

Institutional identity binds SCO bloc through expansion

INTERNATIONAL STUDIES

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The annual summit of the Shanghai Cooperation Organization (SCO) Heads of State Council for 2022 was convened on September 15-16 in Samarkand, Uzbekistan. This summit, held at a time of increasing political and economic uncertainty and complexity around the world, is of great importance for the long-term development of the SCO. At the summit, the SCO realized a new round of membership expansion and admitted Iran as a fully pledged member state. At present, it is crucial for the SCO to achieve internal integration and strengthen organizational building.

Momentum for development

Nowadays, political polarization in the global arena is more pronounced than in the past. In such context, the SCO is sometimes regarded as a potential major threat by European and American countries, facing increasingly severe external pressure and internal tests. Therefore, it is urgent to enhance member states' recognition and competitiveness. In general, how a member state identifies with a regional organization can be divided, from low to high levels of recognition, into a functional identity, institutional identity, and collective identity. Among these, an institutional identity refers to the member states' recognition of the organization itself, including its core, lasting, unique, and indivisible fundamental characteristics, as well as its underlying principles, basic mission, main functions, decision-making process, and future direction for development.

Given the prominent heterogeneity of member states and their respective stages of development, it is difficult for the SCO to build a collective identity similar to that of the European Union (EU) at present. In reality, it may be practical to build an institutional identity similar to that of the Association of Southeast Asian Nations (ASEAN). Needless to say, for any regional organization, including the EU, institutional identity is a key driving force for its development, and its roles can be summarized in the following regards.

To start with, a clear and cohesive institutional identity could help refine organizational positioning, gather consensus, and achieve sustainable development. It can clarify the core mission and the direction of an organization's development, integrate the interests and priorities of member countries, improve the adaptability of an organization to environmental changes, and strengthen its competitiveness. ASEAN, for example, has been focused on promoting peace and development in Southeast Asia, coordinating internal relations and coping with external challenges in the "ASEAN way," thus securing



Products with national characteristics on display at the China-Shanghai Cooperation Organization (SCO) Local Economic and Trade Cooperation Demonstration Area in Jiaozhou, Qingdao, east China's Shandong province, on Oct. 19. Photo: CFP

itself a leading role in security and economic cooperation in the region while significantly expanding its international influence.

Second, institutional identity consolidates member states' political legitimacy and enhances their sense of loyalty to the organization. The political dimensions of an institutional identity within a regional organization, or specifically, the definition of organizational political attributes and the political standards of member states, can strengthen the political image and perceived legitimacy of member states—to a certain extent. At the same time, integrating political attributes helps to consolidate member states' loyalty to the organization.

Next, identity is also beneficial as it enhances the credibility and recognition of an organization in the regional and international community. Institutional identity is an important symbol of the stable development of regional organizations. It can reflect the core characteristics of an organization, regulate the behavior of member states, and highlight the uniqueness of that organization, which helps stabilize the expectations of other international actors regarding the behavior of the organization and its member states, reduce misjudgment, save on cooperation transaction costs, and thus lifts the international status of the organization.

To say the least, institutional identity is an important driving force for the development of regional organizations, which influences the organizational effectiveness and development prospects to a great extent. If an institutional identity is lacking, regional organizations will inevitably fail to achieve internal integration, external consistency, and face the risk of decline, stagnation, even disintegration. At present, the SCO is at a critical development stage. If the institutional identity is inadequate, it is likely to intensify the negative impact brought about by the expansion of its membership, plunging it into a state of "hollowing out."

Institutional identity

Since its establishment in 2001, the SCO has made continuous

progress in its organizational development, forming an institutional identity based on a geographical pivot into Central and South Asia, with the "Shanghai Spirit" representing its values, regional issues and cooperation as the basic agenda, and a decision-making mechanism of consensus reaching.

At a time when global governance and international cooperation are declining, the appeal of the SCO model is becoming more prominent, in which the continuous expansion of its membership offers a sound testimony. The effectiveness of SCO's institutional identity is mainly reflected in the following ways.

First, the establishment of a political identity has achieved remarkable results, serving as a cornerstone for organizational development. The Shanghai Spirit, based on mutual trust, mutual benefits, equality, consultation, respect for cultural diversity, and pursuit of common development, is a creative vision both initiated and followed through by the SCO—and the fundamental tenet of its institutional identity. Second, its economic identity has injected new vitality into the organization's development. After years of efforts, regional economic cooperation within the SCO framework has made great progress, with well-established cooperation mechanisms already in place. This has resulted in the SCO member states' economic aggregate and foreign trade growing at an average annual rate of about 12%, alongside twice as frequent personnel exchanges. Third, a strong social identity has consolidated friendly relations among member states. In recent years, the SCO has strengthened cultural and people-to-people exchanges to enhance the supply of regional public goods related to people's livelihoods, resulting in praise from member states.

SCO member states are diverse and heterogeneous, with different material strengths, cultural backgrounds, political systems, and religious beliefs. Prominent heterogeneity leads to different interest orientations and policy demands among member states. In order to align the interests of its member

states, the SCO advocates value concepts such as mutual benefits and sharing the proceeds of development in a fair and equitable manner. Both times the SCO expanded its membership, it carried out the expansion in an inclusive and open manner, with no bias of selecting members based on political systems or ideologies. The SCO's new model of regional cooperation featuring mutual benefits and results-sharing, non-ideological political principles, and non-exclusive institutional arrangements clearly attest to the inclusiveness of the SCO model.

Despite this, the SCO has limited political and geographical space, membership, development goals, and resources at its disposal. So far, the results of cooperation have also been limited, but the SCO has been able to focus on specific areas in the face of limited cooperation. Over the past two decades, cooperation under the SCO framework has maintained a special focus on security issues. Gradually, the discussion topics have expanded from border security to non-traditional security, which spilled over into political, economic, energy, cultural, and other fields.

The internal structure of the SCO is relatively loose, giving member states autonomy over the transfer of sovereignty. The decision-making mechanism followed by SCO member states somewhat reduces the organization's efficiency in responding to emergencies and carrying out collective actions. However, equality among sovereign nations is the value basis that ensures the bloc's survival, and an important guarantee for equal cooperation among SCO countries with different backgrounds and national strengths. The SCO's moderately flexible and nonrestrictive institutional arrangements provide the organization with more leeway for action and a stronger buffer against risks, which ensures the organization's institutional resilience.

At present, the institutional identity of the SCO is still in its infancy. It cannot bridge the differences among member states in its expanded form, and it is insufficient when facing challenges brought about by the intensification of geopolitical conflicts. Knowing this, it is necessary to further tap into the SCO model's potential for cooperation, to improve its institutional identity, and strengthen organizational building.

SCO's path

An institutional identity does not appear out of thin air, but depends heavily on the organization's governance efficiency, interest alignment, and attractive value norms.

Governance efficiency is the basis for the formation of an institutional identity, which can promote the initiation of an institutional identity. Regional organizations with low governance efficiency are prone to low levels of institutionalization. For loose institutions, it is a challenge to

establish an institutional identity.

The degree of interest alignment between regional organizations and member states holds the key to institutional identity. Stable and predictable returns are essential. Interactions among regional organizations, member states, and the social environment will have a significant impact on the institutional identity's form and content, in terms of clarifying the functional positioning of the organization, improving the institutional return rate of the existing mechanism, and consolidating the sense of belonging among member states.

In addition, the attractiveness of value norms shapes the institutional identity's value orientation. The values recognized by member states can help regional organizations not only focus on temporary gains and losses, but also form stable developmental expectations in the long run.

In summary, an institutional identity originates in the governance practices of regional organizations, develops when interests align in regional cooperation, and matures when value norms are continuously internalized. Therefore, the key to fostering the SCO's institutional identity is to improve the institutional return rate for existing mechanisms, provide stable and predictable returns, and enhance the attractiveness of value norms.

While expanding its membership, attention should be paid to improving the quality and growth of its internal membership. Also, improving efficient cooperation should be an important agenda item for the SCO, to prevent the risk of hollowing out. According to the universal mechanism of the formation and operation of international organizations, the SCO's governance efficiency can be improved from three dimensions: responsiveness, decision-making, and execution.

At the same time, the supply of regional public goods can effectively match the interests of member states, cultivate a regional identity, reshape the regional order, and provide endogenous drive for the institutional identity.

Let's not forget that common value norms can provide a value orientation and philosophical guidance for member states to carry out cooperation and enhance recognition, which provides a lasting momentum for the development of any organization.

In this light, the SCO should constantly review and improve its position, strengthen its institutional identity, and strive to foster a sense of mission and a sense of urgency when safeguarding the survival and development of the region, to become an indispensable constructive force on the new journey of human civilization.

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