede work in those directions where the substantial part of countries does wish to cooperate. It follows from SCO's philosophy propagating the respect to each member of the organization, attention to each country's voice and at the same time - calling not to stop, but move towards promising areas.

**- What role, in Your opinion, can SCO play in the member states safe overcoming the financial and economic crisis? It is clear that everybody would like to minimize his personal losses, but do the SCO states have any common approaches to the assessment of actions?**

**L.M.** - Within the framework of SCO the theme of crisis is ranked rather high. We have a structure that consolidates the SCO countries' economic authorities - the Business Council. It was it first of all that designated the "crisis problems" at its meetings, and they are regularly discussed. By the way, at the St. Petersburg international economic forum early June, where SCO traditionally works as a separate section, a special session at a rather high presentation level of the SCO Business Council is planned to be held where looking for ways to harmonize economic relations in conditions of crisis will be considered. The question will be also about what exactly business community can offer to enable the SCO countries to overcome the crisis with minimal loss.

**- But the situation in the SCO space is not definite: some was affected by the crisis more, some less...**

**L.M.** - I would say as follows: within the framework of SCO there are countries, the crisis affected more than others. They are, first of all, the countries, the most actively involved in the international differentiation of labor. On the other hand, in conditions of crisis the international aid will be inevitably reduced for those countries that in recent years have got accustomed to receive it. That is why there need to be found solutions

in order that consequences may not have a dramatic impact on the level of living in these countries. Another important moment: it is no secret that in conditions of crisis demand for labor migrants' services slumped, and Russia and Kazakhstan are just the countries that had very actively involved labor migrants, in particular from Kirghizia, Uzbekistan, Tajikistan, i.e. its SCO colleagues.

This subject is serious and major for discussion. On the initiative of Russia we have specially created a group of experts including all the migration-related departments' representatives. The scope of discussion in this group is very wide - from struggle against illegal migration - till creation of conditions for a normal civilized migration, first of all the labor one. This theme is now becoming one of the major items on the economic agenda. We have created an inter-departmental group, where not only the FMS representatives participate but also those of the Ministry of Internal Affairs, Business Council. This group will formulate conceptual approaches to the problem solution. By the way, SCO deals with the migration problem as a pioneer; we felt the problem inevitable in the SCO countries relationships just in time.

**- Not simple question - about the SCO extension, new states joining, all the more so there are interested countries. What is SCO's position here?**

**L.M.** - As far back as two years ago, after the first SCO membership applications, at the summit in Dushanbe it was decided to weigh and discuss this question very thoroughly. Last year we created a special group that began to consider all aspects. Certainly, the issue of the Organization extension is, first of all, a political question. But technical moments also require a serious attention. For example, as regards the Organization budget and contributions. The SCO budget is formed on the principle of economic weight. In compliance with the contribution rate each country has a quota for the representation in the continuing structures. The question arises of working languages. Today it is Russian and Chinese. When accepting new members SCO would have to pass to other working languages as well.

Here also emerges even the question we have never thought about before. When SCO was created, in its Charter the following was enunciated: the Organization is open for other countries admittance; it is not an exclusive bloc. Only two admittance criteria were designated. The first one - a new member must recognize matters of principle of the SCO activity, agree with them and on this ground to work within the framework of the Organization. The second criterion is to belong to the region. But, when we began to think over what the SCO region is, we faced the difficulties with definition of this term.

The point is that the SCO region can be presented differently. In the narrow geographical "key" it is the Central Asia region. Then it turns out that besides the current members, only Turkmenia belongs to this region. When presenting the SCO possible space to the widest extent, then it would include all the Eurasian territory, i.e. any Asian or European country could pretend to this organization membership under such interpretation.

There is another criterion we have tried to apply; it is the availability of common borders. However it can incredibly extend the SCO geography as well. Thus, we faced a problem of definition of a fundamental meaning of the "SCO region" term. Some members of the organization immediately offered to tighten criteria, to make their

set in such a way that only "unstained" countries should meet them. It was hardly correct, but if to refer to other international organizations' example, say NATO or EC, it is clear how much admittance procedure is complicated there. There is a strict rule set, a chain of preparatory stages, it is necessary to undergo. So, the work on admittance criteria in SCO that we had considered technical turned out to be more serious.

However it must be done and we shall continue to work. If SCO enunciated the Organization openness, then it is impossible to be closed for ever in the existing frames. The first results of the experts' efforts are already available, and they will, apparently, be reported to the heads of state, that will give the further impetus.

**- De facto SCO is already an important part of the Central Asian security system; UN, NATO and other organizations now have to accept the established reality, communicate with SCO, take into consideration its opinion and even jointly work out a common strategy in the area of common interests, I mean Afghanistan.**

**L.M.** - I would say that the conference on Afghanistan SCO organized on March in Moscow has become a matter of principle. For the first time in SCO's history NATO, the USA, the Group of Eight countries, Turkey, OSCE that had taken SCO not very seriously until recently, participated in the forum organized by SCO. And OSCE secretary general, NATO Deputy Secretary General even spoke at the conference. The SCO ground is very convenient for the Afghan subject discussion at a regional angle.

At the conference we did not challenge to solve all the Afghan problems. The mission was quite pragmatic and rather realistic - to see what can be done in the Afghan area from a perspective of the region. And in the first place, not inside Afghanistan, but around it. And it turned out a very actual theme. CSTO Secretary General Nikolai Borduzha, speaking at the conference, absolutely correctly noted that 8 big international structures and organizations are functioning in the region in the Afghan direction, and each of them is acting in accordance with its own plans, not coordinating their efforts with other structures, other countries.

It turns out that a lot of efforts are put into the "Afghan theme", a large amount of events are dedicated to it, the countries contribute colossal sums, but the situation only becomes worse. It suggests that maybe something is wrong. It turns out that all the parties are working by individual algorithms; international organizations do not take into consideration each other's actions. Whereas SCO has just offered to try to find some joint strategy, or at least - points of contact where possible.

We have designated the directions that seem priority to us: narcotics, terrorism, and organized crime. As concerns counter-drug actions, everybody admit that efforts are to be consolidated. There are problems both for those who act inside Afghanistan - UN, NATO, Americans, West Europeans, and those who work outside it. And everybody feels that something must be done. We suggested a plan of SCO's actions everybody can join in, as was declared. And this found a response. By the way, at the Hague Conference on the Afghan issue that took place several days after the Moscow one, this approach received approval. It was also much said there about a regional approach and efforts coordination.

# In the Forefront of Fight with the “THREE MALIGN FORCES”



28



Director of the Executive Committee of the SCO Regional Antiterrorist Structure (RATS) Colonel General Myrzakan Subanov answered questions of the InfoSCO information-analytical portal.

- This year is the Shanghai Cooperation Organization Regional Antiterrorist Structure's anniversary - five years ago it officially started to work. What caused the appearance of this organization and what are, in Your opinion, the main outcomes of its five-year activity, how successful is it?

**M.S.** - Activity of international terrorist, separatist and extremist organizations in recent years has become a reality of the world of today. The situation in the SCO member states in the sphere of counteraction to terrorism, separatism and extremism, has required a standing body creation within the framework of SCO that should successfully counter new challenges and threats. That is why, in pursuance of missions of the heads of the SCO member states and for the purpose of implementation of the Agreement between the SCO member

states on a Regional counter-terrorism structure dated June 7, 2002, RATS was created and began to function since January 1, 2004 in Tashkent, the capital of Uzbekistan.

It is safe to say with hindsight that the five-year intense work of the associates group of six states achieved its certain results. The main outcome of our activity is that we, jointly with the Parties' competent authorities, have established an effective exchange of information, which made it possible at the early stages to reveal, prevent and suppress the terrorist, separatist and extremist organizations activity in various territories. It should be noted that the Executive Committee of the RATS SCO counters terrorism, separatism and extremism exceptionally within the legal framework elaborated and adopted in the form of completed legal documents by all the SCO member states.

**- How does RATS cooperate with the SCO Secretariat and other international organizations, what does this cooperation specifically consist in?**

**M.S.** - The SCO Council of Foreign Ministers has approved "Regulations on cooperation between RATS and the states and inter-governmental international organizations that have obtained a status of the SCO observer countries". Within the Afghan problems the SCO Secretariat has received proposals for involvement of the SCO observer states adjoining Afghanistan, with a view to creating "anti-narcotic security belts" with the coordinating role of UN.

Taking into account the Parties' new proposals, as well as dynamics of cooperation development in struggle against new challenges and threats within the framework of SCO, the "Programs of cooperation between the Shanghai Cooperation Organization member states in struggle against terrorism, separatism and extremism for 2010-2012" project has been developed.

A special attention in RATS's work is given to strengthening the intercourse with international organizations and diplomatic representations. Working meetings with heads of competent authorities of the SCO member states, representatives of CSTO, ATC and the Coordinating service of CCBGF CIS, Regional representative office of the United Nations Office on Drugs and Crime in Central Asia, foreign countries ambassadors in Uzbekistan are held on regular basis. In the course of meetings actual questions are discussed concerning problems of struggle against the "three evils", specific areas of cooperation in this field have been defined. A contact was established with the U.N. Security Council Committee in the case of sanctions on al-Kaida and the Taliban movement (Commit-

tee-1267). Specific ways of enhancement of joint work efficiency have been planned.

All the package of RATS SCO measures taken with the UN antiterrorist units, is implemented in the context of the SCO member states permanent representatives' initiative for inclusion of the item of cooperation between UN and SCO on the agenda of the 64th Session of the UN General assembly.

With due consideration of the Dushanbe declaration of the Heads of state of the SCO member states dated August 28, 2008 on deepening cooperation with CIS and CSTO on basis of the memorandums signed in March 2009, working meetings were held with officials of the CSTO and ATC CIS secretariat. The parties exchanged opinions on the state, dynamics, and trends of the spread of international terrorism in the SCO, CSTO and CIS space, sources and channels of financing of terrorist, separatist and extremist organizations, in particular, in the Afghan territory. Ways of further cooperation were defined; "the Protocol of intentions between RATS SCO and the Council of Commanders of Border Guard Forces of countries of the Commonwealth of Independent States" was signed. A working visit of the President of the Coordinating service of the Council of Commanders of Border Guard Forces of CIS to the Executive Committee of the RATS SCO has recently taken place, where ways of implementation of this Protocol provisions were discussed.

**- It is clear that not everything may be said of the RATS activity in the open mass media. But could You tell of any successful operations of Your structure? For example, of the participation in security assurance at the Olympic Games in Beijing, whether you structure will conduct such missions at the Winter Olympic Games in Sochi?**

**M.S.** - Our structure does not conduct operations directly. But it took an active part in working out measures for security assurance at the Olympic Games in 2008, for which the corresponding documents were elaborated and approved, that made it possible to create a legal basis for cooperation in this sphere. As far as I know, in world practice there is no analogue of it, nothing similar has been done. The work, to say unequivocally, was not easy; nevertheless, it was a success. The SCO member states security implementation at the Olympic Games-2008 fully reflects the "Shanghai Spirit", as well as shows the entire world a positive experience of cooperation between the states in so significant and necessary thing on a world-wide scale.

As for the Winter Olympic Games in Sochi,

I think that the gathered professional experience will help us to work out effective measures of assistance in these Winter Games security assurance. Naturally, in this matter we will not be able to replace law-enforcement authorities and special services of Russia, but we are able enough to help with information, in particular, the operation one.

**- In June 2004 an agreement was signed on creation of a common data bank of international terrorist, separatist and extremist organizations, as well as of their sources of finance, including the illicit traffic in narcotic drugs. How is this agreement implemented and what aid does the data bank grant in daily routine?**

**M.S.** - We continue to work on creation of a "List of terrorist, separatist and extremist organizations, whose activity is prohibited in the SCO member states territories". A piece of work has been executed on study and analysis of the working regulatory legal acts of the SCO member states, other international organizations in the sphere of struggle against terrorism, separatism and extremism.

For the purpose of developing an effective system of data exchange between the competent authorities of the Parties, appropriateness of creation of a specialized data base (SDB) of firearms, ammunition and explosives (FAE) being in the illicit trafficking and on the wanted list within the existing Data Bank of the Executive Committee of the RATS SCO was examined. We have begun to work out criteria of tracking FAE used in the commission of acts of terrorism.

**- The terms of cyberterrorism and cybercrime, unfortunately, have already solidly entered our vocabulary. Now we are working on the draft of an Intergovernmental agreement on cooperation in the field of international information security assurance. Does RATS participate in it, what is the essence and novelty of this document?**

**M.S.** - You have touched upon a very important and difficult subject that, to say unequivocally, requires colossal efforts of a majority of civilized countries.

It is obvious that one of the most important features of modern times is rampant development and overall introduction of modern information and communications technologies (ICT). If past experience is any guide, many international terrorist, extremist and separatist organizations also "go with the times". Alongside with that it should be noted that the problem is not reduced to the



mere cyberterrorism. Primarily it concerns the internet. The access simplicity, unlimited audience, instant communication of information, possibility of transmission of coded messages etc. make it irreplaceable terrorists' helper. That is why for this problem solution, to our opinion, the old methods both legislative, and technological ones are evidently insufficient.

The modern terroristic threats' nature with the use of ICT dictates the necessity for an in-depth and thorough study and analysis of this problem. Only after it has been done it will be possible to begin working out specific measures for counteraction to cyberterrorism, as well as to use of the internet for terrorist or other unlawful purposes. We see this problem; we are working on it and are ready for cooperation with all interested parties.

**- The draft Convention against terrorism will be submitted for consideration of the forthcoming in June SCO summit in Yekaterinburg. Please tell what is the necessity for this document approval?**

**M.S.** - The necessity for a new anti-terrorist international legal instrument formulation was conditioned by the extension of influence of terrorism ideology in a modern form. There is a long-felt need for approval of such new legal documents that should make it possible to more efficiently counteract terrorism in the current context.

In the SCO draft Convention against terrorism it is suggested to give a better insight into terrorism as a politico-social phenomenon, to define a sphere of application of the convention, to establish its jurisdictional limits, formalize the regulation of the parties' sovereignty protection, to give an approximate list of domestic measures for prevention of terrorism, to establish what acts are rated among terrorism and can be recognized crime. Furthermore, to determine liabilities of juridical persons in case of their complicity in terrorism, to formulate grounds and procedure of rendering legal assistance, in particular, in sequestration and confiscation of property used for the commission of acts of terrorism, and to work out a legal mechanism of surrender of persons suspected in terrorist activity.

The main thing here, in our opinion, is to form the understanding of terrorism just as a politico-social phenomenon, which will make it possible to work out remedial measures to eliminate the main cause of terrorism - ideology that grounds the possibility and necessity for the use of violence and other deterrent effects to achieve some political, social or other goals.

**- Within Your structure several exercises have been conducted in recent years. What countries participated in them and what aims were made?**

**M.S.** - We all have the only goal - enhancement of efficiency of the activity of the Parties competent authorities in revelation, prevention and suppression of unlawful activity of persons and organizations using or intending to use terrorist activities to achieve their goals.

The conducted joint exercises show possibilities of security agencies and special services of the SCO member states in joint antiterrorist struggle, show the high level of the crew training while conducting special operations on revelation, prevention and suppression of terrorist activities, as well as in liquidation of individuals or armed opposition groups acting in the SCO member states region.

For the SCO member states competent authorities' practical efficiency enhancement, with the assistance and coordinating role of RATS, in 2006, 2007 and 2008 in the territories of Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan and Uzbekistan joint command and staff anti-terrorism exercises "East-Antiterror - 2006", "Tien Shan-2006", "Issyk Kul - Antiterror - 2007"

and strategic command and staff exercises "Volgograd - Antiterror - 2008" were conducted. And not long ago, on April 17-19, anti-terrorism exercise of the SCO member states competent authorities "Norak - Antiterror - 2009" was successfully conducted in the territory of Tajikistan.

**- In March 2009 in Tashkent the 14th session of the Council of RATS SCO was held. What questions were on the agenda of this meeting?**

**M.S.** - Representatives of all six states took part in the regular fourteenth session of the Council of RATS SCO. In the course of the meeting members of the Council were informed of the status of implementation of decisions of the Council of RATS SCO; a draft report of the Council of RATS SCO to the Council of Heads of SCO Member States about the RATS SCO activity in 2008 was endorsed. Activity of the Executive Committee of the RATS SCO was also estimated in arrears. The Council noted that its activity in implementation of predesigned events meets to modern threats and challenges in the sphere of struggle against terrorism, separatism and extremism.

For the purpose of implementation of the Program of cooperation the Russian Federation's proposal was supported on a Joint

session of the heads of special services and law-enforcement authorities of the SCO member states for development of practical cooperation measures of special units of the SCO member states competent authorities to be held in May 2009 in the territory of the Russian Federation.

The draft Program of the SCO member states cooperation in struggle against terrorism, separatism and extremism for 2010-2012 has been approved. This draft Program is planned to be submitted for consideration and signing at the Council of Heads of SCO Member States that will be held in June 2009 in Yekaterinburg. The goal of the Program is enhancement of efficiency of the SCO countries cooperation in struggle against terrorism, separatism and extremism. The Program provides for organization and implementation of prevention, investigation and search, anti-terrorist and other joint measures, as well as anti-terrorism exercises, data exchange, the Parties' personnel training.

The Council has made a number of decisions on further formation of the legal base of the SCO member states cooperation in struggle against terrorism, separatism and extremism. They are of organizational and personnel type, concern financial support of the Executive Committee of the RATS SCO activity.

**- Myrzakan Usurkanovich, and now, if You permit me, a personal question. You are a military professional; You have gone the way from a platoon commander to the Minister of Defense, and then Commander of the Kyrgyz Border Guard Service. Do You like Your current work, does it give satisfaction to You?**

**M.S.** - I am undoubtedly satisfied with my current work, it does give me satisfaction. Its main goal, essential meaning, as I have already said, is assistance to the SCO member states competent authorities in assurance of a stable and projected situation throughout the whole space of the Shanghai Cooperation Organization. This matter is necessary and vital.



# Does Globalization HAVE NEW LEADERS?

The process of globalization has until very recently developed in a way that a narrow group of western industrial powers headed by the United States played a determining role in it, acted as a subject of transformations, while the great majority of other countries turned into their operations objective and had to drift in the intended direction. But now, apparently, there came a time for new leaders.

"West is West, East is East and never the twain shall meet." These Rudyard Kipling's words are widely known, and many consider them an ageless truth. But is it so invariable?

It was assumed great while that among other things there was an assertion in this expression that the West will be always ahead of the pack, and the high sophistication of the ancient Eastern civilizations is far and forever behind. The process of globalization has until very recently developed in such a way that a narrow group of the western industrial powers headed by the United States played a determining role in it, acted as a subject of transformations, while the great majority of other countries turned into their operations objective and had to drift in the intended direction.

However the XX century set examples of latter-day swift rise (above all, in economy) of many Eastern countries, including China - the most populated country in the world. And the XXI century set the most developed countries including the USA to thinking whether they will stay at the side of the world development while the Orient makes its way to the future.

Russia connecting by its body the West

and the East, after the deep economic collapse during the country transformation in the 90s of the last century, began its new rise too. It is not an easy process, but the general long-term tendency is evident. The Washington G20 summit noted (and even symbolized it by itself) this "displacement eastward". I think that now in spite of the USA's persisting power, one can not say that the globalization process is going on exclusively from their dictation, under their invariable control. Economists increasingly talk about the BRIC countries' increasing role. Thus, in the course of globalization a very serious turn has been outlined.

It is not difficult to suppose that in this process the Shanghai Cooperation Organization's role will grow. The question is, certainly, not only about the member states, but also about the countries participating in the SCO activity in the status of observers. Suffice it to mention the countries of the latter group to understand the seriousness of SCO's prospects as a possible alternative to the previous "managers of globalization": India, Iran, Mongolia, and Pakistan. There are news of the rising interest in SCO on the part of Japan whose participation in this organization affairs would attach weight to it in the sphere of policy and economy. And certainly - in influence on globalization processes.

Experts are observing these tendencies and, in spite of the still ongoing crisis, are talking about them cautiously expressing the essence in figures. Asymmetric nature of economic recession means that the developing economies at the head of China and India as early as in five years will be able to leave behind the industrially advanced countries, the PricewaterhouseCoopers analysts be-

lieve. Their forecast published in the London Guardian supposes a change of the global economic landscape within the next five years.

The member of the RUE Expert Council, Academician, Director of the Institute of World Economy and International Relations (IWEIR) of RAS Alexander Dynkin published not long ago his long-range forecast. According to it, the capital contribution to the world dynamics will be made by China (GDP average annual increase - 7.7%) and India (6.6%) - new leaders of globalization. Russia, the CIS countries and the majority of countries of Central and Eastern Europe will develop at a faster pace than the world trend. And the EU countries' share in the world's GDP, today exceeding the USA's and China's shares, by the end of the forecasting period in whole will prove to be below their indices.

By 2020 the states rating by GDP volume in prices and purchasing-power parity of 2005 will be as follows (in terms of their share in the world's GDP): PRC (23%), the USA (18%), India (8.4%), Japan (4.6%), Russia (3.2%), Germany (2.9%), Brazil (2.4%). These different countries are united by the active search for national and multilateral models of adaptation to the realities of global and post-industrial economy.

Thus, a question inevitably comes to mind: do not we observe the beginning of some sort of renewal of the "leading staff" in the global development? And, maybe, the East and the West are not so hopelessly divided? Won't they meet just on this global site?

Alexander VOLKOV  
Doctor of Historical Sciences

# Youth Wing Has Joined the Shanghai Cooperation Organization

The foundation conference of the SCO Youth Council has completed its program on May 5 in Yekaterinburg. This new structure of the Shanghai Cooperation Organization is the Russian idea's brainchild. Appearance of a "youth component" is one of the main events of the period of Russia's chairmanship of SCO; it forestalls Summit of the Heads of the SCO member states, scheduled for the middle of this June.

"What necessity was to create a youth organization of SCO?" I asked the Head of the Chinese delegation Dong Xia, Deputy Secretary-General of the All-China Youth Federation. She answered: "SCO is in progress and, in the course of development, is searching for new forms of self-expression. Strong young blood will give it renewed impetus, enrich with ideas, and the young voice will become a good tuning fork that will help to maintain the right tone in that coordinated "sextet" SCO represents."

Blowing snow that came down to Yekaterinburg on May day could not prevent airliners from the capital cities of the Shanghai Cooperation Organization member states - Kazakhstan, Kirghizia, China, Russia and Tajikistan - from arriving to Koltsovo airport. Envoys of these countries youth were on board - members of national coordinating boards gathered for the foundation conference of the SCO Youth Council in the largest center of the Urals.

As one of the Kirghiz delegation members joked, "winter like a woman seems to have forgotten something in Yekaterinburg, and now - bethought, returned." But some of the local students welcoming the guests gave his version: "Winter has simply sent us its special regards".

Where there's youth, there are jokes, wittiness, laughter and gushing energy. The whole life is before them, and young people choose their way in it. Those who arrived in Yekaterinburg are determined to do endeavours in the sphere of the Shanghai Cooperation Organization activity. To my questions "What does attract you here?" I got answers, yet worded differently, but containing the same tenor: "Equal opportunities, equal rights, collective leadership, consensus, as well as a chance to try hand at this interesting, very promising area."

Only one flight did not arrive in the Yekaterinburg beautiful airport - that from Tashkent. Uzbekistan still refrains from taking part in the youth area of the SCO activity. Well then, the Charter of this international organization admits the option of variable-speed inclusion of the member states in one initiative or another.

However most of the heads of state welcomed the SCO youth vector already in the initial state. This instrument has very naturally agreed with the SCO tasks, the point of which is to establish equal, harmonious mutual relations with the countries of the region, mutually advantageous cooperation, active

cultural exchange. The organization's future outline and successors were seen on the SCO ground in the young people that with the alternation of generation will be able to take their place on the political arena and particularly in SCO. And is it bad, if they have known each other since a young age?

To enrich SCO with a youth component is an idea expressed by Vladimir Putin at the summit in Shanghai in 2006. But this innovation must have been so called-for by the reality, that a similar process absolutely independently started below too: the same proposal was submitted within the walls of the Youth Public Chamber of Russia consolidating the leading youthful movements of the country. The work has begun.

They were suggested to work out a conception of the SCO youth organization (to see first, what they are capable to). They were daringly inventing, with the creative excitement, giving their own interpretation of things, their own vision of place and destination of this structure in the SCO system. The creative urge had effect: the conception was judged on its merits in the Beijing headquarters of SCO. The creative authors group was invited for a serious talk to the meeting of plenipotentiaries of the Heads of state of the Shanghai Cooperation Organization.

"We worked on documents hard, putting much energy into this new cause, all the existing knowledge, we discussed, argued, formed our organization image in common, and now here is culmination, transforming a dream into reality: on May 4, in Yekaterinburg, we have signed a legal document on creation of the SCO Youth Council. I am happy," said Head of the Kirghiz delegation Aidarbek Zhorobekov. "The Kirghiz party already has concrete proposals approved by the President of the Kyrgyz Republic Kurmanbek Bakiev. We want

to establish yearly meetings of the SCO youth at Issyk Kul, there are excellent possibilities for this there."

Young SCO members are ready to exchange of all the best to the full extent. The Chinese delegation suggested coming to the Celestial Empire to get acquainted with positive experience of employment assistance to young people, aid program for the first-time entrepreneurs. There were also image-bearing appeals: "Let us join our fingers - not to clench a threatening fist, but to lend a helping hand each other," said at the signing ceremony Head of the Tajik delegation Shahnoz Benazir, Vice-Chairman of the Committee for Youth Affairs, Sports and Tourism under Tajikistan's government. The graduating student of Teheran University, judge of the Persian poetry, cited the great Saadi's wise words: "There are no roads on the earth; they are made by the people who walk."

The theme was taken up by Head of the Kazakh delegation Nurlan Sadykov who reminded another eastern wisdom: "Slow and steady wins the race". "Today we have made the first move, so let us move toward our goal!" he called on his peers. "Our main task is to learn each other, bridge the gap, establish confidence, and win the sympathy of each other - through humanitarian dialogue, cooperation in the field of culture and education, through personal friendly contacts. We have no obstacles on this way."

The foundation conference that ended by the ceremony of signing documents on creation of the SCO Youth Council was held in the splendid residence of the Governor of Sverdlovskaya oblast Eduard Rossel who attended this official action. Head of the oblast congratulated the youth, told about its significance in the society, about local youth's initia-



tives.

Eyewitnesses of the Shanghai Cooperation Organization Youth Council's birth became over hundred of the forum participants, as well as representatives of the Embassies of China, India and Iran in Moscow, Consulates of Kirghizia and Tajikistan in Yekaterinburg. The young SCO members were greeted by the Russian Presidential Envoy to the Ural Federal District Nikolai Vinnichenko, Chairman of the Committee on International Affairs of the State Duma Konstantin Kosachev, Deputy Minister of Sport, Tourism and Youth Policy Oleg Rozhnov. Congratulatory telegrams from Heads of the Federation Council and the State Duma - Sergey Mironov and Boris Gryzlov - were read out.

Since it is Russia that is currently chairing SCO, then, accordingly, it is the "Russian part" coordinator that will chair the newborn SCO Youth Council - Denis Kravchenko. Deputy Head of the Federal Agency for Youth Affairs, Vice-Chairman of the Committee of the Presidium of United Russia's Supreme Council for Youth Policy, he was elected



pressed his hope that the Council work will make a major contribution to the establishment of personal ties between future and current political elites of the SCO member states. "I believe that the SCO Youth Council completely meets the needs of the age and hope that such a brilliant initiative will be adequately developed."

The participants of the youth association forum convened in Yekaterinburg were welcomed by the Uralians with all their heart. They proudly showed their peers from the SCO countries round their unique, transformed city that during preparations for the SCO summit had sewed a modern "full dress" we could appreciate to the full only after the futile May snow had melted away: everything is spick-and-span in the capital city of summit, everything is shining. Historic buildings are restored and functionally adapted, the overwhelming majority of houses' facades are renovated, immense tall houses rose skyward such as the Onegin hotel where the SCO member states youth delegations stayed (the brand is clear and precise: the famous Pushkin's hero was an



as leader of the Youth Public Chamber.

Speaking at the ceremony of signing documents of SCO's new structure, Denis Kravchenko emphasized that "this organization has appeared and been acting as response to a number of essentially new threats and challenges, the world community faces. They are international terrorism, international crime and drug menace, the world financial and economic crisis, the need for construction of collective and energy security systems etc. These problems go beyond the conventional paradigm of block oppositions and narrow national interests, affecting the world community in whole."

Denis Kravchenko believes that "creation of the SCO youth component naturally follows, on the one hand, from the current requirements, on the other hand - from the "Shanghai Spirit", i.e. from understanding the community of goals and tasks, as well as providing the SCO member states with a wide range of choice for collaboration." According to the first chairman of the SCO Youth Council, this organization represent a special structure that will enable the youth to conduct an effective exchange of opinions on a wide range of vital international and national questions, as well as to learn the experience and opinions of leading specialists among senior citizens. Denis Kravchenko ex-

aristocrat and liked conveniences after all - so it became the hotel "style").

All the participants of the foundation conference waited with interest for the moving finale of the Yekaterinburg festival - a trip to the pilgrim place where a border runs between Europe and Asia. Formerly 1.5 billion years ago these two mainlands were freely migrating in the ocean under the influence of the earth's powerful internal forces. But once they collided, having raised with their force the Ural mountains ridge, and connected forever, turned into Eurasia.

Standing on the sacral Europe-Asia line, Chinese Dong Xia said: "I know that this magic place favors the accomplishment of desires. I ask for peace on our continent, peace of the world! Let Europe and Asia go towards progress and wellbeing equally in the Shanghai spirit of equal rights and cooperation."

And everybody began to sing. And slim pines of the never-ceasing Uralian forest were rocking with their tops, shaking off stray snowflakes from the crowns...

*Tatiana SINITSYNA  
the Editor-in-Chief of InfoSCO -  
from Yekaterinburg*

## Denis Kravchenko: "Youth Wing" Can Play a Consolidation Role in SCO



Creation of the SCO Youth Council is a definite milestone in the Organization development, a difficult process requiring tireless attention on the part of its participants. It is our countries' youth cooperation, together with cultural and humanitarian one, that guarantees the further strengthening of mutual understanding and respect between all the Shanghai Cooperation Organization members.

The SCO youth component, undoubtedly, makes it possible to broaden the palette of ideas and opinions available in SCO, take a new view of the facing problems and their issues - and in this context the field of activity for young politicians in SCO is indeed unlimited. This work will require the closest cooperation with other structures within the framework of SCO - that is why the "youth wing" will be also able to play a consolidation role in the organization.

To give real substance to the Youth Council activity will require consistent and laborious work - the new structure's agenda must be also connected with the SCO general agenda, national interests of all the member states, and priority directions of their national youth policy. The work within the frame must be professional and weighed, in order that the term "youth" should relate only to their participants' age, but not possibly to their professional level or competence in solution of facing problems and tasks.



A SEA? A LAKE? A "PARTICULAR RESERVOIR"?

# The Caspian Requires Regional Cooperation

Now it is already obvious that the "common" Caspian, regardless of its name - a sea, a lake or a "special reservoir", requires a close regional cooperation. The Caspian is not only 10 billion tons of proved oil reserves, 5% of the world natural gas reserves, as well as 90% of the world sturgeon population. This unique reservoir is also a natural transportation corridor conveniently located at the junction of Europe and Asia, North and South.

Some problems of the Caspian are so critical that their solution already can not wait for a new Convention on the Caspian. This is precisely why the Caspian Sea countries returned again to the subject of a Caspian Economic Cooperation Organization creation. It was discussed in Astrakhan at the first intergovernmental economic conference of the Caspian Sea states.

It is obvious that aligning positions of the five Caspian Sea countries - Russia, Kazakhstan, Iran, Azerbaijan and Turkmenia - is not an easy and fast task. It is assumed that the main obstacle preventing the Caspian Sea countries from reaching a consensus relating the Caspian status became a question how to share the bottom. It is so in part, but there are a number of other not less burning problems.

Actually they arose after the breakup of the Soviet Union. Having become sovereign the former union republics of Azerbaijan, Kazakhstan and Turkmenia claimed their rights for the Caspian that do not correspond to the still applicable Russian-Persian (1921) and Soviet-Iranian treaties (1940).

Under these documents the Caspian - is neither a sea nor a lake, but an inland water reservoir controlled exceptionally by riparian countries and used by them jointly. These agreements were valuable because they did not admit third countries' appearance in the Caspian, but, unfortunately, poorly regulated the economical activity of the region states, especially in the sphere of hydrocarbon production.

Since the advent of new international entities new accents and needs appeared. And not only in the economic sphere, but also in the legal and mili-

tary ones. The treaties in force were not enough for their implementation.

It turned out that Russia stands for the status, whereby the Caspian remains a "special reservoir", and all-round activities related to it are regulated exclusively by riparian states, in particular, while dividing the bottom in national sectors along the coast lines with the water column and plane remaining in general use.

In their turn, Azerbaijan and Kazakhstan would prefer to divide in national sectors both the bottom, and the water column along the coast lines (status of a "closed lake"), or leave the water in general use, but in case of the status of an "open sea", assuming an inevitable appearance in the Caspian of third countries, first of all "coming" by Volga, through the channels connecting this sea with Europe.

Whereas Turkmenia - stands for the bottom division in national sectors, but as concerns other aspects, it prefers so far to take a neutral position. In its turn, Iran would like to either leave in general use both - the bottom and the water column-, as it was in the Soviet-Iranian times, or divide on the principle of condominium - 20% each.

Was there an issue in such a situation?

It was Moscow and Astana that set a tone. Firstly Russia and Kazakhstan signed a bilateral treaty on the lake bottom division between themselves by so called modified median line, thereby solving the question of demarcation of boundaries. Whereas the problem of development of questionable hydrocarbon accumulations (at the border) was solved very simply: fifty-fifty. Subsequently the same bilateral treaty was also signed by both countries with Azerbaijan.

According to a number of observers, Kazakhstan and Azerbaijan may, certainly, agree with the Russian version of status, but having stipulated at that a number of conditions being of importance for them. In the first place, in the sphere of transcaspian projects execution on their part.

Experts have lately pointed out that Moscow's position in this matter has

become notably more flexible too. Now Russia, according to them, does not object if, let us say, Kazakhstan delivers its raw material by alternative routes to the European markets. For Russia the point is that these routes should be coordinated between the two countries, as strategic allies.

Now it is already obvious that the common Caspian, regardless of its name - a sea, a lake or a "special reservoir", requires a close regional cooperation. At that some of its problems are so critical that their solution already can not wait for a new Convention on the Caspian.

Moreover, the Caspian - is a nice natural transportation corridor. Already today specialists say that in the foreseeable future cooperation will be possible between such known transportation corridors as "North-South" and TRASEKA that are intersecting at right angle just in the Caspian.

It is clear that the Caspian's problems should be solved, and its advantages should be used. This requires means, finances, a certain infrastructure, a specific organization. An important step in this direction has been taken. There is a hope that conducting of the first (for ten and one half years!) intergovernmental economic conference will impart a necessary dynamics to the Caspian development.

At this meeting, for example, it was decided to create a bank of joint investment projects and to consider on its basis the organization of a "joint financial institute". It is quite possible that it will be a common Caspian Sea bank. The Russian State Duma intends to ratify the Intergovernmental agreement on the Caspian Sea gas pipeline, and its construction will begin in the second half of 2009.

In their turn, ministers of transport of the Caspian Sea states agreed to discuss joint projects at regular annular sessions. But the main thing is that the Russian ministry of transport offers to consider the opening of inland waterways for foreign-flag vessels.

Furthermore, Russia intends to make a suggestion of the ten-year moratorium on catch of sturgeons in the Caspian after signing an intergovernmental agreement of the Caspian Sea states on preservation and rational use of water bioresources of the Caspian Sea.

Another detail of no small importance. The conference main goal, along with decision of creation of a Caspian Economic Cooperation Organization, also was Astrakhan positioning as a regional economic center and a ground for investments. We have got everything to become both a "center and a ground". Moscow just had to open Volga for its Caspian Sea partners. And Russia will do it, to all appearances.

Petr GONCHAROV  
a political observer -  
specially for InfoSCO





## “FAR EASTERN DIMENSION” OF SCO

The Shanghai Cooperation Organization - is a rather unconventional integration association. This is the first organization in the Asian-Pacific Region that did not incorporate neither the United States, nor Japan among founders and members. From the date of foundation in 2001 the SCO activity has been aimed to create a favorable political climate in the region contributing to the national economies growth, their complementarity, and establishment of an independent geopolitical Eurasian block of countries within the

cording to the President Dmitry Medvedev's statement at the summit in Dushanbe, “one of the key motives for the SCO creation was perception of necessity for coordination of efforts in strengthening of regional security and stability. Today this task's urgency has just increased. We do and will proceed from the fact that achieving solutions of the most burning problems must be carried out on the basis of compliance with the rules of International Law and renunciation of confrontational block mentality”.

**If the “Far Eastern dimension” is integrated into the SCO projects space, Russia will enlarge the arena for assertion of its national priorities in the Far East, China will get the opportunity to show the world in practice the “novelty” of a new model of regional cooperation, and the Central Asian states will obtain preferential admittance to Pacific ports.**

multipolar world.

Russia's role in this organization after the chairmanship of SCO had passed to it at the summit in Dushanbe in August 2008, gets prominent coverage in mass media and scientific literature. Upon this many authors emphasize that the Shanghai Six is the most promising association of countries in the former Soviet Union space. This is a new type international organization formed in the “earthquake hazard zone” - at the intersection of Confucian, Orthodox-Slavic, Hindu and Islamic civilizations. They also remember that Russia's position support in the conflict with Georgia by the SCO member states allowed to avoid a regular escalation of tension and more confidently protect own interests in the international arena.

In whole the eastern vector of Russia's foreign policy in recent years has obtained the real content in the form of regular personal contacts of the RF and Asian countries leaders, active participation in SCO, ASEAN, OIC, signing significant agreements with China. After the breakup of the bipolar world system Beijing turned out to be an ideologically natural ally for Moscow, because they regard there our internal political originality with favor. That is why PRC is considered as a stable and good partner in all respects.

Official opinions about the SCO development prospects - are the most optimistic. Ac-

There is no doubt that the SCO development and enhancement of efficiency correspond to Russia's interests. The Shanghai Cooperation Organization with the best realization of its political and economic potential can become a powerful international center of force, which entirely keeps within the concept of multipolar world.

Now, after launching the main institutions of the organization, such as the SCO Secretariat in Beijing, the Regional Counter-Terrorism Structure (RATS) in Tashkent, the SCO Business Council and Interbank Association in Moscow, a question of ways and prospects of further development came up before it especially urgently. Within past seven years of the Organization existence accents of cooperation priorities have somewhat changed: firstly security cooperation was the priority, after 2005 economic cooperation was notably made actual, now more and more attention is paid to humanitarian projects.

A cornerstone of the SCO efficiency and prospectivity is a level of cooperation between Russia and China. These countries political guidance's will to “codevelopment” will promote economic and political stability not only directly in Central Asia, where the SCO principal activity is concentrated, but also in the whole Eastern Eurasia.

Russia positions itself as a leader and organizer of a big Eurasian economic space, as

a link between Europe and Asia. To strengthen its positions in the world community, it must settle down to an innovation “socially oriented” course that supposes multipolar development of the country's territory and formation of new regional and inter-regional zones of priority development.

The Far East represents a “natural geographical phenomenon” that is capable by using its advantageous location to take a unique position in the difficult architectonics of the modern world, become a priority in creation of promising zones of priority development. Scientists and publicists have already said more than once of the Far East potential as a forming cross-border region. The problem consists in an adequate correlation of goals and means, search of effective decisions and mechanisms for implementation of elaborated strategies.

The Shanghai Cooperation Organization with its theoretical and practical groundwork in the field of creation of a “new model of international relations”, “new concept of security”, and a “new model of regional development” connected by ties of the “Shanghai Spirit” can come forward with an initiative of the Russian Far East integration into Eurasian transport, energy and educational projects.

At the present time the SCO principal activity is focused in the direction of Central Asia, where four of the six Organization member states are situated. Alongside with that it would be wise to suggest designing a northeastern vector of cross-border cooperation within the framework of SCO - in addition to the southern and northwestern vectors.

The Shanghai Cooperation Organization's Far Eastern strategy development would make an additional impulse to this region growth, would serve a convenient ground for solution of the accumulated problems being a stumbling block for implementation of many Russian-Chinese initiatives. “The Far Eastern dimension” of SCO will make the organization itself more integral, integrated, and steady project, will permit to move it into a new “weight category”, form as a really alternative pole of the world order.

A mechanism of the SCO cooperation with Japan - one of the leading players of the Asian-Pacific Region - can be included in its Far Eastern strategy. In the initial state the “dialogue partner” status could be tested, a working group could be created supervising projects and information interchange in this format. Japan's participation in the SCO activity - within the framework of the Far Eastern strategy implementation - seems to be an imperative factor for creation of a stable energy resource supply system in the region of Eastern Eurasia. In addition, Japan's associated membership decision-making would become a manifestation of SCO's openness and this economically developed country's investments would help to widen the energetic cooperation within the Organization, to realize the idea of the SCO Energy club creation.

If the “Far Eastern dimension” is integrated into the SCO projects space, Russia will enlarge the international arena for its national interests and priorities assertion in the Far East, China will get the opportunity to show the world in practice a “novelty” of the new model of regional cooperation, and the Central Asian states will obtain a preferential admittance to Pacific ports that will make it possible to diversify its exports structure and routes. So, one and all will gain.

*Natalia ZADEREI, Research Officer of the Far East Institute of RAS*



# What the

# “SHANGHAI SPIRIT” is ?



Pan Guang

Director of the Shanghai Cooperation Organization Studies Center in Shanghai.

36



The nucleus of the “Shanghai Spirit” term consists of 20 hieroglyphs that mean - “mutual trust, mutual advantage, equality, mutual consultations, respect to cultural diversity, pursuit of joint development”. The conception of the “Shanghai Spirit” became a logical consequence of realization of the three PRC leaders’ generations’ advanced ground-work in the field of international relations, in particular Dan Xiaopin’s “international strategic thinking”

and Jiang Jiemin’s “theory of three representations”. In 2001 at the SCO constituent summit the Chairman of the People’s Republic of China Jiang Jiemin generalized this experience and for the first time advanced a principle of compliance with the “Shanghai Spirit” in the same form it was included in its fundamental documents.

Each notion included in the “Shanghai Spirit” substantiation,

has a deep and laconic sense. The first eight hieroglyphs “mutual trust, mutual advantage, equality, mutual consultations” underlie the so-called “new security model”.

The “mutual trust” assumes sincere relations built on mutual understanding, execution of international contracts and liability, commitment to universally recognized principles of international law. They are relations of mutual trust, when there is

no need to artificially create imaginary enemies or specially fabricate a pretext for enmity.

The principle of “mutual advantage” suggests a necessity to take into account and guarantee all parties’ interests, and that the own country’s security is inseparable from that of other states.

The “equality” of international entities implies their equal status in the world community irrespectively of a spatial quantity, standard of well-being, state power. All of them have equal right for peace and tranquility, protection of their interests, counteraction to hegemonistic aspirations of certain countries.

Imbued with the spirit of “cooperation”, entities do not form alliances directed against the third party, they remove hidden threats, solve disputable issues, prevent armed conflicts by means of peaceful dialogue and consultations, consolidating versatile cooperation.

Let us consider the following 12 hieroglyphs: “respect to cultural diversity” - this principle says of recognition of diversity of cultures and civilizations in the modern world, respect to each state’s history and culture, respect to each nation’s independent choice of its social order and model of development.

The “pursuit of joint development” assumes a wish to borrow from others everything positive, aspiration for mutual prosperity in the course of cooperation, in order to reduce disproportion between the North and the South, to solve the problem of stratification of society.

The “Shanghai Spirit” answers the modern realities and reflects the combined position of the SCO member states in the main questions of the world order. Outlines of a new security conception appeared in the theory about the “Shanghai Spirit”. In this model a separate state security is inalienable from that of the region and even of the whole world.

The conventional security conception emerged during wars and revolutions periods and suggested security problems solution in a military attaché manner. It considered them as a game, when one wins, and another inevitable suffers defeat. That

is why existence of military alliances of countries and the constant build of military forces by separate powers looked quite naturally in the tideway of this theory.

The new model proceeds from the fact that in conditions of formation of the world system of a high level of interdependency, a separate state security acquires an international and global dimension, gradually approaching to the general security. At the same time the majority of problems, the modern mankind faces, are of cross-border nature. For example, financial and energy crises, abuse of environment, terrorism and diseases dissemination. They can be solved only by versatile cooperation, and not by confrontation of the international community members.

The mutual trust and equality as component elements of the theory about the “Shanghai Spirit” became

international community, and none has right to pretend to a special, higher position in the international affairs, as well as to resort to policy of force and hegemony.

The “Shanghai Spirit” theory imparted a new perception of the five principles of peaceful coexistence, for the first time advanced by the Chinese leadership in 1954. It clearly formulates that the world is not uniform, that without taking into account its multipolarity and civilization uniqueness of separate regions, conflicts are inevitable. That is why in international affairs it is necessary to refuse intrusion of the own models of political and social order. All the more so in Central Asia where borders of the four great civilizations intersect: Islamic, Slavic, Confucian, Hindu - community of our fortunes dictate the necessity for joint actions.

The Shanghai Cooperation Organization guided by the “Shanghai



a concentrated expression of a new model of international relations. In the world history there were cases when separate countries, relying on policy of force and studying their selfish interests, exploited other states, committed aggressions against them, provoking permanent and bloody international conflicts. The new conception of international relations is based on its participants’ commitment to accept obligations. Its distinctive features are peaceful settlement of intergovernmental conflicts and unacceptability of armed pressure. In this model all countries are equal members of the

Spirit” is of strategic importance for China. Firstly, it favors the formation of the “border security belt” on  $\frac{3}{4}$  of continental borders of China. Secondly, the SCO development creates a favorable international atmosphere around China, which has a positive impact on the Chinese leadership’s efforts for the construction of a “society of moderate prosperity” and a “harmonious world”. The “Shanghai Spirit” possesses a powerful vital force, and the guided by it SCO is an example of an alternative model aimed at achieving peace and development all over the world.



# A Turnpike for the Cooperation:

## Motion Speed - Light Speed

Nowadays the high-quality information support has become an integral part of the developed countries life. And if it is remembered of the world trend toward closer and closer inter-governmental cooperation, now the life of our planet's vast territories depends on the uninterrupted and high-speed movement of information flows.

It is nice to realize that this problem's solution did not become an economic and political "protracted construction" for our countries-members of the Shanghai Cooperation Organization. Moreover, the SCO countries, judging by the declared programs of the Organization members' information saturation and their implementation paces, have gone on before as compared to other intergovernmental structures.

Actually, what is at issue? It is that the SCO member states have decided to create a global information network uniting these countries territories and allowing to minimize temporal and material losses during general economic business management.

The comprehensive information program has two directions of cooperation - information technologies and telecommunications proper and infrastructure projects. At that both directions are technologically united by a single system on basis of the forefront of modern research in the field of telecommunications.

On the other hand, when it comes to practical results, then the information project is the most advanced today. It was initiated in 2006 at the meeting of the SCO Officials Committee. The same year this project conception was expressed at the first meeting of the working group in Beijing. And in March 2007 in Bishkek the Russian party submitted the revised project already in the form of an approach paper "International information exchange with the use of electronic digital signature", as well as a number of additional documents.

It must be noted that electronic document management today penetrates into all spheres of life. Especially business is interested in it. Just imagine that entrepreneurs from Nizhny Tagil or some long-distance settlement within five seconds receives a merchandise coupon, with the merchandise being purchased ten minutes before in Uzbekistan and having general, absolutely authentic signatures of the Uzbek party. And there is no need to cross borders with a pile of documents to do it. How much time and means our businessmen will save! Eventually, the economy speeds up, states get stronger, i.e. the purpose of SCO is realized.

This technology will make it possible to facilitate and speed up procedures of cross-border cooperation, for example, customs clearance for goods, will enhance efficiency of government orders

and purchases, will ensure reliability and transparency of work of the organs of government, will strengthen international cooperation at all levels.

Politically the application of the elaborated in Russia technologies of cross-border electronic cooperation with the use of electronic digital signature considerably strengthen our country's positions in international organizations, because this function is not limited by any narrow field but covers all spheres of activity within the framework of SCO.

As a matter of fact, not everything is so easy in practice. The problem is that questions of the electronic digital signature use in the SCO member states are regulated in different ways. It takes very long to adjust the document in accordance with legislations of all the member states. That is why specialists from the Russian Ministry for Communications and Information Technology suggested developing a joint agreement that should make it possible to initiate the beginning of the cross-border electronic cooperation already in the near future. Practically it will be carried out by the just formed by the Ministry expert group including lawyers and technical support agents. Moreover, it was decided to create a so-called test zone and to conduct the first tests.

Note that these ideas are approved by all the SCO member states. Last year in the joint communique following the results of the meeting of Heads of Government of this organization member states it was fixed that implementation of the pilot signature project selected by the modern telecommunication and information technologies special working group will make it possible to activate the investment activity within the framework of SCO in the sphere of high technologies. Thus, a conclusion can be drawn that already at the political level this area of cooperation has received a general approval.

High-Speed Information Highway (HSIH) creation within the framework of SCO seems not less interesting and profitable. This structure suggested by the Chinese party is created in order to solve the global problem of the Eurasian traffic transit. Besides, HSIH acts as an infrastructure base for the introduction of modern infocommunication technologies in the SCO region.

The list itself of the eminent project parties is impressive.

Russia: Rostelecom OJSC and TransTeleCom CJSC

China: China Telecom, China Network Communications Group (CNCG), China Unicom, China TieTong, Hutchison Global Communications

Kazakhstan: Kazakhtelecom OJSC, KazTransCom, Transtelecom

Uzbekistan: Uzbektelecom JSC

Kirghizia: Kyrgyztelecom OJSC

According to the ideas, the project will incarnate all primary competitive edge of the shortest transcontinental route of traffic exchange between Europe and Asia in the territory of the Russian Federation. Besides, the HSIH transit channel differs from conventional lines laid on the seafloor of the Pacific and Indian Oceans, by the high reliability and low level of cross network delay.

These advantages open wide possibilities for the participants of international service provider and corporate markets for the communication of different kinds of information (voice, data, video, IP applications etc.) between Europe and Asia.

The project infrastructural base are powerful main networks of Rostelecom OJSC (about 150 thousand km) and TransTeleCom CJSC (over 80 thousand km), built in compliance with up-to-date standards, particularly with the use of the technology of wavelength-division multiplexing, increasing the carrying capacity of optical fiber channels up to 400 Gbit/s.

What has been already done? In 2006 Rostelecom together with a Chinese operator modernized the Khabarovsk-Fuyuan border terminal and put into operation the Blagoveshchensk-Heihe border terminal. Moreover, the company organized a point of presence in Hong Kong. It was created on the technical ground of the HK Colo Company with the participation of China Telecom and secures reservation of the Asian telecommunication routes, allowing to increase the volume of the international transmitting traffic. It also opens up new possibilities for cooperation with new operators in Asia, Internet service and other providers of telecommunication services.

Last year Rostelecom and China Telecom signed an agreement on exchange of web traffic (peer-to-peer). Rostelecom and Kirghizia's and Uzbekistan's operators - Kyrgyztelecom OJSC and Uzbektelecom JSC concluded an agreement on rendering of the "International free call" service.

And then an additional agreement was signed between Rostelecom OJSC and Uzbektelecom JSC, pursuant to which the parties agreed to substantially increase the output of the existing Internet access-grant channel for Uzbektelecom on basis of Rostelecom's own data-transmission network.

Last September in Yekaterinburg within the framework of the first event of Russia's chairmanship of SCO a session of the special working group took place that made coordination of the HSIH project.

And in conclusion. It is known that any great undertaking (the comprehensive program of the SCO member states information support is no exception) acquires the proper significance only in case of a wide open discussion and heavy coverage. In this connection the open access to information sources of all perspective projects in the field of the SCO states policy and economy that is submitted by Russian business structures and information agencies, also makes for success of the boldest plans implementation.



# THE RUSSIAN ATOM IN INDIA: It is for a Long Time

One of the results of the President of Russia Dmitry Medvedev's official visit to India became an intergovernmental Agreement on construction of 4 additional units at the Kudankulam nuclear power plant and cooperation on other sites. This promising document came into being in New Delhi where it was signed in the presence of both countries' leaders by Head of the Russian Atomic Energy Agency (ROSATOM) Sergey Kirienko and the chairman of the Atomic Energy Commission of India Anil Kakodkar.

There is no sensation in the Agreement, it has been discussed for a long time among stakeholders of the two countries and was anticipated. Nevertheless, the Russian experts call this document a "significant breakthrough", "great success". No doubt, the assessment is correct; it is substantiated by several constituent parts. Primarily, the Agreement on construction of regular units of APS - is an important step in development of Russian-Indian cooperation, a new level of nuclear partnership of the two countries. On the other hand, the fact stands high that under severe competition in a high tech market, Russia succeeded to win a part of this market (one should not forget that India also has a civilian nuclear pact with the USA).

According to the member of the Nuclear Power Subcommittee of the Natural Monopolies Commission of the Federation Council of RF Bato-Zhargal Zhambalnimbuev, "the recently lifted by the Nuclear Suppliers Group (NSG) restriction on nuclear materials and technologies delivery to India opens a promising perspective in the sphere of peaceful uses of atomic energy". It is a reminder that the embargo was put after India had conducted nuclear-weapon tests, and NSG agreed to lift it only in September 2008. Though, it was greatly to be feared, that Delhi could change cooperation accents in the field of nuclear power towards the USA. But it did not happen. The accomplished fact of the Agreement on units construction at the Kudankulam APS testifies to the effect that cooperation with Moscow

remains priority for Delhi.

"The Agreement on new units construction at the Kudankulam - APS is the first signs after lifting sanctions by the Nuclear Suppliers Group in relation to India," Head of Information-Analytical Department of Energocapital IC Denis Demin believes. "More active participation in the Indian nuclear market development gives the Russian enterprises a possibility to diversify markets, which is important in conditions of global financial crisis," he says.

Having become a reality, the Agreement gives Moscow an opportunity to participate in Delhi's energy projects, which strengthens Russia's positions as a power implementing atomic projects abroad. In addition - it is possible to use our own personnel and, finally, raise money, the project is commercial. There is another important advantage: Russia lays the groundwork not only for the current work but also for the future one. Enterprises of the country will get additional orders and will have an opportunity to increase their possibilities.

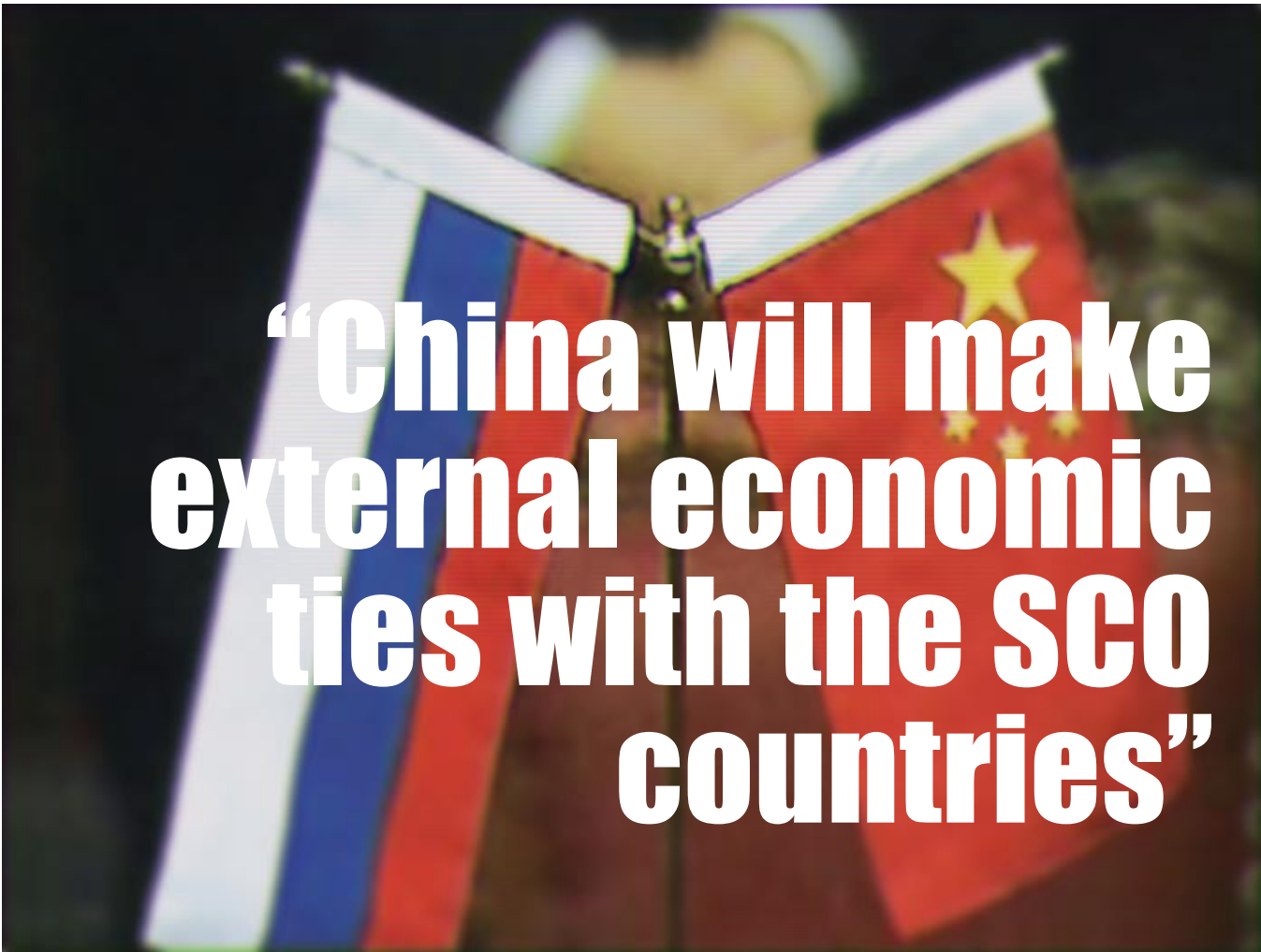
Experts also underline that lifting of the embargo will become a bait for competitors. "But, as experience shows, the open competition only strengthens us," Bato-Zhargal Zhambalnimbuev believes. "In this regard I see absolutely clearly our competitive advantages in the sphere of nuclear technologies. They are that we issue a high quality product at low cost. Of course, it is not allowed to relax here, it is necessary to

continue working for the future."

Simultaneously with the Agreement on new units construction another important document - was signed, a protocol of delivery of fuel for Indian nuclear power plants by the TVEL corporation. Amount of the contract - is \$700 million. Head of ROSATOM Sergey Kirienko specified, the matter is about delivery of fuel not only for the Kudankulam NPP, but also for other plants, including heavy water ones. In particular, TVEL plans to deliver uranium dioxide tablets (heat-generating material, with which fuel assemblies are filled to be loaded in the reactor) for the Indian Tarapur NPP, located in the state of Maharashtra. "This contract is for several years," Kirienko emphasized.

India has always had friendly attitude towards Russia, both countries' relations have deep historical background; it is filled with quite voluminous content. Unfortunately, there was a time when Moscow made mistakes, in consequence of which relations level came down. Recently Kremlin's policy has been directed at recovery of lost ground. The Agreement with India on construction of additional four units at the Kudankulam Nuclear Power Plant and cooperation on other sites ranks among serious achievements on this way.

Tatiana SINITSYNA  
the Editor-in-Chief of InfoSCO



# “China will make external economic ties with the SCO countries”

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The deepening global economic crisis issues a lot of challenges to the SCO countries, including China: how will the situation in the global market affect it, how true is China's economy assessment in new conditions, made at the XVII CPC Congress in October 2007? To be more precise: will the GDP growth rate change, what transformation will happen in foreign trade of China, what impact will the current crisis have on Chinese financial market (banks and equity market) and home market (customer demand and prices)?

According to main economic indicators - the volume of GDP and foreign trade, attracted foreign investments, gold and currency reserves - China already represents the force, all world countries have to take into account. At present it ranks fourth by the volume of GDP - 27.5 trillion yuans, and volume of foreign trade averaged out \$2100 billion. Over a period of time between the XVI and XVII CPC Congresses, in 2003-2006, annual average growth rate of GDP in China reached 10,4%, what exceeded average world indicator by 7%, and during 2007- by 11,6%.

After RPC's entry into the

International Trade Organization, volume of foreign trade increased almost by four times, and first of all - thanks to the growing export. In 2007 rapid growth of the volume of foreign trade and significant surplus of exports resulted in increase of excess turnover and pressure on yuan. Besides, such a situation reflects insufficiency of home demand, strains resources, does not favour economic macro-regulation and increases economic risks.

In 2008 there was no slowdown in GDP growth, and its increase averages 10% per annum. This year the slowdown in GDP

growth is expected to reach 8%. At present China's crisis is still practically not significant with the exception of individual sectors of national economy (textile and light industries), as well as some seaboard provinces (e.g., Kwangtung, Jiangsu, Shandong), being under strong dependence on volume of exports of products manufactured by them. The State Council of the PRC worked out a programme consisting of ten areas, for development of which the government assigned 4 trillion yuans. It was represented at the meeting of the State Council of the PRC in November 2008. First-

priority areas became agriculture, provision of infrastructure and new high technologies, construction of economical residential space. These spheres, as predicted by Chinese authority, will involve other ones and ensure the necessary home demand increase. In addition to it, in China the People's Bank refinancing rate was reduced (it fulfills a function of the Central Bank) to 3% per annum, and average Lombard rate - to 5.58%, which ensures favourable conditions for the programme implementation.

As far back as 2007 China's government assumed measures to reduce the volume of foreign trade and exports. A law was passed setting equal income tax rates for all businesses, which reduces expected profit level for the enterprises with the participation of foreign capital. Since June 2007 in China tax refund rates for export products began to be reviewed, which affects first of all, export of primary goods.

In the sphere of foreign economic relations China will scale down the volume of foreign trade with the United States and EU countries. However for the time being Chinese goods export to the USA still keeps rising due to low prices for their products, which attracts American businessmen. So the USA is still faced a question how to reduce a growing deficit in foreign trade with China.

PRC is now actively developing trade with ACEAN countries and economically developed countries and APR territories - Republic of Korea, Japan, Taiwan and Hong Kong, that turned out to be susceptible to world financial crisis least of all. Thus China got a chance to save yuan from the American dollar and turn it into reserve currency in the countries of South East Asia and East Asia.

In today's situation China will enliven trade and economic relations with the SCO countries through import of energy resources and export of both engineering and consumer finished products. Concurrently, for successful advance of all the projects for energy resources import, China intends to invest in development of the SCO countries infrastructure - Kazakhstan, Kirghizia, Tajikistan

and Uzbekistan (roads, oil- and gas pipelines, storage rooms). All these projects will be implemented by PRC both on bilateral basis and within the scope of SCO.

In spite of bright future of Russian-Chinese trade development (in 2007 the volume of foreign trade was \$46 billion against \$32 billion in 2006) the world financial crisis negatively affected its dynamics. According to estimates of the RF trade representative in PRC Sergey Tsyplakov, its volume in 2008 was \$48-50 billion. At present Chinese prices are lower than Russian ones practically for all commodity items in consequence of state support of key industries. It concerns those spheres where product pricing also determines to a large extent behavior of prices for other goods. But as concerns Russian business, practically any sphere is promising for it.

One of the ways of Russian-Chinese relations development is frontier trade, however it is required to improve its infrastructure, including updating of border-crossing points, construction of auto-roads, Amur, Argun and Ussuri bridges building, as well as rail transport development and formation of necessary bank infrastructure, capable to ensure free exchange of yuan into rouble and vice versa on the whole territory of Russia and China. Russia needs a state support to form this infrastructure on the territory of Far East and Siberia, to ensure coordination of regional development strategy between the Russian Far East and Siberia and the old industrial base of the Northeast of China, as well as within the framework of SCO.

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## Russia and China are Establishing Bridges

Construction of the first cross-border railway bridge across the Amur River, connecting China and Russia, will begin in 2009. It will be thrown from the village of Nizhneleninskoye (Jewish Autonomous Region) to the city of Tuntzian (province of Heilongjiang). An Agreement on joint construction of this bridge was accepted at the meeting of the Prime Ministers of PRC and Russia in Moscow.

The railway bridge will connect railroads of North-eastern China with the Russian Trans-Siberian Railway. Formation of the Tuntzian-Suifenhe - Manchzhuria "golden triangle" will facilitate the development of external economic ties between the two countries.

The bridge is expected to be set in operation in 2011. It will consist of a main part, passages and customs stations in the territory of both countries. The length of the main part is 2584 meters (1896 meters in China's territory, 688 - in that of Russia). China invests in the project 1.3 billion yuans.

As predicted, after completion of the bridge building the annual volume of cargo transportation of the Tuntzian railway junction in 2015 will make up 13.5 million tons, in 2020 - 16.8 million, and in 2030 - 21 million tons.

## Cooperative Space Program

At the present time Russia and China are studying the possibility of joint development and implementation of large projects meeting the mutual interests and tasks of both countries' space programs. The program of cooperation for 2007-2009 that became a follow-up of the previous three-year program is being successfully executed. It includes 33 areas of cooperation.

Here are some of them. The moon program provides for the Luna Glob project joint works. The scheduled for this year mission of the Russian Phobos-Grunt spacecraft will help to find out the origin of primary planets. The project goal is to deliver to the Earth a soil column from the martian satellite Phobos. In this case the Russian Zenit carrier rocket will launch in the orbit of Mars not only the Russian Phobos-Grunt, but also the Chinese Yunguo-1.





# Oil and Gas Resources of SCO: How to Use in a Reasonable Way?

**A well-known fantasist Arthure Clark had once predicted that toward 2015 all national currencies would die out and a single world currency on the base of a kilowatt-hour would appear. Well.. Many of his predictions have already come true, so this one is likely to be realized too. Indeed, the energy component in national both developed, and developing economies is growing from year to year. Though, presently, because of global crisis, power consumption began to come down, but sooner or later it will end and, in the estimation of experts, the curve will go up again.**

Today this organization member states possess approximately a quarter of oil world resources and production volume, their share is from one-third to one-half of gas resources and 50% of the world explored stores of uranium. The most important is to be able to use these reserves to advantage and in a reasonable way.

Actually, the question is about three SCO member states: in the first place - about Russia and Kazakhstan, and to a lesser degree - about Uzbekistan. As of Russia, it has more than once promised with confidence to completely provide Europe (not only) in foreseeable future with oil and gas. It still promises to do it even now, in spite of current financial and economic crisis and scandalous problems with Ukrainian transits. And Vladimir Putin, recently responding to a question of a correspondent for the Bloomberg information agency, declares that "with global economic recovery our natural advantages should also play in a new light, I mean our opportunities in materials sectors of the economy - they are oil, gas, metals, and some other directions of our traditional activity." But

how much are both our commitments, and our optimism secured by the energy resources existing in the Russian territory?

It is thought that the Russian subsoil has one-third of world reserves of gas, one-tenth of that of oil and one-fifth of that of coal. But it is just prognostic data for the most part; they need to be converted into protected, i.e. proved data. So today nobody can say precisely what true mineral wealth of Russia is. As for information on oil and associated gas, it is actually a military secret behind seven seals. Though, sometimes some information still filters both into scientific reports, and into the press. True, they noticeably differ. Thus, for example, if it comes to the same oil, then different sources represent 7.1, 9 and 12 billion tons.

Nevertheless, even if one takes the mean value and divide it by the volume of last year production (488.5 million tons), it will turn out that "black gold" will be sufficient for us for about two decades. By the way, a similar prognosis was also made by the analysts of the British Petroleum: in their report pub-

lished in 2003, they wrote that Russian oil reserves would be exhausted not earlier than in 22 years. According to them the situation with gas was better - it would be exhausted only in 80 years. Whereas we were provided with coal for centuries.

It is clear that crisis is making some allowances to these calculations. At the end of last year oil industry workers together with the Ministry of Energy prepared a new prognosis for the industry. If Russia's energy strategy till 2030 had expected to increase crude oil annual production and by the end of the second decade to reach 565-595 million tons, then today it is predicted that already this year it will drop to 472 million, and next year - to 454.5 million tons.

Kazakhstan corrects its plans too. As reported by the Minister of Economy and Budget Planning of the republic Bahyt Sultanov, in 2009 oil production will be reduced by 4% - to 76 million tons.

Kazakhstan is the second big energy player in the SCO space. There are large oil, gas, coal and uranium reserves in this republic, which constitute a considerable part of world resources. It is mining operations and export of minerals that contributed much to phenomenal economic growth of this country.

Kazakhstan's share is about 3.3% of world oil reserves and 1% of that of gas. Majority of all predictable petroleum reserves, i.e. by some estimates 13-18 billion tons, is located in the Caspian Sea basin, which will in the long term become the main gas-producing countries. According to plans of the Ministry of Energy of Kazakhstan, towards 2015 "black gold" production volume will increase to 100, if not to 130 million tons, at that its major part will go for export.

The growing attention is also being paid in Kazakhstan to natural gas extraction that becomes one of the essential export items as well. By 2010 blue-sky fuel extraction is planned to be increased to 40, and export - to 15 billion cubic meters. Thereby gas production will be increased by half, and its export - twice.

In Uzbekistan oil and gas complex does not play such an important role, but its influence in the structure of the national economy after breakup of the Soviet Union has considerably grown. By some estimates, oil resources there make up over 5.3 billion tons, that of gas condensate - 480 million tons and that of natural gas - 6.25 billion cubic meters.

Whatever appearances in general, but total hydrocarbon resources in these three countries of the Shanghai Six are huge. Certainly, they can be easily wasted too, as once Urengoi's resources were. Funds received from them can be also used for modernization and diversification of their own economies, for transfer to high technologies and economy of knowledge. In other words, to be used in a reasonable way. That is why it is now important for Russia, Kazakhstan and Uzbekistan not only join efforts in oil and gas transportation but also coor-



dinate their energy strategies. Certainly, such work has been carried out not for the first year. But at a time when the Western countries and big transnational companies seek to diversify sources and routes of energy carriers' deliveries and try their best to drive a wedge between their primary producers in the SCO space, unity of action assumes special importance.

This idea agrees with many people. That is why within the framework of the Shanghai Cooperation Organization a working group was formed for creating an Energy club, of which one of the tasks is just harmonization of energy strategies. Such a club could favor deepening cooperation between the energy resources producers (Russia, Kazakhstan, Uzbekistan, Iran) and their consumers (China, Tajikistan, Kirghizia, India, Pakistan, Mongolia), conducting coordinated foreign policy of the fuel and energy complex' industries development. This idea implementation can make SCO a self-sufficient energy system both on a global and regional basis. And the existing piping systems connecting Russia, Central Asian countries and China, create a foundation for a single power market of SCO.

It was also much said at the first fo-

rum of the Eurasian Economic Club of Scientists, which was held last year in Astana. Moreover, the question was not only about coordination of long-term energy programs. A mutual opinion was stated as follows: to survive in the age of globalization and change of world economic structure, our countries' joint long-term economic strategy must be developed.

"No matter how we solve energy strategy matters, until there is no general strategy of socio-economic development of our countries, we will reach an impasse anyway," says chief research scientist of the Institute of World Policy and Economy of the Fund of the First President of Kazakhstan, Deputy Director of the Centre of social problems analysis Kanat Berentayev. "If we act one at a time, we could get the most pessimistic variant. Because you know, in the age of globalization the economic borders of countries actually become transparent, and industrial and investment policies begin to be dictated by large transnational companies. This is evidenced by both petroleum and all other industries. To avoid this dictate, there need to be a general strategy."

There can be little doubt that after a forced pause connected with global

financial and economic crisis, world's need for energy carriers will begin to grow at the same rapid pace that at the beginning of this century. By 2030, in the estimation of the International Energy Agency analysts, it will increase by 60%.

In the meantime the SCO member states possess today about a quarter of oil world reserves and production volume, their share is from one-third to one-half of gas resources and 50% of the world explored stores of uranium. The most important is to be able to use these reserves to advantage and in a reasonable way. And then, as noted by SCO Deputy Secretary-General Vladimir Zakharov, the Organization will have every chance to "become one of the economic centers of the world, attractive for other states in terms of cooperation."

Maxim KRANS  
InfoSCO analyst

# Risks Are Mounting, But the Shanghai Six Insures Them



Any crisis multiplies risks manyfold. And the current one, unprecedented in scale, apparently does it incomparably more. Nevertheless, insurance business in conditions of the present financial and economic storm, notwithstanding tense times, survived after all. Moreover, now more than ever, it is especially in demand. It was confirmed once again by the participants of the roundtable organized by the Shanghai Cooperation Organization Business Council and the InfoSCO information-analytical portal jointly with the Insurance Group "SOGAZ" - one of the leading insurance associations of the modern Russia.

The theme of the meeting was the following: "The state and prospects of the SCO reinsurance market". The dictionary of modern economics defines the term "reinsurance" familiar by no means to all as "relations complex between risk insurers". Other ways of saying, it is when an insurer takes the risk exceeding his capability, retrocede it.

The roundtable was dedicated to the problem of formation and development of reinsurance mechanisms in the Shanghai Cooperation Organization area. The experts of national parts of the SCO Business Council discussed the most burning and difficult questions, arising in everyday practice of the Organization member states insurers, and the problems that so far impede formation of a single reinsurance market of SCO.

Representatives of the SCO Business Council, the federal bodies of executive power, insurance, financial and social organizations, diplomats from the SCO member and observer states took part in the meeting. Though the roundtable theme seems to have been

narrow professional, its initiators and participants tried to find the ideas and subjects interesting not only for the specialized audience.

As Executive Secretary of the SCO Business Council Sergey Kanavsky noted opening the meeting, today in each country of the Shanghai Six working groups are functioning engaged in cooperation, conjugation of efforts of insurance companies in the SCO space in insurance of both various projects and entrepreneurship in general. In Russia, Kazakhstan, Kirghizia insurance pools have already been created, which united many leading insurance companies.

"We consider insurance not only as a specific type of business, but also as an element that helps business in whole to act effectively," said Kanavsky. "Insurance companies are an integral part of the process of economic cooperation within the framework of SCO, and, as a rule, are in the forefront of business, because while insuring risks it is them that often define priorities of one area of its development or another."

Deputy Chairman of the Board of SOGAS Sergey Okhotnikov reminded in his speech the "case history", that is to say, when and why a new item arose on the agenda of the Shanghai Organization - cooperation in the field of insurance. As long ago as at the meeting of the SCO Business Council in 2007 in Bishkek its participants supported the initiative of the Uzbek colleagues that were talking about the necessity of collaboration not only in the fuel and energy sector or, say, in transport infrastructure development, but also in the field of insurance that at present does not correspond today's requirements.

In fact, business is now unlimited, as people's movement from one country to another in the SCO area is practically unlimited. Escalation of human migration, increase of goods turnover volume, widening of investment are connected with certain risks. Without their minimization it is not possible to achieve the sustainable development of relationships between the Shanghai Six member states in the socio-economic sphere. Whereas insurance is a serious mechanism both of finan-



cial and economic risk management, and social security.

The Uzbek insurers' idea was generally supported by their colleagues, and soon they passed from words to deeds. On April 2008 the first international conference of SCO on insurance problems was held in Moscow, where not only the member states took an active part but also this organization observers. In spite of the crisis, the process of insurers' consolidation continues. Insurance and reinsurance issues were also discussed at the SCO Business Council working group regular session on February 2009, and at the III International conference "Insurance in Central Asia" that took place on March in Alma Ata.

And, according to Sergey Okhotnikov, it is logical. Because the SCO countries have huge potential: this vast region's territory is about 3/5 of the Eurasian continent, and the population that lives here reaches 1.5 billion people. China's economy is making good headway and it has already come to the second place after the USA, economies of Russia, Kazakhstan, and India have also attained great success. That is why the insurance business significance is growing up from year to year, and cooperation in this field assumes the priority value.

It is not the first year it is referred to the necessity of a single insurance and reinsurance market creation on the SCO territory. There are also promising examples of how the Organization member states actively cooperate in this field. For example, Russia is now constructing nuclear power plant units in China, and the same SOGAS achieved an agreement with the Chinese colleagues-insurers on reinsurance of a part of nuclear risks by the Russian companies. Large-scale joint investment projects are being implemented also by SOGAS' key clients - Gazprom and Rosatom under bilateral contracts with Kazakhstan. All of them suppose the joint participation of insurers from various countries to ensure a secure coverage. Among other things, the share of the Russian companies in this country is more than a tierce of all reinsurance operations.

And Executive Director of the Association for Ecological Insurance Igor Yazhlev told about another quite promising initiative. He said that ecological surveys on 31 rivers run-

ning on Russia's borders with adjoining states, including China, Kazakhstan and Mongolia, register pollutant level of many of them up to 10 TLV and even higher. At the border with Kazakhstan particular concern is aroused by water quality in Ishim, Irtysh, Tobol, at the Chinese border - in Amur, Argun, Ussuri and Razdolnaya, at the Mongolian one - in Selenga and Onon.

Environmental insurance, Yazhlev is sure, can be used as a defense mechanism against transboundary consequences of economical activity in the SCO member states. By the way, many things in this area are already being done. In Russia the Environmental Insurance Association has become the initiator of a number of regional projects of voluntary insurance in this field, in Kazakhstan a law was passed on compulsory environmental insurance, a pilot project of the same insurance is intended in PRC too. Now, according to Igor Yazhlev, there came a time to join efforts of all the SCO states, and in the capacity of the first "direction of attack" he suggests to choose the Amur River basin that in recent years especially often exposures to pollution.

Many roundtable participants highlighted in their speeches that one of the major tasks the Shanghai Six insurers faces, is insurance legislation and regulatory framework harmonization. According to them, this provides, first of all, elimination or minimization of administrative or other obstacles in the development of the insurance field, the SCO countries coordinated insurance policy, working out of common insurance rules.

In his speech at the roundtable Kenzhegul Sembayeva, Director of Reinsurance Department of the State Insurance Corporation for Export Credit and Investments (Kazakhstan), highly appraised the current state and prospects of this market segment in the Shanghai Cooperation Organization countries. According to her, today it represents a significant part of the world insurance and reinsurance market that has a high potential for growth. According to Sembayeva's data now in China insurance activities volume is more than \$143.3 billion, in Russia - \$28.2 billion, in Kazakhstan - \$885 million, and in other Central Asian countries - about \$100 million. Nevertheless, the SCO countries' insurance markets are still developing quite independently

from one another; there is stiff competition in the national markets and access for foreign insurers is limited, by this insurance terms in different countries legislations often greatly differ. So for the present reinsurance operations between companies from different countries are neither big nor numerous.

And there are more difficulties to come impeding pooling of the SCO insurers' financial possibilities. Thus, at the last year's conference in Moscow it was noted that problems of the insurance market infrastructure improvement, dissemination of the insurance culture among population, innovative kinds of insurance acquirement also remain urgent. Besides, according to the participants of the meeting, joint struggle against insurance fraud must be more active, it is necessary to create an information database of the SCO countries insurance industry, to exchange experience in personnel training and retraining, as well as information of judicial and arbitral practice, connected with legal investigations in this field.

Generally speaking, the current and previous discussions showed that there are still enough problems and differences in this field, and it will take a lot of efforts to overcome them. However all the participants of the roundtable were at one in thinking that it is necessary to jointly create an insurance space within the framework of which needless barriers and obstacles could be removed, and real conditions created for its free access to markets upon observance both of norms of national laws, and international standards.

Next time the SCO countries insurance companies' representatives will return to the subject of these problems removal or at least their minimization, as well as consolidation of efforts within the framework of the Organization. One of the roundtables of the St. Petersburg economic forum to be held in June will be dedicated exactly to these themes.

# NEW PARADIGM OF INTERNET

Will Russia and China create their  
own Internet?

All-Russian Conference "Use of Internet Capabilities in Crisis Situations - Administrative and Technological Solutions" held in Moscow inter alia discussed "the health" of the Internet. The interesting and urgent discussion was initiated by Non-Commercial Partnership INFOFORUM involved in provision of information security, as well as by the Security Committees of both Russian Parliament houses - the State Duma and Council of Federation. The event was supported by the Federal Agency for Press and Mass Communications and other state agencies and partner-companies.

Practically all speakers pointed out that in the present state the Internet may perform as a potential source of crisis situations. Development of Internet-technologies opens new prospects for response to and prevention of them. The Conference also discussed promising projects of the Shanghai Cooperation Organization.

Development of Internet-technologies opens new prospects both for response to crisis situations and elaboration of an agreed policy for their prevention. However, in its present state the Internet may become a potential source of crisis situations. And it may also aggravate them due to the resonance effect.

A recent example: an obscure Georgian on-line newspaper published an article on the fall in Russian Ruble exchange rate, this disinformation was disseminated through several network media outlets that resulted in people rushing to banks in panic. Meanwhile, actually this rush had no reason at all. Simultaneously, the current rules of the game in the cyberspace very often let the panic-monger come off clear. Sometimes it is difficult even to reveal the source of disinformation itself.

Viruses, spam, hackers, network extremism, false information, kids porno... Debates on the lameness of the contemporary Internet, which list of vices might be continued further, became a subject of many futurological philosophies. Social consequences of the technological progress often come into conflict with humanistic ideals of our civilization and interests of millions

of users suffering in this particular case from spam and virus attacks.

Let me hazard a guess that the current world financial crisis and difficulties facing the Internet development have similar causes in their roots.

## Is the "unipolar" Internet doomed to failure?

In his Address to the Federal Assembly President of Russia Dmitry Medvedev speaking on the Russia's suggestions for creating a new financial architecture said that "these tasks should be distributed among existing or newly formed international organizations ... Having a monopoly in this sphere was not merely inadequate for the realities of today's global economy". Similar ideas have been expressed by China, India and other states. Oddly to say but UK Prime Minister Gordon Brown in his recent interview also said in similar vein that it is necessary to develop "a concept of multilateral relations". G8 is being replaced by G20, hegemony of US Dollar is also vanishing.

Eventually, the unipolar world order model proved to be fraught with not only political turbulences that the Russian leaders have been spoken about for this decade, but also with economic crises. Evidently, proper stability is attainable if the system has numerous supports, load is distributed evenly, and balance of forces and interests is provided. It seems that this universal formula is applicable also to the Internet-technologies.

Let me remind you that a multipolar world concept is one of cornerstones of the Shanghai Cooperation Organization. Despite its young age the SCO that as of 2001 includes Russia, China, Kazakhstan, Uzbekistan, Kirgizia and Tajikistan as member-states and India, Pakistan, Iran and Mongolia as observer-states plays more and more significant role in the international arena. The principle of equal dialogue laid in the roots of "the Shanghai spirit" is welcomed and supported by more and more states of the world.

It happened historically that the SCO integrates the countries where the state plays a significant role in the economy

and banking sectors. Therefore the Organization is in position to implement large infrastructure projects that need state support. Currently Russia chairs in the SCO, and our country initiates many important projects of economic cooperation. In so doing, in some cases cooperation of the SCO states, and first of all that of Russia and China, opens broad prospects for solution of problems urgent not only for relations within the SCO but also for the entire world community. For example, there is a problem of improvement, modernization and reforming of the Internet.

Urgency of this problem is evident. By the way, in 2009 the mankind will mark the 40-th anniversary of the event when a team of scientists of the California University including Leonard Kleinrock, Vint Cerf and Steve Crocker conducted the first successful computer-to-computer data transmission experiment. It opened an era of network technologies and literally a new page in the history of the modern civilization. September 2, 1969 is deemed to be considered "an unofficial birthday" of the Internet. The forty year period is long enough time to make first conclusions on successes and failures in the life of the hero of the day. And the hero of the day deserved these loud metaphors. But unfortunately, in recent years the record of events looks more like a clinical chart.

Besides the above-mentioned problems: viruses, spam, hackers, etc. experts predict depletion of data transmission channels resources and IP-address capacities in the near future as well as a number of other technological difficulties that will need radical TCP/IP upgrade that will make an end of the Internet in its present form.

However, besides the evident problems facing every on-line user daily there are also more critical conflicts in the roots of the present Internet structure itself. First of all, it is the lack of global network management system adequacy. In its present form the Internet is based on a system of domain names and IP-addresses completely controlled by ICANN (Internet Corporation for Assigned Names and Numbers) and ultimately by the US Department of Commerce. Despite all efforts of the world community to make this system more balanced, the Internet Purple key still remains in the hands of the US President. Moreover, lately the American stand has become tougher. In May 2008, Edward Markey, Chairman of Subcommittee on Telecommunications and the Internet, House Energy & Commerce Committee, claimed that "since the Internet was created in America, the country should not lose its control over it".

Another problem consists in practical inability to identify a source of information since the access to the global network is anonymous in principle despite any reservations. Sir Tim Berners-Lee, one of "the fathers" of the world-wide web and author of the first web-site and first Internet-browser, recently expressed an unambiguous conclusion regarding the future of the Internet. In his opinion, the gravest threat is posed by the phenomenon of network disinformation, which is widespread and threatens to undermine credit to the



Internet as the infomedia. Already today the Internet heads all the records in terms of amount and variety of unfair advertisement, commercial fraud and deceptive practices, and as the e-trade turnover grows it may even become an analogous of a dark gateway, which is better to be bypassed if you have money in your pocket.

The use of disinformation in information warfare is noteworthy separately. Mass mailing of messages with false return addresses and publication of false information on web-sites, which true owners are unidentifiable, became a current practice. China had to create its own isolated national e-network to resist external pressure. Without any comments on rationale of this measure, it is worth paying attention to the use of the Internet as a weapon in the interstate confrontation in the fields of information and propaganda.

Yet, this is not the thing. Key features of the Internet in its present form are the use of English and Latin alphabet as the main language and characters for communications. Those who fail to use Latin letters for data transmission are in danger of becoming wrecks in the international data traffic.

It relates not only and not merely to the mass communications media but also to the technological infrastructure of its operation: computer programs, programming languages, etc. This problem also relates to the use of hardware and software of the leading world corporations: Windows- and IBM-compatible solutions, establishing standards of technological integration in the world infospace, and the rules of the game. Monopoly of the manufacturers results in predominance of their media resources and consequently Western information and ideological standards and behavioral stereotypes.

In a sense, further development of the Internet in this scenario means not only preservation of the Anglo-Saxon West's superiority in the information and technological fields in the short-term prospect, but also the degrading role of national languages and cultures down to completely falling into neglect in the long-term prospect.

### Collective mind as Internet rescue remedy

The countries of "the golden billion" still remain leading worldwide info-product users. Meanwhile, the world rimland that includes a majority of Asian, African and Latin American countries remains out of the global infospace and on-line community. The Internet in its present form may prove to be failing to meet their needs.

A key vector in the development of new-generation global networks is supposed to be aimed at breaking-down of language barriers. Igor Eidman, a Russian sociologist and "Internet-futurologist", aptly said that modern network technologies make it possible to create "a global space of free communication between various language speakers and culture beams". According to the expert, "a new epoch in development of the world-wide web will be opened by wide-spread propagation of multi-language social international communication and cooperation networks

provided with self-improving machine-translation programs".

According to experts, a technological breakthrough in improvement of the current computer-translation programs may be provided for through generation of an array that would include correct translations of maximum quantity of lexical elements. As a rule, the available programs offer users to give a more adequate translation version versus that offered by the computer, however the users often ignore this function as they believe that improvement of translation programs is a private business of developer-corporations.

Thus, development of more sophisticated translation programs directly accessible to the whole Internet-community becomes a priority task. Probably, fulfillment of this task is possible on the basis of a new technological platform that makes it possible to integrate an individual experience of each user into a common knowledge bank.

The use of the collective-mind practice is laid in the basis of the therapy also of other Internet "birth diseases". First of all, it relates to response to hacker attacks and viruses ulcerating vulnerable spots of computer programs. As a rule, such spots occur at the fault of commercial-closed-source-software developers. Such faults are reduced to minimum in open-source programs (for Unix- and Linux-similar operating systems). These software is distributed mainly free of charge, their codes are accessible for analysis and update to the maximum number of specialists in various countries. By the way, the "open-source phenomenon" destroys the monopoly of worldwide software leading manufacturers.

A similar situation is observed in the area of Internet access provision. The available multilayer hierarchy of client-server links provides for only illusion of anonymity to Internet-users, at the same time it does not guarantee successful tracing of criminal sources. There are several model-solutions of this problem. A majority of experts are led to believe that in future we will have to reject the hierarchy architecture of root servers controllable by private corporations and pseudo-government structures, and advance to decentralized distributed network (current operating prototypes of such networks include, for example, Japanese Netsukuku). On the other hand, the need of certain certification of Internet-users becomes apparent. Eventually we will have an efficient network with all users placed on the same level without preferences and restrictions but with mandatory identification.

International legal aspects of Internet life also need restructuring. Poorly-transparent and politically exposed management basing on the US sole control is inadequate to the contemporary realities. It should be replaced with a democratic collective system respecting national interests of each country.

And what is about our beloved WWW? Probably, it will suffer the fate of a unique virtual Jurassic park for those fans of the extremes who are ready to sacrifice safety and reliability for the sake of anonymity and jollies.

Finally, I would like to note that the collective self-organization prin-

ciples correspond to a greater extent to free-market concepts of the contemporary economy and Adam Smith's law of "invisible hand" as distinct from the administrative regulation, which is advocated by the United States in this particular case. However, it seems that standard-worship epoch is close to its end.

### SCO may create its own model of Global Network

Consciousness of contemporary Internet shortcomings has already initiated the search for new forms of global network management. The respective R&D activities in this field are performed both by private corporations (Google) and state institutions - in the USA (Internet2 Project), Japan and other countries.

In this situation the SCO, an integrated organization of a new type basing on the concept of dialogue between cultures and civilizations, enjoys an opportunity to lay the foundations of a leading edge global information network that will become a platform for equal cooperation between countries and nations rather than promote expansionism of Western values and standards. This network may be created both as a certain superstructure on the basis of contemporary networks and as an independent medium, and it may have even an original name - e.g. SCOnet, etc.

The fact that English is not included in the list of official SCO languages probably suggests an intent of the SCO state leaders to develop cooperation in the information field on the basis of a certain new information paradigm of direct cooperation only vaguely resembling a multi-language family of the United Nations or European Union rather than on the basis of a unipolar model of the contemporary global infospace.

The SCO countries are able of tackling the task to create a more sophisticated analogous and may be an alternative to the contemporary Internet. There is a wide field here for activities of R&D centers, private, state-owned national and international entities. Currently, the SCO Business Council is discussing feasibility to establish a special working team to examine this subject.

It seems that in the long-term prospect the SCO states will be capable of facing even more wide-scale projects. Internet and TV convergence and development of wireless and satellite data transmission technologies generate a world-wide demand for new science-intensive products including those for the personal use. Development of free-for-all satellite communication means integrating capabilities of the computer, telephone, TV set and other gadgets is in the pipeline. Basing on the Chinese technological potential and Russian missile and space achievements the SCO would be in position to initiate development of new standards in the field of satellite communications attractive to all regions of the world.

# University Unique in the World

The most ambitious educational project ever implemented in the world - the SCO member states Network University - acquires visible features. For the participation in it a free-for all competition has been recently set up among Russia's universities and higher education institutions of the Shanghai Cooperation Organization other countries.

Whenever will the real start of this unusual university take place? What will it be? What priorities are here and what are "reefs"? These and other questions are answered by one of the SCO University concept designers, noted Russian orientalist, Doctor of Historical Sciences, professor Aleksey MASLOV.

48

- You have said more than once that You consider the SCO University project as unique and the most ambitious for many decades. What is the am-

bitiousness?

- First of all, its goal itself - creation of a single Eurasian educational space combining the best national traditions and accepted

world standards. And the fact that this project consolidates the states with different civilization communities, culture and absolutely unequal economies. It includes the countries with different possibilities, ambiand



educational potential. There are giants such as China, Russia, quite considerable Kazakhstan, and there are, say, Tajikistan, Uzbekistan, Kirghizia...

**- One must suppose that their different interests and contributions are quite tangible, which means that antagonisms and problems are inevitable.**

- A Chinese proverb runs like this: "A journey of a thousand miles begins with one step." We have done already a lot of steps, which made it possible to remove many of them. For example, it was clear that the largest developments in all scientific areas were conducted in Russia and China, and it is these countries that very many people visit for education and training. There are much less people willing to go to other SCO countries. Thus, the conflict arises at the outset when main flows of students make their way to these big countries (Kazakhstan can be also included). It is necessary to be aware that just these countries cover most of professions. And here it is very important that the SCO University should not turn into a game of two or three large states. We tried that each country could find in it its own interest.

But there are countries' ambitions and those of particular universities. And they do not always coincide. Some universities do not understand absolutely what their country's interest here is. And first of all, it consists of creating of a new generation of specialists that will be able to work in the whole Eurasian space with different cultures and approaches to reality. And it is just one problem, whereas there were so much of them that there were strong doubts whether it was possible at all to create such a university. A single consolidation idea was required, a model meeting all countries' ambitions, and above all - those of universities, under the aegis of which it will work.

**- What model has proved to**

**be so universal?**

- The most consistent one. It was suggested by the Russian party and approved by all experts. The SCO University network principle is clearly prescribed in it. No single center. The university administration may be located anywhere. Students get educated alternately in different universities. Each country suggests on its behalf some leading higher education institutions representing the best scientific schools (say, in energy - China, Russia and Kazakhstan). Within their term of apprenticeship, students will undergo one third of study in one of the SCO member states. It will enable them to better know other ethnoses' culture, be filled with ideas of Eurasian cooperation. For example, having begun to learn on his native soil, the Russian can go on then to do further study by the same profession in China or Kazakhstan. Consequently he will receive two diplomas. One is that of the institution he entered, the other is the SCO University's. And we mean to train specialists not only of high proficiency, but also able to easy integrate into the SCO joint economy - that of the large part of the world, rapidly growing and having a very good prospect.

What is important in this conception? Above all it is our using a very well-trying system called a system of intercalation study. For example, a student studies at MSU till his 3rd year, for the 4th year he goes to China, then he returns for the 5th year in his university. This system is very clear to everybody. It has been well worked through both on the West, and in Russia. The second very important moment is a colossal scope of professions, because the SCO countries biggest higher education institutions take part in the project, possessing scientific schools, groundwork, personnel, workbooks, textbooks, multimedia equipment, and computer networks. The third one is different languages of instruction.

**- It is recognized that the**

**Tower of Babel crashed down just because its builders had spoken a great number of different languages and could not understand each other.**

- Well, above all, we are constructing the SCO University not vertically but horizontally. And we have only two official languages of instruction - Russian and Chinese. However their knowledge is compulsory. If a student goes to China, he should study there in Chinese, if he goes from there to Russia, consequently, he should study in Russian. Say, a student-powerman can study in Kazakhstan or Uzbekistan, where there are series of electric power plants and where the language of instruction is Russian, but if he wants to go on to do further study in China, then additionally he must take without fail a Chinese course as well. To understand Chinese lectures there, it is necessary to intensively and daily learn the language for not less than three years. The student studies in the same groups with other students, but officially he is counted in a separate entry as a "student of the SCO University". He can begin study in Moscow, continue in Kazakhstan (also in Russian), and then in China - in Chinese. Thus, one more significant problem is removed - there is no need to create special groups, it is enough to coordinate the universities' academic curriculums. If one goes to the Celestial Empire for a year, then his educational program there should match with the program of his studies in Russia or Kazakhstan. And vice versa.

Furthermore, for the University students a system of study courses will be used, it is clear to everybody and has been worked through long ago in many countries.

**- In Russia two-level model of higher education already functions - Bachelor's program, Master's program. It has drawn criticism of some specialists, because it is alien to our traditional system of education. But it was it that was chosen for**

## the SCO University, wasn't it?

- The entire world passes on to it. It is more efficient. A model of two level education exists in the USA, Indonesia, China. The reason for that is simple. By no means all need so background knowledge requiring 5-6 years of education. Certainly, it will remain in medicine, mathematics, or music, as will six years education. But the world changes and people often need to get not so much knowledge in general, as a specific course and attainments. If one intends to become, for example, an economist in a particular field, say, in small business, then 4 years are sufficient for him. But it is very important to understand that the main thing here is not merely reduction of term of apprenticeship, as it is carried out here in Russia, but also background knowledge acquisition by practically individual training. For example, my masters in England have lessons only twice a week. We take up a certain subject, sit down and discuss it. But they must have read specified subject-related literature for the lesson without assistance.

### - What special subjects will be taught in the SCO University?

- The ones most sought-for in all the organization countries. And those that cause the least contradictions. They are five: regional studies, energetics, environmental science, nanotechnologies, and IT- technologies. These professions interest everybody. And each country can submit for competition the universities training such specialists. The experts will only have to coordinate a teaching program.

### - Single for everybody?

- Of course not. But making it possible to supplement and expand knowledge. Take as an instance regional studies learning language and culture of countries. In different universities regional studies are interpreted in different ways: somewhere as economic specialty,

and somewhere as learning history and traditions. In MGU only it can be studied in equal measure at the faculties of geography, economics, history and philology. And there will be different programs. Changing for a while the country of education under the SCO University program, a student will certainly extend and expand his knowledge in the select-ed profession.

### - By what criteria will universities be selected for the participation in this University? Won't become the prestigious international project another field for "kickbacks" and corruption?

- The SCO countries finance the University on a different basis. Russia and China contribute 22% each. Kazakhstan - 20% and so on down the line. In the competition set up by us only state universities take part. Selection criteria are elaborated by me, and they are simple. They are based on the American Yes-No question answering system. The simpler question and answer, the more difficult the corruption of the process. By this there is no point for corruption - no money will come automatically to the universities winning the competition. Furthermore - they will have to spend money themselves to start up their education under the SCO program. They will also have to solve practical questions - comfortable hostel, nourishment corresponding to WHO quality standards etc. Moreover, the university will also have to convince future students why there is much to gain from their study in the SCO University than just in the same higher education institution, with the same speciality.

### - When will the SCO University begin to really function?

- I think it will be decided this summer at the SCO summit in Yekaterinburg. Though, it does not mean that as early as September the University will open. The launching will be carried out step-by-step, till

2012, there needs no hurry here. Already existing courses of extended education can become a preliminary stage. Say, you study to be a power engineering specialist, but you also need knowledge in the SCO countries economy. You can gain it for 72 hours of a special course. All that can be started at once, without any powerful structures. It is of importance to begin at least from anything.

### - Won't the current world crisis become a stumbling block for the project?

- We have installed in this university a powerful anti-crisis "cushion". The chief thing is that it does not require any big financial investments. If it had required a single building, its logistic services, lecturers, hostels etc. i.e. everything needed to create a new educational complex, then in this case the project would have cost tens of millions of dollars. And then in the current crisis situation we would have had to abandon its implementation. But today the question is about minimum amounts. And that is why the idea will not slow down.

As concerns the crisis itself, then, in my opinion, one should ask oneself more often, not when, but by what it will be over. And not in terms of economy, but rearrangement of civilization values. Money has become the only sense of our civilization. Morality, culture, knowledge have been sacrificed to it... If we do not return to the priority of intellectual values, not elaborate new relationship ethics, a disaster is inevitable. The world is sick. Its disease has reached a critical point. I would like to hope that the crisis will cure and purify it. And make it listen to reason, at last.





# Tashkent's spirit and embedded codes

The city, as a living organism, has its own tempo, life cycles, activity and rest time. It has its respiration, energy, consciousness, identity, aspect, disposition, traditions, and ways of reaction to emergencies. In a word, each city has its own physical body, its personality and spirit. Now and then, the “body” is quite western, and the spirit is oriental. My city, Tashkent, this year celebrating its 2200th anniversary, belongs just to this kind of cities.

In three million Tashkent there are a good many of oriental signs - mosques, other monuments of Islamic architecture, traditional bazaars, however the extraordinary majority of its structures, especially office and residential buildings, has the outlines typical for the western cities. Nevertheless, Tashkent is the oriental city. Not long ago it was even accorded international recognition as a city of the Islamic culture. What does make Tashkent eastern? People do, certainly. Not individuals, but the society. Each representing various cultural, religious, ideological and other bases, individuals acquire all in one a certain integral feature - general culture.

Traditionally Tashkent is a multinational city. Those who come here, pay attention to a great anthropological variety of its people's faces. The Tashkent community is also distinguished by specific culture, different from that of other communities.

One can talk about some kind of general culture, collective psychology of the population of one street, settlement, district, state, continent and, perhaps, planet. General culture has its both open and embedded codes. The latter are difficult to be interpreted. The whole, as is known, is not reduced to the sum of two elements.

Once I took a cab and noted that the driver did not react to a man “thumbing a lift” on the side of the road. “He may be going our way and it is worth picking him up?” I asked the cabman. “No, he is from another district”, the driver noted with confidence. I was sur-

prised and asked how he had guessed it? “You see, it is difficult to explain, but I have driven for twenty years and learned to know passengers,” the cabman replied.

Another case comes to mind. One day I looked in at one of the old book stores of Tashkent with a Russian friend of mine from Moscow. The saleswoman, addressing to us, noticed at once that he was not local, but had come, most probably, from Russia. I asked her, how she had guessed, because you know in Tashkent there are a lot of Russians. “I don't know, but your friend differ from the Tashkent Russians”, the saleswoman made a helpless gesture.

Certainly, people living in different places, can differ from one another by dress code or mode of dress, language or dialect, coloration or hair color, personal habits, different economic and cultural signs. The city leaves traces on people's psychology, their personality and identity, creating a behavioral stereotype, general culture, and general image.

A city's spirit becomes a part of social identity; it does not know obstacles and penetrates through prisms of different religious, ethnic, social and professional groups. Coming back home from other places, I immediately feel a special spirit of my city. This is beyond description - it can be only felt. I suppose that everybody who returns home from trips has a similar feeling.

For me my city's spirit represents, above all, a cultural phenomenon. It is a very sophisticated and multilayer

thing, having its own nuances, closely connected with architecture, roads, parks, public systems and other material and social aspects of urbanism.

A city is his history, narrative, a certain myth we create and bear in ourselves. Even true stories, having become a part of folklore and ordinary awareness, acquire mythological elements or outlines. Thus mythology turns out to a part of the urban reality. Some urban myths are created or supported consciously, because they bring charm and people like them, especially tourists, others appear spontaneously and are unamenable to control. Writers, poets and other workers of culture have a special place in formation of cities'



mythology. Myths created by them can offer the same mite to the urban environment and identity, as can aspect of buildings formed by architects.

The mythical Old Russian city of Kitezh, Jefferson William Folkner's city, Laimen Baum's Emerald city, Frank Miller's City of Sins, Nikolai Nosov's Flower city and other invented cities - have not they transformed into realities of public conscience? Has not the theme of vice of Sodom and Gomorrah become one of the main in modern literature? Enumerating these real and invented cities, I thought that modern Asian writers owe to their cities.

Myth is one of the most attractive elements of any city, without them it can not be an interesting place. In the 1930s when there was famine in the country, many people tried to come

after the breakup of the Soviet Union. Recently several novels dedicated to Tashkent have appeared. As a rule, an attempt to understand and describe the own city contains elements of romanticism, for address to the youth purifies the spirit and romanticizes the past.

My city's cultural aura, its spirit and image, as it becomes, have been formed over the ages. I feel vital and cultural impulses of our remote ancestors who had lived here. The Silk Route passed through these places - the most important spatial and spiritual corridor, where cultures crossed, the peoples of the East and West met and mutually enriched. Our ancestors for centuries communicated with merchants, travellers, wandering scientists, poets and thinkers from different countries and worked out in themselves enterprise, tolerance, cordiality, a special style of

citizens. A modern city, especially as big as Tashkent, undoubtedly, also develops the culture of anonymity, a feeling of loneliness in a crowd. But the Oriental culture features hierarchical pattern of social relations, people, including those in cities, still remain oriented to social and interpersonal attitudes to a large degree, at times even to the prejudice of their business opportunities.

Originality of Tashkent's sociocultural aspect is formed from a large quantity of details, many of which relate just to peculiarities of intercourse and communication between people. Here fairly often one can see immediate relationship and smiles of people in the street, and at bazaars it is conventional to bargain. If you enter into a conversation with a seller, he can incredibly bring down the price of his goods. A person in the street, as a rule, greets a stranger,



to Tashkent that had become famous as a "lucrative city". In the meantime, in Tashkent the situation was not much better, than in other parts of the country, however, coming to believe in the "lucrative city", many people really found salvation here, because belief and installations supported by the spirit of a cultural country possess powerful force. Not bread, but people, social relations made Tashkent a "lucrative city".

Now many cities of the world are actively engaged in branding and re-branding, which is so necessary for creation of a positive image, tourists and investments attraction. Not only the current citizens make their contribution in the modern mythology of Tashkent, but also representatives of creative professions who had gone abroad

hospitality.

Under the influence of the Islamic culture the art of courteous communication and behaviour gained a particular significance in the social life. Many delicate communication codes appeared requiring a corresponding education, instruction and environment to be mastered. The world outlook elaborated down the centuries and social skills became an important part of culture of modern generation of the Tashkent citizens too.

It is obvious that not all elements of culture can be visible at first view. Peoples' culture, as well as cities' spirit, are created not at once and do not disappear in an instant. But the modern life brings, certainly, a lot of new things in the urban culture, social behavior of

prior to ask to give a hint about how to go somewhere. And in public transport young people continue to politely give place to elder people.

In spite of the increasing tempo of living, many citizens succeed in engaging in conversations over a cup of tea or simply in the street. Here people usually start businesslike talk not immediately, but speak in a roundabout way, for example, from detailed questions about the interlocutor's family, affairs, and health. This is some sort of psychological probing of the company's state, his readiness to begin a serious conversation. In a word, it is manifestation of the Eastern style of encoding and decoding of signals during communication.

On the occasion of family celebra-



tions or on Memorial Day in Tashkent it is customary to organize entertainment of family and friends with national dishes - osh, i.e. pilau. In most cases several hundred people come for the morning osh. What makes these people to get up early in the morning, before work, almost straight after dawn, and go to this event?

The morning pilau is the whole system of encoded interactions, assessment, strengthening or consolidation of social ties. Everything is meaningful here: who comes and meets, with whom one comes and how he is welcomed, where one is seated and what attention is paid to him. A whole theater of symbolic interaction.

Tashkent, especially its old part,

Alongside with that the urbanization being one of our realities makes allowances in the urban culture and spirit, social relations between citizens. Alas! Many negative sides of urbanization are particularly appreciable in the developing world, including the countries of Asia. Unfortunately, this tendency will just grow on. In these conditions it is important to appreciate the good that still remains in public consciousness of many Oriental peoples, above all, significance of family, a feeling of mutual support, and responsiveness to collective interests of a community.

It is assumed that collectivism is typical for the East, and individualism for the West. From the viewpoint of group or individual values prevalence in public consciousness it corresponds to real-

one. And poetry here is traditionally rich in symbols, metaphor, allegories. A citizen of an eastern city keeps up demonstrate its commitment to collective values, trying to achieve his private ends at that, i.e. showing his individualism. That is why words and actions at times seem multiple-valued, and the multiple meaning allows surrounding people to interpret information in their own way, in compliance with their expectations. The East teaches to agree with society, but also supports manifestations of individualism, private entrepreneurship.

Those who talk about absence of individualism in the East simply do not notice many things. Culture of most peoples of Asia, spirit of the East contain a lot of embedded codes. This circumstance paradoxically opens great opportunity before a writer for descrip-



maintains close social relationships with people not least because of community-based organization of areas of the people compact settlement - mahalli. Compact socialization, establishment of close relations with neighbors and community inhabitants begin from earliest infancy and develop during life.

One of the main differences between Tashkent and many western cities is that one can see a lot of children in its streets. Joint games and communication in the street, boys' summer bathing in urban ponds or rivers are attributes of the Tashkent childhood familiar to many. Children intercommunication favors the formation of a peculiar code of communication understandable in their circle and obscure to strangers.

ity. However the eastern individualism exists all the same, showing up in a peculiar, often hidden form.

The eastern individualism's exterior forms often show up in details of clothes and adornments. Women's clothes in whole can vary little from clothes of other women, but separate parts of their costume, especially adornments, can give signals of a status, possibilities and individual taste. Many women-citizens of Tashkent like to dress themselves in bright colors, which better favors, and not impede the disclosure of their individuality. But also the nature itself, abundance of sun disposes to that.

But the East, as is known, is tricky, and the eastern individualism in whole shows up not so openly, as the western

tion of his heroes' personality and nature.

In Tashkent, as in many Asian cities, everything is mixed: the eastern poetry and the western music, Mongoloid, Turkic, Slavic, Norman faces, the European and ethnic clothes, nations and religions, cultures and styles, collectivism and individualism.

However it is not a chaotic mixture, but a harmonized integrity, having its uniform quality, single spirit, possessing its embedded codes, issued with fine yet strong threads of social relations, common energy of human feeling.

*Alisher FAIZ*  
a writer

# “Second Spring” of the Russian Language in the Celestial Empire

*The Russian language in China has its special place, with which the fortunes of many generations of the Chinese Russianists formed during the last three centuries are connected. And three centuries is a quite impressive period of historical time, ample to put both relations and traditions to the test.*

It will not be an exaggeration to say that interest in the Russian language, Russian culture run in the Chinese blood. In the East there's a saying: "When you like a girl, you like her language". Of course, this adage can be extrapolated much wider. Interest in the great northern neighbor, and the latter's reciprocal interest in the Celestial Empire, was mutually big, as was the desire for strengthening of diplomatic and economic cooperation. Russian and Chinese are the two difficult for comprehension languages. However, there was nothing to be done, because it was impossible to move towards each other in a different way. And then some began to comprehend hieroglyphs, and others - Cyrillic alphabet. Thanks to all that the contacts became more energetic, the interpenetration of cultures intensified.

The Russian language teaching in Beijing began as far back as at the beginning of the 18th century. In 1708 for the purpose of the Russian diplomats and translators



training the Emperor Kansi the Illuminator of the Qing dynasty opened a branch of the Russian language study under the department for education. This moment can be considered as the beginning of the Russian language "career" in China. On their part, Russians took an active interest in the East too, particularly in China.

The year when the Emperor Kansi ordered to begin the Russian language study, Alexander Pushkin, future founder of the modern Russian language, had not born

yet, so initially the Chinese Russianists used the grammar of the times of Catherine the Great, and their teachers spoke the old dialect.

It must be confessed that the Chinese learned Russian more actively and tried to speak in it in every possible way, which made the Russians glad. As a consequence, Russian became the "basic" language in communication. Chinese was used less, therefore Chinese words' entry into the Russian vocabulary turned out to be minimum. In whole, in the Russian vocabulary there are no more than 20 Chinese words.

It is impossible not to remember another epochal date in the "Chinese fortune" of the Russian language. In the 30s of the 20th century the Chinese writers Lu Xun and Ba Jin were the first to translate the Russian literature into their native language. This opened the way for Chinese to the Russian culture, Russian life, Bolsheviks' revolutionary ideas, created Soviet Russia.

Declaration of the People's Republic of China in 1949, establishment of friendly and good neighborly relations between China and the Soviet Union favored the real boom of Russian - it came to be learned everywhere in the country, at multiple levels of society. Lessons were compulsory in elementary and secondary schools, in higher education institutions, excellent pupils were sent to the USSR to go into higher education. It may be said that it was the "first spring", powerful and nationwide wave of the Chinese's interest in the Russian language, which exerted a strong influence on the whole life of the country.

According to both Chinese and Russian specialists, the Russian language study in China today goes through the "second spring". As Chairman of the China's Association of the Russian Language and Literature Teachers (KAPRYAL) Professor Liu Liming noted, "against the background of the world economic integration prospects for the spread of Russian in China considerably depend on the level of the Chinese-Russian economic ties development. The current good economic relations between the two countries allow to effectively extend the demand for the Russian language specialists in the country."

According to the Xinhua News Agency, in 2008 the turnover between China and Russia exceeded \$50 billion; the PRC was visited by approximately 3 million citizens of Russia. Toward 2010 it is planned to bring the bilateral trade to \$60-80 billion. So the Russian language teaching today meets the strategic interests of China.

At present the China Pushkin Society, the China's Association of the Russian

Language and Literature Teachers (KAPRYAL) and other are actively engaged in the Russian language popularization in China. The Russian song culture is quite popular in China: in the country there are not less than 40 large amateur choral societies, holding regular festivals of a Russian-language song.

Several social and political newspapers and journals, as well as business ones are published in Russian in Beijing and in the provinces. The Xinhua News Agency issues a daily information bulletin. Every day the China Radio International conducts twenty-hours' external and one-hour's national broadcasting. For five years on Beijing television the "Russian pages" program has been weekly broadcast, having the highest rating in China among television broadcasts in foreign languages.

All together in China the Russian language is being learned by at least 12 thousand students and graduate ones, a number of higher education institutions has rapidly grown, where the Russian language teaching is maintained. If in 2003 the number of such institutions did not exceed 60, then in 2008 they were 90 and, according to experts' estimates, this number will grow. In 2009 among 7 million graduating students in China about 5 thousand will acquire a profession "the Russian language".

Annually the Russian language competitions are held in China between the Chinese institutes of higher education. And if before these events were regional (according to the northern or southern region), then last year Chinese authority held already the China National Russian language competition (in Shanghai).

The exchange Year of national language is worthy of special attention in the two countries. Now in China the Year of the Russian Language is being held, next year the Year of the Chinese Language will be held in Russia. Within the framework of the Year of the Russian Language in China over 150 events will be carried out, which will certainly activate contacts between the Russian and Chinese communities, will conduce to relations in the humanitarian sphere.

The Year of the Russian Language offers hope to the Chinese Russianists that the national concept will change, according to which only English is a foreign language. "It is necessary that students could understand that Russian is an important foreign language required by the country," the Chinese linguists believe.

Amid extension of the Russian-Chinese cooperation in many areas, demand for Russian speaking specialists has certainly increased, and this has already brought to a considerable upsurge in interest in its learning. The growing number of Chinese students tries to go into higher education in the institutes of higher education of Russia. Knowledge of the Russian language is considered by many Chinese as a certain guarantee of successful recovery from the world financial crisis. At least, experts' predicted job placement of the Russian speaking students remains opti-



mistic.

It is impossible not to mention the increased manifold interest in the Chinese language in Russia. There is a fair national foreign language school in whole and, in particular, that of the Chinese language. Furthermore, numerous Confucius Centers further dissemination of the Chinese culture and language, that Russian youth attends with a keen interest.

China and Russia are friendly nations, the Chinese and Russian peoples are great. Knowledge of the neighbor's and friendly partner's language allows not only get to know more about each other, but create favorable conditions for closer relations. That is why the Year of the Russian language in China and that of the Chinese Language in Russia must strengthen the foundation of the two countries' friendship that had been created by many generations.

*Aleksey SMIRNOV*



## Meeting of the Heads of the SCO Countries Counter-Narcotics Agencies Held in Moscow

In Moscow a meeting took place between the heads of the relevant authorities of the Shanghai Cooperation Organization member states, vested with the authority in counternarcotic actions, as reported by the web site of FDCS of the Russian Federation.

The SCO Secretary-General Bolat Nurgaliyev, the Special Representative of the President of Russia for the Shanghai Cooperation Organization affairs and the national coordinator of SCO from Russia Leonid Moiseev, the chairing SCO Russian Federation delegation led by Director of the Russian Federal Drug Control Service Viktor Ivanov took part in it.

Relevant authorities of other SCO member states were represented by the Kazakhstan delegations led by the Chairman of the Anti-Drugs Control Committee of the Ministry of Internal Affairs of Kazakhstan Zh. Suleimenov, the Chinese delegation led by the Vice Minister of Public Security Zhang Xinfeng, the Kirghizian delegation led by the Drug Control Agency Director B. Nogoibaev, the Tajikistan delegation led by the First Deputy Director of the Drug Control Agency V. Azamatov, the Uzbekistan Delegation led by the Director of the National Information and Analytical Center for Drug Control R. Mukhamedov.

During the meeting the delegations heads informed of the results of the implementation in their countries of the Agreement between the SCO member states on cooperation in the struggle against the illicit traffic in narcotic drugs, psychotropic substances and their precursors dated 2004. The parties noted that the anti-narcotic cooperation between the SCO member states is dynamically developing and continually strengthening.

The main outcome of the meeting was creation of an effective mechanism of fighting drug menace, including structures of SCO counter-drug activities coordination.

Following the results of the meeting, it was decided to create the SCO member states counternarcotics agencies Senior Officials Meeting in the capacity of a standing experts working group. One of its tasks will be draft project development on strengthening the regional and international cooperation in struggle against drugs illicit production and trafficking in Afghanistan. Working groups of experts are also being created for enhancement of the contractual legal framework of cooperation, law protection activity and suppression of narco-crime, precursors control, narcotics sales slowdown.

Besides, a temporary experts working group of Senior Officials Meeting of the SCO member states relevant

agencies will be also formed and vested with the authority in counternarcotic actions, anti-narcotic strategy project development of the SCO member states for 2009-2014.

It was highlighted that over recent years the international drug dealing's pressure on the SCO member states has significantly increased. The unceasing flow of drugs from Afghanistan has essentially complicated the criminogenic situation in the region.

The participants of the meeting pointed out that for eight years opiates production in Afghanistan has increased more than 40 times, and, as a consequence, drug abusers' number has grown. The delegations elaborated proposals for activation of the fighting drug menace coming from the territory of this country. In particular, it was decided to successively persist in the common opinion that the International stability promotion forces situated in Afghanistan under the mandate of the UN Security Council must more actively struggle against illicit drugs production and trafficking. This work should be carried out jointly with the Afghan government, neighbouring and other interested states.

The SCO states intend to consolidately favor strengthening of international cooperation in struggle against illicit drugs production and trafficking in Afghanistan within the framework of UN, including work on steadfast implementation of clauses of the UN Security Council resolution No. 1817 of June 11, 2008.

It is decided to recommend to the Secretariat of the United Nations Office on Drugs and Crime to examine questions of wider and more efficient use of human resources of the countries of the region in order to control illicit drug trafficking and to actively cooperate with them in gathering and analysis of information about drug syndicates activity and their leaders.

The participants of the meeting stated that without destruction of the infrastructure connected with illicit drugs production in Afghanistan and an alternative agriculture development in the country, it is not possible significantly reduce the use of opiates in the world, nor eliminate main sources of international terrorism finance; without all that there will be no settled peace in Afghanistan, tranquility and security in all countries of the region.

The parties unanimously declared that joint efforts of the SCO member states will facilitate to a large degree the elimination of drug menace coming from the territory of Afghanistan, as well as stability and security assurance in SCO responsibility zone.



# SCO Can Form Its Eurasian “Gas OPEC”

The world crisis has had a dramatic impact on post-Soviet territory and, first of all, Central Asian economies. According to the data of IMF, they are suffering from crisis more than many other countries, which is connected with their exports orientation to oil and gas and other raw materials. In conditions of global crisis not only oil prices but also other raw materials' ones have dramatically dropped. Under developing world recession resource demand keeps on falling. After oil and oil products prices drop, natural gas prices will also begin to fall in the European market.

In the gas market of the post-Soviet space serious changes occurred. It is connected with the fact that as far back as 2008 Russia (in the name of “Gazprom”) had to make unprecedented arrangements

with gas-producing countries of Central Asia: from the beginning of 2009 gas release prices formed on the principle of “net back.” It was expected to raise gas prices for gas producing countries, and increase currency earnings.

However, current events in the world market for hydrocarbons show once again the downside of heavy dependence of raw-materials economies on world market fluctuations. Sharp foreign currency earnings reduction boomerangs against state budget revenues of these countries, and with it has an adverse effect on national currencies.

And what is more, many former Soviet countries linkage to raw materials in conditions of the deepening global crisis has another downside. It is a problem of foreign

financing. Raw materials market, especially the oil and gas one, considerably depends on extraneous capital to be able to implement capital-intensive designs. One of the world crisis sensible consequences is a reduction in the availability of foreign banks credits. Market of capitals is in frozen condition, that is why access to foreign financing has considerably reduced. All in all in 2009 volume of bank arrears, as predicted by S&P, for example, can reach in Russia 10% of all credit portfolio, in Kazakhstan - up to 20%.

Gloomy colours are added to joyless picture of severe economic situation of raw materials economies by high corporate debts in currency of materials sector's companies. After all, many companies require state support.

Of course, the economic crisis



frustrated a lot of plans. Today, new rules of game and market players' functions adjustment will be made in extreme conditions of economy compression, investment programs and companies strategies review, deficiency in financial resources.

Yet the crisis introduces not only disharmony but also some positive. It allows to appraise economies prospects in a new way, as well as speed up their integration and renovate cooperation in many structural sectors. It is also of great importance to such an international integration group as the Shanghai Cooperation Organization.

Global financial crisis negative consequences manifestation in the real economy of the most world countries requires urgent anti-crisis measures. Nevertheless, right now it is justified to create a foundation for long-term decisions, that must lead to stable economic development.

All that is associated with formulation of long-term strategic planning documents. That is not to say that the SCO member states are not engaged in this planning, but there are some particularities.

At present, Russia actively improves long-term social and economic development concept, so called concept-2020, which is very important in the context of the world financial crisis and ways of its overcoming. Kazakhstan also has its Country Development Strategy covering the period till 2030. Some other Central-Asian countries have such documents as well. China focuses on long-term strategy documents too. These strategies remain major datum point for national courses. However, they are acting severally. Thereby a possible economic effect of multilateral economic integration of the SCO countries is missed. Meanwhile there are proposals for high-efficiency prospective joint projects development, above all in power engineering and transport.

There are by now on the Shanghai

Cooperation Organization space, at least, three major problems - ecological, transport and energy ones. In this case, efforts combination of all the SCO member states and observer countries is of paramount importance to them.

The third session of the SCO Forum held in Beijing in May 2008 showed the Chinese party also began to place primary emphasis upon necessity for strategic studies enhancement within this organization.

To our opinion, there came a time of new stage of the group development, when it is not productivity of individual though large national corporations or countries that is of importance, but overall efficiency of joint investment projects, first of all, infrastructure ones.

Today's problem of universal importance in conditions of deepening world crisis and uneven recession in demand for energy resources in different countries is unbalance of interests of energy resources manufacturers and consumers.

On this basis, in conditions of developing world energy instability and increase of energy source materials risk the SCO countries energetic cooperation is of outmost importance. Here is a series of positive opportunities. They consist of gas resources export coordination on the ground of corresponding institutes and infrastructure development. As is seen from taken measures, Russia is determined to and has a possibility to create such a coordinating organ of gas exporting countries.

Countries coordination on a Eurasian scale is quite possible too. It concerns not only gas exporting countries, but also consumer ones. So much more that there is an initiative advanced at the Shanghai Summit of the Heads of the SCO member states in 2006 by the then President of Russia Vladimir Putin on formation of such institutional

structure as the SCO Energy club, where observer countries could also take part. It is within the framework of the Energy club that energy policy coordination of the Organization countries is possible.

Until recently the issue of an Energy club formation has been delayed. In the meantime, advantage of this step is obvious. Such institutions establishment in the SCO space (or, at least, in Russia and Central Asian region), becomes one of the decisive factors for competitive ability maintenance of Central Asian gas producing economies. A coordinating organ will make gas consumers deal with an alliance of gas producing countries, where Russia would be permitted to form regional market and establish its Eurasian "Gas OPEC".

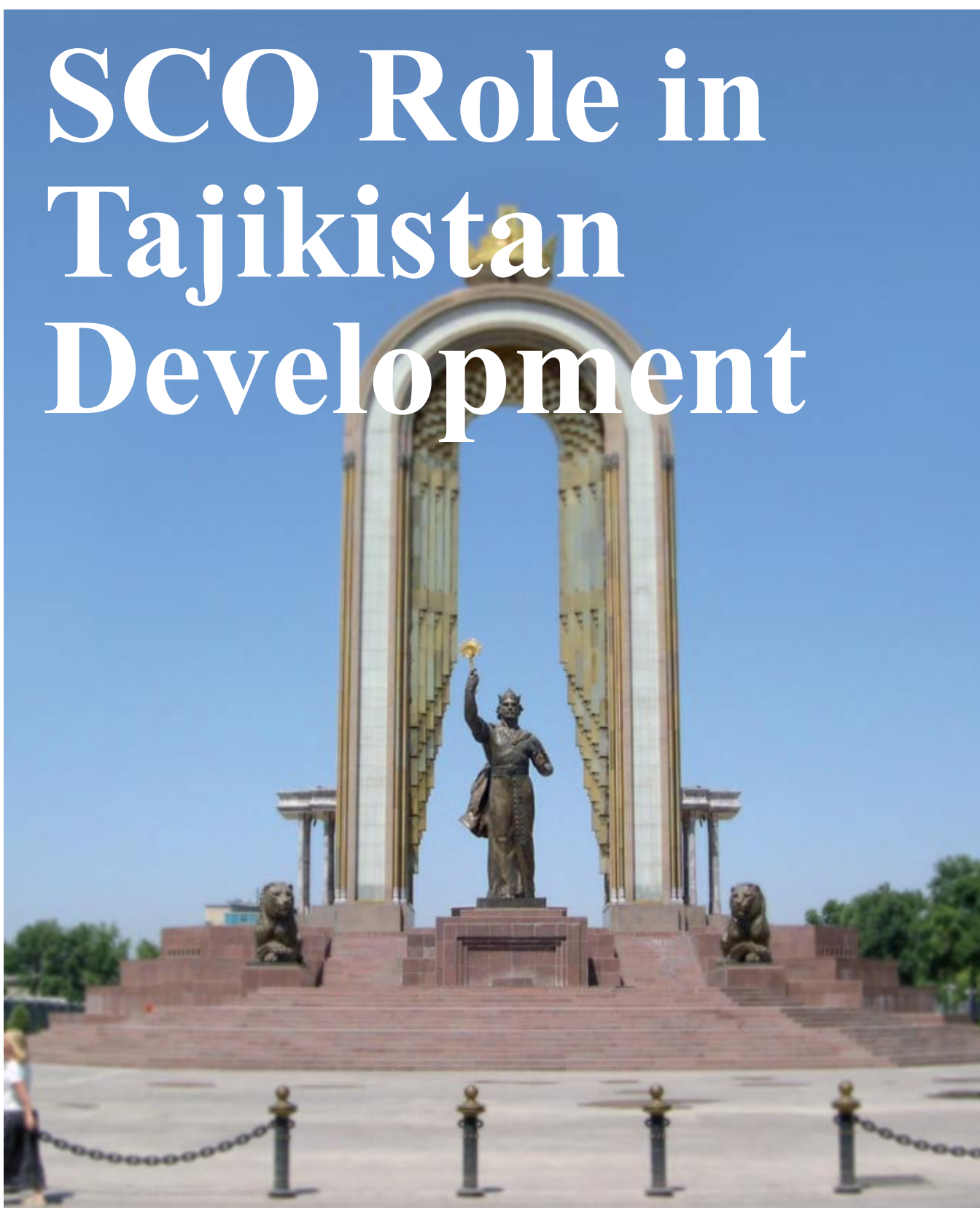
Within the scope of the SCO Energy club it is also reasonable to create a new financial and production energy and transport infrastructure for energy resources market. New international financial institutions formation is of great importance here, that will ensure financial flows against real barrels and gas real cubic meters of gas producing countries. Construction of a single pipeline and energy infrastructure of the SCO space and neighbouring Asian countries meets the SCO's strategic interests, in particular, integration of oil and gas pipelines of Central Asia, Siberia and Russia's Far East, as well as APR countries in order to provide free energy resources market. For these purposes Russia tries to conduct an active dialogue with individual countries of the Asian-Pacific Region.

The sense of any energy dialogue also consists of national energy strategies compliance. The fewer contradictions between them, the higher level of regional energy cooperation.

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# SCO Role in Tajikistan Development

58



The increased significance of the SCO member states integration, particularly in Tajikistan economic problems solving, was mentioned at the International conference “Republic of Tajikistan and SCO: State and Prospects”. The main thesis of speeches underlined that at year-end the republic cooperation with the SCO countries came to a brand new level, and its further movement continues in conditions of good prospects.



The Strategic Research Center (SRC) under the President of Tajikistan held the International conference “Republic of Tajikistan and SCO: State and Prospects” in the capital city of the republic, Dushanbe. Its participants tried to objectively appraise the role of the Shanghai Cooperation Organization in development of the young sovereign republic.

Scientists of National Academy of Sciences, senior staff of SRC, as well as Deputy Minister of Foreign Affairs of India Divyab Machandr and Counselor of Embassy of Kirghizia in Tajikistan Urmat Saralaev presented their points of view. Experts considered specific examples of SCO's contribution not only to development of Tajikistan, but also to the whole Central Asia region.

Divyab Machandr noted that at present SCO shows a “bold scope and large scale of activity”. “We are interested in cooperation with SCO both in economy and in struggle against terrorism. India is sure,” he underlined “that SCO is capable to have a serious impact on the Afghan problem settlement. India today invests over \$1 billion in the Afghan economy strengthening thereby supporting its administration, and intends to continue to help.”

The increased significance of the SCO member states integration, particularly in Tajikistan economic problems solving, was also mentioned by Chief of Macroeconomic Research Department under the President of Tajikistan Akbar Akbarov, who underlined that last year the republic cooperation with the SCO countries came to a brand new level. “In 2008 import in the total trade of Tajikistan made up \$3.269 billion,” he said. “Share of the SCO countries is \$1.569

billion. Import from China is particularly increasing at a fast rate (as compared to 2000 it increased 32.3 times) and that from Russia (the figure increased during the same period 9.9 times).

Trade with the SCO countries is estimated optimistically. At 2008 year-end, statistics in finance terms is as follows: trade with Russia reached \$124.4 million, with China \$ 81.6 billion, with Uzbekistan - \$73 billion, with Kazakhstan - \$ 9.8 billion, and with Kirghizia - \$5.8 billion.

At present in commodity composition of Tajik export deliveries to Russia, Uzbekistan, and Kazakhstan raw materials resources and foodstuff prevail. Whereas machinery and equipment, chemical products and natural gas are mainly imported.

In the economy of Tajikistan a discrete role is assigned to development of joint ventures. The number of existing registered in the republic joint ventures increased during 2008 by 55.4% and made up 157 units (as compared to 2000). The SCO countries entrepreneurs take an active part in these enterprises creation. Only by means of the Kazakh entrepreneurs' investments there were created 15 joint structures. At present in Tajikistan, on account of investments by “INTER RAO UES” (Russia), construction of the Sangtuda-1 hydro-electric power station is carried out; cooperation with the Russian Gazprom joint-stock company was also begun.

On account of investments of China, besides big energy projects, serious transportation communication projects are being implemented in the republic for an overall amount of about \$600 million.

Head of the Foreign Policy Department of SRC under the President of Tajikistan, professor Abdunabi Sattorzoda brought out his opinion about Tajikistan's role in the Afghan problem settlement, having pointed out that it may be significant. He shared the majority opinion that neither of the countries can manage the regional problems alone and drew attention to the value of no small importance that is assigned to Iran, Pakistan and India in the Afghan problem solving. “We have common threats, risks and challenges, and that is why it is necessary to react on them jointly,” Abdunabi Sattorzoda underlined.

“To our opinion, in political and economic cooperation between the SCO member states, as well as in the field of struggle against security threats, an appreciable success has been noted,” said in conclusion the conference moderator, Director of SRC Sukhrob Sharipov. “Nevertheless, to implement the regional economic integration's far-reaching and desired goals, the organization member states' efforts constant building is required. We need to actively look for ways to pass from functional cooperation to a system approach on basis of implementation of bilateral and multilateral trade and economic and investment projects.” The scientist underlined that the successful economic development and social welfare of the Shanghai Six nations is the most efficient factor in achievement of stability and security in the SCO space, and opposition to challenges and threats existing in the Eurasian region.

Irina DUBOVITSKAYA  
InfoSCO staff reporter in  
Dushanbe



In the Moscow State Museum of Oriental Art a vernisage of the wonderful exhibition took place - "Children Paint Fairy Tales". The phenomenon is uncommon in all respects - inestimable in terms of its humanism, moving as any gust of art.

Is it necessary to speak of that splendid beauty and bright energy existing at this semiprecious holiday of talents standing on their own feet? Balzac called art a "religion". From this position children's art can be considered as a religion unaware of atheists. A smile lit up face of every visitor viewing the exposition: drawings, engravings, collages, ceramic objects, papier-mâché, painted wooden dolls, fans etc. Compliments to young masters were as usual generous and interminable. Painting lovers discussed in all seriousness lines, range of colors, composition, harmony, personal style of young brush (felt-tipped pen or pencil) masters. Each work of art (this word seems to be the most suitable in this case) presented here is the sacred revelation of a sweet soul, a ray of children's imagination in its spontaneous joy and, certainly, a symbol of an incipient Personality.

"Children Paint Fairy Tales" is the Shanghai Cooperation Organization's project. To be more precise, it is one of the most brilliant of its projects for it makes such a tremendous contribution to prosperity of the main SCO idea "equality, mutual respect, development, mutual cognition."

The fate of this undertaking proved to be happy. In 2004-2005 in the State Pushkin Museum of Visual Arts a "Children Paint Fairy Tales" educational program was developed and actively supported by the SCO Secretariat, which approached to the six Organization member states (Kazakhstan, Kirghizia, China, Russia, Tajikistan and Uzbekistan) with a proposal to approve the "children's project". What leader could not welcome such a good cause! - They all promised their support.

"By learning fairy-tales we get to know each other" - with this motto children from the six SCO countries began to perform creative tasks on folktales of various countries. Certainly, they were helped by adult teachers, tutors, which gave an opportunity to get an idea of other peoples' history and culture. Currently over five thousand children have already taken part in the project implementation. In their sincere, touching drawings they show how they see the world, express their sense of beauty, view of their own and strange culture.

The project's author and curator of the exhibition is senior research scientist of the Moscow State Pushkin Museum of Visual Arts, candidate of art criticism Irina Zakharova. For the first time shown in rooms of the China National Museum of Fine Arts in Beijing on May 29, 2005, the young "itinerants" works have already visited 18 cities in the five SCO member states. And now the exhibition full of light and cheerfulness is again on Russian soil, for the fifth time.

The vernisage of children's art was attended by a great number of solid grown-ups: senators of the Federation Council, representatives of the Russian Ministries and Agencies, the SCO member and observer states' diplomats accredited in Russia, as well as representatives of scientific and creative community, businessmen and even oligarchs.

Children can give lessons too...

*The "Children paint fairy tales" cultural programme idea appeared within the walls of the State Pushkin Museum of Visual Arts. Please tell how an idea appeared to organize such a large-scale cultural project, oriented to the Shanghai Cooperation Organization area?*

I.Z. - The SCO member states' area, both geographical and cultural, is quite interesting and diversified. An idea to acquaint children with all the richness surrounding them came to me by using the most accessible to them materials - folk tales. "Children paint fairy tales" is the first educational project within the framework of SCO, using innovative teaching methods. I'll explain the matter. Unfortunately, at present, comics have come into the world of today instead of tales. They close, restrict a child by its appointed and badly cut game subject. Entertaining literature for children for the most part is quite aggressive. A tale makes a great difference; it is inherently harmonious, full of magic and lacks "spiteful and combative" content. Just as the sun is reflected in a water drop, popular wisdom, their traditions and customs are reflected in tales. Our programme's motto: "We read a fairy tale, we draw a fairy tale, we get to know each other". By fairy tales children began to know the SCO countries' culture. Here it is important to understand one thing: our children will live just in the SCO area. My major task was to show them the world outside their native land is extraordinary amazing and wonderful. *Certainly, the SCO Secretariat has accepted such an outstanding idea with*





**enthusiasm. What is its role in project implementation?**

I.Z. - As of our project implementation, SCO was quite a young organization. Nevertheless, career diplomats initially worked in it and keep on working there. They understood at once, that the "Children paint fairy tales" programme "blends" in general cultural background of the Organization and can become a living embodiment of the SCO "spirit." At that time Zhang Deguang was an Executive Secretary, and hotly supported the project. Now the Secretary-General Bolat Nurgaliev attends to our programme, too. In fact SCO is not a military block. Questions of military collaboration or territories occupation are not discussed here. The Organization's activity is aimed at cooperating in political, economic and cultural fields. In addition, our programme allowed a large number of people from the SCO countries - I mean not only children but both of their parents and teachers - to get to know each other better by way of popular tales.

**How were preparations for the programme realization carried out?**

I.Z. - Already during discussion of some organizational points, regarding the project, it was decided that an experimental ground would be the Children's and Young People Educational Centre under the State Pushkin Museum of Visual Arts. Our lessons were attended by children and their parents, and all the work was done, essentially, in family groups. During lessons we did not merely tell other nations' tales, but also "splashed" them, made them accessible for the children audience. For example, such a Chinese character as king of monkeys Sun Ukun for Moscow kids is something unimaginable. Just explain - is not always sufficiently for children's perception, therefore at lessons I used my collection of folk toys. Here is another typical example: a house in the Russian traditional culture - izba, but a Chinese traditional house is a difficult thing to imagine, too. It was necessary to bring children photos, pictures, prepare visual materials, to enable them to feel all that deeply. When we studied tales of Central Asia, I showed kids thick felt, this kind of soft material used for yurta construction.

Work with Chinese children was quite interesting. Working in various cities of China, I gave master-classes and lectures. Chinese teachers and parents from family groups helped me. My master-classes were taped and transferred to schools and kindergartens, there were people willing to take part in the "Children



paint fairy tales” programme.

*How did you make Russian popular tales understandable for Chinese kids?*

I.Z. - My major task was to make specifics and beauty of the Russian folk art clear for them. We played tales using toys, showed them wood carving, Zhostovo trays, Bogorodskaya toy. Chinese children could touch our Vologda lace. They listened with interest about how in the long winter evenings women, admiring tracery in windows, weaved this complicated design into lace. We acquainted them with Pavlovo Posad shawls, told them about motley grass and riot of colours, one can see only in the open of green meadows of Russia and on these shawls. These bright, visualized details filled the world of Russian tales in Chinese kids’ consciousness. Little by little they made themselves familiar with it and could start drawing.

*The “Children paint fairy tales” programme, besides its educational component, contains, in my opinion, another very important moral sense: broadening ethnic and geographical borders in children’s mind, arousing interest in another culture, it tells them about peaceful life with each other. What do you think, does this project help to overcome xenophobia?*

I.Z. - Within our programme it is better to speak about feeling of friendship and respect for other peoples and cultures education. Actually, it is embodiment of SCO’s spirit. We take a kid out from its narrow geographical limits, break its living space. In our Children’s center shows are performed after tales of the SCO countries, kids play in folk suits, they transform into other countries’ national heroes. Within the scope of the family club in the Children’s center last year we began to carry out days of national culture. Why do we refer to family groups first of all? What parents tell in families about other nationalities people, form the child’s attitude towards the world outside his house. The future generation will live in the SCO area, and it is to be prepared for it.

*The first exhibition of children’s drawings was held in Beijing. Where else have the “Children paint fairy tales” programme been to?*

I.Z. - It was impossible to choose a place for our children’s vernisage opening better than Beijing Museum of Fine Arts. The kids were very glad to exhibit their works in such a large and outstanding museum. In such a manner, the SCO Secretariat emphasized once more the “Children paint fairy tales” project’s importance and significance. When last March we organized an



exhibition of children’s drawings of a folk tale in Moscow, delegations from the SCO countries and observer ones visited our Children’s center. We showed not only kids’ drawings and handmade articles, but also real dances - Chinese and Indian ones. Our performances after stories about Hodja Nasreddin were a success. I think our plan to arrange a fairy-tale travel to the SCO countries turned out well.

This spring our exhibition was shown in Kazan. We were submitted an art gallery in the Kazan Kremlin. Afterwards we left for Yelabuga and Naberezhnye Chelny, where we stayed till the middle of summer. In autumn the exhibition returned to Moscow. It was partially shown in the Russian University of Peoples’ Friendship, within the scope of a week of the SCO countries foundation.

Scientists, diplomats, representatives of the SCO member states, the Organization’s officials assembled there to discuss ideas and proposals on the SCO university establishment. By the way, our “Children paint fairy tales” project was recognized as innovative in the field of educational methods.

Our Children’s center became popular - we constantly receive small parcels with kids’ handmade articles and drawings from different parts of Russia, So, our project geography is widening, day by day number of children willing to participate in our programme is increasing.

*On the shelves of Moscow bookshops “Children’s encyclopedia of China” has recently appeared; you have written it co-authored with your husband.*

*Previously you wrote a book “My Chinese folk toy.” What did inspire you to do it?*

I.Z. - Everybody finds his way to join other culture. My way to China was through a folk toy. In 1981 I came for the first time to China with my husband and began to collect Chinese folk toys. To each toy there was a question. What it symbolizes, where it comes from, what it is made in - I wanted to know everything. Listening to answers, I was immersed it culture of China, getting to know the country’s customs and soul. In 1988 I managed to organize an exhibition of the Chinese folk toy in the State Pushkin Museum of Visual Arts. Within the framework of this exhibition I gave lectures, acquainted people with traditional culture of the Celestial Empire. Many visitors asked me in their comments to write a book about it. It was in 1999 that “My Chinese folk toy” appeared. It is written both in Russian and Chinese simultaneously, which let to use it as a material for language lessons. Bright illustrations help to keenly imagine the question at hand.

As for “Children’s encyclopedia of China”, we based on our work experience with children and family audience. My husband and I wanted to acquaint the young generation with its interesting geographical neighbor - its hieroglyphs, architecture, the Great Wall, landscape architecture, colors symbolism. These and many other components of the Chinese culture are described in an easy manner accessible for kids.

Yulia KUZNETSOVA





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# SCO Business Club

The SCO Business Club is a virtual facility of the InfoSCO website that provides organizational and information support of business projects and initiatives within the SCO framework.

Relying on the assistance of the SCO Business Council, Interbank Consortium and Public Coordination Council in support of the SCO, the SCO Business Club is involved in development of business relations, confidence-building measures and active exchange of experience and ideas between the SCO states.

Priority tasks of the Business Club include:

- conduct issue-related conferences and roundtables with representatives of Russian state authorities and business communities;
- prepare analysis and expert reports in various branches of economy, monitor media outlets;
- provide business-communications (presentations, exhibitions and other events);
- conduct information & advertizing campaigns in mass media and Internet;
- develop databases of commercial entities, select potential partners and investors, provide for telemarketing.

Businessmen of the SCO states interested in promotion of their products and services, establishment of contacts with the Russian business communities and state authorities are most welcome to the Club.

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