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## **Parsing Sino-Russian Interactions in the SCO**

**Richard Weitz  
Hudson Institute**

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Since its founding in 2001, the Shanghai Cooperation Organization (SCO) has remained the most significant Eurasian security structure that includes both Moscow and Beijing. The SCO is one of the largest regional organizations in terms of geography, population, functional agenda, and aggregate economic output. Though Russia initially prioritized the institution's security role, Russian officials have increasingly appreciated the organization's economic potential.

Russian policymakers have always considered the People's Republic of China (PRC) as their most important SCO partner. Due to the organization's consensus rule, China's regional influence, and other factors, Moscow cannot advance its agenda within the SCO in the face of Chinese resistance. The consensus requirement means that Moscow needs at least Beijing's tacit support to pursue its goals and policies in the organization.

Sino-Russian differences have arguably been more visible within the SCO than in any other prominent international organization. Russian policymakers have employed the organization to monitor and constrain Chinese policies in Central Asia, particularly in the economic domain. The most common way Moscow and Beijing have managed their SCO-related differences has been to pursue their goals outside the organization—complementing or, more often, circumventing their SCO-related initiatives. At times, they have also negotiated package deals, such as regarding membership expansion.

However, these differences have declined over the past decade as Moscow has elevated the strategic importance of cooperating with China within its overall foreign policy. Russian policymakers assess that they are engaged in a limitless long-term confrontation with the West in which sustaining a strong global Sino-Russian strategic partnership is imperative. Moscow accordingly makes concessions to Beijing on SCO issues to keep any institutional differences from damaging their overall partnership.

This paper first reviews how Moscow benefits from employing the SCO as a foreign-policy tool. It then analyzes the major economic, security, and other Sino-Russian divergences regarding the organization and how Moscow manages these disputes with Beijing. Finally, the text assesses the recent narrowing of some of these Sino-Russian differences and other developments affecting Russia and the SCO.

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### **How the SCO Benefits Russia**

Moscow's participation in the SCO advances several Russian objectives. Membership elevates the Kremlin's diplomatic visibility, promotes counterterrorism cooperation in Eurasia, provides opportunities for economic coordination with other members, and sustains additional regional cooperation independent of the West.

Russia's prominent role in the SCO enables the Kremlin to highlight that it is not internationally isolated, notwithstanding Western efforts to the contrary. The annual leadership summits have generated well-publicized images of Russian President Vladimir Putin engaging with the leaders of China and other countries, along with senior representatives of prominent international organizations, such as the UN Secretary-General. President Trump even called out Putin's presence at last fall's SCO Heads of State Council meeting in the Chinese port city of Tianjin, commenting on his Truth Social account that it "Looks like we've lost India and Russia to deepest, darkest, China."<sup>1</sup>

Some of Russia's most important foreign partners belong to the organization. In their joint statements and other core documents, the members routinely praise multipolarity and democracy in international relations, stress the importance of the United Nations and traditional interpretations of international law, pledge to avoid interfering in one another's internal affairs and to support each other against common transnational threats, and echo other Kremlin-friendly messages. For example, the SCO recently issued a statement on March 2 condemning the use of force in the Middle East and calling on the international community to preserve "the sovereignty, security, and territorial integrity of Iran."<sup>2</sup>

Russia is a routine participant in the SCO's multilateral counterterrorism exercises. These drills can enhance members' interoperability and joint capabilities, showcase the organization's collective influence, and function as a form of Sino-Russian confidence building. During the 1990s, China and its newly independent neighbors adopted several arms control measures, including mandatory advanced notification of large military drills along their joint border and constraints on the size of the forces that can be deployed there. The SCO exercises provided Moscow with additional data concerning the evolving capabilities, intentions, tactics, techniques, and procedures of the People's Liberation Army and other SCO militaries. Additionally, the SCO's counterterrorism, counternarcotics, and cyber information control activities, channeled through organs such as the Regional Antiterrorism Structure and various ministerial and working group meetings, have helped the Russian government mitigate these transnational threats.

In the economic domain, the 2023 Russian foreign policy concept envisages a Greater Eurasian Partnership that aggregates the "potential of all the states, regional organizations and Eurasian associations, based on the EAEU [Eurasian Economic Union], the SCO and the Association of Southeast Asian Nations (ASEAN) as well as the conjunction of the EAEU development plans and the Chinese initiative 'One Belt One Road' [later renamed the Belt and Road Initiative, or BRI] while preserving the possibility for all the interested states and multilateral associations of the Eurasian continent to participate in this partnership and—as a result—establishment of a network of partner organizations in Eurasia."<sup>3</sup>

Moscow has also sought to enhance mutual commercial ties by encouraging the use of non-Western financial instruments, which are less vulnerable to international sanctions. At recent SCO meetings, Putin has welcomed that almost all of Russia's transactions with other members use non-Western national currencies. The Russian government has unsuccessfully sought to create a SCO-wide payment and settlement system to accelerate financial decoupling from the West.<sup>4</sup>

The SCO also advances the Russian government's project of building alternative international institutions to Western-dominated structures. In 2024, Putin affirmed the goal of "creating a new Eurasian architecture of cooperation, indivisible security and development. . . . to replace the obsolete Europe-centric and Euro-Atlantic models that gave unilateral advantages only to individual states."<sup>5</sup> At the 2025 SCO Heads of State Council Meeting, Putin praised the organization for "bringing together like-minded partners committed to shaping a just, multipolar world order."<sup>6</sup>

## **Russian-Chinese Differences**

The Sino-Russian relationship represents the foundational pillar of the SCO. In general, Moscow and Beijing cooperate within the SCO to advance their common interests in Eurasia. Both governments likely viewed the organization as an important mechanism for improving bilateral relations, at least during the 1990s. Russian policymakers have also leveraged the SCO to make PRC objectives and policies in Eurasia more transparent. Yet, Sino-Russian differences within the SCO have been evident since the organization's founding.

### Membership Differences

One recurring challenge was how to expand the number of SCO members, observers, and other affiliates. This was most visible in the question of elevating India and Pakistan to full membership during the 2010s. Both countries had originally been formal SCO observers, along with Iran and Mongolia, but wanted to become full members. Though originally wary of cooperating with Pakistan due to their confrontation over the Soviet invasion of Afghanistan, Russian policymakers eventually conditioned Islamabad's elevation on New Delhi's receiving the same promotion. One reason Moscow supported India's full membership may have been to dilute Beijing's influence within the SCO. Beijing repeatedly rejected the proposed package, presumably weighing the costs of enhancing rival India's international status and influence as exceeding any benefits Beijing might obtain from boosting its Pakistani partner.

During the same period, the PRC also appears to have delayed Afghanistan's application, backed by Moscow, to become a formal SCO observer. The Russian government was then trying to rebuild its influence in Afghanistan by cultivating Afghan President Hamid Karzai, but the PRC was wary of antagonizing the Afghan Taliban and other regional militants already alienated by Beijing's intolerant policies toward China's Muslim minorities. As a result of these Sino-Russian differences, the SCO's membership architecture remained unchanged for more than a decade after the organization's founding.

### Economic Tensions

Sino-Russian divisions regarding the SCO's economic policies were also evident due to their commercial competition in Central Asia. Russian policymakers thwarted Chinese economic initiatives within the SCO by constraining the organization's collective economic mechanisms and maintaining that economic integration among members should occur over decades, a stance that would help preserve Moscow's commercial advantages in the interim. Russia also promoted competing economic structures where Moscow's influence exceeded that of Beijing.

For example, the Russian government repeatedly hobbled PRC proposals to establish a SCO-wide common market or free-trade zone, which would help Chinese goods displace traditional Russian markets in Eurasia. Fearful that reducing trade and investment barriers would lead to an inflow of inexpensive PRC goods and capital-rich PRC state-owned enterprises, Russian representatives supported Beijing's initiatives in principle but blocked them in practice, calling for endless studies of how to design and apply a free-trade agreement.

Furthermore, the Russian government derailed PRC plans to create a Beijing-led multibillion-dollar SCO Development Bank to finance major infrastructure projects. China proposed that the bank to be located in Beijing and members' national influence to reflect their relative financial contributions. Russia demanded changes to the proposed institution to dilute Beijing's control over the bank.<sup>7</sup>

Meanwhile, Moscow launched competing regional economic initiatives to establish a Customs Union and, subsequently, a Eurasian Economic Union, both led by Moscow and excluding Beijing. These structures constrained PRC economic activity in Eurasia through external tariffs and other barriers. In response, China circumvented Moscow's opposition by pursuing bilateral deals and allocating more funds to its projects than Russia could match.

Conversely, in the energy domain, these roles were reversed. At times, Russian representatives expressed interest in establishing a SCO-wide energy mechanism.<sup>8</sup> Moscow might have been able to dominate a more unified SCO energy bloc through its powerful state-run energy companies, which had carved out sizable market shares in Central Asia. PRC officials instead focused on negotiating bilateral energy deals with the SCO's Central Asian members. These governments found Chinese capital enticing and wanted to dilute Moscow's dominance of the region's energy resources. As a result, the SCO has served only as a minor forum for Eurasian energy dialogues. Since the Chinese extra-SCO economic and energy measures succeeded, and contributed to China's surpassing Russia as the leading economic partner of the other members, Beijing did not aggressively confront Moscow over these differences within the SCO.

### Security Management

In the security domain, Russia pursued an indirect approach, similar to that of China in the economic domain. Beijing has always resisted transforming the SCO into a collective defense structure. China has eschewed foreign military alliances since the collapse of the Sino-Soviet bloc in the 1950s. PRC policymakers therefore insisted on limiting the SCO's traditional defense capabilities and activities, keeping the organization focused on countering non-military security threats, like terrorism, through intelligence-sharing, law enforcement partnerships, and economic rather than defense cooperation.

Russian policymakers initially shared Beijing's position of excluding the SCO from traditional military issues in order to preserve its asymmetrical advantages in the regional defense domain. Unlike Moscow, Beijing did not, until recently, possess permanent military bases outside Chinese territory and has not extended bilateral defense guarantees to foreign countries. However, due to the deteriorating security situation in Afghanistan in the mid-2000s, the Russian

government temporary reversed course and favored endowing the SCO with defense functions and expanding ties between the SCO and the Moscow-led Collective Security Treaty Organization (CSTO). Unlike the SCO, the CSTO is a genuine military alliance with standing multinational forces, a Russian-led basing network in Central Asia, and mutual pledges by members to defend each other against external aggression. Through these initiatives, Russian policymakers may have hoped to expand Moscow's influence over the militaries of other SCO members, including China.

PRC policymakers, along with some Central Asian governments, opposed Moscow's proposals. For example, China blocked Russian plans to conduct a joint SCO-CSTO military exercise in 2007.<sup>9</sup> SCO-CSTO ties have remained limited primarily to the sharing of intelligence regarding regional terrorism and narcotrafficking. As a result, the SCO could, at best, assemble an ad hoc force from the voluntary contributions of member states. Such an endeavor would likely take substantial time and suffer from interoperability, command-and-control, and other problems. China's exclusion from the CSTO leads Beijing, unlike Moscow, to prefer that the SCO serve as the most influential regional security institution in Eurasia.

After Beijing resisted these Russian proposals, the Russian government redirected its energies to enhancing the CSTO's capabilities and missions. Since the PRC was not a CSTO member, Moscow can organize a regional military operation in Central Asia through that institution without having to obtain Beijing's approval. In 2022, the CSTO has provided Moscow with independent institutional legitimacy to organize a collective military deployment in Kazakhstan, whose government confronted mass violence, without SCO or Chinese participation.

### **Moscow Mollifies Beijing**

During the last decade, Sino-Russian differences regarding the SCO have narrowed, creating a more permissive environment for the organization's membership enlargement and functional augmentation. The SCO granted full membership to India and Pakistan in 2017, Iran in 2023, and Belarus in 2024. It also established a large roster of Dialogue Partners, including Armenia, Azerbaijan, Bahrain, Cambodia, Egypt, Kuwait, Laos, the Maldives, Myanmar, Nepal, Qatar, Saudi Arabia, Sri Lanka, Turkey, and the United Arab Emirates. Some of these countries will probably become formal SCO observers or full members.

Furthermore, Moscow no longer overtly exploits the SCO's requirement for consensus decision-making to constrain Chinese economic penetration of Eurasia. At the October 18, 2025, SCO Heads of Government meeting in Yekaterinburg, Putin said that the organization's economic activities have "undoubtedly" become its "primary focus."<sup>10</sup> The Russian President advocated establishing a database of industrial investment projects within the SCO region, extending mutual recognition of members' credit ratings systems, increasing use of common payment and depository networks, and taking measures to fortify "the technological sovereignty of our countries in core economic sectors."<sup>11</sup>

The growing Russia-Western tensions over Ukraine have likely been a primary reason for this harmonization. In particular, Western sanctions on the Russian government and economy have substantially elevated Russia's dependence on Chinese diplomatic and economic support.

From Moscow's perspective, Russia's confrontation with the West left partnering with the PRC on Eurasian projects, within and outside the SCO, as the most attractive alternative. China's deference to Russian military primacy in Eurasia, Beijing's increasing anti-Western foreign-policy orientation, and Moscow's preoccupation with conquering Ukraine have facilitated this choice. This approach also yielded Moscow other advantages, providing Russian entities with additional commercial opportunities, helping to develop common Eurasian infrastructure, boosting the economic and security resources of important Russian neighbors, and giving Russia more visibility into China's regional activities.

Though not all SCO members and partners have anti-Western governments, the organization has become a bloc of non-Western countries enjoying extensive ties with Russia. These SCO ties have provided a reinforcing structure for other Moscow-friendly non-Western blocs, including the prominent Brazil-Russia-India-China-South Africa (BRICS) group.

At the Yekaterinburg meeting, Putin described members' "common objective" as enhancing the SCO's "authority and influence... both across the Eurasian continent and globally."<sup>12</sup> Russia can leverage the organization's wide geographic reach to project greater influence beyond the West, in partnership with Beijing. For example, the SCO could help Moscow join with Beijing to sustain Iran's anti-Western government, develop ties with Afghanistan's Taliban regime, and strengthen the Russia-India-China troika.

## NOTES

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<sup>1</sup> <https://truthsocial.com/@realDonaldTrump/posts/115151159839778614>.

<sup>2</sup> "Statement of the SCO Regarding the Situation Surrounding Iran," Open.kg, March 3, 2026, <https://open.kg/en/news/local-news/78047-zajavlenie-shos-v-svjazi-s-situaciej-vokrug-irana.html>.

<sup>3</sup> "The Concept of the Foreign Policy of the Russian Federation," Russian Foreign Ministry, March 31, 2023, [https://mid.ru/en/foreign\\_policy/fundamental\\_documents/1860586](https://mid.ru/en/foreign_policy/fundamental_documents/1860586).

<sup>4</sup> *Ibid.*

<sup>5</sup> "Заседание Совета глав государств—членов ШОС" [Meeting of the Council of Heads of State of the SCO member states], The Kremlin, July 4, 2024, <http://special.kremlin.ru/events/president/transcripts/74464>.

<sup>6</sup> "Заседание Совета глав государств – членов ШОС" [Meeting of the Council of Heads of State of the SCO member states], The Kremlin, September 1, 2025, <http://en.kremlin.ru/events/president/news/77891>.

<sup>7</sup> Alexander Cooley, "Russia and the Recent Evolution of the SCO: Issues and Challenges for U.S. Policy," in *The Policy World Meets Academia: Designing U.S. Policy Toward Russia* (Cambridge, MA: American Academy of Arts and Sciences, 2010), p. 17.

<sup>8</sup> "Russia Sees SCO as Potential Energy Cartel," *Eurasia Daily Monitor*, vol. 3, no. 224, December 5, 2006, <https://jamestown.org/russia-sees-sco-as-potential-energy-cartel/#:~:text=Facing%20mounting%20Western%20accusations%20of,Mongolia%20%E2%80%94%20become%20full%20members>.

<sup>9</sup> Marc Lanteigne, "Russia, China and the Shanghai Cooperation Organization: Diverging Security Interests and the 'Crimea Effect'," in Helge Blakkisrud and E. Wilson Rowe, eds., *Russia's Turn to the East* (Palgrave MacMillan, 2018), p. 127.

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<sup>10</sup> “Встреча с главами правительств государств – членов ШОС” [Meeting with the Heads of Government of the SCO member states], The Kremlin, November 18, 2025, <http://en.kremlin.ru/events/president/news/78487>.

<sup>11</sup> *Ibid.* The Russian government has also advocated creating joint SCO bonds [Ibrahim Khalil Ahasan, “Shanghai Cooperation Organisation Meetings In Moscow: Unlocking Eurasian Trade Potential,” Russia’s Pivot to Asia, November 16, 2025, <https://russiaspivottoasia.com/shanghai-cooperation-organisation-meetings-in-moscow-unlocking-eurasian-trade-potential/>.]

<sup>12</sup> *Ibid.*