



Regional Integration Roundtable Series

Pakistan and the SCO

Building Common Understanding



CPGS

Centre for Pakistan and Gulf Studies
مرکز دراسات پاکستان والخليج

INNOVATING FUTURE

**A LEADING RESEARCH INSTITUTE ON GLOBAL SECURITY,
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Background

The Shanghai Cooperation Organization (SCO) is a permanent international organization formally created on 15 June 2001 in Shanghai, China. It was originally comprised of six states, i.e. the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan. Geographically, its member states cover an area of about three fifths of Eurasia, with a population of 1.455 billion – about a quarter of the world's total. The working languages of the SCO are Chinese and Russian.

SCO evolved out of the 'Shanghai Five Mechanism', which was established between the states of China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan to strengthen confidence-building and disarmament in their border regions after the disintegration of the Soviet Union. To control the civil wars in the Central Asian States (CARs), in 1996, a Treaty on 'Deepening Military Trust in the Border Regions' was concluded between the heads of state in Shanghai. Later in 1997, an additional Treaty on 'Reduction of Military Forces in Border Regions' was signed in Moscow. As the first meeting of the five heads of state took place in Shanghai, the cooperation mechanism came to be known as the "Shanghai Five".

In June 2001, the heads of states of Shanghai Five and the President of Uzbekistan met in Shanghai and signed a joint Declaration on the Establishment of the Shanghai Cooperation Organization. Uzbekistan joined as the organization's sixth member. The SCO charter was signed by the heads of the member states in St. Petersburg in June 2002. The charter detailed the purposes and principles, organizational structure, form of operation, cooperation, orientation and external relations of the SCO.

An annual meeting is held in the respective member states of SCO alternately. The agenda of the organization has extended from building trust in the border



regions to mutually beneficial cooperation in the political, security, diplomatic, economic, trade and other related areas.

Main objectives of SCO are;

- a) Promoting **good-neighborly relations** among the member countries;
- b) Strengthening **mutual confidence**;
- c) Promoting **effective cooperation in politics, trade and economy**;
- d) Collaborating in **science and technology** ventures;
- e) Enhancing cooperation in the field of **energy, transportation, culture and tourism**;
- f) Ensuring **peace, security and stability** in the region;
- g) Enhancing **mutual collaboration in fighting separatism, militancy, and terrorism, and promote the establishment of a new, democratic, just and rational political and economic international order.**

Heads of State Council (HSC) is the **highest decision-making body** in the SCO, which **meets annually** to take decisions and give instructions on all important issues of SCO activity. The second body, **Heads of Government Council (HGC)** also meets once a year to discuss the strategy for multilateral cooperation and priority directions within the framework of the organization, address pressing economic issues of cooperation as well as adopt an annual budget. A **Council of National Coordinators of SCO Member States (CNC)** coordinates interaction amongst member states within the SCO framework.

The SCO has two permanent bodies, the **Secretariat** and the **Regional Counter-Terrorism Structure (RCTS)**, in Beijing and Tashkent respectively. Its Secretary-General and RCTS Executive Committee Director are appointed by the HSC for a period of three years.

Over the years, as the organization has continues to grow and flourish, its role has expanded. Five regional countries i.e. Mongolia, Pakistan, India, Iran, and



Afghanistan have joined as observers. Turkey, Sri Lanka and Belarus are dialogue partners. If the population of observer countries is added to that of the member's countries, it covers nearly half of the world's population.

Pakistan and Shanghai Cooperation Organization (SCO)

Geo-strategically and geo-politically, Pakistan and the SCO member states share common interests and tackle common threats. For SCO, the issues of separatism, militancy, extremism, terrorism and drug trafficking are of grave concern, whereas Pakistan is at the front line of all the battles against these challenges. This commonality of purpose has eased prospects for enhanced cooperation between the two, which strengthens Pakistan's case for full membership. Against this backdrop, SCO member states have also supported Pakistan's position as a member country. Pakistan is currently an observer state, and its full membership status is under consideration. China, in this regard, has affirmed its support for the extension of full membership to Pakistan.



Key Issues

For effective discussion and to delimit the scope of an otherwise extensive debate, the following key issues were identified prior to the roundtable;

- i. *What are Pakistan's prospects for membership of SCO?*
- ii. *What are the common grounds that bring Pakistan and the SCO onto a single platform?*
- iii. *How can Pakistan represent the interests of SCO?*
- iv. *Can SCO play a role in conflict resolution in the South Asian region?*
- v. *How can Pakistan neutralize the 'US factor' vis-à-vis SCO?*
- vi. *Will the expanded SCO (including Pakistan, India and Afghanistan), have the ability to settle the remaining explosive hotspots in Asia, like Afghanistan and Kashmir?*

Discussion Summary

SCO: The Historical Context

After the dissolution of the Soviet Union, the Central Asian States (CARs), China and Russia were faced with four fundamental challenges; Separatism, Terrorism, Extremism and Drug Trafficking.

Among the member states, Russia and China have a significant role because of their global and regional importance as major powers. Initially, the Russian Federation was betwixt and between whether to focus its interests; in Europe or in Asia. Its efforts to bolster cooperation with the West and to prevent the Eastward expansion of NATO, particularly towards the energy rich Central Asia, did not succeed. This was cause for deep concern for Russia, as it regarded this region as "Near Abroad", with extensive Russian influence through the Commonwealth of Independent States (CIS). China was also concerned about



the growing American influence in Central Asia, a region from where it hoped to meet its growing energy requirements. Further concerns unsettling China included supply of sophisticated weapons and aircraft by the US to Taiwan, in violation of Sino-US agreements. The gradual rapprochement between Russia and China since 1989 cumulated in the signing of a “strategic partnership” in 1996, which in turn led to closer links with three Central Asian States and the establishment of the Shanghai Five arrangement for enhancing security. In 2001, Shanghai Five mechanism was upgraded into the SCO.

Structure and Functions of SCO

The Philip Taylor model on regional organizations argues that in order to understand the nature of an organization, understanding the nature of the relationship of its members, its structure, functions and statutes is vital. With regard to the SCO, the relationship among the member countries is significant. Russia and China as two major powers with strong economies, have over the years improved their relations. Both have managed to establish a ‘harmony of interests’. Formerly, all member states were faced with the problems of separatism, terrorism, drug trafficking and growing influence of the West; these collective problems brought them onto a single platform. It can therefore be argued that initially the primary drivers behind the SCO were security-oriented.

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Now the focus of the SCO has shifted towards economic development and regional trade. If the SCO is compared with the European Union (EU) or the Association of South East Asian Nations (ASEAN), for example, both the EU and



ASEAN were formed for economic integration and development, unlike the security-based orientation of the SCO. However, the difference is that the interstate relationships in the cases of the EU and ASEAN were managed by security guarantees from the United States. In the case of the SCO, however, there were no such guarantees from the outside world. This factor has been responsible for the slow pace of integration amongst SCO states.

The structure and functions of the SCO today focus on both the security and economic aspects of the organization, on account of which the argument for the SCO's recent tilt towards economic cooperation is made. The SCO has joint mechanisms for counter-terrorism as well as drug trafficking, with an increasing focus on economic ventures. The most interesting feature of this organization is that it is balanced by the presence of two major powers, while the smaller states of the region have greater economic potential, in terms of oil and gas reserves. Such balance helps reduce the chances of manipulation of the organization by the major powers. Moreover, China's success as an economic power on world stage is increasingly making the SCO stronger in comparison to other regional organizations.

SCO and Geo-politics

In Western Countries, the SCO is sometimes known as the "Eastern NATO". This perception is far from the truth. While member states certainly do have some military cooperation, the SCO does not have a standing army. It is certainly not like NATO, or even like the old "Warsaw Pact". The SCO has enhanced the internal security of the region against the core issues that led to its formation, and to some extent restricted the further expansion of NATO, thereby achieving its objective of halting the extension of Western influence in the region.



Pakistan's Historical Ties with CARs

Pakistan has deep cultural and religious affinity and historical links with Central Asia. Its ties with CARs were at a standstill when that region was a part of the USSR, but in 1991, with the dissolution of the USSR, this changed. In December 1991, Pakistan accorded formal recognition to the Russian Federation and other states, including the Central Asian States, with a vision to develop close cooperation with newly independent states of Central Asia.

In November 1992, these six new states - Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan and Azerbaijan as well as Afghanistan - were formally admitted as members of expanded Economic Cooperation Organization (ECO) - the organization that was born of the 'Regional Cooperation for Development (RCD)', Pakistan's initiative for regional development. This increased the total membership of the ECO from the original three to ten members.

In February 1993, ECO Foreign Ministers Conference was organized by Pakistan, in Quetta, Baluchistan. A detailed "Quetta Plan of Action" was adopted for developing close Economic and Trade relations and building road and railway lines for providing access to the sea to the landlocked Central Asian states at Gwadar. There was a great potential in Central Asia to become a region of progress and prosperity. Unfortunately, continued conflict and instability in Afghanistan has proven to be the greatest barrier in this regard. Nonetheless, ECO has made progress in various fields, and Pakistan's links with Central Asian States, including the four members of SCO, have been strengthened.



Limiting American Influence

Questions were raised during the discussion with regard to the American influence in the region, as two of the SCO member states are strategic competitors with the United States. Russia and the US have time and again been faced with difficult relations at best, and **India has been pitted against China with American support to counter the Chinese influence in the region.** In this context, it is important to note that India and China have recently improved their bilateral trade to a great extent. The US has also had to accommodate China as a potential cooperator, as the former faces economic challenges, as well as insurgency in Afghanistan. For Pakistan, given the ever-evolving geo-political alignments in the region, it would not be a prudent strategy to engage in either containment or strategic rivalry.

SCO has played a positive role in reducing tensions, settling border disputes, maintaining stability and developing cooperation between member states

SCO: Case for Pakistan's Membership

Pakistan was admitted to the SCO as an Observer in 2005, and has attended all important meetings of the organization. Pakistan's leaders have been pushing the country's case for full membership, and China, an important member of the SCO and time-tested, all weather friend of Pakistan has supported this bid. Four Central Asian members of the SCO are Pakistan's friends and partners in the ECO, and enjoy strong bilateral ties with the latter. As a victim of the three 'evils' of "Terrorism, Extremism and Separatism", the country has followed developments in Central Asia with great interest, and has been very keen to learn from the experiences of the SCO member states.

Participation in SCO meetings has also provided Pakistan the **opportunity to increase contacts and cooperation with the Russian Federation.** The criterion



for admission of new members was decided in 2010. In 2011, even the Russian Federation supported Pakistan's full membership. Similarly, Russia has also supported India's membership, and China has reciprocated by giving its consent.

In West Asia, Pakistan developed close cooperation with the Middle East, with whom it has strong historical, cultural and religious bonds. In 1964, Pakistan started Regional Cooperation with Iran and Turkey by creating an institution known as 'Regional Cooperation for Development (RCD)', with headquarters at Tehran. RCD was discontinued after the Iranian Revolution of 1979, but it was revived in 1985, under a new name - the Economic Cooperation Organization (ECO), with which many of the SCO member states are now affiliated.

Four Central Asian members of SCO are Pakistan's friends and partners in the ECO, and they also have strong bilateral ties with Pakistan

Pakistan's geography, history and cultural background place it in a unique strategic position. It lies at the tri-junction of South Asia, West Asia, and Central Asia, and can effectively act as a conduit between the SCO and the rest of the world.

At the next SCO Summit, Mongolia, Pakistan, India, Iran and possibly Afghanistan are expected to become full members.



Role of SCO: Prospects of lowering Tensions in South Asia

An interesting aspect of the SCO is that it started as an organization to address security concerns, border tensions, border disputes, cross-border smuggling, terrorism, extremism, separatism etc. Gradually it has moved towards political issues, economic and cultural cooperation. Most other regional organizations including EEC, ASEAN, SAARC, ECO, started with agenda of economic cooperation and some gradually moved to political and security cooperation. While the EEC has grown into the European Union, the SCO since 2007 is moving towards Regional Economic Cooperation, via big projects in the energy sector.

The SCO has played a positive role in reducing tensions, settling border disputes, maintaining stability and developing cooperation between its original member states. It is also clear that the SCO will soon be expanded, and full membership accorded to various observers. When Pakistan and India are admitted as full members of the SCO, they will be expected to honor the spirit and rules of the organization. This can only be a step towards normalization of relations between the two states, if perhaps of limited efficacy.