

SCO Membership and Pakistan: Prospects of Relations with Central Asia

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Abstract

In June 2017, Pakistan gained the permanent membership of the Shanghai Cooperation Organisation (SCO) in its 16th Heads of State Summit in Astana. As its permanent member, Pakistan hopes to attain immense support to address its economic, security and social issues. By sharing a membership with two major regional powers, Russia and China, in SCO, Pakistan sees itself an elevated contributor to the regional development. Moreover, full membership of the SCO has the potential to improve the image of Pakistan in the international arena. This paper is an endeavour to look into the potential benefits of SCO membership, as well as Pakistan's relationship with the Central Asian Republics (CARs).

Keywords: SCO, CARs, Regionalism, China, Russia, Pakistan.

Introduction

The Shanghai Cooperation Organisation (SCO) has given a new impetus to regionalism during the last 16 years. It was established following negotiations between China and the Central Asian Republics (CARs). Russia and China were recovering from the democratic decline of the 1960s and heading towards cautious normalisation in the 1980s. On the other hand, the CARs were facing challenges of state building including border security problems. One of the major challenges for the CARs, China and Russia was then to reach an agreement over disputed and undecided borders. Jurisdiction over Tarabarov and Bolshoi Ussuriysky was the main issue in 1991, which was later resolved as Tarabarov was assigned to China while Bolshoi Ussuriysky Island was divided between China and Russia. As this agreement resolved the main border dispute between China and Russia, China established diplomatic relationships

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with all the CARs in 1992¹. The states' concerns over security and military challenges, especially arms control in border areas in the late 1990s, ultimately laid the foundation of "Shanghai Process." Discussion on these issues proceeded with all the concerned states and resulted in the formation of the SCO in 2001.

In June 2001, Russia, Uzbekistan, Kyrgyzstan, Tajikistan and China laid the foundation of the SCO, the immediate purpose of which was to fight three demons of religious extremism, international terrorism and ethnic separatism. The long-term objectives of the SCO were to promote economic development and regional stability of the member states through shared identity and cooperation on the issues of mutual concerns.²

Through SCO, China has tried to promote organisational growth and used its institutionalisation to assist regional economic bonding, to gain access to energy supplies and to follow the modern concepts of security based on dialogue and mutual consultation. It also stressed collective benefits and amicable resolution of differences. Furthermore, the SCO is a platform for China to enhance its leadership role in the global economy and geopolitics. Through the SCO, China has also managed to improve bilateral relations with the CARs and Russia to exercise its power in the region.³

Both Pakistan and India were trying to become permanent members of the SCO for a long time and were given the status of permanent membership in the Astana conference, held in June 2017. Pakistan's inclusion in the SCO as a permanent member was backed by China while India's bid was backed by Russia.⁴ The decision to give permanent membership to Pakistan and India facilitated regional integration and added to the organisational decisive role and its efficiency in the Central and South Asian regions. As full members, now both countries have an opportunity to enhance their political and economic cooperation and strengthen common

¹ Aarish U Khan, "Pak-China Economic Corridor: The Hopes and Reality," *Regional Studies* 33, no. 1 (2014): 45-63.

² For complete list of the Shanghai Cooperation Organisation (SCO) official documents and press communiqués, <http://eng.sectSCO.org/documents/>

³ Thomas Stephan Eder, *China-Russia Relations in Central Asia: Energy Policy, Beijing's New Assertiveness and 21st Century Geopolitics* (Springer VS, 2014).

⁴ Muhammad Irfan et al., "Opportunities and Challenges in Control of Smart Grids – Pakistani Perspective," *Renewable and Sustainable Energy Reviews* 71 (2017): 652-674.

policies with other member states. With the expansion, the SCO now represents over 40 per cent of the world's population and about 20 per cent of the global Gross Domestic Product (GDP). Prior to this expansion, the SCO member states had occupied a total area about 130,189,000 square km with a population of 1.455 billion people, which was almost a quarter of the global population.

Hence, the aim of this research paper is to analyse the prospects of Pakistan's relations with the CARs, especially after Pakistan has been successful in gaining the permanent membership of the SCO. The research questions that this paper will address include: What economic benefits can Pakistan gain through SCO? And how can Pakistan improve its relations with CARs?

The present research is qualitative in nature and based on a triangulation method which has been used at the data collection stage. Secondary source data used in this research include documents based on content analysis, historical description, as well as comparative and analytical reports. The documents include government publications, organisational reports, academic research papers, news, books, journals and electronic sources in order to reach the optimal results and conclusion.

This research paper consists of five sections. The first section offers a brief introduction, while the second section discusses the theoretical framework applied in this study. The importance of regional connectivity for Pakistan and its relations with the CARs have been discussed in the third section. The fourth section talks about Pakistan-SCO collaboration and the last section concludes the study.

Theoretical Framework

The theory of regionalism will be used to analyse the situation pertaining to the relations between Pakistan and the CARs and what can be done in order to further improve the relations between the two. The theory of regionalism considers a geographical region as the main entity of analysis and focus. It gives same or greater value and importance to a region as to the entity of a 'state.' It describes the trend of economic and political integration among different states within a particular region. Several experts argue that economic cooperation precedes the trend of political cooperation, e.g.,

Joseph S Nye states that if a region becomes economically integrated first, only then it will be essentially politically integrated as well.⁵ The theory of regionalism also states that different countries within a region, although act and behave as a unit (with the element of interdependence at its core) within the realm of international relations, the sovereignty, uniqueness and independence of each state is intact and respected as well. The EU is one of the best examples of the manifestation of regionalism in contemporary times.

The scholars differ as to whether or not regionalism is an effective or desirable organising mechanism in the international political system. The emergence of regionalism was followed by the establishment of regional organisations such as the EU to which many researchers, scholars and academicians have paid great attention after the World War II. Since then, the discourse on regionalism has been acclaimed for its potential and criticised for its limited capacity. However, in today's world, the concept of regionalism is well-established mechanism for international politics and it is difficult to imagine a world without it.

This is demonstrated in the continuing economic development process of existing organisational structures and their rules and regulations as well. However, the emerging regional powers have reshaped the structures according to their needs. The positive effects of regionalism can be seen in many parts of the world, where regional connectivity has enhanced and interdependency also created, which is essential for understanding mutual interests at the regional level. For example, China's approach to understanding the effects of regionalism is illustrative in the complex nature of the world economic system. As a powerful member of the SCO, China wants to share its economic benefits with the region as well as to the world. Regionalism has immense importance for its multidimensionality and it has become an appropriate approach for gaining advantages of regional resources and resolving conflicts between regional countries. Pakistan can take advantages of this theory by framing contemporary issues within the limits of the region.

⁵ Joseph S Nye, "Comparative Regional Integration: Concept and Measurement," May 22, 2009, <https://www.cambridge.org/core/journals/international-organization/article/comparative-regional-integration-concept-and-measurement/2DF9F79CF0DF4A4795B7B791BDDA8BFF>

Regional Connectivity and Relations with the Central Asian States

Regional connectivity is the linchpin for regional integration and development. Regional connectivity is a very broad and dynamic phenomenon that includes several aspects such as strategic, social and political cooperation. It has acquired profound significance throughout the world, particularly in the Central and South Asian context.⁶

The existing literature suggests that one of the main factors in the overall progress and sustainability of developed nations is their successful connectivity in their respective regions. For the peaceful and smooth progress of any country, durable and well-organised regional connectivity is of utmost importance. According to the contemporary principles of politics, Pakistan is no exception in this regard. Regional connectivity is very important for Pakistan as it is likely to reap a lot of benefits for the development of the country. Therefore, promoting regional connectivity remains a top priority of Pakistan.

Geographically, Pakistan shares its border with four countries: Iran, China, Afghanistan and India. It is important for the progress and prosperity of Pakistan to resolve and settle its issues with its neighbouring countries through peaceful dialogue. Addressing the security issues with the neighbours will ensure peace and stability in Pakistan. Securing border peace will not only provide physical and psychological security to the country but also encourage the foreign investors to invest in Pakistan, which ultimately leads to the progress and socio-economic development of the country and the region.

Since Pakistan's inception, historical legacies have been shaping the contours of Pakistan's foreign policy. For instance, Pakistan's relations with the Central Asian states can be viewed more accurately from the prism of the historical legacy that it shared with the former Soviet Union of the Socialist Republics (USSR). In 1991, the breakdown of the USSR led to the emergence of five countries in Central Asia which influenced the regional forces of the post-Cold War and thus, reshaped the preceding logic in Central and South Asia.

⁶ Nicola Contessi, "Central Eurasia and the New Great Game: Players, Moves, Outcomes and Scholarship," *Asian Security* 9, no. 3 (2013): 231-241.

Central Asia's historical heritage played an important role in establishing the connections between the Central and South Asian regions in the contemporary era. Central Asia is rich in raw material which can be exported to other countries, hence it presents itself as a promising region not only for trade and industrial goods but also for regular energy supply to other countries. For instance, Turkmenistan is home to the world's fifth largest reserves of natural gas worth of 7.94 trillion cubic metres.⁷ Hence, the energy-rich Central Asia is thus, seen as a prospective future home of energy for Pakistan.⁸

The geographical location of Pakistan serves as a natural conduit for energy corridors between the South and Central Asian regions. However, every route from Central Asia has to pass the disturbed land of Afghanistan, which has multiple security concerns. That is why in her first administration, the former Prime Minister of Pakistan, Benazir Bhutto, showed an interest to work on the old Silk Route for an energy pipeline from Central Asia to Pakistan and also securing access to the landlocked countries of Central Asia.⁹

In 2005, Gwadar port was completed with the investment of China and was officially inaugurated in 2007. In return, China gained access to the Persian Gulf and the Arabian Sea for the installation of power projects. Gwadar port can play a very important role in the socio-economic development of Pakistan, especially in the context of Balochistan. According to the 2009 agreement between China, Russia and Afghanistan, the three countries will construct a 1,306 km highway which will link Pakistan with Tajikistan and Afghanistan through Chitral and Iskatul, Ulkhana, Ishkashim, Khorugh, Kulaikhumb, Kulab, Kofimign and finally reach Dushanbe.¹⁰ This will enhance the efficiency of the supply of services

⁷ "Turkmenistan-Energy," Global Security,

<https://www.globalsecurity.org/military/world/centralasia/turkmen-energy.htm>

⁸ Muhammad Abdullah Avais et al., "China-Pak Economic Corridor: Social Analysis for Pakistan," *The Government-Annual Research Journal of Political Science* 5, no. 5 (2016).

⁹ Umbreen Javaid, "China's Interests and Challenges in South Asia," *South Asian Studies* 31, no. 2 (2016): 65.

¹⁰ Liang Tong, "CPEC Industrial Zones and China-Pakistan Capacity Cooperation," *Strategic Studies* 35, no. 1 (2015): 174-184.

and goods among these states.¹¹ Thus, there lies a unique opportunity for Pakistan in the form of SCO's permanent membership as it will facilitate Islamabad to enhance its strategic and economic postures in the SCO region.

Pakistan is located at a crossroads connecting South Asia, Central Asia, West Asia and Western China and it can provide the shortest route to the warm waters of the Arabian Sea for western China as well as Central Asia. To achieve the maximum out of this strategic location, connectivity shall be established as Pakistan's location serves as a gateway for the landlocked countries and could become a transit economy through Gwadar. Furthermore, due to the short distance from the Persian Gulf, which produces 65 per cent of the world's oil and almost half of the world's oil business takes place through Strait of Hormuz, geostrategic importance of Pakistan has already compelled China to connect with it through Gwadar port under the China-Pakistan Economic Corridor (CPEC). Gwadar port provides the only direct and shortest route between China and Central Asia with the Middle East and West Asia.¹² Afghanistan is strategically linked to Central and South Asia, hence it is placed in the southern neighbourhood of Tajikistan and Turkmenistan.

Pakistan-SCO Collaboration

Since 2015, the SCO emerged as a crucial actor in the world. Through this organisation, two important Eurasian giants, China and Russia, came together while many other member states have been given observer status or labelled as dialogue partners. In 2005, Pakistan was included as an observer state and later in 2010, it applied for its permanent membership. In the 2015 meeting of the Heads of the States in Ufa, Russia, it was decided to grant permanent membership to Pakistan.

Permanent membership for countries like Pakistan has great significance. Pakistan is a very important partner for all the SCO members to fight against the aforementioned "three evils." It provides an opportunity

¹¹ Shakeel Ahmed Ramay, "China-Pakistan Economic Corridor: A Chinese Dream being Materialised through Pakistan," Policy Brief, Sustainable Development Policy Institute (SDPI), 2016.

¹² Azhar Ahmad, "Gwadar: A Historical Kaleidoscope." *Policy Perspectives* 13, no. 2 (2016): 149-166.

for Pakistan to play its due role in the promotion of regional stability, anti-terrorism, trade and commerce.

As it is said about the SCO, it has the potential to change the politico-economic and strategic landscape of the world. Its members have a great opportunity to enhance regional connectivity and also have very rich resources of gas and oil manufacturing base.

The South Asian states are suffering from acute energy crises. Their energy demands will increase manifold in the coming years. The soaring growth of the population of South Asia is estimated to be 3 billion in the next two decades. This rapid growth of population will also enhance the energy requirement in the emerging Asian economies. The problem of energy shortages in the South Asian countries is similar. India suffered two power breakdowns in 2012, with the growing energy demand of 4 per cent. Likewise, Pakistan has been facing energy shortages since 2007 and its estimated requirement of power in 2030 will be 50,000 MW. Bangladesh's 30 per cent of rural households have access to electricity and half of the population is living without it. Nepal has been facing the worst electricity outages of 20 hours during the summer.¹³

Within the framework of the SCO, the South Asian countries have a great opportunity to start new energy projects, which not only provide energy but also promote economic integration. The two mega projects including Iran-Pakistan (IP) and Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipelines will be very much beneficial for the region and will especially address Pakistan's energy requirements. The fulfilment of energy demands will help in enhancing productivity and ultimately, improving the economic situation of Pakistan. Furthermore, the transit charges of the gas and oil pipelines will contribute millions of dollars to Pakistan's revenue.¹⁴

After the addition of Pakistan and India as permanent members, the economic imperative for both countries has been very clear. China is interested to invest in the South Asian region, for instance in the CPEC and

¹³ Zainab Ahmad, "Energy Crisis in South Asia: A Matter of Regional Cooperation," *South Asian Voices*, July 24, 2015.

¹⁴ Dipankar Banerjee, "China's One Belt One Road Initiative: An Indian Perspective." *Perspective*14 (2016).

Bangladesh-China-India-Myanmar (BCIM) corridor, which are the best examples of its economic investments.¹⁵

Pakistan's relationship with China has been further strengthened after the Astana meetings. Furthermore, inclusion in the SCO is itself a great message for the anti-Pakistan lobby. By joining the SCO, Pakistan holds more chance to thwart any attempt to isolate it diplomatically. The SCO's membership would help Pakistan to participate more effectively in the world order defined by regional connectivity. Similarly, interaction with the regional countries from an economic and political platform would help the world to understand Pakistan better.¹⁶

The SCO membership is also very important from the security point of view as Pakistan has been suffering from terrorism and extremism. The SCO is a great forum for Pakistan to share its experience and coordinate with the member states to eradicate terrorism from the region. Agreements signed between Islamabad and the SCO members, during the last few years, have unfortunately been not much successful due to lack of institutional cooperation. For Pakistan, the SCO's Regional Counter-Terrorism Structure (RATS) can be helpful in increasing cooperation and institutional agreement in a comprehensive manner. The SCO also provides an opportunity for Pakistan to strengthen its ties and increase trade with the European countries, which was a dream earlier.¹⁷ Coordination between Pakistan and India is very crucial for the regional development and stability of South Asia, which can also be achieved through the SCO. Coordination between India and Pakistan is also important for the development of the South Asian trade routes and energy corridors which can be helpful for economic stability and regional integration. For these reasons, the SCO can provide a

¹⁵ Antara Bhosal, "China's Vision for the Belt and Road in South Asia," *Diplomat*, March 2, 2019.

¹⁶ Charles E Ziegler, "Central Asia, the Shanghai Cooperation Organisation and American Foreign Policy: from Indifference to Engagement," *Asian Survey* 53, no. 3 (2013): 484-505.

¹⁷ Niklas Swanstrom, "The Security Dimension of the China-Central Asia Relationship: China's Military Engagement with Central Asian Countries," *Testimony, Given before the United States Congressional Commission on US-China Economic and Security Review*, Institute for Security and Development Policy, 2015.

neutral venue to both countries to discuss and address their concerns including Kashmir through dialogue and peaceful approaches.¹⁸

Economic prosperity is one of the important motives for every nation and economic ties are closely linked with foreign policy. Creating a peaceful and conducive environment for foreign firms is important to attract Foreign Direct Investment (FDI). The SCO can provide a forum for creating a soft image for enhancing trade relationships of Pakistan and also help to explore new markets for trade.¹⁹

Unfortunately, over the years, the image of Pakistan suffered a setback due to the presence of pro-Taliban forces. Pakistan has been invariably bracketed with militant extremism despite having contributed to War on Terror (WoT) substantially. Pakistan lost more than 60,000 lives. The SCO, with its more transparent ability to interact with its member countries culturally as well, holds the potential to change it. People to people contact and easy access to the Pakistani markets could be an effective mechanism. Pakistan has the opportunity to use the SCO forums to highlight its sacrifices and success against terrorism to improve its image in the region.

Situated at the crossroads of South West and South Asia, Pakistan offers the trade and energy linkages through its sea lanes to the landlocked CAR's by providing a communication highway. In fact, it can prospectively become a central hub of trade and communication. With three major emerging economic partners in the SCO, Pakistan can improve its existing infrastructure of energy resources. It can also initiate new infrastructure projects to maximise the potential of economic gains.

China's Belt and Road Initiative (BRI) is the strongest massive project of 65 nations that aimed to establish a modern Silk Road to connect the second largest economy of the world with Africa, Europe and Central Asia. The two main projects of BRI are "the Maritime Silk Road" (MSR) and the "Silk Road Economic Belt" (SREB). The CPEC is one of the cornerstones of this mega project through which China will acquire access to the Arabian Sea via Pakistan. Every corridor of the BRI has its own importance whether

¹⁸ Claude Rakisits, "A Path to the Sea: China's Pakistan Plan," *World Affairs* 178, no. 3 (2015): 67-75.

¹⁹ "Human Development Report, 2016," United Nations Development Programme.

it is through sea or land but none of these are as important as the CPEC, especially in the context of strategic locations.²⁰

The completion of BRI will help it connect with the world through its own borders. Once it gets streamlined, it will help connect the continents from East Asia to Europe and on the other hand South Asia to East Africa through the Pacific, the Mediterranean and Indian oceans. This route will be cost-effective for a faster trade in the world.²¹

China has been facing problems, especially in those countries which have defence pacts with Japan and the US, like Vietnam, Philippines, Taiwan, Malaysia and Brunei. All these countries have troublesome relations with China due to the BRI project. Therefore, China is looking to re-route its trade and Gwadar can be a safe option after China's own ports within its own borders. Transportation for China from the Middle East through the Strait of Malacca currently takes about 45 days which can be reduced to just 10 days via Gwadar. Apart from cost and time effectiveness, Gwadar port is the safest route for China. Due to the aforementioned reasons, the CPEC has a pivotal role to play in the completion of the BRI vision.²²

According to Xi Jinping's vision of BRI, Pakistan is one of the largest beneficiaries of the 65 nations as it is strategically closest to China.²³ The latest example of its benefits is the CPEC. The vision is to link Kashgar to the Gwadar port. The strategic interest of China is to get access through the Arabian Sea, which is a choke point with Singapore at one end and India at the other. In return, Pakistan will get the biggest infrastructural development by China.

²⁰ Mubeen Adnan and Bushra Fatima, "Strategic and Economic Interests of Pakistan and India in Central Asia," *South Asian Studies* 30, no. 2 (2015): 187.

²¹ Alexander Cooley, "China's Changing Role in Central Asia and Implications for US Policy: From Trading Partner to Collective Goods Provider," Remarks for Looking West: China and Central Asia, US-China Economic and Security Review Commission, 2015.

²² SM Hali et al, "One Belt and One Road: Impact on China-Pakistan Economic Corridor," *Strategic Studies* 34, no. 4 (2015): 147-164.

²³ Umbreen Javaid and Rameesha Javaid, "Strengthening Geo-Strategic Bond of Pakistan and China through Geo-Economic Configuration," *Pakistan Economic and Social Review* 54, no. 1 (2016).

China is ready to invest more than US\$55 billion in Pakistan for the installation of new power plants and upgrading of roads and railways to improve infrastructure. According to the Pakistan Business Council, this project is equal to 20 per cent of the country's GDP for the period of the next five years and will increase its growth by three per cent points.²⁴

For Pakistan, this membership will help in combating terrorism while sharing the challenges and experiences with the member states. It will also help to boost the economy of Pakistan. Membership of the SCO has given new direction and boosted the economic and political relations of Pakistan with all member states and especially with China and the Central Asian states. The Asian Development Bank (ADB) has identified 52 potential roads to connect the CARs and five seaports to connect Iran, Afghanistan and Pakistan. The Pakistani ports will be connected through 31 roads to central Asia which will increase regional trade by 160 per cent.²⁵ This corridor will foster economic diversification to the whole region. Possible routes from Pakistan to Central Asian states are:

- i Karachi-Taftan-Zahidan-Tehran-Astara-Baku
- ii Taftan-Zahidan-Mashad-Badajiran-Ashkabad
- iii Karachi-Chaman-Peshawar-Gilgit
- iv Chaman-Khandhar-Heart-Kushka
- v Peshawar- Kabul-Termiz
- vi Gilgit-Kunjerab-Bishkek-Alma Ata

Conclusion

Since 2015, the SCO appeared to be one of the influential organisations in the world. It has changed its structure and broadened its objectives over time but it would be fair to say that it is still in the evolving stage. The more recent development of the SCO was the 2017 Astana meeting of Heads of the States where permanent membership status were granted to Pakistan and India. Both countries are major stakeholders in South Asia after China.

²⁴ Abid Mussarat and Ayesha Shafaq, "CPEC: Challenges and Opportunities for Pakistan," *Journal of Pakistan Vision* 16, no. 2 (2015): 142-169.

²⁵ Dag Arne Christensen and Jacob Aars, "Does Democracy Decrease Fear of Terrorism?," *Terrorism and Political Violence* (2017): 1-17.

The Astana summit has given a new direction to the foreign relations of Pakistan through which it has a great opportunity to boost its economy. BRI is China's master plan and the CPEC is considered as its backbone by all stakeholders. After the completion of the CPEC and its linkages with the corridor, the Gwadar port will become the nearest and largest seaport for all landlocked countries. This aspect of the CPEC will be very important for all the Central and West Asian countries facilitating the completion of BRI.

BRI will bring economic benefits and prosperity to Pakistan, China and other neighbouring states. As the US, India and Japan have reservations regarding these plans, Pakistan needs to act wisely and skilfully. The strategic proximity of Pakistan makes it a hub for Central Asian, South Asian and Russia-China nexus for connectivity and trade. The location of Pakistan is ideal among all the regions of Asia and can offer the shortest sea route to the landlocked countries. This unique position of Pakistan can strengthen the linkages between all stakeholders for trade and integration. Permanent membership of Pakistan in the SCO in the Astana summit has, therefore, strengthened its ties with all the member states and especially with the CARs on the one hand, while on the other hand, it has provided an opportunity to Pakistan to resolve its issues including border, energy and economic. This is an opportunity that Pakistan must take full advantage of.